



Media Release

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CARBON TAX: UDIA CALLS FOR INDUSTRY-SPECIFIC MODELING

The Urban Development Institute of Australia (UDIA) has reiterated its call for the Federal Government to provide the property development industry with greater certainty in relation to its proposed Carbon Tax.

In a letter to Treasurer Wayne Swan, the UDIA has repeated its call for detailed economic modelling on how the carbon pricing scheme will affect the cost of new housing in Australia.

“There is concern within the industry that the Carbon Tax may 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”, said UDIA National President Peter Sherrie.

The Treasury modelling which accompanied the Government’s 10 July announcement did not specify what impact the Carbon Tax or the post- July 2015 market-based mechanism will have on the price of new land and housing in Australia, or on the housing industry in general.

“There have been various suggestions that the cost of an average new house will increase by between \$2,000 and \$6,000 under a Carbon Tax. We believe comprehensive industry-specific Treasury modeling is crucial to determining how the sector will be affected”, said Mr Sherrie.

“Australia can ill afford an uncertain investment climate in the property development industry, which is one of the major drivers of the national economy, directly accounting for 7.3% of GDP and directly employing around 975,000 Australians”, said Mr Sherrie.

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