

MARKET SNAPSHOT



17 JUNE 2020

As Australia and New Zealand emerge from the coronavirus crisis, construction has continued to be flagged as a critical sector for economic recovery. Few sectors make as significant a contribution to GDP and employment as construction and all the connected manufacturing, supply and services industries. Australia and New Zealand's leaders are backing the sector to play a pivotal role through substantial government investment and fast-tracked approvals. Take a look into some of the construction stimulus measures and just a handful of the many projects benefitting.

Western Australia

Economic stimulus package

We are expecting the main contract for the Seaforth Primary School upgrade to be awarded in late August 2020.
BCI Project ID 201862017

Queensland

Renewing Our Schools Program

We have 3 builders named as having tendered on the Sarina State High School Performing Arts & Sports Hall, and expect the contract to be announced within the next 3 – 4 weeks.
BCI Project ID 176995017

New South Wales

NSW Planning System Acceleration Program

The Sydney Fish Market relocation project is progressing, with the next step being tender submissions from selected design builders. We're also expecting the project manager contract to be awarded shortly.
BCI Project ID 1786010

South Australia

Economic stimulus package

Funding has been approved for the North-South Corridor upgrade between Anzac Highway – Southern Expressway.
BCI Project ID 16502021

Victoria

Building Victoria's Recovery Taskforce

Southbank by Beulah – The Green Spine (a joint venture design between Cox Architecture & UN Studio) has received development approval.
BCI Project ID 125330017

New Zealand

Infrastructure stimulus programme

The project management services contract has been awarded for the Theatre Royal & Heritage Precinct, with announcement of the design services consultancy contract expected soon and to be followed by a tender for the construction contract.
BCI Project ID 1514023



NEW ZEALAND

- Prior to the impact of the coronavirus outbreak, the government had already announced economic stimulus measures, including the NZD \$12 billion infrastructure stimulus programme.
- In April the government established the Infrastructure Industry Reference Group, tasked with looking for projects with a value of more than NZD \$10 million that could enter construction as soon the industry can restart after the COVID-19 stand-down. A list of 802 submissions was sent to Cabinet Ministers for consideration with the list expected to be cut further before the successful projects are announced.



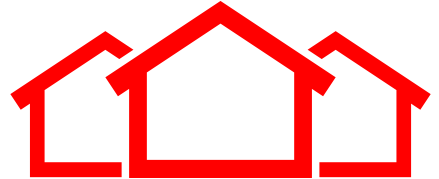
AUSTRALIA

- Prime Minister Scott Morrison announced AUD \$1.5 billion in federal funding to prioritise 15 major road and infrastructure projects across Australia's states and territories.
- In addition, the Infrastructure Stimulus Package targeted at projects for local councils will provide AUD \$500 million for local roads and community infrastructure and an AUD \$1.3 billion fast-tracked grant program with funds to be available from 1 July.



VICTORIA

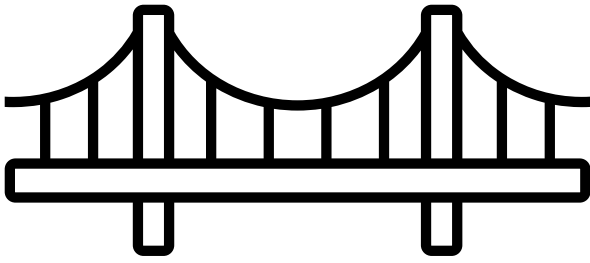
- Formation of the Building Victoria's Recovery Taskforce began by fast-tracking approval of four landmark projects in April. In May, the Taskforce approved more projects including 5 major projects with a value of over AUD \$800 million and continued to request submissions of projects with suitable state and regional priority.
- AUD \$2.7 billion boost to construction aimed at "shovel-ready" projects mainly in education infrastructure and public and community housing, some of which are already 'in the works' or previously announced.



NEW SOUTH WALES

- The Planning System Acceleration Program aims to cut red tape and expedite assessment processes.
- Fast-tracked assessments for projects where development approvals are capable of proceeding to construction within 6 months have been announced, with Tranche One in April comprising 24 projects and planning proposals, and Tranche Two in May comprising 16 projects and 8 planning proposals.
- AUD \$70 million earmarked for housing infrastructure (drainage, roads, parks etc.) to allow already-approved housing developments to get started.





