



Construction Materials Industry Conference

Our Developing Society

Bernard Salt

9 October 2008

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Australia growing at record rates generating demand for new households and infrastructure

1.	Gold Coast	17,228
2.	Brisbane	15,725
3.	Wanneroo	9,374
4.	Wyndham	7,162
5.	Casey	6,844
6.	Pine Rivers	5,408
7.	Ipswich	5,051
8.	Blacktown	4,933
9.	Melton	4,702
10.	Maroochy	4,574
Total Australia		315,700

Australian record driven by:

- Net migration 185,000
- Births up 38,000 over 5 years
- Flat death rate
- New migrant tribes 2001-06:

• China	64
• India	52
• NZ	38
• Sth Africa	25
• Philippines	17
• Sth Korea	14
• Malaysia	14

- Top 10 growth areas in Australia over 12 months to June 2007

Why population shifts are important to the construction materials industry

10,000 extra residents support job growth, eg:

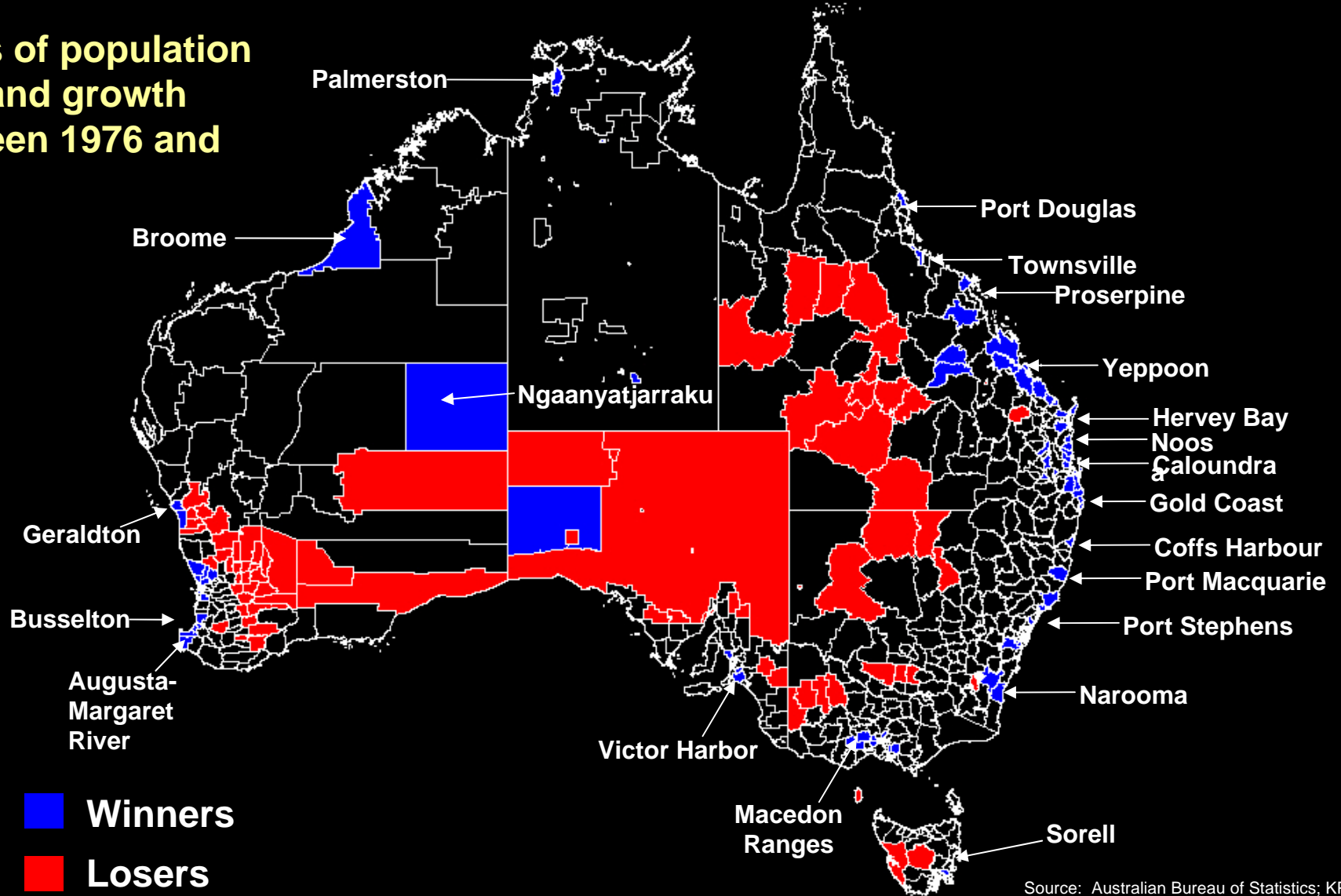
- 3,700 new suburban households, or
- 6,700 new inner-city households
- \$82 million in new retail spending*
- \$28 million in new supermarket spending*
- ½ a Kmart
- One cinema screen
- 12,270 cubic metres of pre mix concrete in 2008

