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Consultation on Carbon Pricing Mechanism

The Residential Development Council welcomes the opportunity to make a submission to the Department of Climate Change and Energy Efficiency in response to the proposed architecture and implementation arrangements for a carbon pricing mechanism. Comments and recommendations in response to the proposed arrangements are outlined below.

The Residential Development Council supports a carbon pricing mechanism. However there are key issues relating to the impact of a carbon pricing mechanism on residential construction that must be addressed in order to ensure that buyers of new homes are not unfairly disadvantaged.

Recommendations

1. Complete Treasury modelling of the impact of the proposed carbon pricing mechanism on residential construction.

2. Establish an industry reference group with appropriate technical knowledge to provide expert advice about the impact of a carbon pricing mechanism on the residential construction industry.

3. Establish a working group with appropriate technical expertise specialising in the built environment to complement the existing Multi-Party Climate Change Committee Working Group on the Impact to Households.
The Residential Development Council has two primary concerns with the current approach for costing the potential impacts of the proposed carbon pricing mechanism on the residential development industry.

The first is the lack of Treasury modelling of the impact of the proposed carbon pricing mechanism on residential construction. Accurate costing of these impacts is essential to ensure that buyers of new homes are not unfairly disadvantaged.

Furthermore, the costing process must be comprehensive and include the cost implications for each of the individual material and other components required for the construction of a house.

Therefore, the Residential Development Council strongly recommends that an industry reference group be established with appropriate technical knowledge to provide advice about the overall impact of a carbon pricing mechanism on the residential construction industry. This reference group should support Treasury to complete the modelling of the proposed carbon pricing mechanism on residential construction.

The second concern is that there is insufficient representation of appropriate industry expertise for the residential development sector within the Multi-Party Climate Change Committee Working Groups that were established for the consultation process.

The Residential Development Council recommends that a working group devoted to the built environment be established to address this gap in knowledge and expertise, and to ensure the impacts to the built environment sector are fully considered.

Please feel free to contact me should you wish to discuss any of these issues further on (03) 9650 8300 or at ckakas@propertyoz.com.au.

Yours sincerely

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c.c. The Hon Mark Dreyfus QC MP