

Agencification in the Australian Public Service: the Case of Centrelink

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David Rowlands
Student 796617

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Summary

Agencification—the creation of autonomous agencies within the public service—has been occurring in many jurisdictions. It has usually had a rationale of improving the way in which government works. Generally, agencies are expected to provide more flexible, performance-oriented, responsive public services. The purpose of this work is to examine a particular example of agencification in the Australian Public Service (APS) and to compare it analytically with similar occurrences elsewhere. Specifically, it will examine the splitting of the former Department of Social Security (DSS) into two separate organisations, a policy department and a service delivery agency operating under a purchaser-provider arrangement, Centrelink. It will do this in the context of theories of agencification and of practical experience of agencification elsewhere. It will analyse why agencification has happened in this case and what the experience has shown, focusing on the role, governance, accountability and prospects for the new arrangements. This, the most prominent and substantial case of agencification in the Australian government, will be compared with the agencification experience reported in other jurisdictions—the United Kingdom and New Zealand. It will address why Centrelink came about, what the outcome has been of the change in institutional arrangements, and what the likely future is of the Centrelink arrangements. It will show that, when examined closely, the mechanisms bringing about agencification have been diverse. However, there are parallels in the experience. This leads to a conclusion that the current Centrelink arrangements are not stable in the long term, and some aspects—such as the purchaser-provider arrangement—should be set aside.

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