



MEDIA RELEASE

NO IMPROVEMENT IN TRADE AVAILABILITY

Despite a continued cooling off in the lead indicators for new housing and renovation work, there has been no easing in the price or improvements in the availability of building trades.

Figures released today from the HIA-Austral Bricks Trades Report showed that trade prices rose a further 1.2 per cent in the September quarter, although the annualised rate of increase has slowed, down to 2.5 per cent from the 3.5 per cent recorded last quarter.

For trade availability, a lack of carpenters, tilers, general building trades and joiners offset improvements in the other 8 trade categories.

Australia's peak building industry body, HIA, said that this continued price pressure and ongoing lack of trades at a time when the industry is down some 15 per cent further highlights the need for apprenticeship reform.

HIA's Chief Economist, Mr Simon Tennent said that today's results lead on from the recent findings of a comprehensive survey into apprenticeships which showed that without a major investment in vocational education and training, better management of the school-to-work transition and a review of incentive payments, the prospects of lifting apprenticeship training remain bleak.

"If skills shortages are to be addressed these should be the priority issues for resolution of the Commonwealth-State Working Group set up to review vocational education and training," Mr Tennent said.

In annual terms, Adelaide has experienced the largest rise in trade prices, up 25.4 per cent, followed by Regional Western Australia, up 14.3 per cent, Perth up 8.2 per cent, Sydney, up 4.6 per cent, Regional South Australia, up 2.7 per cent, Regional Queensland up 3.3 per cent Regional Victoria, up 2.1 per cent, and Melbourne, up 0.4 per cent.

Price falls were recorded in Brisbane, down 6.1 per cent, and Regional NSW, down 4.7 per cent.

After two consecutive improvements, the availability of trades fell marginally over the quarter, down from -0.34 to -0.35. (0 is regarded as being in balance). This was a result of the deterioration in the availability of Carpenters, Tilers, Joinery Professionals and General Building Trades.

Trade availability tightened for the other 8 categories.

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 | Qtly Change | Annual Change |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|---------------|
| Bricklaying | 89.6 | 78.2 | 101.8 | 87.2 | 96.8 | 102.3 | 105.4 | 106.9 | 109.6 | 2.5% | 13.3% |
| Carpentry | 80.0 | 86.5 | 90.1 | 97.3 | 94.7 | 104.8 | 105.2 | 102.2 | 105.8 | 3.5% | 11.7% |
| Ceramic Tiling | 105.8 | 98.2 | 124.0 | 118.3 | 112.9 | 111.5 | 109.4 | 108.4 | 113.2 | 4.4% | 0.3% |
| Electrical | 118.8 | 118.0 | 127.1 | 130.3 | 139.5 | 145.9 | 142.3 | 141.6 | 146.6 | 3.5% | 5.0% |
| General Building | 89.5 | 93.0 | 102.1 | 110.0 | 114.1 | 107.9 | 110.2 | 114.2 | 114.4 | 0.1% | 0.2% |
| Joinery | 114.7 | 117.0 | 128.0 | 129.2 | 120.1 | 121.2 | 118.6 | 125.4 | 129.0 | 2.8% | 7.3% |
| Landscaping | 101.5 | 103.4 | 106.2 | 114.7 | 119.1 | 116.3 | 111.9 | 115.5 | 110.4 | -4.4% | -7.3% |
| Other Trades | 116.2 | 136.7 | 128.0 | 139.5 | 141.1 | 129.3 | 129.1 | 123.8 | 122.0 | -1.4% | -13.5% |
| Painting | 87.0 | 86.7 | 94.7 | 94.9 | 97.5 | 101.8 | 95.3 | 101.7 | 94.7 | -6.9% | -2.9% |
| Plastering | 77.5 | 102.3 | 97.7 | 107.3 | 104.6 | 109.6 | 107.7 | 99.2 | 102.3 | 3.2% | -2.2% |
| Plumbing | 115.3 | 118.9 | 127.2 | 132.3 | 143.0 | 144.0 | 151.3 | 155.3 | 147.3 | -5.1% | 3.0% |
| Roofing | 104.4 | 121.8 | 113.9 | 123.7 | 113.2 | 124.2 | 121.6 | 135.5 | 123.8 | -8.6% | 9.4% |
| Site Preparation | 110.7 | 97.3 | 126.5 | 107.7 | 115.8 | 123.4 | 121.6 | 124.0 | 117.7 | -5.1% | 1.7% |
| All trades | 100.0 | 102.5 | 108.3 | 115.3 | 117.2 | 118.8 | 118.1 | 118.8 | 120.2 | 1.2% | 2.5% |

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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