Australia's future is built by tradies

Recognising the workforce that builds Australia's future

Executive summary

Australia's future is built by tradies.

Every home, renovation, extension, repair and community facility relies on the skills, dedication and professionalism of Australia's trades workforce. Tradies build the homes Australians live in, maintain the places communities rely on and help families recover when disaster strikes. Their contribution supports every stage of the housing journey and plays a critical role in Australia's economy.

At a time when governments are seeking to increase housing supply and improve affordability, Australia faces a significant shortage of skilled tradespeople. HIA estimates the residential building industry is currently facing a shortfall of around 83,000 skilled workers, creating one of the most significant constraints on housing delivery across the country.

Workforce shortages are slowing project delivery, increasing construction costs and limiting the industry's ability to meet housing demand. The challenge is particularly acute in regional Australia, where smaller labour pools and reduced access to training opportunities make workforce shortages even more pronounced.

As demand for skilled workers grows across housing, infrastructure, energy and digital economy projects, competition for labour is intensifying. Expanding sectors such as data centres are adding further pressure to already constrained labour markets, particularly for electrical trades, highlighting the need for a coordinated national approach to workforce development.

Australia's housing crisis is not simply a housing supply challenge. It is also a workforce shortage problem.

Every housing target ultimately relies on having enough skilled people available to build the homes Australians need.

Trade careers offer secure employment, strong earning potential, practical skills and pathways to business ownership. Yet vocational pathways continue to compete with long-standing perceptions that university is the preferred route to career success.

Strengthening the pipeline of skilled workers will require coordinated action by governments, industry and educators. More Australians need to be encouraged to consider trade careers, apprentices must be supported to complete their training, and the businesses that train future tradies need to be supported to continue investing in workforce development.

Because Australia's future is built by tradies.

Ensuring there are enough skilled workers to meet Australia's housing needs is therefore not simply an industry priority, but a national economic imperative.

HIA's five priorities for action

1. Elevate the status of trade careers

2. Improve apprenticeship attraction & completion

3. Support the builders who train Australia's workforce

4. Strengthen school-to-trade pathways

5. Invest in workforce capacity

Australia's future is built by tradies

Few occupations have a greater impact on Australians' daily lives than the skilled trades.

From the first home purchased by a young family to the modifications that allow older Australians to remain in their homes for longer, tradies help shape every stage of the housing journey.

They build new homes.

They maintain and repair existing housing.

They deliver renovations and extensions.

They restore communities after floods, bushfires and storms.

They make homes more energy efficient and accessible.

Behind every safe, functional and comfortable home is a network of skilled tradespeople applying expertise developed over years of training and experience.

Their contribution extends beyond housing. Tradies support local economies, create small businesses, provide employment opportunities and help build the infrastructure communities depend on.

They are also central to delivering some of Australia's most important policy objectives, from increasing housing supply and improving affordability through to supporting energy efficiency and community resilience.

While much of their work occurs behind the scenes, its impact is visible every day in the homes we live in and the communities we call home.

The workforce behind housing

Every housing target relies on a workforce capable of delivering it.

As governments seek to increase housing supply and improve affordability, demand for skilled tradespeople continues to grow. Yet Australia's construction workforce pipeline is under increasing pressure.

According to HIA's *All Hands on Deck* research, the residential building industry is facing a shortfall of approximately 83,000 skilled workers.

This shortage is the result of several long-term trends converging at the same time.

Apprenticeship pathways remain under pressure

Apprenticeships are the primary pathway into the residential construction workforce. While commencements have fluctuated in response to economic conditions and government incentives, completion rates remain a persistent challenge.

Every apprentice who leaves the system before qualification represents a skilled worker the industry ultimately loses.

Improving both apprenticeship commencements and completion rates will be essential if Australia is to strengthen its future workforce.

Workforce demand continues to expand

Population growth, ambitious housing targets and increasing demand for housing upgrades have increased the need for skilled labour across Australia.

At the same time, residential construction competes with major infrastructure, resources and energy projects for many of the same workers. These sectors often have the capacity to attract skilled labour away from housing construction, placing further pressure on builders seeking to deliver new homes.

More recently, the rapid expansion of Australia's data centre sector has added further pressure to already constrained labour markets, particularly for electrical trades. As governments pursue housing, infrastructure, energy and digital economy objectives simultaneously, each sector is increasingly drawing from the same limited pool of skilled workers.

The answer is not moving workers between sectors. The answer is growing the overall pool of skilled tradespeople available to support Australia's housing, infrastructure and economic development needs.

