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WORKING PAPER SERIES

Reinventing Government in Australia: Whole of Government in a Federation

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Reinventing Government in Australia: Whole of Government in a Federation

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Abstract

Privatisation and contracting out have exacerbated the silo effect associated with the existence of separate government departments and agencies. The gaps created by the lack of integration between service providers and government have led to a range of solutions known variously as whole of government, connecting government and joined-up government. These are pragmatic solutions. On the one hand they recognise the failure of current agendas to provide coordinated government services, and on the other, the reluctance of western governments to resume traditional service provision.

It is significant that the models underlying much of the whole of government response in Australia originate from the joined-up approaches implemented in the UK. These focus on horizontal coordination in a unitary state (Chandler 2000). However, in a federation such as Australia, state governments are constitutionally responsible for important public services. Some of these responsibilities are shared with the federal government. Simply adopting horizontal solutions in Australia threatens to create new gaps. The challenge is to manage the accountability, governance and coordination issues arising from horizontal whole of government initiatives. This paper outlines the issues facing the Australian federation in implementing whole of government models and argues that, in the process of accommodating these initiatives within its federal structure, it is finally reinventing government.

Introduction

In the early 1980s Australia embarked on a series of public sector reforms aimed at reducing the role of government in the delivery of services. The reforms, driven by the new public management (NPM) model most often associated with Osborne and Gaebler (1982), entailed separating policy from service delivery through privatisation, outsourcing and contracting out. The agenda emphasised smaller government with devolution of central government functions to departments and agencies, greater participation of the private sector in the delivery of public services. In common with other western countries the result has been proliferation of service providers responsible for delivering various parts of the particular service. Not surprisingly, a range of problems has emerged. Recent analysis of service providers in Westminster based countries determined similar problems in each, including fragmentation of service delivery and poor coordination (Rhodes 1998, p. 23). Information sharing has also been problematic. Public-private boundaries are formal and often based on strict contractual terms. Indeed, the commercial confidentiality status of private providers restricts their ability to share information (Ling 2002, p. 619). The result is that government and citizens obtain incomplete information, resulting in a range of inefficiencies. Importantly, poor or incomplete information is not conducive to government accountability for its

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services. Further, the whole process of governance is affected through the disconnection of government from the citizens receiving services. Rather than return to sole government service provision, the solution in the main has been to use a 'joined up' approach (UK), 'network' or 'multi-level' government approach (US) or 'whole of government' approach (Australia) where individual gaps are filled rather than universal solutions imposed.

Unlike the UK unitary system where the absence of tiers of government greatly facilitates vertical policy coordination and service delivery, the Australian Constitution provides for the concurrent exercise of certain powers by the federal and state governments. That is, many functions are shared, not compartmentalised (Galligan 1995). Nevertheless, the model for much of the whole of government response in Australia and elsewhere emanates from the joined-up approaches implemented in the UK (Perri 6 2004). Joined-up solutions focus on horizontal coordination, that is the coordination between government agencies and their various private and public providers (Chandler 2000; Perri 6 2004). However, in a federation such as Australia, where state and local governments directly control and are responsible for delivering important public services vertical coordination becomes of paramount importance (McGuire 2004, p. 115). In this context, simply adopting horizontal solutions such as those proposed in the UK, threatens to create new gaps in service delivery and adds to the problems of attaining whole of government outcomes.

This paper argues that whole of government solutions designed in the UK for the purpose of enhancing horizontal coordination form an inadequate solution for Australia and the continuing difficulties with whole of government policies have, perhaps, contributed to the recent criticisms by Prime Minister John Howard of the Australian federation itself. We commence with a brief discussion of early Australian efforts at coordinating government service delivery through to the implementation of whole of government initiatives. The paper then explores three problems associated with whole of government in a federation: accountability, coordination and governance. We note that many of these problems may well be intractable and have contributed to the increasing criticism of the states by the Howard government and the evolution of its vision for a unitary state. The paper posits that the whole of government movement in Australia may well lead to a reinventing of government.

Early Australian efforts at integrating governments

A key distinction between the UK and Australia is the existence of a written constitution enumerating the exclusive powers of the federal government with the residual powers failing to be exercised by the states. The formal division of government powers in the Australian Constitution reflects a coordinated model, that is, an ideal of parallel and distinct governing entities, with the federal government having an overarching role (Painter 1998). In practical terms however, the essential character of the division of functions is concurrence, that is, many functions are shared not compartmentalised (Galligan 1995). In fact federal governments have increasingly exercised powers concurrently with the states in areas which are formally within the jurisdiction of the states. This has come about because the federal level of government collects the bulk of taxation revenue and directs expenditure toward purposes which are agreed with the states. Most notably this occurs in relation to education, health, housing, and roads.

