



New Public Management in Australia: Past, Present and Future

Richard Shaw

IN **POUVOIRS 2012/2 No 141** , PAGES 117 TO 132

PUBLISHER **LE SEUIL**

ISSN 0152-0768

ISBN 9782021064292

DOI 10.3917/e.pouv.141.0117

Uploaded: 07/05/2012

Article available online at

<https://droit.cairn.info/journal-pouvoirs-2012-2-page-117?lang=en>



Discover the contents of this issue, follow the journal by email, subscribe...
Scan this QR code to access the page for this issue on Cairn.info.



Electronic distribution Cairn.info for Le Seuil.

You are authorized to reproduce this article within the limits of the terms of use of Cairn.info or, where applicable, the terms and conditions of the license subscribed to by your institution. Details and conditions can be found at cairn.info/copyright.

Unless otherwise provided by law, the digital use of these resources for educational purposes is subject to authorization by the Publisher or, where applicable, by the collective management organization authorized for this purpose. This is particularly the case in France with the CFC, which is the approved organization in this area.

RICHARD SHAW

NEW PUBLIC MANAGEMENT IN AUSTRALIA: PAST, PRESENT AND FUTURE

INTRODUCTION

With its neighbour New Zealand, Australia was in the vanguard of the new public management (NPM) in the late 1980s and the 1990s (Halligan 2003, 2007; Jones and Kettl 2003; Lindquist 2010). During that period the federal bureaucracy – the Australian Public Service (APS) – was comprehensively transformed. Influenced by the new, private sector-inspired theories sweeping much of the OECD world, departments were restructured, employment arrangements were overhauled and service delivery was outsourced. Australia's reformers may have adopted a more pragmatic approach to reform than was the case in New Zealand, and taken a little more time (Halligan 2007), but by the turn of the century the NPM project was substantially complete.¹

This article explores the impact of NPM thinking on institutional arrangements in the APS.² It begins by briefly describing the structure of the APS and setting out the intellectual bases and major initiatives of the NPM reforms. In an attempt to establish the extent to which

1. The use of the definitive article is perhaps open to contest for, as Jones and Kettl (2003: 13) point out, 'manifestations of [new] public management reform are many and varied'. Australia's experiences were broadly consistent with those of other nations, but the particulars (the political determinants of reform; timing; sequencing; the problems addressed; etc.) were specific to Australia.

2. Accordingly the discussion does not extend to the various state-level or local public services.

NPM remains the orthodox approach to thinking about public sector arrangements in Australia, the contents of the most recent reform initiative, launched in March 2010, are then examined. The article concludes with several reflections regarding the ongoing influence (or otherwise) of NPM in Australia.

THE INSTITUTIONAL LANDSCAPE IN AUSTRALIA

Other contributions to this edition have explored Australia's constitutional arrangements.³ In the context of this piece it simply needs reiterating that Australia is a member of the Westminster family of nations. Rhodes and Weller (2005: 7) suggest that the notion of a Westminster model is captured in five components:

- II – the concentration of political power in a collective and responsible cabinet;
- the accountability of ministers to parliament;
- a constitutional bureaucracy with a non-partisan and expert civil service;
- an opposition acting as a recognised executive-in-waiting as part of the régime;
- parliamentary sovereignty with its unity of the executive and legislative branches.

In this article the focus is squarely on the third of these defining elements. In particular, it is on the impact of NPM thinking on the APS: a non-partisan, professional corps of civil servants constituting an 'institutional counterbalance to the majoritarian concentration of power in the executive' (Wanna 2005: 175).

The structure and responsibilities of the APS are established in the Public Service Act 1999 (previously the Commonwealth Public Service Act 1902 and Public Service Act 1922). The legislation, under which all federal public servants are employed, establishes the APS as an impartial, career-based service with appointments made on the basis of merit. A departmental secretary who is directly responsible for the efficient and effective management of his or her agency heads each department. Since 1994 the prime minister – who is not constrained by the merit principle in this respect – has enjoyed the authority to appoint departmental secretaries on contracts of up to five years.

