TODAY’S PUBLIC LECTURE

States as laboratories for reform

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International Leadership Council, The Climate Group, UK
Former Premier of South Australia (1985 - 2011)

Thursday 10 May 2012  5.30-6.30pm followed by light refreshments
Weston Theatre, JG Crawford Bldng 132, Lennox Crossing, ANU

Presented by
the HC Coombs Policy Forum,
Crawford School of Public Policy,ANU
Politics and public policy: States as laboratories for reform

by Mike Rann

The Australian National University
Canberra, ACT
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The Hon Mike Rann CNZM was Premier of South Australia between 2002 and 2011. He is a former National President of the ALP. He is a Professorial Fellow in Social and Policy Studies at Flinders University; Visiting Senior Research Fellow at the University of Auckland; Adjunct Professor in Public Policy at Carnegie Mellon University and a Fellow at the Center for Public Policy in Washington, D.C.
Every now and then, on a quiet news day, an ex federal politician pens a feature reflecting not only on the decline of the states but proposing some kind of unachievable constitutional settlement that would cut out the second tier of government as a desired outcome. There is absolutely no doubt that in the 35 years I have been around Australian politics that the States, having ceded financial and legislative responsibilities incrementally, no longer have the independence or the clout they used to have. Increasingly, through the COAG and competition reform processes, we’ve seen States lose their financial heft and policy flexibility through tied grants so that they increasingly become the administrative arm of government, in areas such as hospitals. I have no doubt that this process will continue.

It is therefore perhaps inevitable that most attention in Australian public policy focuses on what happens at the national level, here in Canberra. But States can still be laboratories for reforms and innovations that eventually are taken up nationally.

When we were elected in 2002, we started the process, following a major consultation exercise, of formulating a ten year state strategic plan which incorporated around 80 targets ranging across policy areas as diverse as exports, employment, mining exploration, environmental outcomes, reducing the road toll, closing the gap, boosting the percentage of our power coming from renewable energy, reductions in crime and so on. The Plan became not only our bible but also our goad to action. We gave it teeth by having our progress or otherwise on meeting targets audited every two years by an independent group of experts who publicly released the results.

It is true, of course, that we gave unprecedented clout to our new Economic Development Board headed by Robert Champion de Crespiny to help us win defence projects to revitalise manufacturing, massively increase mining exploration, internationalise Adelaide as a university city and cut red tape.

It was quite clear, however, that to implement such an ambitious plan, which was about ‘turning around’ a state too often described as ‘rust bucket’, we would need to go beyond the public service and even beyond Australia for advice. I had regularly attended our Festival of Ideas which, every two years, brings top thinkers from around the world to Adelaide for three days to lecture and be involved in interactive seminars on important policy issues.

After attending one Festival when I was Opposition leader, it occurred to me that we should invite the same calibre of people to come and work with us for an extended stay to help us recharge our policy batteries. We wanted to recapture some of the policy leadership a small state like South Australia had in the 1970s under Don Dunstan. This is how the Adelaide Thinkers in Residence program was born.

It’s a program that has secured investment worth hundreds of millions of dollars and has prompted a series of policy innovations, new programs, projects and comprehensive changes to legislation.

We asked each Thinker:

To challenge us as a government and as a state, to do better.

To collaborate with our public sector, university and business leaders.

To attend Cabinet meetings, work closely with me, Ministers and with department heads, run policy lectures, and engage in dialogue with the wider public on some of the great issues facing us.

The Thinkers attend forums and policy think tanks and give media interviews. They then prepare a final report with recommendations for policy changes, new initiatives and programs.

Like so many worthwhile ideas, however, our Thinkers initiative attracted its share of controversy. Some of our more parochial commentators could not see the point in bringing world class minds to work with government and with our community.
Despite the political and media attacks, the government embraced the program with vigour. Our view was that it was time to shake off petty insecurities and to stop pretending that we know the answer to everything, while at the same time lamenting that the grass is greener elsewhere.

