



# Issues Paper

## **Review of Functions and Responsibilities of Regional Development Commissions**

*How should Government be organised  
to improve services and support for  
regional development?*

*How are Regional Development  
Commissions performing?*

**June 2010**

## Contents

### Invitation to provide submissions to the Review of Regional Development Commissions (Page 3)

- i. The review committee (Page 4)
- ii. Key dates (Page 4)
- iii. Providing submissions (Page 4)
- iv. Terms of reference (Page 5)
- v. What do we mean by certain terms (Page 5)
- vi. What are the strategic issues? (Page 6)
  - *Getting the best model (Page 6)*
  - *Avoiding duplications and inefficiencies (Page 8)*
- vii. The Regional Development Commissions (Page 9)

### What we want to know from you? (Page 13)

#### Attachments:

- 1: Review of Functions and Responsibilities of Regional Development Commissions: Terms of Reference (Page 13)
- 2: Machinery of Government Principles (from *Putting the Public First*, Appendix 8. Economic Audit Committee, October 2009) (Page 17)

Submission form (Page 19)

## **Invitation to provide submissions to the review of Regional Development Commissions**

The Minister for Regional Development, the Hon Brendon Grylls, MLA, has asked me to chair a review of the functions and responsibilities of the nine Regional Development Commissions (RDCs). The nine RDCs cover the Gascoyne; Goldfields-Esperance; Great Southern; Kimberley; Mid West; Peel; Pilbara; South West and Wheatbelt regions, as specified by the *Regional Development Commissions Act 1993*.

In seeking this review we have to ask a fundamental question: How should Government be organised to improve services and support for regional development? In answering this question we must also assess the effectiveness and cost efficiency of the RDCs, and the value of the existing model. Alternative options to the existing model, or enhancing the capabilities or scope of RDCs, will also be considered.

The establishment of the Department of Regional Development and Lands in 2009 and the introduction of Royalties for Regions are having an enormous impact on regional development across Western Australia, including the operations of RDCs.

It is important that regional development is approached in a way that best promotes coordination and integration, as well as achieving a triple bottom line of economic, social and environmental sustainability. We must seek to avoid a mix of government and stakeholder systems that becomes overly complex and fragmented.

Regional development is essential to the nation's future prosperity, as well as providing a fairer deal for regional Western Australians. It is important that long-term development is delivered through strong regional governance mechanisms and that the organisational design choices meet today's and tomorrow's needs. We must give a high priority to organising our machinery of government so as to enhance regional business opportunities and investments.

In undertaking its task, the committee will be mindful of the messages that came from Government's Economic Audit Committee – the need for effective governance and accountability, avoiding duplication and the importance of local decision-making and innovation.

The committee will also take into account a range of changes that the Government has introduced since its election in 2008.

I encourage you to provide your views in response to this review. Your experiences, thoughts and suggestions can make a big difference to shaping the way Government can deliver on regional development across Western Australia. So please take the time to contribute.

**Hon Wendy Duncan, MLC**  
**Parliamentary Secretary to the Minister for Regional Development**

## **i. The review committee**

The committee for the review of the Regional Development Commissions (the committee) is chaired by Parliamentary Secretary to the Minister for Regional Development, the Hon Wendy Duncan, MLC.

Its members include:

- Mr Graham Thomson, Regional Development Council Chair
- Mr Doug Cunningham, Chief of Staff to the Minister for Regional Development
- Mr Mal Wauchope, Public Sector Commissioner
- Mr Paul Rosair, Director General of the Department of Regional Development and Lands.

## **ii. Key dates**

The committee will report to the Minister in September 2010.

Submissions to this issues paper are requested by 9 July 2010.

## **iii. Providing submissions**

The committee invites submissions on any matters referred to in this issues paper.

