



17 July 2008

The Secretary
Senate Standing Committee on Environment, Community and Arts
PO BOX 6100
Parliament House
Canberra ACT 2600

Dear Sir/Madam

Infinity Solar is a Queensland based company that specialises in providing solar power solutions for residential, business and community groups. Our company's aim is to encourage the adoption of solar power by making the process simple and affordable.

The introduction of the means test on the solar rebate was a significant blow to our company. On the night of the announcement, our company suffered significant financial losses due to business cancellations of previously committed customers which almost ruined our fledgling business. We believe that this enormous policy shift was flawed for a number of reasons;


- There appeared to be a complete lack of industry consultation on this matter.
- By making the change effective on the night of the announcement there was a significant number of previously committed customers immediately ineligible by virtue of the means test.
- The cost of Solar Power for a significant percentage of working Australian families earning more than \$100,000 became immediately unaffordable changing the goalpost from approximately \$4,000-\$5,000 (after rebate) to approximately \$12,000-\$13,000.
- The selection of a \$100,000 threshold appears arbitrary inconsistent to all other means test levels of \$150,000.
- The average working Australian family earning under \$100,000 does not normally have the disposable income to support the investment of a Solar Power Installation.
- If the Australian Government is serious about supporting a wave of new investment in renewable energy it will more likely be embraced by middle – high income earning families who may have a higher level of disposable income, these people should not be ruled out because of their income levels?

After almost three months of the weakened solar rebate program, there is no doubt that people continue to be discouraged from investing in renewable energy due to lack of financial incentive and even more damagingly due to people "waiting to see if it will change". For our company, this has manifested itself in the following outcomes...

- Our staff growth plan has been affected; we have employed at least five less sales staff than we would have otherwise under our previous business plan.
- We have delayed the employment & training of at least four electrical trades professionals, ultimately this leads to a decrease in Australia's capacity to implement renewable energy solutions.
- We have delayed our plans for office openings in the South East Queensland area.

If this is our experience, we can only imagine how many times this has been multiplied nationally, and how much further we are behind improving our carbon emissions as a result of this decision.

In summary, Infinity Solar strongly believes that investing federal funds in the promotion of solar energy is a sound investment in a proven technology that has captured the public's imagination. As a result, we think that suitable solutions are listed below for Australia to truly advance as a solar nation;

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- 1) Increase the means test to \$150K consistent with other levels; maintain the rebate of \$8 per watt up to \$8,000.
 - 2) Introduce a second tier rebate eligible to those families who earn more than \$150K at a level of \$4 per watt up to \$8,000 for those who invest in a system of 2kW or larger – this provides a more economical outcome for the government whilst continuing to support and grow the uptake of renewable energy..
 - 3) Continue to work with the State Governments to fast track the implementation of National 'Gross' Feed-in tariff that further incentivises the investment of renewable energy for all sectors.

Thank you for your consideration in this matter.

Yours Sincerely



Chris Thomson
Director – Infinity Solar