

2023-24

CSQ Industry Outlook

At a Glance

Significant state-driven projects will keep the construction industry busy as Queensland enters its next phase of growth. While a slowdown is inevitable for the Queensland economy, a mild downturn seems the most likely scenario for the industry.

Skilled labour remains biggest challenge

- Industry is still struggling to find enough people despite surging annual wage growth (3.9% in Q1 2023) and return of international workers.
- Wage subsidies boosted the number of construction apprentices in-training in Queensland, brightening the medium-to-long-term outlook.
- Construction trade numbers are growing too slowly for immediate impact.

Construction apprentice commencements, Qld

Source: NCVET, CSQ
Note: Seasonally adjusted



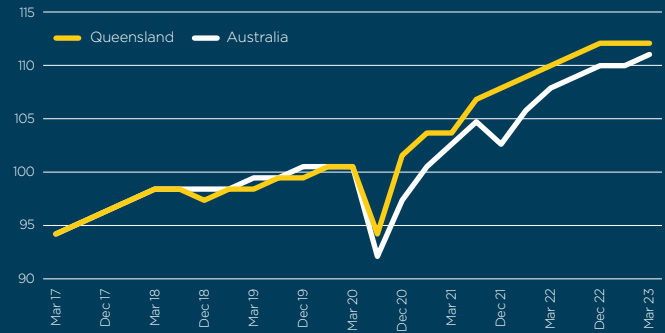
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Queensland economy slower but steady

- Queensland's economy softened in Q4 2022, but growth returned in Q1 2023 (0.4% growth).
- Consecutive interest rate rises have weakened household consumption.
- A slowdown is coming but it will be milder.

Economic activity index

Source: ABS, CSQ
Note: Domestic demand; Index: 100=Dec 2019

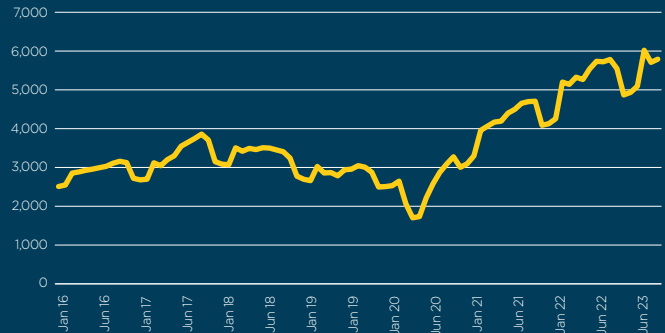


Demand for workers continues

- Labour markets remain tight.
- State unemployment rate still around historically low level.
- Job vacancies up 10.5% on last year (to February 2023).
- Demand for civil engineering occupations expected to rise in line with heavy civil workload.

Job vacancies

Source: JSA, CSQ

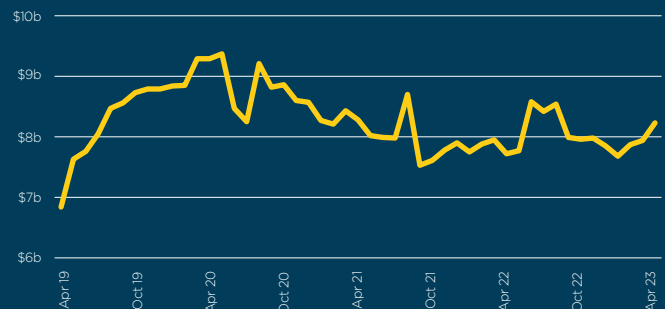


Commercial construction holds firm

- Residential building boom is well and truly over.
- In contrast, non-residential construction approvals have seen a recent uptick.
- Increased public sector activity is behind the uptick, mainly in health and education buildings.

Non-residential approvals, Qld

Source: ABS, CSQ
Note: Inflation adjusted

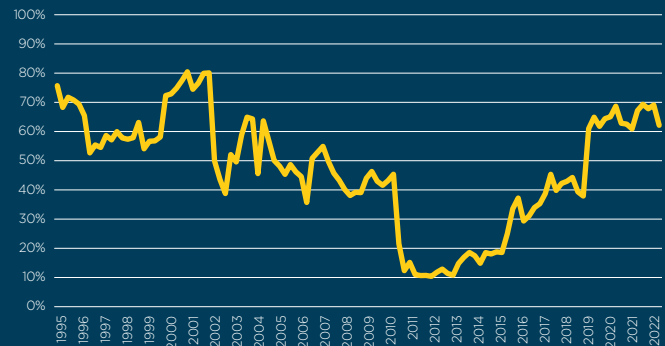


Public sector projects dominate

- Public sector still holds more than 60% share of engineering construction projects.
- State has planned for a record 4-year capital build program of \$89 billion.
- Key areas include energy, health, water and 2032 Brisbane Olympics.
- Gap between 'work yet to be done' and 'work actually done' has widened significantly – the work rate needs to lift.

Public sector % share of engineering construction, Qld

Source: ABS



Construction Skills Queensland (CSQ) provides the Queensland building and construction industry with information and skills needed for a strong and sustainable future. The 2023-24 CSQ Training Plan outlines our \$50 million training and workforce investment to boost the capability and agility of Queensland's building and construction industry. We will continue to support the training, upskilling and reskilling of workers in these challenging times.

