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MINISTER FOR THE ENVIRONMENT, HERITAGE AND THE ARTS

TRANSCRIPT

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Interview Sky News Agenda program

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ISSUES: Solar panel rebates, renewable energy

SPEERS: Minister, thanks for your time. Why did you decide to strip this rebate from people earning more than \$100,000?

GARRETT: David, this was a program that was very popular. In fact it was overheating and what we have actually done is that we've increased the front end investment in the rebate. We've increased the number of people who are allowed to get a hold of the rebate for the solar panels. But we have means tested it at \$100,000 because we believe that that enables the rebate to go to those families who actually do need it most. Yes, the upfront costs can be high – maybe not quite as high for everybody as \$20,000, but they can be high.

SPEERS: How high?

GARRETT: Well they'll range between \$11,000 and \$12,000 up to about \$20,000. It depends on the system

SPEERS: But you're still going to have to stump up after the \$8000 rebate quite a few thousand dollars

GARRETT: Look you will and it is a good reason for making sure that people who earn less than \$100,000 have that opportunity.

SPEERS: Industry says it's only 20 per cent, 25 per cent of people under \$100,000 who do get solar. Even with the rebate, that the bulk of their customers are people earning more than \$100,000. They're the one who can afford it.

GARRETT: Well you know what, I would like to think that Australians that do earn more than \$100,000 or more than \$150,000 would actually make that investment in solar. I would also say to you that...

SPEERS: Well what encouragement are you giving them to do that?

GARRETT: Well, I will take you through a few of those things because one of the things about this debate is that we actually came to the budget with a comprehensive set of measures that deal not only with solar energy but also deal with the whole question of renewables themselves.

For example, 2009, people will have access to \$10,000 low interest loans for solar hot water, solar rebates, and rainwater systems. That is 200,000 Australian's who'll have access to that.

300,000 Australians will have access to subsidies for insulation, for the low emission plan for renters. We're going to put nearly half a billion dollars into our schools – secondary and primary schools – to put solar panels, hot water systems, water tanks out there. So there are a whole range of comprehensive measures available for the solar industry and for Australians to get into renewables.

SPEERS: But still you're copping a lot of flak from the solar industry over this. Are you really saving any money from this means test?

GARRETT: Well, I think what we're doing is we're making sure that there are sufficient numbers of people that get into solar rebates early and that they earn below that \$100,000, so it goes to those people that can least afford it. But we've got a number of other measures as well and I say to the solar industry, we believe very strongly in solar but it is a part of the climate change solution. If you look at solar cities, an extra investment of \$18.8 million. If you look at solar schools, \$480 million. If you look at solar cities right across Australia where we are starting to roll these programs out, that is all for the solar industry. But you know as well as that, we're looking at low interest loans. I reckon that we have opportunity to bring through \$1 billion to \$2 billion worth of investment in those low emissions, energy efficient technologies. Not only solar, but water tanks etc etc that the industry can be a part of and that the actual overall industry of reducing emissions can be a part of as well,

SPEERS: But again, is this a savings measure at all, the means test on the solar panels?

GARRETT: What it does, it's not a savings measure. The amount of money is the same. \$150 million that are going out in forward estimates and we've actually brought forward \$25 million extra to enable the numbers of people that qualify for the rebate to go from 3000 to 6000. So it was an overheated program. It was a generous rebate. We've provided a means test for it which I think is eminently defensible and reasonable but we've actually increased the number of rebates that are available. We will fill, with a sustainable industry, 6000 rebates over the next year.

SPEERS: Now, are you a believer Peter Garrett, in clean coal technology?

GARRETT: Look, what I have always said, David, is that of course we need to get stuck into clean coal technology. It is going to be one of the very necessary initiatives of any government that is serious about addressing climate change. And I've got to say that there is a bit of a false debate abroad which says that you can't actually have clean coal and clean coal initiatives and put money into it, but you're actually going to take on climate change and commit yourself, like the Rudd Government has done to emission reductions over the long term. We have a 60 per cent emissions reduction target by 2050. To meet that, you've got to address coal. Once you address coal, you've got to address clean coal.

