



The Hon Barry O'Farrell MP

Premier of NSW

Minister for Western Sydney

MEDIA RELEASE

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SOLAR BONUS SCHEME

The NSW Government will not proceed with planned changes to the Solar Bonus Scheme, NSW Premier Barry O'Farrell announced today.

"I have listened to community and backbench concerns about the retrospective nature of the changes," Mr O'Farrell said.

"It had also become clear that the crossbenchers in the Upper House would not support the planned changes and they will not proceed," he said.

"I wanted to do everything possible to reduce the cost to taxpayers of the Solar Bonus Scheme and keep a lid on electricity prices. However, I am a realist and there is no point putting up legislation to the Upper House which is going to be rejected.

"I have listened to the concerns of those who entered the scheme in good faith and this decision should give them the certainty they need.

"Let there be no mistake, the Labor Party allowed this scheme to blow out of control and this will impose a burden on NSW families.

"We wanted to contain that cost blowout with a solution which protected families from further rises in electricity prices while offering a fair rebate to those who signed up to the scheme.

"No one likes retrospective legislation – I don't like it myself – but we had to try to find a way of curtailing the blowout in the cost of the scheme."

Mr O'Farrell said a new report by KPMG showed that the cost of the scheme will be around \$1.44 billion – compared with the original estimates of around \$1.9 billion in Labor's Duffy Parry report.

"This is still a significant cost to taxpayers and it is to Labor's eternal shame they allowed the costs to get out of control. Remember Labor initially said the scheme would cost just \$355 million.

"We will continue to look for ways to keep electricity prices down but the reality is the blowout in the cost of Labor's Solar Bonus Scheme is still likely to add to household power bills over the next few years.

"No matter how you look at it, this is going to be John Robertson's tax on the people of NSW and we will continue to hold him to account for that impost. Mr Robertson continues to obstruct every attempt by this Government to get NSW back on track and he is responsible for any increase in power bills resulting from this decision," he said.