



C08-11600

Mrs Janette Bailey

Dear Mrs Bailey

Thank you for your letter of 21 May 2008 to the Minister for the Environment, Heritage and the Arts, the Hon Peter Garrett AM MP, concerning means testing of the solar rebate. I have been asked to respond.

The Australian Government is strongly committed to helping Australians take practical action to tackle climate change.

The Government has a range of programs that help reduce the environmental footprint of Australian households and communities. These include:

- \$300 million for subsidised low-interest Green Loans of up to \$10,000 to help up to 200,000 existing households take practical action at home from early 2009 - by installing solar hot water, solar power and water and energy saving products.
- \$480 million for the National Solar Schools Program in which every one of our schools can install 2 kilowatt solar panels and a range of energy and water efficiency measures.
- \$150 million for the Solar Homes and Communities Plan to provide solar power rebates of up to \$8,000 for up to 6,000 eligible homes in 2008-09.
- \$252 million for solar hot water rebates to replace 225,000 greenhouse intensive electric storage systems with low emission solar and heat pump technologies.
- The One Stop Green Shop providing a user-friendly government web portal to link schools, businesses and families to all Commonwealth, state and territory, and local government programs for sustainability at home.
- Energy Efficiency of Electrical Appliances providing measures to help families harness energy savings from appliances through expanded minimum performance standards and energy rating labels.
- \$250 million for the National Rainwater and Greywater Initiative to provide rebates of up to \$500 to help install rainwater tanks or greywater systems in up to 500,000 homes across Australia.



- \$150 million for the Low Emission Plan for Renters providing rebates of up to \$500 for landlords to install insulation in up to 300,000 rental homes from late 2008.
- The Renewable Remote Power Generation Program which provides up to 50 per cent of the cost of installing solar power systems for people who are not connected to a main electricity supply.

The Australian Government has introduced a means test of \$100,000 for household rebates under the Solar Homes and Communities Plan to ensure that funding is targeted towards those Australian families who most need assistance with the high upfront costs of photovoltaic systems.

The overall level of funding under this program has not changed. The Government has committed \$150 million towards the program and in this Budget brought forward \$25.6 million in funding to provide 6,000 rebates in 2008-09 - double the previous commitment, and an increase on the number expected to be provided in 2007-08. The level of the rebate for residential photovoltaic system continues at \$8 per watt, capped at 1kw, with a maximum rebate of \$8,000 per installed system.

Renewable Energy Certificates generated by solar power systems will also continue to reduce the up front cost of installing solar PV panels for all households, and the Government has committed to a target to have 20 per cent of our electricity supply powered by renewable energy by 2020.

This combination of programs represents a substantial increase in government support for Australian families to undertake practical action in their own homes. It will also drive substantial long term growth in new clean technology companies, including the solar panel industry.

Yours sincerely



David Jarran
Acting Assistant Secretary
Renewable Energy Branch

30 May 2008