Consequently it has been argued that the Constitution implicitly favoured federal-state cooperation (Hughes 1998).

Because of the potential and practical overlap of state and federal functions, there has always been a need to coordinate government services with a view to maintaining efficient utilisation of resources. To this extent, whilst the term whole of government might be new, the idea behind it is not. Since 1911 inter-departmental committees and task forces were utilised to coordinate various government services (Podger 2002). In the mid 1970s the Whitlam government initiated the Royal Commission into Australian Government Administration (RCAGA), which called for the breaking down of 'silos' through better coordination. It placed emphasis on local level service delivery in order to connect citizens with decision makers and proposed a 'one stop shop' where all federal and state government transactions could be conducted (RCAGA 1976). It was not until 1997 that the Howard government created Centrelink, one agency that would provide one point of access for a variety of government services, bringing "efficiency, convenience and quality of service" (Newman 1997).

While the Fraser government (1975-1983) largely maintained the status quo in relation to a cooperative federalism approach, it was the Hawke government (1983-1991) which established the Council of Australian Governments (COAG) as part of its New Federalism initiative. This initiative called for greater inter-government cooperation by focusing on improving economic efficiency through reduction of wasted resources due to overlap and duplication of service delivery between states and federal governments. One of the main advantages of this coordination effort was that it would bring 'greater efficiency through the elimination of duplication and that it will enable government to get things done' (Monro 2004, p. 1). With the election of the Howard government in 1996, however, much of the focus has been on horizontal integration. Indeed, a major government report on whole of government observed:

Whole of government denotes public service agencies working across portfolio boundaries to achieve a shared goal and an integrated government response to particular issues. Approaches can be formal and informal. They can focus on policy development, program management and service delivery (MAC 2004, p. 1)

The difficulties associated with integrating governments

In a multi-service provider environment, the problems associated with departmental silos of the 1970s and 1980s have been exacerbated. All three levels of Australian government utilise private-public arrangements to deliver publicly funded services. The complexity and size of the delivery network makes integration, coordination and accountability obscure. For example, in their study of contracting of government social services Johnston and Romzek (2004) noted that in a network which includes several levels of contractors and subcontractors, the performance of one party might be tied to the performance of others, thus affecting accountability.

The solution was perceived to lie in the greater cooperation between governments and this was strongly supported by the federal government. In a 2002 speech on strategic

leadership, Prime Minister Howard emphasised the pressing need for intergovernmental cooperation as part of the whole of government effort:

Some of the most challenging policy choices faced by government are those that cross the traditional boundaries between Cabinet ministers' portfolios and between the Commonwealth, State and Territory levels of government. These are whole-of-government problems and their resolution requires a long-term strategic focus, a willingness to develop policy through consultation with the community and a bias towards flexible delivery that meets local needs and conditions (Howard 2002, Foreword).

The Howard government has continued to utilise COAG to facilitate whole of government initiatives, emphasizing 'coordination and integration of services at the community level, particularly in rural and remote areas, and for Indigenous peoples' (Hunt 2005, p. 9). The approach seeks to coordinate government agencies, non-government service providers, not-for-profit providers and community groups. However, this is not easily achieved and this paper now turns to three key problem areas for Australian governments: accountability, coordination and governance.

Accountability Challenges

According to the Australian National Audit Office (ANAO), federal governments operate within a governance and accountability framework which requires agencies to:

- Ensure efficient, effective and ethical use of Commonwealth resources;
- Maintain adequate systems for recording processes and decisions;
- Ensure openness and transparency through a public reporting process, including the gazettal of certain information;
- Allow for external scrutiny, for example, by the Auditor-General and the Ombudsman;
- Protect personal information in accordance with Commonwealth legislation;
- Identify and protect official information in accordance with Commonwealth security requirements;
- On behalf of ministers provide evidence to the Parliament, acting through its various committees; and
- Respond to freedom of information requests in the interests of open government (ANAO 2001a, para 1.5)

Despite the ideals espoused by the ANAO, there remains no clear picture on government accountability for service provision in a multi-provider environment. First, we argue that ministerial accountability has not kept pace with the accountability an agency has for its own service. Second, little progress has been made by state and federal governments in terms of using performance indicators as a means of accountability. Third, information sharing between agencies remains problematic and finally, government accountability is seriously in question when private providers are at risk of corporate collapse. These issues will now be discussed.

