



Senator Mathias Cormann

Senator for Western Australia

Shadow Minister for Employment Participation, Apprenticeships and Training

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Presenter: Peter Van Onselen

E&OE.....

VAN ONSELEN

We're going to be joined shortly by Shadow Employment Participation Minister Mathias Cormann. There is some chance early in this bulletin that we may be interrupted by a news conference that Julia Gillard is giving where she will no doubt be talking about the latest unemployment figures which have come in steady at a rate of 5.3%.

We're joined now, however, pending that happening, by the Shadow Employment Participation Minister Senator Mathias Cormann. Senator, thank you very much for being with us in Canberra.

CORMANN

Good afternoon Peter, good to be with you.

VAN ONSELEN

Before we get on to the employment figures, can I just start with the biggest policy announcement of the week I suppose from your side of the Parliament, can I start by asking you what your thoughts are on this great big new tax that Tony Abbott is looking to introduce on paid maternity leave.

CORMANN

Look, Tony Abbott has put forward his plan for a national paid parental leave scheme which is a very strong scheme, which will be good for women, good for families and children and good for the economy moving forward. It will help us improve our productivity and help us

lift our employment participation rates, something of course that was identified in the Intergenerational Report released by the Prime Minister recently as one of the challenges we are facing moving forward.

VAN ONSELEN

Are the concerns on your side of the Parliament however that this particular scheme that Tony Abbott is bringing in, that your side will presumably bring in at the next election if you win, that it slugs big business with an additional tax and therefore as a result may harm consumer confidence, may harm investment in this country?

CORMANN

It is a scheme that will be introduced if we are successful at the next election and it will be of great benefit of course to women, families and children and the economy moving forward. Obviously we would have preferred to be able to introduce a scheme like this, in the context of the current budget and within the normal taxation revenue. However, given the way Labor has mismanaged the budget over the last two years, given the fiscal position of the budget at present that was not an opportunity that was open to us. So, I think that the plan that Tony Abbott has put forward is a very, very sensible approach. It focuses on imposing a levy on a small number of big businesses and of course people across Australia working in small business, working for contractors, working for big business and working for the public sector will all equally benefit from this proposal.

VAN ONSELEN

You would have to agree though that it's pretty ironic that Tony Abbott used the rhetoric of a great big new tax to talk about the ETS yet now he's doing exactly that with a great big new tax, worthwhile or otherwise, on the paid maternity leave front.

CORMANN

Well, worthwhile or otherwise is actually the key point. I don't think the two are comparable. Firstly, Labor's great big new tax on emissions across Australia is a much more significant tax, we're talking a \$120 billion over 10 years, compared to a \$2.7 billion temporary levy on big business. And of course the great big new tax on emissions will not actually deliver any positive outcomes. It will not give us reduced global greenhouse gas emissions, yet it will push up the price of everything, cost jobs, put pressure on the economy and put our energy security at risk. Whereas, Tony Abbott's proposal of course, will benefit women, it will benefit families and children and it will be beneficial for our economy moving forward.

VAN ONSELEN

Okay, just while we wait for Julia Gillard to do this news conference, let me ask you about what it is she's coming on to talk about. 5.3% the unemployment rate, steady from last month. You have to acknowledge that's pretty good under the climate that we've come out of?

CORMANN

Well there's absolutely no doubt that our unemployment rate is much better than all of us expected at this time last year. That is a good thing and we have welcomed that. But I guess there are some underlying issues that do concern us. For example, levels of underemployment, levels of part-time employment and of course these are exactly the sorts of issues that would be addressed in part by Tony Abbott's plan for a national paid parental leave scheme.

VAN ONSELEN

And credit where credit's due that the unemployment rate is presumably lower than it might have otherwise been had it not been for some of the stimulus packages?

CORMANN

Well, I think there's been a whole range of reasons I mean clearly the fact that the Rudd Government coming into government inherited a very sound budget position. The fact that the Howard Government introduced and continued with the workplace relations reforms and had been started by the Keating Government, something that has been reversed of course, much of which has been reversed by the Rudd Labor Government. Clearly, as far as the stimulus programme is concerned, I guess what I would observe is that right now there are home insulation workers across Australia who are losing their jobs today as a direct result of Labor's mismanagement, while the two ministers who are directly responsible for it, Minister Garrett and Senator Arbib, are still in their positions. People across Australia are losing their jobs as a result of Labor's mismanagement, yet the two Ministers responsible still have their jobs.

VAN ONSELEN

They may well be losing their jobs, but what is the Coalition's alternative to the scheme? Would you maintain that in a new format or would you end it altogether?

CORMANN

Very clearly we have pointed to significant flaws in the programme right from the word go and the two ministers that are directly responsible for the mismanagement should not have been allowed to continue in their respective roles. The fact that there's people across Australia who are losing their jobs as a direct result of Labor's mismanagement of this home insulation fiasco should be reason enough for those two ministers to lose their jobs as well.

VAN ONSELEN

Senator, on another issue, yesterday five of the Government's ministers came out and had a real red hot go at the Coalition for obstruction in the Senate. You're a Senator, they were accusing this of being the most obstructionist Senate in decades. What do you think of those comments?