* *includes GST*

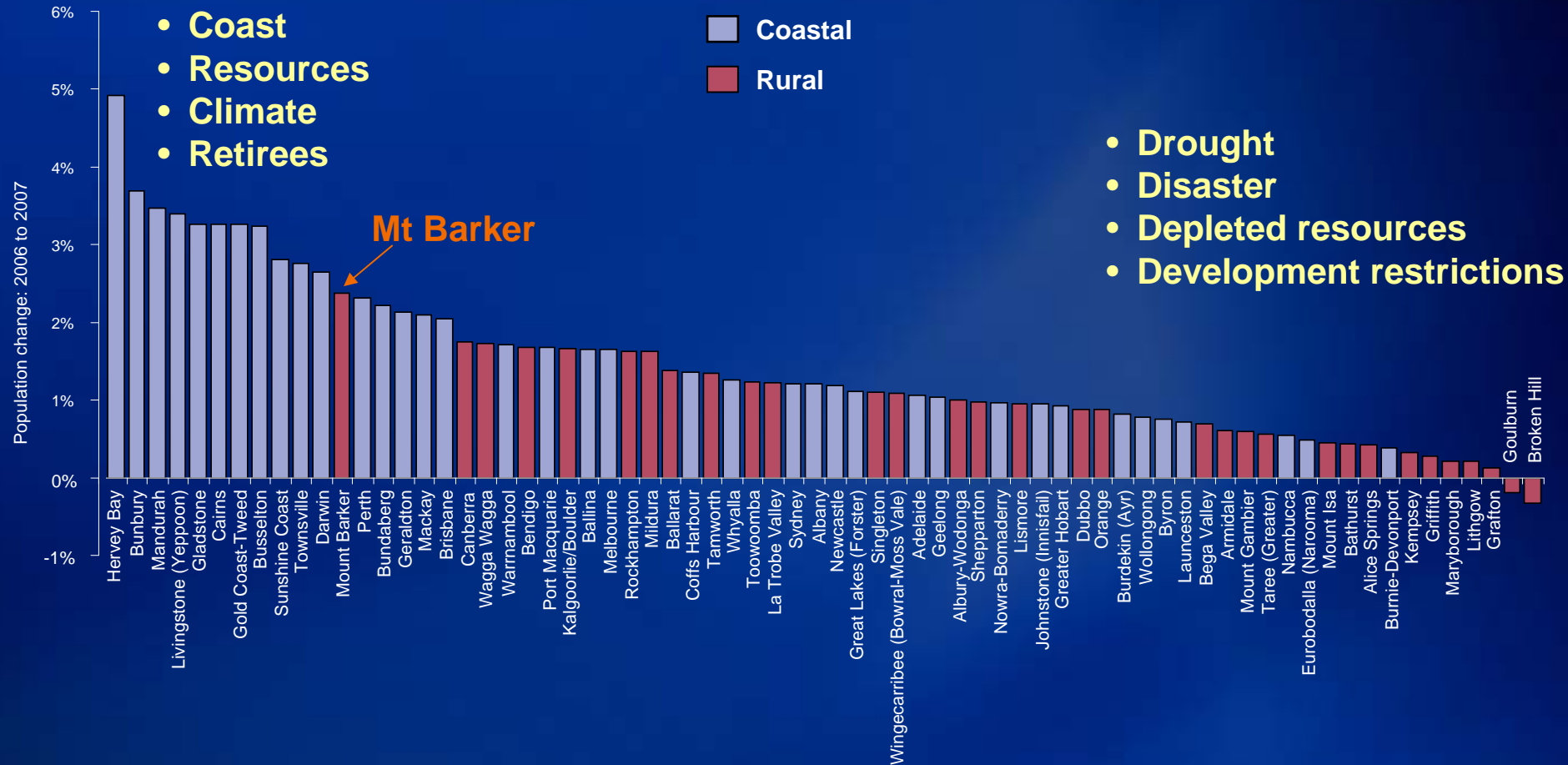
- Population loss reverses these markets

The Australian heartland is shifting to the coast

Areas of population loss and growth between 1976 and 2007



The construction materials industry needs to focus on towns on the left of this chart



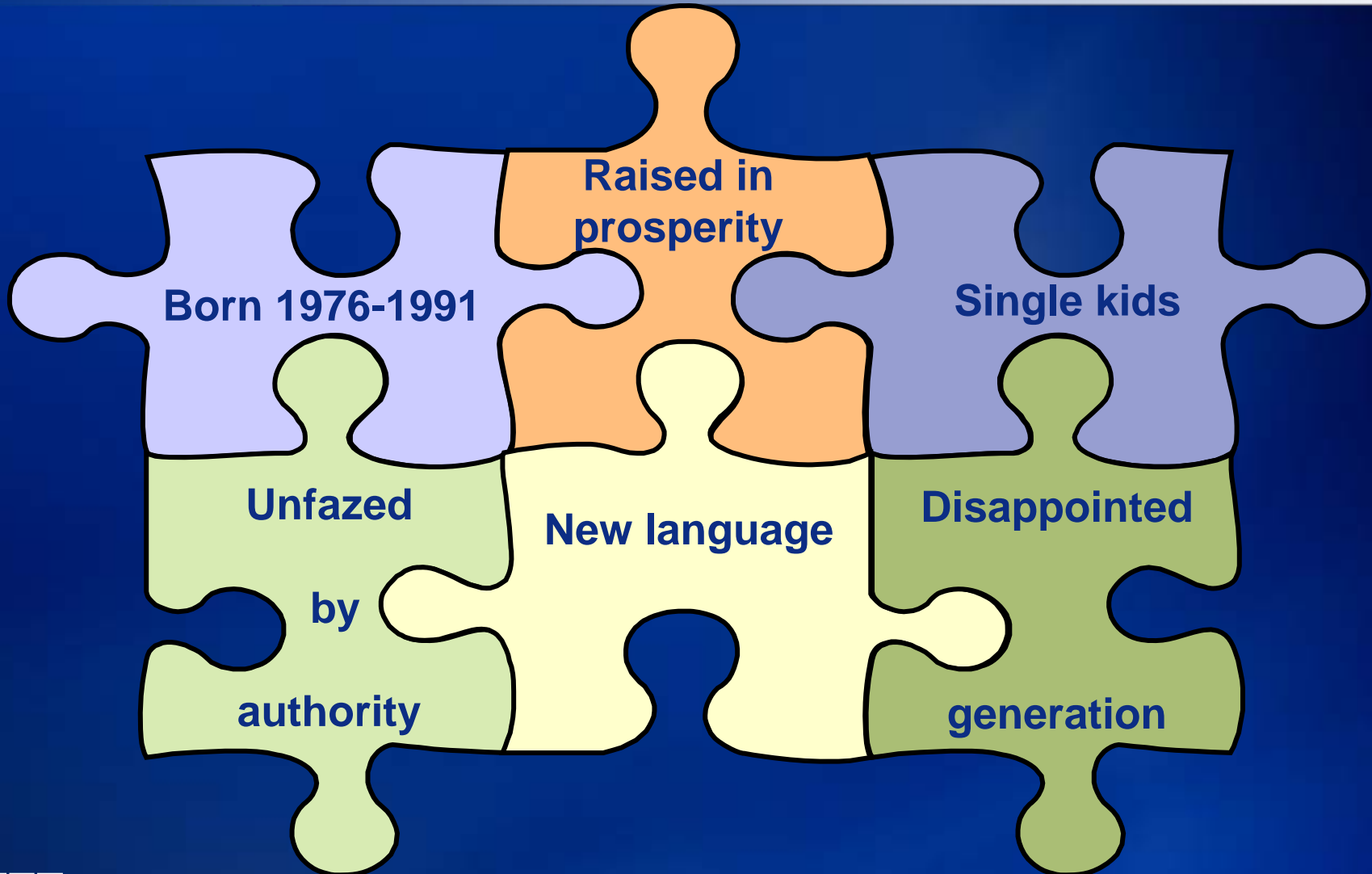
- Percentage growth in population over 12 months to June 2007 for the 70 largest towns in Australia

