

## MEDIA RELEASE

3 December 2024

### **Federal Government finally acknowledges construction skills shortage**

Tom Forrest, CEO of the Urban Taskforce, said today that the property development construction industry has been waiting for over two years since the jobs and skills summit for the Albanese Government to realise that there was and is a chronic shortage of skilled trades across Australia. Today, they have finally taken action.

The Jobs and Skills summit of September 2022 resulted in a consensus that there needed to be an urgent boost in the working population. This led to a veritable flood on immigrants back into our country.

At the time, Urban Taskforce warned that it would be irresponsible to invite this number of new migrants into the country without ensuring there was sufficient housing supply to house them.

But the construction industry unions, led by the disgraced CFMEU, have, until today, had an apparent iron grip on Federal Labor, as evidenced by Clare O'Neil's refusal (when Home Affairs Minister) to place construction workers on the core list of essential workers.

After two years where the entire nation has massively under-performed on housing supply, and now free from the shackles of the CFMEU, the new Minister for Home Affairs, Tony Burke has done the bleeding obvious and reversed this decision.

This week, as today's AFR heralded, ***"tradies will join yoga instructors on the core migration list"***!

Today's decision begs the question: what is going on in the Federal Cabinet room? Treasurer Jim Chalmers pointedly noted the impact of the construction industry skills shortage as early as September 2022, when he was speaking to the release of the June Quarter (2022) National Accounts.

Treasurer Chalmers was quoted at the time as saying:

*"... skills shortages and capacity constraints were stymying construction activity"* signalling the government would defer some of its own projects to reduce both budgetary and inflation pressures.

*"It does reflect the fact that we've got quite acute labour and supply chain pressures and that the sector is under considerable financial strain from high inflation in input costs."*

**Treasurer Jim Chalmers, quoted in AFR, September 22, 2022**

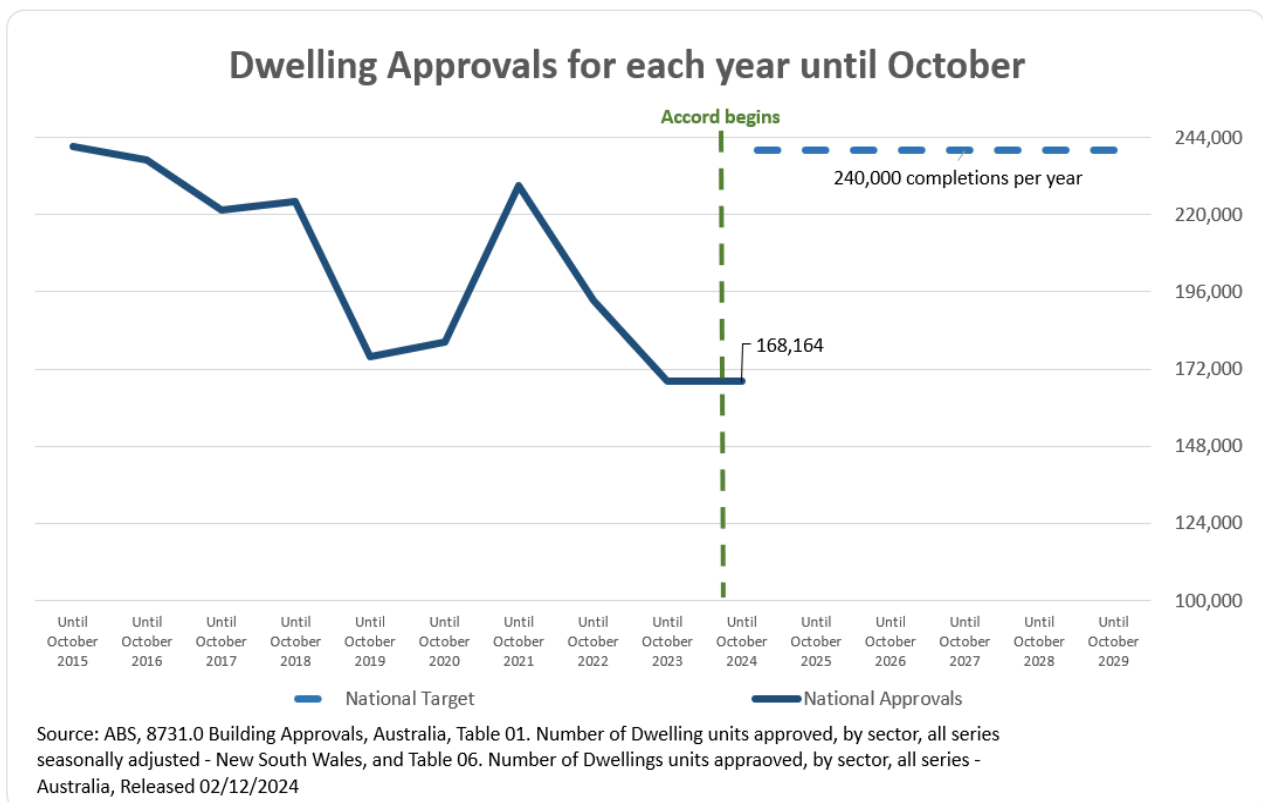
So, while the Federal Treasurer was cutting back on infrastructure funding for projects like Western Sydney roads and was watching the Western Metro which will run between the CBD and Westmead being delayed by years, all because of the rising cost of construction, the Minister for Home Affairs and the cabinet did not see trade skills as a priority.