CORMANN

Well, they are just ridiculous comments. I mean, clearly the Government doesn't like to have its legislation scrutinized. There is a very simple principle at play. If the Government introduces good legislation we will support it. If the Government introduces bad legislation which is not in the national interest then we will oppose it. Clearly Labor is now looking for excuses as to why they are not able to deliver on some of their pre-election promises like their promise to fix public hospitals and various other promises. They are looking for scapegoats. They are running a political strategy in the lead up to the next election and really the comments yesterday should be seen in that context.

VAN ONSELEN

But those comments weren't just rhetoric, they did have the figures to back it up in terms of the number of pieces of legislation that have been rejected by the Senate. Do you accept that given that factual reality you are a very obstructionist opposition?

CORMANN

Firstly, the number of pieces of legislation that would have been opposed by the Coalition is of course directly related to the number of bad pieces of legislation that were introduced by the Labor Government. The further point I would make is that we can't actually block anything on our own. Whatever our views on a particular piece of legislation, the only way we can contribute to blocking something in the Senate is if we can convince at least two other Senators of the merits of our argument. Now, if you look through some of those measures, for example the broken promise of the private health insurance rebates. The Government went to the last election with the most emphatic promise to retain the existing private health insurance rebates. And of course, we are here standing up for millions of Australia across Australia that have been duded by this Government. And of course we have taken the view it's bad public policy, it will be bad for our health system and of course it is our responsibility to stand up for the national interest as we see it.

VAN ONSELEN

But it's not a good look, is it, two years after a government being elected on a mandate for change to not be able to go about introducing some of that change. In particular, I guess what I'm thinking about here is the ETS, because it wasn't just Labor that took that to the last election, the Coalition did as well.

CORMANN

Firstly, the Government does not have a mandate to scrap or reduce private health insurance rebates for millions of Australians.

VAN ONSELEN

(But what about the ETS?)

CORMANN

The Government does not have a mandate to break up Telstra. Now, as far as the emission trading scheme is concerned, the Government promised that they would introduce a scheme that would help reduce global greenhouse gas emissions and their flawed emissions trading scheme does not deliver that. Having been scrutinized in the Senate over a two year period now, it is very clear that Labor introduced a dud scheme that was not going to help reduce emissions and yet it was going to push up the price of everything, it was going to cost jobs, it was going to put our economy at risk and of course in those sorts of circumstances we are absolutely entitled and we have the responsibility to take a stand.

VAN ONSELEN

Many Liberal MPs were very critical of former Liberal leader Malcolm Turnbull for announcing a position that the party position was intended to be on the ETS, before having received approval on that position from his party room. Are you similarly as critical of Tony Abbott for essentially doing the same thing with his paid maternity leave for taking it, not only not the party room, but not to the Shadow Cabinet either?

CORMANN

Tony Abbott made a call that Australia needed a national paid parental leave scheme that was serious and that would be of significant benefit of women, families and children and our economy moving forward. Now, we have had a broad discussion in our party room on Tuesday and Tony Abbott received very broad support for his proposal in the party room.

VAN ONSELEN

But do accept that, procedurally at least, the mistake that Malcolm Turnbull made on the ETS was no different to the mistake that Tony Abbott made by not first getting approval from his party and his Shadow Cabinet before announcing his policy?

CORMANN

Well, look, Tony Abbott agrees that it would have been preferable if the proposal had been put to the party room before it was announced publically and we've had that discussion in the party room and we now look forward. The important thing is though, that we had a very comprehensive discussion about Tony's proposal for a national paid parental leave scheme in the party room and there is very broad support and this is now our policy proposal moving forward. We are now engaging in a period of consultation to deal with some of detail around implementation issues etcetera. But essentially Tony Abbott has put forward a very significant plan for a paid parental leave scheme which will provide for paid leave over a six month period at the replacement salary for the principal carer, in the context of course of having a baby and this is broadly supported by our party room and I think it's now just a matter of selling it to the public and of course we call on the Rudd Labor Government to come on board with our superior scheme. Their scheme, we have described it as a Mickey Mouse scheme. It will not address the financial and maternal issues involved with starting a family.

VAN ONSELEN

One final topic that I wanted to brace with you was the Henry Review into Taxation. The Government is still refusing the release it. It was handed to the Treasurer I think in December last year. On the Treasury's website, it says it would be released early this year, whatever that means. We are now roughly 20% into this year and it still hasn't been released. Plenty of people in the journalism world are calling for it to be released, myself included. What is your view on that?

CORMANN

The Henry review has reported to the Government for some time. It does raise the question, the fact that the Government is keeping it secret does raise the question, what is Labor's secret tax plan for after the election? It's been said that the reason it hasn't been released was because the Prime Minister was unavailable to make the release. I guess what I would say is 'fair shake of the sauce bottle'.

VAN ONSELEN

Senator Cormann, if I can just interrupt you there. Sorry to do this to you, but Ms Gillard is now just coming up for her news conference so we'll just go to that and maybe come back to you.

CORMANN

Sure.