



HIA Industry Research

The changing voice of the
building industry
March 2024





Geordan Murray
Executive Director – Future Workforce & Industry Research
Housing Industry Association
79 Constitution Avenue
Campbell, ACT
Phone: 02 6245 1300
Email: g.murray@hia.com.au



The changing voice of the building industry

Improving diversity within the workforce is widely acknowledged to be a good thing for industry productivity, so it is good to report that the construction industry has become more culturally and linguistically diverse over the last decade. However, the industry is still lagging other industry sectors when it comes to attracting skilled migrants.

Between the 2011 and 2021 census the construction industry workforce grew by 29 per cent. Within this, the number of workers who reported English as the primary language spoken at home increased by 25 per cent, while the number reporting that they speak a language other than English increased by 56 per cent.

The workforce who speaks a language other than English at home grew at a rate that is more than double the rate of the English speaking cohort.

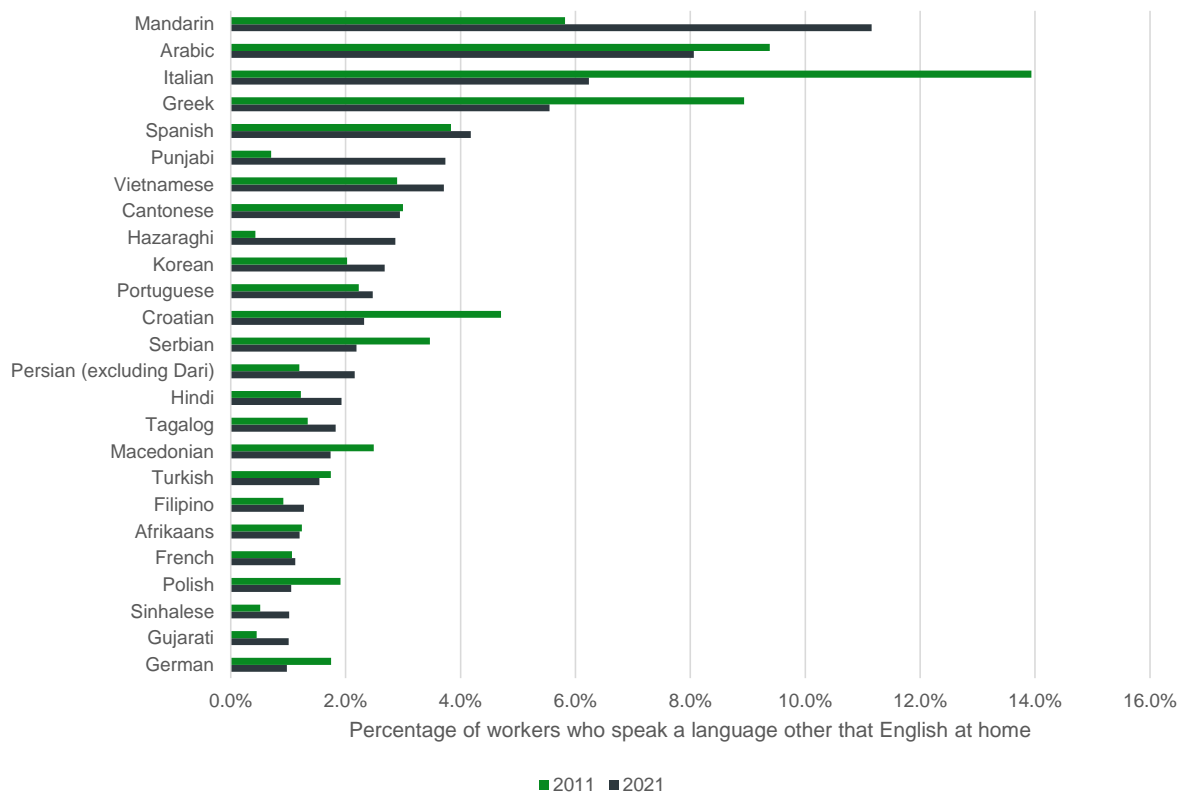
The 56 per cent increase means that the share of workforce that speaks a language other than English at home increased from 13.6 per cent of the total industry workforce to 16.4 per cent between the 2011 and 2021 census. There are over 200 languages and dialects spoken by those in the construction workforce.

