

News Release

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Premier Mike Rann

Minister for Economic Development
Minister for Social Inclusion
Minister for the Arts
Minister for Sustainability and Climate Change

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NEW INCENTIVES FOR RENEWABLE ENERGY

Premier Mike Rann announced today that the South Australian Government would be providing a significant new incentive to attract more investment in renewable energy to the State.

“From 1 July 2010, investors in new large-scale renewable energy projects will receive a rebate of payroll tax paid for labour associated with direct, on-site construction of new renewable energy projects,” Premier Rann said.

The rebate will have a maximum of \$5 million per project for solar and \$1 million per project for wind. It will apply for four years to 30 June 2014. It will be reviewed after its first two years of operation.

“I expect the effect of this rebate will be to provide a payroll tax holiday for most, if not all, all new wind farms over the four year period,” said the Premier.

“It will also provide significant relief for investors in large-scale solar energy projects.

“South Australia is already a national and international leader in attracting investment in renewable energy.

“We have almost half of Australia’s wind power, 90% of its geothermal investment and more solar rooftop installations on a per household basis than any other State.

“We are on track to achieve our targets of having 20% of electricity generation coming from renewables by 2014 and 33% by 2020.

“The Government recognises that these goals will not be achieved by only the attractiveness for investors of our excellent renewable energy resources alone.

“An important part of our success has been implementing regulatory regimes that provide efficient and certain processes for investors.

“Today’s announcement adds a new dimension.

“By becoming Australia’s first Government to offer a payroll tax exemption for the construction of new renewable energy plant, South Australia is making itself the least costly destination for that investment.” Mr Rann said.

To be eligible as large-scale, the project will need to have a name plate rating at a single connection point of 30 MW or greater and have started the construction phase after 1 July 2010. Arrangements for the administration of the scheme will be developed in consultation with industry prior to its introduction next year.

The incentive will particularly benefit utility scale solar, which is some seven times more construction labour intensive than wind.

The initiative recognises that the construction of a renewable energy project involves multiple contractors. The administrative burden will be minimised by the ability to lodge a single rebate application per project.

Further details of the Scheme are available on the RenewablesSA website:

<http://www.sa.gov.au/RenewablesSA/>