

CONSTRUCTION TRADE SHORTAGES TO HIT 55,000 BY 2013

A future skills crunch is almost certain. The shortage of skilled workers in residential construction is set to blow out to almost 55,000 nationally by 2012-13, HIA figures show, highlighting the need for more apprentices and urgent reform of industry training.

Over the past 12 months, more than 4000 apprentices in the construction trades have been laid off across Australia.

“The time to invest in apprentices is now,” said HIA’s Managing Director Shane Goodwin. “Not only are fewer apprentices coming on board, but apprentice drop-out rates are increasing at a rapid rate.”

“Apprentice commencement and completion rates have consistently declined over the past decade. Almost 60 per cent of apprentices in key trades cancel within the first two years,” Mr Goodwin said.

“Furthermore, 40 per cent of tradespeople have no formal qualifications and acquire their skills on-the-job because the formal training system doesn’t meet industry needs,” Mr Goodwin said.

The HIA estimates nationally there will be a shortfall of 49,800 construction workers this financial year alone. The biggest shortfall will be in NSW, with the state expected to see a shortage of almost 34,000 trades and related employment workers this financial year. Queensland will see a shortage of 16,000 workers, followed by Western Australia with a shortage of almost 6000.

“With around 190,000 dwellings per year required to meet underlying demand for housing, the residential construction industry is almost certainly going to face a skills crunch. More apprentices need to commence and complete their training in order to reverse this worrying trend,” said Mr Goodwin.

The Federal Government has introduced an *Apprentice Kickstart Bonus* for employers who place young people in traditional trade apprenticeships. The employer Bonus is a total of \$3,350 paid in instalments of \$850 after three months and \$2,500 after nine months.

To be eligible for the Kickstart Bonus, employers must place an apprentice aged 19 years and in a Certificate III or IV qualification leading to a traditional trade occupation. The apprentice must be placed in their relevant qualification between December 1, 2009 and February 28, 2010

“HIA Apprentices will pass on these incentives in full to host employers who place an eligible apprentice within the funding period,” Mr Goodwin said.

The new program is in addition to the Australian Government’s \$145 million ‘Securing Apprenticeships’ package that was aimed at helping businesses retain apprentices who are being laid off as a result of the economic downturn.

“Our industry must be better presented as a solid career path to young Australians. We also desperately need a system that better supports people in gaining the right skills,” Mr Goodwin said. “This may involve more on-the-job training that recognises existing skills and competency.”

“Employing apprentices directly, or through group training organisations such as HIA Apprentices, is now more important than ever for the future of the building industry.”

Trade shortages in construction

	Shortfall (in thousands) 2009/10	Shortfall (in thousands) 2012/13
NSW	34.0	36.8
Vic	3.1	3.6
QLD	16.1	18.0
SA	-0.1	0.0
WA	5.6	6.1
TAS	0.2	0.0
NT	0.6	0.5
ACT	-0.2	-0.1
Aust	49.8	54.7

For further information:

Shane Goodwin, HIA Managing Director, 0418 568 990

Nassim Khadem, Director National Media and Communications, 0407 772 322