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MEDIA RELEASE

3 May 2012

HIA Trades Report confirms now is the time for skilled labour investment

The latest HIA Trades Report provides, not surprisingly, a weak update on the residential construction industry for the first quarter of 2012, said the Housing Industry Association, the voice of Australia's residential construction industry.

The HIA Trades Report, a survey of builders and sub-contractors, found only very modest growth in skilled labour prices, but a persistent shortage of skilled labour in some trades despite very weak housing conditions.

"The key finding of the Trades Report is that despite March 2012 representing the seventh consecutive quarter of weakness for new home building post the GFC, the availability of skilled trades people is only marginally in surplus," said HIA Chief Economist, Dr Harley Dale. "Furthermore, five trades – bricklaying, ceramic tiling, painting, plumbing, and 'other trades' – remain in short supply."

"These results provide compelling evidence of a structural shortage of skilled labour within the residential construction industry. Otherwise a large surplus of skilled labour would have emerged by now amidst very weak housing conditions, but that simply hasn't happened," said Harley Dale.

"Now is the time to accelerate investment in skills and training, an area where progress is certainly being achieved. Now is also the time to reform the immigration system to support the specific skilled labour requirements of residential construction, something it currently fails to do," Harley Dale noted.

"You can't just turn the skilled labour tap on when new home building recovers, especially when you are competing with the resources sector for labour. Without further investment and reform, skilled labour shortages will inhibit the much-needed recovery in new home building activity, which would be detrimental to the entire economy," added Harley Dale.

The HIA Trade Availability Index registered +0.04 in the March 2012 quarter, meaning that trades were just in the territory of moderate oversupply (a reading between 0 and 1 signals oversupply). Meanwhile the HIA Trade Prices Index increased by 1.4 per cent to be up by only 1.6 per cent over the year to the March 2012 quarter.

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For a full copy of the HIA Trades Report (media only), please contact Kirsten Lewis on (02) 6245 1393 or at k.lewis@hia.com.au

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HIA TRADE AVAILABILITY INDEX BY TRADE															
	Dec-08	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Quarterly Movement in Availability
Bricklaying	*0.00*	*-0.12*	*-0.06*	*-0.10*	*-0.08*	*-0.18*	*-0.33*	*-0.38*	*-0.20*	*0.00*	*-0.20*	*0.00*	*-0.21*	*-0.09*	↑
Carpentry	*0.11*	*0.16*	*0.08*	*0.04*	*-0.03*	*-0.18*	*-0.10*	*-0.25*	*-0.14*	*-0.06*	*0.05*	*-0.06*	*0.16*	*0.05*	↓
Ceramic Tiling	*0.00*	*-0.08*	*-0.21*	*-0.25*	*-0.33*	*-0.25*	*-0.23*	*-0.26*	*-0.14*	*-0.29*	*0.00*	*-0.23*	*-0.08*	*-0.25*	↓
Electrical	*-0.83*	*-0.51*	*-0.14*	*-0.15*	*-0.03*	*-0.18*	*-0.08*	*-0.13*	*0.00*	*0.00*	*-0.33*	*-0.13*	*-0.29*	*0.20*	↑
General Building	*0.06*	*0.13*	*0.03*	*-0.06*	*-0.05*	*-0.06*	*-0.18*	*-0.19*	*-0.11*	*-0.14*	*0.03*	*0.06*	*-0.01*	*0.07*	↑
Joinery	*-0.11*	*0.12*	*0.38*	*0.19*	*0.18*	*0.05*	*-0.14*	*-0.07*	*0.10*	*0.14*	*0.43*	*0.29*	*0.12*	*0.19*	↑
Landscaping	*0.09*	*0.18*	*0.11*	*-0.14*	*-0.17*	*-0.25*	*-0.29*	*-0.29*	*-0.22*	*-0.11*	*-0.29*	*0.33*	*0.08*	*0.29*	↑
Other Trades	*-0.36*	*-0.05*	*0.04*	*-0.04*	*-0.06*	*-0.04*	*0.02*	*0.08*	*0.00*	*0.07*	*0.38*	*0.07*	*-0.08*	*-0.13*	↓
Painting	*-0.60*	*-0.08*	*0.18*	*0.00*	*-0.13*	*0.00*	*0.01*	*0.11*	*-0.40*	*0.13*	*-0.11*	*0.38*	*0.15*	*-0.09*	↓
Plastering	*-0.18*	*0.13*	*0.22*	*0.14*	*0.00*	*0.07*	*0.17*	*0.07*	*0.17*	*0.13*	*0.54*	*0.25*	*0.09*	*0.20*	↑
Plumbing	*-0.50*	*-0.36*	*0.01*	*-0.25*	*-0.14*	*-0.33*	*-0.13*	*-0.27*	*-0.07*	*0.08*	*0.19*	*0.18*	*-0.27*	*-0.13*	↑
Roofing	*-0.31*	*-0.35*	*0.01*	*-0.14*	*-0.36*	*-0.21*	*0.05*	*-0.13*	*0.00*	*-0.57*	*0.00*	*0.36*	*0.38*	*0.20*	↓
Site Preparation	*0.00*	*-0.09*	*0.13*	*0.08*	*0.14*	*-0.03*	*0.00*	*0.00*	*-0.25*	*-0.33*	*0.00*	*0.00*	*0.00*	*0.33*	↑
All trades	*-0.06*	*-0.05*	*0.10*	*-0.07*	*-0.08*	*-0.11*	*-0.09*	*-0.16*	*-0.10*	*-0.07*	*0.10*	*0.06*	*0.04*	*0.04*	→

Note to Editors

1. The HIA 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 a 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 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 Trades Report (media only), please contact Kirsten Lewis on (02) 6245 1393 or k.lewis@hia.com.au.