1. Ministerial Accountability v Agency Accountability

There are at least two levels of accountability which must be considered when discussing government service provision. The first (and perhaps foremost) is the concept of ministerial accountability for matters within their portfolios. Since federation, Australian governments have operated hierarchical, or vertical accountability systems. In other words, public employees report through their supervisors, to department secretaries and finally, through to the minister holding the portfolio (Bartos 2004). This means that ministers are accountable to parliament (and ultimately to citizens) for the result of their policies and practices (Hughes 2003). Thus, vertical accountability represents a fundamentally democratic aspiration (Mulgan 2002). In Australia, vertical accountability occurs at both state and federal level and, given the likelihood that these governments will not share political persuasion or policies, linking them through whole of government represents a significant challenge.

A natural complication of vertical accountability in a federation is that targets set at the federal level are not easily achieved if they must be implemented by state governments and sometimes also by local governments, each with their own policy priorities. Under section 96 of the Australian Constitution, the federal government may provide funding grants to the states and territories. Key areas of funding include health, housing, urban development, education and roads. Increasingly, the federal government ensures its goals are met by awarding tied grants to the states. This means that the federal government specifies what the states must do with the funds, and in many instances, the grant is only awarded if the state matches the funding arrangement of the Commonwealth. Tied grants considerably reduce the freedom the states have in choosing how they use their budgets. Additionally, the fact that the states have a limited capacity to raise funds (as income tax is collected federally) they rely on tied grants for many of their activities.

The second level of accountability is the accountability an agency (private or public) has for its service. It is arguable that in gaining greater accountability for the discharge of a particular function (particularly in terms of market accountability), vertical accountability has suffered. As Mulgan asked: 'Are private contractors who provide a service to the public as accountable to the public as departmental officials providing a similar service' (2002, p. 2). The issue of accountability becomes even more cloudy when service delivery is fragmented within networks. Consider Rhodes' (2005, p. 6) observation regarding the consequences of privatisation, contracting out and the creation of purchaser-provider splits in the UK (which is even more apposite for Australia):

So, fragmenting services not only created new networks but it also increased the membership of existing networks. It increased the centre's dependence on multifarious networks, making steering more difficult, and creating the impetus to multiply the mechanisms for integration.

In addition, privatisation has led to fewer mechanisms for scrutiny such as opportunities for administrative review of decision making and freedom of information (Hodge 2004). Clearly, privatisation and contracting-out have increased the challenges for traditional vertical accountability and a consensus has emerged in the international literature that public sector modernisation has unsettled traditional models of ministerial and political

accountability (Behn 2001 cited in Pollit 2003). Contracts give rise for the need to manage service delivery relationships horizontally and across multiple service providers. In his study of accountability pressures in devolved public sectors, Considine (2002) noted that the so-called line between legislature and citizen is neither straight nor continuous, as there are actually several competing lines of accountability (2002, p. 27).

The increasing emphasis on accountability for the results of service delivery led recently by the Steering Committee for the Review of Commonwealth/State Service Provision – established by COAG – to stipulate accountability at a number of levels:

there are many users of performance monitoring information, all with an interest in the performance of the public sector. The large number of stakeholders, including taxpayers, employers, staff, consumers and the government, results in numerous lines of accountability (Steering Committee for the Review of Commonwealth/State Service Provision 2000, p. 16)

Given the diversity of stakeholders who use performance information, it has not been possible to develop a set of indicators that covers all their needs. Despite this, the need for measurable indicators remains at the core of measuring performance, and thus accountability as discussed below.

2. Accountability and Measuring Performance

In a recent discussion of problems associated with public sector accountability, Bartos (2004, p. 27) defined accountability as: ‘when a person or organisation reports on its performance to a person or organisation authorised to express a view, form a judgement, or take action on that performance’. Bartos argued that the same accountability issues facing government, identified in a 1993 report by the Management Advisory Committee, were still relevant today. The 1993 report found that accountability failures were due primarily to: the failure to specify the goals and purposes of organisations and their component parts; the structure of organisations particularly those with many layers of authority and organisations with multiple objectives.