For me, it made sense to seek out the very best global experts, and apply their expertise to our particular circumstances. After all, governments spend hundreds of millions on consultants. We could better brains at much lower cost!

We’ve seen – over the course of nearly a decade and more than 20 Thinkers – how some truly inspiring and innovative ideas have taken shape.

Beginning with Herbert Girardet, whose inaugural residency entitled ‘Making Adelaide a Green City’ has had a profound influence in so many areas of sustainability.

Just one of his initiatives we embraced involves planting three million seedlings across Adelaide, in a series of urban forests which involve schools and volunteer groups in reducing our ecological footprint.

Interestingly, this led me to propose, through the Climate Group’s States and Regions Network, that member states collectively commit to planting a billion trees.

So far, we’ve secured commitments to plant around 310 million, with Quebec and Scotland committing 100 million each.

This way, the Thinkers program influenced policies, not just in South Australia, but around the world.

Indeed, nowhere has the leadership role of states, assisted in South Australia by our Thinkers, been more apparent in recent times than with climate change policy. That was certainly true in Australia before the change of Government in 2007, with former Prime Minister John Howard aligning himself with President Bush in first denying the scientific evidence for global warming and then decrying action to address climate change as contrary to the national interest.

This has now changed. From July 1st, Australia will embrace a new carbon pricing era designed to cut CO² pollution, drive investment in clean energy and make our biggest polluters pay for the greenhouse gas emissions they create. Despite all the political aggro, the new carbon pricing mechanism is being rolled out in a way that will minimise its impact on business, jobs and on our economy while compensating families with tax cuts and pension increases for any consequent increase in prices.

But until this reform, so hard fought, passed through the Federal Parliament, it was up to the states to fill the policy void and we borrowed from other jurisdictions internationally in the process.

In the US, we had seen strong leadership by states such as California in embracing renewable energy and tougher emissions standards. We also saw clusters of US states working together to establish emissions trading schemes.

States and territories, working through our new Council of the Australian Federation, also took the initiative, proposing our own emissions trading scheme and commissioning Professor Ross Garnaut to undertake a major report on the impact of climate change on Australia, a continent at great risk from global warming with the potential loss of high production farming land as well as serious threats to our precious water resources.

Action by Australian states made sense given the majority of decisions affecting the environment internationally are made at the regional level.
While Premier, I was also Minister for Sustainability and Climate Change, as well as Minister for Economic Development. I wanted to demonstrate that we could be a Labor government that was pro jobs, pro business and pro growth while at the same time being a leader in environmental protection.

When we were elected in 2002 there was not one single operating wind turbine in South Australia. Today, 26% of electricity generated in SA comes from wind, edging out coal fired power for the first time. How did this happen? We streamlined our regulatory environment to make it easier for energy companies to gain quicker approvals to build wind farms in order to take advantage of Federal schemes and quotas.

This didn’t happen in other states where the wind was strong but not the political will.

We also campaigned aggressively to convince renewable energy companies we were hungry for their business and would make them welcome. We introduced payroll tax rebates for the construction of large-scale renewable energy projects. Now, with only 7.2% of Australia’s population, we have 54% of the nation’s installed wind power and about 90% of Australia’s geothermal hot rocks development.

South Australia reached the Federal Government’s target of 20% of electricity coming from renewables by 2020, nine years ahead of schedule. We also had a 15% drop in emissions during the past five years despite strong economic and employment growth.

South Australia is now on track to reach 33% of our power coming from renewables by 2020. With the help of another Thinker, Stanford Climatologist and Nobel Laureate the late Stephen Schneider, we passed Australia’s first climate change legislation which, in addition to setting targets, provided a framework for voluntary agreements with industry sectors to reduce their emissions.

Groups as diverse as the cement industry, the Anglican Church and local government became partners. First to sign up was our wine industry which was keen to demonstrate to customers in the US and Europe that it could not only produce world class wines but be environmentally conscious doing so.

