

Builder numbers need to double to meet demand

REBUILDING Christchurch is going to boost New Zealand's annual construction sector spending by 50 per cent, or \$2.5 billion, a year.

The demand for building industry workers and materials will lift inflation and interest rates, warns Impact Project Management.

Commenting in the consultancy's newsletter directors David Weir and Garth Palmer said that during the next 10 years, "New Zealand will be embarking on the largest and most complex construction and infrastructure programme of works ever undertaken in the country.

"The national building work annual spend in New Zealand in the past decade has ranged from \$2.7b to \$5.1b at the peak.

"In Christchurch, the cost to implement these works is currently estimated at \$20b-30b in a 10-year period.

"The result for all New Zealand businesses will be a reduced availability of good people in the construction sector as families relocate to Canterbury and people change industries to benefit from the skill shortage.

"Also the availability of material resources will reduce as Canterbury consumers at an exponential rate. As all these resources diminish, this will push up prices, resulting in an increase in inflation and interest rates.

"The effects of the Christchurch earthquake will have a long-term and significant influence on the New Zealand economy."

Their comments follow a warning that the building industry needs to more than double its labour force.

Building and Construction Industry Training Organisation chief executive Ruma Karattana called on employers to take on apprentices now because "demand for skilled labour within the building and construction industry could outstrip that seen in the boom years leading to 2007.

"Early indications are that New Zealand needs more than double the number of workers currently working in the industry in the medium term.

"The boom and bust nature of our building industry is again rearing its head.

"This time, however, the boom is advancing quickly and dramatically – this won't be a gradual increase in activity as seen in previous cycles.

"Rebuilding in Canterbury, leaky homes remedial work and pent-up housing shortages are set to suck up every last building professional in



Building boom: The building industry needs to double its labour force to rebuild Christchurch, fix leaky homes and meet the pent up demand for new houses – a rush that threatens to suck up every available worker. Photo: CRAIG SIMCOX

the country. Although this news is a relief for many builders, it poses serious challenges for industry training.

"Nationally, the number of people completing building trade qualifications has decreased by nearly 40 per cent since 2007.

"Quite simple, we do not currently have enough people in training to meet New Zealand's future building needs.

"We have young people ready to start working but the reality is that

many builders are still doing it tough and are struggling to hire apprentices. We fear that by the time builders are ready to hire them again, it will be too late."

New strategies were being looked at and the organisation was looking to work closely with polytechs.

"However, theory is just one aspect of becoming a builder. We really need these young people on building sites, getting their hands dirty whilst applying best-practice building techniques," Mr Karattana said.