

23 July 2008

Derek Abbott, The Secretary,
Senate Standing Committee on Environment, Communications
and the Arts,
PO Box 6100 Parliament House,
CANBERRA ACT 2600

**RE: Submission to the Senate Inquiry - Save our Solar Bill
2008.**

Dear Mr Abbott,

The Electrical Trades Union (ETU) was shocked to hear the Federal Governments budget announcement that families who earn over \$100,000 before tax would become ineligible for the \$8,000 rebate for installing solar panels. As such the ETU supports the *Save our Solar (Solar rebate Protection) Bill 2008* as a mechanism to overturn this decision.

Despite the ALP's election commitment that it would retain the solar rebate scheme thereby supporting the growth of the renewables industry, it made an overnight decision without consulting industry.

Our Union covers members working as registered electrical contractors. It is these electrical workers who predominately install solar panels. Generally they are self employed or run small enterprises.

Recent growth in the uptake of renewables, particularly solar has sparked interest in our members who are registered electrical contractors. As a result, many of our members have invested in expanding their training and skill base in response to the surge of solar installation. Many of our members have sacrificed additional work, income and time with their families to attend classes.

Many of our members have also invested time and money into setting up additional businesses. As one ETU member put it “Less people are getting solar panels. If the decision was reversed I would have more work and it would be more cost effective to start up the business. For a while there it was looking as though we would have a separate industry. I think a lot of people now are doing solar just as an additional part of their business. It would be great if there was enough work that it could be stand alone. Some of my class mates that I did the course with are telling me that they wanted to get into PV full time as installers but because the number of people that are getting the PV is falling they have had to go back to what they were doing before.” This member, seeing the opportunity presented by the booming solar industry earlier this year spent over \$5,000 to establish a new installation business. He knows that as a result of the means test, he will not see a return on his investment.

The budget offers little in the way of compensating these small enterprises that have lost the majority of their business in response to the means testing of the solar rebate. This announcement has come as a shock to all involved in this industry.

Make no mistake; this decision directly impacts the livelihoods of many who have already made sacrifices to meet the demands of the previously growing solar industry. This decision is already affecting many working families throughout our communities.

One member commented on the direct impacts, “I have noticed that many people who wanted to install solar are now not able to afford it. Often these households are just over the \$100,000 per household limit. Means testing has directly lost the business customers. I would say there have been at least 50% of jobs cancelled.”

Those who can afford to install solar are now purchasing smaller systems, “Before people who could get the rebate were buying larger systems, now there is no rebate so they are getting smaller systems,” as stated by an ETU member.

The Rudd Government does not appear to be serious about tackling global warming. Rudd's claim that 'climate change is the great moral challenge of our age' has clearly been forgotten or blatantly disregarded.

The ETU supports the objectives of this Bill. It is hoped that if it is passed, growth in the solar industry can be reinstated, employment opportunities in renewables will again increase and climate change can be effectively tackled.

Yours sincerely,

DEAN MIGHELL
STATE SECRETARY