



Australian Government

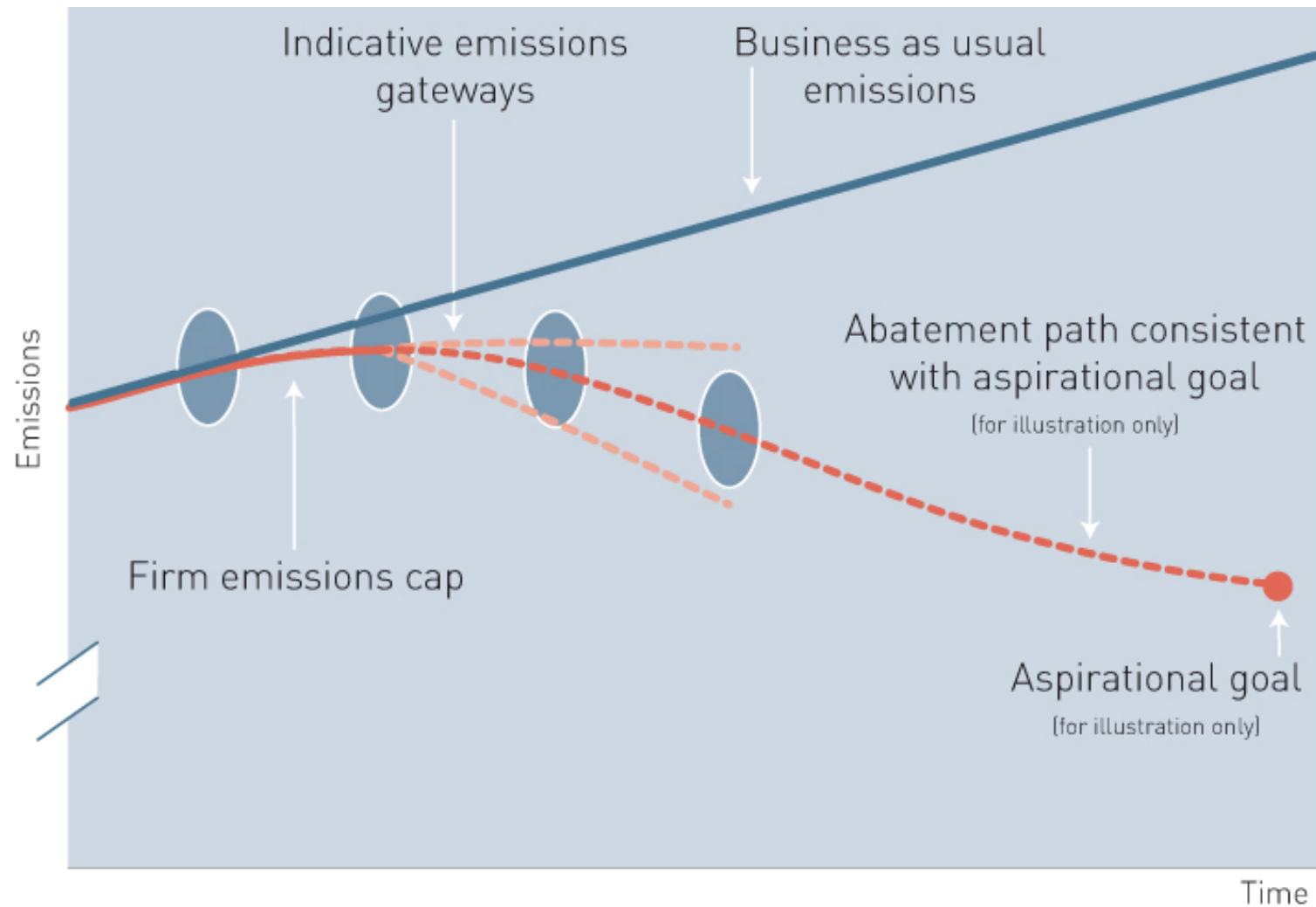
Department of the Prime Minister and Cabinet

