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Drop In Activity No Cure for Trade Shortage

The latest HIA-Austral Bricks Trades Report recorded a marginal improvement in the availability of skilled tradespeople for the December quarter 2008. For the first time in the report's history trade contractor prices declined over the quarter.

HIA's Chief Executive – Association Chris Lamont, said the modest improvement in trade shortages was due almost exclusively and unsurprisingly to a fall in residential building activity, and did not represent a longer term improvement in the availability of skilled tradespeople.

Even allowing for a soft end to 2008, skilled labour in the residential construction sector remained in short supply in most trades.

"The downturn in economic activity has in the short term improved trade availability, but a drop in housing starts of between 10 and 15 per cent is not an appropriate cure for trade shortages. When construction activity bounces back we will be left with a further deterioration in the availability of skilled tradespeople," said Chris Lamont.

HIA is urging both the Federal and State Governments to increase funding to pre-vocational and outcomes based trades training.

"When economic conditions improve and building activity rises, severe skills shortages will return. We all know our labour force is getting older and an investment now will ensure we don't face the same capacity constraints we saw in recent years," Chris Lamont said.

According to the report trade availability improved in the December 2008 quarter, from -0.29 to -0.06, which means all trades remain in short supply.

HIA believes there is a requirement for a direct investment by government at either the federal or state level to ensure that a percentage of the more than 25,000 dwellings approved but not yet started are not permanently shelved on account of a lack of finance.

Further Information:

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