The difficulty in measuring performance outcomes between the various players is a key problem in ensuring accountability. Accountability requires not only reporting on key performance indicators but also on project management reporting. The latter skill has been identified as lacking in public agencies in most nations (Rosenbaum 1999). An example of the difficulty in measuring accountability for outcomes in a multi-provider environment was illustrated in the Victorian Auditor General’s (2003) report on performance reporting. It found that in 2001, no provision existed for reporting of performance against government outcomes and related ‘measures of progress’ on a whole-of-government basis. Further, no cross-agency activities were monitored or measured. By 2003 the Victorian Auditor General reported that the state government was yet to ‘finalise the format and publication of the whole of government progress report. As a result, this significant accountability gap remains’ (2003, para 1.37). Examples of ministerial accountability failure in devolved public sectors abound in the literature (Polidano 1999; Gregory 1998). Many of the reported failures speculate on whether the

state sector reforms of the last twenty years or so have indeed enhanced political responsibility and managerial accountability (Gregory 1998, p. 234).

3. Accountability and Information Exchange

When government hands important services, on which citizens depend, to private providers, they remove themselves from the day to day running of the service. Subtle changes which need to be made to services are then dependent on the contractor's judgement. Key information and insights are lost to government. Accountability is an information driven process. It derives its accuracy from reporting requirements. This is problematic in a multi-provider environment, as discussed by Ling (2002) where private providers are in competition with each other and are reluctant to share information. The ANAO in its Annual Report for 1999-2000 noted that government audits on private providers may have consequences for the firm's reputation and thus affect its position in the market. This is particularly true of adverse audit comments on the actions or inactions of firms and their management practices. 'Commercial-in-confidence' clauses are used by private firms to prevent the release of information pertaining to the services that they deliver to government. In a recent review of Centrelink operations, Considine (2002) revealed that some one hundred private agencies involved in delivering services had strong incentives to guard their service delivery secrets. Centrelink found very difficult to bring together for training all of its contracted employment advisors because they believed they might reveal trade secrets and thus damage the competitive position of the agency that they represented (Considine 2002, p. 32).

The resolution of audit conflicts between government and its private providers remains a challenge for maintaining government accountability. As one commentator noted: '[Commercial-in-Confidence] is not just about keeping commercial information out of the public arena. Embedded in the struggle between transparency and commercial confidentiality are two distinct visions of governance' (de Maria 2001, p. 93). These two visions encompass, on one side, a traditional view of open government, clear lines of accountability and reporting to the public. On the other, modern governments typically ascribe to a market view of the economy, which upholds the values of competition and efficiency. In this environment commercial-in-confidence clauses are a reality, but they sit uncomfortably with a system of open accountability.

In 2001, the ANAO was asked to examine a number of contracts for government service delivery and to indicate whether there had been any inappropriate use of confidentiality provisions. The final report indicated that government provides inadequate information to private providers about their responsibilities to provide information and that private providers themselves are generally unable to discern which clauses should be private and which need not be (ANAO 2001b, para 4.43-4.47). While a follow up report indicated that many agencies were developing guidelines to assist contractors, the issue remains a concern regarding transparency, which the Auditor-General refers to as a 'a tension between the standards expected for public administration and the normal Cabinet conventions' (Barratt 2003, p. 14). It is a tension which has not yet been resolved despite the ongoing engagement of the private sector as public service providers.

4.Accountability and Government Risk

Governments now heavily rely on competitive tendering to deliver public services. This increases their exposure to corporate collapse and puts at risk the delivery of key services. The NSW member for Port Macquarie recently argued in the NSW Legislative Assembly (2003) that governments often behave as if their job is done once a contract has been awarded. He cited the example of the collapse of 12 King Bros bus companies on the mid North Coast of NSW, and its operations in Wagga Wagga. The company had been undergoing massive expansion and ran into financial difficulties culminating in its ceasing to trade. In fact, much of the expansion was fictitious with the company borrowing money for 300 new, but non-existent, buses. The company collapsed owing \$225 million. Only \$60 million had been collected from the sale of bus operations and fraud charges were subsequently laid against the owners (Hill 2003). At no stage prior to the collapse did the state government raise concerns about the company's activities. The repercussions of the business failure included not only the cessation of the school bus services to those regions but also the failure of the company to pay accrued staff entitlements.

In the case of corporate collapse, governments risk a number of key losses themselves:

- payments made in advance by government agencies can become unrecoverable;
- goods purchased (and paid for) will, if legal title has not passed to the government agency, remain the property of the insolvent company and be realised for the benefit of its creditors;
- legal title to goods paid for by the Government agency may not have even passed to the insolvent company as a result of retention of title clauses in agreements with the suppliers to the insolvent company; and
- government can find itself without a key supplier at short notice and with little opportunity to put alternative arrangements in place quickly (Maddocks Government Update 2003).