Singles and couples dominate household formation in all capital city markets

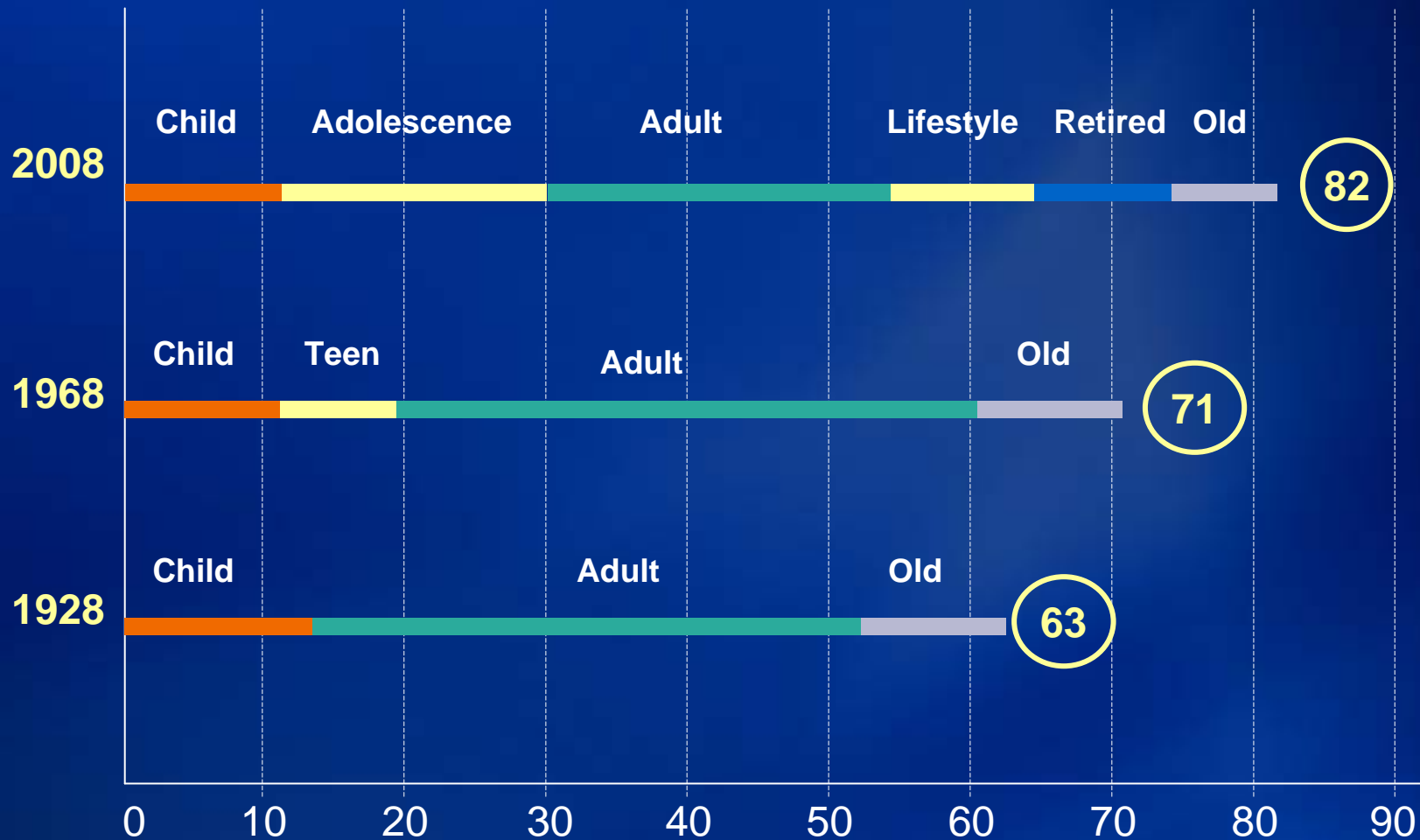
	Total	Singles	Couples	OPF	MD&K	Group
1. Sydney	56,607	22,739	17,931	11,250	5,090	278
2. Melbourne	86,613	27,260	28,488	13,123	10,976	6,598
3. Brisbane	51,426	8,431	19,866	5,589	14,228	2,841
4. Perth	34,515	9,718	14,974	2,542	6,389	707
5. Adelaide	10,203	3,953	4,785	2,080	-1,709	1,057
6. Gold Coast	20,002	3,503	6,681	2,014	7,041	736
7. Newcastle	7,276	2,344	3,549	1,472	-144	128
8. Canberra	7,751	1,798	3,749	310	852	1,040
9. Wollongong	2,732	1,720	1,045	966	-1,003	84
10. Sunshine Coast	10,119	1,967	3,867	851	2,963	464
11. Hobart	1,941	359	1,206	324	-282	290
12. Geelong	3,013	1,262	1,186	615	-102	55

- Net growth in households by household type 2001 - 2006

Who is ... what is ... Generation Y?