SPEERS: Well there is \$500 million in this budget for clean coal and a lot of that in the first couple of years in particular. Now the renewables are saying they are getting \$500 million as well but a lot of it back ended in the latter years. Why does clean coal, which is still unproven in terms of a real developed trial, why does it deserve all this taxpayers support?

GARRETT: Well for the simple real reason is that coal makes up such a significant part of our energy producing capacity and also because we export a lot of coal. I don't know a single country in the world David that has significant coal producing capacity which isn't investing significantly in clean coal. I mean we don't have any choice a country to do it.

SPEERS: Do you know any country where it has worked? Where it has been trialled and worked?

GARRETT: Well, we've got a pilot trial go off in Southern Victoria there, and there are a number of countries that are looking at the sequestration aspects of clean coal and also what they have to do to strip the Co2 off the system.

J; But no one has proven it. No one has proven it in the world has proven it, have they? In the lab yes, but not in the field.

GARRETT: No that is right but we're at the early stages of this and the only way in which you're going to get those demonstration projects and those new technologies up to the mark is to have significant investment in them. The additional thing is this - \$500 million for clean coal. \$500 million for renewable energy fund. But as well as that a range of measures that I have talked about earlier. Solar schools, low interest loans in the longer term, green precincts. All of these are a wide set of measures that enable you to deal with the climate change challenge and help people make that contribution as well.

SPEERS: The geothermal, the hot rocks industry, are worried that they have lost a bit of funding in this budget too. How much confidence do you put in that particular energy source?

GARRETT: Look I think that all of these energy sources have got prospects and potentiality. One of the things about the decision about us saying you shouldn't have a means test that goes to anybody for something like solar

panels is that solar is part of the solution, it is not the whole solution. The same goes for hot rocks or geothermal. The same goes frankly for tidal and wave power. I mean, that is an area that we're now starting to see very interesting science come on. Australia is a great maritime nation. We've got a tremendous coastline. Many of us live near the coast. I think in the long term or even in the medium term, we're going to see more of those technologies there as well.

SPEERS: From a Government point of view do you reach a point where you are going to have to stop putting eggs in all the baskets and say, look, that is going to work, that is going to work, but these other ones aren't going to work. You'll have to do that eventually won't you?

GARRETT: The big difference between what the Rudd Government has done and what the former Government did is that we've actually got a comprehensive plan. It does go across a different suite of measures which address climate change, address bringing down emissions. At the same time we're looking at giving people the opportunity to do something in their homes. I mean that is the thing that I am so excited about is that we will deliver existing technologies, like solar, to things like schools. In the meantime, you've got to provide that upfront investment for the future technologies – the hot rocks, the winds, the waves, and frankly the best parts of emerging and practical clean coal. And in doing that, see whether you can bring your emissions down in the longer term.

SPEERS: How much of that household stuff, the solar and the water tanks, is feel good? How much of that really has an impact on our overall carbon emissions as a country?

GARRETT: Well, if you look at solar hot water and we've got a continuation of the solar hot water rebate. It is \$1000 for a rebate and it is set at \$100,000 too incidentally. It was means tested by the former Government and we've kept that. That will produce significant greenhouse gas savings and we've actually committed to work with the states to phase out greenhouse intensive hot water systems over the longer term. That will make a really significant difference. In the long term, solar panels make a contribution as well. But they do a couple of other things. What they do is they provide householders with the opportunity not to draw down on the grid all the time. They provide householders with the opportunity to actually enhance the value of their dwelling.

With the low interest loans that we've got out there, 200,000 homes will have the opportunity in the medium term to actual retrofit their houses, not only to put the energy efficiency devices on, save a bit of money and improve the value of the home at the same time. Now that is practical climate change and environment action.

SPEERS: Peter Garrett thanks very much for joining us today.

GARRETT: Thanks David.