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The Senate Inquiry into Save our Solar  
Parliament House  
CANBERRA ACT 2600

## **MEANS TESTING THE PV SOLAR REBATE**

I am writing on behalf of Climate Change Australia, a climate group based on the mid north coast of NSW (electorates Lyne, Cowper and Page), to indicate our substantial disagreement with the government's decision to means-test the rebate on PV solar installations ('the decision'). We submit that the decision should be reviewed. However we first acknowledge the government's commitment to effective climate change action demonstrated by signing the Kyoto Protocol, the inclusion of a climate change minister in cabinet, the new Department of Climate Change, and the commissioning of the Garnaut report. Our case against the decision is:

**1) Investing in PV solar is costly.** Households most likely to have between \$3000 and \$4000 needed to install 1KW, even with the rebate, are those earning over \$100 000. The decision takes away their access to the rebate, with a likely consequence that many will cancel their plans. We believe that a household earning just over \$100 000 is not particularly wealthy, a point of fiscal reference confirmed by other budget decisions – eg to increase the income level above which the Medicare surcharge applies to \$150 000.

**2) We believe that any household that is prepared to commit to solar energy should be encouraged.** The benefits of PV solar installations are not just to individuals, they also benefit the nation by contributing to the grid and taking pressure off state generators to build further power plants to meet peak demand. PV is highly effective in helping to meet peak demand on hot summer afternoons and evenings and it is in the national interest to expand PV solar across Australia at the maximum rate possible.

**3) PV solar generation on privately owned roof tops can make a significant contribution** to both an increase in renewable energy and a decrease in greenhouse gas emissions. This will help meet the two critical targets the government is committed to. Neither target will be easy and every effort needs to be made to encourage the up-take of proven renewable energy sources, such as PV solar. The decision makes it more difficult to meet these goals.

**4) The solar energy industry is still in its infancy**, and has remained this way since its inception in the 1980s due to a lack of interest from successive governments. While the antipathy of the previous federal government to renewable energy was clear, we were under the impression that the Rudd Government was strongly supportive of renewable energy. You will no doubt confirm this to be the case still, but the decision tarnishes this image.

**5) The decision will become a persistent stain on the government's credibility** in the renewable energy policy area. Climate change groups, the renewable energy industry, opposition parties and the media, will pick up on this and use it against your government when renewable energy policy is discussed.

I cannot emphasise enough, on behalf of my group, the importance of PV solar to the success of Australia's climate change and energy policy. We need a photovoltaic solar target, like **California's 1 million solar roof tops by 2010**. A really effective PV rebate scheme is essential for this to happen and could be 'stepped' so that households with incomes below \$100 000 would get more than the current \$8000 rebate for the first kilowatt.

If a cap is really needed, why not set it at \$150 000 – a better definition of 'wealthy', already in place for the Medicare surcharge, family tax benefit part B and the baby bonus? The decision should be reviewed, and doing so would be greeted with praise, and relief.

Harry Creamer  
President