

BRF - FOSSIL FUEL SUBSIDIES

Talking point:

- Australia had no measures that fell within the scope of the G20 commitment.
- Australia has met its obligations under the G20 commitment to remove inefficient fuel subsidies that cause wasteful consumption;

Background:

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Australia submitted its response to the G20 commitment to remove inefficient fossil fuel subsidies that encourage wasteful consumption at the Toronto Summit. Australia concluded it had no measures within scope of the commitment. Japan, France, Brazil, UK, Saudi Arabia and South Africa also concluded they had no measures within scope. G20 Finance Ministers have been asked to report on progress in implementing country-specific plans on removing inefficient fossil fuel subsidies at the November 2011 Leaders' Summit. Given Australia does not have measures within scope we do not need to provide such report.

Fuel tax credits are not a fossil fuel subsidy. Consistent with Government policy, fuel tax credits are paid to reduce or remove the incidence of tax on businesses to ensure that where possible, the incidence of fuel tax does not add to business costs but is levied on final consumers.