



## Fossil Fuel Subsidies

### Meeting Objectives

1. Encourage further progress on implementing country plans submitted at Toronto.
2. **No further action is required from Australia.** Australia's national submission at Toronto indicated we had no measures within the scope of the G20 commitment to reduce or eliminate inefficient fossil fuel subsidies that cause wasteful consumption. As such we will not have to complete the progress template. Six other countries also concluded that they had no measures within scope of the commitment – Brazil, France, Japan, UK, Saudi Arabia and South Africa.

### Key Issues and Australian position

1. In 2011, the focus of the Fossil Fuel Working Group is to monitor progress in implementing the country plans submitted at Toronto. The September 2009 Pittsburgh G20 leaders summit committed to: 'Rationalise and phase out over the medium-term inefficient fossil fuel subsidies that encourage wasteful consumption'. 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.
2. 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.
3. In May this year, the ABC, citing Treasury documents obtained by Greenpeace through FOI, reported that Australia has fossil fuel subsidies. This is in contrast to the findings of a 2010 IDC, which determined that Australia does not have any fossil fuel subsidies. The so called subsidies identified in this media report, are actually differential tax rates and rebates (such as the LPG Vehicle Scheme) so no further action from Australia is required. The Australian Government does not have measures related to the production or consumption of fossil fuels that fall within the scope of the G20 commitment.

Section 33