3. See also the website of the Australian Public Service Commission (<http://www.apsc.gov.au/about/expspreform.htm>).

The APS presently numbers some 160,000 public servants employed in 20 government departments and more than 80 other agencies with varying degrees of statutory autonomy. Several central agencies (the Department of the Prime Minister and Cabinet, the Treasury, the Department of Finance and Deregulation and the Australian Public Service Commission) are responsible for the over-arching legislative, financial and employment framework within which the APS operates.⁴

A BRIEF HISTORY OF PUBLIC SERVICE REFORM IN AUSTRALIA

During the late 1980s, and especially under the early centre-right Howard administrations of the 1990s, the APS was subject to a comprehensive process of institutional reform. Frequently, via self-reform, it was also the instigator of change. In a recent speech the Australian Public Service Commissioner, Steve Sedgwick, reflected on the Australian experience, observing that:

Over the last twenty years the APS has focused on improving its productivity and effectiveness through substantial organisational and financial reforms. The main responsibilities for financial and resource management have been devolved away from central agencies of government and given to the heads of the individual APS departments or agencies. These departments or agencies have also had to meet the 'efficiency dividend' by finding more cost-effective ways to carry out their business and respond to periodic program reviews and similar opportunities to reinvent programs or their administration.⁵

The Commissioner's comments demonstrate the extent to which NPM principles have shaped what has occurred in Australia.⁶ In broad terms, 'NPM' describes the application (and often adaptation) of private sector management disciplines and techniques to the deployment of resources in the public sector. In contrast to previous approaches to public administration, with their emphases on hierarchies and standardised

4. The ASPC's State of the Nation series contains detail on the profile of the APS workforce.

5. <http://www.apsc.gov.au/media/sedgwick191110cpa.htm> (retrieved 19.9.11).

6. While the focus here is restricted to NPM there were other theoretical influences on the reform process, including rational choice theory and the new institutional economics analyses of adverse selection and moral hazard.

operating procedures, the NPM identifies managerial flexibility, operational autonomy and competitive markets for public services as crucial ingredients in improved public sector performance. Above all else, NPM is about contractualism (Lane 2000: 4): the defining feature of the NPM reforms introduced in the 1980s and 1990s in New Zealand, Australia, the United Kingdom and elsewhere was the use of contracts to regulate relations between ministers and officials, the heads of government departments and their employees, and those who fund public services and those who provide them.

IV In the Australian context, other influential NPM ideas included that a public bureaucracy is an inherently inflexible and inefficient institutional form, unable to respond quickly to citizens' changing needs and inclined to become bogged down in administrative minutiae. The propositions that centralised management hampers the efficient allocation of resources across the public service, and that the devolution of financial and other management responsibilities down to the departmental level enhances performance were also important. Briefly, the diagnosis was that APS departments were unresponsive, cumbersome and inefficient; the prescribed remedy was an injection of private sector management disciplines and processes ...

In the Australian context not all of this thinking was new. For some time Australia had been comfortable with a measure of contestability in the provision of public services. Further, concerns regarding the performance of the APS had been identified as far back as 1976, when the Royal Commission on Australian Government Administration (the Coombs Commission) had pressed for greater responsiveness on the part of the bureaucracy to government's priorities, enhanced departmental efficiency and effectiveness and an increase in community participation in government processes.

What was novel, perhaps (although it was wholly consistent with what was occurring at the same time in other Westminster contexts), was the extent to which the Australian reforms were informed by principles plucked from the private sector. Reflecting the contemporary dominance of NPM, the institutional prescription advanced by the architects of Australia's 'managerial revolution' (Mulgan 2010: 290) included the:

- Institutional division of functions. For instance, departments which had previously provided policy advice and delivered services were sometimes restructured such that those functions were located in different agencies. Responsibility for (a) purchasing and (b) providing public services was also typically split, which had the dual effects of

reducing public sector monopolies over service provision and of creating (or strengthening existing) markets for publicly-funded services.