Changing life expectancy means the development of new markets and products



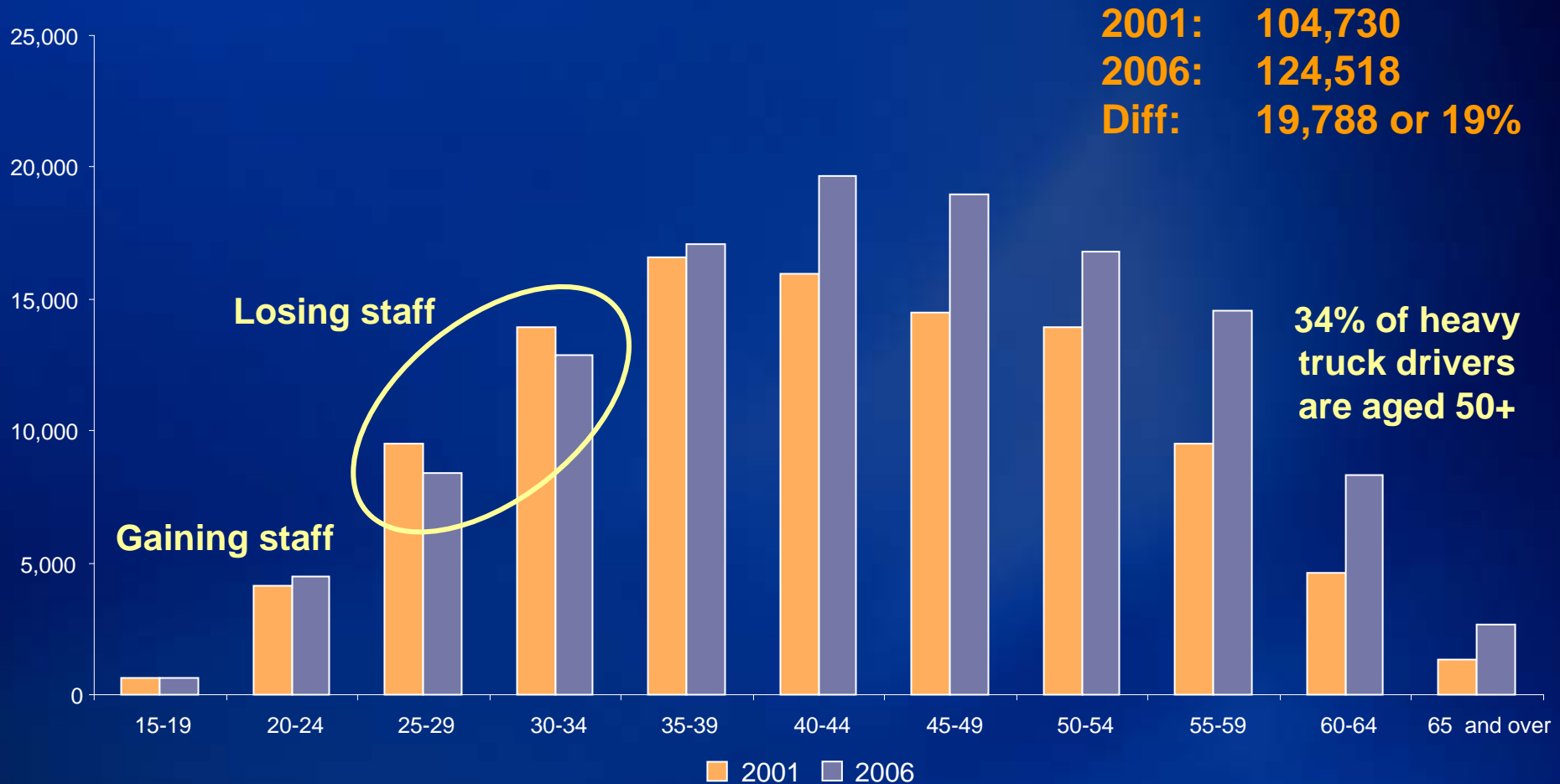
- Change in life expectancy over 80 years in Australia

The construction industry has dominated the Australian economy this decade

	2006	Change 2001-2006	
		No.	%
Hospitals	300,700	89,300	42
House Construction	156,500	69,400	80
Road Freight Transport	160,000	54,100	51
State Government Administration	138,600	50,900	58
Accommodation for the Aged	66,300	48,400	269
Combined Primary and Secondary Ed.	60,300	36,600	155
Local Government Administration	129,100	32,400	34
Pubs, Taverns and Bars	71,900	26,700	59
Central Government Administration	133,700	25,800	24
Non-Residential Building Construction	37,700	21,300	130
Australia	9,104,200	805,500	10

- Net growth in employment by industry over 5 years to 2006 in Australia ... total 630 industries

Why are heavy truck drivers leaving the industry between the ages of 25 and 34?