Contact details for the review of Regional Development Commissions are:

Review of Regional Development Commissions  
Level 10 Dumas House  
2 Havelock St  
WEST PERTH 6005

Postal address:  
Review of Regional Development Commissions  
PO Box 1143  
WEST PERTH WA 6872

Support for the committee:  
Executive Officer: Martin Clifford  
Telephone: (08) 9217 1699  
Mobile: 0423 290 167  
Facsimile: (08) 9226 4050  
Free call: 1800 620 511 (country only)  
Email: [martin.clifford@rdl.wa.gov.au](mailto:martin.clifford@rdl.wa.gov.au)

**Email for Submission:** [rdcreview@rdl.wa.gov.au](mailto:rdcreview@rdl.wa.gov.au)

#### iv. Terms of reference

The scope for the review is: 'The review committee will consider and report on the functions, responsibilities and structures of RDCs, having regard to:

1. The **effectiveness and cost efficiency of the RDCs** in achieving their objects and functions specified in Section 23 of the *Regional Development Commissions Act 1993*.
2. The **effectiveness of the existing** model in achieving the Liberal-National Government's commitments to regional development, having regard to any overlap, duplication of effort and approaches in other jurisdictions.
3. Any **improvements in government service delivery** for regional development considering governance arrangements, administrative operations, regional decision-making, regional accountability, avoidance of duplication and the roles and responsibilities of other agencies and organisations.
4. **Legislative amendments** that may be required.'

**Attachment 1** contains the full terms of reference.

#### v. What we mean by certain terms

##### ***Accountability***

- Being answerable for decisions and having meaningful mechanisms in place to ensure adherence to all applicable standards.

##### ***Cost efficiency***

- How outputs are achieved.
- The relationship between outputs and the resources used to produce them.
- Within a structure of government context, the extent of overlap or duplication.

##### ***Effectiveness***

- The extent to which Government's desired objectives are achieved.
- The relationship between the intended and actual results of public spending.
- Within a structure of government context, the extent,
  - an organisation requires resources and expertise in order to perform its role,
  - of autonomy sufficient to hold confidence and trust of stakeholders,
  - to which regional participation in government activities or access to government decision-making is enabled compared with alternative models available,
  - of flexibility to anticipate and respond to emerging needs.

##### ***Governance***

- The set of responsibilities and practices, policies and procedures, exercised by an agency's executive, to provide strategic direction, ensure objectives are achieved, manage risks and use resources responsibly and with accountability.

## vi. What are the strategic issues?

### *Getting the best model*

Government is committed to helping develop stronger and more vibrant regional communities and this is reflected in the central principles underpinning Royalties for Regions that state:

- strategic projects in regional Western Australia are a priority
- local decision-making in regional areas is fundamental
- State Government department administration and processes should provide for and support decision making in regional areas.

The new approach signalled by Royalties for Regions has six policy objectives:

- building capacity in regional communities
- retaining benefits in regional communities
- improving services to regional communities
- attaining sustainability
- expanding opportunity
- growing prosperity.

The best organisational options for Government to achieve such ambitious regional development reforms are central to the review.

In addition to the RDCs, there are a significant number of organisations, many of them government, involved in rural development in one form or another. For example:

- at State level
  - the Department of Regional Development and Lands oversees Royalties for Regions, administers state lands (93 per cent of the State's land mass) and Community Resource Centres, which provide access to technology such as video conferencing facilities and information and training to small rural and remote communities
  - the State Regional Development Council promotes development in the regions by developing policy proposals and facilitating liaison between all levels of government and other stakeholders
  - Regional Planning Committees advise the Western Australian Planning Commission (WAPC) on part of, or an entire region
  - many department and statutory authorities deliver services in the regions.

- at the Commonwealth level
  - the Regional Development Council facilitates effective cooperation across all spheres of government on regional matters, and
  - Regional Development Australia partners across Governments to develop and strengthen regional communities.
- at the Commonwealth and State level
  - Natural Resource Management Regional Organisations develop long-term regional strategies and investment (funding) plans for natural resource management in consultation with regional stakeholders.
- at the local government level
  - there are 110 country local governments and nine Regional Organisations of Councils. Regional Transition Groups and Regional Collaborative Groups have been set up between two or more local governments to explore the costs and benefits of local government reform.
- at the non-government organisation (NGO) level
  - organisations such as the Western Australian Council of Social Services Inc., the Western Australian Community Foundation and Desert Knowledge Australia.

