

We are not 'wealthy' people. Yes, our household income is marginally more than \$100,000 in the current financial year. However, to do this both of us work (I'm currently part time as I'm trying to avoid my youngest child being in child care 5 days a week). We have a substantial mortgage and support two kids. We can't magically pull \$8000 out of left field to continue with the installation. This would represent 7.2 % of our before tax income - a substantial amount.

The means test now introduced by the incoming Labor government are inconsistent, to say the least - \$150,000 for the baby bonus, Family Tax Benefit Part B and the Medicare Levy (couple). Then we have Family Tax Benefit Part A which is different yet again and then slide down to \$100,000 for the solar hot water and solar energy rebate.

I had entered into a contract with BBE to install solar panels, as part of the Samford Solar Neighbourhood initiative. The reasons we did this were:

1. To do our bit for the environment. We thought the more people who do this the stronger the message that is out there for the community that we can be proactive and can make a difference. Upon moving to Samford recently, one of the first things we did was install a solar hot water system which we could afford without receiving the \$1000 government rebate as the outlay was significantly less.

2. To save on our longer term electricity costs. With the cost of energy continuing to increase we saw the cost benefit of at least partially obtaining free energy to run our household. The cost of energy is a significant household expense and we saw with an investment now we would see the longer term benefits.

A \$100,000 income is not a 'high wealth' income in today's world. Although I acknowledge that there are some people in our society who might see it differently I think a lot of working families wouldn't see it that way with many, including us, servicing high mortgages (with interest rates continuing to climb). Implementing the same threshold as a solar hot water systems is an absolute nonsense - you are looking at an outlay of \$2000 - \$3000 as opposed to the norm of around the \$15,000 mark for a 1kw system.

Making these kind of cuts is suppose to support the future fund that is being set up for infrastructure. I would argue that fundamental to having a solid energy providing infrastructure is making renewable energy an accessible and viable measure. Think of all the savings if:

- * We don't have to continue building polluting coal powered stations (or God forbid nuclear powered stations with all the risks - Chernobyl, Three Mile Island and the fact there is still no safe way to dispose of the radioactive waste).
- * Health care costs were lower as we wouldn't live in such a polluted environment and wouldn't have the same degree of skin cancer risk due to the depletion of the ozone layer.
- * The economic effects of global warming were reduced as a renewable energy source is being utilised in Australian homes.
- * A carbon trading scheme was introduced as a renewable energy source is being used.

Currently I understand that the newly established solar industry is going to be in absolute disarray due to the announcement. I believe that the fact that oil is not going

to be around forever is now being realised. The same issue will exist with coal. Isn't it 'smarter' to re-position the country to not be so coal dependent?

I also struggle with the contradiction of our nation finally ratifying the Kyoto Protocol and then our Government introducing this means test on the rebate. It makes no sense to sign such an agreement and then put the entire solar industry into disarray. I suspect that the pioneering initiative to set up a solar neighbourhood in the Samford region, in Brisbane's outer north-west will be severely impacted by this short sighted decision.

What I would like to see is:

1. Preferably the reversal of the decision to means test the rebate for all the reasons listed above. I would argue that such an important environmental measure should not be means test at all. If a means test is maintained it should be at least \$150,000 which would bring it in line with Baby Bonus, Family Tax Benefit Part B and the Medicare cutoff for couples.

2. Worse case, changing the cut off date so that people who had entered into contracts prior to the announcement continue to receive the rebate as we have entered into contracts with the knowledge they we would qualify for the rebate. This is a fair and reasonable request.

I trust you will listen to the people impacted by this budget measure and take action to reverse the decision creating a sustainable alternative energy source so vital for the future of this country. I will no longer be proceeding with my plans for solar energy unless this decision is reversed. This impacts our household for the reasons listed above; the community (jeopardising the solar community project here in Samford and all the additional greenhouse emissions as there will be limited energy sourced from solar); and the suppliers of the service who lose the business and possibly their livelihoods.

I am happy to be contacted to discuss this further.

Yours sincerely,

Susan Grant