

Special Issue**PUBLIC ADMINISTRATION DEVELOPMENTS in AUSTRALIA:  
LESSONS an NPM LEADER MIGHT TODAY DRAW FROM NWS**Andrew Podger<sup>1</sup><sup>1</sup> College of Arts and Social Sciences , Australian National University

Keywords: New Public Management, New Public Governance, Neo-Weberian State, neoliberalism, managerialism, politicisation, Australia

<https://doi.org/10.52372/jps39206>

Vol. 39, Issue 2, 2024

Australian public administration has undergone a dramatic change over the last 50 years through a long series of incremental, pragmatic reforms. Australia was a leader in New Public Management in the 1980s and 1990s, subsequently incorporating New Public Governance measures of collaboration and networking. While some critics describe the transformation as “neo-liberalism”, this article favors the more neutral term, “managerialism”, recognizing its liberal aspects but challenging claims of rolling back the role of the state. Reflecting on the overall shift today, the author concludes that the measures delivered significant gains but were taken too far, and important balances were lost. Looking towards the future, this article calls for a major correction including reinvestment in the state, not necessarily as far as adoption of Pollitt and Bouckaert’s Neo-Weberian State, but drawing important lessons from that paradigm.

**Introduction**

This review of public administration developments in Australia over the last 50 years is more than an academic description and assessment. It is also a personal reflection by a practitioner involved in many of the reforms from the 1970s to 2000s, who since 2005 has been a “pracademic” closely following more recent developments.

This article begins with a discussion of whether the dominant shift in Australian public administration is best described as “neoliberalism,” ultimately concluding that “managerialism” is a more meaningful and less loaded term. Following this discussion is a description of Australia’s reform developments, including New Public Management initiatives in the 1980s and 1990s and the subsequent addition of New Public Governance measures, revealing significant gains from Australia’s mostly pragmatic approach and resulting hybrid arrangements. The appendix summarizes developments under successive governments since the 1960s and links these to the policy contexts of the time.

Subsequently, this article puts forward contemporary reflections, questioning some of the author’s earlier views before exploring possible post-managerial directions for Australia including the relevance of Pollitt and Bouckaert’s “Neo-Weberian State” (NWS) paradigm (Pollitt & Bouckaert, 2011, 2017). The conclusion calls for a major correction in Australia consistent with NWS while doubting this would go as far as that paradigm suggests.

**Describing Australia’s dominant shift over the  
last 50 years: “neoliberalism” or  
“managerialism”?**

While many commentators refer to such changes, particularly in the 1980s and 1990s, as driven by “neoliberalism” (e.g., Denniss, 2019; Jones, 2014; Monbiot, 2016; Rudd, 2009; Stinson, 2014), I have never felt comfortable with the term. It is rarely defined and is most often used pejoratively to dismiss any of a myriad of policies and practices the speaker dislikes (Harwich, 2009). Practitioners rarely use this term, whether they be politicians or bureaucrats (Shergold & Podger, 2022). Scholars, of course, may describe the ideological and intellectual ideas that comprise the milieu within which the activities of practitioners take place, even if the practitioners do not do so themselves (Jose et al., 2022). However, the ideological and intellectual ideas that underpin “neoliberalism” lack clarity. This term has been used in different eras with different meanings from the turn of the 20<sup>th</sup> century, to post-World War Two, and in the Margaret Thatcher and Ronald Reagan era.

Perhaps meaning can be dissected from the term “neoliberal” that, rather than pejorative, is descriptive of at least some of the key intellectual ideas that contributed to government policies and practices in Australia during the 1980s and 1990s. However, this first requires some re-examination of the term “liberalism.”

Liberalism is associated with political philosophers such as Locke, Paine, and Hume in the 18<sup>th</sup> and 19<sup>th</sup> centuries. It is also associated with Adam Smith and economists such as the Mills, Malthus, and Ricardo.

In 1984, Ian Castles penned an essay that challenged prominent contemporary commentators’ assessments of the economists in the 18<sup>th</sup> and 19<sup>th</sup> centuries (Castles,

1984/2014). They were certainly not conservatives defending the privileges of the rich and powerful, but the radicals of their day opposed to the protections that gave rise to those privileges. Castles carefully dissected the debates between the “economists” and “anti-economists” of the time, revealing the extent to which the former were focused not just on personal freedom but also on advancing the interests of the poor. They opposed slavery and championed the rights of women, particularly over birth control, as well as advocated for universal education and higher wages for workers. The anti-economists were the ones who not only supported laws that protected the economic interests of many landowners but also allowed slavery, the subjugation of women, and the holding down of workers’ wages; in so doing, the anti-economists stood for maintaining the powers of the upper classes and the church.

For the economists of the era, liberalism was not centered on laissez-faire government (no welfare state existed to roll back), but an argument for government to take on a different role. While liberalism was certainly concerned with free markets and open trade, which required the removal of many government restraints at the time, it was also about recognizing new government roles, particularly in education. Liberalism also advocated for personal freedoms, which from a modern perspective, we would understand as human rights.

Castles, then Secretary of the Department of Finance and an intellectual leader in the Australian Public Service (APS) in the 1970s and 1980s, perhaps wrote this influential essay to offer the relatively new Hawke-Keating Government (elected in 1983) the advice that a Labor Government could draw on liberal economics to deliver its progressive agenda more efficiently and effectively than if it shunned the use of markets (Podger, Trewin, et al., 2014).

Perhaps Castles’ essay justifies the use of the term “liberal,” to describe some of the key intellectual ideas behind the Hawke-Keating Government’s economic reforms: a renewed recognition of the advantages of markets. Or, more broadly, what Paul Kelly (1992) called, *The End of Certainty*, with the breaking down of former restraints in Australia on non-white immigration, free trade, and labor markets over a longer period.

Having accepted “liberalism” – or “economic liberalism” – as a significant contributor to the Australian reforms in the 1980s and 1990s, what about the “neo” in “neoliberalism?” Does “neo” merely mean renewed interest in liberalism or some new variant of liberalism?

Arguably, public choice theories emphasizing the role of self-interest among those involved in politics and government contributed to the views of some conservatives, such as Margaret Thatcher and Ronald Reagan, that government was the problem, not the solution, and that firm action was needed to reduce the size of government and contain the power and influence of the civil service.

Was this also the case in Australia? Certainly, the 1970s saw bipartisan concern that the civil service was too independent and insufficiently responsive to the elected government, a view the Coombs Royal Commission (RCAGA, 1976) endorsed. Economists here and elsewhere also ex-

pressed concerns that the size of government was contributing to failures in implementing sufficiently swift responses to changing circumstances. A major OECD conference I attended in 1980 led to an influential OECD report, *The Welfare State in Crisis* (OECD, 1981). My view at the time (Podger, 1981) was that the OECD exaggerated the problem and, in any case, Australia, with a means-tested social security system, would avoid the challenges facing most other OECD countries.

While public choice and related intellectual ideas were in the background as Australia embarked on its reforms in the 1980s and 1990s, such as the collaboration of Geoffrey Brennan from the Australian National University with Nobel Prize-winning economist, James Buchanan, in developing public choice theory (Buchanan & Brennan, 1980), the renewed focus on markets and market-type mechanisms did not represent a lack of trust in the government or a desire to limit its role. Government expenditure remained approximately 30% of GDP over those decades (it has since grown to around 35% (ABS, 2023)), and significant room was found to improve social security payments for the poor, broaden access to senior secondary and higher education, introduce a more generous and sustainable retirement income system, and invest in the environment.

Rather, the Australian reforms of the time focused on how the state went about exercising its role (Keating, 2004). The “neo” in “neoliberal” does not truly capture this, instead incorrectly suggesting instead a more fundamental winding back of the state.

