



# Development Strategy for Reinventing South Australia

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# Development Strategy for Reinventing South Australia

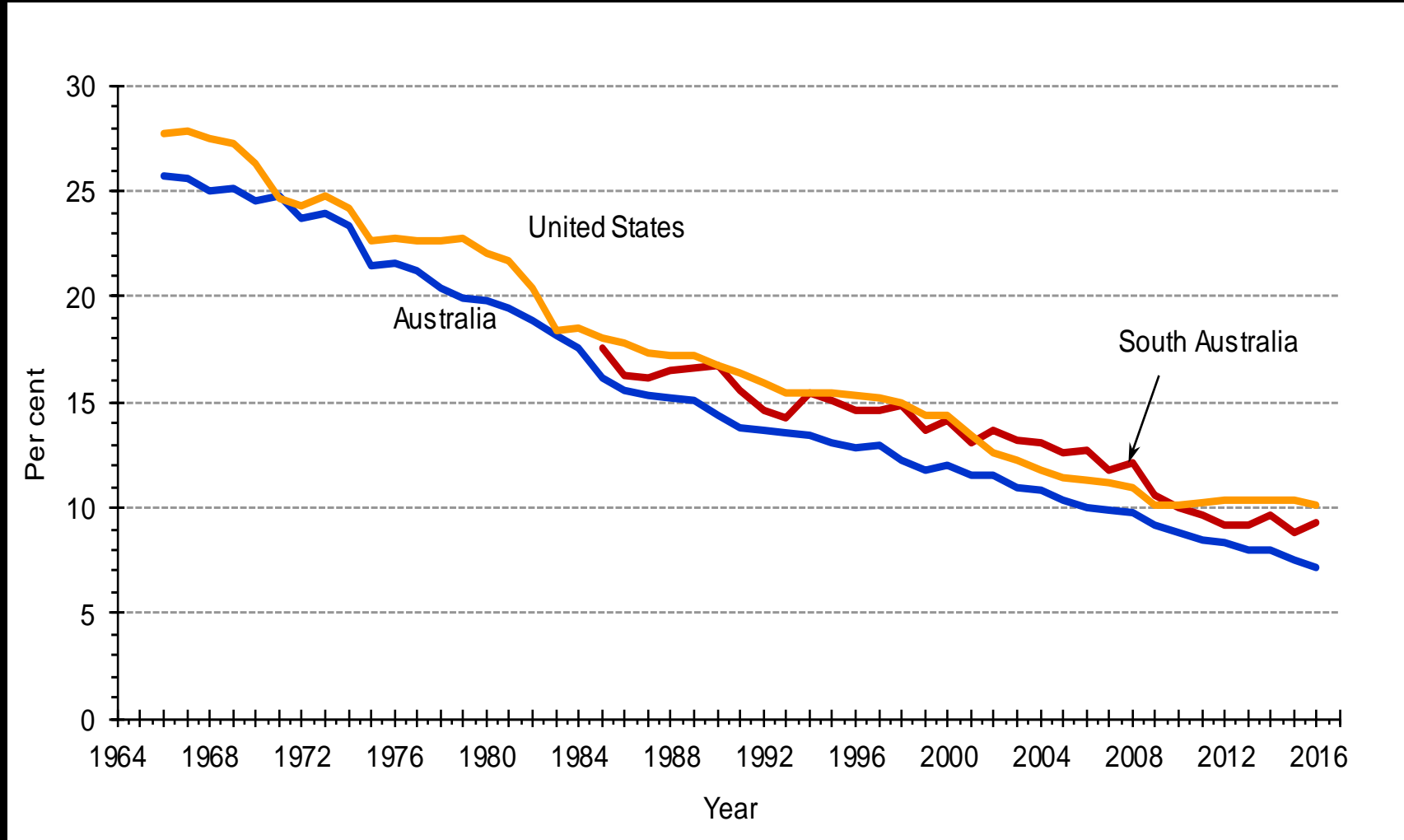
Presentation today drawn from SACES Economic Issues Papers and policy proposals:

- 1) Development Strategy for Re-inventing South Australia;
- 2) The Aged Structure of the Population and Economic Growth – Does it Matter?;
- 3) To Ignore Reform is to Ignore Opportunity: Creating a More Effective and Sustainable Public Sector;
- 4) SACES development and recommendation of a State-based Productivity Commission;
- 5) Productivity Commission's study Transitioning Regional Economies; and
- 6) Shaping a Nation, The Treasury and Department of Home Affairs.

