Solar PV will achieve 'grid parity' by 2014,

Technological factors, economies of scale and the falling price of polysilicon mean that in many parts of Europe it will be cheaper to install rooftop solar PV "than to buy coal-fired electricity from the grid".

That was the message from Peter Fath, chief technology officer with Germany's Centrotherm Photovoltaics to a Parliament House function attended by Infrastructure Minister Anthony Albanese and Environment Minister Peter Garrett.

The global boom in solar PV "is no longer being driven by government subsidies and feed-in tariffs", but instead by imminent "grid parity", Fath said.

"The price of PV is falling rapidly because of technology improvements, economies of scale and, most importantly, the falling cost of polysilicon [the key raw material in solar cell manufacture]," he said.

Fath predicted "explosive growth" for the global PV industry once grid parity was achieved and said Australia could become a "significant player" in the industry because of its "world-class" research institutes.

"I am told that the University of NSW produces 100 new photovoltaic undergraduates every year," Fath said.

"In Australia there is a surplus of skills. Overseas there is a shortage of skills."

However, Fath said measures such as feed-in tariffs and rebates were needed as "interim measures" to build and develop an Australian solar industry now.

"At the moment, manufacturing start-up companies overseas are being supported by governments who give capital grants in order to develop their renewable energy industries," he said.

"Australian start-ups cannot compete for investment without similar schemes here. It is just not competitive to do so."

Centrotherm is the parent company of Spark Solar Australia, which earlier this month received major project facilitation status from the Rudd Government for a proposed $60 million solar cell manufacturing facility