



Media Release

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CARBON TAX – WHAT ABOUT HOUSING?

The Government's Carbon Tax announcement provides little information regarding the impact of the Tax on housing affordability and the construction and development industry, according to the Urban Development Institute of Australia (UDIA), the peak body representing the Australian property development industry.

Following today's announcement, UDIA remains concerned that the increased costs generated by the Carbon Tax will further erode housing affordability and may subsequently induce a sharp decline in land and housing demand similar to that which occurred in the aftermath of the implementation of the Goods and Services Tax.

Any fall in new housing demand will cost jobs in the property development industry, which is one of the major drivers of the Australian economy, directly accounting for 7.3% of GDP and directly employing around 975,000 Australians.

According to UDIA National President Peter Sherrie, "the Carbon Tax should not increase the price of energy efficient new homes, whilst energy inefficient existing homes remain unaffected."

"New homebuyers should be compensated for the increased costs of new housing resulting from a Carbon Tax, by a compensation scheme that extends beyond the realm of carbon emissions and rewards sustainable behaviours and practices as a whole."

The development industry has played a major role in achieving higher levels of environmental sustainability beyond compliance in recent years through nationally recognized sustainability benchmark rating systems such as EnviroDevelopment.

"The property development industry's pursuit of sustainable development practices puts us years ahead of other industries, yet this does not appear to have been recognised in the Government's compensation scheme for the Carbon Tax", said Mr Sherrie.

"New home buyers who make a concerted effort to embrace sustainability, such as the purchasing of energy efficient homes, should not be subject to the effects of a Carbon Tax", Mr Sherrie concluded.

For further information or comment, please contact:

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