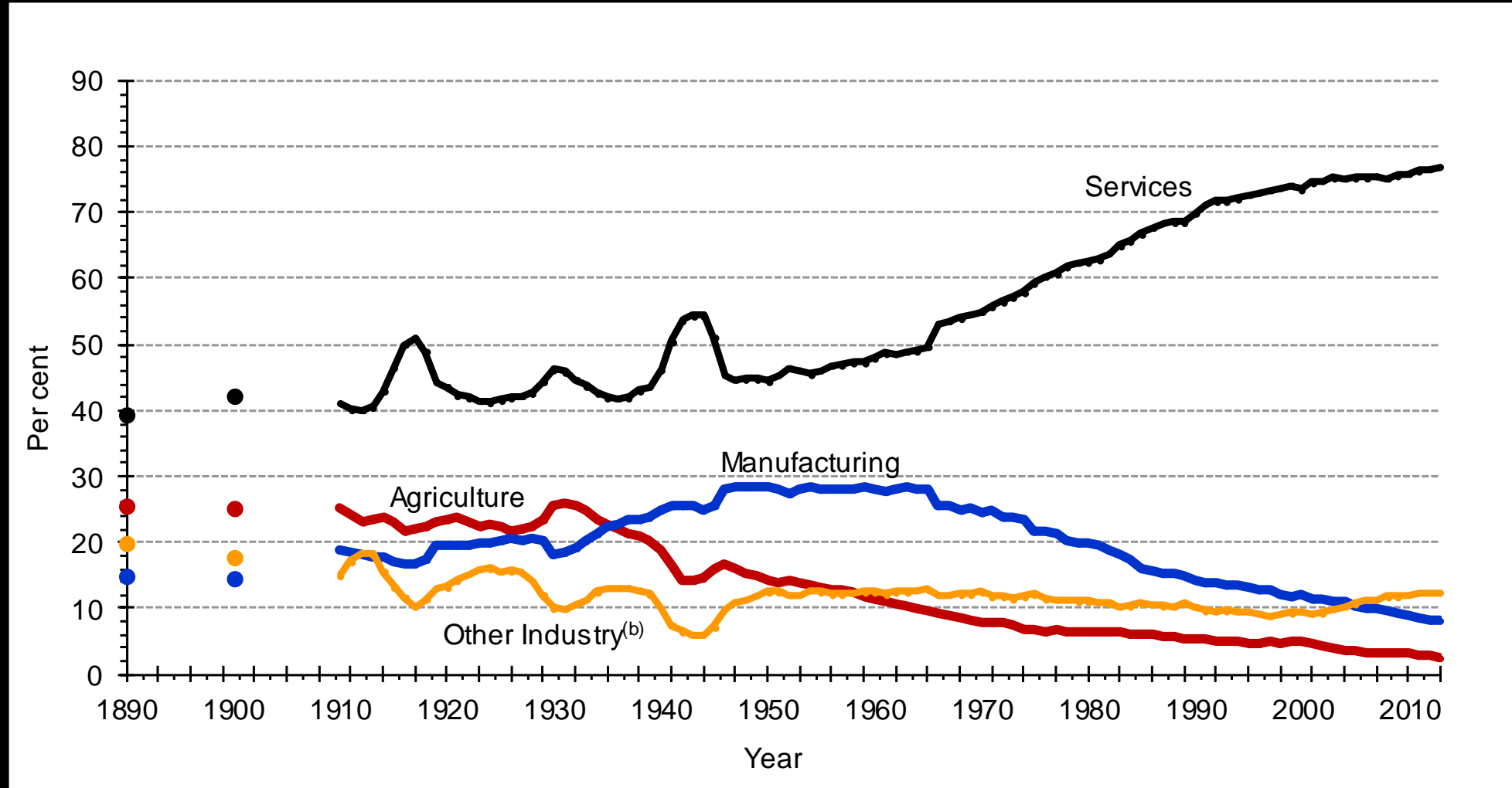
## Box 1 Transition of an Economy and Institutions



