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# South Australia's mining agreement with BHP: state interventionism or subsidisation?

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## Résumé

This case study of regional neoliberal policy is an examination of the South Australian Labor government's 2011 agreement with the global mining company, BHP, for a five-fold expansion of the Olympic Dam uranium/copper mine in northern South Australia. The proposed plans would make Olympic Dam the largest uranium mine, and possibly the largest open-cut mine, in the world. The agreement promised a very profitable project for BHP and significant economic and financial benefits for South Australia. This case study provides an instance of 'actually existing neoliberalism' that helps illuminate the impact of neoliberal influences and the actual occurring process of regional neoliberal policy implementation with the government's Olympic Dam mine policy.

The mine policy is placed in a context of economic and political dynamics at the regional level of South Australia, a sub-national unit of Australia. While South Australian government policy-making did not escape the impact of external factors, it is proposed that neoliberal and global factors are not necessarily all-determining of a regional government's policy decision-making. It is argued that the South Australian Labor government limited its autonomy in the agreement it negotiated with BHP, disproportionately giving rights to the mining company. It is shown that it is critical to understand the class nature of regional neoliberal policy and the role of the state in shaping it.

The conceptual framework of 'actually existing neoliberalism' (Brenner&Theodore,2002) utilised in the study shows that neoliberal policy is not monolithic but variable among different jurisdictions as it is subject to 'path dependency', a process of impinging forces that are particular to a place and time (Brenner&Theodore,2002). The impact of pre-existing economic, political and social factors in South Australia on the 2011 mine policy formation are revealed along with the tensions and contestation that arose out of the interplay between new neoliberal influences and the antedated factors.

This regional case study questions whether the South Australian state continued its traditional role of state interventionism with the new Olympic Dam mine policy or whether it retreated to a role of 'small government', a tenet of neoliberal theory. Also, it is questioned whether the policy for the Olympic Dam mine expansion was a case of deregulation or reregulation. It is concluded that the Olympic Dam mining policy was an example of neoliberal 'theory-practice discrepancy', that the actual practice of neoliberal policy contradicts the theoretical principles promoted in neoliberal theory.

**Mots-Clés:** region, neoliberalism, class, state

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