Without sustained growth in the construction workforce, labour shortages will continue to constrain housing delivery and place further pressure on affordability.

Small businesses doing the heavy lifting

Australia's residential construction industry is built on thousands of small businesses.

These businesses not only build homes, they train the next generation of workers.

However, rising costs, compliance obligations and uncertain market conditions can limit the capacity of employers to take on apprentices and invest in long-term workforce development.

Supporting small builders and trade businesses must therefore form part of any long-term workforce solution.

Regional Australia Faces Greater Challenges

In many regional communities, workforce shortages are particularly acute.

Smaller labour pools, reduced access to training and challenges attracting workers contribute to construction delays and increased costs.

The result is often fewer homes, longer waiting periods for essential works and increased pressure on local housing markets.

Together, these pressures are creating a widening gap between housing demand and workforce capacity.

Australia needs more homes.

To build them, Australia needs more tradies.

Trade careers: A strong economic proposition

Trade careers offer one of Australia's strongest pathways to secure employment, financial independence and business ownership.

For many young Australians, they provide something increasingly valuable: the ability to earn, learn and build a career simultaneously.

Earn while you learn

Unlike many other career pathways, apprentices are employed while undertaking their training.

This allows them to gain practical workplace experience, earn an income and develop nationally recognised qualifications at the same time.

For many young people, this can provide an earlier pathway to financial independence and workforce participation.

Financial benefits can start from day one

One of the most significant differences between vocational and university pathways is the financial position of individuals during training.

While university remains the appropriate pathway for many Australians, trade careers can offer an attractive and often overlooked economic proposition.

HIA analysis of publicly available education fee and labour market data demonstrates that apprentices can begin generating income immediately while developing nationally recognised qualifications.

For example, the typical pathway to becoming either an accountant or a carpenter takes approximately three to four years. However, the financial experience during training differs significantly.

Earn while you learn.

ACCOUNTANT

Study period: **3** to **4 years**

Approximate annual study **cost**: **$17,376***

Estimated salary after qualification:
$80,000 to **$95,000****

CARPENTER

Apprenticeship period: **3** to **4 years**

Approximate annual **earnings** while training: **$39,000** to **$42,000*****

Estimated salary after qualification:
$80,000 to **$95,000****

Based on these indicative figures, the difference in annual financial position during training can exceed $55,000 per year in favour of an apprenticeship pathway.

While career choices should never be based solely on income, this comparison demonstrates that trade careers can provide a significant financial advantage early in a person's working life, allowing apprentices to earn, learn and build practical experience simultaneously.

**Source: Australian Government Department of Education 2026 indexed Commonwealth Supported Place student contribution rates.*

***Source: SEEK salary estimates, 2026.*

****Source: Indicative second-year carpentry apprentice wage rates and fee-free TAFE arrangements, 2026.*

A pathway to business ownership

Trades are also one of Australia's most important pathways into small business ownership.

Many builders, trade contractors and construction business owners began their careers as apprentices.

These businesses go on to employ workers, train apprentices and contribute to local communities.

Strengthening the trades pipeline is therefore about more than addressing workforce shortages. It is also about creating future employers, entrepreneurs and community leaders.

Many of Australia's most successful residential building businesses have their origins in a trade qualification and a small business built from the ground up.

Skills for life

Trades provide highly transferable skills, strong employment prospects and opportunities for advancement.

They offer pathways into supervision, project management, specialist technical roles and business ownership.

Most importantly, they provide the opportunity to create something tangible and lasting.

Few professions allow people to look at a completed home and genuinely say: "I built that."

A modern industry with diverse career opportunities

Today's residential building industry offers far more than traditional trade pathways.

Modern housing construction increasingly relies on energy-efficient building systems, new technologies, prefabrication, modern methods of construction and advanced manufacturing processes. These changes are creating a broader range of career opportunities across the housing sector and reinforcing the importance of vocational education and training.

As Australia's housing needs evolve, trade and skills-based careers will continue to play a central role in delivering the homes, communities and infrastructure the nation requires.

A career suited to a changing economy

Technological change is reshaping industries across the economy, with advances in artificial intelligence and automation expected to influence the way many occupations are performed in the years ahead.

While these technologies will create new opportunities and improve productivity, they are unlikely to diminish the need for skilled tradespeople. Trade occupations combine technical expertise, practical problem-solving, on-site decision-making and customer interaction in environments that are highly variable and difficult to automate.

Technology is expected to enhance the work of tradies through improved design, planning, estimating and project management tools. However, the construction, installation, maintenance and repair of homes will continue to depend on a skilled workforce capable of applying judgement, adapting to changing circumstances and delivering quality outcomes on site.