**Figure 1 Manufacturing Employment as a Proportion of Total Employment  
Australia, United States and South Australia**

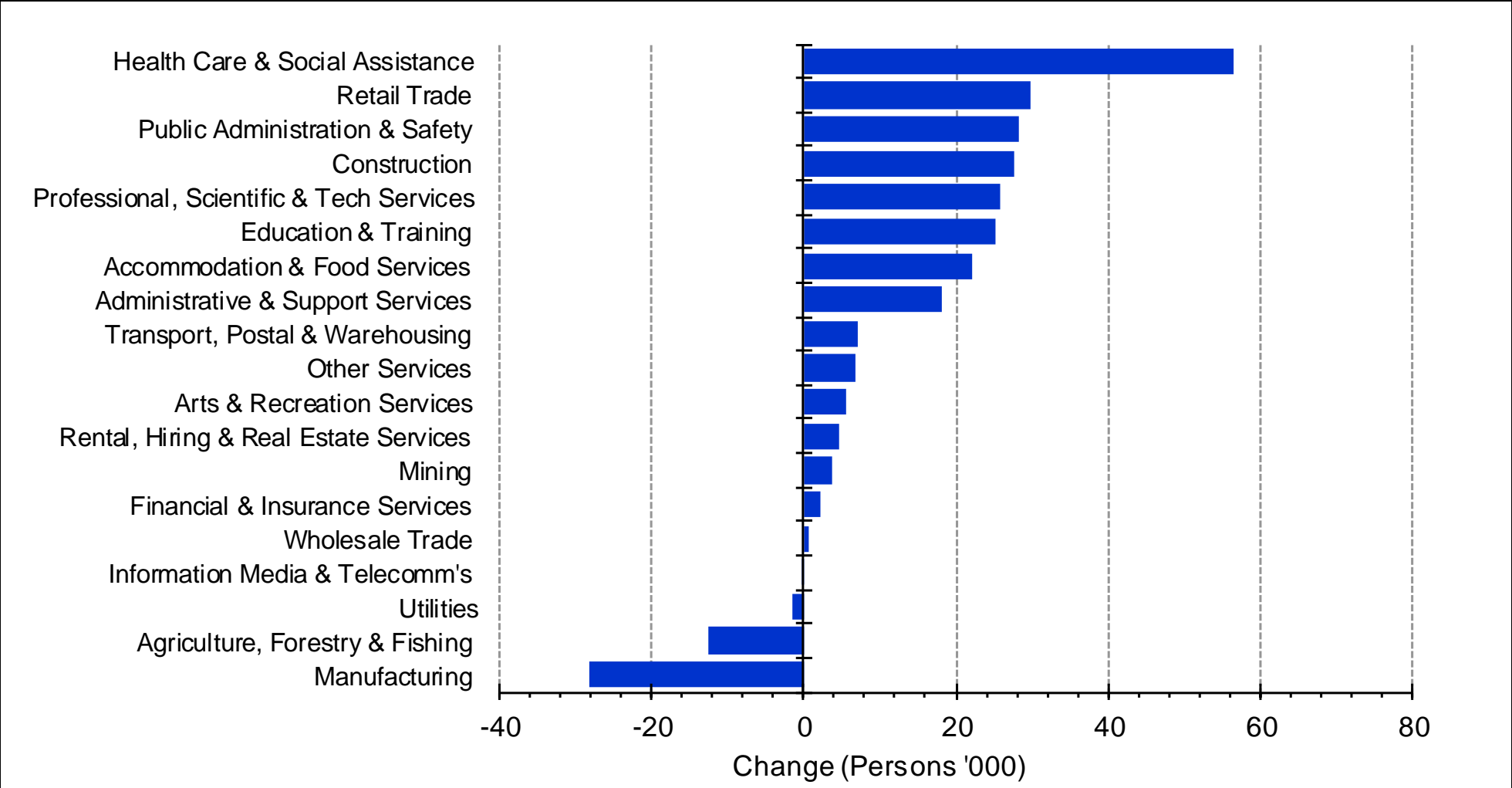


**Figure 2 Proportion of total persons employed by industry sector<sup>(a)</sup>**  
Australia 1890 to 2013



Note: (a) Industry composed of manufacturing, mining and quarrying, electricity gas and water, and construction.  
(b) Other industry composed of finance, property, trade and transport.

**Figure 3 Change in employment by industry South Australia 1985 to 2013 (year average)**



**Table 1 Population by age group: South Australia, Victoria and Australia, 1981/82 and 2013/14**

	South Australia		Victoria		Australia	
	1981/82	2013/14	1981/82	2013/14	1981/82	2013/14
0-14	309,762	297,298	973,659	1,069,380	3,744,986	4,422,554
15-19	114,869	104,763	344,081	357,934	1,288,994	1,474,485
20-24	116,667	114,429	347,052	419,758	1,333,401	1,650,869
25-29	108,656	115,376	326,612	450,175	1,253,635	1,747,148
30-34	105,423	111,195	318,640	439,588	1,228,574	1,709,344
35-39	91,730	102,734	278,922	395,440	1,073,243	1,559,166
40-44	73,005	114,318	227,414	417,742	865,803	1,666,157
45-49	65,454	112,827	199,963	386,969	748,322	1,541,092
50-64	202,187	324,743	572,921	1,037,371	2,148,521	4,248,187
> 65	143,355	287,713	403,606	865,139	1,498,768	3,456,347
<b>Total (a)</b>	<b>1,331,108</b>	<b>1,685,396</b>	<b>3,992,870</b>	<b>5,839,496</b>	<b>15,184,247</b>	<b>23,475,349</b>

