

Submission for the Save Our Solar (Solar Rebate Protection) Bill 2008.

Prepared for Solartec Renewables Pty Ltd by Phillip May. Director of Solartec Renewables.

(1) That the Save Our Solar (Solar Rebate Protection) Bill 2008 [No. 2] be referred to the Environment, Communications and the Arts Committee for inquiry and report by 15 August 2008, together with the following matters:

(a) the impact of the means test threshold of \$100 000 on the \$8 000 solar rebate per household on the solar industry;

As a renewable energy designer, supplier, distributor and installer of primarily Photovoltaic systems we have experienced a large drop in orders for photovoltaic system installations. We have also noted a drop in system sizing resulting in a reduction in carbon offset that otherwise would have occurred. I estimate that our average customer was earning in the range of \$100,000 to \$150,000.

(b) the effect on the uptake of solar panels by Australian households, comparing state-by-state results;

The number of deposits taken has dropped from an average of 5 per week to 2 per week for our company. Solartec was installing 14kW of photovoltaic panels each week in the months leading up to the rebate changes. In the prior 12 months the average installation per week was 10 kW of Photovoltaic Modules. Our average installation is now 2.8kW per week.

(c) the impact on the number of applications for the \$8 000 since the budget decision to impose the means test;

The number of applications for rebate access has dropped from an average of 5 per week to 2 per week for our company.

(d) the impact on jobs in the solar industry, comparing state-by-state results;

Solartec Renewables has had a dramatic turnaround in fortune. The staffing levels have been reduced by 60%. In this industry it has been very difficult to have any business plan due to the uncertainty and fluctuations caused by the political whims of those in power.

We have now been penalised and have lost much invested time and money training staff over the last 12 months. We have taken a backward step of around 2 years. We are forced into working ridiculous hours due to the excessive administration that this industry copes with and as our additional staff, employed during the growth period are no longer with us, we are left in a very exasperating situation. We were expecting to increase the size of our company by 50% by Christmas 2008.

(e) the impact on emissions reductions as a consequence of this decision, comparing state-by-state results;

Estimations at this stage are for greatly reduced emission offset. Our ability to help in reducing CO2 levels has been dropped by 72%. This is an immediate impact on the environment.

(f) the consultation that occurred within government, including departments and agencies, prior to the decision and the input of each department and agency on the measure;

There was no consultation with the PV industry. I often offered my services and professional advice to the Rudd government when they were in opposition. This offer was never taken up.

(g) the economic and environmental modelling underpinning the decision to impose the means test;

Unfortunately it would appear that an environmental issue has been mixed up with a socio economic issue. If those with more disposable income wish to do something good for the community as a whole than they should be rewarded. Solartec Renewables average system installation cost was approximately \$25,000. A rebate of \$8,000 means that they will still be out of pocket by a ratio of 2 to 1.

(h) the extent of the discussion prior to the decision with the solar panel industry on the impact of the decision;

There was no consultation with my business or the industry as a whole to my understanding.

(i) the future viability of, and effects on, the solar industry as a result of the means test;

Our business will survive however it has downsized. I have branched out into general electrical contracting.

(j) the impact on the Solar Cities programs at various sites around Australia and other related programs; and

Solartec Renewables has received no additional funding from the federal government in the way of the solar cities program however have managed to install between 300 and 400 kW of solar power systems through our own hard work and proactive attitude. We won the Switch to green business award presented by the United Nations Association of Australia 'For outstanding contribution in the fight against climate change' and less than 1 month later we have been left to pick up the pieces with the rebate restrictions put into place. We must have been doing too good a job if the industry was 'overheated' according to minister Garret. If a program is working why stop it dead in its tracks?

(k) other relevant matters.

Many installers have taken business decisions based on the former 5 year plan that was in place with the previous Liberal Government. These decisions were well grounded due to the fact that if your business gets so busy and you have to take on extra staff to cope than you do. It is expected that in light of the rebate restrictions that staff are going to be laid off if work dries up, as it has.

PV is a very important measure in cutting greenhouse gas emissions and has already been effective in achieving goals. Instead of talking about what may be happening in the future with regards to cutting emissions why hobble the industry that is achieving gains and growing the skills base?

The rebates are taking far too long to be paid. At present the AGO owes us around \$160,000.

Some of these rebate payments date back to May and the interest that is accruing on overdrafts is adding costs to the running of this business. We have been forced into absorbing the \$8,000 rebate for our customers so that they may be able to afford to install a correctly sized PV system for their home.

(2) That, as a minimum, the committee hold hearings in all Australian capital cities and hears evidence, inter alia, from Australia's solar industry.

I strongly support such a move. Please keep me informed as to the progress of these meetings if they eventuate.

Regards,

Phillip May

Co-Director

SOLARTEC RENEWABLES Pty Ltd.

Winner, 2008 Switch to Green Business Award

10 yrs solar industry experience

Full BCSE Accredited Member

Lic. Electrical Contractor

Servicing ACT, NSW and Australia

PO Box 220 Fyshwick ACT 2609

Ph: 02 6235 9220

www.solartec.com.au