The range of non-English languages spoken within the industry have also changed over the decade. The changes in languages spoken largely reflect changes in migration trends over the last decade, with a greater share of migrants arriving from Asia and fewer arriving from Europe.

In 2011 Italian was the most common language, spoken by 13.9 per cent of workers in the industry, however this share dropped to 6.2 per cent in 2021 and ranked as the third most common.

Top 25 Languages Spoken by Construction Workforce: 2011 vs 2021

Source: ABS, HIA





In 2021 Mandarin was the most common non-English language spoken by workers in the industry and is spoken by 11.2 per cent of those who speak a language other than English at home, up from 5.8 per cent in 2011.

Arabic was the second most common non-English language in both 2011 and 2021, although the share of Arabic speaking workers declined from 9.4 per cent to 8.1 per cent over this period.

The share of Greek speaking workers also declined, dropping from 8.9 per cent in 2011 to 5.6 per cent in 2021.

The share of workers speaking Croatian (4.7 per cent), Serbian (3.5 per cent) and Macedonian (2.5 per cent) ranked within the top 10 most common non-English languages spoken by workers in construction back in 2011. However, all three dropped out of the top 10 in 2021 and were replaced by Punjabi, Hazaraghi and Korean.

South Asian languages have become more common in the construction industry over the last decade. In 2011 Punjabi speakers accounted for only 0.7 per cent of the construction industry's workforce that speak a language other than English at home, and this increased to 3.7 per cent in 2021.

It is also worth noting that while Hindi ranks outside of the top 10 most common non-English languages, the share of Hindi speakers also increased from 1.2 per cent in 2011 to 1.9 per cent in 2021.

Hazaraghi is another South Asian language that surged into the top 10 in 2021. Only 0.4 per cent of the workforce that speak a language other than English at home spoke Hazaraghi in 2011 and this leapt to 2.9 per cent in 2021. The rapid growth of the Hazaraghi speaking workforce has been driven by Australia's intake of Afghan refugees.

The increased cultural and linguistic diversity in the construction industry over the last decade reflects Australia's success as a multicultural society. Much of this cultural and linguistic diversity is a result of migration. However, the construction industry still rates very poorly when compared to other sectors when it comes to recruiting migrant workers.



Share of Industry Workforce Who Migrated to Australia

Source: ABS, HIA



Only 24.2 per cent of the construction industry migrated to Australia at some point, this ranks 16th out of the Australia's 19 major industry sectors. The construction industry is well short of the national average of 32 per cent. The finance and insurance services sector has the largest share of migrant workers at 39.6 per cent.

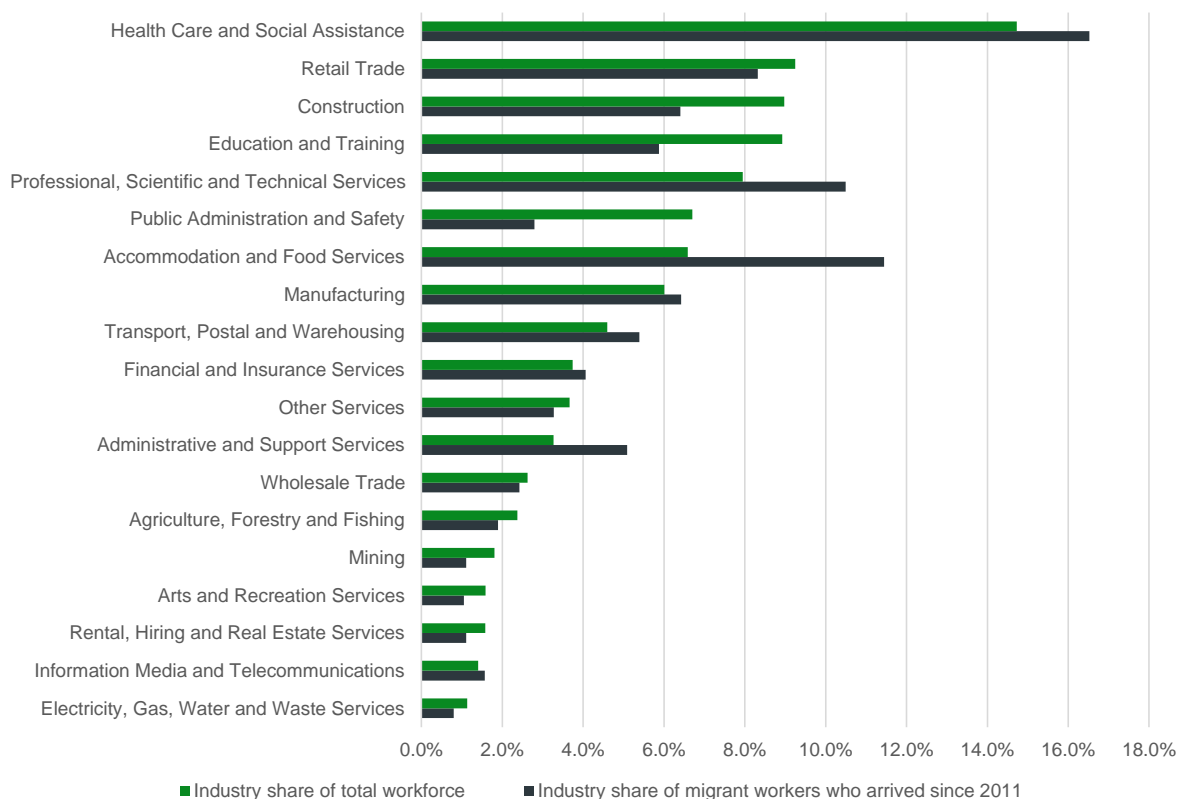
The construction industry hasn't been able to attract a proportionate share of the migrant workers who come to Australia. The construction industry accounts for 9 per cent of Australia's total workforce, yet only 6.4 per cent of those who migrated to Australia over the last decade are working in this industry.

