

## Clarification on Solar Means Test by Federal Government

The Federal Department of the Environment, Water, Heritage and the Arts has issued a clarification in regards to the **\$100 000 means test** imposed in the recent Federal Budget.

This clarification followed the cancellation of thousands of orders for **solar systems** across Australia by working families with two bread winners.

The Clean Energy Council the Industries peak body in a recent telephone hook up with leading solar companies has found:

- Significant solar cancellations across the nation (early estimates are two-thirds of current orders).
- Retrenchment has begun across the industry due to order cancellations.
- Industry at a standstill – very few new orders for solar panels since budget night.
- Unstable solar future – scheme shortened from 5 years to 3 years.
- Predictions that Australian installer and panel standards will drop for households earning over the \$100,000 as consumers who don't seek **rebates**, do not need accredited installers. This will damage the sector's reputation.
- Rebates available only to people earning under \$100,000 will result in fewer people earning over this threshold installing **solar power systems**, as there is no incentive for higher income earners.

The Federal Department of the Environment, Water, Heritage and the Arts now states that the \$100 000 means test applies to the taxable income only. The taxable income is the assessable income (all you earned) minus all allowable deductions. Furthermore if children earning a salary reside at the home their income is not counted towards the \$100 000 dollar threshold.

Well even with this "clarification" the budget night still turned into a very dark spot for our renewable energy industry. We can only hope that the politicians in power can see the light soon. We encourage you to display your surprise by this initiative with your Federal Member of Parliament. Send him a letter or an email. This initiative is now saving the Government less than 1000% of the surplus, but devastating an industry, which we see as vital in our future battle against **climate change**. Does not seem to make sense.

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