



**Graduate Research College**  
*Regionally Relevant – Globally Significant*

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Committee Secretary  
Senate Standing Committee on  
Environment, Communications and the Arts  
Department of the Senate  
PO Box 6100  
Parliament House  
Canberra ACT 2600  
Australia

**Submission to the Enquiry on the Save Our Solar (Solar Rebate Protection) Bill  
2008[No. 2]**

Dear Committee Secretary

We are currently in a period of human history where there are a great number of mitigating circumstances moving the human population away from its high dependence of fossil fuels since the industrial revolution. Nation states like Australia are going to be judged by how timely they put in place efficient and effective public policy.

The recent imposition of means testing of \$100,000 household income on the solar rebate is not clear on a number of policy tests why this occurred. Given the rapid change that is occurring internationally in public policy with renewable energy in the delivery of infrastructure for households, small business, corporate and government agencies this is a major setback for the Australian community. The decision of imposing the means test has proven to be an inefficient way to address the roll out of renewable energy infrastructure. It is not clear the fairness and equity of means testing a renewable energy program for households. The issue of imposing a means test on a renewable energy program demonstrates a lack of an integrated and all of government approach to renewable energy. There are major gaps existing in an integrated approach to renewable energy. These include programs for renewable energy practices and infrastructure. For example with small business (over 95% of Australian businesses) there is little awareness or activity, within this sector of the community, with renewable energy.

There is a lack of a national renewable energy plan. Determining across the different renewable energy technologies the technical potential for wind power, small hydro, tidal power, wave energy, solar thermal electric, photovoltaic, landfill gas, biomass, geothermal electric, municipal solid waste, and ocean thermal. Setting annual and 10-year targets for

these to be achieved. This policy approach by Government will be a major generator of intellectual property, jobs and exports.

Recent overseas policy initiatives has seen the setting of targets for example the United States House of Representatives has passed an Energy Bill requiring utility companies to produce 15 per cent of their electricity from renewable sources such as wind and solar power by 2020. Another example the City of Aspen also in the United States set a goal to purchase 75% of the City's energy from renewable sources by 2010.

The current development of RECs has a number of policy inefficiencies that include competition from conventional energy technologies, lack of customer and investors' confidence, regulatory and institutional barriers.

Much greater efficiency and effectiveness of renewable energy policy can be achieved by feed-in tariffs that are also known as "EEG tariff" or "Advanced Renewable Energy Tariff" that are used in most European countries for example Germany and Spain. Feed-in tariffs are based on mandated price of electricity sold into the electric grid from a renewable energy source.

The feed-in tariffs as a policy initiative has a high efficiency that for allows price differentiation and reduction in costs, there is planning certainty, low administration expense and no effect on government budgets.

Feed-in tariffs allow for rapid deployment of resources, rapid development of local manufacturing, increases in local acceptance and participation, encourages geographic distribution, transparent and lower administrative cost, more jobs, more investment, more competition, in manufacturing, and equipment suppliers and projected costs are minimal. Currently much of the renewable energy debate has shifted away from households and small business owners to carbon trading. Carbon trading is only going to involve only 1000 Australian firms with carbon trades. The increased costs of carbon trading being externalised to household sand small business. How the Government manages the voter backlash without feed-in tariffs will be interesting to observe.

Yours sincerely,

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