

ARE THERE ENOUGH?

Following a lean period, demand for construction industry labour will ramp up significantly in the next 24 months. This begs the question – will there be sufficient qualified licensed building practitioners?

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The workloads in the industry are currently static, and firms have been hanging on for an upturn for over 3 years. Meanwhile pressure is building for new construction from a number of sources including:

- Canterbury earthquake reconstruction
- leaky-building repairs
- the underbuild of new housing to satisfy population growth of the last 3 years.

BRANZ forecasts (see Figure 1) allow for earthquake reconstruction and leaky-building repairs as well as the normal level of activity resulting from economic activity and population growth. We are now at the low point of activity. Total work is expected to increase by 12% in the year to March 2013 and 38% the following year.

Numbers employed fairly stable

Do we have sufficient skills to meet the projected large increase in demand over the next 3 years? Total industry employment (see

Figure 2) indicates a surprisingly constant number in recent years.

Employment has fallen about 8% from 5 years ago, even though workloads dropped about 30% over the same period. This has been achieved by reducing hours worked including the use of more part-timers and holding on to essential skills even though they are not fully utilised.

Allowing for these factors, BRANZ estimates that employment numbers will need to increase by about 15% over the next 2 years. At the same time, more part-timers will need to go full-time and overtime hours will need to increase somewhat. The projected 15% growth in workers is likely to be achieved by a combination of returning expatriates, new entrants into the industry and delayed retirements.

licensed building practitioners (LBPs). The Department of Building and Housing has released numbers of people to date who have qualified under the LBP Scheme (see Table 1).

Some groups have a high ratio of qualified persons, for example, architectural designers, carpentry and site supervisors. Other groups such as bricklayers, plasterers and roofers have lower ratios. The latter tend to be in larger firms, while the first group mainly consist of 1 or 2 person businesses. The smaller firms will need a high proportion of LBPs compared to the larger firms.

The standout group in Table 1 is external plasterers, where it appears there will be shortfall of LBPs. ◀

How do the numbers stack up?

Expected demand growth also raises the question of whether there are enough qualified



Figure 1: Building consents.

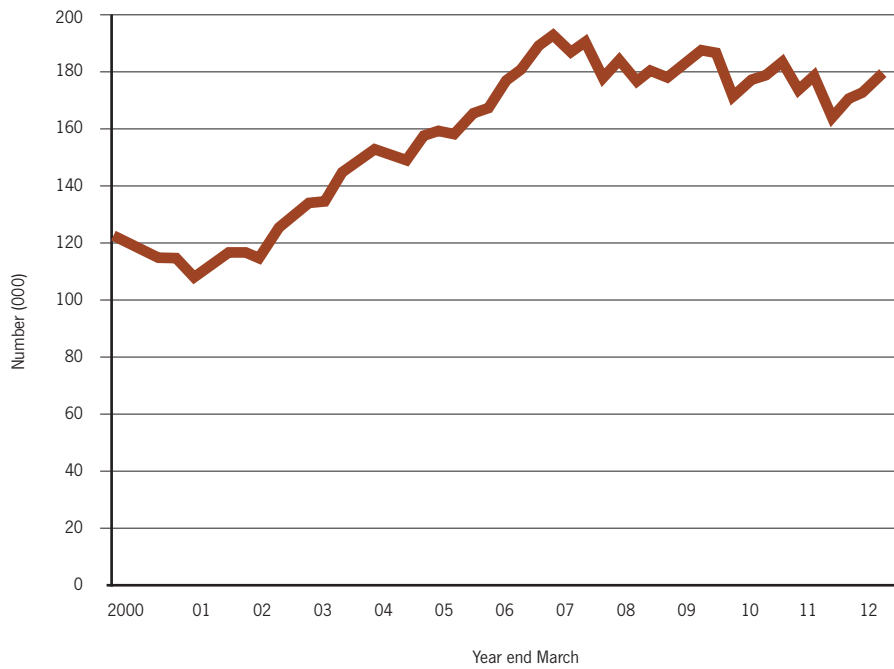


Figure 2: Construction industry employment. (Source: Statistics NZ: Household Labour Force Survey.)

Table 1: BRANZ estimates of licensed building practitioners as a proportion of workforce.

Licence category	Current LBP numbers (from DBH)	Total workers in group (BRANZ from 2006 Census)	Ratio LBP/total workers
Design	674	1,200 ¹	0.60
Brick/blocklayers	346	2,300	0.15
Carpentry	9,959	32,000	0.31
External plastering	116	2,700	0.04
Roofing	462	2,700	0.17
Foundations	58	n/a	n/a
Site	3,316	5,200 ²	0.60

¹ Based on 'architectural draughtpersons' occupation in 2006 Census.

² Based on 'construction project manager and building associates' occupations.