

Scope of the Inquiry – Save our solar (rebate protection) Bill 2008	Stuart - Eltham	Austin - Moorabin	Russell - Carlton/ Brunswick
MEMBER PROFILE	Stuart has worked in the electrical trades for over 20 years. He began specializing in solar over the past 12 months.	Austin has worked in the electrical trades for over 20 years. His business predominately undertakes commercial and industrial construction. Recently Austin attempted to move his business solely into solar installation.	Russell established his own electrical contracting business over 5 years ago. He has been specializing in solar installations since January 2007.
A) the impact of the means test threshold of \$100,000 on the \$8,000 solar rebate per household on the solar industry	<i>There is no work available directly from my business. I have had to rely solely on subcontracting work. My employer's business has experienced at least a 50% drop in sales. (Eltham is a relatively 'green' and affluent area)</i>	<i>I am not getting any business. The only solar job that I have retained since becoming qualified I have had to do at cost. We are not getting paid for labor. We are doing this so we can get a job under our belt.</i>	<i>(Means testing the solar rebate has had a) devastating effect. The ones that remain are commercial jobs or eligible under means testing. It has turned people away. It involves getting a statement from your accountant, it makes it all too hard and has turned people away from that point of view as well.</i>
B) the effect on the uptake of solar panels by Australian households, comparing state-by-state results	<i>The number of people getting solar panels has slowed considerably since the means test was introduced.</i>	<i>Following the announcement of the means testing I have had 4 out of 5 jobs cancelled. Since spending \$3,000 on advertising I have had about 4 calls a week for the past week. No-one is eligible for the rebate so they are not getting solar.</i>	<i>Pre means testing, the average workload of installations was roughly 2-3 installs a week.</i>
C) the impact on the number of applications for the \$8,000 since the budget decision to impose the means test	<i>The job number has at least halved. Those that are able to still afford to get solar are getting smaller systems.</i>	<i>The only job on my books is not rebate eligible. We are doing it at cost so we could secure the work.</i>	<i>Post means testing, I have lost around 75% of interested customers. All remaining domestic customers are rebate eligible.</i>
D) the impact on jobs in the solar industry, comparing state-by-state results	<i>There are limited prospects for my own business which was established in April 2008.</i>	<i>Will have to rely on the work coming through which is only commercial and industrial construction.</i>	<i>A lot of people that have geared themselves towards installing are likely to go out of business. Industry will stall due to a lack of Government support. I was intending to buy a house this year but now I am spending my life savings to keep my business afloat.</i>
G) the economic and environmental modeling underpinning the decision to impose the means test	The Senate Estimates Committee Hearing revealed that a survey commissioned by the then Australian Green House Office was mis-interpreted. This survey was undertaken in 2007. It surveyed households on gross income, not net income. In addition the income levels at time of installation are not indicative of the income level at the time the survey was undertaken. The rebate has been in place for seven years however, the survey assessed present income levels. Further, the survey was concluded twelve months prior to the Minister's decision to means test the solar rebate.		

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H) discussion prior to the decision??	Not consulted	Not consulted	Not consulted
I) the future viability of, and effects on, the solar industry as a result of the means test	<p>There will be a lot less work around for those of us who have made the decision to work and invest in the solar industry. A lot of guys who are doing this that have families and mortgages will suffer a lot more than I will.</p> <p>If the decision was reversed I would have more work and it would be more cost effective to start up the business.</p> <p>There is definitely a huge demand for renewable energy in the community but it is not cost effective without the rebates. People are keen to invest in sustainable technology but it is hard without the rebates. Solar is not subsidised like coal which is unrealistically cheap, although I know it will obviously increase over time. This is a lost opportunity for Australia to catch up with countries like America and Germany that have embraced renewable technology</p>	<p>I don't care about the rebate if a feed in tariff is implemented correctly. If it is gross and 60c/kW then we would not need the rebate. This way the cost of solar would be distributed throughout the community. Other parts of the world know that gross works.</p>	<p>I have employed subcontractors in the past. Pre means testing for solar I employed casually 2-3 staff. Now I am not able to employ anyone.</p> <p>To survive, I am going back to the work I was doing previously, I used to do domestic then worked my way up to commercial electrical work.</p> <p>They have approached situation by trying to lengthen that time the rebate is available and make it available only for those on lower incomes. But statistically those on lower incomes are not the ones that purchase solar and do not drive a more energy efficient society. The people that have the money are the ones that do that, once it reaches a certain level costs come down and make it more affordable for everyone. The means testing is a backwards approach.</p> <p>Australia is clearly lagging from the rest of the world with respect to solar. If we don't try to catch up now it will take even longer to catch up.</p>
Additional relevant information:	<p>Stuart established his own business in May this year at a cost of \$10,000. Since his business became operation in May this year, he has not been able to secure any work. Stuart as yet, has seen no return on his \$10,000 investment.</p>	<p>Since becoming qualified to install solar in February this year, Austin has invested over \$5,000 into this part of his business.</p>	<p>Russell invested in getting a new data base being built. He employed a graphic designs in place at a cost of \$2,500. He also took a salary cut to get experience. For the 2007 year he earnt a 1/3 of what he could have done as an electrical contractor.</p>