As Australia's housing needs continue to grow, demand for skilled tradespeople is expected to remain closely linked to one of the economy's most fundamental requirements: building, maintaining and improving homes and communities.

In an environment of ongoing technological change, trade careers offer a combination of practical skills, workforce mobility and long-term employment opportunities that will remain highly valued across the economy.

Technology will continue to change the way homes are designed and built, but it will not remove the need for skilled people to build them.

Why workforce shortages matter

Workforce shortages have consequences that extend well beyond the construction industry.

They influence housing supply, affordability, economic growth and community resilience.

Housing supply

Australia's housing ambitions depend on having sufficient workforce capacity.

Without enough skilled workers:

- Homes take longer to build.
- Project timelines are extended.
- Housing targets become harder to achieve.
- Housing supply falls short of community needs.

Housing affordability

Labour shortages place upward pressure on construction costs.

These costs ultimately flow through to homebuyers, renovators and consumers, contributing to broader affordability challenges and making it harder for Australians to enter the housing market.

Regional communities

The impacts are often greatest outside major metropolitan areas.

Regional communities already facing housing shortages can experience greater delays and higher costs due to limited access to skilled labour.

This can exacerbate economic and social disparities between metropolitan and regional Australia.

Disaster recovery and resilience

Tradies are critical to rebuilding communities following natural disasters.

Workforce shortages can slow recovery efforts and reduce the capacity available to strengthen homes against future events.

At a time when communities are increasingly focused on resilience, access to skilled workers has never been more important.

Australia's housing challenge is not simply a housing supply challenge.

It is also a workforce challenge.

Unless workforce capacity increases, housing affordability and supply objectives will become increasingly difficult to achieve.

HIA's five priorities for action

1.

Elevate the status of trade careers

Trade careers should be recognised as highly skilled, professional and rewarding pathways.

This includes challenging outdated perceptions of vocational education and showcasing the diversity of modern construction careers available across the housing sector.

Actions

- Deliver a national awareness campaign promoting trade careers.
- Improve career guidance and vocational education pathways in schools.
- Increase visibility of successful tradies, builders and small business owners.
- Promote emerging career opportunities in energy-efficient housing, prefabrication and modern construction methods.

2.

Improve apprenticeship attraction & completion

Building a stronger workforce requires both increased commencements and higher completion rates.

Actions

- Target support during the early years of apprenticeships, including tool bonuses and milestone rewards.
- Improve mentoring and retention programs.
- Strengthen incentives focused on successful completion.
- Support apprentices to start, stay and succeed.

3.

Support the builders who train Australia's workforce

Small businesses play a critical role in workforce development and should be supported accordingly.

Actions

- Reduce administrative burden.
- Expand employer support programs and lock them in for the long term.
- Improve flexibility within training arrangements.
- Recognise the contribution small businesses make to workforce development.

4.

Strengthen school-to-trade pathways

Students should be exposed to vocational careers earlier and more consistently.

Actions

- Expand school-based vocational education opportunities.
- Strengthen partnerships between schools, TAFEs and industry.
- Increase opportunities for hands-on industry experience.
- Improve awareness of modern construction careers.

5.

Invest in workforce capacity

Australia requires both immediate and long-term workforce solutions.

Actions

- Expand training infrastructure and capacity.
- Increase access to regional training opportunities.
- Support strategic skilled migration where shortages are acute.
- Improve recognition of overseas trade qualifications.
- Align workforce planning with Australia's housing objectives.

Conclusion

The stakes are too high to get wrong

Australia's housing aspirations ultimately depend on the people who deliver them.

From new housing supply to renovations, maintenance and disaster recovery, skilled tradespeople underpin every part of Australia's housing system.

Yet workforce shortages are increasingly constraining the industry's ability to deliver the homes Australians need.

Addressing this challenge requires long-term commitment and coordinated action across government, industry and the education sector. It means encouraging more Australians to pursue trade careers, supporting apprentices through to qualification and ensuring the businesses that train future workers have the capacity to continue doing so.

Australia's workforce challenge is being shaped not only by housing demand, but by growing competition for skilled labour across the broader economy. Infrastructure investment, energy projects and emerging industries such as data centres are drawing from many of the same trades and professions required to build new homes. Meeting Australia's housing ambitions will therefore require a sustained focus on growing the overall workforce rather than simply reallocating workers between sectors.

Australia's future is built by tradies. Ensuring there are enough skilled workers to meet Australia's housing needs is therefore not simply an industry challenge, but a national economic priority.

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