

Dear Senators

Please consider the following as a submission to both Inquiries mentioned above.

As a small business operating in the Solar Hot Water industry, I deal with many consumers and trades people. I also have relationships with some Photo-voltaic systems providers, and so have some insight into that area as well.

With regard to Solar Hot Water, I must provide advice of the following:

- Both the \$1000 Federal Rebate and the Renewable Energy Certificates (RECs) system play a very big part in most consumers' decision on whether or not they can afford to upgrade to Solar Hot Water.
- Many more consumers would purchase a solar hot water system if the \$100 000 means test was relaxed or increased.
- There are some builders/developers who are embracing Solar Hot Water in their new developments; however the lack of rebates for these projects means that not many builders take this option, and those that do have to pass on the cost to homeowners. This makes this environmentally responsible type of housing relatively more expensive than simple 'spec' homes.
- The lack of a rebate for 'retrofitting' an existing Hot Water Cylinder with a solar collector panel means that many households either avoid upgrading and hold off until their current Hot Water system fails, or they get rid of a perfectly serviceable Hot Water Cylinder because economically it is cheaper to install a full system than to retrofit, due to the RECs and rebates.
- The RECs system does not fully take into account the efficiency of the newer technology Evacuated Tube Solar Hot Water systems, thus giving consumers a full understanding of the relative efficiency of different technologies.
- Many consumers consider adding Solar Hot Water and Photo-Voltaic panels at the same time, but the change in rebate means tests has definitely reduced this incidence.
- Any pressure that the Federal government can bring to bear on the Tasmanian government to introduce similar rebates would be greatly appreciated.

My experience in the PV field is limited; however I would like to make the following observations:

- Many consumers state that the lack of a genuine feed-in tariff puts many customers off installing PVs, and the existence of such a tariff would definitely encourage many more installations of PV systems.

- As the two technologies (Hot Water and PV) go very well together and are often considered in parallel by consumers, there should be consideration given to an increases rebate for those consumers who do install both.
- The number of potential PV customers has definitely been markedly reduced since the introduction of the means test on the PV rebate, and I have been informed by a number of PV installers that their business are verging on becoming unviable with this decreased demand. Causing this seems totally at odds with the Australian Governments aims of substantially addressing climate change.

I would be happy to answer any questions that the twin inquiries might raise or provide any further assistance, particularly in the area of Solar Hot Water.

Thank you for the opportunity to make a submission.

Regards

Mark Rickards