



2024-2025 Northern Territory Pre-Budget Submission

Submission to NT Chief Minister
February 2024





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Executive Summary

The Northern Territory needs a strong and stable workforce to build the much-needed homes to house Territorians and future generations.

The Northern Territory has endured some setbacks with the ongoing shortage of skills in the residential building industry and currently faces a major struggle to supply adequate housing in coming years.

For the building industry in the Northern Territory to flourish, there needs to be a stable workforce by the development of skills within the Territory as well as attracting interstate migration to the Territory.

This needs to be supplemented with Australia implementing a suitable migration system that feeds to fill the workforce gaps.

Although there has been some commitment by past governments to address the shortage there remains low participation in the skilled trades.

This budget must ensure that we set the Northern Territory ready for the future and make sure that the residential construction industry has a continuous flow of apprentices in the next 5 – 10 years to address the housing shortage.

With the current decline in house construction in the past couple of years there exists a perfect chance to train our workforce for the future.

Government support for apprentices will be crucial to attract more people to the trades and for employers to encourage employment.

Maintaining employment for apprentices in the industry is vastly dependant on the housing supply which also affects cost of property.

The Northern Territory faces an uphill battle to build 11,000 houses in the next 5 years to address the current shortage.

However, this volume of housing is desperately needed to meet and current and expected future demand for housing. Therefore, government and industry need to work together to plan ahead to enable the delivery of these much-needed homes.

Not only do we need this level of new housing, the Territory has a large volume of ageing housing stock that needs renovations as well as high demand for increased social, community and affordable housing.

This housing conundrum will only begin to be solved if we can address the significant industry skill shortages.



Skill shortages are faced across all facets of the residential building industry in the Territory.

This includes onsite trades, carpenters, electricians, plumbers, tilers, bricklayers, etc. as well as apprentices, labourers, construction and project managers, safety specialists and supervisors.

Other key parties to building projects including designers, architects, town planners, building certifier/surveyors, engineers and other key design and approval bodies are also in short supply.

The shortage of skills extends into manufacturing and supply of building products like glass, plasterboard, brick making and delivery drivers.

An ageing workforce and increased complexities and conditions of running and operating a profitable business, are also motivating more people to exit the industry year on year.

To achieve a level of new housing supply that puts sustained downward pressure on housing costs we must boost the capacity of the construction labour force.

The supply of skilled labour needs to improve, and the continued success of Australia's construction sector hinges on sustained government support particularly when it is anticipated that these shortages will only be exacerbated with the expected increased building activity driven by the Federal & State and Territory Government commitments to build 1.2 million homes over the next five years.

The announced \$6.23 billion Defence spend in the Northern Territory promises several business and economic opportunities for the building construction industry and broader economy. These opportunities can only be capitalised by ensuring key policies and investment are made now to address current and future house shortages and workforce skills gaps.

HIA therefore puts forward this submission to the 2024-2025 Northern Territory Budget, to seek to address these key industry issues and to enable the Government and Industry to work collaboratively to build these much needed homes for the Territory.



Recommendations

Key recommendations that HIA puts forward in this submission for the 2024–2025 Budget include:

Attracting more workers into the industry

NT government to partner with industry to deliver a promotion campaign for 12 months on the advantages of taking up a career in residential building construction.

Supplemented by a funded interstate and international campaign to attract skilled building industry migrants to migrate to the Northern Territory.

Apprentice funding

Increase and make a long-term commitment to apprentice and employer subsidies to encourage more employers to take on apprentices and to support them through their apprenticeships.

Work with the Federal Government to maintain the apprentice employer wage subsidy model, that being the continuous payment system rather than a commencement and completion model and index to CPI the financial contribution each year.

Provide apprentices with a \$1,000 tool bonus program starter kit and a \$500 supplement per year of the apprenticeship to support apprentice retention rates.

Simplify the immigration process

Work with the Federal Government to develop a streamlined and simplified visa program for in-demand trades and support this with an education and awareness program to assist participants to navigate the process.

Provide funding to industry associations to support new skilled immigrants navigate jurisdictional licensing and other regulatory requirements to enter the industry. Often these requirements are a significant barrier and limit the type of work that can be undertaken.

Upskilling of industry

Fund the development of a small business compliance, cash flow management and risk mitigation program.

Provide industry with a \$1,000 per year upskilling program over a three year period to enable industry practitioners to undertake short courses related to WHS, office skills, mentoring of young workers, sustainability and new 'green skills' fields, or other professional skills related to their work.



Fund the development of an industry education program on changes to the National Construction Code (NCC), Australian Standards and the further energy and sustainability reforms being progressed.

A need for more professionals in the industry

Fund a program to support a range of traineeships and cadetships in professional construction careers in high demand.

Provide a wage subsidy to those seeking a career change into the residential building industry to bridge any wage shortfall for mature aged employees.



ABOUT THE HOUSING INDUSTRY ASSOCIATION

As the voice of the residential building industry, HIA represents a strong membership Nationally and in the Northern Territory.

Our members are involved in delivering the majority of new homes each year through the construction of new housing estates, detached homes, low & medium-density housing developments, apartment buildings and completing renovations.

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 in the Northern Territory economy. The residential building industry has a wide reach into the manufacturing, supply and retail sectors.

The residential building industry employs a vast amount of people, representing a range of small businesses and sub-contractors reliant on the industry for their livelihood.

The association operates offices in 22 centres around the nation, including the Northern Territory.

The association provides a wide range of advocacy, business support services and products for members, including legal, technical, planning, workplace health and safety and business compliance advice.

Alongside our training services at our Berrimah Training Centre, the Association provides online, contracts and stationary, industry awards for excellence, and member only discounts on goods and services.