Whatever delivery and governance arrangements are put in place, they will require a consideration of government structure and operations. Where there are multiple functions that are potentially overlapping, these include a presumption in favour of setting up a department, rather than having statutory authorities. Alternatively, where independence and being free of perceived political influence is a key criterion for success, then a non-departmental form, such as having statutory authorities, may be preferred. Page 9 of this paper goes into more details on the differences between these organisational design choices.

**Attachment 2** details a comprehensive listing of machinery of government principles from the Economic Audit Committee's report *Putting the Public First*. This is a useful guide to future planning and decision-making on getting government structures right. These include:

- Striking a balance between efficiency and responsiveness, but not at the expense of appropriate governance and accountability frameworks.
- Promoting effectiveness by encouraging close client relationships.
- Considering amalgamations where reporting is to the same portfolio Minister and there are overlapping areas of responsibility.
- Where a non-departmental form is appropriate then the organisational and accountability frameworks should be examined.

Whatever model is chosen, it will need to balance these principles with the need for 'regional governance' - that is the governmental and non-governmental institutional arrangements

whereby regional stakeholders manage regional issues, in its various dimensions and have meaningful involvement in decisions affecting the regions.

Practical examples of this are what 'government' exists locally; structures for consultation, collaboration and joint-working; stakeholder involvement in regional strategic planning; and support for regional leaders.

These issues are not confined to Western Australia. The principle of 'subsidiarity', devolving decisions to the lowest practical level, is widely practised in the European Union's regional development programs and structures and is found embedded in constitutions around the world.

### ***Avoiding duplications and inefficiencies***

It is important that Government's delivery of services to regional Western Australians is cost effective to fully utilise the potentials from our resources and investments. Therefore, duplication of roles, services and responsibilities have to be avoided and inefficiencies addressed.

How this can be done is a central part of the review and there are some general considerations that governments have stressed historically:

- Reductions in the number of statutory authorities are often sought as it is considered that they provide less flexibility to reorganise structures and resources to best meet priorities and emerging issues.
- A long-term reduction in the number of small agencies is often sought, particularly those with less than 50 staff, given the additional costs and complexity that large numbers of small agencies can involve.
- The public sector must operate to minimise the risks of any given structure - high administrative overheads are associated with a large number of agencies.
- Administrative 'hosting' is often encouraged, whereby larger agencies provide the full range of administrative support to smaller agencies, enabling them to focus on their core business.
- The difficulties for remote agencies in managing recurrent expenditure and to remain solvent given their significant ongoing cost pressures.

At another machinery of government level, it has also been announced recently that following a review to rationalise the number of boards and committees, 326 have been or will be abolished.

## vii. The Regional Development Commissions

RDCs are statutory authorities – these are separate entities usually governed by a board. In common with most statutory authorities, RDCs powers and responsibilities are defined by legislation, the *Regional Development Commissions Act 1993*. (See table below.) During the second reading speech RDCs were described as marking a new era for regional development administration – with each region historically being given formal recognition and equal ranking from a legislative and administrative perspective. RDCs are governed by a board which directly employs staff, including the Chief Executive Officer. The board is the main decision-maker.

The statutory authority arrangement means that RDCs are separate from the Minister and constituted as an arm of the government of the day, acting as its agent in the region. The Minister’s role is defined more so by the legislation than by tradition or convention and includes powers to give a direction and ability to access information.

Below is a diagram that details reporting relationships to the Minister.



Another example of organisational design is to have state departments, such as the Department of Regional Development and Lands or the Department of Local Government. These have governance arrangements that centre on the direct Minister and Director General relationships. State departments operate on an established statutory and conventional framework that requires a close and hierarchical relationship between Ministers and their departments, and makes each department an instrument of government policy.

