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Dithering on building skills will only create bad karma for the Federal Government

Acting CEO of Urban Taskforce, Stephen Fenn said the Federal Government needed to take a reality check on the latest core skills list which includes occupations like yoga instructors and dog handlers, yet puts vital trades and skills like bricklayers, glaziers and plasterers on the "further consultation required list."

The Jobs and Skills Australia core-skills list reflects a federal agency out of touch on what is happening on the ground.

Who are they talking to when they come up with these lists? All they need to do is ask the Reserve Bank how construction inflation is travelling.

The housing supply crisis, identified by the Federal Treasurer as a core challenge facing Australia, is underpinned by a skills crisis and labour shortages.

Only last week the NAB's quarterly report showed that availability of labour was one of the central barriers to starting new housing (NAB residential property survey, Q1, 2024, p.8).

Labour shortages, combined with construction costs up almost 40% since COVID, are casting a long shadow over the development and construction industry, pushing up housing costs and killing off the feasibility of the housing the nation so desperately needs.

Rising costs and labour shortages is also responsible for maintaining inflationary pressures in the economy, as evidence in the CPI data over recent years.

Yet less than 4 weeks before the National Housing Accord starts, we have an arm of the Federal Government still pondering whether we need to bring in the skills and trades needed to build homes.

Training up current residents is important but will take time.

Given the depth and magnitude of the housing supply and affordability crisis, time is a luxury we do not have.

Urban Taskforce's strong message to the Federal Government is to drop the ongoing consultation over home building skills and trades and bring in the workers and skillsets required to build the 1.2 million new homes by June 2029.

The comments and analysis above can be attributed to Stephen Fenn, A/CEO, Urban Taskforce.

The **Urban Taskforce Australia** is a property development industry group, representing Australia's most prominent property developers and equity financiers.

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