



## **MEDIA RELEASE**

### **TRADE PRICE GROWTH SLOWS AS AVAILABILITY IMPROVES**

Pressure on Australia's pool of construction tradespeople appears to be easing however trade rates for independent subcontractors remain historically high.

Figures released today from the HIA-Austral Bricks Trades Report showed that in the December quarter of 2004, average trade prices rose by 1.4 per cent over the three months, a slight improvement on the 1.7 per cent rise in the September quarter but still well up on prices recorded in 2003.

There was however good news on the trade availability front with improvements in 7 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 today's figures demonstrate firstly that the weakness in the leading indicators of housing activity in the second half of last year has freed up some trades in some cities and regions and secondly, that the record \$15 billion worth of work in the pipeline is keeping prices higher for longer.

HIA's Chief Economist, Mr Simon Tennent said that with forecasts of only a modest easing in residential construction over the next 18 months before bouncing back in 2006/07, it is still vitally important to attract young people to trade type vocations.

"Although today's improvement in availability is welcome, the residential construction industry still has a deficit of skilled trades," Mr Tennent said.

"While the Federal Government has responded with initiatives like the National Skills Shortage Strategy and the new Technical Colleges, 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.

Regional Western Australia and Adelaide experienced the largest price rises, up 14.3 per cent and 12.3 per cent. Increases were also recorded in Sydney, up 6.9 per cent and Perth, up 6.4 per cent.

Price falls were recorded in Regional New South Wales, down 7.4 per cent, Regional South Australia, down 3.7 per cent, Regional Victoria, down 3.0 per cent, Brisbane, down 1.8 per cent, Melbourne, down 1.6 per cent and Regional Queensland, down 0.6 per cent.

Painting trades experienced the largest rise in price, up 11.9 per cent over the quarter. Rises were also recorded for Carpentry, up 10.7 per cent, Roofing, up 9.8 per cent, Site Preparation Trades, up 6.6 per cent, Bricklaying, up 5.8 per cent, Plastering, up 4.8 per cent and Electrical Trades, up 4.6 per cent.

### 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	Qtly Change
<b>Bricklaying</b>	89.6	78.2	101.8	87.2	96.8	102.3	5.8%
<b>Carpentry</b>	80.0	86.5	90.1	97.3	94.7	104.8	10.7%
<b>Ceramic Tiling</b>	105.8	98.2	124.0	118.3	112.9	111.5	-1.2%
<b>Electrical</b>	118.8	118.0	127.1	130.3	139.5	145.9	4.6%
<b>General Building</b>	89.5	93.0	102.1	110.0	114.1	107.9	-5.5%
<b>Joinery</b>	114.7	117.0	128.0	129.2	120.1	121.2	0.9%
<b>Landscaping</b>	101.5	103.4	106.2	114.7	119.1	116.3	-2.3%
<b>Other Trades</b>	116.2	136.7	128.0	139.5	141.1	129.3	-8.4%
<b>Painting</b>	87.0	86.7	94.7	94.9	97.5	109.2	11.9%
<b>Plastering</b>	77.5	102.3	97.7	107.3	104.6	109.6	4.8%
<b>Plumbing</b>	115.3	118.9	127.2	132.3	143.0	144.0	0.6%
<b>Roofing</b>	104.4	121.8	113.9	123.7	113.2	124.2	9.8%
<b>Site Preparation</b>	110.7	97.3	126.5	107.7	115.8	123.4	6.6%
<b>All trades</b>	<b>100.0</b>	<b>102.5</b>	<b>108.3</b>	<b>115.3</b>	<b>117.2</b>	<b>118.8</b>	<b>1.4%</b>

### HIA Trade Contractor Price Index - by Region

(Sep 02 All Trades, All Regions = 100)

	Sep-02	Jun-03	Sep-03	Jun-04	Sep-04	Dec-04	Qtly Change
<b>Sydney</b>	110.8	115.7	122.1	126.8	120.0	128.3	6.9%
<b>Regional NSW</b>	90.4	95.2	102.7	109.6	121.8	112.8	-7.4%
<b>Melbourne</b>	103.5	99.7	115.3	113.6	115.8	113.9	-1.6%
<b>Regional Vic</b>	95.1	112.7	92.7	119.3	102.4	99.3	-3.0%
<b>Brisbane</b>	96.0	100.3	109.4	115.3	129.4	127.1	-1.8%
<b>Regional QLD</b>	97.5	97.9	106.6	111.5	111.1	110.4	-0.6%
<b>Adelaide</b>	94.7	112.2	106.9	123.5	102.9	115.5	12.3%
<b>Regional SA</b>	88.5	96.5	97.6	106.2	110.1	106.1	-3.7%
<b>Perth</b>	94.5	99.9	103.5	111.9	111.6	118.8	6.4%
<b>Regional WA</b>	94.0	99.9	99.9	107.5	119.4	136.4	14.3%
<b>All of Australia</b>	<b>100.0</b>	<b>102.5</b>	<b>108.3</b>	<b>115.3</b>	<b>117.2</b>	<b>118.8</b>	<b>1.4%</b>

### Trade Availability - by Individual Trade

	Sep-03	Jun-04	Sep-04	Dec-04	Quarterly Movement in Availability
Bricklaying	-0.69	-0.71	-0.84	-0.50	↑
Carpentry	-0.70	-0.51	-0.53	-0.57	↓
Ceramic Tiling	-0.46	-0.55	-1.44	-0.71	↑
Electrical	-0.38	-0.46	-0.83	-0.77	↑
General Building	-0.72	-0.60	-0.77	-0.61	↑
Joinery	-0.40	-0.43	-0.67	-0.39	↑
Landscaping	-0.60	0.32	-0.06	-0.27	↓
Other Trades	-0.31	-0.26	-0.40	-0.45	↓
Painting	-0.27	-0.64	-0.63	-0.69	↓
Plastering	-1.07	-0.63	-0.63	-0.58	↑
Plumbing	-0.39	-0.25	-0.77	-0.53	↑
Roofing	-1.00	-0.56	-0.14	-0.77	↓
Site Preparation	-0.10	-0.56	-0.33	-0.83	↓
<b>All trades</b>	<b>-0.57</b>	<b>-0.44</b>	<b>-0.59</b>	<b>-0.45</b>	<b>↑</b>

*\*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.*

**- Ends -**

#### 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

**For further information on this release, <http://economics.hia.asn.au>  
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