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## Carbon Tax Rejected by Residential Building Industry

The Housing Industry Association, the voice of the residential building industry, has declared its opposition to the Federal Government's carbon tax.

"The Federal Government's post-election announcement on carbon pricing is already impacting negatively on confidence levels and investment certainty across Australia," said HIA's Chief Executive – Association, Mr Graham Wolfe.

"If implemented, its impact on housing affordability, Australian manufacturing, capital investment and jobs will be significant," said Mr Wolfe.

"HIA's position on the Federal Government's proposed tax on carbon emissions was revisited by its National Policy Congress and National Manufacturers Council last week at HIA's national conference. Both peak bodies were unanimous in their rejection of any carbon tax, pointing out that a tax on carbon emissions will flow through to adversely affect all building products and all sectors of the construction industry," said Mr Wolfe.

"National Policy Congress and the National Manufacturers Council members were in no doubt that a carbon tax will damage the Australian economy and particularly the building industry, whose consumers cannot afford to pay this new tax," Mr Wolfe added.

"Building product manufacturers and new home buyers across Australia will be the hardest hit by a carbon tax," said Mr Wolfe.

"There will be an immediate and inevitable flow through of cost increases across the broad range of building materials, products, fixtures and fittings," said Mr Wolfe. "At \$20 per tonne, a carbon tax will add an extra \$6,000 or more to the cost of building an average new residence, placing additional affordability pressure on new housing activity, and adding \$43 extra per month to family mortgage repayments."

"That adds a further \$12,800 in repayments over a 25 year loan," Mr Wolfe said.

A communiqué outlining HIA's rejection of a carbon tax is attached.

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MEDIA RELEASE



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COMMUNIQUÉ

## NATIONAL BUILDING MANUFACTURERS REJECT CARBON TAX

A meeting of the National Manufacturers' Council last week has called on Parliamentarians of all parties to reject proposals for a tax on carbon emissions.

HIA's National Manufacturers' Council embodies the major Australian companies producing bricks, cement, steel, timber, plaster, white goods, home fittings, etc.

A tax on carbon emissions will flow through to adversely affect all building products and all sectors of the construction industry. National Manufacturers' Council members agreed that a carbon tax will disadvantage the Australian economy and particularly the building industry, whose consumers cannot afford to pay this new tax.

Constructing the average new home and land package involves the emission of about 240 tonnes of carbon dioxide. These emissions are largely unavoidable and inherent in the development, manufacturing and construction process. At a carbon price of \$20 a tonne that amounts to \$6000 in additional construction costs, on top of which are imposed State Stamp Duties and GST. The final cost will exceed \$7000.

Compensation cannot effectively offset these large increases in the cost of construction, and future planned increases in the carbon price will only add to this cost. Nor will future increases in any carbon price reduce the amount of carbon dioxide produced by a new home and land package. New homes are already subject to the stringent 6-star energy ratings.

Many Australian producers and manufacturers of building products and materials are "trade exposed". A carbon tax will mean that Australian businesses will cease to manufacture here, with imported goods being substituted, made overseas by manufacturers who would be free of any carbon tax and free to emit carbon dioxide.

The overall effect of a carbon tax on the housing industry will be to reduce housing affordability, export jobs and substitute offshore carbon dioxide emissions for local emissions, with no net benefit to the environment.

National Manufacturers' Council members were united in their view that a tax on carbon emissions should be rejected.

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