A more apposite term to describe the Australian reforms is “managerialism,” which both proponents and critics used frequently at the time (e.g., Nethercote, 1989; Paterson, 1988), and has more recently been applied by neutral academic observers (e.g., Halligan, 2020). Economic liberalism was certainly important; however, “managerialism” encompasses more of the key trends in public sector management in Australia, not only through the 1980s and 1990s but into the 21<sup>st</sup> century.

### **The first stage of managerialism: “New Public Management”**

The term, “new public management”, was first coined by Christopher Hood (1991) to describe how the reforms in the UK, Australia, and New Zealand in the 1980s were affecting not just public policies but public management. While NPM is a loose term, Hood identified seven overlapping precepts with which the doctrine is associated to varying degrees:

- Hands-on professional management,
- Explicit standards and measures of performance,
- Greater emphasis on output controls,
- Disaggregation of units in the public sector (later referred to as “agencification”),
- Greater competition in the public sector,
- Private sector styles of management practice, and
- Greater discipline and parsimony in resource use.

Hood viewed these as arising from two sets of ideas: “new institutional economics,” which led to ideas of contestability, user choice, transparency, and incentive struc-

tures; and successive waves of business-type “managerialism.” The mix varied, with Hood considering New Zealand to be more strongly influenced by the first set of ideas and the UK and Australia more by the pragmatic use of the second.

Hood’s observation of Australian pragmatism resonates. Australian practitioners, both politicians and bureaucrats, were not focused on ideology or articulated intellectual ideas. Most measures were incremental, not involving fundamental shifts in themselves, and involved compromises. Rarely was the cumulative impact appreciated in advance. The coherence of the reforms was rarely obvious at the time, as governments reacted to events and deliberated each time on the different available options, inevitably making decisions involving swings and roundabouts. This is clear in the summary of developments in the appendix.

Where the NPM precepts most clearly represented a break with the past (the more traditional public administration of the 1960s) included the focus on performance for results with devolution sharply reducing the emphasis on input controls and processes, adoption of private sector management practices with less emphasis on the uniqueness of the public sector, and use of competition rather than Weberian bureaucratic structures to drive efficiency.

The role of competition within public administration – and indeed the widespread use of business management practices – only emerged clearly in Australia later in the 1980s and early 1990s. Some steps, well short of competition, were taken to improve the performance of GBEs as early as the 1970s with the establishment of Telecom Australia and Australia Post as statutory authorities out of the former Post-Master General’s (PMG) department and following the 1987 Walsh reforms to clarify accountability arrangements for GBEs and statutory authorities (Walsh, 1987). The restructuring of Telecom to open some functions to competition only occurred in the early 1990s, with some tentative steps taken in the late 1980s.

The following examples illustrate some of the sequences of incremental reforms over the 1980s and 1990s referred to in the appendix.

The “running costs” reforms for government-funded organizations that I contributed to in the Department of Finance began in the early 1980s, following earlier steps to devolve the personnel management controls administered by the then central employment authority (the Public Service Board). These reforms only gradually opened opportunities to drive efficiency through competition:

- The first series of steps was to amalgamate various line items previously based on specific inputs (e.g., travel, office material, training, salaries) to allow agencies to allocate their aggregate administrative expense (running cost) budgets to provide the best advantage for meeting their responsibilities (“let the managers manage”).
- The notional costs of defined benefit superannuation “contributions” were later added so that agencies bore the full costs of their employees.
- This opened opportunities for agencies to explore whether some activities might be undertaken more

efficiently via competitive contracting rather than in-house.

- An “efficiency dividend” was also imposed, pressuring agencies to identify ways to improve productivity including through competition.
- The ill-fated move to compulsory contracting out of information technology services only occurred in the late 1990s.

These steps were complemented by a series of measures taken to promote more efficient corporate services (e.g., Commonwealth cars, property, construction services, publishing), which began in the late 1980s before I became Secretary of the Department of Administrative Services briefly in 1993–94. First, agencies were required to pay for centrally provided services and then allowed to choose alternative providers. Subsequently, government services then were commercialized as they focused on “customer service,” and eventually, most were privatized or closed.

The Defence Commercial Support Program for which I was responsible in the early 1990s also took this competitive approach, market-testing support activities that had long been provided by mostly uniform personnel such as catering, equipment maintenance, and supply management. Elsewhere, the commercialization of GBEs in the 1980s was being followed by privatizations, with the largest ones only commencing in the early 1990s.

While this shift to incorporate market competition within the public sector was not planned, it was consistent with broader policy developments at the time as identified in the appendix: the opening up of the Australian economy to international competition and moving to reduce labor market regulation.

In 1995, the Council of Australian Governments agreed to an explicit National Competition Policy following a major inquiry (Hilmer, 1993), to promote competition more widely across the Australian economy including the public sector. This accelerated privatizations, particularly after the 1996 election of the Howard (Conservative) Government, including the replacement of the former Commonwealth Employment Service with a program of contracted private service providers. While now seen as a landmark development, the National Competition Policy was also an incremental step according to the Productivity Commission, meant to consolidate and extend reforms made over the previous decade (Gretton, 2008).

As mentioned above, the reforms in Australia were intended to improve social outcomes including access to education, not roll back the role of the state or reduce its influence in addressing social inequity. Two examples demonstrate the achievement of significant improvements.

The Higher Education Contribution Scheme (HECS) introduced in 1990 involved a form of user-pays for university education (Chapman, 2018). The new contributions imposed represented a proportion of the costs of higher education and, instead of there being any up-front fee, they were provided as “income-contingent loans”, only to be repaid if and when the former student’s income exceeded a set amount. In effect, the scheme was designed to require repayment for some of the private benefits from higher ed-

ucation, if and when received. The increased revenues from HECS were then directed towards a major expansion of university places which greatly improved access, particularly for those from disadvantaged families.

The second example is the introduction of compulsory superannuation contributions. Australia did not previously have a social insurance scheme for retirement incomes, only a means-tested age pension. Instead of a government-managed defined-benefit system like those in most other developed countries, the system developed in the 1980s and 1990s in Australia involved mandated employer contributions held in personal accounts with private and industry-based not-for-profit funds (Podger, Whiteford, et al., 2014). This has resulted in a huge increase in savings able to ensure higher levels of retirement incomes for older Australians with no increase in liabilities for future taxpayers. However, this is not to deny the challenges in ensuring the system delivers adequate and secure retirement incomes (Podger & Breunig, 2024).

The evolving focus on competition and user charges was by no means the only NPM trend in Australia. Other elements included in Hood's summary emerged from earlier developments. These include some responses to the reform themes in the 1976 Coombs Royal Commission (RCAGA, 1976) of increased responsiveness to the elected government, greater representativeness within the public service of the diversity of Australians and greater openness to the public, and the need for improved efficiency.

The first steps taken in the 1980s were to enhance the use of the budget and the forward estimates and identify program objectives and measures of performance using a form of program budgeting, built on Coombs' efficiency-related proposals. These in turn also built on much earlier work on program budgeting ideas, which can be traced back to Gulick and Urwick's POSDCORB ideas in the 1930s and US and Australian interest in PPBS in the 1960s and 1970s. They culminated in new financial management legislation in 1997 (the Financial Management and Accountability Act and Commonwealth Authorities and Corporations Act) and a new *Public Service Act 1999* (PSA) which formally devolved employment powers to each agency while also reinforcing accountability for performance.

