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FOR IMMEDIATE RELEASE

3 February 2012

HIA Trades Report Highlights Need for Reform

The latest HIA Trades Report, a survey of the Housing Industry Association's builder and sub-contractor members, confirms on-going weakness in the housing industry throughout 2011.

"Last year there was a deterioration in new home building while the renovations market flattened out," said HIA Chief Economist, Dr Harley Dale. "In this environment, which was partly driven by weak demand conditions, it is not surprising that some of the pressure on the availability of skilled labour was temporarily reduced."

"Even with new home building activity falling markedly, the easing in trade availability was modest in 2011," said Harley Dale. "Indeed three skilled trades, bricklaying, ceramic tiling, and electrical, continued to experience relatively tight availability throughout last year."

"There are a multitude of supply-side constraints which if left unaddressed will hinder the prospects for a sizeable and sustainable recovery in residential building activity. A structural shortage of skilled residential tradespeople is clearly one of those constraints," Harley Dale said.

"Now, during softer housing conditions, is precisely the time to be accelerating policy solutions to address this structural labour shortage," added Harley Dale.

The HIA Trade Availability Index registered +0.04 in the December 2011 quarter, meaning that trades remained in moderate oversupply for a third consecutive quarter (a reading below 0 signals undersupply). Meanwhile the HIA Trade Prices Index displayed another benign result at the end of last year, easing by 0.7 per cent to be down by 0.4 per cent when compared to the December 2010 quarter.

HIA Executive Director, Industry Workforce Development, Liz Greenwood, said that, "Whilst it is encouraging to look back on some short term improvement in the overall supply of trades last year, it is still a concern to see that the availability of some of these trades remained consistently in the negative only improving, at best, to a break-even point."

"Residential building activity in Australia has been subdued for quite some time now. What the Trades Report figures tell us is that when activity improves, existing trade shortages will again reach critical levels. This is a concern for everyone, not just for industry," added Ms Greenwood.

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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

	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	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	↓
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	↑
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	↑
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	↓
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	↓
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	↓
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	↓
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	↓
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	↓
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	↓
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	↓
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	↑
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	↔
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	↓

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.
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