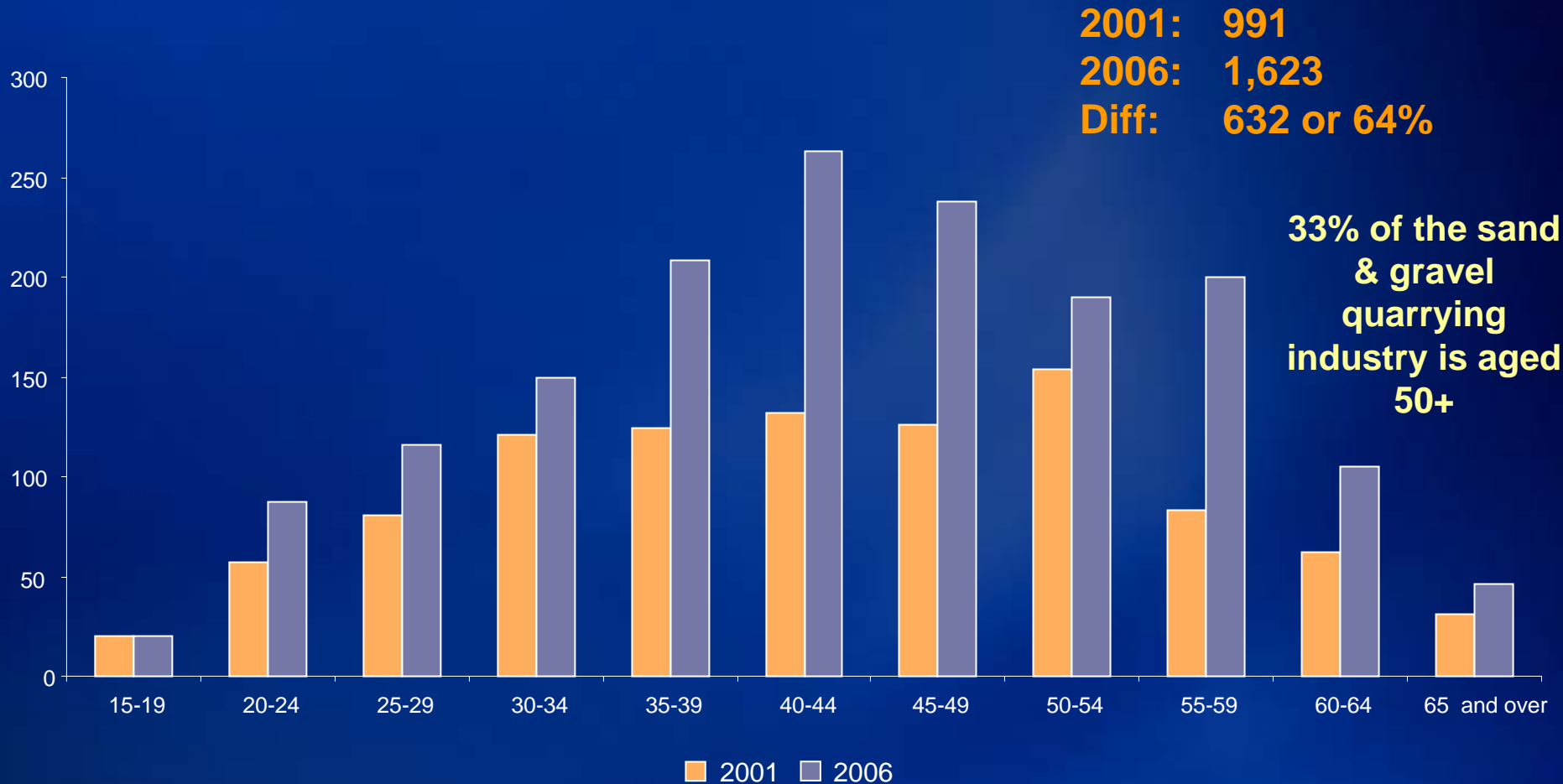


- Age profile of heavy truck drivers between 2001 and 2006



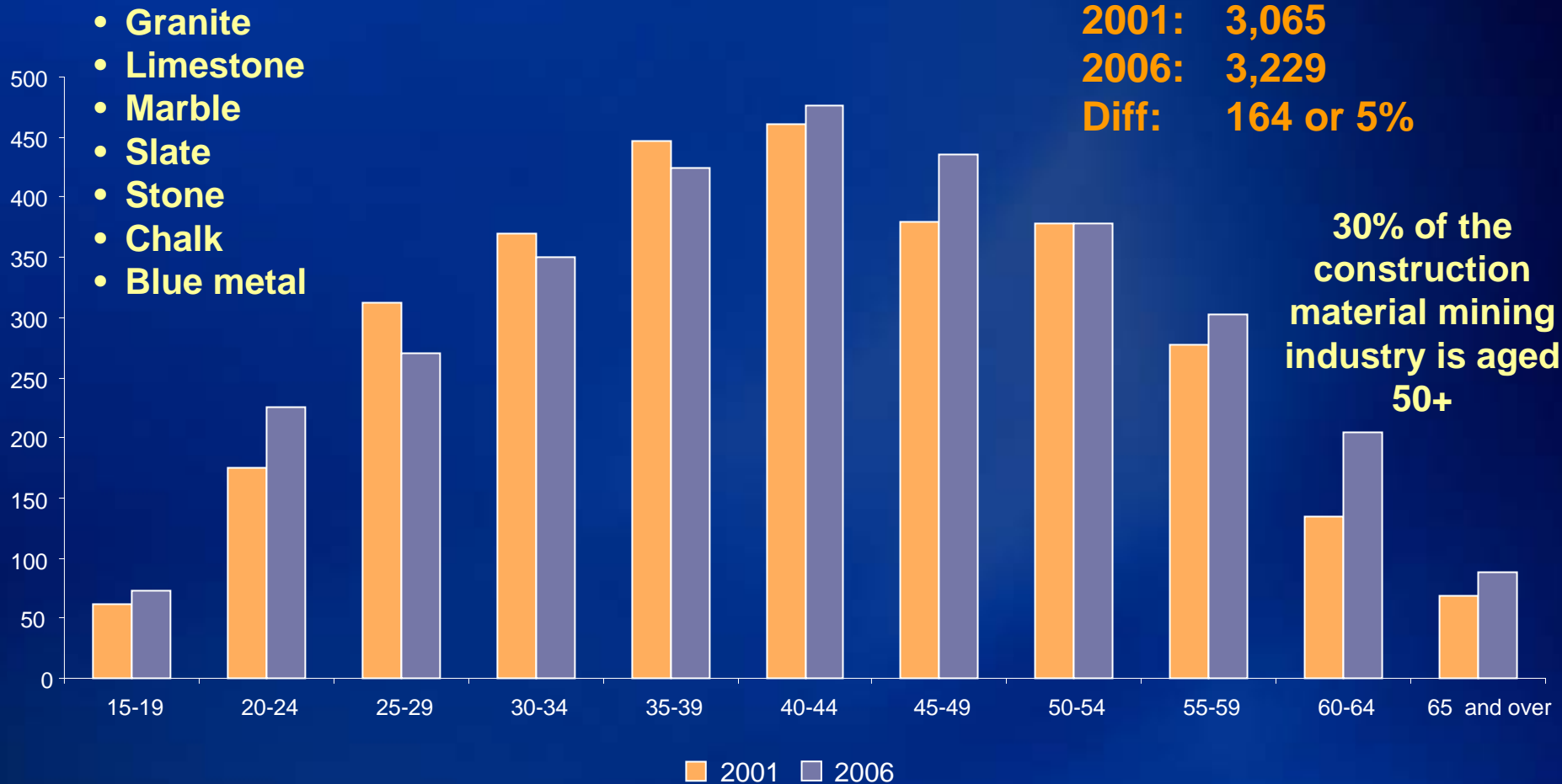
Source: Australian Bureau of Statistics; KPMG

