

**News Release – for immediate release
Wednesday 5th May 2010**

The Australian construction market has weathered with remarkable resilience what could have been the worst downturn in living memory - or has it?

BCI Australia, the leading provider of project leads information in Australia & Southeast Asia, has released their semi-annual construction outlook report - *Exploring the Opportunities - Australian Construction Market Outlook 2010/2011*. The report intends to shed light on how important segments of the construction market will emerge from the downturn, and to provide tangible information for decision makers to act upon.

What structural and cyclical weaknesses did the stimulus packages obscure, and will these weaknesses of demand catch up to us now that the public funding has run out? And importantly, looking ahead, what are the opportunities in the new fiscal year of 2010/2011? BCI seeks to provide some of the answers. As the nation's leading construction research organisation, BCI have set out to identify the lucrative market segments, the promising pockets of demand that can keep builders, subbies and suppliers going even as the post-*BER* hangover sets in. By analysing close to 300,000 projects (or over 6 gigabyte of data) BCI endeavors to assist decision makers to plan intelligently for what the new fiscal year has in store.

Some of the findings:

- BCI expects the total construction projects market to grow at a rate of 3.9% in the upcoming fiscal year of 2010/2011.
- Infrastructure construction is experiencing reasonable growth this fiscal year 2009/2010 (+8.4%) buoyed by increased stimulus funding under the government's substantial infrastructure programs and the resurgence of the resources boom. This strong performance is set to continue in 2010/2011 with +11.0% growth forecasted.
- Building construction is slated to decline in 2009/2010 as much as -18.1% against the prior year. In 2010/2011, building construction can be expected to travel sideways (-2.0%).
- The value of educational projects commencing construction in FY 2009/2010 according to BCI research was a stunning \$9.178 billion, 27% of the total value of building construction, aided significantly by the government sponsored stimulus program.

CEO of BCI Group, Matthias Krups, commented: "One could think construction firms have in the recent months been almost too busy for their own good. As a tsunami of school projects across Australia get completed – particularly in states where they were first to get out of the starting blocks – an eerie sense of 'what next?' is taking hold."

Extract:

Between the states there are significant differences in the outlook for 2010/2011. Strictly in terms of non-residential and multi residential building construction, BCI expects the following development of construction commencement values:

- ⌘ NSW: -24%
- ⌘ QLD/NT: -3%
- ⌘ VIC/TAS: +40%
- ⌘ SA: +11%
- ⌘ WA: -17%

Ends

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