

Rebate for solar hot water axed

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A HOUSEHOLD rebate scheme for solar hot water systems has been abruptly axed by the Gillard government, prompting warnings it will cost clean energy manufacturing jobs.

Climate change parliamentary secretary Mark Dreyfus issued a press release at 5pm yesterday announcing the Renewable Energy Bonus Scheme was being shut down. More than 250,000 households have used the rebate to help replace old water heaters with solar systems.

The scheme offers a \$1000 rebate for a solar hot water system and \$600 for a heat pump.

Mr Dreyfus said households must have installed, purchased or ordered and paid a deposit on a system before close of business yesterday to qualify. Rebate applications must be lodged before June 30.

Industry representatives acknowledged they had been warned the scheme would close this year, but had hoped it would be extended after the government allocated it \$24.5million in budget forward estimates for 2012-13.

Gareth Jennings, government relations manager with manufacturer Rheem, said losing the rebate would leave the industry in disarray and “tens of millions of dollars” of solar systems sitting in warehouses.

He said the industry had been hurt by the high Australian dollar, which affected exports and left it struggling to compete with imported gas hot water systems. Up to a third of Rheem’s 1200 staff worked in solar water manufacturing.

“We’ve got to work out what we are going to do with these people tomorrow,” he said. “With this we could see the market halve overnight — we will be back to being a cottage industry. All of that means jobs.”

Mr Dreyfus said the \$320million scheme had helped households cut carbon dioxide emissions and reduce power bills.

Coalition climate action spokesman Greg Hunt said the announcement was a huge blow to the solar industry and would cost jobs.

“They needed to give the industry reasonable notice. Instead it has come to a crashing halt,” he said. “The government simply manages to do enormous damage to the solar sector on a repeated basis.”

Greens deputy leader Christine Milne said: “This scheme should have been extended, not cancelled early, particularly not at such ridiculously short notice and with no reason given.”

Households installing solar hot water can still qualify for a separate incentive payment of up to \$1000 under the small-scale renewable energy scheme.

It is believed the \$24.5 million allocated for the axed scheme next financial year is to process outstanding applications and evaluate the success of the program.

This story was found at: <http://www.smh.com.au/opinion/political-news/rebate-for-solar-hot-water-axed-20120228-1u140.html>