



MEDIA RELEASE

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LATEST BLUNDER IN MINING TAX SCARE CAMPAIGN - OPPOSITION CONTRADICTS KPMG

The Opposition's mining tax scare campaign has become even more confused and chaotic, with Andrew Robb now making false claims about electricity prices, Minister for Consumer Affairs Craig Emerson said today.

Dr Emerson said Mr Robb's claims that electricity prices will go up under the Resource Super Profits Tax (RSPT) are refuted by the economic modelling of KPMG Econtech.

"KPMG Econtech's detailed report released with the Government's response to the Henry Review makes it clear that Mr Robb is wrong – none of the data shows any increase in coal prices," he said.

"Not only are Opposition members contradicting themselves, they are arguing against highly regarded firm KPMG Econtech on the quality of its economic analysis."

"This is the latest blunder in the Opposition's confused RSPT scare campaign, a campaign which has been heavily criticised today by a group of 20 economists."

Dr Emerson said the KPMG report predicted that prices of consumer goods like food and clothing will actually fall with the introduction of the tax.

According to this independent modelling estimated price reductions include:

- Transportation cost down by 1.7%;
- Clothing and footwear cost down by 1.3%;
- Household contents and services costs down by 1.1%; and
- Food cost to consumers down by 0.9%.

He said the biggest risk to consumer prices was Mr Abbott's proposed \$10.8 billion tax hike.

"There is no question that the big new tax Tony Abbott will force on Australian businesses will be passed on to consumers," he said.

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