



CONSTRUCTION

100

2010-2011

Australia's 100 Largest Commercial Construction Companies

Produced by



Housing Industry Association
Economics Group

HIA-Cordell Construction 100 2010/11

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The Construction 100

The most active non-residential construction companies in 2010/11

The construction sector trudged ahead in 2010/11, bolstered by the final remnants of fiscal stimulus and the nascent private sector investment recovery. The last of the Federal Government infrastructure expenditure stimulus, most notably the Building the Education Revolution (BER) program and the Social Housing Initiative (SHI), was pivotal to the improved value of work done over the year.

In 2010/11 (for the purposes of this report - year to March 2011) total work done on non-residential construction increased by 10.4 per cent to \$116.9 billion.

Although only a small contributor to overall non-residential construction activity, the multi-unit sector was the standout performer with growth of 24.1 per cent over the year to \$13.6 billion. The SHI was obviously highly influential in this result. Significant increases were also evident across the other key sectors: non-residential building (+10.6 per cent to \$36.4 billion) and private sector engineering construction (+7.9 per cent to \$66.9 billion).

Size and Composition of the Industry

For the record, the non-residential construction industry, as defined in this report, consists of:

- Non-residential building: mainly commercial, industrial, education, and health-care buildings;
- Engineering construction: mainly roads, railways, telecommunications, and power, water and sewerage infrastructure;
- Multi-unit ('other dwelling') residential housing.

The measurement of the non-residential sector excludes the market for new detached houses and for renovations to housing and excludes engineering construction carried out by the public sector's own workforce. For the purposes of this report, mining relates to construction undertaken on a mining site, and excludes core mining activities such as drilling. A significant proportion of non-residential building is for the public sector, however private contractors are responsible for nearly all of it.

Largest Contractors

The largest 100 companies won contracts worth \$96.6 billion in 2010/11, up \$19.5 billion (25 per cent) from 2009/10. The majority of this jump can be attributed to the strength of the mining construction sector where the value of contracts won almost doubled from \$22.9 billion in 2009/10 to \$44.5 billion in 2010/11, accounting for 46.1 per cent of the total value of contracts won by companies listed in the Construction 100.

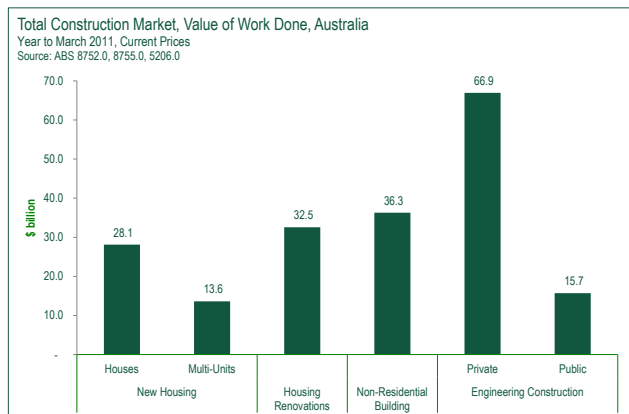
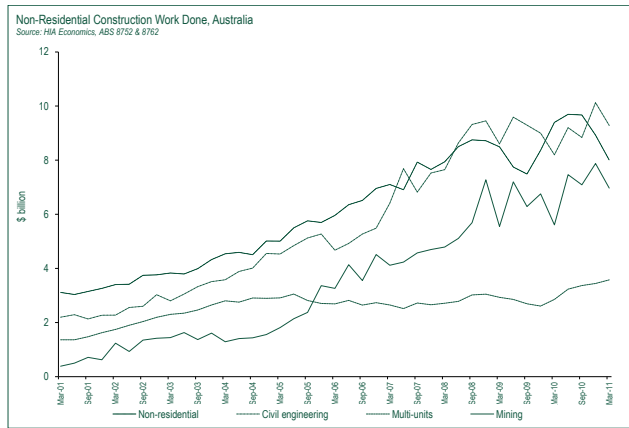
It is interesting to note the concentration of contract winners in the Mining construction sector. This sector had the fewest number of companies on the list winning contracts, with only 30 companies. Moreover, 84 per cent of the value of Mining construction contracts was won by only six companies. In contrast, contract winners in the other construction sectors were more dispersed with 59 different companies on the list winning construction contracts in the Multi-unit Residential sector, 59 in the Commercial sector, 58 in the Community sector, 55 in the Civil Engineering sector, and 44 in the Industrial sector.

The value of contracts won by members of the list in Commercial construction (\$10.2 billion), Industrial construction (\$5.6 billion) and Multi-unit Residential construction (\$8.4 billion) are also higher than a year earlier. The total value of Commercial construction was 68.0 per cent higher in 2010/11 than in 2009/10, Industrial construction was 54.3 per cent higher, while Multi-unit Residential construction was 57.4 per cent higher.

In 2009/10 we saw a marked rise in the value of contracts won for Community construction owing to the expansionary fiscal policy settings in the wake of the GFC, namely the Federal Government's Building the Education Revolution. Since then the value of contracts won for Community construction (\$12.1 billion) has declined by 25.2 per cent in 2010/11. The total value of contracts won for Civil Engineering construction (\$15.7 billion) also declined, falling by 31.4 per cent relative to a year earlier.

As a result of the Mining construction sector representing such a large share of the total and the concentration of contract winners in this sector, the Construction 100 list is very top heavy in 2010/11. Companies taking out the top 10 places on the list account for 63 per cent of the total value of contracts won by the entire Construction 100. Furthermore, the top 20 companies account for over 75 per cent of the total.

Leighton Contractors has taken out top spot on the Construction 100 in 2010/11, having won a total of \$15.9 billion of contracts. Leighton Contractors is one of only six companies on the list that won contracts across all six construction sectors. The greatest share of contracts won by Leighton Contractors was in Mining construction (\$9.4 billion), followed by Civil Engineering construction (\$3.5 billion). Leighton Contractors was also the top contract winner in both these sectors.



Construction 100 at a glance 2010/2011	
Contracts Won	\$ million
CIVIL ENGINEERING	15,692
MINING	44,482
COMMUNITY	12,123
COMMERCIAL	10,276
FLATS & UNITS	8,408
INDUSTRIAL	5,605
Total	96,586
Market Share	
CIVIL ENGINEERING	16.2%
MINING	46.1%
COMMUNITY	12.6%
COMMERCIAL	10.6%
FLATS & UNITS	8.7%
INDUSTRIAL	5.8%
Total	100.0%