There are many examples of corporate failure and fraud associated with contracting out and outsourcing. Clearly, these behaviours are not pervasive, but we might ask why governments put themselves in positions of risk. Perhaps a difficulty lies in an assumption that government has the capacities to be an active and informed customer, skilled in contract management and knowledgeable about the market. The answer to these problems has been a greater emphasis on risk management. Like the performance measurement solutions for accountability problems, the solution of risk management is destined to remain largely in the rhetorical than the practical because of the difficulties of accurately and expediently assessing business risk, particularly when information is so easily classified as commercial-in-confidence.

Coordination Challenges

The extent of coordination required as a result of the plethora of actors involved in government service provision is vastly increased from that of the traditional model. Coordination must occur on at least three separate levels. First, at the individual or case level, there must be a degree of coordination between agencies and private providers to ensure that citizens in need of a range of services have access to them. There is no reason to expect private agencies to cooperate with each other. Under a market model for state

service delivery, firms win their contracts through competition. Many vie for the existing contracts held by others. There is little place for trust and information sharing here, as indicated earlier in the paper. A useful illustration of the extent to which information withholding has featured in public service delivery in the UK, was presented by Byrne (1997, p. 2) who reported that the multiplicity of service providers led, in one example, to single mothers having to attend 7 different agencies for services originally provided by one government agency. Then, because of the lack of coordination and information sharing by the agencies, duplication and inefficiencies resulted as citizens were interviewed and then re-interviewed by agencies, each operating independently of the others. In turn, greater sharing of citizen information has its own issues. Private firms holding citizen information on behalf of government has serious risk management implications (MAC 2004, p. 68).

Second, coordination between organisations must ensure that private providers have policies and practices commensurate with government needs and that they have adequate resources to conduct the task. This may entail a degree of joint planning and project management that despite the move towards whole of government approaches, there is yet no documented general legal or policy framework for cross-agency governance arrangements at the federal level. This means that accountability for cross-agency arrangements remains ambiguous.

Finally, system-wide integration of services such as might occur between welfare agencies, private service providers, police and hospitals adds another layer of complexity. Arguably, these would be hard to achieve even in the traditional government model. These cross agency governance arrangements were examined by the ANAO in its audit of the Federation Funds Programme. The report was critical of the coordination of the Programme because no Commonwealth department had overall responsibility for monitoring the performance of the various projects operated by the Programme against the Programme's objectives (Barrett 2003). The ANAO's solution was to create a 'lead' agency which had a performance monitoring role.

Recently, the MAC (2004) also considered the problem of coordinating the multiple service providers and agencies. Their report recommended a raft of coordination mechanisms:

1. Create larger portfolios to reduce the need for cross-boundary coordination;
2. Create briefing meetings and an annual retreat of portfolio secretaries and agency heads; Use existing committees of secretaries (for example, committees on national security, greenhouse policy, biotechnology, youth affairs and so forth) to discuss whole of government initiatives;
3. Create dedicated taskforces,
4. Create formal partnerships to deliver programs,
5. Expand the use of special purpose agencies which operate outside of department structures;
6. Create new bodies whose functions would be overall performance monitoring of international negotiations;
7. Expand the use of interdepartmental committees;

8. Create joint teams made up of employees from two or more agencies;
9. Create cross department partnerships in which one department or agency delivers services for another;
10. policy agencies which set policy for service delivery and then oversee the delivery without actually being involved directly (MAC 2004, pp. 21-42)

The proliferation of boards, taskforces, formal partnerships and special-purpose agencies adds an extra layer of complexity to the fragmentation it is designed to overcome. These are all indirect controls over the management of government services. Rhodes (2005, pp. 5-6) refers to this as the 'hollowing out of the state' and argues 'as the government substituted regulation for ownership, it also multiplied the watchdogs of, for example, the new private sector monopolies'. There are clearly implications for governance arising from this picture.

Governance Challenges

The purpose of governance is not simply to manage. While good government may be satisfied through the provision of services utilising a range of private and public arrangements, governance goes to the nature of the decisions, the process of decision making, and the development of social policy. Despite this, much of the effort put into ensuring that whole of government initiatives continue to be the only solution for governments, focus largely on better management through performance reporting aimed at gaining greater accountability and through, often complex, coordination units, designed to monitor and ensure there is no duplication or gaps.