There are advantages and disadvantages to both types of organisational design.

The objects, functions and powers of the RDCs are described in the table below.

**The function and powers of RDCs are defined in the *Regional Development Commissions Act 1993***

**23. Objects and functions of a commission**

(1) The objects of a commission are to —

- (a) maximise job creation and improve career opportunities in the region;
- (b) develop and broaden the economic base of the region;
- (c) identify infrastructure services to promote economic and social development within the region;
- (d) provide information and advice to promote business development within the region;
- (e) seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area; and
- (f) generally take steps to encourage, promote, facilitate and monitor the economic development in the region.

(2) For the purposes of achieving those objects a commission is to —

- (a) promote the region;
- (b) facilitate coordination between relevant statutory bodies and State government agencies;
- (c) cooperate with representatives of industry and commerce, employer and employee organisations, education and training institutions and other sections of the community within the region;
- (d) identify the opportunities for investment in the region and encourage that investment;
- (e) identify the infrastructure needs of the region, and encourage the provision of that infrastructure in the region; and
- (f) cooperate with —
  - (i) departments of the Public Service of the State and the Commonwealth, and other agencies, instrumentalities and statutory bodies of the State and the Commonwealth; and
  - (ii) local governments, in order to promote equitable delivery of services within the region.

**24. Powers of a commission**

(1) Subject to subsection (2), a commission has power to do all things necessary or convenient to be done for or in connection with the performance of its functions.

(1a) Without limiting subsection (1), a commission may, for or in connection with the performance of its functions, provide financial support in the form of a grant.

(2) Subsection (1) does not empower a commission —

- (a) subject to Part 5, to enter into any business undertaking either directly or indirectly;
- (b) to acquire land or any estate or interest in land other than a tenancy to provide office premises for the commission; or
- (c) to borrow money or obtain financial accommodation.

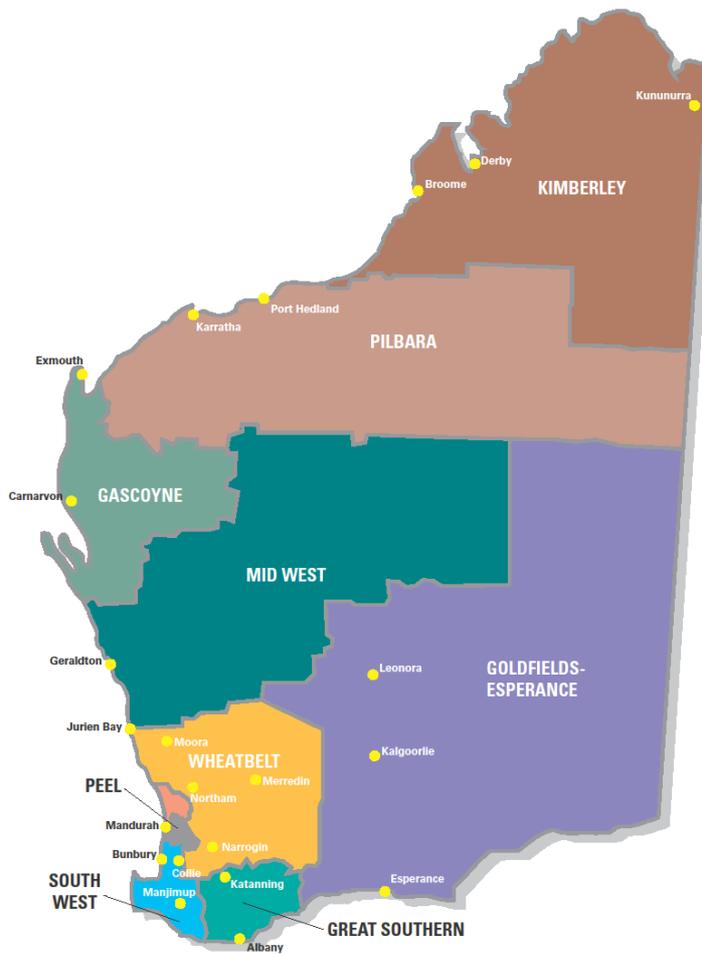
(3) In performing its functions, a commission may act in conjunction with —

- (a) any person; or
- (b) any department of the Public Service, or other agency or instrumentality, of the State or the Commonwealth.

