Fair Use Extract from IBISWorld Report of July 2020 on "Bricklaying Services in Australia" ANZSIC Report E3222 Prepared by Profit Advantage Group

Industry at a Glance

Key Statistics

$2.7bn
Revenue

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
-2.8%	0.4%	

$552.6m
Profit

Annual Growth 2015-2020	Annual Growth 2015-2025
-3.3%	

20.1%
Profit Margin

Annual Growth 2015-2020	Annual Growth 2015-2025
-0.6%	

9,315
Businesses

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
-1.2%	0.0%	

28,860
Employment

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
-0.2%	0.0%	

$1.3bn
Wages

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
-3.1%	0.2%	

Key External Drivers

% = 2015-2020 Annual Growth

-1.9%
Demand from clay brick manufacturing

-0.1%
Mortgage affordability

-1.6%
Demand from house construction

3.0%
Demand from multi-unit apartment and townhouse construction

6.6%
Demand from non-residential building construction

-3.9%
Residential housing loan rates

Industry Structure

POSITIVE IMPACT

Capital Intensity
Low

Concentration
Low

Technology Change
Low

Globalization
Low

MIXED IMPACT

Life Cycle
Mature

Revenue Volatility
Medium

Regulation
Medium

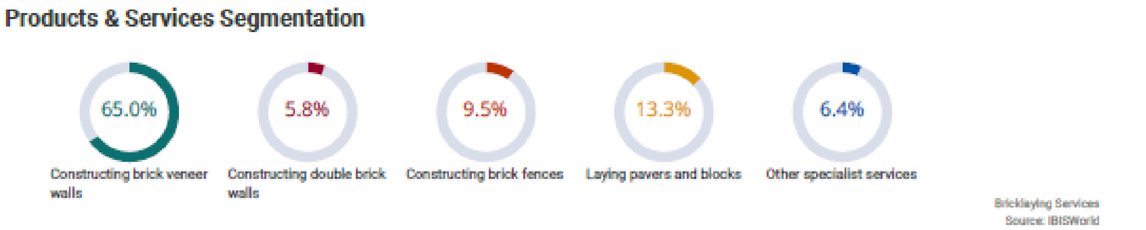
NEGATIVE IMPACT

Industry Assistance
Low

Barriers to Entry
Low

Competition
High

The spread of COVID-19 is anticipated to have a significant effect on the Bricklaying Services industry during 2020-21 due to the anticipated slump in demand from the residential and non-residential building market as investment falls due to the onset of economic recession. The industry derives the bulk of its revenue from the construction of residential buildings and there is limited scope for households to invest in new homes due to the concerns over job security and falling household income.



SWOT

S STRENGTHS

Low & Increasing Level of Assistance
Low Imports
High Profit vs. Sector Average
Low Capital Requirements

W WEAKNESSES

Low & Steady Barriers to Entry
High Competition
High Customer Class Concentration
High Product/Service Concentration
Low Revenue per Employee

O OPPORTUNITIES

High Revenue Growth (2020-2025)
Residential housing loan rates

T THREATS

Very Low Revenue Growth (2005-2020)
Low Revenue Growth (2015-2020)
Low Performance Drivers
Demand from house construction

