



SolarQuip
PO Box 1734
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23 July 2008

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

Dear Sir/Madam,

Re: Save our Solar (Solar Rebate Protection) Bill

I own and operate SolarQuip - a small business installing solar power throughout inner-city and outer-eastern Melbourne. I appreciate the opportunity to comment on this Bill.

Since the implementation of means-test to the Solar Homes and Communities Plan I have experienced a significant decline in inquiries - I estimate that inquiries have dropped by at least 50%. Furthermore, customers who do go ahead with installations are ordering smaller systems of around 1kW.

Over the past year, as demand has increased I have made significant capital investment in my business as well as up-skilling a contractor who I had increasing been supplying with work, in anticipation of a growing workload. My contractor had enrolled in TAFE to further his skills in the industry.

I am more fortunate than many others in the industry as I have a diversified business that also involves some off-grid work as well as a significant amount of contracted training work. As a result I have not been so severely impacted by the downturn in the demand for on-grid installations. My impression is that we have not yet fully seen the impact of the mean-test due to the long lead times to installations and a backlog of work in the industry, but as this is completed, the downturn in the industry will become even more noticeable.

My recent customers who received approval prior to the means-test have all subsequently told me that had they not received the rebate they would not have gone ahead with the installation, as solar power does not have a net financial benefit and they were only prepared to invest in it while the Government was prepared to help them do so. For customers with a taxable income of around \$120,000, a small solar

power system of 1kW will cost well over 10% of their net income. This is a large outlay for infrastructure on which they will never receive full payback.

I accept that the previous rebate had led to record levels of demand and needed adjustment, however had I been consulted along with the industry I would have suggested other adjustments, such as moving to a 50% Government contribution, more like the structure of the Renewable Remote Power Generation Program, or alternatively a reduction in the rebate to \$6/watt capped at 1kW. These options would deliver a better outcome for both the community, industry and the environment.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Glen Morris', written in a cursive style.

Glen Morris