



**BICCIAB**

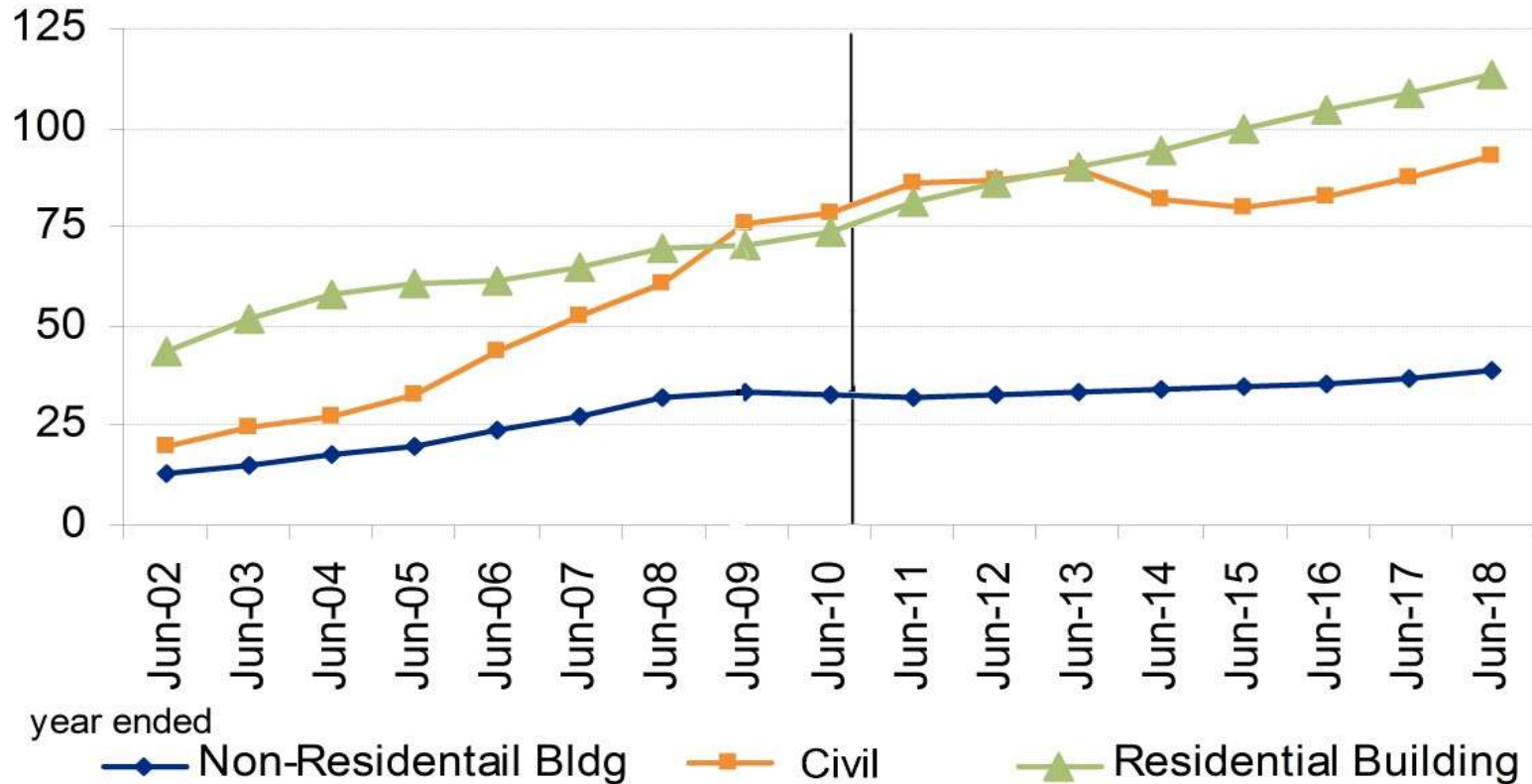
**Welcome to country**



**BICCIAB**

**Welcome to our speakers**

# Nominal activity (\$bill. per year)



Non-residential building sluggish in short term.