– Establishment of limited-term employment contracts for departmental secretaries. The secretaries had previously enjoyed permanent tenure, but this was changed in the interests of enhancing individuals' accountability for departmental performance. Correspondingly, managerial flexibility was increased through the devolution to individual departmental secretaries of responsibility for staffing arrangements in their agencies, including the determination of remuneration and terms and conditions of employment. This entailed deregulating the APS by applying industrial relations and employment arrangements that applied in the wider workforce to the public sector.

– Introduction of public financial management systems appropriating resources on the basis of output costs. Traditionally, departments received parliamentary appropriations assessed against the cost of their inputs. Under the new arrangements, however, departments were to be funded according to the costs of the services they produced (or purchased). In part, the changes were intended to improve the quality of information available to ministers; they were also designed to limit the extent to which senior bureaucrats could overstate the size of their budgets.⁷

The NPM antecedents of these initiatives are clear enough. The structural reforms were intended to clarify the functions for which departments were responsible, and greater competition between suppliers in the public, private and voluntary sectors was to be encouraged. Further, the decentralisation of financial management and the deregulation of employment arrangements rested on the NPM conviction that departmental performance would be improved by 'letting the managers manage'. In practice, this required establishing individual departmental secretaries as the employers of their workforces and holding them responsible for departmental performance.

The corollary of this new autonomy was tighter control over the bureaucracy. Reflecting a long-standing desire for greater responsiveness to the government-of-the day, the NPM reforms were fundamentally concerned with asserting 'the primacy of representative government over bureaucracy' (Aucoin 1990: 115). In the context of the new public

7. The principal statutory instruments of these and other reforms included the Public Service Reform Act 1984, the Workplace Relations Act 1996, the Financial Management and Accountability Act 1997 and the Public Service Act 1999 (which was expressly enjoined the APS to operate 'efficiently and competitively, and in line with best practice in overseas public services and in the private sector').

service bargain, officials accepted greater accountability for performance as the trade-off for management and operational autonomy. Typically, the new accountability arrangements found expression in the contractual specification of the responsibilities and prerogatives of (political) principals and (bureaucratic) agents. Specific examples include the introduction of time-limited employment contracts (not only for departmental secretaries but also for other senior managers) and agreements between ministers and departments specifying the bundle of outputs to be delivered by the latter in return for parliamentary appropriations secured by the former. In material terms, 'letting the managers manage' often amounted to 'making the managers manage'.

NEXT GENERATION REFORMS

VI

None of this is 'new' any longer. More than sufficient time has passed for the NPM reforms to bed down, for assessments of the changes to be reached and for subsequent modifications to be made.

It is acknowledged that the reforms delivered some gains in efficiency and productivity and, in certain instances, in the effectiveness of departmental performance. Further, there has been applause for 'the flexibility and performance orientation of NPM ... [and] the reduction in internal regulation and the focus on organisational performance more generally' (MacDermott 2008: 129) occasioned by the changes.

Equally, the 'excesses and limitations' (Halligan 2007: 224) of NPM have also become apparent. Criticisms include that devolution produced significant variations in terms and conditions of employment across agencies, damaged workplace morale and undercut unity of purpose within the APS (Halligan 2010; Newman and Lawler 2009). An over-riding concern with the efficiency criterion squeezed out a complementary focus on the effectiveness of policy implementation, and individual departments tended to concentrate – perfectly rationally, given the incentives to do so – on their own performance at the expense of a whole-of-government focus. The contractual quantification of performance has perhaps encouraged managers to restrict their focus to what can be measured. There is a view, too, that there have been instances in which prime ministerial exercise of the prerogative to appoint departmental secretaries has threatened the impartiality of the APS.⁸

8. In 1996, for instance, in a move widely seen as stamping his authority on the APS, John Howard, the incoming prime minister, dismissed six incumbent departmental secretaries.

(Conversely, the argument that the public service has been politicised, in the sense of having crossed the 'line between proper responsiveness to the elected government and undue involvement in the government's electoral fortunes' (MacDermott 2008: 129), is less frequently heard.)

