The Rudd Government's Cooperative Federalism Reform Agenda 2007 - 2010

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Abstract

Prime ministerial power in the Australian federal context is somewhat constrained. This thesis investigates an Australian prime minister's power to achieve reform by examining Kevin Rudd's machinery changes to intergovernmental arrangements and his policy reform agenda in two key areas of shared responsibility.

Rudd committed his government (2007-2010) to transforming the federation and pursuing a significant reform agenda using a strategy of cooperative federalism. Rudd's explicit invitation to states and territories to be partners in this reform appeared in contrast to ongoing Commonwealth centralisation of policy and recent decades of increasingly coercive intergovernmental relations.

This study interrogates the notion of cooperative federalism which framed Rudd's approach to policy reform. It describes Rudd's centralising changes to the intergovernmental arrangements and examines his reform agenda in the areas of finance and health. Drawing on primary research of Rudd's parliamentary speeches and using a case study method, the research traces Rudd's reforms to intergovernmental finances and health from his pre-election commitments, through the policy development, to execution, focusing in particular on his engagement with the states and territories. The analysis shows that Rudd's policy solutions in finance and health were both centralist, but that the approach taken by him and his government differed across the two cases.

In pursuing his agenda to centralise financial and policy control under the Commonwealth Rudd recognised the need for a cooperative approach at the rhetorical level. However, the evidence reveals he did not always achieve such an approach through the policy-making process, and this limited his success in achieving his goals. To explain these findings the thesis adopts the theoretical lens of Discursive Institutionalism. This framework examines the ideas and discourse employed in the process of policy-making to identify the role of discourse in policy change or continuity. The analysis of case study evidence reveals the form of discourse that Rudd and his government held with states and territories and explains the relative success and endurance of the two policy reforms. The findings show that when Rudd and his government pursued a comprehensive policy discourse with the states and territories,
the reform was implemented and it endured. When Rudd and his government focused on the political discourse, the reform was inconsistently implemented and did not endure. This was in spite of the fact that the evidence also demonstrated that states and territories were not opposed to greater centralisation.

The thesis concludes that, irrespective of ambition and agenda, an Australian prime minister's capacity to achieve policy reform is influenced not only by institutional factors but may be significantly constrained by the form (policy or political) of the discourse and its depth (superficial or elaborate). This empirical research contributes to scholarship by deepening our understanding of prime ministerial power and extending our knowledge of the characteristics of Australian federalism.
Statement of Originality

This work has not previously been submitted for a degree or diploma in any university. To the best of my knowledge and belief, the thesis contains no material previously published or written by another person except where due reference is made in the thesis itself.

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Mary-Ann McQuestin
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Terminology and Abbreviations

1. 'States' refers to states and territories, except external territories.
2. 'First ministers' and 'leaders' are used interchangeably for premiers and chief ministers.
3. 'Commonwealth', rather than 'federal', is used to refer to the central government and its apparatus, to avoid confusion with the system of government. The exception is in Chapter Three where the broader term 'national' is used to refer to interview participants who worked at the national level but who were not necessarily from that level of government.
4. 'Central agencies' refers to Prime Minister and Cabinet, Premiers' departments, and Commonwealth and state treasuries and departments of finance.
5. The terms 'participant', 'player', and 'observer' are used variously to refer to people interviewed or those involved in the reforms.
6. Frequently used names and terms are abbreviated. When the name or term appears in the text or in a footnote, the full title is given for the initial occurrence in each chapter and the abbreviation is given for subsequent occurrences in each chapter. In citations the abbreviation is used. The exception to this approach is in relation to the names of Australian states and territories. Where these occur in the text or a footnote they are given their full name irrespective of how often they occur. In citations and references the abbreviation is generally used.

ABF - Activity Based Funding
ACEM - Australasian College for Emergency Medicine
ACT - Australian Capital Territory
AFTS - Australia's Future Tax System review (also known as the Henry review)
AGPN - Australian General Practice Network
AHCA - Australian Health Care Agreement
AHMC - Australian Health Ministers' Conference
AIHW - Australian Institute of Health and Welfare
ALP - Australian Labor Party
BCA - Business Council of Australia
BER - Building the Education Revolution
CAF - Council for the Australian Federation
COAG - Council of Australian Governments
CRC - COAG Reform Council
CTH - Commonwealth
DI - Discursive Institutionalism
DOFD - Department of Finance and Deregulation (Cth)
DOHA - Department of Health and Ageing (Cth) (See also DOHAC)
DOHAC - Department of Health and Aged Care (Cth) (See also DOHA)
DPC - Department of [the] Premier and Cabinet (NSW, QLD, SA, TAS, VIC, WA)
DPMC - Department of Prime Minister and Cabinet (see also PM&C)
DTF - Department of Treasury and Finance (WA)
FSR Committee - Federal-State Relations Committee (Victoria)
GFC - Global Financial Crisis
GP - General Practitioner
GPP - General Purpose Payment
GST - Goods and Services Tax (Cth)
HoR - House of Representatives
HoTs - Heads of Treasuries
IGAFFR - Intergovernmental Agreement on Federal Financial Relations
IGR - Intergenerational Report
LHN - Local Hospital Network
MBS - Medicare Benefits Schedule
NA - National Agreement
NBJP - Nation Building Jobs Plan
NCOA - National Commission of Audit
NCP - National Competition Policy
NHCA - National Healthcare Agreement
NHHN - National Health and Hospitals Network
NHHRC - National Health and Hospitals Reform Commission
NP - National Partnership
NPHT - National Preventative Health Taskforce
NPM - New Public Management
NRA - National Reform Agenda
NSW - New South Wales
NT - Northern Territory
OECD - Organisation for Economic Co-operation and Development
PBS - Pharmaceutical Benefits Schedule
PHI - Private Health Insurance
PM&C - Department of Prime Minister and Cabinet (see also DPMC)
SA - South Australia
S96 - Section 96 Payments
SCALC - Senate Community Affairs Legislation Committee
SF&PALC - Senate Finance and Public Administration Legislation Committee
SF&PARC - Senate Finance and Public Administration References Committee
SSCCA - Senate Standing Committee on Community Affairs
SSCF&PA - Senate Standing Committee on Finance and Public Administration
SPC - Special Premiers' Conference
SPPs - Specific Purpose Payments
VFI - Vertical Fiscal Imbalance
WA - Western Australia
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