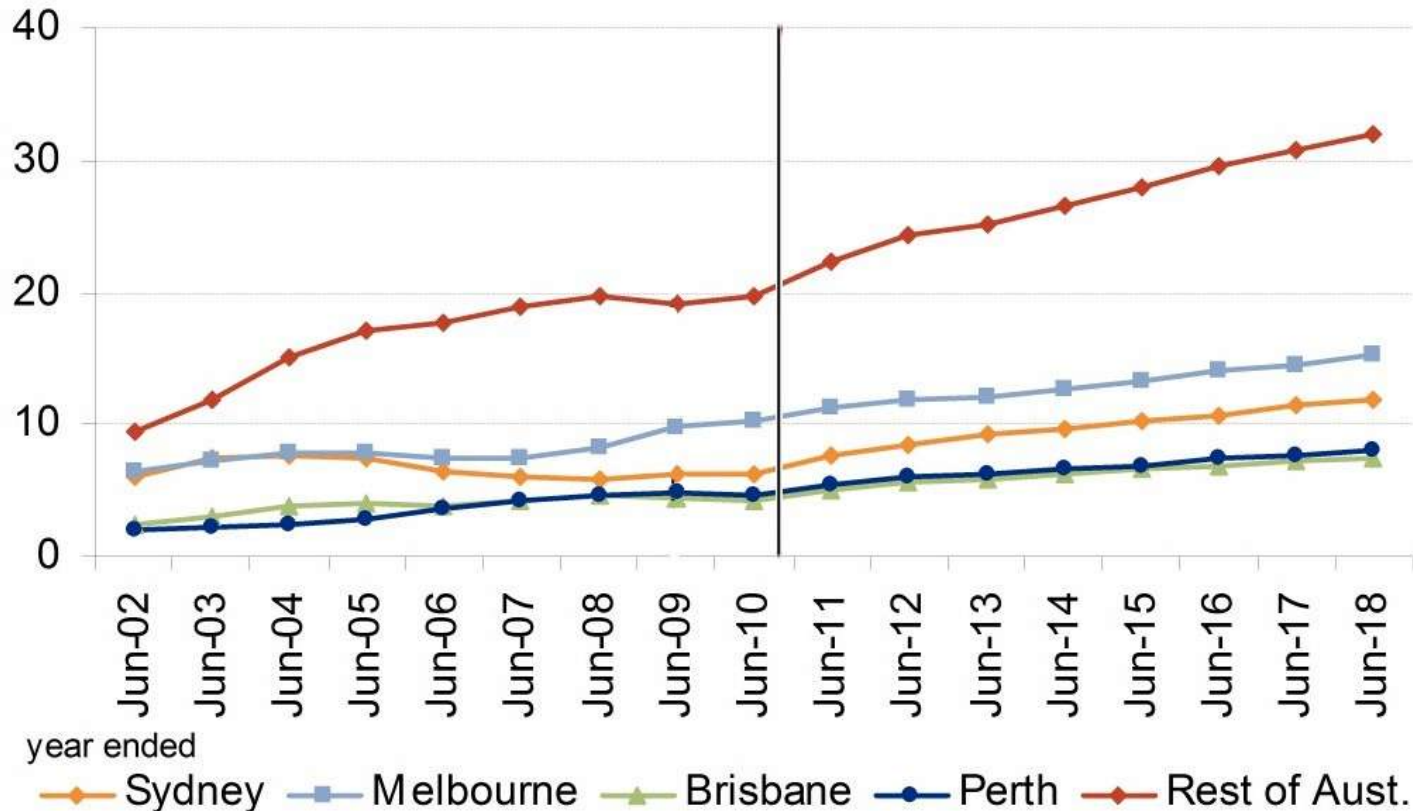
Residential building to recover in short term.

Civil construction to remain steady, at a very high level.

# Residential by capital city (\$bill. per year)

Residential building in Melbourne is expected to continue to be higher than in other state capital cities.

Residential building in the rest of Australia is being driven by strength in regional Queensland, WA and NSW.