QUEENSLAND

- The AUD \$200 million Works for Queensland COVID Recovery Package is to support local jobs and local governments with funding for building productive infrastructure.
- AUD \$235 million was invested in the Renewing Our Schools program, which will upgrade education infrastructure across the state.
- An agreement with the federal government was reached to bring forward construction and upgrade works proposed as part of the Roads of Strategic Importance (ROSI) initiative.
- In May, an AUD \$400 million Accelerated Works Program was announced with a substantial capital and maintenance roads program.

SOUTH AUSTRALIA

The state's AUD \$1 billion economic stimulus package includes over \$130 million for new infrastructure projects, targeted regional road repairs and major highways.

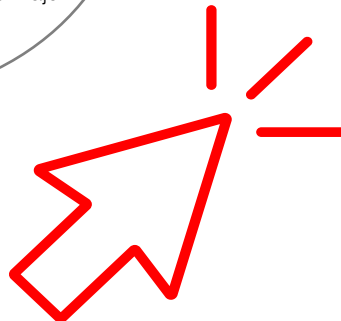
WESTERN AUSTRALIA

- A state-wide Construction Panel was established to expedite delivery of projects across WA, with:
 - New streamlined process for transport construction contracts worth up to AUD \$20 million
 - Support for small to mid-sized contractors during the COVID-19 crisis
 - More than AUD \$140 million of road and maritime projects including vital road safety
- Main Roads is also fast-tracking the tendering process for a number of large-scale road projects, worth AUD \$2.37 billion and estimated to create 13,000 jobs.



WANT MORE INFORMATION?

BCI is committed to supporting your business through the current construction climate. Our Research Department is in daily contact with hundreds of industry decision makers in addition to councils and other regulatory bodies, to find out exactly what is currently happening in construction straight from the source. For more comprehensive information on all aspects of the construction market, [click here](#) to contact the BCI team.



PROJECT OVERVIEW

This Market Snapshot provides an overview of what has been happening in 5 major construction categories across the public and private sectors from 3 May – 3 June 2020. We've focused on key milestones in the development process, as well as the overall volume of ongoing work in each category.

ANZ	Civil	
	#	AUD million
Projects in development application stage	104	26,883
Projects in development approval stage	263	75,137
Projects in tender stage	248	2,557
Projects in contract awarded stage	257	3,565
Projects commenced in the date range	220	873
Total private projects	277	35,984
Total public projects	815	73,031
Total projects reported	1,092	109,015

ANZ	Commercial	
	#	AUD million
Projects in development application stage	213	1,960
Projects in development approval stage	273	18,096
Projects in tender stage	67	528
Projects in contract awarded stage	134	998
Projects commenced in the date range	72	321
Total private projects	679	19,764
Total public projects	80	2,139
Total projects reported	759	21,903

ANZ	Industrial	
	#	AUD million
Projects in development application stage	114	24,185
Projects in development approval stage	209	9,969
Projects in tender stage	57	264
Projects in contract awarded stage	152	554
Projects commenced in the date range	97	206
Total private projects	476	27,412
Total public projects	153	7,766
Total projects reported	629	35,178

ANZ	Residential	
	#	AUD million
Projects in development application stage	685	8,647
Projects in development approval stage	757	46,966
Projects in tender stage	40	319
Projects in contract awarded stage	614	4,408
Projects commenced in the date range	260	1,068
Total private projects	2,262	55,738
Total public projects	94	5,670
Total projects reported	2,356	61,408

ANZ	Services	
	#	AUD million
Projects in development application stage	177	3,107
Projects in development approval stage	329	21,018
Projects in tender stage	323	1,115
Projects in contract awarded stage	352	1,897
Projects commenced in the date range	254	1,311
Total private projects	477	10,935
Total public projects	958	17,513
Total projects reported	1,435	28,448

Please note

The figures in this report are based on reliable sources and direct feedback from project contacts, but are subject to change. Future updates will be adapted to capture the current state of the market. Information utilised in this report is current as of 16 June 2020. This information has been prepared without taking your specific needs or objectives into account. Because of this you should consider its appropriateness with regard to your objectives or needs before acting on this information. BCI Australia does not warrant the accuracy or completeness of the information in this publication, and accepts no, and disclaims all, liability for any loss or damage whether occasioned by reliance on such information or otherwise. The information is subject to change without notice and BCI Australia is under no obligation to update the information or correct any inaccuracy which may become apparent at a later date.