

The Hon Scott Morrison MP
Treasurer
PO Box 6022
Parliament House
Canberra, ACT
2600

Dear Treasurer,

In the lead-up to the 2016 Budget, we, the organisations that led the 2015 *People's Climate March*, are asking you, as part of your tax reform program, to end wasteful taxpayer-funded fossil fuel subsidies, particularly handouts to fossil fuel corporations.

The *People's Climate Marches* were the biggest climate marches in Australian history, involving over 140,000 people calling for stronger action on climate change.

We marched in solidarity with communities most impacted by global warming and called for a planned and just transition to 100% renewable power and greater action to support those already heavily impacted by climate change.

Our marches showed what Australians think: more needs to be done to address global warming and to protect our way of life, and ensure the wellbeing of our neighbours.

At the Paris Conference, the Australian Government announced it had joined the *Coalition of High Ambition*, and supported a goal to limit global warming to 1.5 degrees. To achieve that goal, the world needs to urgently shift away from climate polluting fossil fuels and invest in renewable energy

There is now growing international momentum to shift money, public and private, away from the causes of global warming.

Right now your government is considering a tax reform package. We are asking you to undertake constructive tax reform in the next budget - that will benefit the people of Australia and our environment, and ensure that Australia is a better global citizen.

We call on your Government to put an end to wasteful taxpayer-funded subsidies which incentivise the pollution that causes global warming; and to instead invest in our communities.

In the 2016 Budget we urge you to:

- End non-agricultural fuel tax credits, boosting the budget by \$5.5 billion in 2016-17;
- End exploration and prospecting deductions for the mining industry (\$650m)¹
- End statutory effective life caps for the oil and gas sector (\$349m);²
- End the concessional rate of excise levied on aviation gasoline and aviation turbine fuel (\$1.24b)
- Confirm that the Northern Australia Infrastructure Facility will not invest in fossil fuel projects or in infrastructure that primarily assists such projects.

Over three quarters of Australians support ending these subsidies.³

An end to these subsidies would boost the budget by approximately \$7.7 billion dollars per year and help reduce the incentives to pollute.

Currently the government is spending money through the Emissions Reduction Fund to reduce emissions while also providing subsidies to pollute through the measures listed above. This makes little environmental and economic sense.

The public money saved could be better invested in our communities, and in solutions to tackle climate change and adapt to levels of global warming that are already locked in, such as:

- Australia's renewable energy research and development capacity
- International climate finance that is *new and additional* to our current aid program and commitments;
- Public schools, education and training so that our communities are ready for the jobs in the new economy; and
- Public hospitals and healthcare so we're prepared for the health risks of locked-in climate change;

¹ Projected to improve fiscal balance by \$650 million in 2016-17, according to costing undertaken by the Parliamentary Budget Office for all mining.

² According to a 2014 forward estimate from the Australian Conservation Foundation, SELCs for the oil and gas sector will cost the taxpayer \$349 million in 2016-17

³ Poll conducted by Essential Media, released 27 November 2015.

Our supporters expect the Turnbull Government to take strong action to tackle climate change for the public good, starting by ending taxpayer-funded handouts to big polluters. We look forward to hearing your response before 15 April.

Kind regards,

ActionAid, Alternative Technology Association, Arid Lands Environment Centre, Australian Firefighters Climate Alliance, Australian Conservation Foundation, Australian Religious Response to Climate Change, Australian Youth Climate Coalition, Avaaz, Bayside Climate Change Action Group, Caritas Australia, Catholic Earthcare Australia, Centre for Climate Safety, ClimActs, Climate Action Canberra, Climate Action Hobart, Climate Change Balmain-Rozelle, Climate and Health Alliance, Climate Reality Australia, Conservation Council of Western Australia, Darebin Climate Action Now, Doctors Reform Society, GetUp!, Global Climate Change Week, Greenpeace, Healthy Futures, Justice and International Mission Unit, Latrobe Valley Sustainability Group, Lighter Footprints, Locals Into Victoria's Environment, National Tertiary Education Union, Nature Conservation Council of NSW, Oxfam, Psychology for a Safe Climate, Queensland Conservation Council, Quit Coal, Seed Indigenous Youth Climate Network, SJ Around the Bay, Slow Food Canberra, Solar Citizens, Surf Coast Aid Action, Sustainable Communities South Australia, Sustainable Living Armidale, Unitarian Church of South Australia, Uniting Earth NSWACT, Uniting Justice Australia, WATCH Wodonga Albury Towards Climate Health, The Wilderness Society, World Wildlife Fund (WWF), 350.org, 350.org Pacific

CC: The Hon Malcolm Turnbull, Prime Minister of Australia; The Hon Josh Frydenberg MP, Minister for Resources, Energy and Northern Australia