South Australia also passed Australia’s first solar feed-in legislation, which established a scheme that paid householders a premium rate for power generated from their roof top installations.

This was successful in encouraging a more rapid take up of solar power than in other states. We also followed California and Washington state by changing emissions standards to effectively preclude the building of future coal fired power stations; set tougher efficiency standards for air conditioners that cause massive spikes in electricity usage on our hottest days, and we are looking at ‘cool roofs’ to deliver significant reductions in peak energy demand.

By sharing ideas, particularly through the Climate Group, sub-national governments in Australia, North America and Europe have proven to the public and to federal policy makers that leadership and progress on climate change, with public support, is possible.

States like South Australia have also shown leadership in the area of welfare reform. In 2002, we wanted to take a fresh look at how we could better tackle our most difficult social problems such as a mental health crisis; low retention rates in too many schools and gang related youth crime. We were concerned traditional ways of dealing with these problems weren’t working. We were frustrated that government agencies tended to operate in silos and too often dealt with complex, inter-related social issues separately; treating the symptoms not the causes. Our first priority was to tackle homelessness.

Homelessness is not just a problem about a lack of affordable housing. It is much more about alcoholism, drug dependency; mental illness; unemployment, a lack of skills and self esteem and sometimes criminal behaviour. So, Monsignor David Cappo, a renowned social justice advocate, was appointed to head our pioneering Social Inclusion Initiative.

I asked him to look around the world for ‘ideas that work’.
We wanted him to confront the hardest end of homelessness, those ‘sleeping rough’ in city parks, under bridges or dependent upon shelters for support. We found that government agencies and charities, while working hard to support homeless people, were too often operating in isolation. We wanted to take the next step by helping homeless people find a home and also move into a productive and fulfilling life.

Cappo proposed a series of programs including our Street to Home initiative, based on the successful New York model. It actively seeks out homeless people and connects them with the range of services they need to achieve a sustainable housing outcome. While finding a home is the main goal, addressing issues such as physical and mental health, substance abuse and other barriers to housing are equally important.

Street to Home workers engage with homeless people wherever they are – such as in a park or on the streets. Once contact is made, the person is assessed across different areas of their life. A Street to Home ‘key worker’ will then work with them on a one-to-one basis for the duration of their support. They will work assertively with the person and not let go of them until sustainable housing is achieved. A comprehensive plan based on the person’s goals is developed – in their own words.

Street to Home makes finding housing the foremost priority so that services and supports can be delivered to the person in the one place.

Priority is also given to developing the person’s capacities, such as financial management and domestic skills, to help ensure their housing is given the greatest chance of being long-term.

Once housed, Street to Home maintains regular contact to assist with matters as they arise. It has now been adopted around Australia.

New York was also the inspiration for Common Ground with inner city apartments especially designed for homeless people who now live in a small ‘community’ with other low income people including artists. They are supported by a range of specialist services on site to assist them to re-integrate into society. Common Ground was an initiative that followed the work in New York of another of our Thinkers in Residence Rosanne Haggerty.

Like Street to Home, Common Ground has proven so successful that it has ‘gone national’ attracting support from business and governments.

The concept is to bring together a mix of people on low incomes into high quality residential complexes comprising well furnished, self contained apartments, communal areas plus office space for a range of support services and workshops. Common Ground’s embrace of life skills to foster greater independence; the arts to build confidence; further education and training as a pathway to employment, has contributed to its success.

Last year I met a young woman, a long term resident of Common Ground, whose life from the age of 13 had been damaged by alcohol, drugs, couch surfing, homelessness, years of domestic violence and serious drug addiction. She nearly died of an accidental overdose in 2003.

She is now clean of drugs, has completed a behavioural science degree and a second degree in biochemistry with a 1st class place, winning the Dean’s commendation and the University Medal for academic excellence. She now has a scholarship and is completing a PhD with plans to do a medical degree as well. She wants to help others.

