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Population Increase to Raise Housing

A massive upwards revision of Australia's population by the Federal Treasury has enormous ramifications for Australia's housing industry, claims the Housing Industry Association, Australia's largest building industry group.

"To lift Australia's projected population from 28.5 million to 35 million by mid-century, a revision of more than 20 per cent, indicates that the housing industry will need to boost its production rate by more than 70,000 new homes a year, said Shane Goodwin, HIA's Deputy Managing Director.

"As the National Housing Supply has identified, already Australia has a substantial gap between the supply of dwellings and the underlying demand for dwellings. The gap is set to widen further with obvious consequences for house prices, rents and affordability.

"Not only will there be a greatly increased demand for accommodation, Australia is faced with further strains on urban infrastructure, health and education to meet expected increases in population. Much of the responsibility for the funding and delivery of services in these areas falls on state and territory governments, which will face additional budgetary pressure to accommodate the extra population.

"Hopefully, the forthcoming Henry Taxation Review will address the imperative for the States and Territories to have greater financial capacity to deal with the funding demands caused by substantial expansion in Australia's population numbers.

"The Australian Government has committed to the policy objectives of more affordable housing supply and reduced greenhouse gas emissions from housing.

"These policy objectives need to be merged and pursued through a national task force that informs the Council of Australian Government's National Strategy on Energy Efficiency.

"A joint government-industry task force would examine the barriers to the achievement of a major increase in Australia's housing supply that meets the Government's greenhouse gas emissions targets, said Shane Goodwin.

For further information please contact:
Shane Goodwin 0418 568 990