

# STATE of SOUTH AUSTRALIA

## Trends and Issues 2006 Update

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### POLITICS UPDATE Clement Macintyre

#### Update of Key trends

In the conclusion to the chapter on South Australian politics in *The State of South Australia* [Macintyre, 2005] it was argued that the capacity of State governments to shape individual policy outcomes had been greatly diminished in recent years. The ability of the Commonwealth governments to use their financial dominance to direct State initiatives, together with the consequences of globalisation and the dominance of international money markets and corporate power had rendered the Australian states as little more than service providers. The specific situation of South Australia with its relatively small population and distance from the dominant eastern seaboard markets meant that it faced additional burdens. In these circumstances there was some doubt that any South Australian government would ever again be able to match the scale of the growth seen under Playford or the sweep of social change seen under Dunstan.

During the first Rann Labor Government there were a number of reasons to explain why cautious progress rather than bold reform was the dominant characteristic. Firstly, the numbers in the House of Assembly meant that Rann led a minority government for the whole of the first term. Despite the greater parliamentary security that came with the appointment of two non-Labor MPs (Independent Rory McEwen and Nationals Karlene Maywald) to the Cabinet, the Government was always forced to negotiate its legislation through a loose coalition of government and non-government members. The second factor was that the Government was determined from the outset to be guarded in its initiatives and to generate a mood of responsible economic management. From its first days in office the Government's priority was re-gaining the AAA credit rating, and this meant modest rather than audacious policies. This meant that the emphasis was on planning and deliberation rather than short-term and possibly ill-considered policy fixes.

The combination of the broader constraints upon the State Government and the desire to build and sustain the record of measured policy initiative was reflected in the decision to commit to long-term social economic and political planning. To this end, in March 2004, the Government released South Australia's Strategic Plan. According to the Premier, the Plan was part of the process of 'building on our strengths, creating new abilities and ensuring that our citizens and our State thrive'. It had a goal of generating a stronger economy with 'sustainable economic and job growth' and 'the foundations for a stronger economy and a stronger community' [South Australia's Strategic Plan, 2004].

In the days leading up to the March 2006 election Mike Rann used the Plan as one of the Government's key platforms and located it within the more traditional State interests of service delivery. When interviewed a week before the election he asked voters to consider the Government's achievements in terms of 'jobs and projects and more money for health, [and] more police' [Sunday Mail, 12 March 2006]. The results of the election delivered the Government a commanding majority in the House of Assembly together with the clear mandate to pursue its program. This suggested that a more activist policy profile might be more evident during the second Rann Government, and that the scale of the victory gave Labor an opportunity that might appear once in a political generation 'to implement sweeping measures to change the state for the better'. Yet Rann seemed cautious about the role that the Government should play and identified quite modest goals when he argued that the responsibility of 'a state government is to provide effective and safe administration'. [Advertiser, 20 March 2006]. In any event, in the first five months, while waiting for a delayed State budget, the Government did not dominate the policy agenda. Other than some contentious transport policy decisions and a progress report on the Strategic Plan, the Government had few concrete achievements to point

to by August 2006. It was in this context that most of the criticisms of the State government were made [Advertiser, 19 August 2006].

Yet despite this, the current Government is adamant that it has 'the boldest plan for reform in many years' and that the prospects for economic growth are brighter now than they have been for some time. In defence of this claim Rann has pointed to the consistent focus on opportunities for employment growth in South Australia. He has argued that a growing defence sector, the expansion of Olympic Dam and a greater commitment to skills training, together with more active partnerships with business will lead to a more dynamic economy [Rann 2006]. In turn, this will assist the State as it seeks to re-establish some claims for economic strength and resilience. This view is consistent with that of the Chief Executive of Business South Australia, Peter Vaughan who has suggested 'that as long as Labor doesn't sit on its hands it has a chance to build a legacy to rival that of the Playford era' [Australian Financial Review, 20 March 2006].

Beyond economic policy, there have been other, parallel initiatives that have been used to demonstrate the scope of the Government's agenda. Since being first elected in 2002 there has been emphasis placed on social inclusion and the appointment of David Capps as the State's Commissioner for Social Inclusion after the 2006 election signalled this as a continuing policy priority [South Australia Government]. The use of non-elected, appointed officials, such as Capps, in significant roles (just like the continued presence of McEwen and Maywald in the Cabinet) is a further sign of the Government's determination to draw advice from beyond the 'normal' sources. It is through such means that the Rann government is endeavouring to challenge the constraints that might otherwise limit social policy. The Government has also indicated a new interest in some limited constitutional reform. After failing to support any of the proposals that emerged from the formal Constitutional Convention in 2003, the Premier announced that proposals to reform the Legislative Council would be put to the people at the time of the 2010 election [ABC Radio, 24 November 2005].

Future policy initiatives must inevitably be seen through the lens of South Australia's Strategic Plan. There are 84 'targets' that include measurable economic growth indicators, together with environmental and social goals. Taken broadly, these will play a large part in shaping the overarching policy directions of the State Government in the foreseeable future. Already the Government has delivered the first of regular biennial reviews [State Strategic Plan, 'Have your say. It's your State'] and there has been a process of community engagement at regional and metropolitan level to promote awareness of the Plan [State Strategic Plan, 'Community Engagement Program'].

The commitment to the Plan and the process of community consultation suggests a concern to tie policy more closely with local expectations.

Such a development is consistent with a trend towards a broader basis for policy formulation that is seen in the introduction of Community Cabinet meetings [Premier and Ministers of South Australia] and regional sittings of the State Parliament [Parliament of South Australia]. However, it is unlikely to significantly shift the prime focus of the State Government's attention over the next few years. For no matter how much the Government seeks to open up the range of policy initiatives, the reality of the Federal / State relations and of the economic environment confronting States in Australia in the twenty-first century, is that prime attention must be paid to the central and critical State policies areas of education, health and law and order. It is significant that in the key achievements listed by the Government that 'More Police and Extra Nurses' and 'Smaller school class sizes' are headline claims [Premier and Ministers of South Australia].

The challenges that the State Government of South Australia faces in the next five to ten years are not dissimilar to those that face all State governments. There is pressure to maintain high rates of employment and growth in an economy that is undergoing substantial structural change and experiencing a drift from manufacturing to greater reliance upon resources. There is a need to provide the transport and communication infrastructure that will be required to sustain the current rates of economic growth. Lastly, there are unabated pressures to maintain and extend the provision of services that have become the primary focus of State administrations. A future aspect of this will be to carve out a role within the ever-expanding Commonwealth functions [ABC Radio, 21 July 2006].

If it is possible to characterise the patterns in State administrations in Australia over the past 15 years, then it is fair to say that during the 1990s most State governments were implementing a range of bold economic reforms. While these may have paid economic dividends, many of them (for example, cuts to services and privatisation) were deeply unpopular and the political price paid by their proponents was noted. More recently it is circumscribed and cautious policy development has become the dominant pattern. Certainly the Rann Government in South Australia appears to have learnt the lessons of previous governments. Its policy priorities are measured, there is greater coordination and there is every indication that the strategies of the government are broadly consistent with public expectations. The Government is now following a course that gives the Opposition little room to gain traction and, barring remarkable changes in the economic environment, it seems set fair to enjoy a long political reign.

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