



Jon Stanhope MLA

CHIEF MINISTER

TREASURER MINISTER FOR BUSINESS AND ECONOMIC DEVELOPMENT
MINISTER FOR INDIGENOUS AFFAIRS MINISTER FOR THE ENVIRONMENT, WATER AND CLIMATE
CHANGE MINISTER FOR THE ARTS

MEMBER FOR GINNINDERRA

Senator Anne McEwen
Chair Standing Committee on the Environment, Communications and the Arts
senator.mcewen@aph.gov.au

Dear Senator

Thank you for your email of 1 July 2008 inviting submissions on the Standing Committee on Environment, Communications and the Arts' Inquiry into the Save Our Solar (Solar Rebate Protection) Bill 2008.

Our response to the Terms of Reference is as follows:

(a) Solar industry representatives are communicating to us that local solar businesses are experiencing significant negative impacts from the introduction of the means test for the Solar Rebate Program.

(b) Since 2001, the number of household solar photovoltaic (PV) installations has averaged between 10 and 20 per year. Since March last year, the ACT has seen more than 120 solar PV systems installed in Canberra. This significant increase in uptake has occurred since the \$8,000 Solar PV Rebate became available in its original form.

(c) ACT solar industry representatives tell us that they have experienced a significant reduction in interest and a cancellation of forward orders for solar panels which has negatively affected their outlook and ability to maintain staffing levels.

(f) No consultation occurred with the ACT Government prior to the announcement of the budget decision to means test the Solar PV Rebate Program. The sudden nature of the introduction of the means test sends a poor signal to our emerging solar industry, an industry that should in fact be receiving long-term security for investment in our clean energy future.

The ACT Government's ambitious Climate Change Strategy, *Weathering the Change*, and associated Action Plan aims to promote an increase in the uptake of solar energy through measures such as the introduction of Australia's most generous Feed-in Tariff legislation. This legislation was introduced by Mr Mick Gentleman MLA and passed earlier this month. It will become operational by July 2009 and will provide a significant incentive for Canberrans to invest in household scale renewable energy systems, by essentially paying them the full amount of electricity they generate through these systems.

ACT LEGISLATIVE ASSEMBLY

London Circuit, Canberra ACT 2601 GPO Box 1020, Canberra ACT 2601
Phone (02) 6205 0104 Fax (02) 6205 0433 Email stanhope@act.gov.au

The Feed-in Tariff legislation was aimed to build upon the \$8,000 Solar Rebate Program as it stood in its original form. The ACT Government has concerns that the means test will reduce the effectiveness of the measure in encouraging take up of renewable energy micro-generation.

Others measures the ACT Government is leading the way on include support for the uptake of GreenPower by legislating for an 'opt-out' measure for new electricity accounts, the showcasing of solar technology at high-profile Canberra landmarks and providing interest free Energy Efficiency Fund for all ACT Government agencies to pursue cleaner energy options.

Due to general costs of living, including mortgages, many ACT families require two incomes and a combined household income of \$100,000 does not signify that they are wealthy. It may well be that the households who are considering investing in solar energy will be earning over \$100,000 and their decision will depend on the amount of financial support provided by the Australian Government. The ACT Government would strongly urge the removal of the means test on the Solar PV Rebate Program.

If you would like to discuss this submission further, please contact Rob Thorman, Director, Sustainability Programs and Projects, Department of Territory and Municipal Services, on telephone (02) 6207 6357.

Thank you for the opportunity to comment on this very important issue.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jon Stanhope', written in a cursive style.

Jon Stanhope MLA
Minister for the Environment, Water and Climate Change

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