



# Trades Report

September 2011



## Weak Home Building No Excuse to Overlook Skilled Labour Needs

A quarterly update on the change in the price & availability of building trades

The HIA Trades Report, a survey of the Housing Industry Association's builder and sub-contractor members, provides further evidence of continuing weakness in new home building as we head towards the end of 2011.

The HIA Trade Availability Index was +0.06 in the September 2011 quarter, meaning trades remained in moderate oversupply for a second consecutive quarter. The September 2011 quarter result represents only the third positive reading for the index in the nine-year history of the report (the others being in the June 2011 quarter and the June 2009 quarter, during the GFC).

The current weakness in new home building activity has taken pressure off trade availability – but there is no disputing that there remains a structural shortage of skilled labour in the housing industry.

In the September 2011 quarter there was a shortage of skilled labour in three of the thirteen trades surveyed. An 'equilibrium' outcome (neither shortage nor surplus) was

found for two trades with a modest surplus evident for the remaining eight trades.

In terms of geographical regions a modest surplus of skilled tradespeople was evident in six out of ten areas, the exceptions being Melbourne, Regional Victoria, Adelaide and Regional South Australia.

There is no doubt that new home building needs a kick-start as we head towards the end of the year. The November interest rate cut was a necessary first step but so much more is needed to stimulate a return of residential building to decent levels. However, any move to stimulate the industry will be less than efficacious unless we have a larger pool of skilled labour than can currently be accessed.

Policy makers in skills-related portfolios need to ensure measures are in place to boost the housing industry's skilled labour pool. Only then can we ensure that as a nation we are well-placed to improve our performance when it comes to ensuring an adequate supply of housing to meet the needs of our growing population.

HIA Trade Price Index

														Change	
	Sep-08	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Qty	Annual
Bricklaying	132.3	131.7	124.1	126.0	122.9	122.7	126.5	129.5	123.8	125.0	126.0	126.9	127.8	0.7%	3.2%
Carpentry	123.4	122.5	119.2	116.7	114.7	117.6	118.1	119.1	119.5	121.4	124.3	126.7	120.9	-4.5%	1.2%
Ceramic Tiling	130.7	130.4	131.1	125.7	121.6	119.5	120.9	119.5	124.0	123.0	119.4	122.7	115.5	-5.9%	-6.9%
Electrical	159.5	161.6	163.0	166.0	169.5	172.4	175.4	175.9	182.3	186.1	189.8	194.3	181.4	-6.6%	-0.5%
General Building	128.9	130.9	123.9	125.3	129.2	131.7	133.7	133.3	136.4	138.0	135.6	138.7	133.7	-3.6%	-2.0%
Joinery	136.1	137.8	140.6	137.7	142.8	141.3	144.3	144.4	146.4	146.1	143.7	143.7	145.2	1.0%	-0.8%
Landscaping	122.1	121.9	121.6	120.1	121.2	122.4	123.1	121.9	115.5	115.8	116.6	125.0	130.4	4.3%	12.9%
Other Trades	139.8	140.2	143.2	143.1	138.2	135.9	139.5	140.8	140.9	141.5	149.8	153.2	158.6	3.6%	12.6%
Painting	120.6	120.4	115.0	114.1	111.9	114.7	111.6	109.2	112.2	111.6	111.3	116.1	128.7	10.9%	14.7%
Plastering	122.3	123.3	119.4	117.3	115.9	115.9	113.7	113.9	113.9	115.8	125.6	126.9	122.5	-3.5%	7.6%
Plumbing	154.8	156.7	161.3	162.1	166.2	169.5	172.6	169.7	175.3	177.2	180.2	176.9	185.9	5.1%	6.0%
Roofing	148.1	148.0	145.6	143.9	151.3	148.8	147.3	148.4	143.1	152.4	157.7	157.4	157.9	0.3%	10.4%
Site Preparation	132.7	132.5	132.9	134.6	132.7	130.7	131.5	131.5	135.2	135.2	136.0	134.8	134.0	-0.6%	-0.9%
All trades	135.7	135.2	131.0	130.7	131.4	132.6	134.1	135.0	136.0	136.1	135.3	136.3	136.5	0.1%	0.4%

HIA Economics Group  
79 Constitution Ave  
Campbell ACT 2612  
(02) 6245 1393  
Hia.com.au

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