

## Q. How many solar installation companies have left the industry in Australia?

There have been over 750 solar installation companies who have had a change in trading conditions, gone into liquidation or simply stopped trading since 2011. ([Download the PDF here to see a list of the over many hundred liquidated companies](#)). If we assume that these companies existed on average for 4 years and installed around 250 systems each year then we can assume that 750 companies x 4 years x 250 systems per year means over 750,000 solar systems, or more than one third of the 2.1 million systems, in Australia are “orphans”. By orphans we mean that the system is unsupported by the initial installation company; and also often the manufacturer of the inverters, solar panels etc have left Australia. In this case the owners of orphan systems have to rely on other solar companies to fix the faults of unfamiliar systems. Many of the orphans also are installed in such a poor way - that often the only remedy is to pull the system off and start again.

The next questions are: Why have so many solar companies left the industry in the middle of a solar boom? Is it usual for a thriving industry to see such high numbers of insolvencies over a relatively short period?

The very high number of failed solar companies should ring alarm bells. Anecdotal evidence suggests that a high percentage of solar companies go insolvent when they are faced with myriad of consumer claims for isolators, inverters or solar panel warranties, often where the manufacturer does not honour these warranty claims or where the installer was the importer themselves.

As per Australian Consumer Law, the install company themselves is responsible for the make good costs. Often when a cheaper built panel fails or an inverter stops it is not an isolated issue, but many of these models then fail in a relative short period, so the installation company has hundreds of panels and inverters to fix in a relatively short period. Some operators might decide that it's cheaper to go bankrupt than replace a thousand failed solar panels or inverters.

These issues have also been faced by smaller distributors who sold products that failed after a relatively short period, with many of these distributors and importers leaving the solar industry as a result. Interestingly, some of these solar companies and distributors relist as a new entity after a few weeks, operating out of the same or nearby premises; in the meantime customers face rejected warranty claims and additional out of pocket expenses.

Therefore it pays to buy from solar companies who have been in operation for quite some time and who sell quality solar systems. To find those look for the [Authorised LG Installer Partners](#).

