

JOINT STATEMENT

Need for Urgent Reform to the Fuel Tax Credit Scheme: End \$1.5 billion handout to coal, oil and gas

The Fuel Tax Credit Scheme (FTC) currently costs the public purse \$9.6 billion per year, with \$1.5 billion provided to the coal, oil and gas industries. By the end of the decade, the Government will have handed over a staggering \$12.7 billion in fuel tax credits to support these polluting fossil fuel extracting businesses.

Rather than risking our future by investing in climate destruction, the Government should be investing this public money into renewables and measures to provide a safe, reliable and economically prosperous future for all. It is bad policy to provide government support to polluting industries that Australia is committed to transition away from.

To remove one significant support mechanism for the continued extraction of fossil fuels and help level the playing field for renewable industry, we call on the Government to abolish the \$1.5 billion Fuel Tax Credit benefit for the extraction of coal, oil and gas in this year's Budget (not for other FTC beneficiaries, such as agriculture).

The saved funds should instead be invested into transforming Australia into a renewables powerhouse, providing support for people and communities experiencing financial and social disadvantage to benefit from the renewables transition, and helping communities to build resilience in the face of increasing climate impacts.

This could include funding contributions to:

- A rapid, equitable and inclusive transition to a zero emissions transport system
- Home energy upgrades for low-income housing, prioritising First Nations housing
- Initiatives under the Future Made in Australia Act policy package
- Support for First Nations peoples and communities to participate in the energy transition and uphold their rights to free, prior and informed consent to energy projects affecting their lands and communities
- Assisting the agriculture sector, including support for lower emissions transport, resilience building, and adaptation to climate change
- Support for communities here and in our region facing climate impacts (including worse heat waves, storms, floods, fires and rising sea levels) to quickly recover from disasters, build their resilience and adapt to climate change.

As part of the Government's sectoral decarbonisation plans under development in 2024, we call on the Government to conduct a detailed review of all public money expenditure that contradicts our climate change goals by incentivising emissions growth and disincentivising electrification, efficiency and the transition to renewables.

Continued Government handouts to polluting fossil fuel industries is wasteful and bad policy which slows progress on climate change goals and stifles innovation. The Fuel Tax Credit for coal, oil and gas is a major disincentive to electrification of our resource sector, entrenching dependence on imported fossil fuels and in doing so, undermining Australia's energy security.

For Australia to respect its international climate commitments and attract investment in clean, renewable industries, it must remove incentives that make the choice to pollute more attractive than clean alternatives.

We, the undersigned, call on the Australian Government to:

- **End the \$1.5 billion Fuel Tax Credit handout to coal, oil and gas and to invest the saved funds into transforming Australia into a renewables powerhouse**
- **Provide support for people and communities experiencing financial and social disadvantage to benefit from the renewables transition, and to help communities build resilience in the face of increasing climate impacts**
- **Conduct a detailed review of all public money expenditure that contradicts our climate change goals by incentivising emissions growth and disincentivising electrification, efficiency and the transition to renewables.**

Signed by: Australian Conservation Foundation, Australian Council of Social Service, The Australia Institute, Climate Action Network Australia, Climate Council, Climate Energy Finance, GetUp, Smart Energy Council, Oxfam Australia, Uniting Church in Australia (Vic/Tas).

