



# MEDIA RELEASE

## DR CRAIG EMERSON

Minister for Small Business, Independent Contractors and the Service Economy  
Minister for Competition Policy and Consumer Affairs  
Minister Assisting the Finance Minister on Deregulation

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Tuesday, 1 June 2010

### PHONEY TONY'S ECONOMIC IGNORANCE REACHES NEW HEIGHTS

Tony Abbott's claim that the Resource Super Profits Tax is a tax on extraction confirms that he has no understanding of the most basic principles of tax policy or economic policy, Small Business Minister, Craig Emerson, warned today.

When asked today to explain how the Resource Super Profits Tax would apply, Mr Abbott replied:

***"Well, well, the tax, the tax, the tax falls on everything which is extracted from the ground ..."***

As its name indicates, the RSPT is a tax on profits, not on extraction.

"This is Economics 101 and Mr Abbott has confirmed that he lacks even a basic grasp of economic concepts", Dr Emerson said.

"Tony Abbott is the most economically illiterate aspirant to the Prime Ministership in Australia's history.

"He has told colleagues he is bored with economics – and he demonstrated this Gospel truth again today.

"Mr Abbott's economic ignorance makes him a big risk to the Australian economy".

Dr Emerson said mining royalties based on the volume or value of minerals extracted are payable regardless of production costs and profitability, whereas the RSPT is a tax on profits.

"One of the main advantages of the RSPT is that it would replace inefficient royalties", he said.

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