INFORMATION ON AUSTRALIAN SOLAR FEED-IN TARIFFS

Solar feed in tariffs are a rate paid for electricity fed back into the electricity grid from a designated renewable electricity generation source such as a rooftop solar panel system or wind turbine.

At present, feed-in tariff regulations for renewable energy exist in over 40 countries around the world and they are widely considered one of the most effective ways to increase solar energy uptake.

Feed in tariff information quick links

- At-a-glance state feed in tariff arrangements
- Legacy feed-in tariff program closures
- Germany sets the example
- Gross vs. net feed in tariff
- Feed in tariff revenue and income tax
- Feed in tariff income and social security
- Is GST payable on feed in tariff revenue?
- Feed in tariffs and energy storage
- Why do we need solar feed in tariffs?
- Design of a feed in tariff scheme

State specific feed in tariff details

- Victoria
- South Australia
- ACT
- Tasmania
- Northern Territory
- Western Australia
- Queensland
- NSW

Feed in tariffs in Australia – at a glance

Australia currently has no nationalized program, only state-run schemes. Here’s an at-a-glance look at state arrangements.

Please note: Consumers need to shop around for solar-friendly electricity retailers when considering accessing feed in tariffs. This ensures they won’t suffer penalties in other ways in regards to their electricity bill once they have a system installed. Some retailers also offer an additional incentive over and above the legislated amount; where a legislated amount exists.
<table>
<thead>
<tr>
<th>State</th>
<th>Current Rate Paid*</th>
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<tbody>
<tr>
<td>VIC</td>
<td>9.9 to 29c/kWh (depending on retailer)</td>
</tr>
<tr>
<td>SA</td>
<td>11 to 16.3c/kWh (depending on retailer)</td>
</tr>
<tr>
<td>ACT</td>
<td>6 to 12c/kWh (depending on retailer)</td>
</tr>
<tr>
<td>TAS</td>
<td>8.9c/kWh</td>
</tr>
<tr>
<td>NT</td>
<td>Same as consumption rate / grid purchase rate</td>
</tr>
<tr>
<td>WA</td>
<td>Varies*** e.g. 7.1c/kWh (Synergy)</td>
</tr>
<tr>
<td>QLD</td>
<td>6 to 12c/kWh (depending on retailer)</td>
</tr>
<tr>
<td>NSW</td>
<td>11.9 to 15.0 c/kWh (depending on retailer)</td>
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</tbody>
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*The above figures are general, in relation to new connections and are subject to change. View [grid connects solar power specials](#) for your state or [get an obligation free online quote for home solar power](#).

**Legacy feed-in tariff program closures**

Several legacy feed in tariff incentive payment rates ceased at the end of 2016. These changes will affect some of the early adopters of solar power; who will consequently be paid current general rates for electricity exports. Learn more.

**Gross vs net feed in tariff**

A net feed in tariff, also known as export metering, pays the PV system owner only for surplus energy they produce; whereas a gross feed in tariff pays for each kilowatt hour produced by a grid connected system. It’s a very important difference.

**Is an income from a feed in tariff taxable?**

At this point, there doesn’t appear to be any specific taxation legislation dealing with income derived from feed in tariffs. Whether it is assessable income depends on the income producing nature of the activity. If it can be demonstrated that the system was installed with a view to making a profit, then receipts under the feed in tariff would be considered assessable income while all expenses associated with the income generating activity would be deductible (e.g. depreciation).

In most cases, systems installed at domestic sites would not be taxable as they would be considered personal use / hobby (i.e. not in the nature of a business or profit making scheme). If the system is installed at a commercial site, it will most likely be considered taxable. However, system owners should
consult their accountant for advice or can also request a private ruling from the ATO. An example of an ATO private ruling result in relation to feed in tariffs can be viewed here.

**Feed in tariff income and social security**

According to a May 2010 announcement from Centrelink, feed in tariff credits where applied as a credit on an electricity account are not included in Centrelink’s income test for pensioners, but credits converted to cash payments such as a cheque or direct deposit will be.

The adjusted policy applies from 14 May 2010 and is relevant to not just pensions, but all Social Security income support payments such as New Start. However, we are still unclear if this applies to payments such as Family Tax Allowance and Parenting Payments. We advise people who may be affected should consult with their local Centrelink Office.