Strong growth in gravel & sand quarrying reflecting broader industry demand ...



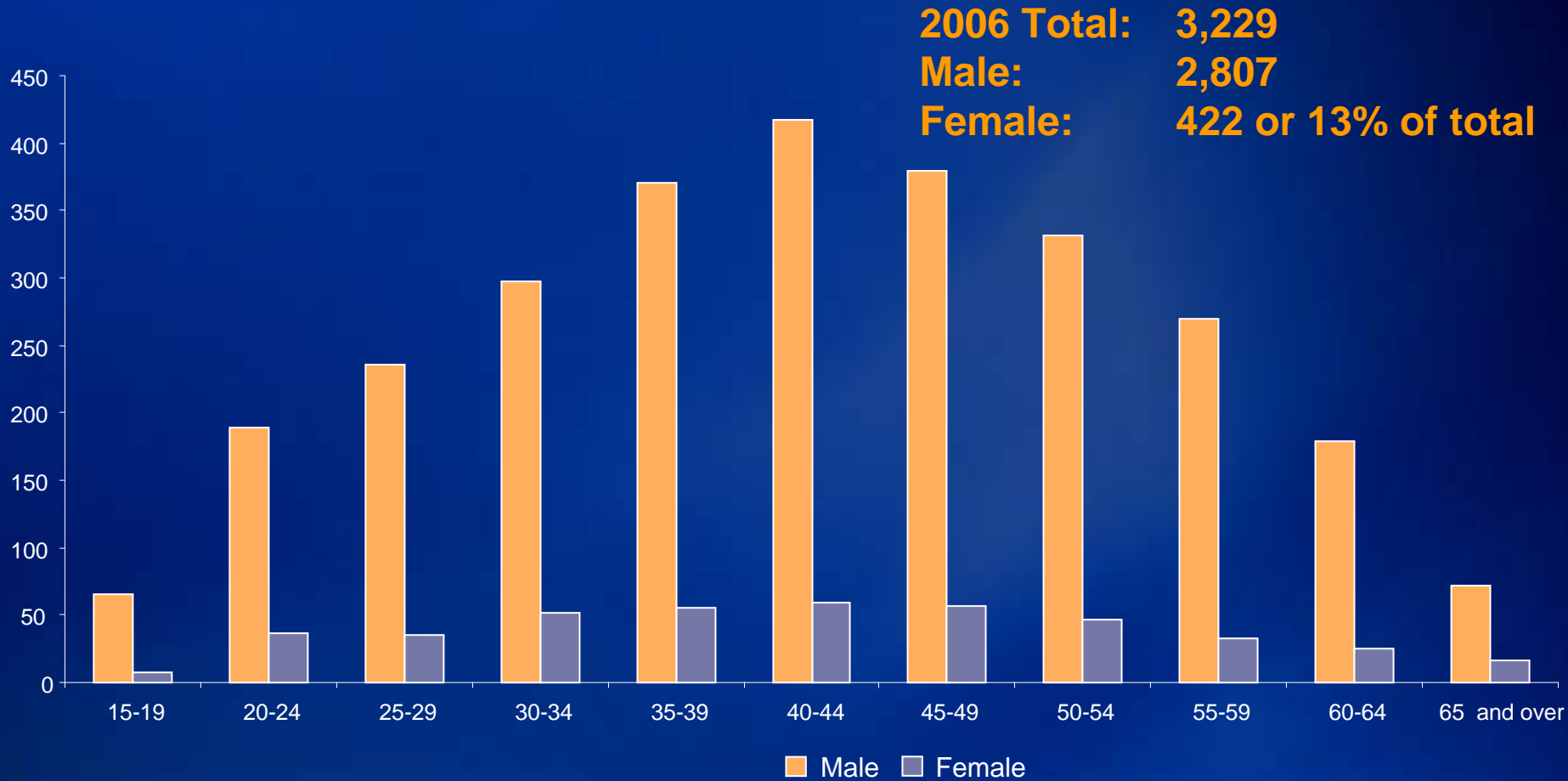
- Age profile of the gravel and sand quarrying industry between 2001 and 2006