The Australian Emissions Trading System

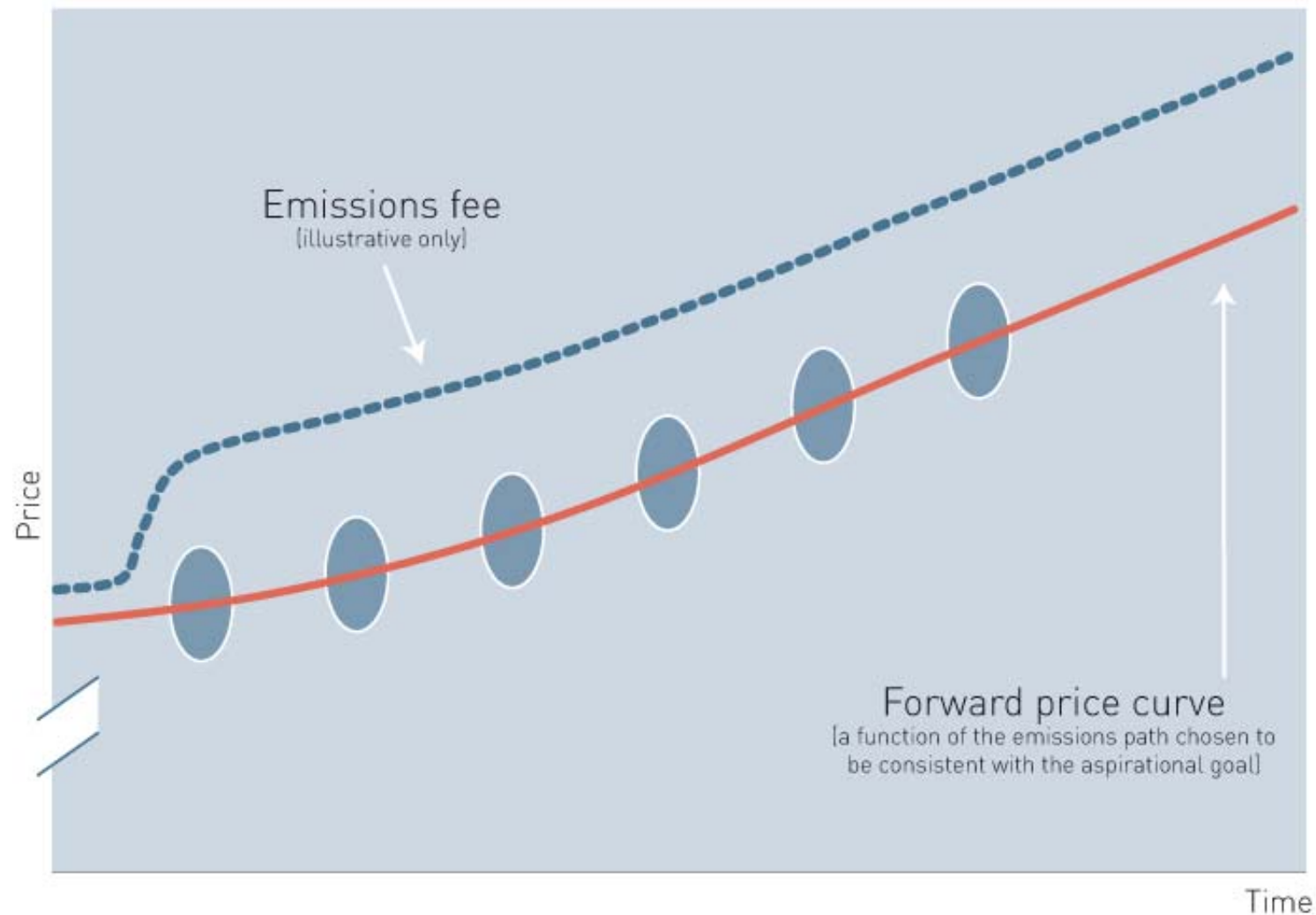
Climate Change Group

Department of the Prime Minister and Cabinet

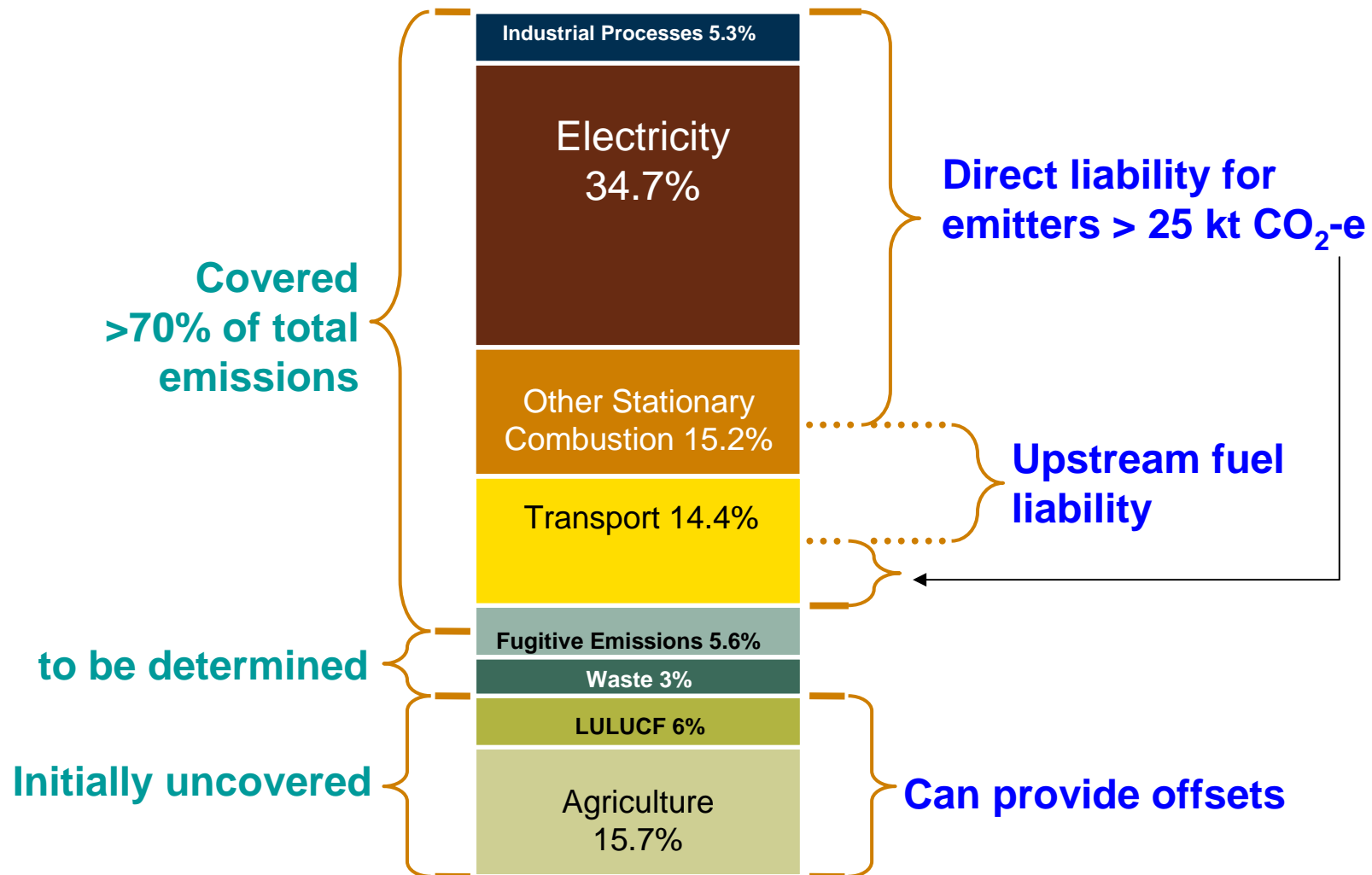
The Emissions Trajectory



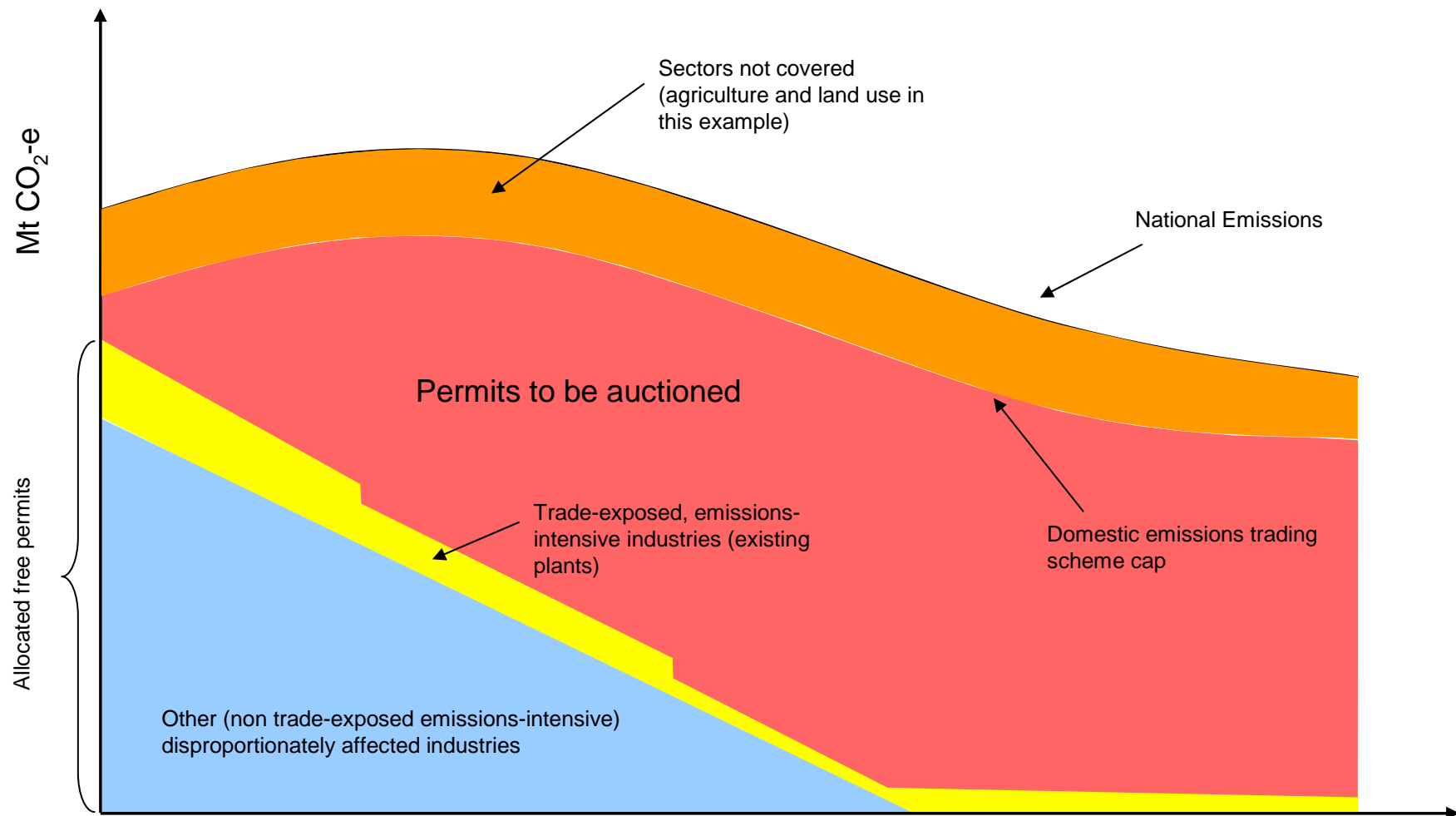
The Forward Price Curve



Coverage



Permit auctioning increasing over time





Implementation

- 2007-2008 - Detailed design of AETS.
 - Establishing Long term aspirational target
- 2009 – Pass legislation. Establish regulator in Treasury
- 2010 – Set caps. Announce allocations
- 2011 – Commence emissions trading scheme

Getting Started

- Mandatory measurement of emissions
- Compensation for existing assets (3/6/07 cut off)
- Getting early incentives right
 - Ensuring ‘no disadvantage’ in allocation
 - Encouraging abatement actions prior to scheme start
- Joint work commenced with NZ



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