**Is GST payable on feed in tariff revenue?**

Individuals will not need to pay/remit GST from their feed in tariff income. The reason being that selling electricity back to the utility providers is considered an enterprise but you need to receive $75k per annum from this source to be required to register for GST. However, businesses will need to pay/remit GST for their feed in tariff income.

**Solar feed in tariffs and battery systems**

Many people have asked if their solar feed in tariff payments will be affected if they install energy storage. It depends on the state you’re located in and the nature of the system. Learn more here.

**Victoria feed in tariff**

**Current rate (from 1 July 2018):**

Minimum of 9.9 cents per kilowatt hour.

**Electricity retailers may opt-in to a time varying tariff from 1 July 2018:**

- **Off-peak** – 7.2 cents per kWh (c/kWh). Times: 10pm to 7am on weekdays and weekends.
- **Shoulder** – 10.3 c/kWh. Times: 7am-3pm and 9pm-10pm weekdays, and 7am-10pm weekends.
- **Peak** – 29 c/kWh. Times: 3pm-9pm weekdays only.

**Which Victorian electricity distributor should you choose?**

Unfortunately, you have no choice. A distributor is assigned to specific areas, as follows:

- **Citipower**
  
  CitiPower distributes electricity to Melbourne’s CBD and inner suburbs.

- **Jemena**
  
  Jemena Electricity Networks distribute electricity to the north-west greater metropolitan region of Melbourne.

- **Powercor Australia**
Supplies electricity to Melbourne’s outer western suburbs and regional and rural centres in the central and western areas including Ballarat, Bendigo and Geelong.

**SP Ausnet**

Supplies electricity to eastern metropolitan Melbourne and eastern Victoria.

**United Energy Distribution**

Supplies electricity to south-east Melbourne metropolitan area and the Mornington Peninsula.

**Which retailer should you choose?**

While you cannot change distributors, you can switch retailers.

At the electricity retailer level, whether it is Victoria or any other state, we always suggest for people to shop around – some retailers are far more solar friendly than others and will offer better rates, higher payments for the power your system produces and/or better arrangements regarding your account generally.

View solar power specials for Melbourne and Victoria.

**South Australia net feed in tariff**

**IMPORTANT:** Participants in the Group 4 feed in tariff group stopped receiving 16c per kilowatt hour on September 30, 2016. View our guide for advice.

South Australia’s solar feed in tariff comprises two components: the distributor (SA Power Networks) contribution, plus a minimum electricity retailer contribution.

Households that joined the program before October 31 2011 receive 44c per kilowatt hour from SA Power Networks for a period of 20 years.

Additionally, the electricity retailer contribution is as follows:

- 1 July 2013 to 31 December 2013 – 9.8c per kilowatt hour
- 1 January 2014 to 30 June 2014 – 7.6c/kWh
- From 1 July 2014, a minimum 6.0c/kWh – which takes into account the abolishing of the carbon tax.
- From 1 January 2015, 5.3c/kWh
- and lastly, from 1 January 2016, 6.8c/KWh

From 1 January 2017 a minimum amount has not been set. Contact individual retailers for their feed in tariff rates.

View solar power specials for Adelaide and South Australia.

**ACT feed in tariff**

ACT’s feed in tariff provided a 1:1 payment for all electricity generated for those who have their applications submitted by close of business, June 30, 2013. The 1:1 rate is payable until 2020.
For those submitting applications now, the rate is 6.0c – 7.5c per kWh, depending on the electricity retailer, and is based on a net model (surplus electricity export).

View deals on solar power for Canberra and the ACT.

**Tasmania solar feed in tariff**

Applicants to Tasmania’s solar feed in tariff who lodged applications by August 30, 2013 receive a 1:1 rate until 1 January, 2019.

For applications lodged after August 30, 2013 a transitional feed-in tariff rate of 8 cents per KWh applied until December 2013. The feed in tariff rate from 1 January 2014 – 30 June 2014 was a rate of 8.282c.

From 1 July 2016, the rate is 6.671 c/kWh – an increase of 21% compared to 2015/16.

View solar power specials for Hobart, Launceston and Tasmania.