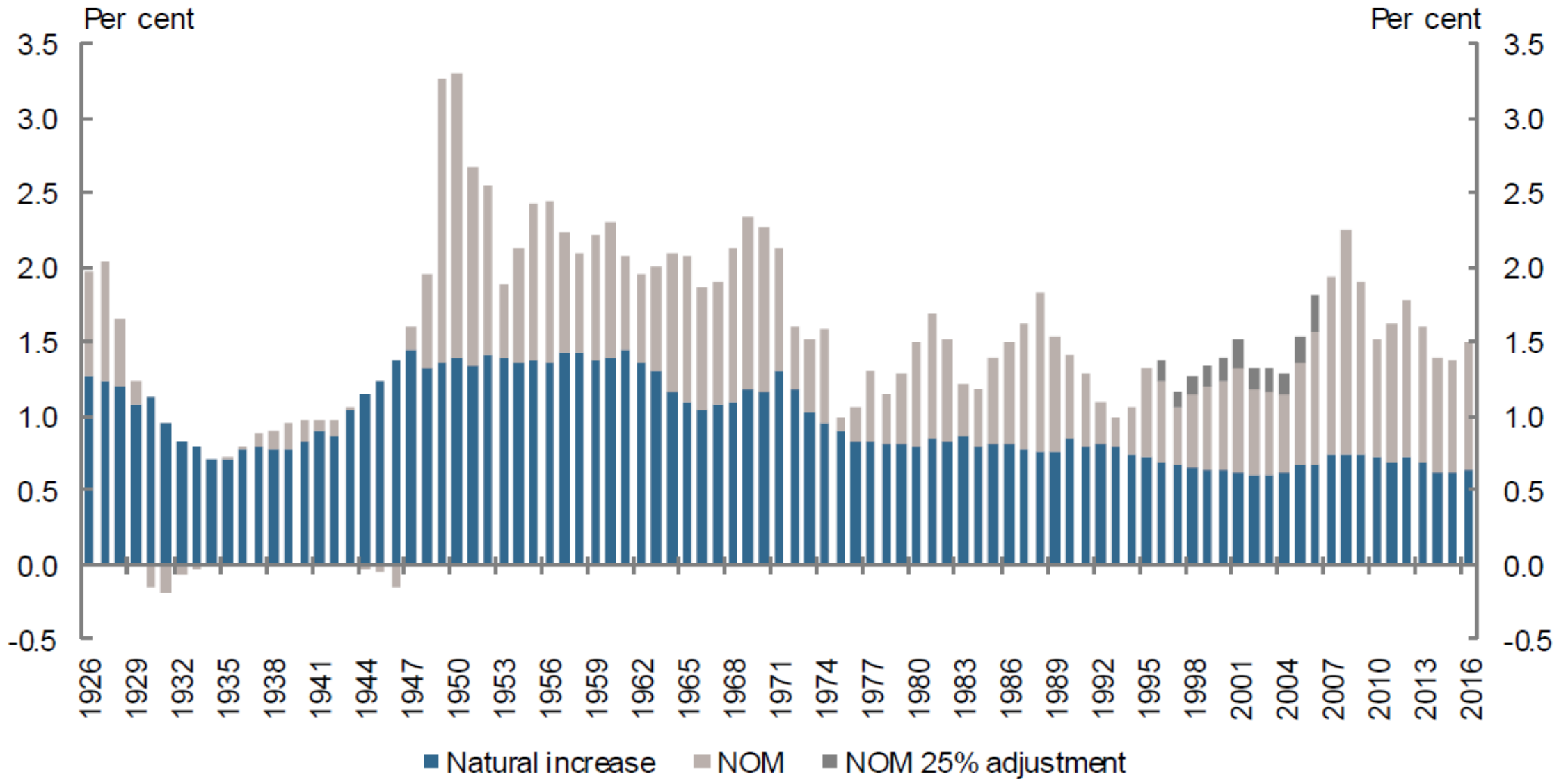
**Note:** (a) sum of all age groups does not align to financial year averages presented.