More tellingly, in recent times it has become clear that reforms instigated a quarter of a century ago are incommensurate with the contemporary circumstances facing the APS. The minister responsible for the APS, the Hon. Gary Gray, recently captured the magnitude of these challenges, noting that:

today's public servants, like their predecessors, need to face complex social, economic and policy challenges, whether that is Indigenous health and life expectancy, climate change, rapid economic change, [or] location specific economic opportunities and challenges. Today's public servants need to respond to today's issues using a whole-of-public service approach not just because the big problems are best addressed in that way, but principally because the people they serve expect as much. The APS needs to be able to partner with the private sector. Big ideas must be converted into practical programs. And programs must be responsive to the needs of our citizens. These needs are fluid, and public sectors around the world are seeing change driven by the security environment, economic and environmental upheavals, public health crises such as avian influenza, restricted government finances, the GFC, its aftershocks and more.

With new times have come fresh ways of thinking about arrangements within the APS and a corresponding drift away from orthodox NPM. Halligan (2010: 36-37) identifies three phases in this process.⁹ The first coincided with the early part of the present century and was characterised by a reduced emphasis on competition, contractualism and outsourcing and a somewhat less doctrinaire approach to issues of public management. The second (accelerated by the election in 2007 of a centre-left Labor Government) saw the resurrection of a role for central agencies in providing strategic policy advice and monitoring public service-wide performance, a new emphasis on the effects of

In contrast, following his 2007 election victory Prime Minister Kevin Rudd appointed five new departmental secretaries during a 20-month period.

9. For equivalent analyses of post-NPM developments in New Zealand, typically considered the most extreme example of NPM reform, see Boston and Eichbaum (2006), Duncan and Chapman (2010) and Halligan (2007).

implementation on citizens and a renewed interest in whole-of-government considerations.

VIII The third and most recent phase was ushered in with the release in 2010 of *Ahead of the Game: Blueprint for the reform of Australian Government Administration* (AGRAGA 2010). This most recent review of the APS, which incorporated the foci of several other reviews which were already in train, was triggered by a concern that the federal public service lacked the capability and sense of direction required to move forward in an increasingly demanding environment.¹⁰ Chaired by the head of the Department of the Prime Minister and Cabinet, Terry Moran, the advisory group responsible for the review was tasked with ensuring the APS is able to ‘meet the tests of a new century and stay ahead of the game’ (AGRAGA 2010: viii). To that end the Blueprint sets out 28 specific recommendations (all of which have been accepted by the government) in nine reform areas which themselves sit beneath four core themes:

- a stronger relationship between government and citizens (including in the design of services);
- strengthened public service capacity to provide strategic and operational advice;
- investing in the capability of the APS workforce (e.g. through aligning working conditions across agencies); and
- a focus on departmental efficiency, quality and performance (AGRAGA 2010).¹¹

AHEAD OF THE GAME OR MORE OF THE SAME?

The Blueprint sets the scene for the next generation of reform in the APS. Whether or not the changes it presages ever eventuate will, of course, depend on a range of factors; as Lindquist (2010: 121) points out, even though it was ‘[p]resented as a two-year transformation, [the Blueprint] will more likely be a decade long change process that will move forward in fits and starts even if there continues to be political cover and active top APS engagement’ (to which list of preconditions should be added benign fiscal conditions).

10. Lindquist (2010) reviews the Blueprint and assesses associated implementation issues.

11. Preliminary work has since begun on some of the corresponding projects. Project information can be found at the website of the Australian Public Service Commission (<http://www.apsc.gov.au/apsreform/index.html>). The site also holds other documentation, including a discussion paper and a benchmarking study which informed the Blueprint.

Implications for practice

In the context of this article, however, implementation considerations are of less concern than is the question of whether the Blueprint represents a continuation of the trajectory of NPM reform established in the 1980s, constitutes a qualitative rupture with that trend or falls somewhere between those two poles.

While it is not expressly positioned as such, the Blueprint can be read as a rejoinder to several NPM verities. For one thing, its authors acknowledge that too much institutional devolution can be harmful and envisage some return to the in-house provision of services which are presently outsourced. The recommendations directed at aligning working and employment conditions across agencies recognise the importance of re-asserting the sense of a unified APS (by, for instance, facilitating staff mobility across agencies). The calls for closer linkages between policy and implementation, and between agencies generally, are an implicit repudiation of the NPM penchant for organisationally dividing functions.

