

# Chapter 1

## Federalism under the Rudd and Gillard Governments

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### I Introduction

As Leader of the Opposition, Kevin Rudd made reform of Commonwealth–state<sup>1</sup> relations a key plank in his pre-election policy platform. He called his approach ‘cooperative federalism’ and launched it against the backdrop of the Howard government’s centralism, claiming it would bring ‘lasting reform to the nation ... [and] a progressive policy agenda that is likely to endure’.<sup>2</sup> The Council of Australian Governments (‘COAG’) was to be the ‘workhorse of the nation’,<sup>3</sup> driven by first ministers and responsible for implementing Rudd’s reforms in areas of state or shared responsibility.<sup>4</sup>

To this end, after being elected Prime Minister in November 2007 Rudd chaired his first COAG meeting within a month and embarked upon an intensive program of policy reform as well as change to the financial arrangements and machinery of intergovernmental relations. New financial agreements were to provide the platform for successful sectoral reform. The result was a financial framework designed for decentralised accountability but operating in a political and institutional environment of ongoing centralisation.

In contrast, Rudd’s successor, Julia Gillard has demonstrated a more modest degree of prime ministerial interest in intergovernmental relations. She convened her first COAG meeting some six months after securing minority government and used it to streamline her predecessor’s vast reform agenda, strengthen oversight and accountability, and revise Rudd’s health reform proposal. The initial modifications Gillard has made to COAG’s work-plan and operations, and

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1 Any reference to state governments includes territory governments.

2 Kevin Rudd, ‘The Case for Cooperative Federalism’ (Speech delivered at the Don Dunstan Foundation – Queensland Chapter, 15 July 2005) <<http://www.dunstan.org.au/resources/lectures.html>>.

3 Kevin Rudd, ‘Transcript of Joint Press Conference with Premiers and Chief Ministers’ (Joint Press Conference, 20 December 2007) <<http://pmrudd.archive.dpmc.gov.au/node/6000>>.

4 Health and ageing, productivity, climate change and water, infrastructure, business regulation and competition, housing, and Indigenous reform.

This is a preview. Not all pages are shown.