(4) The requirement of disclosure in section 28(2) applies to a person referred to in subsection (3).

RDCs have their 'head offices' based in the region for which they are responsible. An important regional governance advantage of RDCs is that the people responsible for decisions about the direction, activities and priorities are almost all based in the region.

The geographic area which RDCs cover are defined in the *Regional Development Commissions Act 1993* and are shown on the map which includes the locations of RDC offices.



The RDCs are small organisations employing between 12 and 23 FTE (full time equivalent) staff each and as a whole 131 staff. Staff numbers have been fairly constant although the demands on RDCs have increased significantly over the past two years.

The table details RDCs FTE staffing establishment levels over the past two years, with 2009-10 being estimate figures. It should also be noted that vacancies will exist in RDCs due to turnover of staff and difficulties in recruiting to regional locations.

RDC	2008-09	2009-10	2010-11 (budgeted)
Gascoyne	14	14	15
Goldfields-Esperance	12	12	12
Great Southern	14	15	15
Kimberley	12	13	13
Mid West	13	15	14
Peel	13	13	13
Pilbara	12	11	15
South West	23	23	25
Wheatbelt	15	15	15
<b>Totals</b>	<b>128</b>	<b>131</b>	<b>137</b>

Royalties for Regions has presented major organisational challenges for RDCs as the significantly increased investment by Government for regions has taken effect. The RDCs also represent a significant avenue for Government to direct and organise spending on regional projects and initiatives, such as through the Regional Grants Scheme and supporting local governments through the Country Local Government Fund.

At the State level, the RDCs are represented by the Regional Development Council which is the advisory body to the Minister on regional development issues.

The Regional Development Council is considered the peak advisory body on regional development issues. The council consists of the chairpersons of the nine RDCs, two local government representatives and the Director General of the Department of Regional Development and Lands. It has a significant role in administering and prioritising major projects and initiatives, such as through the Regional Strategic Projects funds, a total of \$302m allocated over four years, and the Regional Capital Works Initiative, with an allocation of \$219m over the same period.

**The function of the Regional Development Council is defined in the *Regional Development Commissions Act 1993*:**

**35. Functions of the council**

(1)The function of the council is to be the advisory body to the Minister on all regional development issues and for that purpose —

(a)to promote development in all regions;

(b)to develop policy proposals on development issues affecting one or more of the regions;

(c)to facilitate liaison between commissions and relevant government agencies and the coordination of their respective functions;

(d)to promote liaison between local, State and Commonwealth government bodies with respect to regional issues, and the coordination of their respective policies on those issues; and

(e)to report to the Minister on matters referred to it by the Minister.

(2)The council is to report to the Minister on a matter referred to it by the Minister within such period as the Minister directs.

## What we want to know from you?

### ***1. How should Government be organised to improve services and support for regional development?***

In answering this question you may want to consider:

- what the model for delivering regional development should look like,
- to what extent is regional governance being achieved and how could it be improved,
- in thinking about alternative models are there services and functions that should be grouped, and
- are there any models of delivery that you do not support and why is this?

### ***2. How are Regional Development Commissions performing?***

In answering this question you may want to consider the current legislative responsibilities (see table) and:

- how well are the RDCs achieving these functions, are there any gaps?
- how well do RDCs work with local stakeholders to achieve their role?
- what optimal size and resources do RDCs need to operate effectively?
- to what extent are there areas of overlap with local, State and Commonwealth governments?
- if there is overlap, is this affecting flexibility and responsiveness?
- are there other services or activities that RDCs could deliver?
- is the existing legislative framework adequate?

