


The Sydney Morning Herald

 [Print this article](#) |  [Close this window](#)

Solar experts claim multi-billion dollar subsidies wasted on cheap and dodgy panels

Heath Aston

Published: February 22, 2015 - 12:00AM

More Australians are buying cheap rooftop solar panels that fail long before their promised lifespan, prompting claims a federal rebate scheme needs to be overhauled to prevent dodgy systems receiving public subsidies.

Solar industry experts say lax rules covering the scheme – which provides incentives of up to \$4350 for a \$5500 rooftop system – mean it is not always delivering the environmental benefits promised.

They blame an explosion of cheap, mainly Chinese-produced solar panels that have flooded the market over the past five years that are failing to provide the 15 years of clean power expected. Installers in four states told Fairfax Media that the worst systems stopped working within 12 months, with others "falling apart" within two or three years.

Problems reported include silicon that cannot stand up to the Australian sun, water egress in panels, fires and defective inverters. The term "landfill solar" is used in the industry to describe dodgy solar systems of uncertain origin.

A recent *Choice* survey found, while more than 80 per cent of solar system owners were satisfied with what they had bought, 17% of owners of Chinese-made solar systems and 11 per cent of those with a German inverter had experienced problems of some kind.

Peter Britten, technical director at Brisbane-based Supply Partners, said he logged a complaint with the Clean Energy Regulator last May alerting authorities to "blatant loopholes" in the system, but he said his complaint had been brushed aside.

Jarrod Taverna, of Adelaide Electrical Solar & Security, said Chinese manufacturers like Yinglit, ET Solar and Trina were reputable producers, but much of the production that ended up in Australia was outsourced to other factories.

"The quality has gone down in the last few years. The market is more competitive and they are cutting corners to protect profitability," he said.

"Most of them you're lucky to get 10 years, but some of them are falling apart after 12 months. We're seeing a lot more faults now because Chinese-made panels are becoming more prevalent."

The rebate system, backed by both major parties and overseen by industry body the Clean Energy Council, pays the same amount regardless of the quality of the system. A rooftop system in Melbourne attracts a \$3705 rebate whether it is a low-quality "tier 3" product or a European-made "tier 1" system made to last 25 years in extreme conditions of Australia.

The rebate is higher in areas with greater sunlight, reaching \$4350 per unit in Sydney and Brisbane.

Australia now has more than 1.3 million households powered by solar, making it the biggest market for small-scale systems. Since 2009, \$1.6 billion has been paid out to encourage take up through what are known as "small-scale technology certificates".

The certificates have to be purchased by electricity retailers, which pass the cost on to all consumers. Last year the solar scheme was responsible for about 2 per cent of household electricity bills.

Installers say the faults in the system include that the rebate is paid upfront and does not have to be paid back if a system only produces a few years' power, and that there is no limit on the number of rebates a consumer can access.

They say it has encouraged some installers to offer cheap systems of questionable quality at prices that are virtually free to the buyer once the rebate is factored in.

Clean Energy Council chief executive Kane Thornton played down the scale of failures and warned against blaming production faults on systems from one country.

He said the "Chinese success story" had led to prices for solar tumbling dramatically, allowing more households to invest in green energy.

"If someone is getting a subsidy there is an expectation that the benefit to the environment and society equals or outweighs that cost. There are cases of systems not running for 15 years and people have got rid of them, but from our point of view most will run for 25 years," he said.

"There are cases that come up just like in any industry, but failure rates are low."

Bill Yankos, from Bexley in Sydney's south-west, bought a solar system and encouraged seven members of his family and friends to do so. Of those, inverters in five of them had failed within 18 months.

"We were lucky that the electrician replaced them but I know some people have been left with a warranty and no one to honour it," he said.

Matt Vella, of MPV Solar in Gladesville, said: "The tier two and three guys shouldn't be allowed into the scheme unless they have runs on the board. There should be more regulation about which systems are allowed to claim the 15-year rebate."

Melbourne solar installer John Alberti, who installs top quality systems that cost his customers up to \$12,000 and also works as a trouble-shooter assessing panels installed by others, said the industry had been "all but destroyed" by shoddy operators.

"You find corrosion, rust, they're flimsy," he says. "The lamination on the back of the panel has come away and water gets in. But most of the time they're not generating the kind of wattage that was promised."

After Mr Alberti or one of his four staff conduct an investigation on failing panels, they write a report and advise the consumer to contact the panel supplier "to see if they will stand by their performance guarantee and replace the panels. But generally, because the warranty is held offshore, what are your chances? Next to none".

Mr Alberti suggests consumers ask suppliers for a flash test report on their panels to indicate the wattage for which a panel is rated. He said consumers also needed to establish where the warranty for a product was held. "If there warranties are held in Australia and there is a problem, you can lodge a complaint with the [consumer watchdog]... otherwise, there is nowhere to go."

But Nigel Morris, a solar industry analyst and consultant to the Clean Energy Council, said he wasn't aware of any statistics that showed a widespread problem.

"Is the industry perfect? Absolutely not. Do we occasionally have quality issues with product and installations? Yes, we do ... There is evidence to say it is not endemic."

with John Elder

This story was found at: <http://www.smh.com.au/environment/solar-experts-claim-multibillion-dollar-subsidies-wasted-on-cheap-and-dodgy-panels-20150221-13kqub.html>