The measures pursued in the 1980s in Australia were also modified by the continued emphasis on the other two themes from Coombs. Thus, for example, while Australia did devolve a substantial portion of management authority, it did not follow NPM's "agencification" agenda in the radical way it emerged in the UK and NZ but rather retained extensive political oversight of both policy and administration through ministerial departments. Indeed, closer political control was a continuing theme through the 1980s and beyond, as discussed further below. In 1987, a major restructuring took place that involved merging smaller departments into much larger portfolio departments with firmer ministerial control.

Another earlier set of reforms that continued as the NPM changes emerged concerned administrative laws that made administrative decisions transparent and open to challenge, limiting the NPM shift away from process controls

to controls on outputs and outcome-based performance. Thus, the shift from traditional public administration to NPM was never a complete replacement but involved a significant degree of "sedimentation," in which many aspects of previous practices and developments were retained, but with a stronger emphasis on efficiency.

Nevertheless, NPM had a substantial impact, particularly in terms of personnel. Although it did not reduce total government spending in Australia as a percentage of GDP, it did reduce public employment, particularly as a percentage of total employment. Between 1985 and 2000, total public sector employment fell approximately 7% (Commonwealth public sector employment fell by around 40%) while total employment in Australia rose by around 36% (Podger & Halligan, 2023, drawing on Australian Bureau of Statistics, 2020).

### **The second stage of managerialism: "New Public Governance"**

Several issues began to emerge in Australia in the late 1990s and early 2000s, with the same issues also arising in other Anglophone countries that had practiced many of the NPM precepts. In Australia, these led to NPM being modified in important ways but not rejected.

Perhaps the most significant question at that time was about NPM's reliance on vertical structures: devolution of authority within such structures and accountability for performance based on vertical lines of responsibility. This reliance was seen as an obstacle to addressing problems that cross organizational boundaries, and such problems appeared to be increasing: environmental challenges, entrenched social disadvantage, place-based problems such as efficient and livable cities, and local community development. The Blair Government in the UK coined the term "joined-up government," the Canadians referred to "horizontal management," New Zealand had its "return to the centre" review, and, in the early 2000s, Australia began to refer to "whole-of-government" and "connected government" (Management Advisory Committee, 2004 – a report with which I was closely involved).

A second related question concerned the transactional nature of some of the relationships under NPM: the strict contractual performance arrangements including under purchaser-provider arrangements and contracting out. "Partnerships" involving more equal contributions and shared responsibilities with longer timeframes were perceived as offering important benefits to overall performance. Associated with this was the idea of accountability "downwards and outwards" and not just upwards, which extended NPM's focus on "customers" drawn from private sector management ideas.

Rod Rhodes identified the practice of "networking" from his research in the UK in the 1980s and 1990s (Rhodes, 1997, 2007), both for policy development and successful implementation. Networking, both within government (including across levels of government) and beyond government, represented a shift away from traditional hierarchical government, first as the "New Right" (Thatcher) drew on

markets, and then continuing as “New Labour” (Blair) emphasized joined-up government.

Rhodes was among the first to use the term, “governance” (more specifically, “network governance”), which is now commonly used to describe the modifications to NPM which emerged in the 2000s in response to these questions on the limitations of the NPM model. However, the modifications in Australia notably did not involve a wholesale rejection of the NPM doctrine. For the most part, the precepts Hood identified in 1991 continued under “New Public Governance” (NPG) (Dickenson, 2016; Pollitt & Bouckaert, 2011; Rhodes, 2022; Shaw, 2012). This was partly because of evidence of significant gains, particularly in efficiency, from the NPM measures taken over the previous decade and before (PC, 2005), and the evidence of sustained real economic growth from Australia’s wider economic reforms (Kelly, 2011).

In Australia, the shift to NPG is most apparent in the emphasis on “cooperation” in both the 2013 amendments to the Public Service Act and the new *Public Governance, Performance and Accountability Act 2014* (PGPA Act), which replaced the financial management legislation enacted in 1997 when NPM was at its peak. The amended PSA also highlighted the shared responsibility of departmental secretaries and the new Secretaries Board for “stewardship” of the APS as a whole.

Simultaneously, the PGPA Act strengthened aspects of NPM doctrine, mandating corporate plans and promoting better risk management, drawing on private sector practices, and strengthening performance reporting. The use of markets continued and, in many areas, even extended. For-profit and not-for-profit non-governmental organizations were assumed to offer more efficient and effective social services than government providers, such as childcare, aged care, employment services, and a new National Disability Insurance Scheme. In most cases, consumer choice was also promoted, deepening the role of markets.

### Reflections on Australian managerialism

It is too early to clearly identify any post-NPG development (see following section), and most of the aspects described above of the combination of NPM and NPG that emerged from around 2000 have continued under more recent governments (as indicated in the appendix). However, it is timely to reflect on the broader impact of managerialism and the shift that has occurred in Australia from traditional public administration over the last 40 or more years.

This reflection begins with a short re-examination of concerns raised in Hood’s 1991 article on NPM. This is followed by a review of the efficiency gains managerialism has delivered in Australia, particularly as pragmatism has, to some extent, been superseded by ideology. Then, the applicability of private-sector business practices is revisited. The reflection also focuses on the politicization that accompanied the managerialism reforms and more recent concerns about honesty and integrity. Finally, the reflection revisits the core emphasis of managerialism on results rather than processes before coming to a general conclusion.

### Re-examining the early critiques of NPM

Hood’s original article mentions some of the contemporary debates over NPM. He noted how NPM measures were best suited to the values of ‘keeping it lean and purposeful’ and raised the question of whether, in doing so, success would be at the expense of other values, particularly “honesty and fair dealing” and “security and resilience.”

Perhaps it is difficult to fully satisfy these three sets of public sector values using the same administrative designs (Laegreid, 2016) and we may go through “tides” as priorities among these three themes change over time (Light, 1997). NPM may have delivered gains in efficiency but questions are again being raised as to whether such gains are possible without also negatively affecting honesty and fairness and security and resilience, and whether today we should shift our priorities away from a singular focus on efficiency.

### Efficiency

First, questions are currently being raised about the extent of the efficiency gains in any case. In 2005, the Productivity Commission reported that significant efficiencies had been achieved, particularly from subjecting aspects of public service delivery and corporate support to competition (PC, 2005). The Defence Commercial Support Program delivered significant savings in the 1990s, even when in-house tenders won (ANAO, 1998). As a series of DAS reforms took place starting in the late 1980s, agencies typically reduced their demand for services such as property and cars as they faced user charges, and DAS then improved its customer service and reduced its costs as it faced competition. Contracted employment services in the late 1990s focused more on getting the long-term unemployed into jobs than the former CES given the performance rewards involved. There were also efficiency gains as public utilities became subject to competition. However, have such gains been sustained?

Some reason for doubt does exist. The “hollowing out” of in-house expertise has over time reduced the capacity to be an informed purchaser. Increasing evidence shows instances of poor contract management (Australian National Audit Office, 2023b; Joint Committee on Public Accounts and Audit, 2023) and the challenges in regulating the new markets, especially the “quasi-markets” of employment services, childcare, aged care, and disability services (Kruger, 2009; Parliament of Australia, 2023; Royal Commission into Aged Care Quality and Safety, 2021; Royal Commission into Violence, Abuse, Neglect and Exploitation of People with a Disability, 2023) where quality, affordability, access, and the financial viability of providers all need to be considered along with fraud and corruption. The inevitable desire of private contractors to maximize profits has raised challenges, such as managing “creaming” to focus employment services on those for whom it is easiest to find jobs, to ensure quality and safety of aged care services, for managing contractor-initiated extensions without competition, and for managing conflicts of interest.