#### **Reminder - What RDCs Do?**

- Maximise job creation and improve career opportunities.
- Develop and broaden the economic base.
- Identify infrastructure services to promote economic and social development.
- Provide information and advice to promote business development.
- Seek to ensure that the general standard of government services and access to those services is comparable to that which applies in the metropolitan area.
- Generally take steps to encourage, promote, facilitate and monitor the economic development.

**When responding, please provide examples or illustrations to support your view, where possible.**

**A submission form that can be used is attached to this issues paper. The form can be sent by email, post or fax.**

## **Attachment 1: Review of Functions and Responsibilities of Regional Development Commissions: Terms of Reference**

### **Purpose of the review**

The Economic and Expenditure Reform Committee (EERC) has requested that the Minister for Regional Development conduct a review of the functions and responsibilities of Regional Development Commissions (RDCs) and report back to the EERC before the 2010-11 mid-year review.

### **Background**

The nine Regional Development Commissions (RDC) and the Regional Development Council are established by the *Regional Development Commissions Act 1993* (the Act).

Regional Development Commissions (RDCs) are a unique model in Australia. They are state government statutory authorities whose role is to facilitate and coordinate the development of the region in which they are based. The Act defines the role of RDCs as facilitating regional solutions through coordination across organisational and sectoral boundaries (i.e. both within the public sector and across the community and private sectors).

They have a direct relationship with their communities through their proximity and their leadership by local people and they are directly accountable to the Minister responsible for administering the Act.

In accordance with Section 45 of the Act, a review of the Act was undertaken and the report tabled in Parliament in 2004. Over the last several years possible amendments have been identified and considered for inclusion in a draft Amendment Bill.

However, the machinery of government arrangements that support Western Australia's regional development have changed since the election of the Liberal-National Government in 2008.

The Department of Regional Development and Lands (RDL) was established on 1 July 2009 as a department of state dedicated to progressing regional development across Western Australia. The administration of 93 per cent of Western Australia's land mass has now been combined with funding and policy support for regional development in Western Australia. The working group that oversaw its establishment recommended that the Director General consider the relationship between RDL and RDCs; and RDL is also considering how best to increase its regional presence and service delivery.

The Royalties for Regions Fund enabled by the *Royalties for Regions Act 2009* has secured a dedicated funding source for regional development. Royalties for Regions disburses the equivalent of 25 per cent of the State's mining and offshore petroleum royalties back to the regions. The overall scheme is administered by RDL but the delivery of some components of the fund has been assigned to state government agencies, including the RDCs.

Within RDL, the Community Resource Centres network (formerly known as telecentres) are being expanded and reinvigorated to provide a community based resource for information and services in many regional areas.

A number of related machinery of government changes are being effected in other portfolios. The Department of Local Government is supporting structural reform of local government and the Minister for Planning has appointed the statutory regional planning committees to support the Western Australian Planning Commission prepare regional planning frameworks. The Economic Audit Committee also made a number of observations and recommendations that, if endorsed by Government, could affect the operation of Regional Development Commissions, and will be addressed in this review.

The Australian Government has established Regional Development Australia (RDA) committees across the nation. In Western Australia, these committees have similar boundaries as RDCs and some overlapping membership with the aim of increasing local collaboration, decision making and alignment of State and Commonwealth funding priorities within the regions.

In 2009 Cabinet commissioned a review by Ministers of all boards and committees with a view to reducing the number.

The Minister for Regional Development has concluded that it is timely to examine options for the most efficient and effective machinery of government arrangements for regional Western Australia.

These funding and machinery of government changes are profound and the Royalties for Regions expenditure through the Regional Development Commission structure has been significantly increased, bringing with it additional capacity requirements and increased scrutiny for decision-making process as well as risk.

At its meeting on 17 March 2010, the Economic and Expenditure Reform Committee (EERC) requested the Minister for Regional Development to conduct a review of the functions and responsibilities of Regional Development Commissions and to report back to the EERC before the 2010-11 mid-year review.

