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Media release

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Get out of gaol (almost) free: PM's emissions trading scheme

The Prime Minister's Task Group has inserted a huge loophole into the proposed emissions trading scheme by allowing polluters to emit as much as they like at a very small cost, according to The Australia Institute.

The report says if polluters decide to emit more than they are allowed they will only have to pay a small pre-set penalty for every tonne over their limit.

“The Task Group thinks that the Federal Government can second guess the market by establishing a pre-set emissions fee for polluters who hold an insufficient number of permits”, said Dr Clive Hamilton, Executive Director of the Australia Institute.

“The proposed scheme invites polluters to break the law by imposing only a minimal penalty.

“In effect, under this scheme there will be two types of permits: one in fixed supply with a price set in the market, and a second type in unlimited supply at a price set by the government slightly above the market price.

“As a result, the environment will bear all of the risks of climate change as will future generations of Australians. This is a political solution for the Prime Minister but not an economic or environmental solution for Australia.