Such doubts have increased in recent years as Conservative governments have more actively promoted wider use of contractors and consultants including by imposing ceilings on public service staffing in addition to budget limits on administrative expenses. Accordingly, agencies have been forced to obtain external support when their staff ceiling has been reached, even if that support is not cost-effective. An audit commissioned by the current Labor government estimated that contractors, consultants, and labor hires comprise the equivalent of over 50,000 extra public servants, or 37% more than the current official total (this does not include those involved in the provision of services such as aged care, childcare, and disability services) (Australian Public Service Commission and Department of Finance, 2023). There is every reason to doubt that this degree of reliance on external support represents the best value for money.

### **Applicability of private sector business practices**

Other aspects of managerialism have also been increasingly questioned, particularly the applicability of private-sector business practices in public-sector management. Performance pay was widely used in the late 1980s and extended in the late 1990s but has been almost totally discarded in the APS over the last decade. This has been partly because of technical problems in applying the rewards fairly but also because of the recognition that public service motivation is different and organizational performance in the public sector may be adversely affected, not enhanced, by an emphasis on personal financial rewards (J. Perry & Hondeghem, 2008; J. L. Perry & Wise, 1990). The devolution of pay and conditions to each agency on the premise of enterprise-based productivity bargaining has also proved to be a failure. It has produced few genuine productivity gains, no relationship with the broader labor market, different pay for similar jobs, constrained mobility within the APS, and havoc with every machinery of governmental change as agencies find themselves with staff on different pay deals. The current Government and APS Commission are finding it extremely difficult to return to a common pay framework that attracts and retains individuals with the required skills.

### **Politicization and managerialism**

While “politicization” is not a core element in Hood’s NPM description, it has certainly accompanied NPM developments in Australia since the 1970s and is apparent in other Anglophone countries (Craft & Halligan, 2020; Halligan, 2020). Some early US critics of “Reinventing Government” (the NPM agenda promoted by then-Vice President Gore) considered it to necessarily lead to attacks on the civil service, thereby weakening the foundations of a merit-based bureaucracy and leading to continuing increases in the number of political appointees, growing reluctance to rely upon the expertise of bureaucrats, and the declining career protections in civil service systems (Kearney & Hays, 1998). Some early Australian critics of managerialism also feared that the focus on results might undervalue the im-

portance of processes such as those surrounding merit appointments that underpin the professional civil service first outlined in the 1854 Northcote–Trevelyan Report (Nethercote, 1989; Northcote & Trevelyan, 1854).

Initially pursued in response to the widespread view in Australia that the civil service was too independent and insufficiently responsive to the elected government, “politicization” encompasses a range of steps to increase the power of the political arm of the executive over that of the administrative arm. These included the introduction and expansion of ministerial advisers not subject to civil service requirements of merit-based appointments and non-partisanship, gradual weakening of tenured appointments at the top of the civil service, weakening of the central public service authority, strengthening of prime ministerial control over senior appointments and terminations, and increasing political control of public communications.

Obtaining the appropriate balance is a perennial issue in public administration. The public service must be responsive to the elected government; however, it must also exercise a degree of independence. Evidence suggests that Australia moved further on politicization (as well as externalization) than the other Anglophone countries (Podger & Halligan, 2023). Emerging concerns include loss of capability within the APS and serious risk of reduced efficiency and effectiveness, as well as integrity concerns.

Such concerns were already identified at the time of the 2010 Moran Review established by the Rudd (Labor) Government (AGRAGA, 2010) and again in the 2019 Thodey Report commissioned by the Turnbull (Conservative) Government (IRAPS, 2019). The legislative changes to the PSA in 2013 following the Moran Report were intended in part to address some of these concerns, but subsequent developments, including the termination of some secretary appointments in 2013 and 2020, suggest they were unsuccessful. Indeed, political pressures on the APS continued to grow before and after Thodey. The Robodebt Royal Commission highlighted “the lengths to which public servants were willing to go to oblige ministers...” as a factor in the Robodebt case, in which over 500,000 welfare payment recipients were treated unlawfully between 2015 and 2019 (Royal Commission into the Robodebt Scheme, 2023, p. iii), referring in the conclusion to the “venality, incompetence and cowardice” that caused things to go wrong (Ibid p 659). I raised concerns on these matters in submissions to Thodey (Podger, 2018b; Podger & Williams, 2019), a Parliamentary Library Lecture (Podger, 2019), and a report prepared at the request of the Robodebt Royal Commission (Podger, 2023a; Podger & Kettl, 2024)).

However, for a while, during the COVID-19 pandemic in 2020 and 2021, government and public acceptance of public servants’ expert advice and management was widespread, including not only that of public health experts and administrators but also of Treasury economists and experts in the Tax Office and Australian Bureau of Statistics (and many others at State and Commonwealth levels). A “National Cabinet” of first ministers was established to ensure timely and coordinated responses, supported directly by public service experts. There were, of course, failures in

the Australian response (Stobart & Duckett, 2022), but in that crisis, Australia relied very heavily on its professional public officials.

### **Honesty and integrity**

More recent reports and inquiries have also raised serious questions about honesty and integrity within the APS and among the external organizations upon which it relies (Australian National Audit Office, 2020, 2023a; Royal Commission into the Robodebt Scheme, 2023; Senate Finance and Public Administration References Committee, 2023). These suggest that Hood was right to ask back in 1991 whether NPM might prove to be at the expense of honesty and fair dealing. A closely related question is whether the devolution of authority and the use of “principles-based” legislation such as the PSA and PGPA Act needed firmer oversight by the “regulators” such as the Department of Finance, the APS Commission, and the Ombudsman (Australian National Audit Office, 2023b; Podger, 2023b).

While I was not persuaded by the critics of the 1980s and early 1990s at the time, I now appreciate in hindsight that there was substance to some of their concerns.

### **Managerialism’s focus on “results”**

The focus on “results”, as important as it was and remains, has led to insufficient appreciation of the continuing importance of processes and inputs. Related to this was, as is now clear, an unrealistic expectation of political (including Parliamentary) interest in results-based performance and holding the Government and public servants accountable primarily for that. A weakness of the NPM approach was not only the measures adopted or the emphasis on “measurable” indicators but also the failure to fully appreciate difficulties in defining “results” or considering trade-offs in performance, and the assumption that accountability should focus almost entirely on “results.” Processes and inputs are also important, as providing the necessary infrastructure for results to be achieved. Moreover, ensuring integrity (“honesty and fairness” in Hood’s terminology) and capacity to meet future requirements (Hood’s “security and resilience”) are also crucial.

The Northcote–Trevelyan principles of a professional civil service also rely heavily on processes and structures, including the merit principle. Weberian bureaucracies also continue to have benefits derived largely from their processes and structures. I was not persuaded at the time that the measures we were pursuing might lead to an undervaluing of civil service principles but, with hindsight, it has become increasingly clear that, over time, merit has lost its central status as has neutrality. The latter has led not so much to direct partisanship but to what Peter Aucoin (2012) calls “promiscuous partisanship” – the willingness to so please those currently in power as to disregard impartial policy advice and administration.

A dangerous blurring of public service and private sector values has also emerged. Should we assume the private sector with its profit-based values can deliver any public service effectively, or are there public services that require the

unique values of the public service? Furthermore, are we investing sufficiently in public service oversight and drawing on its values to ensure those services delivered by the private sector (both for-profit and not-for-profit) are fair and inclusive?

### **Exogenous factors**

The many exogenous forces affecting government administration are also important to recognize. Today’s world is different from that in 1980, as is the public service. Perhaps the best illustration of this is that in 1980 approximately 55% of Commonwealth public servants were at classifications equivalent today at or below today’s lowest two levels; now, only 5% of public servants are at those classifications (Podger & Halligan, 2023). The biggest driver of this change has been technology, although commercialization and contracting out are likely to have also contributed. On a positive note, we now have a much more graduate public service. However, on the other side, considerable “classification creep” has occurred, resulting in top-heavy management, additional costs, and underutilization of the skills and knowledge of more junior staff, as well as a shift away from technical and professional expertise and towards generalist skills.