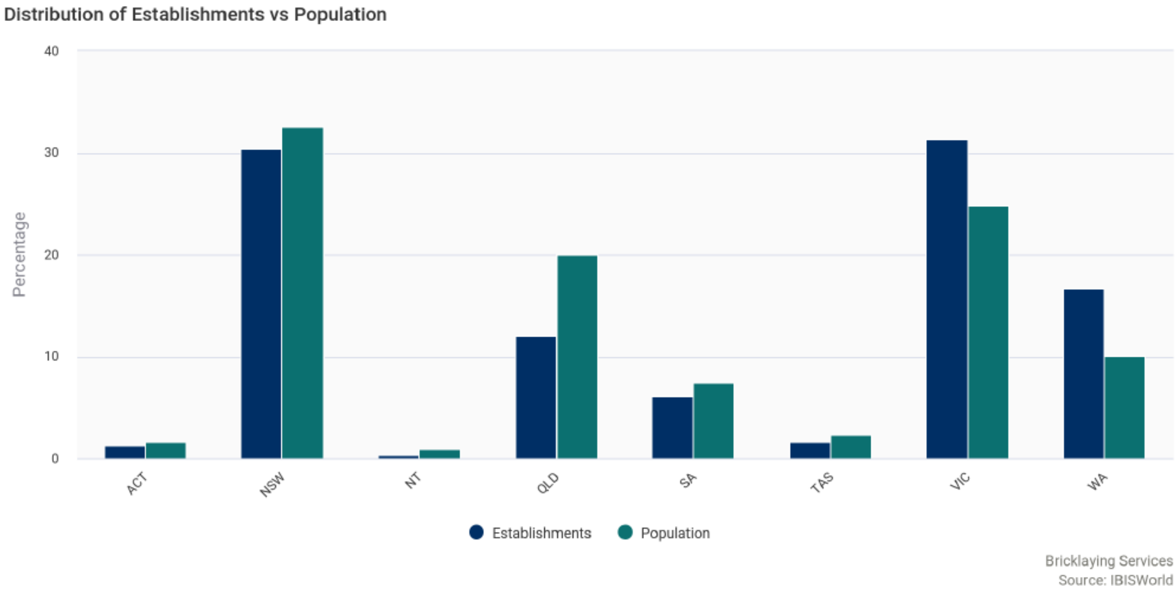
You will note that 65% of the Market is “Constructing Brick Veneer Walls”, so applying this “broadly” to the data from the “Industry at a Glance” Illustrations means we can hypothesise that the “Super Stubbie” may be used as part of the $1.8bn Bricklaying Market.

Forecast data for the Bricklaying Segment of the Economy is shown below:

Performance Outlook Data

Year	Revenue ($m)	IVA ($m)	Estab. (Units)	Enterprises (Units)	Employment (Units)	Exports ($m)	Imports ($m)	Wages ($m)	Domestic Demand ($m)
2020–21	2,424	1,645	9,140	9,013	27,647	N/A	N/A	1,242	N/A
2021–22	2,709	1,837	9,405	9,256	28,252	N/A	N/A	1,275	N/A
2022–23	2,772	1,891	9,478	9,309	28,555	N/A	N/A	1,295	N/A
2023–24	2,828	1,938	9,544	9,355	28,840	N/A	N/A	1,315	N/A
2024–25	2,806	1,919	9,545	9,335	28,920	N/A	N/A	1,325	N/A

Approximately 30% of the National total of Bricklayers are located in NSW

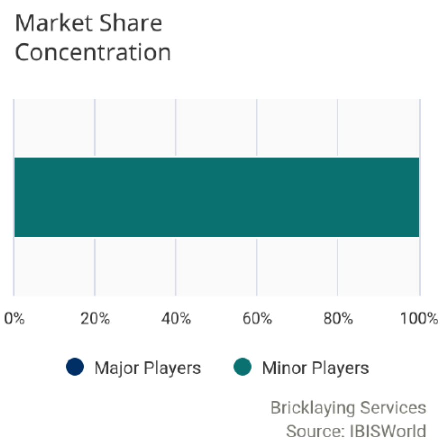


The Industry is characterised by smaller players:

Market Share Concentration

Concentration in this industry is Low

The Bricklaying Services industry has low market share concentration, with the four largest operators accounting for less than 10.0% of industry revenue. The industry is characterised by many small-scale, geographically dispersed independent contractors. Most industry enterprises are sole proprietorships and hire no employees, while less than 1.0% of enterprises employ more than 20 people. The industry's small scale is also evident in the low annual revenue generated by each contracting firm. An estimated 11.5% of enterprises generate revenue of less than $50,000, while about 37.5% of businesses generate more than $200,000.



Bricklaying contractors are often unwilling to directly employ qualified tradespeople, due to the ongoing costs of employment such as workers compensation, superannuation and leave. Qualified tradespeople are often encouraged to subcontract directly with prime contractors to maximise their revenue. Most enterprises therefore involve a qualified tradesperson in association with a labourer.

Additional Resources

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Masonry Contractors Association

http://www.masonrycontractors.com.au

Australian Brick and Blocklaying Training Foundation Ltd

http://www.becomeabricklayer.com.au/abbtf

Think Brick Australia

http://www.thinkbrick.com.au

Australian Building and Construction Commission

http://www.abcc.gov.au

Concrete Masonry Association of Australia

http://www.cmaa.com.au