“I’m just one success story at Common Ground – there are many others. We have gifted musicians, artists and writers; People studying and working in all types of areas; People rebuilding their families. People with chronic health problems who are now getting the help they need. Some came to Common Ground very broken and mentally unwell. They found a safe, stable place to rebuild themselves, to heal.”
Common Ground is more than just a roof over our heads – it’s about believing that each person has something unique to offer if they are given the chance to stop just surviving and start growing. It’s a place where people are not judged by their past, but supported into their future. Common Ground allows people to realise their potential, then pass their story, their success…onto others – like I am here today."

Hospitals are also playing a role in tackling homelessness.

For years homeless people, when they became ill, were taken to emergency departments. They were treated and discharged, usually back into homelessness. They would then get sick or injured again, treated and then discharged once more back on to the streets. This approach perpetuated the problem at high cost to the individual and taxpayers alike. So in 2004, we set up the Community Liaison Team (CLT) aimed at ‘joining up’ health services with housing, mental health, drug and alcohol services.

This approach is now embedded in the operations of the emergency departments of two of Adelaide’s biggest public hospitals.

The CLT’s first task is to identify homeless people -or those at risk of homelessness-who are admitted to hospital. If the person is assessed as needing accommodation upon their discharge, CLT staff will work closely with them to develop a case plan. This involves finding accommodation but also addresses physical and mental issues, substance misuse, family support and the person’s financial and legal situation.

In devising and executing the plan the CLT joins up with other services and advocates on behalf of the client to achieve a smoother transition into accommodation. The CLT also provides outreach services. This may include attending appointments with the client, assisting their search for accommodation and following up with the client once they are in their new home.

The team helps develop coping skills, including budgeting, meal planning and preparation, and relocation from temporary accommodation such as a ‘transition bed’ in a boarding house, to their new home. CLT engagement with a client is usually short term (a maximum of three months) during which a lead agency responsible for ongoing case management is then identified.

Between 2004 and June 2010, 1,132 people entering emergency departments were assisted into accommodation. A further 724 people at risk were assisted to prevent them falling into homelessness. Many of the people helped would have otherwise been discharged back into rough sleeping where their health and well being would have further deteriorated. This means that not only has the CLT helped to significantly reduce homelessness but it has also reduced the amount of repeat emergency department admissions by individuals who use the service.

Another very influential Thinker was British science policy expert Baroness Professor Susan Greenfield, until recently Director of the Royal Institution of Science in the UK. The South Australian and Federal Governments and the private sector have backed a number of her proposed science projects with tens of millions of dollars, including establishing in Adelaide the national ‘Science Exchange of the RiAus’; and the Australian Science Media Centre, which links 900 journalists and media outlets to 3000 Australian scientists.

This is all designed to lift the scientific literacy of the community and to encourage young people to embrace an education and career in science. The Science Media Centre acts as a gatekeeper ensuring that when science stories break, journalists are directly connected to the best available experts. This initiative is being copied by a number of other nations.

Education is another area where States can actively test new programs. In South Australia, one area of real concern for us as a new government in 2002 was that there had been a serious drop in the school retention rate during the 1990s compared with the previous decade. We were concerned that by not completing their schooling, young people weren’t just dropping out of school but dropping out of any real chance of securing meaningful careers. There is also a massive social as well as personal
cost with declining retention rates linked to crime, drug and alcohol abuse as well as higher unemployment rates.

Coming up with an effective way of reversing increased dropout rates was an early reference to the State Government’s Social Inclusion Initiative. It was clear that a 'one size fits all' approach was deemed useless. So we looked at more targeted ways of re-engaging with those young people most at risk of dropping out of school or who had already done so. The method that was adopted puts the local community at the centre of decision making.