So, what should we expect from governance? Generally, we would expect that social policy would be implemented on behalf of all citizens in terms of government's wider social and economic goals. The Australian position was recently debated in the Senate where it was articulated that the federal government cannot contract out of its responsibilities as a government:

Agencies remain accountable for the delivery of services, even where the service delivery is provided by the private sector. Central to the accountability principle is the need to maintain awareness of client needs and how they are being met (Australian Senate 2002, p. 1369)

Certainly, it is likely that the private sector will leave the issues of social need to the government. It follows then, that if these needs are not articulated in public policy through the contracting out process then they will not receive attention from the private sector (Rosenbaum 1999, p. 12). These concerns have been voiced elsewhere. The level of contracting out and privatisation in the US is so high, it led one researcher to comment that, at least in the field of human services, there are more government funded services provided by non-profit organisations than through government agencies and that the 'American welfare state is not run by the state at all, but by a host of non-governmental third parties' (Salamon 1989, p. xv).

Whole of government is not about integrating government. It is about selectively filling gaps in service delivery as identified on a case by case basis. If governance means more

than delivering better outcomes for individual clients, then these ‘whole of government’ mechanisms need to be examined more closely, as potentially, there will be citizens and communities who miss out. This is particularly the case for those who do not satisfy the cost-benefit analysis which often accompanies whole of government approaches. Further, private providers and government agencies have different priorities and business goals. Whilst governments may, to some extent, embrace this lack of clarity as it makes it difficult to attribute responsibility to any one group, it is not an indicator of good governance.

It is the contention of this paper that governance issues in Australia have been at the forefront of a significant shift in attitude by the federal government about the role of the states. Following earlier statements by the Prime Minister endorsing inter-government cooperation as part of the whole of government movement, years of tensions between state and federal governments have now crystallized following the election of 8 state and territory Labor governments. These tensions are playing themselves out in federal government actions towards a new federal model of governance.

Changing Federal-State Relations in Australia

Since his speech endorsing greater state-federal cooperation in pursuit of whole of government initiatives, Prime Minister Howard has been increasingly critical of the extent of state power in Australia and their ability to set their own rules. State rules have resulted in different standards for each state such as: different school starting ages and curricula; different professional and technical requirements for recognition; different state definitions and labelling requirements for products; different state safety standards; separate state drivers licences; the inability to trade electricity interstate; and ‘the fact that a cargo container going by rail from Sydney to Perth was subject to three separate rail systems, five separate safety regimes, four changes of locomotive, 10 different engineering standards and 12 or more hours at sidings and junctions for crew changes, refuelling and inspection’ (Abbot 2003). In other words, the federal government now objects to competitive federalism.

Howard recently revealed his hostility towards the federal system: ‘If we were starting Australia all over again, I wouldn't support having the existing state structure’ he said ‘I would actually support having a national government, and perhaps a series of regional governments having the power of, say, the Brisbane City Council (Australia's most powerful local government)’ (Howard cited in Colebatch & Tomazin 2005). Whilst acknowledging that this is not realistic, the government has moved to create significant changes to the federal-state responsibilities. These include:

- Establishment of new technical colleges in competition to state schools;
- Proposed take-over of health, industrial relations and workers’ compensation;
- Threat to remove \$AUS35 billion in funding from the states collected through the Goods and Services Tax

On their part, state governments and some constitutional researchers have already voiced concerns over the federal government’s moves to control the major shared sectors such as health and education: ‘This government is probably the most anti-federalist conservative

government in Australian history and it is exacerbated by the fact that all the states are Labor, so we are in for a period of some instability in federal-state relations' (Craven cited in Priest 2005, p. 12). Others see the moves to create a unitary state as reflecting the modern pressures of a commercially focused government. We argue these moves are indicative of the failure of whole of government to adequately deliver outcomes in a federation and they point to the forthcoming re-invention of government as a way of achieving greater control over a fragmented policy terrain.

Conclusions

Whole of government initiatives in Australia have demonstrated a range of problems associated with the difficulty demonstrating accountability, coordination and governance. This paper has argued that many of the plans to improve these areas have been driven by rhetoric which has been difficult to put into practice by the multiplicity of service providers operating across three tiers of government. At the same time, political circumstances have created a polarisation between the conservative federal government and the 8 Labor state and territory governments. As a result, whilst whole of government continues to be touted in Australia as the means by which greater cooperation will be achieved, the federal government is now moving to take over a range of functions currently conducted concurrently with the states. The result for Australia may well be a re-invention of government, though not quite in the spirit described by Osborne and Gaebler (1992).

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