This 2.6 percentage point gap ranks as third largest amongst the 19 major industry sectors, only the public administration and education sectors fared worse.



Migrant Employment by Industry

Source: ABS, HIA



To provide a point of contrast, the accommodation and food service sector account for just 6.6 per cent of Australia’s workforce yet this sector employs 11.4 per cent of migrant workers who arrived in the last decade. This sector attracted nearly 80 per cent more migrant workers than the construction industry over the last decade.

If the construction industry was able to recruit a number of migrant workers that was proportionate to its 9 per cent share of the workforce the industry would have received 40 per cent more migrant workers, over 33,000 additional workers.

Successive Australian governments have claimed to oversee a ‘demand driven’ skilled migration system. Given the acute shortages of skilled workers that the construction industry has faced over the last decade it is implausible to suggest that insufficient demand is to blame for this underperformance.

The skilled migration system is failing the construction industry. The failure to facilitate skilled migration in the construction industry is enabling the labour shortages to continue, which is contributing to longer build times and higher construction costs. Higher construction costs are contributing to fewer homes being built and deteriorating housing affordability.

Despite a series of reviews, public consultations, and the release of the Government’s Migration Strategy, there is little to suggest that anything is going to improve the construction industry’s ability to recruit skilled workers from overseas. Without these workers there is very little chance of building the 1.2 million homes that the government aims to deliver over the next five years.



ABOUT THE HOUSING INDUSTRY ASSOCIATION

The Housing Industry Association (HIA) is Australia's only national industry association representing the interests of the residential building industry.

As the voice of the residential building industry, HIA represents a membership of 60,000 across Australia. Our members are involved in delivering on average more than 200,000 new homes each year through the construction of new housing estates, detached homes, low & medium-density housing developments, apartment buildings and completing renovations on Australia's 10 million existing homes.

HIA members comprise a diverse mix of companies, including large builders delivering thousands of new homes a year through to small and medium home builders delivering one or more custom built homes a year, building product manufacturers and suppliers, and businesses providing professional and allied services.

The residential building industry is one of Australia's most dynamic, innovative and efficient service industries and is a key driver of the Australian economy. The residential building industry has a wide reach into the manufacturing, supply and retail sectors.

Contributing over \$100 billion per annum and accounting for 5.8 per cent of Gross Domestic Product, the residential building industry employs over one million people, representing tens of thousands of small businesses and over 200,000 sub-contractors reliant on the industry for their livelihood.

The association operates offices in 22 centres around the nation providing a wide range of advocacy, business support services and products for members, including legal, technical, planning, workplace health and safety and business compliance advice, along with training services, contracts and stationary, industry awards for excellence, and member only discounts on goods and services.