Our program is formally known as the "Innovative Community Action Networks" but is more commonly known as ICAN. An ICAN is a local partnership that is given both the power and the resources to help tackle issues that contribute to young people dropping out of their education. Each local ICAN is quite different in its approach and in its membership, which in addition to the State funded ICAN Manager can also include parents, local police, Aboriginal youth workers, teachers, student councillors, NGOs and youth advisers. The key to ICANs success is recognising the complexity of needs each young person is facing and addressing those needs through an individualised case management approach. It involves community action that is flexible and innovative in helping young people at risk to re-engage with learning. Successful strategies draw upon the interests, strengths and aspirations of the young people themselves. They are given a voice and asked what they want and need to help them achieve their goals.

It’s about a ‘tailor made’ curriculum which, at the same time, embraces a broader view of learning with pathways forward to further education and real jobs.

So, how does it work?

One ICAN developed a specific program for young, teenage mothers who had dropped out of school and were living isolated and often impoverished lives, with part time or casual employment such as working in a take-away or as a cleaner. This ICAN purchased a bus to pick up the young mums and take them to school where on-site child care was available to allow the students to be close to their children, who were often babies. An ICAN Case Manager helps each student with an individual learning plan focussed on their goals. Apart from accredited classes to assist them to complete their schooling these young mothers also received tailored lessons around parenting skills, such as budget management, nutrition and resume writing.

Importantly, case managers assist their students to stay on course with their education, helping them to deal with challenges so that they are not distracted from their studies.

It is important to stress that each ICAN can differ so that it can be a better fit for local and individual needs, cultures and circumstances. However, personal case management sits at the heart of the ICAN approach. Outcomes are closely monitored and program evaluation occurs regularly.

So what are the outcomes?

Between 2004 and 2010 more than 9,000 teenage students were involved in ICAN, with the program achieving more than a 70% success rate. This means that more than 6,000 students, who would have otherwise left school, are learning and earning. By 2010, South Australia recorded a school retention rate of 84.2% - an increase from a low of 67.2% in 1999.

Two Thinkers who helped us on ‘city policy’ were Fred Hansen, public policy expert on public transport and Professor Laura Lee, an expert in architecture and urban design. Fred was head of the Trimet public transport system in Portland, Oregon, regarded as one of the best in North America.

He was widely recommended as one of the world’s best and we have been delighted with his input as we expand and electrify our suburban train system as well as investing in a state-of-the-art tram network in a $2 billion initiative. In addition to offering better public transport options Fred convinced me, using the Portland model, of how a modern light rail system can drive economic development along its routes as well as revitalise our city, particularly in depressed or degraded areas.
Professor Lee, a Canadian, was Head of Architecture at Carnegie Mellon University in the United States. Laura’s residency convinced us of the value of investing in better design, not just of buildings but of the spaces between them.

We currently have a major building program costing more than three billion dollars to revitalise Adelaide’s city centre. As a result of Laura’s advice, we established an Integrated Design Commission supported by a Commissioner and a new Government Architect to ensure there are economic, social and environmental rewards for incorporating better, innovative design principles into planning and infrastructure development.

After years of bitter public battles, Professor Lee successfully brought developers, heritage advocates and environmentalists together to support her design-led vision. We are committed to building ’new heritage; that will be celebrated generations from now.

Laura is now being asked to advise our Federal Government through its new urban policy initiative which I am involved with.

Most recently we’ve had Professor Göran Roos, an expert on innovation in manufacturing.

He has been working with manufacturers and policy makers to help build a successful manufacturing future for South Australia particularly for those firms focused on high value, low volume niche products and services.

He has also been advising us on how to leverage manufacturing opportunities from our big mining developments.

Göran argues that countries that have recovered best from the global financial crisis all have a strong base in high value added, export oriented manufacturing.

He says a healthy manufacturing sector is crucial for any advanced economy with ambitions to maintain economic and social well being.

After all manufacturing makes the biggest investment in applied research and development with big collateral benefits for the rest of the economy.