Contra the NPM emphasis on inter-agency competition the Blueprint entertains greater collaboration across departmental boundaries (in the form of cross-agency teams, the sharing of expertise across departments and networking between delivery agencies). Consistent with this is the sense that the over-specification of performance targets *ex ante* can be counter-productive, hindering departmental cooperation and preventing managers from responding to rapidly changing circumstances. The Blueprint contains an implicit acceptance that a measure of centralisation is a good thing. There is no suggestion of a return to the days of full-blown centralised control of human, financial and other resources, but there is an acknowledgement that the central agencies are responsible for charting a collective way ahead and monitoring progress against that vision.

Significantly, too, the Blueprint reinforces the emphasis on the successful achievement of results (although it also pays considerable attention to ways in which further efficiencies might be squeezed out of agencies). More than this, it recommends the development of shared policy outcomes across portfolios (and better models for partnerships between APS agencies and private and voluntary sector providers). In statutory terms the original NPM reforms did not preclude a concern with outcomes, but in practice this proved difficult to achieve. In the event, '[b]asic information on inputs was lost in the changeover, and

reporting of outcomes [was] seriously inadequate' (Tanner 2008: 4; cited in Halligan 2010: 41).

Theoretical bases

While the Blueprint may look like a step into a post-NPM world, its theoretical antecedents are difficult to identify clearly. Where NPM reforms typically flowed more or less coherently from theoretical principles established *ex ante*, the conceptual foundations of the Blueprint's recommendations are more elusive.

x This may simply be because, in the Australian spirit of pragmatism, the review's authors have drawn on best practice in a range of other jurisdictions – which amplifies the difficulty of identifying a single source of theoretical inspiration. Moreover, the challenges associated with making sense of any one jurisdiction's experiences using paradigms distilled from multiple country contexts are well documented, as are those of unambiguously determining when one reform epoch ends and another begins (see Christensen and Laegreid 2007; Jones and Kettl 2003; Ramia and Carney 2010). Finally, if it is true that NPM has gradually 'lost its lustre as [a] guide for reform' (Lindquist 2010: 116) it is equally the case that no one alternative appellation has definitively replaced it, notwithstanding an impressively long list of candidates, including post-NPM (Lodge and Gill 2011), new public governance (Aucoin 2006), integrating governance (Halligan 2007), digital era governance (Dunleavy *et al.* 2005), the neo-Weberian state (Dunn and Miller 2007) and public value (PV) (Moore 1995).¹²

The last of these is of particular interest, given that Australian scholars (and scholars based in Australia) are responsible for a good deal of the emerging PV literature (Alford 2008; Alford and Hughes 2008; Alford and O'Flynn 2009; Colebatch 2010; Grube 2011; O'Flynn 2007; Rhodes and Wanna 2007, 2009). PV has been defined as 'the next big thing in public management' (Talbot 2009: 167). Perhaps most closely associated with the work of Moore (1995) and Benington (2009, 2011), PV eschews NPM's competitive orientation and calls for the 'closer linking of users and producers in creative joint development of [public] products and services' (Benington 2009: 236). In other words, what distinguishes

12. Lindquist (2010: 135) quips that the 'irony, though, is that many of these contenders gather up many of the themes embraced by the New Public Management family of ideas and tap into notions of citizen engagement and collaboration that have existed for three or more decades'.

the PV approach to public management is a dialogical process in which citizens and public servants jointly determine what public services are to be offered. Contra NPM, which conceives of citizens as consumers, under a PV régime citizens play a full part in deciding which services are considered valuable.