Worse, the Treasurer was specifically identifying skilled construction labour shortages as a key cause of rising prices, but it took Federal Labor until today to act. Why?

The National housing supply performance has gone backwards since the announcement of the National Housing Accord.

To deliver on the promised 1.2 million homes over 5 years, there must be an average of 240,000 new homes completed each year.

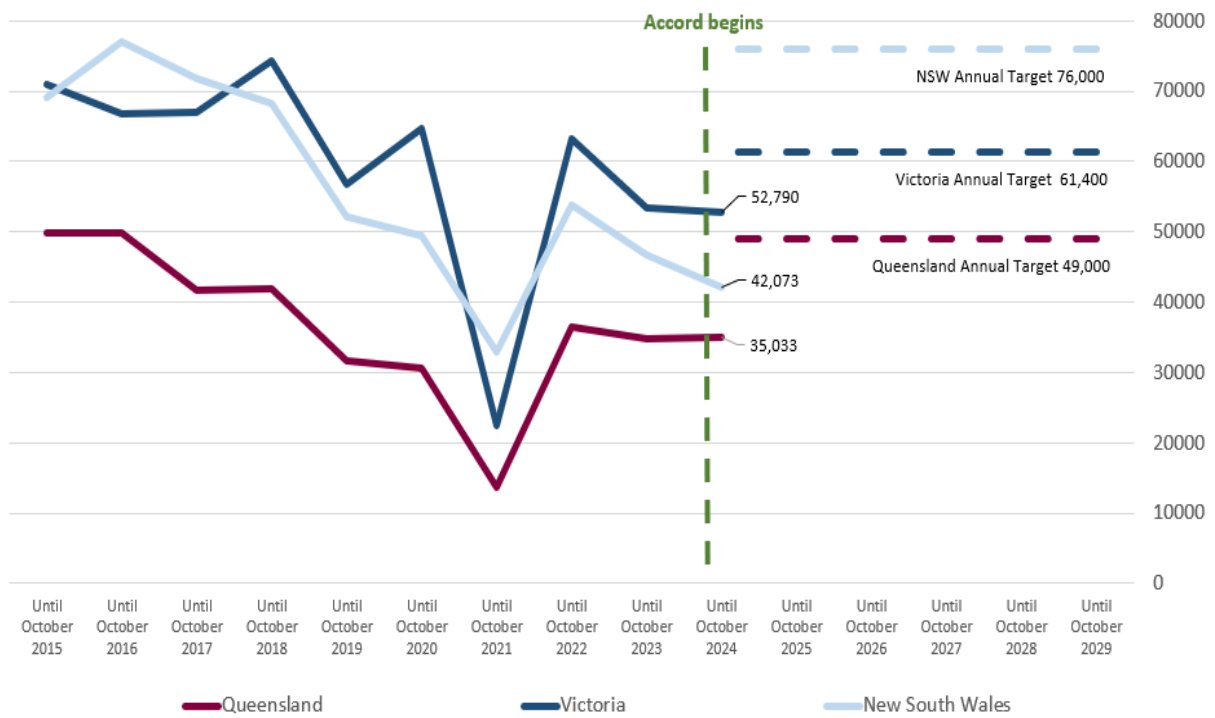
In the 12 months till the end of October 2024, there were only 168,164 new home approvals, according to ABS data released yesterday.



The planning systems across the nation clearly have major issues to overcome and there is no doubt the states are trying, but the Commonwealth is 100% responsible for the immigration intake and its makeup.

Today's announcement, albeit late, is very welcome.

## State Dwelling Approvals for prior 12 months



Source: ABS, 8731.0 Building Approvals, Australia, Number of Dwelling units approved, by sector, all series seasonally adjusted - Table 01. - New South Wales, Table 02. - Victoria, and Table 03. Queensland - Released 02/12/2024

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The comments and analysis above can be attributed to **Tom Forrest**, CEO, Urban Taskforce.

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