... whereas job growth in construction material mining has been modest



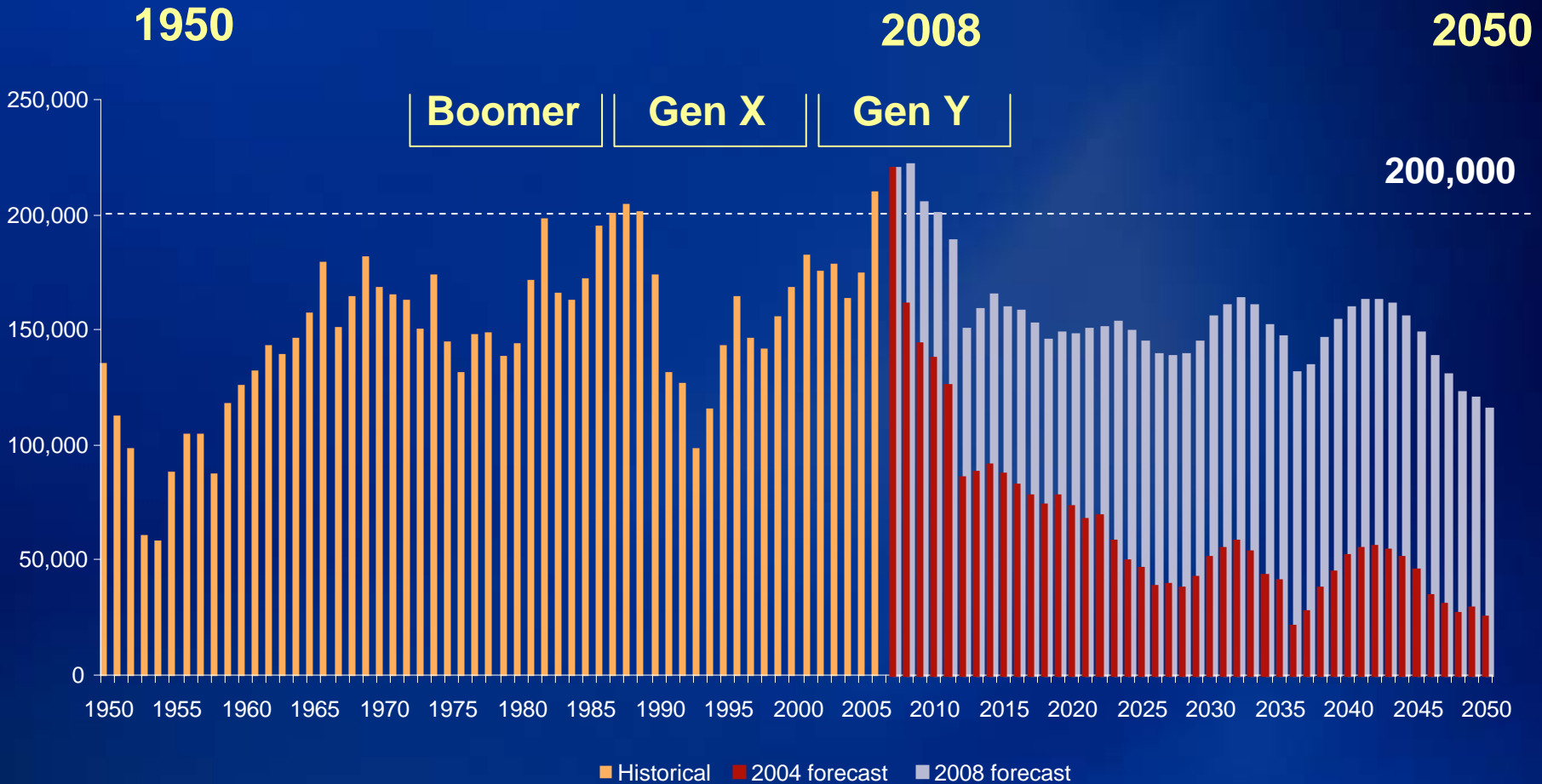
- Age profile of the construction material mining industry between 2001 and 2006

male-female ratio construction material ind.