Professor Roos points out that manufacturing is also the key driver of productivity improvement, makes up the biggest share of world trade, and is central for export earnings that we need to pay for the cost of importing things.

He contends that each job in the manufacturing sector generates between two and five jobs in the rest of the economy and that without a vibrant manufacturing base societies tend to divide more starkly between rich and poor; between those who have access to steady, well paying jobs and those whose jobs are less secure and precarious.

In Australia, Göran argues there is a pressing need at the firm level to encourage better innovation and management competence, combined with business partnerships with research and expertise centres and particularly through clusters like the defence industry and bioscience clusters we have in Adelaide.

With manufacturing both in transition and under massive stress, particularly in a nation like Australia with our high exchange rate, government policy intervention and engagement remains critical.

This is why the South Australian Government has purchased the large Tonsley site that was formerly the Mitsubishi car plant and is developing it to become a $1 billion clean tech hub, a first for Australia, underpinned with the involvement of Flinders University and by the $125 million Sustainable Industries Education Centre that will train more than 8000 students a year, furnishing them with the skills required for the clean, green jobs of the future.
I am pleased that Goran is now a key adviser on manufacturing policy to the Prime Minister and to the Australian Industry Group.

So, what happens now?

In order to maintain the policy innovation momentum, we have established the Australian Centre for Social Innovation. Following recommendations from another Thinker in Residence, Geoff Mulgan, a former head of policy at 10 Downing Street, the Centre is continuing the South Australian tradition of acting as a test bed for social change. The Centre’s philosophy is that people most affected by a particular social issue or problem should be empowered to be the architects themselves of how best to meet the challenges they face. In a competitive process the Centre assesses a series of project ideas and then backs promising local initiatives with seed money and mentoring support.

I have been most impressed with a number of TACSI’s projects including Renew Adelaide, an urban renewal project, which is using disused or underutilised spaces – buildings, offices, lofts, lane ways – to help creative young people to set up small businesses ranging from art galleries, to bike repair, to coffee shops and fashion design, to web design and multi media studios to performance spaces. The project has terrific employment and skills benefits for the young people involved but is also helping to revitalise the city, enrich our culture, retain talented young people in South Australia and force the SA Government and Adelaide City Council to review planning and building regulations that impede rather than invite the participation of young people and small enterprises in our city.

In the time available, I haven't been able to give justice to all the work of the Thinkers. But I wanted to give you a flavour of how a government aggressively went out to seek ideas from abroad and was determined to embrace policy leadership with innovations that are being taken up nationally.

END
UPCOMING PUBLIC LECTURE

Can humanity manage the consequences of its ingenuity? Technological complexity and the limits of understanding

Professor Daniel Sarewitz
Professor of Science and Society at Arizona State University
Co-Director of the Consortium for Science, Policy and Outcomes (CSPO), USA

Monday 14 May 2012  5.30 – 6.30pm followed by light refreshments
Molonglo Theatre, JG Crawford Bldng 132, Lennox Crossing, ANU

Registrations required:  http://crawford.anu.edu.au/events/
Enquiries T 6125 7067
UPCOMING PUBLIC LECTURE

Old and new stories: Narrative and innovation in public management

Professor Sandford Borins
Professor of Strategic Management, University of Toronto;
Research Fellow, Ash Center for Democratic Governance & Innovation, Harvard Kennedy School

Wednesday 6 June 2012  12.30 – 1.30pm, light lunch provided
Weston Theatre, JG Crawford Bldng 132, Lennox Crossing, ANU

Registrations required: http://crawford.anu.edu.au/events/
Enquiries T 6125 7067
UPCOMING PUBLIC LECTURE

How Ministers Think

Professor Richard French
CN - Paul M. Tellier Chair on Business & Public Policy, University of Ottawa
Visiting Professor, Public Policy Institute, Australian Catholic University

Wednesday 6 June 2012  6-7pm, followed by light refreshments
Molonglo Theatre, JG Crawford Bldng 132, Lennox Crossing, ANU

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