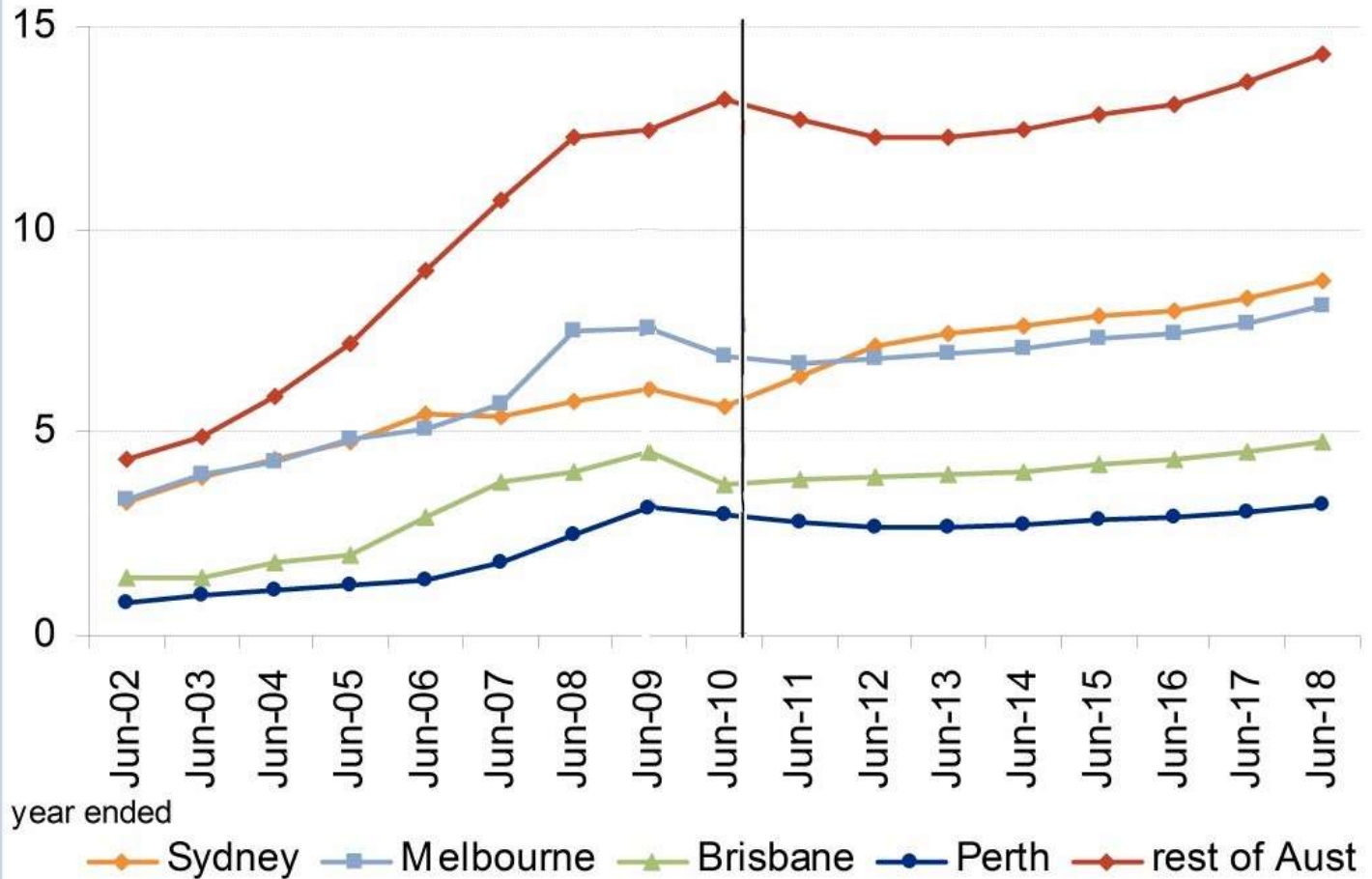


# Non-residential by capital city (\$b.p.a)

Non-residential building in Melbourne is stronger than in other capital cities, but this is to end.

Sydney activity will gather pace, and eventually be higher than Melbourne.

