



MEDIA RELEASE

TRADE PRICES FALL AS AVAILABILITY IMPROVES AGAIN

Further slowing in Australia's new home building and renovation industry has relieved more pressure on trade subcontractor availability and prices.

Figures released today from the HIA-Austral Bricks Trades Report showed that in the March quarter of 2005, average trade prices fell for the first time since the report commenced in September 2002, down by 0.6 per cent over the three months, but still well up on prices recorded in 2003.

There was also further good news on the trade availability front with improvements in 11 of the 13 surveyed trades over the period, resulting in a net improvement on a National basis.

Australia's peak building industry body, HIA, said that concerns over further inflationary pressure from construction industry wages have eased as Australia's pool of independent subcontractors face an easing in demand.

HIA's Chief Economist, Mr Simon Tennent said that the latest work in the pipeline figures released last week still show that in many states, there remains a massive backlog of work that will see activity remain buoyant until the end of the year.

"It's unlikely however, that the current \$800 to \$1,000 per square metre rates for new private sector houses will fall back to \$650 to \$700 seen in the post-GST environment as the construction industry still has a deficit of skilled trades," Mr Tennent said.

"The focus must remain on initiatives like the National Skills Shortage Strategy and the new Technical Colleges, while the training system still needs further reform to ensure it's driven by the market, making it work for both trainees and business," he added.

Melbourne, Regional Queensland and Regional Western Australia experienced the largest price rises, up 4.9 per cent, 3.8 per cent and 2.2 per cent respectively.

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Price falls were recorded in Adelaide, down 6.4 per cent, Regional Victoria, down 4.6 per cent, Brisbane, down 1 per cent, Perth, down 0.8 per cent, Regional South Australia, down 0.6 per cent, and Sydney, down 0.2 per cent.

The availability of trades improved over the quarter, rising from -0.45 to -0.40 (0 is regarded as being in balance). The biggest improvement was recorded among Roofing trades followed by Painting, Plastering and Plumbing Trades. Trade availability tightened however for Landscaping and Bricklaying trades.

HIA Trade Contractor Price Index - by Trade

(Sep 02 All Trades, All Regions = 100)

	Sep-02	Jun-03	Sep-03	Jun-04	Sep-04	Dec-04	Mar-05	Qtly Change
Bricklaying	89.6	78.2	101.8	87.2	96.8	102.3	105.4	3.0%
Carpentry	80.0	86.5	90.1	97.3	94.7	104.8	105.2	0.4%
Ceramic Tiling	105.8	98.2	124.0	118.3	112.9	111.5	109.4	-1.9%
Electrical	118.8	118.0	127.1	130.3	139.5	145.9	142.3	-2.5%
General Building	89.5	93.0	102.1	110.0	114.1	107.9	110.2	2.2%
Joinery	114.7	117.0	128.0	129.2	120.1	121.2	118.6	-2.1%
Landscaping	101.5	103.4	106.2	114.7	119.1	116.3	111.9	-3.8%
Other Trades	116.2	136.7	128.0	139.5	141.1	129.3	129.1	-0.2%
Painting	87.0	86.7	94.7	94.9	97.5	101.8	95.3	-6.4%
Plastering	77.5	102.3	97.7	107.3	104.6	109.6	107.7	-1.8%
Plumbing	115.3	118.9	127.2	132.3	143.0	144.0	151.3	5.1%
Roofing	104.4	121.8	113.9	123.7	113.2	124.2	121.6	-2.1%
Site Preparation	110.7	97.3	126.5	107.7	115.8	123.4	121.6	-1.5%
All trades	100.0	102.5	108.3	115.3	117.2	118.8	118.1	-0.6%

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 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

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