

FOSSIL FUEL SUBSIDIES AND EXPORT CREDITS

- 1. In 2011, the focus of the Fossil Fuel Working Group is to monitor progress in implementing the country plans submitted at Toronto. Progress reports, by way of a template, will be submitted at the November Leaders' Summit. The group is also undertaking work to assess the impact of subsidy removal.
- ~~1-2. No further action is required from Australia. Australia's national submission at Toronto indicated we had no inefficient fossil fuel subsidies within the scope of the G20 commitment to reduce or eliminate fossil fuel subsidies, as such we will not have to complete the progress template. ~~(although it listed relevant tax expenditures).~~ Six other countries also concluded that had no measures within scope of the commitment reached the same conclusion – Brazil, France, Japan, UK, Saudi Arabia and South Africa. ~~In the 2010-11 Budget Australia committed to reduce one of our identified tax expenditures by partially phasing out excise exemption on gaseous transport fuels (LPG and LNG/CNG).~~~~

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- ~~3. Inefficient and poorly targeted fossil fuel subsidies represent a significant fiscal burden for some G20 members and delay efforts to adopt cleaner sources of energy. Section 33~~
- ~~4. IEA, IEF, World Bank and OPEC will update their report submitted at Toronto (as per the Seoul Leaders' Declaration. The report will include updates on recent subsidy reform, case studies on the impacts on the poor and the effect of "negative subsidies" and subsidies on renewable energies.~~
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