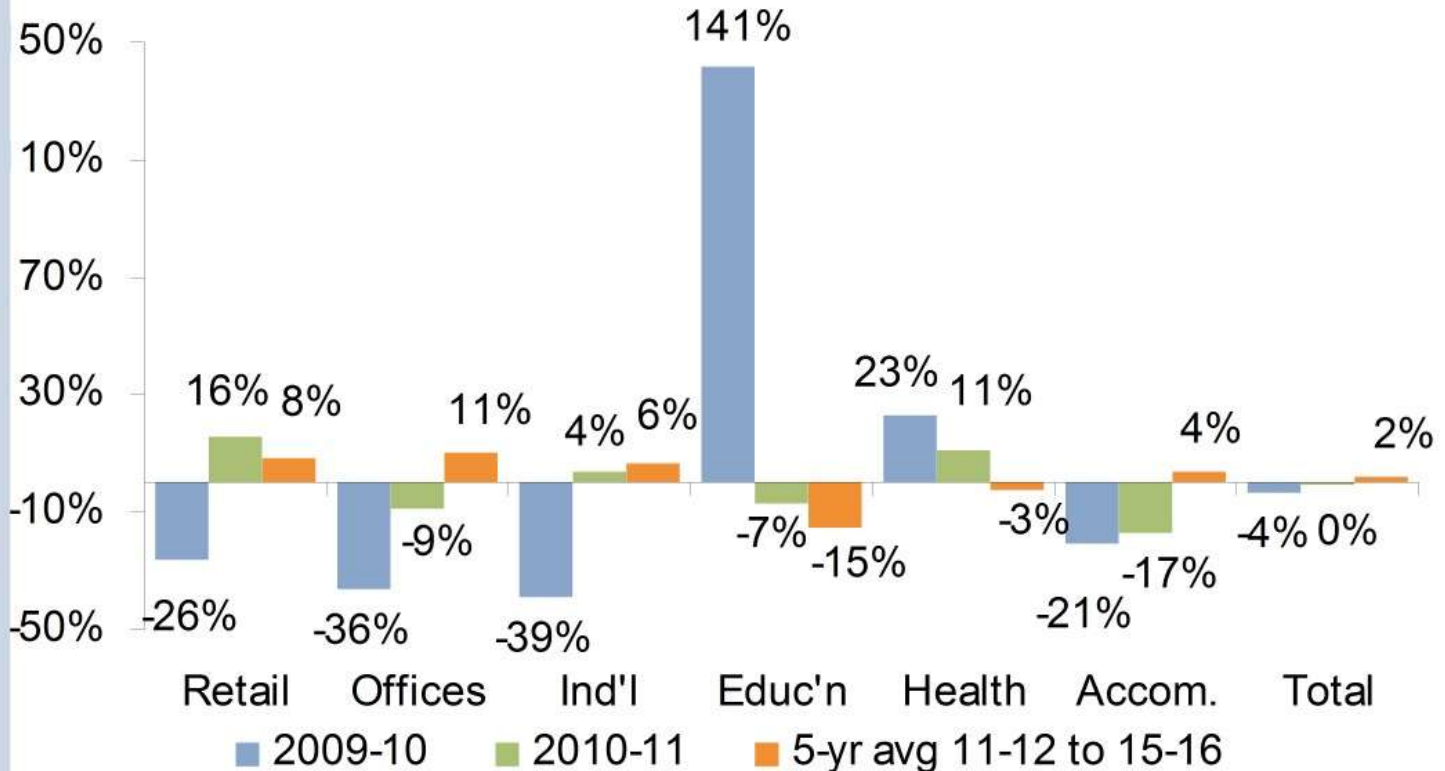
Residential building in the rest of Australia to be driven by strength in regional Queensland and NSW.



# Non-residential building (\$b.p.a)

Educational building is the stand-out performer in 2009/10. However, the current high level of activity will wind back over the medium term.

Retail building is forecast to recover in 10/11, followed by office and industrial building over the medium term.