**Table 2 Four yearly population compound annual growth rates, South Australia, Victoria and Australia, per cent**

Years	South Australia	Victoria	Australia
1981/82 - 1985/86	0.96	1.06	1.37
1985/86 - 1989/90	0.88	1.25	1.59
1989/90 - 1993/94	0.60	0.64	1.12
<b>1993/94 - 1997/98</b>	<b>0.32</b>	<b>0.69</b>	<b>1.10</b>
<b>1997/98 - 2001/02</b>	<b>0.47</b>	<b>1.10</b>	<b>1.16</b>
2001/02 - 2005/06	0.64	1.21	1.18
2005/06 - 2009/10	1.17	1.91	1.86
2009/10 - 2013/14	0.92	1.90	1.63
2011/12 – 2015/16	0.88	2.20	1.60



Figure 4



Source: ABS 2014a & ABS 2017a, authors' calculations.

Figure 5

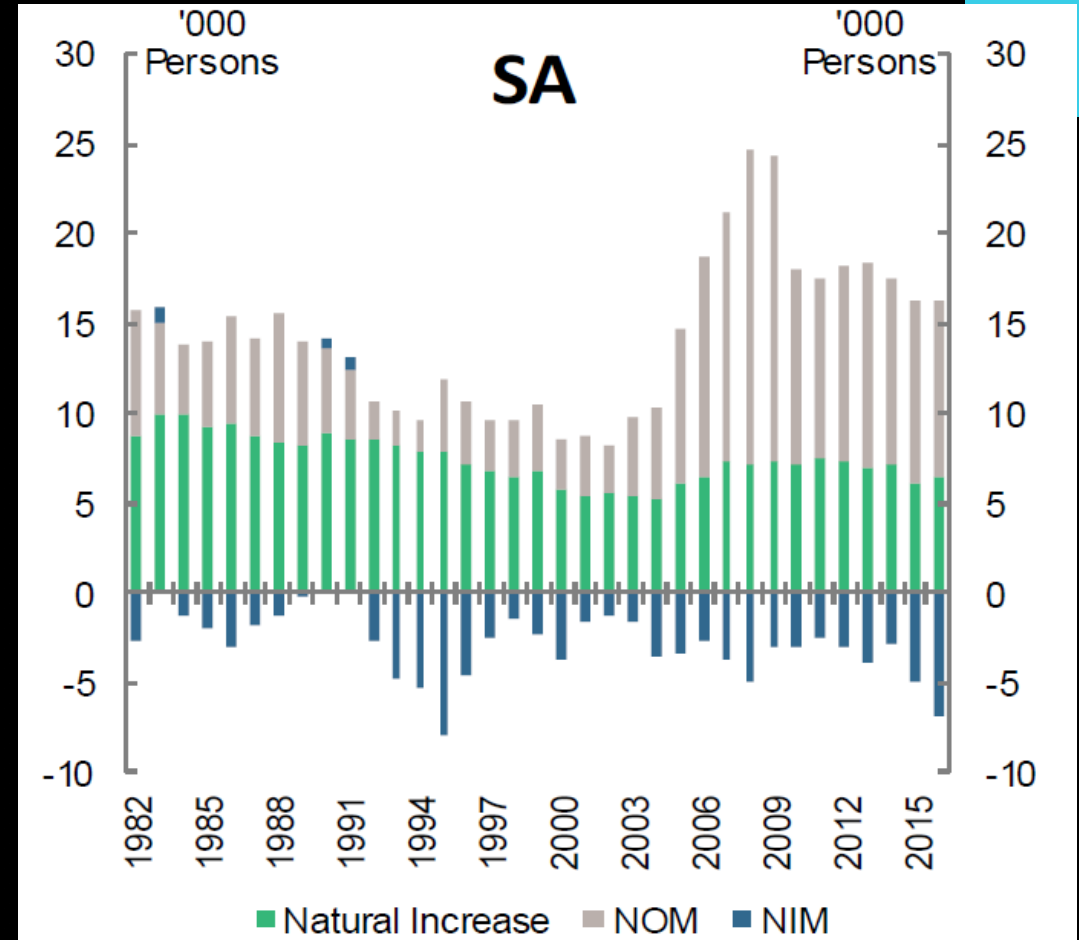
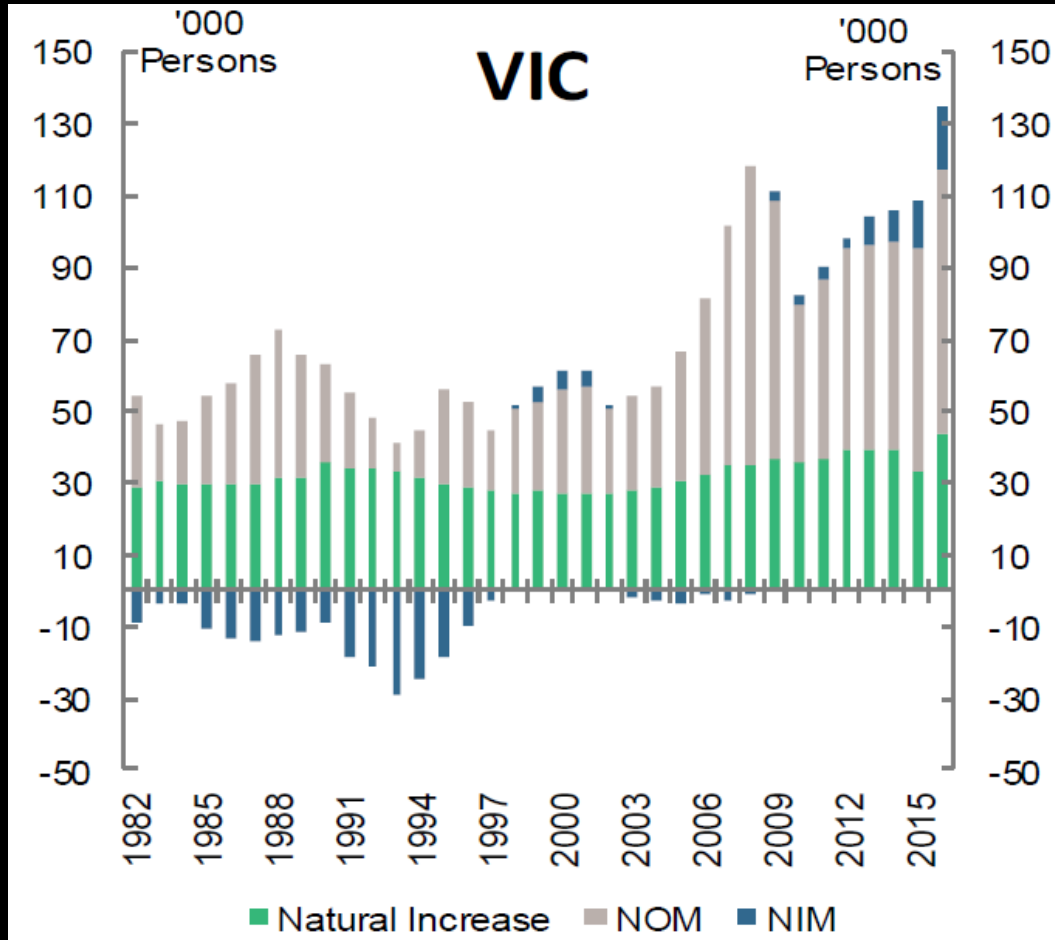
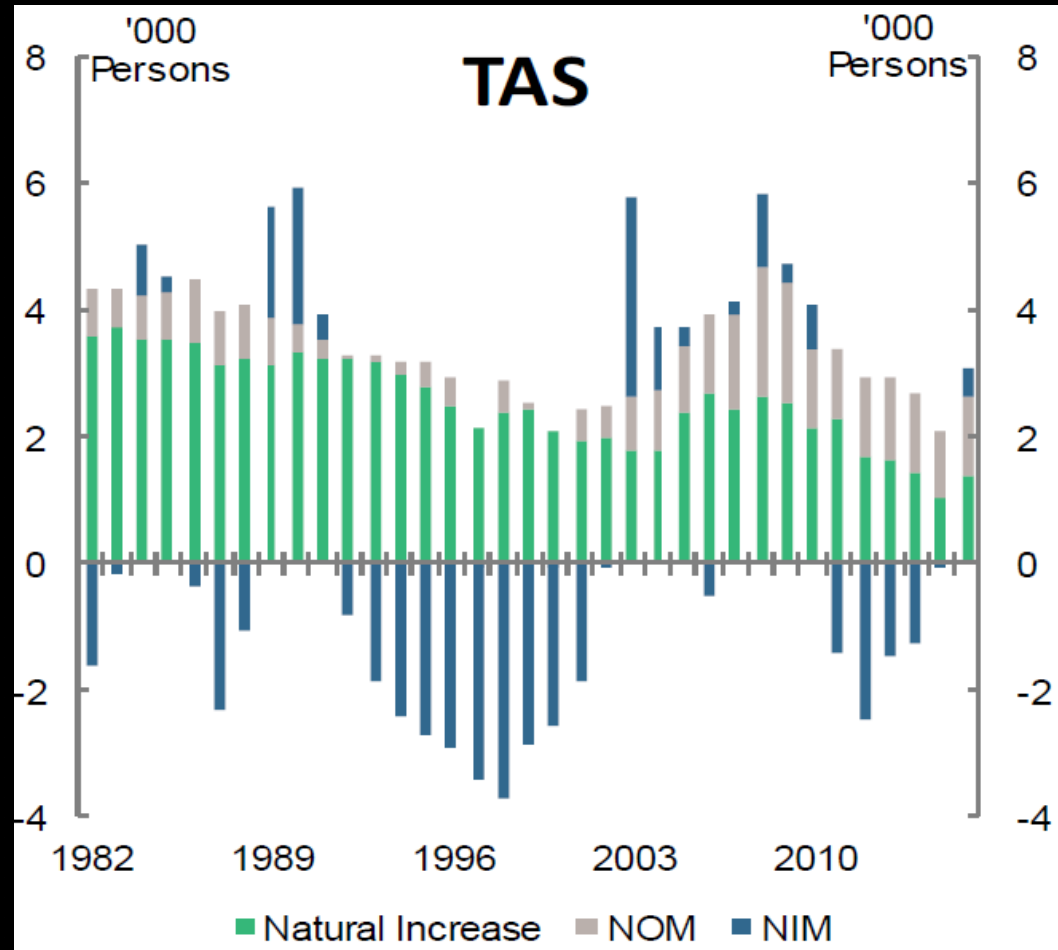


