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AUSTRALIAN FOSSIL FUEL SUBSIDIES ARE A MYTH: IPA

There are no fossil fuel subsidies in Australia, according to a new report from free market think tank the Institute of Public Affairs.

The report, *The Fossil Fuel Subsidy Myth*, was released today and covered in *The Australian*. The report argues Australian fossil fuel subsidies are a myth and that no protection is given to the mining industry.

“Over the last six years, the phrase ‘fossil fuel subsidy’ has been used by environmental campaigners to demonise the mining industry and question the economic viability of Australia’s coal, oil and gas companies,” says Brett Hogan, Director of Energy and Innovation Policy at the Institute of Public Affairs and the author of the report.

“A critical examination reveals that so-called fossil fuel subsidies are usually refunds for excess taxes paid or legitimate deductions for business inputs that are not restricted to mining companies.”

“Energy subsidies, like all subsidies, distort the natural flow of investment, demand and supply in markets, and should not be supported.”

“While there are many governments around the world that intervene to unfairly benefit fossil fuel products or companies, Australia’s is not one of them.”

“The campaign by environmentalists against mining and fossil fuel companies is politically motivated and pays no regard to the contribution these companies make to taxation, export income, employment, or to basic human needs such electricity and food.”

“If the product is legal and the company is legal then that company has the right to trade, employ people, pay its bills and claim legitimate business expenses.”

“The tax system exists to raise enough revenue to pay the government’s bills – it should not be used to pursue political vendettas,” says Mr Hogan.

The report, *The Fossil Fuel Subsidy Myth*, is available [here](#).

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