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**MEDIA RELEASE**

## **HOUSING WEAKNESS IN REGIONAL QUEENSLAND TO EFFECT SKILLED LABOUR SHORTAGES**

There has been a noticeable decline in new home building and renovations activity in 2012, which has placed the sector in recession. The decline has also had an impact on the availability of skilled labour. Although there is still a shortage of labour in brick/block laying and roofing, a moderate oversupply of other trades is evident throughout regional Queensland.

Thousands of tradespeople are feeling the pressure of persistently weak residential building activity. The lack of activity is creating keen competition amongst trade contractors for work, resulting in lower contract rates.

The HIA Trade Price Index which measures the annual change in prices across different trades has found that rates were lower for bricklaying, carpentry, ceramic tiling, electrical, landscaping, and plastering. Although this may be construed as good news for those buyers contemplating a new house and land package, the situation is inherently dangerous for the housing sector as tradespeople leave the industry to seek work elsewhere, particularly in the areas of mining and infrastructure development. This situation will undoubtedly lead to skilled labour shortages constraining a residential construction recovery in the future.

The recently released HIA Trades Report shows regional Queensland as one of the hardest hit areas of Australia with trade availability soring way ahead of the national industry average. Both December and March quarters should a significant increase in availability of trades which has compounded a problem which has been evident since June, 2009.

Although there have been some positive moves by the newly elected state government to lower construction costs and promote activity by scrapping construction waste levies and withdrawing other marginally effective environmental requirements, much needs to be done to stimulate activity and investment in the sector.

Reforms such as cutting red tape in building approval processes and reducing inefficient taxation at a federal level can boost the broader economy and stimulate residential building activity. It is noteworthy that the Centre for International Economics (CIE) has found that for every dollar in taxation removed from housing construction, there is a return of \$2.46 to the economy.

### **For further information contact**

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