### **Summary reflection**

In summary, the managerial measures taken in Australia did deliver significant gains – as did Australia’s overall economic reform agenda of the 1980s and 1990s – but they were taken too far. Important balances were lost: too much contracting out and not enough consideration of internal capability and where public service values are essential; too much private sector management approaches and insufficient attention to public service motivation and values; and too much politicization and not enough emphasis on public service professionalism and independence and associated integrity. These have all contributed to an overall loss of capability. Furthermore, Australia has not adjusted to technological and other exogenous forces as well as it should have, exacerbating capability weaknesses.

### **Post-managerial directions for Australia: are NWS-style developments likely?**

A range of possibilities for future international trends have been identified in recent years, some as predictions and others as preferred developments. These include:

- Decentered governance, as suggested by Rhodes and Bevir (cited in Rhodes, 2022), taking networks further, moving away from institutions to groups of people and their beliefs and practices and stories, and highlighting the importance of local knowledge and the diversity of policymaking and its exercise.
- The Digital Era Governance, as suggested by Dunleavy (cited in Pollitt & Bouckaert, 2011), involves further reintegration made possible by digital technologies, simplification of relationships between agencies and their clients (stripping out unnecessary

steps, repetitions, and duplications), and digitalization in which the agency becomes its website.

- A Neo-Weberian State (NWS) as advocated for by Pollitt and Bouckaert, involving reinvestment in government to be more professional, efficient, and responsive to citizens, and businesslike methods playing a subsidiary role while the state remains a distinctive actor with its own rules, methods, and culture (Bouckaert, 2023; Pollitt & Bouckaert, 2011).

Public value management, which shares core ideas with NWS, has been identified by Torfing *et al* (2020) as another paradigm with its emphasis on tax-funded public value authorized by democratic processes and managed by public bureaucracy (Moore, 1995).

Some signs of support can be seen in Australia for each of these options.

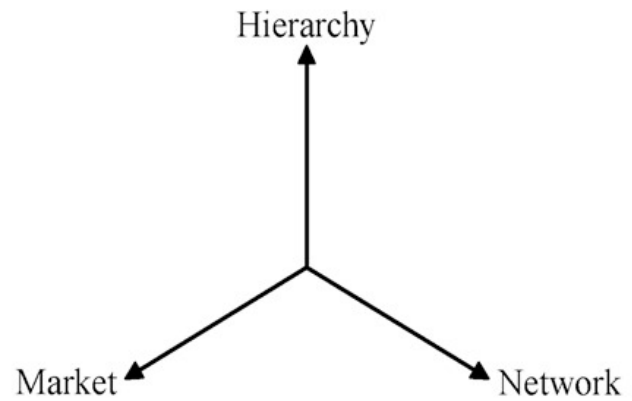
Place-based management is receiving some attention, particularly regarding services for Indigenous communities and the need for community involvement and control, as well as listening to their stories, which aligns with Rhodes' suggestions. Moreover, Thodey recommended (and the Government agreed) that more attention should be paid to partnerships between the government and the private and not-for-profit sectors, and across governments. Partnerships have also been shown to be critical in the response to COVID-19 (O'Flynn, 2021) and remain important to address complex problems.

Thodey also provides considerable attention to the potential benefits of digital technology, advocating for more investment and the development of a digital expert profession within the APS. This is also central to Thodey's push for "One APS," the recent rebranding of Services Australia, and significant initiatives by several agencies including the Australian Tax Office (greatly reducing administrative burdens on individuals and businesses as well as government) and the Australian Bureau of Statistics (developing real-time employment and income statistics from business interactions with the ATO). Whether the impact will extend to the wider restructuring of government organizations and their relationship with the public, as suggested by Dunleavy, remains unclear.

Moran and Thodey both refer to the need to improve capability within government, and the Government, in response to Thodey, is also reducing reliance on contractors, consultants, and labor hires, these shifts reflecting aspects of Pollitt and Bouckaert's NWS model. The Australia and New Zealand School of Government has also drawn heavily on public value management in its training of civil servants, regularly inviting the paradigm's original proponent (Michael Moore) to teach its programs, although not without some controversy (Rhodes & Wanna, 2007).

The signs of Australia exploring all these paradigms (as well as NPM and NPG) support the suggestion of Torfing *et al* (2020) of "co-existing" as well as "competing" paradigms, and of interacting "layers" forming "marble cakes." However, in this article, I have aimed to focus on the possible relevance of the NWS model for Australia.

The NWS model presents a useful framework for considering the directions Australia may now pursue in a post-



**Figure 1. Governance Space**

Source: Bouckaert, 2023

managerial era. The "governance space" of Bouckaert uses three dimensions: hierarchy (H) where authority based on democratic processes and the law is exercised through a disciplined hierarchy of impartial and professional officials; market (M) where the government utilizes markets to provide support and deliver services; and network (N), where the government draws on non-governmental organizations and civil society for advice and service delivery (Figure 1).

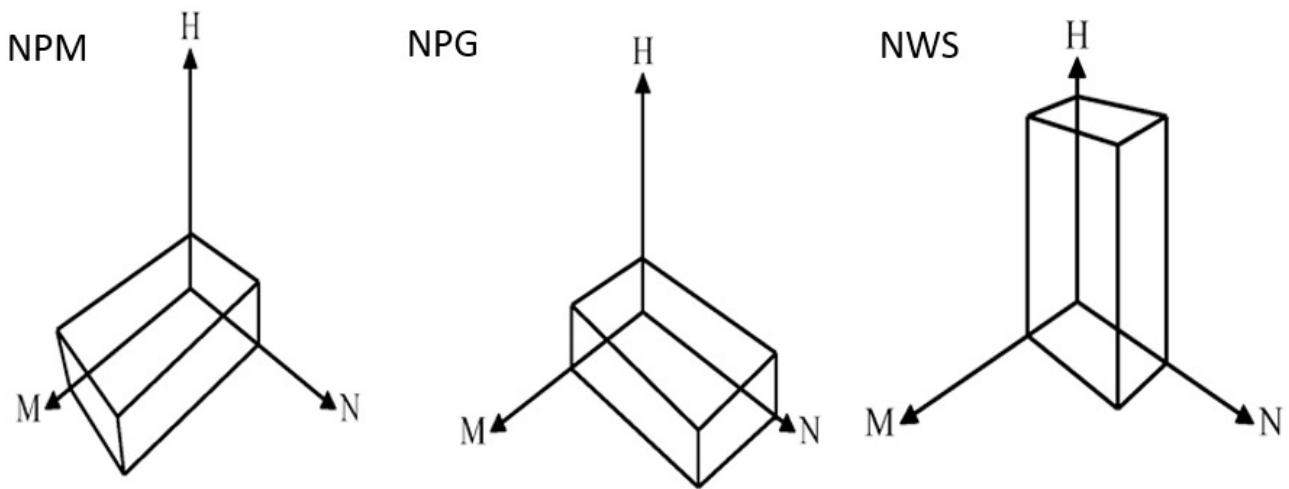
This framework draws on Weber's ideal "legal-rational" mode of administration (Bouckaert, 2023) but recognizes today's more open interaction between the government, markets, and civil society. Using this framework, Bouckaert describes the various approaches to public administration used in recent decades in terms of the mix of hierarchy, market, and network elements in each one. Thus, NPM involves a substantial market element with less emphasis on hierarchy (represented by a box lying along the market vector); NPG involves more extensive use of networks within civil society, again with less emphasis on hierarchy (represented by a box lying along the network vector); and Pollitt and Bouckaert's NWS, which places the most emphasis to hierarchy (and hence represented by a more upright box) (Figure 2).

