



## MEDIA RELEASE

Monday 30<sup>th</sup> April 2007

### TRADE AVAILABILITY DECLINES DESPITE WEAK HOUSING MARKET

The availability of home building trades deteriorated in early 2007 despite the continuation of softer home building conditions.

Figures released today from the HIA-Austral Bricks Trades Report for the March 2007 quarter show that home building trades remain in short supply throughout metropolitan and Regional Australia.

Australia's peak building industry body, HIA, said that across Australia, the price of thirteen key home building trades increased by 0.4 per cent over the March quarter to be up by 3.4 per cent over the year.

HIA's Chief Economist, Mr Harley Dale said that in the last three and a half years the supply of tradespeople had consistently fallen short of the level industry requires.

"A cyclical downturn in new housing has not alleviated the trade shortages," Mr Dale said.

"It is vital to ensure an adequate stream of skilled workers is being trained and coming on line prior to a recovery in new construction emerging. Otherwise we will find ourselves back in the situation experienced during the last boom when chronic skilled labour shortages were rife."

On a state by state basis, quarterly trade prices increased by 6.8 per cent in Regional Queensland, 5.7 per cent in Regional Victoria, 5.2 per cent in Regional NSW, 2.9 per cent in Adelaide, 2.0 per cent in Brisbane, 1.8 per cent in Regional South Australia, and 1.5 per cent in Sydney. Prices fell by 5.7 per cent across Western Australia and were down by 0.9 per cent in Melbourne.

On an individual trade basis, the largest increases in prices over the quarter were in 'Other trades' such as maintenance and repairs, up 7.2 per cent, bricklaying, up 5.1 per cent, and joinery, up 4.9 per cent.

The Quarterly report confirms that skills shortages in the housing industry remain and that correcting measures are required to alleviate these shortages.

## HIA Trade Contractor Price Index - by Trade

*(Sep 02 All Trades, All Regions = 100)*

	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	Mar-07	Qtly Change	Annual Change
Bricklaying	105.4	106.9	109.6	110.4	109.7	105.5	110.7	113.3	119.1	5.1%	8.6%
Carpentry	105.2	102.2	105.8	104.5	112.3	112.8	112.0	110.7	109.3	-1.3%	-2.6%
Ceramic Tiling	109.4	108.4	113.2	116.1	112.9	120.5	128.2	130.9	124.7	-4.7%	10.4%
Electrical	142.3	141.6	146.6	148.8	150.9	148.8	150.1	147.9	149.2	0.9%	-1.1%
General Building	110.2	114.2	114.4	116.1	116.3	120.7	120.0	117.8	116.4	-1.2%	0.1%
Joinery	118.6	125.4	129.0	127.5	129.0	119.0	120.2	117.5	123.2	4.9%	-4.5%
Landscaping	111.9	115.5	110.4	111.4	114.6	121.3	110.0	112.7	114.1	1.3%	-0.4%
Other Trades	129.1	123.8	122.0	124.0	122.1	125.7	126.9	124.6	133.6	7.2%	9.5%
Painting	95.3	101.7	94.7	97.3	105.7	100.5	109.2	115.4	109.3	-5.3%	3.4%
Plastering	107.7	99.2	102.3	104.2	108.3	103.4	111.6	114.4	117.1	2.4%	8.2%
Plumbing	151.3	155.3	147.3	142.6	139.9	146.4	138.1	141.1	137.4	-2.6%	-1.8%
Roofing	121.6	135.5	123.8	119.1	118.4	122.1	133.3	134.5	130.1	-3.2%	9.9%
Site Preparation	121.6	124.0	117.7	114.1	119.7	124.8	123.4	125.7	120.9	-3.8%	1.0%
<b>All trades</b>	<b>118.1</b>	<b>118.8</b>	<b>120.2</b>	<b>119.9</b>	<b>120.5</b>	<b>120.4</b>	<b>122.6</b>	<b>124.1</b>	<b>124.5</b>	<b>0.4%</b>	<b>3.4%</b>

### Note to Editors

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. 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). 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.

### For further information on this release, please contact:

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