Some of the Australian scholarship consciously positions PV as a normative and prescriptive alternative to NPM. O'Flynn (2007: 353), for instance, describes PV as a 'paradigmatic change which attempts to redefine how we think about the state, its purpose and thus ways of functioning, operating and managing'. Other Australian scholars are also eschewing the NPM faith in market-based delivery mechanisms, arguing for a PV approach in which stakeholders are 'open to the utilization of any of a variety of means to achieve program purposes ... consistent with the important values at stake' (Alford and Hughes 2008: 131). On the other hand, Australia has also been the source of the most trenchant criticism of PV. Rhodes and Wanna (2007, 2009) have been especially outspoken in deriding PV for the prominent role it accords public servants in determining policy outcomes.

In any event the extent to which PV has had any significant empirical bearing on institutional arrangements in Australia (or, for that matter, internationally) remains unclear. This is partly because there is no consensus regarding a distinctive PV theory of governance from which principles of organisational design might be deduced (see Stoker 2006). Thus, while calls in the Blueprint for inter-agency collaboration and citizen involvement in the design and delivery of policy may well be consistent with PV, they are also congruent with other critiques of NPM.

If anything, the language of the Blueprint is most consistent with the governance strand of the public administration and political science scholarship. That literature has emerged as a means of making sense of what Rhodes (1996, 2007, 2011) characterises as the 'differentiated polity' and the 'hollowed-out state' (to both of which phenomena NPM has contributed). In this respect governance, too, is not in the first instance concerned with articulating prescriptions for institutional design: its principal utility lies in its nuanced explanations of empirical arrangements.

That said, the Blueprint's recommendations can be interpreted as responses to the deficits associated with the core concerns of governance, such as institutional fragmentation, diversity of organisational form and the distributed nature of executive authority. Clearly, that does not establish that the review's authors explicitly based their review on the

governance literature, but the rhetoric in and intent of the Blueprint are broadly consistent with such an analysis.

CONCLUDING COMMENTS

The task of theoretically pigeon-holing the Blueprint will doubtless occupy scholars for some time to come. What matters here is that, in conjunction with other changes introduced earlier in the 21st century, the directions it signals are congruent with Halligan's (2007: 218) observation that 'the more stark manifestations of new public management now have less prominence in practice'. It is therefore reasonable to ask: Is NPM still the dominant paradigm for administrative reform in Australia?

XII Any response to that question must necessarily be equivocal (and not only for the reasons noted in the previous section). On the one hand there has unquestionably been a change in rhetoric and emphasis (which predates the Blueprint). In the speech cited above the minister responsible for the APS noted that '[i]n a challenging world the 'new' APS is increasingly about governance, and at its core that is about a partnership between state, economic imperatives and civil society.' Alongside the terms efficiency, markets and competition, the reformers' lexicon now also includes partnership, integration, governance and joined-up government.

Having long since reached the point of diminishing returns, neither is structural reform – perhaps the defining characteristic of NPM – any longer the first tool for which reformers reach. Only one agency, in fact (the Australian Public Service Commission), is 'singled out for ... structural change in a Blueprint that otherwise avoids using machinery-of-government solutions to address the challenges it identifies' (Lindquist 2010: 143). Instead, the guardians of the APS are seeking new ways of tackling increasingly complex and intractable policy issues. The attention to holism, joined-up government, effective outcomes and citizen involvement in government adds up to a sense that things have moved on from the high water mark of NPM.

However, while the Blueprint is rhetorically consistent with the drift away from orthodox NPM principles, this does not foreshadow their repudiation. In an empirical sense the institutional foundations established during the 1980s and 1990s remain substantially in place. Appropriating on the basis of outputs has not been abandoned, efficient public service performance and accountability remain priorities for government, permanent secretaries are still on time-limited contracts,

the employment function has not been recentralised and markets remain central to the delivery of services. The Blueprint presages ‘soft’ rather than ‘hard’ reform and in its focus on capacity, capability, relationships and networks it privileges evolution above revolution.

Notions of path dependency (which stress institutional continuity) and sedimentation (which describes the cumulative effects of adding new public management models to earlier ones) go some way to explaining why this most recent round of reforms does not constitute a complete rupture with the past. Rather, the general thrust of the Blueprint is consistent with the sentiments of those for whom a break from the NPM is:

undesirable. Some aspects of NPM are now uncontested. ... The problem, then – at least the problem from the point of view of a sustainable public service in a Westminster system – is to retain the flexibility and performance orientation of NPM but to reduce the negative impact of existing drivers or to introduce more balanced drivers. These are not mutually exclusive alternatives (MacDermott 2008: 129).

