



MEDIA RELEASE

BUILDING TRADE AVAILABILITY STUCK IN THE RED

Despite a slowdown in the leading indicators of housing activity, the availability of key home building and renovation trades remains stuck in the red.

Figures released today from the HIA-Austral Bricks Trades Report showed that after some easing in the lead up to Christmas, the squeeze on trade prices and availability has returned with prices up 0.5 per cent and availability falling.

The highest price rises over the quarter were in the trades of painting (up 8.6 per cent), carpentry (up 7.4 per cent), site preparation (up 4.9 per cent) and plastering (up 3.9 per cent). Some trades prices however did fall over the quarter, notably ceramic tilers (down 2.7 per cent), plumbers (down 1.9 per cent), and bricklayers (down 0.7 per cent).

Australia's peak building industry body, HIA, said that the forecast of a modest but consistent improvement in price and availability of building trades over 2006, is unlikely to be realised.

HIA's Executive Director of Housing and Economics, Mr Simon Tennent said that there is still a considerable amount of overhang from earlier in the decade with recent figures showing that the value of residential activity approved by councils but yet to be done remains at a near record \$14.1 billion.

"It is some consolation that annual price growth for building trades has slowed to around 2 per cent and official measures of building trade availability such as the Department of Employment and Workplaces Relations Skilled Vacancy Survey show some easing in job advertisements earlier this year," Mr Tennent said.

"There are however some deep seated challenges ahead for the building industry which without the injection of more apprentices and skilled migrants, will see another round of building cost pressures emerge later in the decade," he added.

"For apprentices, this injection of new skills can only come from a major overhaul of the training network, underlining the importance of the recent Council of Australian Government's announcements of reforms to competency based training, mutual recognition arrangements for skills and licensing, and changes to apprenticeships."

"The streamlined offshore skills assessment is also welcome news for those looking overseas to fill the gaps while the addition of 6 housing and construction trades to the the Migration Occupations in Demand List (MODL) will also be of significant benefit," Mr Tennent said.

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	Jun-05	Sep-05	Dec-05	Mar-06	Qtly Change	Annual Change
Bricklaying	89.6	78.2	101.8	87.2	96.8	102.3	105.4	106.9	109.6	110.4	109.7	-0.7%	4.0%
Carpentry	80.0	86.5	90.1	97.3	94.7	104.8	105.2	102.2	105.8	104.5	112.3	7.4%	6.7%
Ceramic Tiling	105.8	98.2	124.0	118.3	112.9	111.5	109.4	108.4	113.2	116.1	112.9	-2.7%	3.2%
Electrical	118.8	118.0	127.1	130.3	139.5	145.9	142.3	141.6	146.6	148.8	150.9	1.3%	6.0%
General Building	89.5	93.0	102.1	110.0	114.1	107.9	110.2	114.2	114.4	116.1	116.3	0.2%	5.5%
Joinery	114.7	117.0	128.0	129.2	120.1	121.2	118.6	125.4	129.0	127.5	129.0	1.1%	8.8%
Landscaping	101.5	103.4	106.2	114.7	119.1	116.3	111.9	115.5	110.4	111.4	114.6	2.9%	2.5%
Other Trades	116.2	136.7	128.0	139.5	141.1	129.3	129.1	123.8	122.0	124.0	122.1	-1.6%	-5.5%
Painting	87.0	86.7	94.7	94.9	97.5	101.8	95.3	101.7	94.7	97.3	105.7	8.6%	11.0%
Plastering	77.5	102.3	97.7	107.3	104.6	109.6	107.7	99.2	102.3	104.2	108.3	3.9%	0.6%
Plumbing	115.3	118.9	127.2	132.3	143.0	144.0	151.3	155.3	147.3	142.6	139.9	-1.9%	-7.5%
Roofing	104.4	121.8	113.9	123.7	113.2	124.2	121.6	135.5	123.8	119.1	118.4	-0.5%	-2.6%
Site Preparation	110.7	97.3	126.5	107.7	115.8	123.4	121.6	124.0	117.7	114.1	119.7	4.9%	-1.5%
All trades	100.0	102.5	108.3	115.3	117.2	118.8	118.1	118.8	120.2	119.9	120.5	0.5%	2.0%

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

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