

Skills shortage puts construction in peril

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CONSTRUCTION activity in Victoria is being threatened by an acute shortage of skilled workers, which is pushing up the costs of commercial and residential projects and exacerbating the housing affordability crisis.

The Master Builders Association of Victoria (MBA) believes that to keep pace with the industry's growth, Victoria needs 40,000 more skilled workers over the next five years.

A survey of commercial builders by the peak body has found that recruiting a skilled workforce was the biggest issue preventing the sector from reaching its potential.

The MBA is supporting calls for more State Government action to address skills shortages.

Executive director Brian Welch said the survey highlighted the need for Victoria not only to retain its skilled professionals but also to attract new workers.

"With an ageing workforce and many of our senior building professionals close to retirement age, the situation is expected to worsen," Mr Welch said.

He said the problem was forcing up the costs for builders, and that this would feed into property prices for consumers.

"The fewer trades contractors there are to do work, then clearly prices will rise as shortages become imminent, so we are underbuilding as it stands and there are a lot of people over the next five years who will retire from the building industry."

Housing affordability in Australia has worsened over the past few years with home owners and renters spending more of their income on mortgage or rent payments.

According to figures collected by the Reserve Bank and the Bureau of Statistics, housing affordability fell to a 20-year low at the end of 2007.

Mr Welch said to address the skills shortage, the State Government should introduce several measures, including retraining skilled workers at retirement age so their skills and experience can be kept as "registered trainers".

"Master Builders is (also) calling on the Government to fund a study into why apprentices are bailing out of apprenticeships before completion," he said.

According to the Office of Training and Tertiary Education, in 2006 there was an increase of just 2% in apprenticeship commencements, but a 5.3% increase in cancellations and withdrawals.

Other key findings of the survey showed that 46% of those polled said it was very difficult to recruit highly skilled workers such as project managers and site managers.

More than half said the greatest difficulty was found in recruiting shop draftsmen.

KEY POINTS

MBA says Victoria needs 40,000 extra skilled workers over the next five years.

Skills shortage is likely to push up housing costs and further reduce housing affordability.