

CSQ Industry Outlook

At a Glance

Construction activity in Queensland is set for substantial growth over the coming years.

The state has strong foundations for demand, fueled by population growth, net zero transition, and the Brisbane 2032 Games. The Queensland Government's largest-ever capital program over the next four years (The Big Build) will see significant investments into critical infrastructure including transport, energy, health, housing, education, and water.

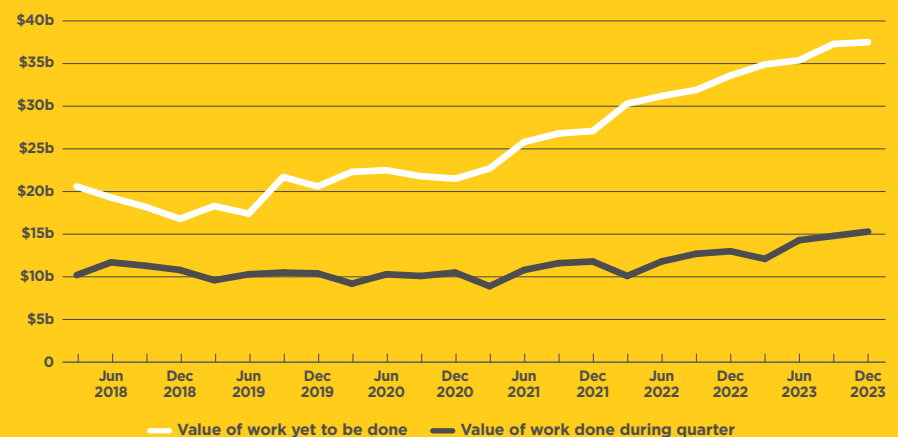
This transformative decade of concurrent infrastructure development across the different investment streams and regions will intensify the demand for construction workers from an already constrained pool.

Construction backlog reaches new high

- Unfinished construction work in the state reached the highest level in years in 2023.
- The gap between the value of 'work yet to be done' and 'work done' has widened significantly.
- Unless work on the ground accelerates, new activity will continue adding to this backlog.

Value of work yet to be done and work done, Qld

Source: ABS

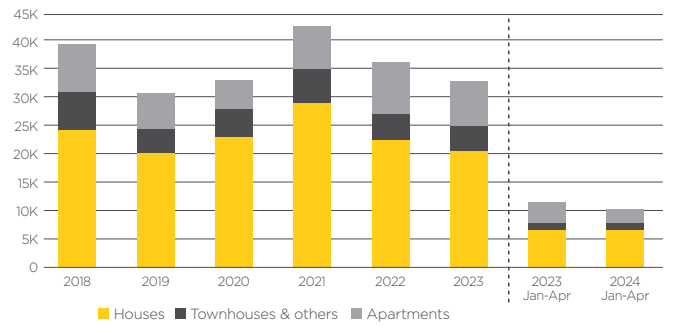


A slowdown in residential approvals

- Challenging conditions have slowed new residential dwelling approvals.
- Around 33,000 new dwellings were approved in 2023, 23% lower than 2021 peak and around 9% less than 2022.
- The decline was spread across all types of dwellings.
- The declining trend has continued into 2024 (10% y-o-y drop in the first 4 months).

Number of new residential dwellings approvals by type, Qld

Source: ABS

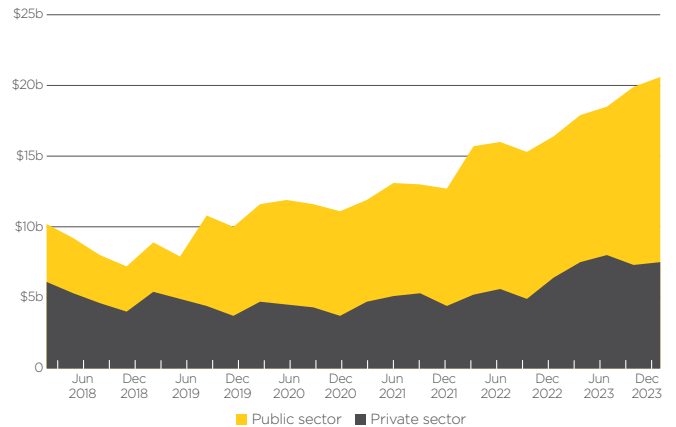


An uptick in non-residential and engineering construction

- Non-residential building approvals reached a record high in 2023; almost \$20 billion.
- This was driven by the Queensland Government's Health Big Build.
- Public sector dominates the growing backlog of engineering activity, with 64% share.
- Most of the public sector work includes bridges, railways, harbours (42%), water (26%) and roads, highways and sub-divisions (23%).
- The state's largest-ever infrastructure investment over the next four-years will add more work into this engineering backlog.

Engineering work yet to be done by sector, Qld

Source: ABS

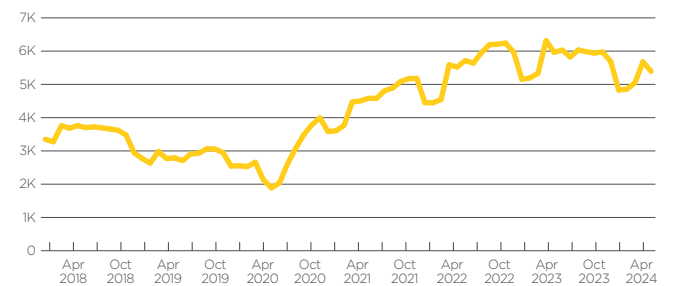


Worker shortages a key challenge

- Queensland's labour market conditions are still tight.
- An overall unemployment rate of 4.1% (May 2024), and an even lower 1.9% within the construction industry, indicates limited spare capacity.
- Internet vacancies for construction trades jobs have shot up from the pandemic lows.
- Job postings were up 20% in April 2024 from April 2021.

Number of internet vacancies, construction trades jobs, Qld

Source: JSA, CSQ



Apprentices and female participation important supply streams

- There are around 29,000 construction apprentices training (as of December 2023) in the state.
- Commencements dropped 21% in 2023 from 2022.
- Share of new apprentices starting in heavy and civil engineering remain low, accounting for only 9.5% of the construction industry commencements at the close of 2023.
- Female construction employment ticked-up (15.6%) in May 2024 from same period in 2023.
- Yet, female representation in construction workforce remains low (17%), and much lower in trades jobs (5%).

Heavy & civil engineering share of construction industry apprentice commencements, Qld

Source: NCVER, CSQ

