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MEDIA RELEASE

## Carbon Tax Pain for New Housing, Jobs and Consumers

The Federal Government's decision to ignore the residential building industry in today's carbon tax announcements will have painful and widespread repercussions, according to the Housing Industry Association, the voice of Australia's residential building industry.

"Housing affordability is already at a distressing level, new housing supply is well below underlying demand and housing activity is declining to mid-1990's levels," said Graham Wolfe. "Families buying a new home will now face additional building costs and higher mortgage repayments."

"New housing is already designed and built to meet stringent energy regulations that make them substantially more energy efficient than existing homes. Lifting the cost of new homes further through a new tax, without any benefit at all to the individual home buyer makes no sense," said Mr Wolfe.

"Unfortunately, jobs in Australia's residential building sector and building product manufacturing sector will be lost under this carbon tax," Mr Wolfe added.

"Competing against imports from non-CO<sub>2</sub>-e taxing countries, Australian building product manufacturers face a cost collage as the carbon tax is passed on down the line into the inputs for each production and fabrication phase," Mr Wolfe said. "Building materials and products, such as kitchen cabinets and benchtops, windows and doors, and wall linings and finishes, will increase in price, or be sourced from overseas – or both."

"If production goes offshore, so too will Australian jobs, and more than likely without any net global CO<sub>2</sub>-e benefit," he stressed. "Tens of thousands of trade exposed manufacturers have been forgotten or ignored in today's announcements."

"What we need are policies to place new energy efficient housing within reach of the average home buyer and to provide incentives for current home owners to make their homes more energy efficient," added Mr Wolfe.

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