The ideal NWS approach appears particularly suited to European traditions of administrative law and strong welfare states (particularly in the Nordic countries); however, it may have relevance elsewhere. Regardless, the ideal would need to be applied in different institutional contexts. In this respect, the "hierarchy" axis does not specify key relationships within government such as political/administrative relations, central and horizontal coordination, and centralization and decentralization (including any federal arrangements).

Bouckaert describes the "Weberian" elements of NWS as:

- reaffirmation of the role of the state as the main facilitator of solutions to the new problems of globalization, technological change, and environmental threats;
- reaffirmation of the role of representative democracy as the legitimizing element within the state;





**Figure 2. Different PA “governance spaces”**

Source: Bouckaert, 2023

- reaffirmation of the role of administrative law; and
- preservation of the idea of a public service with a distinctive status, culture, and (perhaps less so than in the past) terms and conditions.

The “Neo” elements Bouckaert suggests are:

- the shift from an internal orientation towards an external orientation that meets citizens’ needs and preferences, achieved not through market mechanisms as a rule, but through the creation of a professional culture of quality and service;
- supplementation of the role of representative democracy by a range of devices for consultation and direct representation;
- greater orientation on the achievement of results; and
- professionalization of the public service, as managers as well as legal experts relevant to their sphere of activity.

Presented this way, NWS may be seen as a call for European countries not to embrace all the NPM and NPG ideas emanating from Anglophone countries, but rather to adopt selected aspects such as performance management and a more external orientation while retaining an emphasis on direct government control.

For Australia, NWS would involve not only increased investment in public sector capability and greater emphasis on public service values but also a sharp shift away from its current use of market competition for both corporate support services and service delivery and from its extensive use of non-governmental organizations to deliver social services.

Such dramatic change appears unlikely, given Australia’s common law heritage and the very long history of Australia’s use of non-governmental organizations to deliver some social services such as aged care (Podger, 2018a). However, the current Government is actively considering some significant corrections. The use of external contrac-

tors, consultants, and labor hires is being wound back and more career public servants employed (Gallagher, 2022). Tentative steps are being made to strengthen public service capability and independence (Gallagher, 2023). Recent inquiries established by the Government and Parliament have called into question the extent to which Australia now relies on for-profit organizations to deliver social services (e.g. Aged Care Royal Commission 2021, Parliament of Australia, 2023). Recent statements by the Prime Minister and the head of his department suggest interest in more direct government involvement in social service delivery (Davis, 2023), adding weight to some external pressure to wind back reliance on non-government providers of care services (e.g. Considine, 2022). However, at this point, the Opposition parties have not embraced such changes and the Government has yet to fully commit to them either.

My reflections on Australian managerialism set out earlier suggest a stronger correction agenda is needed, embracing more of the NWS ideas and a greater shift from some of the NPM and NPG ideas and related developments. A discussion paper released in July 2024 (Podger, 2024) sets out specific proposals to reform the APS including:

- Revising the APS Values in the Public Service Act to better reflect Westminster principles, with increased emphasis on the merit principle and on serving the Australian people and the Parliament as well as the elected Government.
- Articulating in legislation the values of other public sector employees, including ministerial staff, using the proposed framework for the APS Values to clarify similarities and differences (e.g., where partisanship is allowed).
- Establishing a legislated code of conduct for ministerial staff constraining their authority, and reducing their number.
- Reinstating tenure for senior public servants to replace the current term-contract system.

- Strengthening merit-based appointments for senior public servants with a stronger role for the APS Commissioner (whose appointment should be subject to consultation with the Leader of the Opposition).
- Restricting the use of consultants and contractors to strict tests of essentiality, cost-effectiveness, and overall value for money.

These proposals would build on the measures already taken by the current Government and draw on key recommendations in the Thodey Report that have yet to be implemented.

Other correction measures needed include:

- Firmer accountability for processes, behaviors, and inputs, not just outputs and outcomes, including by strengthening the role of regulators such as the APS Commissioner, the Attorney-General's Department, the Finance Department, and the Ombudsman and Information Commissioner.
- More selective and tailored use of private business management practices, recognizing the distinct character of public sector management, including more care in promoting mobility between the public and private sectors and revisiting executive remuneration in the public sector.
- Much more carefully managed partnerships with non-governmental organizations, and less emphasis on competition, to ensure external service delivery meets quality standards as well as efficiency.

Corrections are also needed in other parts of the public sector, including universities. Although Weber's separation of "facts" and "values" may be difficult today, there is reason for concern about the extent of the blurring of boundaries between the role of scholars and that of politicians and their economic advisers (Davies, 2023). This is not to deny the importance of professional management for the enormous financial resources dedicated to higher education, and the usefulness of some private sector-style management techniques. However, in recent years, performance management has distorted the understanding of the role of universities and led to "gaming," as well as contributing to excessive administration activity (and excessive executive pay) at the expense of teaching and research. There is a case for correction, such as that required for the public service, to recognize and value the unique role and culture of scholars and universities.

## Conclusion

The term "neoliberal" is not a helpful way to describe Australia's reforms since the 1970s: it is rarely defined and too often just used pejoratively. Australia's reforms have certainly had a strong "liberal" flavor, influenced by the economic reformers of two centuries ago who advocated for not only more open and free markets but also other measures to advance wellbeing and personal liberties. Notably, the Australian reforms were not about rolling back the state, but about more efficient and effective ways to achieve the Government's economic, social, and environmental objectives.

"Managerialism" is a term that better describes the Australian reforms. The evidence shows that some important gains were made, particularly in the early years. However, what is clear in hindsight is that the need to consider potential downsides was not given sufficient attention. Some adjustments have been made over the years to address some of these downsides, as Australia has shifted from NPM to NPG, and further adjustments have been suggested by more recent inquiries, some of which have been implemented.

However, a much more significant correction is now needed. Although this may not go as far as Pollitt and Bouckaert's NWS, the necessary correction is in that direction. Australia has gone way too far with politicization and externalization (although I recognize the importance of serving the elected government and benefits of utilizing external expertise), and management reforms continue to draw too heavily on private sector practices. Australia needs to renew its appreciation of Westminster principles and the role and values of the civil service and other parts of the public sector. More effort is also needed to rebuild technical and professional expertise. More careful partnering for the delivery of social services is required with less emphasis on competition and more on quality and public interest.

Such a correction would partly reflect a shift in the "tides" away from a primary focus on efficiency to a greater emphasis on integrity and resilience, while also involving further "sedimentation" (or a "marble cake"). I do not have a neat title for the shift I am hoping to see in Australia. However, central to more effective government in the future is increased investment in public sector capability and respect for the institutions of government and their roles.