**Northern Territory net feed in tariffs**

For new connections, the Northern Territory feed in tariff is 1-for-1 – whatever the customer’s consumption tariff is:

- residential customers: 19.23 c/kWh
- commercial: 22.37 c/kWh
- commercial time-of-use customers: peak 28.63 c/kWh and off-peak 16.12 c/kWh

Customers under the Alice Springs Solar City initiative receive 51.28 c/kWh, still capped at $5/day, but that rate is only for existing customers under the initiative. The funding has been fully allocated now, so no new customers can receive this rate.

**Western Australia net feed in tariffs**

New systems connected under the State Government’s Renewable Energy Buyback Scheme receive 7.135c per kilowatt hour. However, Horizon Power has introduced area-specific solar feed-in tariffs. While owners of systems in some towns will receive a much higher rate, others will receive less. Read more.

**Queensland net feed in tariffs**

The Queensland Solar Bonus Scheme feed-in tariff reduced from 44 cents per kilowatt hour to 8 cents + in some cases a 6-8 cents retailer contribution for those lodging applications after 9 July 2012.

On March 6, 2014, Energy and Water Supply Minister Mark McArdle announced the mandated 8 cent tariff paid by Energex will end on 30 June 2014.

On May 23, 2014; the Queensland Competition Authority stated the appropriate feed-in tariff for regional Queensland in 2014–15 is 9.07 cents per kWh while the carbon tax was still active.

It estimated the value would be 6.53 cents per kWh after the carbon tax repeal.

On June 2, 2015, the Queensland Competition Authority determined the feed-in tariff for regional customers will be 6.348c cents per kilowatt hour.
On May 20, 2016, the Queensland Competition Authority announced the feed-in tariff for regional customers in 2016-17 will be 7.448 cents per kilowatt hour.

In South East Queensland, there will be no regulation feed-in tariff from 30 June 2014 for those not already in under the 44 cent arrangement. Instead, the rates will be determined by electricity retailers.

Brisbane and Queensland solar power specials

New South Wales feed in tariffs

IMPORTANT: If you’re a participant in the Solar Bonus Scheme, the premium gross feed in tariffs program that accepted participants up until May 2011; you need to take action as that rate has ceased.

Historical details

The Independent Pricing and Regulatory Tribunal’s final determination for the 2013/14 financial year is that a fair and reasonable value for surplus solar electricity exported to the mains grid for systems not covered under the previous Solar Bonus scheme is in the range of 6.6 to 11.2 cents per kilowatt hour (c/kWh).

IPART’s determination for solar feed in tariffs for 2014/15 recommended a retailer contribution of 5.3c/kWh for solar energy exported back into the grid; however some retailers are offering less (and some, more).

On August 31, 2015, IPART released a Draft Report recommending voluntary solar feed-in tariffs in 2015-16 to be 4.4 to 5.8 cents per kilowatt hour (c/kWh).

Current rate

In June 2016, IPART made a final decision that the voluntary retailer contribution will be 5.5 to 7.2 cents per kilowatt hour in 2016-17.

View solar power specials for Sydney and New South Wales.

Germany sets the feed in tariff example

Possibly the most famous and successful feed-in tariff arrangements would be those in Germany over the past 22 years. In 1991 the German government introduced the Electricity Feed Act, legally regulating the feed-in to the grid of electricity generated from renewable resources such as solar power. This Act required utility companies to purchase electricity generated from renewable resources such as domestic solar power systems at set rates (feed-in tariffs).

The scheme went through expansion and enhancement in 2000, and has been responsible for the dramatic growth in Germany’s renewable energy market, particularly the solar photovoltaic industry. In the five years from 2000, the quantity of electricity fed into the grid from eligible sources had more than doubled, with a seven-fold increase in installed solar photovoltaic (PV) capacity to over 1,500 MW by the end of 2005. By comparison, at the same time Australia had in the order of 7MW of grid-connected solar power, or less than 0.5% of Germany’s capacity.
Germany has continued to grow its solar market and had around 35,700 megawatts of PV solar power capacity installed by the end of 2013. In Australia, the total installed capacity of PV based solar power systems by the close of 2013 was around 3,000 MW.

Australia is still lagging behind other countries such as Germany who, while having half the sunshine of Australia, have many times the solar production capacity of our country due to a generous, uniform and stable feed in tariff program.