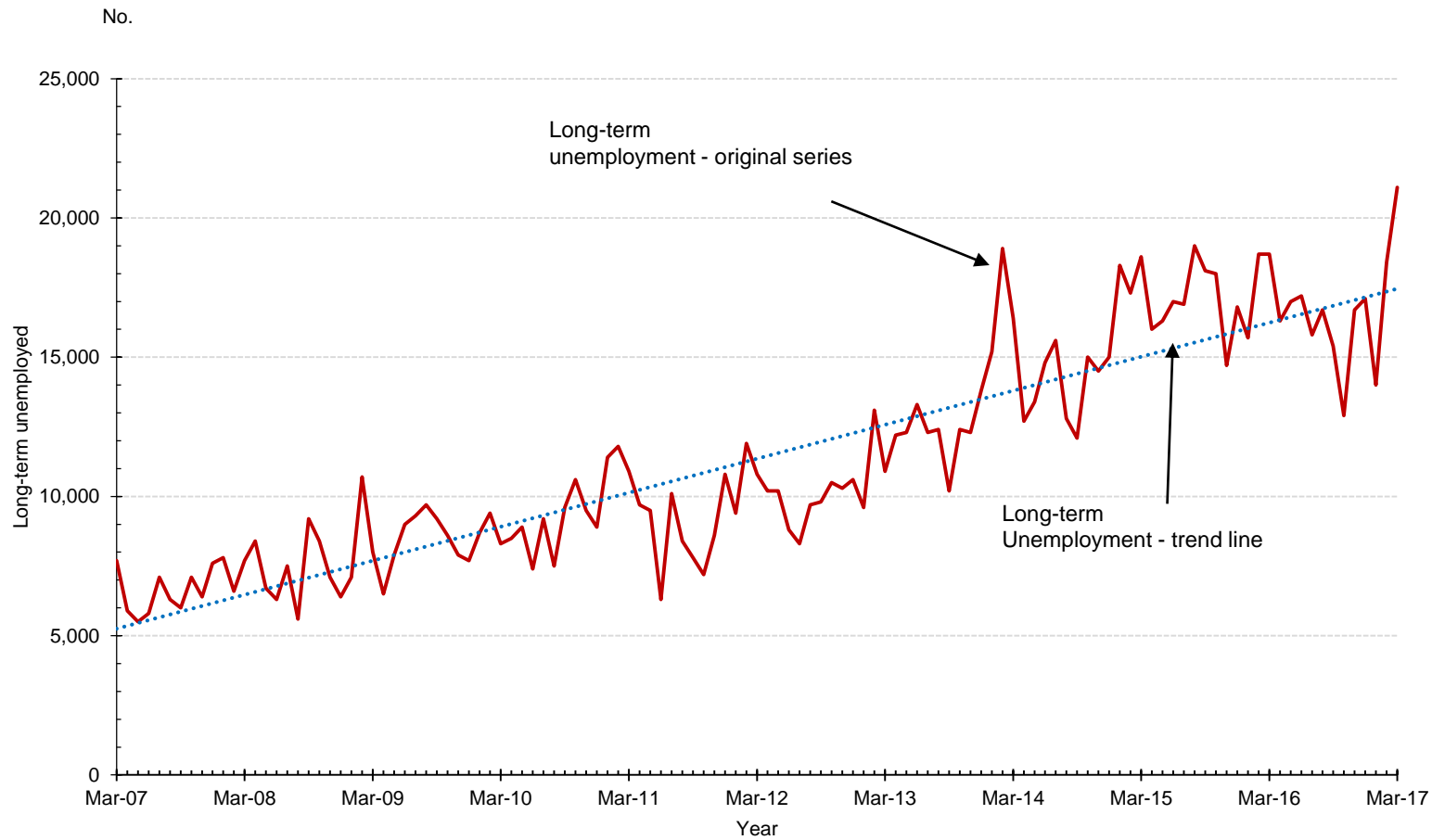
Figure 6



**Table 3 Comparison of dependency ratios: 1981/82 and 2015/16**

	Dependency ratio for >65		Dependency ratio for 0-14 and >65 years	
	1981/82	2015/16	1981/82	2015/16
<b>South Australia</b>	<b>16.3</b>	<b>27.4</b>	<b>51.6</b>	<b>54.9</b>
<b>Victoria</b>	<b>15.4</b>	<b>22.6</b>	<b>52.7</b>	<b>50.4</b>
<b>Australia</b>	<b>15.1</b>	<b>23.0</b>	<b>52.8</b>	<b>51.7</b>

**Figure 7 Long-term unemployed (1 year or more), South Australia, March 2007-March 2018 (original series)**



**Table 4 Members of parliament by state and territory, number and ratio per head of population and \$m of GSP, 2016**

State/Territory	Population and economy		Parliamentarians (number)		Population/parliamentarian (persons)		GSP/parliamentarian (\$m)	
	Estimated resident population (June quarter 2016)	Gross State Product (GSP), June 2016, (\$m) <sup>(a)</sup>	Cabinet ministers	Members of parliament	Cabinet ministers	Members of parliament	Cabinet ministers	Members of parliament
New South Wales	7,725,884	531,323	23	134	335,908	57,656	23,101	3,965
Victoria	6,068,042	373,624	22	128	275,820	47,407	16,983	2,919
Queensland	4,844,473	314,569	19	89	254,972	54,432	16,556	3,534
<b>South Australia</b>	<b>1,708,183</b>	<b>101,096</b>	<b>14</b>	<b>69</b>	<b>122,013</b>	<b>24,756</b>	<b>7,221</b>	<b>1,465</b>
Western Australia	2,617,172	255,214	17	95	153,951	27,549	15,013	2,686
Tasmania	519,128	26,039	9	40	57,681	12,978	2,893	651
Northern Territory	244,880	23,648	8	25	30,610	9,795	2,956	946
Australian Capital Territory	396,141	36,225	-	-	-	-	-	-
<b>Total</b>	<b>24,127,159</b>	<b>1,661,739</b>			<b>211,855</b>	<b>40,981</b>	<b>14,514</b>	<b>2,807</b>

**Note:** (a) Chain volume measures.

**Table 5 Councils by state and territory, number and average persons/council, June 2016 and \$m of GSP, 2016**

State/Territory	Estimated resident population (June quarter 2016)	Number of Councils (ABS, 2014-15)	Average persons/council