- Male-Female ratio by age in the construction material mining industry in

There is a 'demographic faultline' running through the labour force in Australia

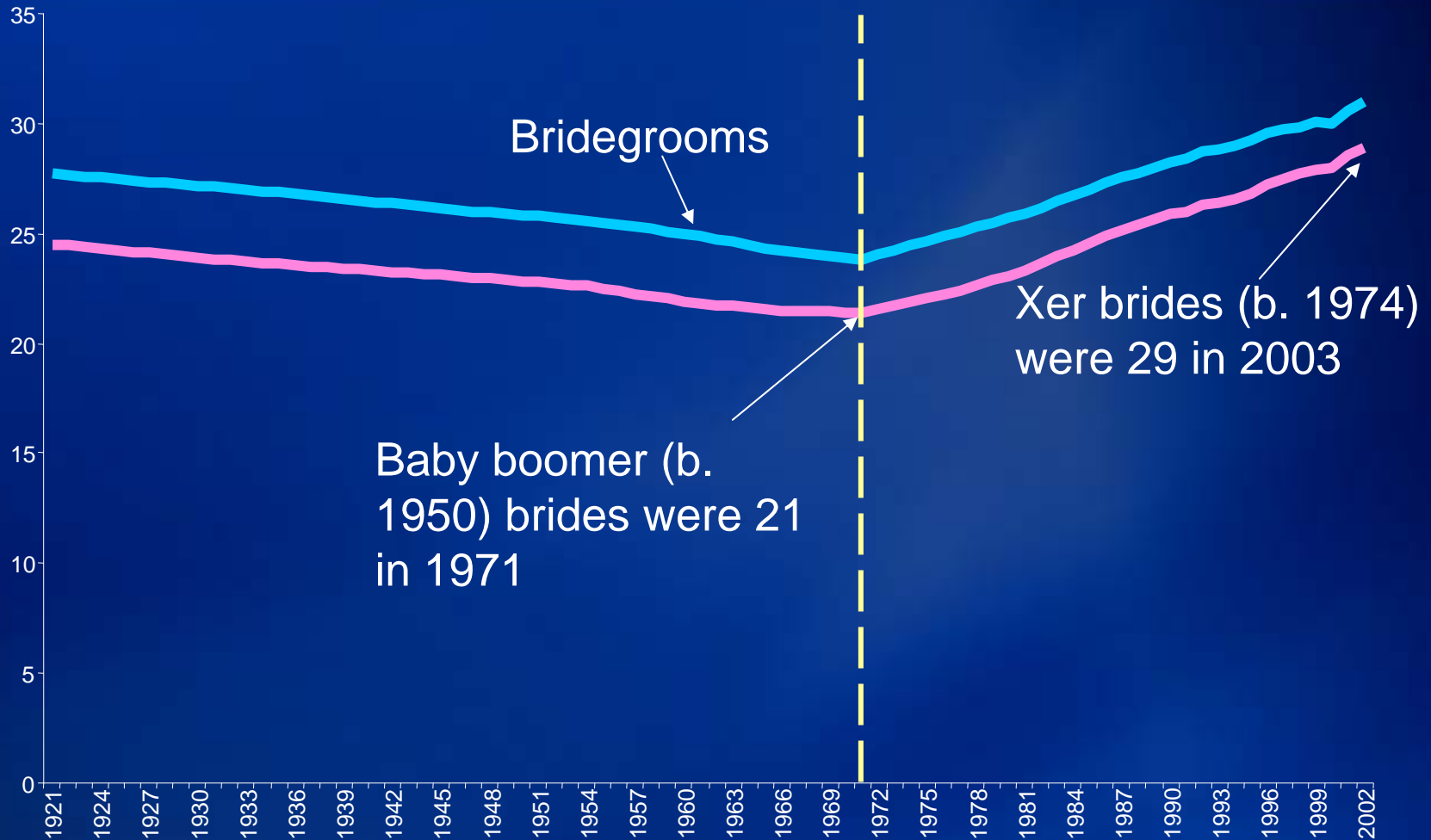


- Net growth in working age population (15-64) over 100 years in Australia based on 2004 and 2008 outlook

Australia is establishing new connections with China, India & Malaysia

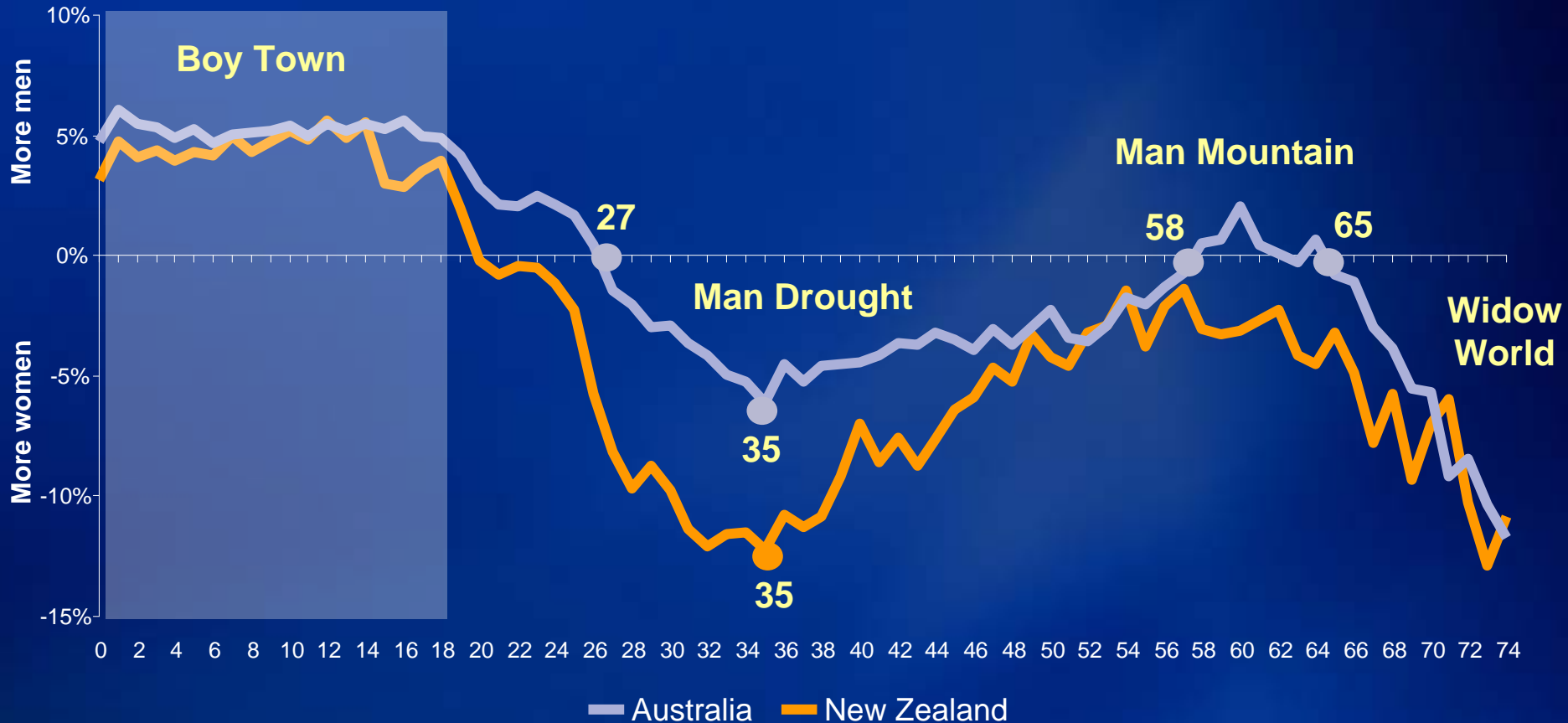
	2004	2008	Difference
Australia (2025)	110,000	180,000	+64%
United States (2025)	996,000	1,569,000	+58%
United Kingdom (2028)	145,000	190,000	+31%
France (2028)	50,000	100,000	+100%
Spain (2028)	105,000	170,000	+62%
Italy (2028)	114,000	246,000	+116%

The ageing of the average Aussie bride



- Average age at first marriage

The Great Australasian Man Drought ... Stage 3A restrictions now apply



- Percentage difference in the number of men and women in Australia and New Zealand by individual year in 2006

Further information & contact

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