

Background

-HIA is the leading industry association in the Australian residential building sector, supporting the businesses and interests of over 43,000 builders, contractors, manufacturers, suppliers, building professionals and business partners.

-HIA members include businesses of all sizes, ranging from individuals working as independent contractors and home based small businesses, to large publicly listed companies. Around 85 per cent of all new home building work in Australia is performed by HIA members.

-HIA also promotes policies that enhance our members business practices and for that reason HIA has been at the forefront in providing resources to assist members to meet the growing need and community expectations for more sustainable development and building practices across the length and breadth of the Country.

Regional Skills Shortages

Australia faces the major challenge over the 2010-20 period of having to satisfy the increase in demand for housing from a growing population.

Unlike other countries that experienced an oversupply of housing during the mid 2000's, Australia finds itself in a unique position of an already tight housing market with limited spare capacity to increase supply.

With skills constraints to continue, housing affordability is set to decline setting a course towards higher home prices as Australia's housing stock fails to keep pace with population growth.

Two key factors will, over the next decade further exacerbate efforts to increase housing supply and affordability - skilled labour shortages caused in part through the transition of the ageing workforce into retirement and the skills needs of a strong resources sector. For the purpose of this response HIA is in an ongoing progression of research and analysis to consider the shortfalls broadly and then consider the implications of the resource sector skills needs.

Our concerns also relate around supply and demand factors in the regions which is shown in the supporting graph;

Underlying Demand, Cap City/Rest of State, 2010 to 2015

Region	2010	2011	2012	2013	2014	2015
Sydney	31,955	32,133	32,312	32,491	32,671	32,851
RNSW	17,669	17,771	17,872	17,974	18,076	18,179
Melbourne	35,462	35,669	35,887	36,106	36,325	36,545
RVIC	9,946	10,002	10,059	10,117	10,174	10,231
Brisbane	22,824	22,990	23,157	23,324	23,492	23,661
RQLD	23,423	23,457	23,491	23,525	23,559	23,594
Adelaide	8,624	8,678	8,727	8,779	8,831	8,883
RSA	3,579	3,601	3,624	3,646	3,668	3,691
Perth	20,367	20,511	20,656	20,801	20,946	21,092
RWA	7,091	7,149	7,206	7,264	7,322	7,380
Tasmania	2,649	2,662	2,674	2,687	2,700	2,713
NT	2,093	2,110	2,127	2,145	2,162	2,179
ACT	2,362	2,374	2,387	2,399	2,411	2,424
Australia	188,035	189,105	190,179	191,257	192,338	193,423

Source: HIA Economics March 2010

-HIA looks forward to working with the Federal Government to set into motion strategic programs to ensure that the productivity across the residential building industry through the regions is maximised.

The announcement of the Critical Skills Investment Fund sets an agenda to review and consider many regional skill shortage issues. There is a role for industry to assist to meet regional skills challenges and HIA wishes to be informed of any new developments or hearings held by the Inquiry into skills relocation.

Please find attached the latest Austral Trades report which is one of HIA's methods of analysis of shortages, regional supply and demand challenges for the residential building industry.

Do not hesitate to be in contact to be in contact further in relation to the inquiry's proceedings, hearings and reporting.

Regards
Nick