New South Wales	7,725,884	152 <sup>(a)</sup>	50,828
Victoria	6,068,042	79	76,811
Queensland	4,844,473	78	62,109
<b>South Australia</b>	<b>1,708,183</b>	<b>68<sup>(b)</sup></b>	<b>25,120</b>
Western Australia	2,617,172	138	18,965
Tasmania	519,128	29	17,901
Northern Territory	244,880	17	14,405
Australian Capital Territory	396,141	-	-
<b>Total</b>	<b>24,127,159</b>	<b>561</b>	<b>43,007</b>

**Note:** (a) There are now 128 councils in New South Wales, 96 regional/country, 32 metropolitan so average person per council is 60,000+.  
(b) LGA listed 68 councils, there are 5 listed Aboriginal Community Councils and Roxby Downs does not yet have an elected council.

# SACES Recommendations for a Development Strategy for Reinventing South Australia

- Reform of government to create a “cost-effective democracy” for South Australia such as reducing the number of State electorates by four, restricting Cabinet to no more than 10 Ministers;
- The introduction of a State-based Productivity Commission;
- Streamlining government service delivery, and creating more competitive markets in which private companies can deliver services more efficiently;
- Getting the right mix between local and State Government service provision, and creating more economies of scale in local government;
- A reassessment of the State’s tax system, including changes to the amount of payroll tax paid by businesses and the way in which its applied;
- Develop a comprehensive and cohesive case to put to the Commonwealth related to attraction and retention of skilled migrants including reference to regional labour skills requirements; and
- Adopting recommendations of the Sustainable Budget Commission, to provide more formal evaluation of and reporting on State Budget initiatives.