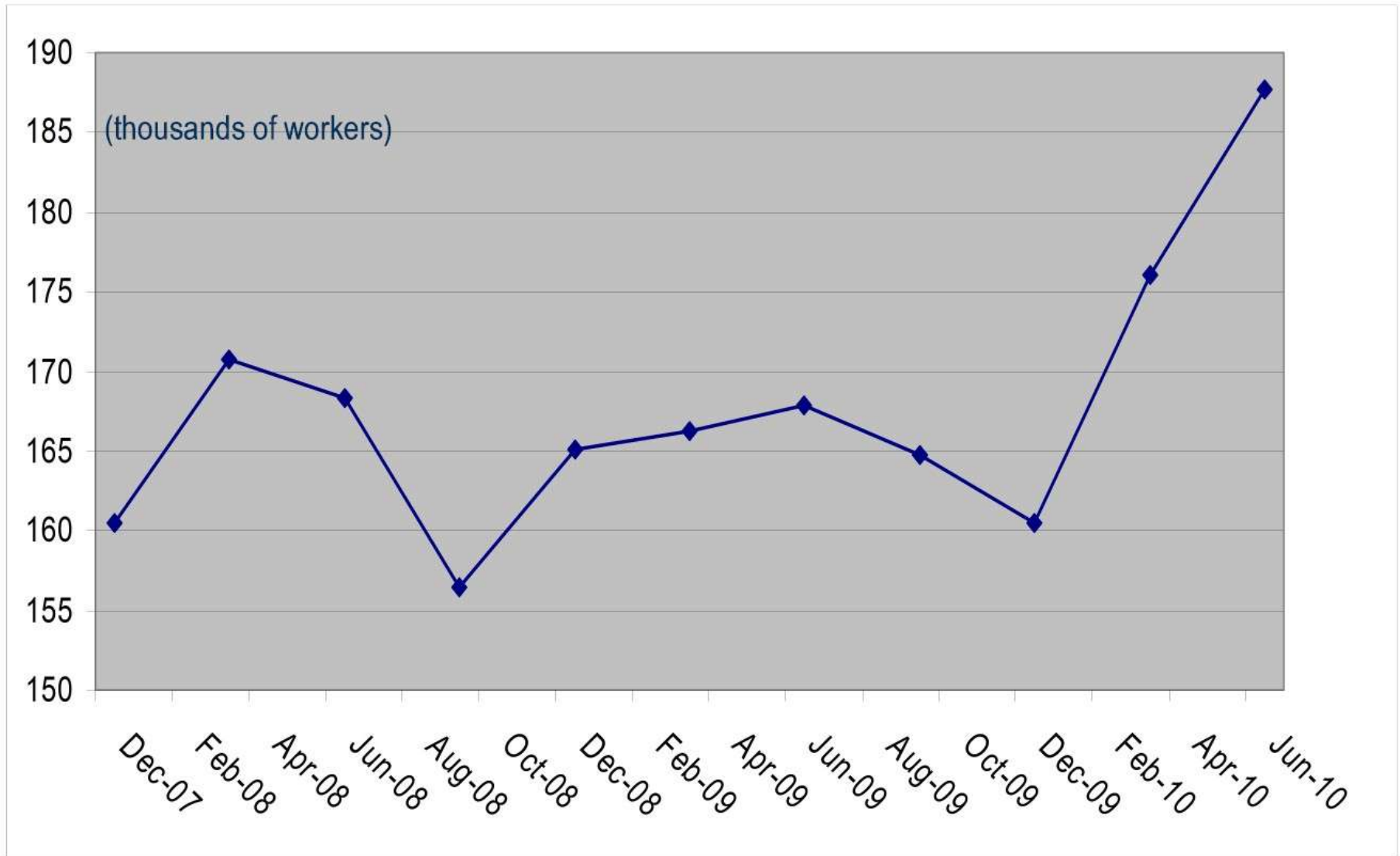


# Forecast major engineering starts

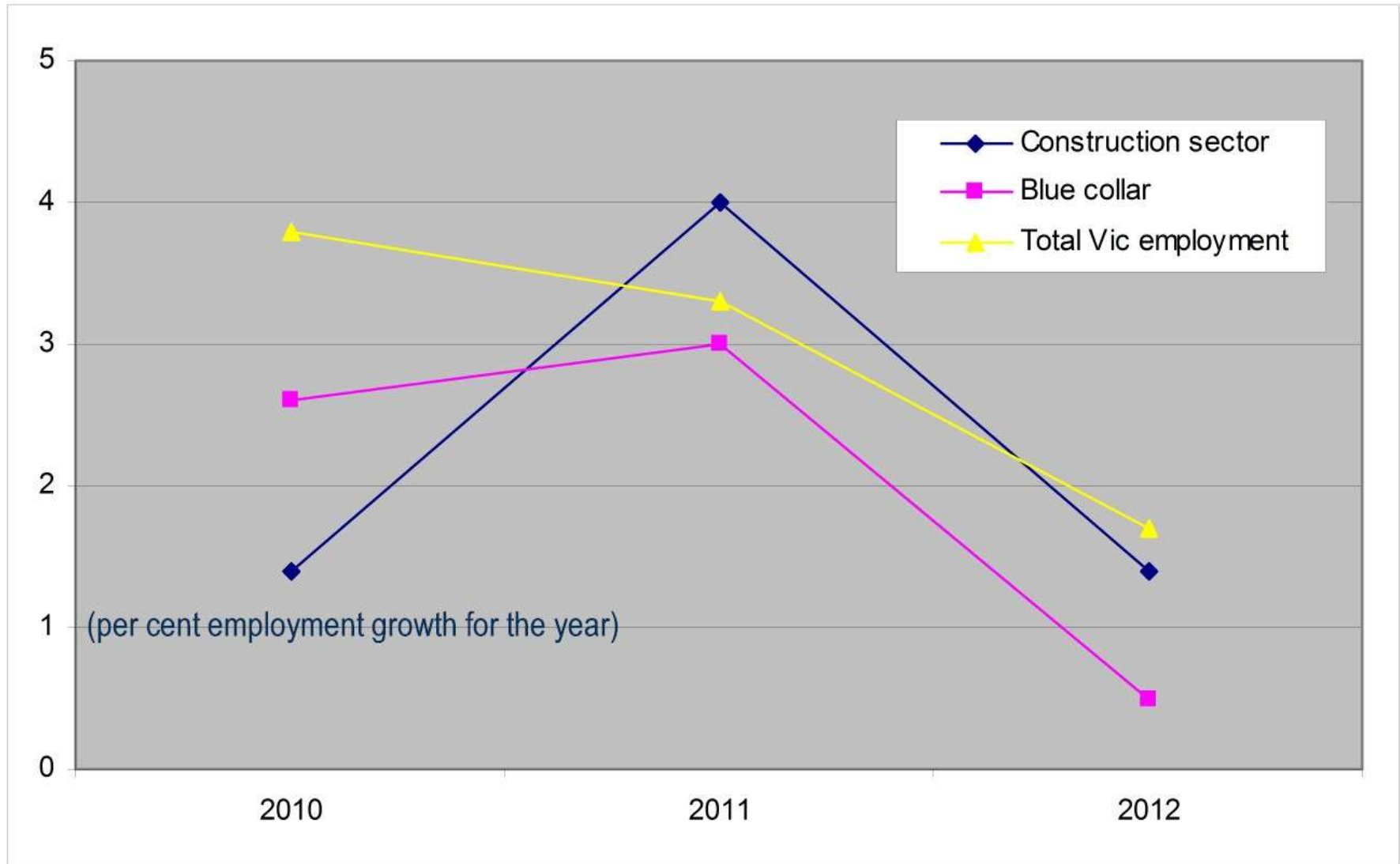
Project	Type	Start	Value (\$bn)
Wonthaggi desalination plant	Vic Water	10Q1	4.3
Regional rail link	Vic Rail	10Q3	4.3
Curtis Island gas project	Qld Mining	10Q3	10.0
F3/Hunter Expressway	NSW Roads	10Q3	1.7
Northern link tunnel	Qld Roads	10Q4	1.8
Oakajee port and rail	WA Rail/ Harbour	11Q1	4.0
Alpha coal project	Qld Mining	11Q3	7.5
Gladstone LNG project	Qld Mining	11Q3	7.5
Westlink	Vic Roads	12Q1	2.5
Cross river rail	Qld Rail	12Q2	10.0
APLNG	Qld Mining	12Q3	35.0

Source: Reed Construction Data

# Building industry employment -Victoria



# Employment projections - Victoria



# Construction industry jobs - Victoria



# Apprenticeship commencements

2007-08	80,284
2008-09 (est.)	63,300
<b>Change</b>	<b>-17,000</b>
<b>% change</b>	<b>-21%</b>

*... but numbers have now recovered to 2007-08 levels*

# How can we get skilled workers?

## Pressures to reduce skills:

- ❖ *rise of subcontracting*
- ❖ *increasing segmentation of trades*
- ❖ *decreasing appeal of apprenticeships*
- ❖ *high wages for semiskilled work*
- ❖ *dumbing down of trades*

**Who is responsible?**

*Quality, comprehensive  
skill development  
doesn't just happen ...*

*... just look at WA*

# Skills are a long-term investment

**Companies once took the long-term view, invested in skills**

**Principal contractors are responsible for skills under OHS law**

**Subbies need to step up too**

# Our kids need a future

**Poaching skilled workers from overseas is not sustainable**

**It's immoral to pinch skills from countries that really need them**

**Young people need work & a future**

**Not training = quality problems later**

# Apprenticeships are good

**Traditional three-to-four year apprenticeships need vocal support**

**Industry want apprenticeships:**

- ❖ *apprenticeships = quality*
- ❖ *everything else is second rate*
- ❖ *better than many of the 'flexible' alternatives*

# Apprenticeships are good

## Apprenticeships stack up:

- ❖ *many subbies have great apprentices*
- ❖ *group training companies are doing well*

## Quickie short course logic:

- ❖ *shortsighted, opportunistic*
- ❖ *doesn't take account of worker's future, or need for a flexible, skilled workforce*

## Let's move away from:

- ❖ *50% of building workers with no quals*
- ❖ *homes built by unqualified workers*
- ❖ *callbacks, rectification from substandard work*
- ❖ *ignorance of manufacturer's specs*
- ❖ *online, institution only training*

**So there are some thoughts to get the morning going!**