

PARLIAMENT OF WESTERN AUSTRALIA
LEGISLATIVE COUNCIL

SEVENTEENTH REPORT
OF THE
STANDING COMMITTEE
ON
GOVERNMENT AGENCIES

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REVIEW OF AGENCIES: A STATEMENT OF PRINCIPLE

Presented by the HON MARK NEVILL (Chairman)

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December 1987

The Standing Committee was appointed, pursuant to Legislative Council Standing Order 38 on 7 April 1982 with the following terms of reference:

- (i) To make such examination as it deems necessary and to inquire into the purpose, finance, accountability, extent, nature, administrative control and methods of State Government agencies, including statutory corporations, primary produce boards, regulatory and quasi-judicial bodies, trustees of government agencies, advisory committees and local and regional bodies (excluding municipal authorities) that are the subject of legislation of the Western Australian Parliament, with the exception of those agencies listed in the Schedule to these Orders.
- (ii) To report to the House upon any matter concerning the government authorities referred to in paragraph (i) or any recommendations for abolition or amalgamation of them, or any findings particularly in regard to the productivity, efficiency, economy, effectiveness, organisation and circumstances connected with them to which the Committee thinks the attention of the House should be directed.
- (iii) To inquire into and report to the House upon any question in connection with government agencies which is referred to the Committee by resolution of the House.
- (iv) To inquire into and where necessary, report to the House when, in the view of the committee, any agency duplicates all or part of the work of another.
- (v) To recommend as it deems necessary the application of the "Sunset" principle to any government agency.

The "Sunset" principle is defined as a process whereby a government agency's existence is automatically terminated after a certain period unless specific re-authorising legislation is enacted.

Members of the Committee:

Hon Mark Nevill (Chairman)
Hon C J Bell (Deputy Chairman)
Hon E J Charlton
Hon B L Jones
Hon Garry Kelly
Hon N F Moore

Staff of the Committee:

Mr Gary Newcombe (Principal Adviser)
Miss June McKinnon (Secretary)
Ms Jan Paniperis (Secretary/Stenographer)

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STATEMENT OF PRINCIPLE

1. As a general principle, the Standing Committee believes that all government agencies and departments should be subjected to a periodic review of their operations.
2. The needs of the community and the priorities of government policy change over time. The only method of ensuring that the instruments of government policy, the Government's agencies and departments, remain relevant to these needs and priorities and effective in their performance, is for there to be in place a programme for the systematic review of all agencies and departments.
3. The nature of these reviews, whether a simple review of operations or a review coupled with the threat of automatic termination if the review is unfavourable (the so called "sunset" principle), will necessarily depend upon the nature of the particular agency or department involved.
4. The Committee recognises that some agencies and departments are such an important and integral part of the administration of government in this State that the application of a "sunset" or other termination procedure to them would be both unrealistic and unproductive. However, there are other agencies and departments, particularly new agencies and departments, which are likely to be suitable subjects for review clauses coupled with a termination provision.
5. The Committee has noted, and supported, steps taken by the Government to enhance the procedures for reviewing the operations of government agencies, particularly through the use of ministerial review provisions which have been included in the enabling legislation of several statutory authorities. There are, however, a number of deficiencies in these provisions:
 - (a) they provide only for an internal, private review of an agency's operations and performance;
 - (b) there has been no systematic application of these provisions nor any policy statement as to when such provisions will be included in enabling legislation; and
 - (c) reliance on these provisions, which do not include any specific reference to automatic termination, ignores the suitability in certain circumstances of "sunset" or similar provisions.
6. The Committee believes that under a regime of systematic reviews those reviews should be conducted from outside the Executive arm of government.
7. The most appropriate vehicle for these reviews is a parliamentary committee or committees. There are a number of reasons for this. Parliamentary committees are separate from the Executive but, through the Parliament, enjoy a ready connection with it. The committees operate with the benefit of parliamentary privilege which enables them to conduct effective, public reviews. The committees also operate with members from all political parties which enables their reviews to achieve a degree of consensus which is often difficult to achieve where the review is perceived to have been conducted from a particular ideological viewpoint.
8. In furtherance of the Government's programme of improving the accountability of the public sector, the Committee urges the Government to legislate for a system of periodic reviews of government agencies and departments and to vest this function in a parliamentary committee or committees. For its own part, the Committee intends, in the absence of such a system of periodic reviews, to continue with its own programme of reviewing the operations of individual agencies and to examine each review document tabled in the Legislative Council by a minister pursuant to a statutory ministerial review provision.

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