How Cabinet ‘really’ works

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Snapshot of the SA Government

- The government manages the State Budget of $10 billion
- There are 15 Ministers sharing 46 portfolios
- 13 main Departments
- 86,885 public sector employees (72,141 FTEs) as at June 2004 which represented 12.1% of persons employed in SA
- 58% (41,962.4 FTEs) employed in Administrative Units, 42% (30,178.6 FTEs) in other public sector organisations eg Statutory bodies

Department of the Premier and Cabinet
Generally speaking a government exists to ensure the public good and welfare of its constituents. Governments pursue their objectives and election commitments through the development of public policy.

Bridgman and Davis say in The Australian Policy Handbook that “public policy is how politicians make a difference. Policy is the instrument of governance, the decisions that direct public resources in one direction but not another. It is the outcome of the competition between ideas, interests and ideologies that impels our political system”.

Every week Ministers in South Australia sit around the Cabinet table with a pile of documents, the volume and complexity of which would challenge anybody.

Knowing what policies to pursue challenges governments continually. Knowing what is the best course of action for practitioners is an equally important challenge.
The role of Ministers

- Premier assigns responsibilities
- Responsible to Parliament for portfolio areas assigned by the Premier
"In the ordinary course of administering a recognized part of the government of the state..."

- Direct & control statutory bodies & public corporations
- Obtain, retain and publish information
- Make delegated legislation
- Make contracts
- Make payments
- Buy and sell goods
- Lease land
- Build works
Cabinet is appointed by the Governor on the advice of the Premier. It is chaired by the Premier. In South Australia all 15 Ministers sit in Cabinet.

All significant matters are required to be brought to Cabinet. These include:

- strategic policy
- legislative proposals
- inter governmental issues
- administrative matters
- financial matters
Cabinet’s Workload

- In 2004 there were:
  - 53 normal Cabinet meetings
  - 65 special Cabinet meetings
  - Approx. 1480 Cabinet submissions
  - Approx. 530 sub-committee matters
  - Approx. 730 Cabinet notes
  - Approx. 2920 decisions on recommendations were made (around 2560 approved)
There are several critical foundations of the public service.

We need a neutral, professional public service that provides advice to elected officials, enforces laws and regulations and ensures the delivery of services to citizens.

We need an accountability regime with many checks and balances in the system to ensure continuous respect for the public interest.
In public policy there are some perennial issues:

• How to ensure that our education system provides the most appropriate education for our kids
• How to make our diverse population strive for high standards of living while preserving our environment for the future
• How to make sure there is clean water for everybody when you turn on the tap
• How to stop people dying on the roads
• How to spread 40 years of earnings across 80 years of life

Many of the questions are perennials, but the answers change

• Who should pay for these things?
• Who should deliver certain services?
• Should the rich pay the same as the poor?
• If Bill Gates says its okay – is it?
• Should government steer more and row less or vice-versa?

How do we develop and maintain the skills to deal with the hardest
policy questions – about people and their lives and aspirations, about the industrial climate, about the sustainability of our national resources, about the protection of our borders?
We grapple continually and relentlessly in the State Government with cross-cutting issues such as water resources, population policy, ageing issues, workforce development issue, technology and society, housing, transport etc.

To take but one example, consider the implications of an increasing number of people in our community experiencing mobility difficulties, whether due to disability or ageing. There is obviously a transport dimension because we can no longer assume that people can drive their car or walk a few hundred metres to the bus or train stop. There are going to be implications for our disability services and our health sector - we not only need to have the local GP or hospital services, we also need people to be able to access them. And we haven't yet started to consider the stock of social capital - if it is healthy, there will be strong networks of support and people will want to help each other out.

In the longer term, if more people in the community have limited mobility we will need to think about how this might affect future housing and planning needs. Local government will have a role - might community transport provide an option? is the local infrastructure is up to scratch? We may need to engage the
Commonwealth. So at a glance we can see that this one slice of a public policy issue has a myriad of intersections with other areas and tiers of Government. And this can change, depending on how we view the problem, and how we in turn propose to deal with it.

As Henry Kissinger once said, each success only buys an admission ticket to a more difficult problem.
I know that you have already looked in detail at the policy cycle yesterday so I will not discuss the model in any detail.
Bridgman and Davis say “if policy makers rely solely on a mixture of political process, bureaucratic convenience and media enthusiasm to compile an agenda, they will be reacting to a very limited set of interests. Most issues emerge through these familiar processes, but the government agenda can be expanded through regular scanning of economic and social conditions, extensive use of data and indicators, evaluations of policy effectiveness and a willingness to look beyond the easy subjects”
For example, National Water Initiative, the government has as priorities the protection of the environment and ecosystems and continued economic growth from primary production. The drivers for the national water reforms, however, were far more complex.

Drivers included:
• Economic impacts of agricultural and other water uses and the need to preserve or increase existing levels of primary production
• Very strong community concern about the environmental impacts as the nation’s water resources were nearing a state of irreversible decline
• Push by scientists and environmentalists for full cost recovery of externalities with the money to be used for fund environmental restoration work
• Very strong lobby groups wanting to protect their ‘asset’ and what they considered to be their ‘right’ to use, lease or
sell their ‘water right’ as they saw fit and seeking compensation where these ‘rights’ were altered

PTO
• Legal obligations to preserve some of the world’s most significant wetlands eg Ramsar
• The Commonwealth’s attempts to discontinue national competition payments and for the NWI to replace funding that was received through NCP
• Strong personalities such as those in the Wentworth Group which published a paper as a call to action for all Australian governments
• A lot of media attention particularly driven by Anderson in the early days
• 2004 Federal election – the issue of water reform had been around for years and in 2003 John Howard made a statement of the things he intended to achieve before he quit politics – national water reform was at the top of the list
Margaret Tobin shooting led to review of security of government buildings

Sept 11/ Bali bombings etc led to focus on anti-terrorism

Drought, flood, bushfire (West Coast bushfire example) demand reallocation of resources

Increased property values – land tax
A notable change to the way the Rann Government functions occurred recently with the creation of the Executive Cabinet Committee on 18 April 2005 whereby Ministers Foley, Conlon and the Premier would be joined by the Chairman of the Economic Development Board Robert Champion de Crespigny and Chairman of the Social Inclusion Board David Cappo.

In the media statement, the Premier said:

“While they will not be full members of the Cabinet, this move will give them a far greater influence on Cabinet decisions about how to meet the targets in South Australia’s Strategic Plan.
Internal Drivers

- Internal factors contributing to policy agenda
  - Emerging issues identified by agencies
  - Policy issues in other jurisdictions (success stories and failures)
  - ‘Wicked’ problems – intractable issues
  - Co-ordination of policy issues with other governments (eg. Federal Govt)
  - Regular reviews
  - Unfavourable reports, benchmark failures

Economic Development Board, Social Inclusion Board and other boards etc.

Population policy largely a response to EDB recommendation
Cabinet submissions are the basis for the Cabinet decision.

They follow a strict format as set out in DPC Circular 19 and include:
- Economic, budget and financial implications
- Impact on community including small business, environment, regulatory impact, regional impact and social
- Spread and results of consultation

Properly prepared Cabinet submissions aid effective decision making and aid effective implementation.

In Cabinet Office our role is to analyse the submission and provide advice to the Premier and ensure that a whole of Government approach has been taken to develop the policy proposal.

Of course despite all the best efforts and following the rigour of the policy process there is no guarantee that the policy will be approved in the recommended form.