Submitted: May 07, 2024 KST, Accepted: June 03, 2024 KST



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## APPENDIX. PUBLIC ADMINISTRATION DEVELOPMENTS IN AUSTRALIA SINCE 1960s

Government	Public administration developments/approaches	Policy context, key measures
Pre-Whitlam Governments (1966-67 Holt, 1968-71 Gorton, 1971-72 McMahon)	<ul style="list-style-type: none"> <li>• <b>Traditional Westminster, career civil service</b></li> <li>• Strong Public Service Board as central employer; initial steps to devolve some HR controls</li> <li>• Secretaries fully tenured, appointed by PM on advice from PSB</li> <li>• Moves to professionalise the workforce, increase graduate employment, remove marriage bar to women's employment</li> <li>• Strong Treasury control of both revenues and expenditures</li> <li>• Limited contracting out: nearly all service delivery and corporate support by public servants</li> </ul>	<ul style="list-style-type: none"> <li>• Conservative governments</li> <li>• Commonwealth role in service delivery limited to identified Commonwealth responsibilities (eg defence, post, telecommunications, airports, social security)</li> <li>• Policy and funding roles mostly limited to specific Commonwealth responsibilities but beginnings of funding for schools, the arts</li> <li>• Heavy focus on US alliance</li> </ul>
Whitlam Government (1972-75)	<ul style="list-style-type: none"> <li>• <b>Traditional PA but opening up</b></li> <li>• Firmer political control, shuffling of Secretaries, establishment of partisan ministerial staff</li> <li>• Rapid expansion of public service, graduates</li> <li>• EEO measures commence</li> <li>• New organisations created with external appointments (eg Schools Commission, Hospitals and Health Services Commission, Social Welfare Commission, Health Insurance Commission), new departments also recruiting externally (eg Department of Urban and Regional Development)</li> <li>• External advice also through public inquiries</li> <li>• Administrative law reform agenda commenced (AAT Act 1975)</li> <li>• First stage of post and telecommunications reform (Australia Post and Telecom created as separate authorities replacing former PMG Dept, no longer under PSB controls)</li> <li>• (Coombs) Royal Commission into Australian Government Administration established</li> </ul>	<ul style="list-style-type: none"> <li>• Labor Government</li> <li>• Major program of expanded Commonwealth involvement in health, education, welfare, urban development, the arts, environment</li> <li>• Medibank (universal health insurance)</li> <li>• More generous social security</li> <li>• Increase in revenues to fund increased expenditures</li> <li>• Increasing unemployment and inflation</li> <li>• More independent diplomatic stance, recognition of China</li> <li>• Increased support for free trade, reduction of tariffs</li> </ul>
Fraser Government (1975-83)	<ul style="list-style-type: none"> <li>• <b>Claims of return to more traditional PA but continuing to open up</b></li> <li>• Contraction of public service</li> <li>• PSB extends devolution of its HR controls</li> <li>• Some reductions in ministerial staff and some reduction in new organisations (eg abolition of DURD)</li> <li>• <b>1976 Coombs Report</b> recommends increased responsiveness to elected government, more open and representative public service, increased efficiency; these themes have ongoing influence</li> <li>• Continuation of Whitlam administrative law reforms (eg Ombudsman Act 1976, AD(JR) Act 1977, FOI Act 1982)</li> <li>• Separation of Treasury from new Department of Finance, increased focus on efficiency and effectiveness of expenditures</li> <li>• <b>Reid Review of Commonwealth Administration</b></li> </ul>	<ul style="list-style-type: none"> <li>• Conservative Government</li> <li>• Emphasis on budget repair, and addressing 'stagflation' - inflation plus high unemployment</li> <li>• Some winding back of Commonwealth involvement in urban development and education etc., but not to pre-Whitlam era</li> <li>• Winding back, and final abandonment of Medibank</li> <li>• Strengthening of 'multicultural Australia'</li> <li>• Continued more independent diplomatic stance (eg opposition to apartheid in South Africa)</li> </ul>
Hawke Government (1983-1991)	<ul style="list-style-type: none"> <li>• <b>Managerialism, first stage of NPM</b></li> <li>• <b>'Reforming the Australian Public Service', 'Budget Reform'</b> (Government reports)</li> <li>• 'Permanent' secretaries renamed 'departmental secretaries'; appointments reviewed after 5 years but tenure remained; legislation referred to working 'under the minister'</li> <li>• Creation of Senior Executive Service</li> <li>• Employment arrangements for ministerial staff and other staff of MPs clarified in law</li> <li>• Devolution of financial as well as HR controls, Financial Management Improvement Program, opportunities for contracting-out</li> <li>• Form of program budgeting introduced, 'management for results'</li> <li>• 'Efficiency scrutinies' reducing administrative expenses</li> <li>• 1986 'Walsh principles' for accountability of GBEs and statutory authorities, more commercial approach</li> <li>• 1987 creation of mega 'portfolio' departments, replacement of PSB with smaller, less powerful PSC; strengthened role of PM&amp;C including re-advise on secretary appointments</li> <li>• Major classification reform based on 'multi-skilling'</li> <li>• Major extension of EEO, introduction of permanent part-time employment, superannuation changes to better suit women</li> <li>• Most positions including all SES open to external applications</li> </ul>	<ul style="list-style-type: none"> <li>• Labor Government</li> <li>• Mindful of 'excesses' of Whitlam Government, more measured approach to social reforms, need to address stagflation, budget</li> <li>• "Accord" with unions and business to reduce wage demands and price increases in exchange for 'social wage' benefits</li> <li>• Medicare re-established</li> <li>• Social security improvements, initial moves towards compulsory superannuation</li> <li>• Expanded Indigenous programs, more Indigenous control</li> <li>• Floating of \$A, reductions in tariffs, promotion of competition and free trade</li> <li>• Major tax reform, broadening tax base</li> <li>• Initial IR reforms to increase labour market flexibility</li> <li>• Expansion of higher education funded by Higher Education Contributions Scheme</li> </ul>