XIII

Hybridity is a feature of public management régimes and public sector reform is never complete. It makes best sense, then, to consider the Blueprint as part of an ongoing adaptive process characterised by ‘considerable continuity mixed with ad hoc and politically motivated changes that have generated diversification rather than a new era or paradigm’ (Lodge and Gill 2011: 142). A new layer may have been added, but NPM remains the bedrock of the Australian Public Service.

DR RICHARD SHAW, Associate Professor, Politics Programme, Massey University, New Zealand. R.H.Shaw@massey.ac.nz

BIBLIOGRAPHY

- Alford, J. 2008. ‘The Limits to Traditional Public Administration, or Rescuing Public Value from Misrepresentation’, *Australian Journal of Public Administration*, 67(3): 357-366.
- Alford, J. and Hughes, O. 2008. ‘Public Value Pragmatism as the Next Phase of Public Management’, *The American Review of Public Administration*, 38(2): 130-148.

- Alford, J. and O'Flynn, F. 2009. 'Making Sense of Public Value: Concepts, Critiques and Emergent Meanings', *International Journal of Public Administration*, 32(3-4): 171-191.
- Aucoin, P. 2006. 'After new public management goes awry in Canada: changing the way government works or simply changing the guard?', *Public Sector*, 29(2), 3-6.
- Aucoin, P. 1990. 'Administrative reform in public management: paradigms, principles, paradoxes and pendulums', *Governance*, 3(2): 115-137.
- Advisory Group on the Reform of Australian Government Administration (AGRAGA) 2010. *Ahead of the Game: Blueprint for the reform of Australian government administration*. Canberra: Commonwealth of Australia.
- XIV Australian Public Service Commission (APSC). 2010. *State of the Service Report. State of the Service Series 2009-10*. Canberra: Commonwealth of Australia.
- Benington, J. 2009. 'Creating the Public in Order to Create Public Value?' *International Journal of Public Administration*, 32(3-4): 232-249.
- Benington, J. and Moore, M. (eds.) 2011. *Public Value: Theory and Practice*. Basingstoke: Macmillan.
- Boston, J. and Eichbaum, C. 2006. 'State Sector Reform and Renewal in New Zealand: Lessons for Governance', in Caiden, G. and Tsai-Tsu Su (eds.) *The Repositioning of Public Governance: Global Experience and Challenges*. Taipei: Taiwan National University.
- Colebatch, H. 2010. 'Valuing Public Value: Recognising and Applying Knowledge About the Governmental Process', *Australian Journal of Public Administration*, 69(1): 66-78.
- Christensen, T. and Laegreid, P. 2007. (eds.) *Transcending New Public Management: The Transformation of Public Sector Reforms*. Surrey: Ashgate.
- Duncan, G. and Chapman, J. 2010. 'New Millennium, New Public Management and the New Zealand Model', *Australian Journal of Public Administration*, 69(3): 301-313.
- Dunleavy, P., Margetts, H., Bastow, S. and Tinkler, J. 2005. 'New Public Management Is Dead—Long Live Digital-Era Governance', *Journal of Public Administration Research and Theory*, 16: 467-494.
- Dunn, W. and Miller, D. 2007. 'A Critique of New Public Management and the Theory of the Neo-Weberian State: Advancing a Critical Theory of Administrative Reform', *Public Organization Review*, 7(4): 345-358.