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MEMBER PROFILE	Robert has been working as an electrician for 14 years. He has been installing solar since 1994.	Nicholas exclusively undertakes solar installations. He has been doing 100% solar installations for the past 12 months for his own business. Nicholas has been an electrician since 2002.	Nick is a qualified electrician of over 15 years. He became qualified to install solar in February 2008.
A) the impact of the means test threshold of \$100,000 on the \$8,000 solar rebate per household on the solar industry	<i>The inquiry rate has dropped by at least 70%. My staff have included 3 full timers including one apprentice. We had a back log of jobs which has just dried up.</i>	<i>People are now looking for the cheapest system which will not bring a higher standard to the system. Having no rebate encourages cowboys that will do it on the cheap.</i>	<i>Inquiry calls slowed down by about 80%.</i>
B) the effect on the uptake of solar panels by Australian households, comparing state-by-state results	<i>Household take up dropped by at least 50 to 60%. Inquires levels dropped by 90% of those earning over 100K or for systems larger than 1KW.</i>	<i>Only 1 in every 4 customers are going ahead with the installations.</i>	<i>We undertook 4 jobs prior to the means testing being introduced. There were 6 in the system which were all knocked back due to the means testing.</i>
C) the impact on the number of applications for the \$8,000 since the budget decision to impose the means test	<i>The only ones coming to me now are for 1KW systems, which are still eligible for the rebate but cannot afford a larger system. No work from customers where households are earning over \$100K.</i>	<i>All remaining customers are rebate eligible.</i>	<i>We only have one current installation on the books. We have done 3 jobs since means testing introduced, one coming up. Of these jobs, 3 of 4 are rebate eligible. Generally people are just not interested. People don't get \$8,000 so they are just not interested.</i>
D) the impact on jobs in the solar industry, comparing state-by-state results	<i>We are struggling at the moment. One of my staff has just gone from full time to 50%, from about 3 weeks ago. I had planned on employing a full time office person to operate the phone and to the bookwork, she would have come on in July but that is not possible to do now.</i>	<i>There is not enough work for my business to survive. I will have to get by as a sub-contractor to other companies.</i>	<i>Our whole staff base is already multi-skilled luckily. We wanted to put another 2 on for solar (as per our business plan) which would have included one apprentice and one tradesman with a truck. We are not going to do that now.</i>

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H) the extent of the discussion prior to the decision with the solar panel industry on the impact of the decision	<i>I know from previous experience that they do not tell us until that last minute anyway. We have gone from one budget decision to another... from boom and looking rosy to nearly bust.</i>	<i>I would not have invested so heavily in setting up my business if I knew that the means testing was coming.</i>	<i>I thought the Government was going to go the way that they indicated they would go, so I invested a lot in advertising. As a consequence I lost around \$3,000.</i>
I) the future viability of, and effects on, the solar industry as a result of the means test	<i>We will continue to need to lay off staff. I need to rely more on commercial work to stay in business. The only way out is to introduce a national gross feed in tariff.</i>	<p><i>My business is still in the early stages. I think it will be worth it in the future. The means test has given it a break for a bit.</i></p> <p><i>The whole industry is slowing right down. With means testing, it is only the really committed that will be investing in solar.</i></p> <p><i>My business is on hold until I know what is going to happen with the feed in tariff and the rebate.</i></p>	<i>We were ramping up our solar arm of the business. Now we have to concentrate on electrical contracting work, not solar.</i>
Additional relevant info:	I undertook a marketing and advertising campaign costing \$5,000 around March/April this year. I nearly brought a new vehicle but fortunately I didn't. I had planned on employing a full time office person to operate the phone and to do the bookwork, she would have come on in July but not possible to do now.	Nick spent \$70,000 on becoming installer. Expenses included car, tools, schooling, advertising and marketing, MYOB and a laptop. Took 1 month off work for training. Took \$10,000 pay cut to get experience as an installer for 3 months.	Nick has spent an additional \$10,000 expanding his business to be able to undertake solar installations. He spent a month off work to become qualified and would have lost around \$6,000 in income as a result.