Government	Public administration developments/approaches	Policy context, key measures
	<ul style="list-style-type: none"> <li>• APS-wide corporate services reforms: user-pays, competition, commercialisation</li> <li>• Emerging privatisation agenda, first major privatisation in 1991 (Commonwealth Bank)</li> </ul>	<ul style="list-style-type: none"> <li>• 'Cooperative federalism' initiatives including 'Special Premiers' Conferences' to explore reforms</li> <li>• Increased focus on Asia and Pacific</li> </ul>
Keating Government (1991-96)	<ul style="list-style-type: none"> <li>• <b>Continued managerialism, second stage of NPM</b></li> <li>• Portfolio-based budgeting, driving efficiencies further with devolved authority within budget caps</li> <li>• Systematic program evaluation</li> <li>• Extended corporate services reforms and contracting out (eg Defence Commercial Support Program)</li> <li>• <b>Hilmer Report on competition policy</b></li> <li>• More extensive privatisations (eg Qantas, CSL, part of Telstra, airports)</li> <li>• Stronger machinery for Commonwealth-State deliberations including on economic, social (eg education, health, housing) and environmental reforms</li> <li>• Secretary appointments on 'contract' basis, tenure removed, pay increased</li> <li>• Performance-based pay introduced for SES, many other executives and some more junior staff</li> <li>• Enterprise 'productivity-bargaining' for pay increases</li> <li>• Review of Public Service Act to reflect reforms of previous decade to devolve authority</li> </ul>	<ul style="list-style-type: none"> <li>• Continued Labor Government</li> <li>• Widening economic reform agenda aimed also to enhance welfare</li> <li>• IR reform including 'enterprise bargaining'</li> <li>• Council of Australian Governments established to assist economic and social reforms</li> <li>• Competition policy agreed with States, deregulation of protected industries</li> <li>• Further expansion of education, health, employment and urban development</li> <li>• Indigenous land rights</li> <li>• Compulsory contributions-based superannuation</li> <li>• Recession following record interest rates</li> <li>• Emphasis on Australian independence, promotion of a 'republic', further free trade moves</li> </ul>
Howard Government (1996-2007)	<ul style="list-style-type: none"> <li>• <b>Strengthened managerialism, firmer moves into second stage of NPM; later shift to add NPG</b></li> <li>• <b>1996 Commission of Audit Report</b></li> <li>• Six secretaries' appointments terminated, demonstrating the loss of tenure was real</li> <li>• Major cuts in the public service</li> <li>• New financial management legislation reflecting the reforms over the last decade, with devolution of authority matched with stronger accountability for results</li> <li>• 'Charter of Budget Honesty': introduction of accrual accounting, Inter-generational Reports</li> <li>• New Public Service Act reflecting reforms of last decade and latest IR reforms; agency heads formally became the employers</li> <li>• Performance pay extended, including for secretaries, determined by the PM (after advice from the PSC and PM&amp;C Secretary)</li> <li>• Contracting out extended, mandated for IT support</li> <li>• 'Purchaser-provider' arrangements extended (eg health and aged care)</li> <li>• Employment services privatised with performance-based contracts to promote successful employment</li> <li>• Centrelink established to deliver a range of social security and related services, separate from the policy departments</li> <li>• Extension of privatisations (eg Telstra), commercialisation (eg Medibank Private)</li> <li>• Increasing emphasis on 'whole-of-government' management (eg water and climate, border protection, Indigenous welfare, crisis management); tempering of devolution shift</li> </ul>	<ul style="list-style-type: none"> <li>• Conservative Government</li> <li>• Budget repair</li> <li>• Abolition of some programs (eg urban development, dental health) and firmer user-pays policies (eg aged care, child-care)</li> <li>• Strengthening IR reforms, flexibility, individual contracts</li> <li>• Tax reform, new GST and less reliance on income tax</li> <li>• GST revenues fully directed to States and Territories without conditions as part of federalism reform (subsequent return to increased C'with role)</li> <li>• Promotion of 'choice' for consumers of public services, including through 'ageing in place' aged care, choice of providers of employment services, increased financial support of non-government schools, reforms of private health insurance</li> <li>• Border protection measures</li> <li>• Enhanced security investments</li> <li>• Emphasis on US alliance, 'War on Terror', involvement in Iraq and Afghanistan</li> </ul>
Rudd/Gillard/Rudd Governments (2007-2013)	<ul style="list-style-type: none"> <li>• <b>Continued managerialism, strengthened NPG, modest correction to politicisation</b></li> <li>• Firmer rules on secretaries' appointment and termination, shift to five-year contracts (from increasing practice of three years), removal of performance pay for secretaries</li> <li>• Reduction in number of ministerial staff, later partly reversed; code of conduct</li> <li>• Following <b>2010 Moran Report</b>, amendments to Public Service Act, simplified APS Values with less emphasis on responsiveness to ministers, new Secretaries Board emphasising secretaries' stewardship responsibilities and collaboration, strengthened role for APS Commission including in IR matters; agency capability reviews introduced</li> <li>• Use of performance pay steadily declined</li> <li>• Continuation of dominance of private providers of public services for aged care, childcare, employment services, disability services etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Labor governments</li> <li>• (Ultimately unsuccessful) climate change agenda: emissions-trading scheme, carbon price</li> <li>• Apology to Indigenous peoples, emphasis on reconciliation</li> <li>• 'Cooperative federalism' focusing on improved 'outcomes' in human services (eg health and hospitals, schools)</li> <li>• Infrastructure investment, particularly broadband</li> <li>• Continued border protection measures</li> <li>• Global Financial Crisis management</li> </ul>



Government	Public administration developments/approaches	Policy context, key measures
	<ul style="list-style-type: none"> <li>Finance Department review of financial management legislation, recommending modifications to accrual accounting, more consistent accountability requirements, better risk management, promoting collaboration and more emphasis on capability</li> </ul>	<ul style="list-style-type: none"> <li>IR changes, winding back some of Howard's measures, giving unions more power</li> <li>National Disability Insurance Scheme, based on funding non-government providers of services with more control by people with disabilities</li> <li>Expanded childcare</li> </ul>
Abbott/ Turnbull/ Morrison Governments (2013-2022)	<ul style="list-style-type: none"> <li>More managerialism, return to second stage of NPM and firmer political control</li> <li>2014 Commission of Audit Report</li> <li>New rounds of secretary terminations in 2013 and 2020, appointments of politically affiliated people to APSC and (later) PM&amp;C</li> <li>Staff ceilings, encouraging wider use of consultants and contractors</li> <li>Strengthened role of ministerial staff (particularly in PMO), limiting dependence upon APS policy advice</li> <li>2014 Public Governance, Performance and Accountability Act replaced former financial management legislation, in line with Finance Dept review. More consistent and strengthened performance reporting, firmer risk management requirements, new emphasis on collaboration and on capability with mandated corporate planning</li> <li>Promotion of 'online service delivery'</li> <li>2019 (Thodey) Independent Review of the APS</li> <li>Recommendations endorsed for more integrated APS, greater investment in technology and working in closer partnerships with States and non-government organisations. But key recommendations for greater independence, less reliance on external providers, more evaluations, more centralised pay arrangements, rejected (and several more secretary terminations in early 2020).</li> <li>Response to COVID included much more prominent role of public service experts at both Commonwealth and State levels.</li> <li>'National Cabinet' of leaders of all governments took active and mostly cooperative control of COVID response, drawing on expert public service advice</li> <li>Political pressures on various grants programs etc, however, highlighted in ANAO reports, continued the concerns about politicisation (also arising from Robodebt)</li> </ul>	<ul style="list-style-type: none"> <li>Conservative Governments</li> <li>Budget repair after GFC stimulation measures, but struggled to get budget cuts agreed by Parliament</li> <li>Reversal of climate change measures, then unsuccessful development of alternative approach</li> <li>Further strengthening of border protection measures ('Stop the Boats')</li> <li>'Innovation' agenda, welcoming technological change</li> <li>Continued active role with the States on urban development, infrastructure</li> <li>Increased support for regional Australia</li> <li>Modest steps back towards workplace flexibility reforms</li> <li>Personal tax changes aimed in part to reduce marginal tax rates on middle to higher income earners</li> <li>Response to COVID 19 pandemic, huge stimulation, strong multi-government, multi-agency management</li> <li>Robodebt fiasco, begun in 2015, finally halted in 2019</li> <li>Further investments in security and defence, culminating in AUKUS agreement to purchase nuclear-powered submarines; deteriorating relations with China</li> </ul>
Albanese Government (2022-?)	<ul style="list-style-type: none"> <li>Retreat from NPM stage 2, some correction to political control, integrity agenda</li> <li>Reversal of trend to externalisation, removal of staff ceilings, first moves towards centralised pay, support for evaluations</li> <li>Establishment of Commonwealth Anti-Corruption Commission</li> <li>Robodebt Royal Commission, findings of 'venality, incompetence and cowardice' amongst both politicians and public servants; recommendations for greater consultation, more client-oriented service delivery etc. endorsed by Government</li> <li>First tentative steps to address Thodey recommendations rejected by Morrison Government (eg strengthening of APS Commission, firmer merit-based appointment processes); but legislation to lock-in most of these reforms not yet introduced</li> </ul>	<ul style="list-style-type: none"> <li>Labor Government, large increase in independent MPs</li> <li>Committed to continued expenditure restraint</li> <li>Increased support therefore targeted, including childcare, aged care, Medicare, moderated expansion of NDIS</li> <li>Climate change action a priority but also staged to limit costs and disruption</li> <li>'Integrity' agenda to address concerns about corruption, politicisation</li> <li>Inflation concerns, cost-of-living relief, revised tax cuts</li> <li>Return to greater labour market regulation</li> <li>Support for AUKUS, but also for 'stabilising' relations with China, more active diplomacy</li> </ul>

Source: Author's summary drawing on Australian Commonwealth Administration series of 13 books between 1985 and 2019

[Overall approach to public administration by each Government](#)

[Key documents influencing public administration approaches](#)