- Grube, D. 2011. 'What the Secretary Said Next: 'Public Rhetorical Leadership' in the Australian Public Service', *Australian Journal of Public Administration*, 70(2): 115-130.
- Halligan, J. 2010. 'The Australian Public Service: new agendas and reform', in Aulich, C. and Evans, M. (eds.) *The Rudd Government: Australian Commonwealth Administration 2007–2010*. Canberra: ANU E-Press.
- Halligan, J. 2007. 'Reintegrating Government in Third Generation Reforms of Australia and New Zealand', *Public Policy and Administration* 22(2): 217-238.
- Halligan, J. 2003. (ed.) *Civil Service Systems in Anglo-American Countries*. London: Edward Elgar.
- Jones, L. and Kettl, D. 2003. 'Assessing Public Management Reform in an International Context', *International Public Management Review*, 4(1): 1-18.
- Lane, J-E. 2000. *New Public Management*. London: Routledge.
- Lindquist, E. 2010. 'From Rhetoric to Blueprint: The Moran Review as a Concerted, Comprehensive and Emergent Strategy for Public Service Reform', *Australian Journal of Public Administration*, 69(2): 115–151.
- Lodge, M. and Gill, D. 2011. 'Toward a New Era of Administrative Reform? The Myth of Post-NPM in New Zealand', *Governance*, 24(1): 141–166.
- MacDermott, K. 2008. *Whatever Happened to Frank and Fearless? The impact of the new public management on the Australian Public Service*. Canberra: ANU E-Press.
- Moore, M. 1995. *Creating Public Value: Strategic Management in Government*. Cambridge, Massachusetts: Harvard University Press.
- Mulgan, R. 2010. 'Where have all the ministers gone?', *Australian Journal of Public Administration*, 69(3): 289-300.
- Newman, S. and Lawler, J. 2009. 'Managing health care under New Public Management : A Sisyphean challenge for nursing', *Journal of Sociology*, 45(4): 419-432.
- O'Flynn, J. 2007. 'From New Public Management to Public Value: Paradigmatic Change and Managerial Implications', *Australian Journal of Public Administration*, 66(3): 353-366.
- Ramia, G. and Carney, T. 2010. 'The Rudd Government's Employment Services Agenda: Is it Post-NPM and Why is that Important?', *Australian Journal of Public Administration*, 69(3): 263–273.
- Rhodes, R. A. W. 2011. 'Thinking On: A Career in Public Administration', *Public Administration*, 89(1): 196–212.
- Rhodes, R. A. W. 2007. 'Understanding Governance: Ten Years On', *Organization Studies*, 28: 1243-1264.

- Rhodes, R. A. W. 1996. 'The New Governance: Governing Without Government', *Political Studies*, XLIV: 652-667.
- Rhodes, R. A. W and Wanna, J. 2009. 'Bringing The Politics Back In: Public Value in Westminster Parliamentary Government', *Public Administration*, 87(2): 161-183.
- Rhodes, R. A. W. and Wanna, J. 2007. 'The Limits to Public Value, or Rescuing Responsible Government from the Platonic Guardians', *Australian Journal of Public Administration*, 66(4): 406-421.
- Rhodes, R. A. W. and Weller, P. 2005. 'Westminster transplanted and Westminster implanted: Explanations for political change', in Patapan, H., Wanna, J. and Weller, P. (eds), *Westminster Legacies: Democracy and Responsible Government in Asia, Australasia and the Pacific*. Sydney: UNSW Press.
- XVI Steane, P. 2008. 'Public Management Reforms in Australia and New Zealand', *Public Management Review*, 10(4): 453-465.
- Stoker, G. 2006. 'Public Value Management: A New Narrative for Networked Governance?', *American Review of Public Administration*, 36(1): 41-57.
- Talbot, C. 2009. 'Public Value: The Next "Big Thing" in Public Management?' *International Journal of Public Administration*, 32 (3-4): 167-170.
- Tanner, L. 2008. *Operation Sunlight: Enhancing budget transparency*. Canberra: Commonwealth of Australia.

 A B S T R A C T

Two decades ago Australia was in the vanguard of the new public management (NPM): departments were restructured, markets for public services were created or strengthened and service delivery was outsourced as reformers set about applying private sector principles in the public service. This article explores the impact of NPM thinking on institutional arrangements within the Australian federal bureaucracy. To establish whether NPM remains the dominant influence on thinking in Australia, a recent major review of the Australian public service is also examined. The article concludes that while the bases of the original NPM reforms remain substantially in place, NPM orthodoxy is being eroded by new ways of thinking about public administration.