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## New Housing Needs Inclusion in Carbon Compensation

Today's compensation package takes no account of the cost impost to new housing from the proposed introduction of a carbon tax, claims the Housing Industry Association (HIA), the voice of Australia's residential building industry.

"Whilst the government has announced that households' energy expenditure will be compensated, we are disappointed that no announcement has yet been made concerning the biggest expenditure item for households, their own home," says HIA Managing Director, Shane Goodwin.

"The cost of new housing would rise substantially under the proposed carbon tax and adequate compensation is imperative," said Mr Goodwin. "Affordability is at an all-time low and the gap is widening."

"The new home building sector is facing one of its bleakest years since the mid 1990's and already faces a highly disproportionate tax burden relative to a majority of Australian industries. In Sydney for example, taxes account for 40 per cent of the final price of a new house."

"Increasing the cost of new housing through the aggregated impost of a new carbon tax would create a bias towards inefficient existing housing stock over energy efficient new stock. This outcome would be very counter-productive and this hole in the compensation framework needs to be rectified," said Mr Goodwin.

"If the Government persists with this additional tax on housing then at the very least adequate compensation measures need to be provided for purchasers of new housing and the Government needs to act as a matter of urgency to consult with industry."

"Furthermore, any proposed consultation with industry must include Australian manufacturers of building products. Trade-exposed industries, both emissions intensive and lower emitting operations, would need to be adequately compensated for the unnecessary pressures that a carbon tax would bring to bear on costs, output, and jobs," added Shane Goodwin.

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