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Media release

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Solar rebate scheme delivers benefits for emitters, not environment

'The new solar rebate announced yesterday by Peter Garrett will not reduce Australia's emissions by one kilogram below the five per cent emissions target announced in the White Paper', observed Dr Richard Denniss, Executive Director of Canberra-based think tank, The Australia Institute.

'Under the CPRS, the unfortunate reality is that every time households reduce their energy use or install solar panels, all they will be doing is freeing up permits, which will in turn allow big polluters to increase their emissions.

'The Minister for the Environment is choosing his words very carefully when he describes the benefits of the modified solar panel rebate. He says it will be good for the solar industry and good for households who want solar panels on their roofs, but he avoids saying it will reduce Australia's emissions,' Dr Denniss added.

The inability of households to reduce Australia's emissions below the Rudd Government's five per cent target was explained in a recent paper entitled *Fixing the Floor in the ETS*. The paper highlights the way in which the emissions target acts not only as a cap, above which emissions cannot rise, but also as a floor, below which emissions cannot fall.

'There is a design flaw in the CPRS, which means that the more households do to reduce their emissions, the greater will be the number of permits available to big polluters such as the aluminium and cement industries.

'It is wonderful that so many households are willing to spend their own money trying to reduce emissions but it is appalling that the Government's CPRS as it stands will make such efforts pointless,' Dr Denniss commented.

Before taking up the new grant, households should ring the Environment Minister's office and ask him a simple question: 'Will Australia's emissions be any lower if I install a solar panel on my roof or will I just be enabling the big polluters to pollute more, more cheaply?'