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TRADE SHORTAGES – COMPLICATIONS AND OPPORTUNITIES

The latest HIA-Austral Bricks Trades Report highlights a further decline in trades availability for the final quarter of 2007.

With national activity in residential construction expected to increase over the next three years, HIA remains concerned that deficiencies in the skill base will add to housing affordability pressures across the nation.

As per the latest Report, all thirteen residential construction trades surveyed remain in short supply with Adelaide, Regional Queensland, Brisbane, and Perth the most severely affected by skills shortages on the back of solid building activity.

HIA Senior Executive Director – Industry Policy, Chris Lamont said, trade shortages are putting upward price pressures on the construction of new houses and this only further emphasised the need for immediate measures to address skill shortages.

The Report indicated that trade prices rose for all thirteen trades surveyed. Following on from 2007 bricklayers remain in critically short supply with significant skill shortages also in both joinery and carpentry.

The Report highlights that shortages not surprisingly exist where building activity remains relatively buoyant.

“Alarmingly the availability of trades skills declined in seven of the ten regions surveyed,” said Mr Lamont.

For recent school leavers considering their future careers, shortages in professional building trades provide some exciting and rewarding opportunities. Underlying demand for residential construction continues to outpace supply and therefore employment opportunities in residential construction have never been better.

“The industry certainly has a lot to offer, and desperately needs more entrants. While the rewards are there in the medium term there is no doubt, more needs to be done to improve the flexibility and practicality of trades training to appeal to a wider audience and address acute skills shortages,” said Mr Lamont.

For Further Information:

Chris Lamont 0414 765 040
Stuart Collins 0418 507 377



media release

Trade Availability - by Individual Trade

	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Jun-07	Sep-07	Dec-07	Quarterly Movement in Availability
Bricklaying	-0.60	-0.50	-0.24	-0.35	-0.26	-0.25	-0.36	-0.46	0.00	-0.48	-0.49	-0.63	↓
Carpentry	-0.49	-0.41	-0.42	-0.48	-0.49	-0.34	-0.30	-0.29	-0.30	-0.35	-0.50	-0.55	↓
Ceramic Tiling	-0.40	-0.50	-0.73	-0.57	-0.29	-0.48	-0.78	-0.80	-0.36	-0.32	-0.37	-0.61	↓
Electrical	-0.38	-0.80	-0.36	-0.91	-0.50	0.46	-0.75	-0.68	-0.70	-0.56	-0.57	-1.07	↓
General Building	-0.48	-0.51	-0.54	-0.42	-0.37	-0.50	-0.58	-0.52	-0.54	-0.44	-0.49	-0.60	↓
Joinery	-0.34	-0.06	-0.31	-0.47	-0.63	-0.53	-0.43	-0.35	-0.32	-0.34	-0.40	-0.68	↓
Landscaping	-0.30	-0.08	0.17	0.30	-0.31	-0.33	-0.50	-0.45	0.00	-0.47	-0.49	-0.33	↑
Other Trades	-0.35	-0.43	-0.43	-0.50	-0.42	-0.44	-0.38	-0.16	-0.20	-0.32	-0.41	-0.34	↑
Painting	-0.24	-0.33	-0.12	-0.77	-0.24	-0.22	-0.35	-0.41	-0.47	-0.66	-0.40	-0.67	↓
Plastering	-0.33	-0.79	-0.27	-0.22	-0.24	-0.22	-0.55	-0.53	-0.29	-0.28	-0.50	-0.77	↓
Plumbing	-0.32	-0.45	-0.37	-0.64	-0.42	-0.57	-0.78	-0.76	-0.80	-0.85	-0.80	-0.76	↑
Roofing	0.33	-0.79	-0.67	-0.38	-0.10	-0.40	-0.92	-0.92	-0.33	-0.76	-0.79	-0.96	↓
Site Preparation	-0.50	-0.75	0.14	-0.33	-0.38	-0.67	-0.75	-0.73	-0.75	-0.84	-0.80	-0.50	↑
All trades	-0.40	-0.34	-0.35	-0.35	-0.43	-0.41	-0.42	-0.37	-0.41	-0.43	-0.46	-0.51	↓

**Note: Critical Short Supply is between -2 and -1, Moderate Short Supply is between -1 and 0, In balance = 0
Moderate oversupply is between 0 and 1, and massive oversupply is between 1 and 2.*

Note to Editors

1. The HIA-Austral Bricks Trades Report is a quarterly measure of trade prices and availability on a capital city and rest of state basis for 13 different trade categories in the 5 largest states.
2. The data is sourced each quarter from a sample of HIA builder and contractor members. The price series is the current charge out rate minus GST and materials. The data is weighted and expressed in terms of an index (with base of 100 being the weighted average price for all trades in all regions in September 2002).
3. The trade availability measure is derived from a question asking members about the availability of their particular trade in their particular region. There are five possible responses ranging from critical short supply to massive oversupply. A net balance method is used to derive the single measure.
4. For a full copy of the HIA-Austral Bricks Trades Report (media only), please contact Kirsten Lewis on (02) 6245 1393