

TREASURY EXECUTIVE MINUTE

Minute No.

25 May 2011

Deputy Prime Minister and Treasurer

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- As part of a G20 commitment in 2009, Australia undertook to review and if necessary ‘phase out and rationalize over the medium term inefficient fossil fuel subsidies while providing targeted support for the poorest’.
- Australia responded to the G20 review identifying up to 17 programs that could potentially fall within the definition of a fossil fuel subsidy.
 - The conclusion reached was that none of these could be considered inefficient fossil fuel subsidies.
- Documents prepared during the development of the response to the G20 were released under freedom of information (FOI) laws in December 2010. (See Attachment B)

Impact on the underlying cash balance of agreeing to recommendation

2011-12	2012-13	2013-14	2014-15

- Estimates of the cost of these programs were provided in the documentation, adding up to over \$8 billion per year.
- Recent public discussion on fossil fuel subsidies appears to have drawn on the released documents, and the \$8 billion figure has been quoted widely.

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