### **Scope of review**

The review committee will consider and report on the functions, responsibilities and structures of RDCs, having regard to

1. the **effectiveness and cost efficiency of the RDCs** in achieving their objects and functions specified in Section 23 of the Act
2. the **effectiveness of the existing** model in achieving the Liberal-National Government's commitments to regional development, having regard to any overlap, duplication of effort and approaches in other jurisdictions
3. any **improvements in government service delivery** for regional development considering governance arrangements, administrative operations, regional decision-making, regional accountability, avoidance of duplication and the roles and responsibilities of other agencies and organisations
4. **legislative amendments** that may be required.

Taking all of the above into account and the Liberal-National Government's commitment to a strong regional presence and local decision making, the review committee will identify options to strengthen government support for regional development in Western Australia. The options will include the comparative strengths and weaknesses of each option, their resourcing, administration and legislative requirements.

### **Conduct of review**

The Minister for Regional Development has appointed a review committee consisting of:

Hon Wendy Duncan, MLC	Parliamentary Secretary to the Minister for Regional Development (Chair)
Mr Mal Wauchope	Public Sector Commissioner
Mr Paul Rosair	Director General, Department of Regional Development and Lands
Mr Graham Thomson	Chair, Regional Development Council
Mr Doug Cunningham	Chief of Staff, Office of the Minister for Regional Development and Lands

RDL will provide executive support at the committee's direction. The committee will determine whether it requires additional research or consultancy support.

Consultation will be undertaken in an open and transparent manner and include release of an issues paper inviting public submissions which persons can request to remain confidential, subject to the provisions of the *Freedom of Information Act 1992*. The committee will consult widely with interested parties including the RDCs, Departments of the Premier and Cabinet and Treasury and Finance and other government agencies and stakeholders.

### **Reporting requirements**

The review committee will deliver its report in September 2010 to the Minister for Regional Development for Cabinet consideration. The chair is to represent the committee in relation to any media inquiry or for the purposes of public comment.

**Attachment 2: Machinery of Government Principles (from *Report Putting the Public First*, Appendix 8. Economic Audit Committee. October 2009.)**

The following key points can be applied in guiding effective decision making and planning in relation to machinery of government.

1. A balance needs to be achieved between efficiency and responsiveness to customer needs – big is not necessarily the best. Structure of government reform is not about ‘jamming agencies together’, regardless of ‘fit’.
2. Effectiveness and efficiency should not be achieved at the expense of appropriate governance and accountability frameworks. Accountability cannot be satisfactorily achieved when agencies are established as partnerships or limited liability companies.
3. Responsibility for policy development, regulation and service delivery should be separated where separation is economic and feasible and synergies are not adversely affected.
4. Effectiveness should be promoted by encouraging close client relationships.
5. Amalgamation of agencies should be considered where there are:
  - a) Multiple related agencies reporting to the same portfolio Minister
  - b) Overlapping areas of responsibility or service delivery
  - c) Common customers and demands
  - d) Common skills bases
  - e) Compatible information and administrative management systems and processes.
6. Efficiencies should be sought through:
  - a) Appropriate economies of scale (i.e. agencies should not be too small nor should they be too large)
  - b) Seeking alternative means of service delivery through private or not for profit sectors where there is a competitive marketplace
  - c) Eradication of over-staffing and duplication of functions
  - d) Increased budgetary flexibility in larger agencies
  - e) Increased workforce flexibility within and between agencies.
7. Where appropriate, statutory authorities and boards/committees should be subject to a sunset clause or regular statutory review. The effectiveness of a statutory authority or board/committee should be determined prior to any decisions being made about its future. At the time of review, an examination of the organisational form and accountability framework should be undertaken.
8. Reforms to the machinery of government should be prioritised and sequenced. In determining the rate and timing of reform activity, due account should be taken to materiality and proportionality of benefits to costs, public interest considerations (including election commitments, resisting the temptation to focus on ‘icons’), the need for legislative change and the status of CEO positions involved.

9. In undertaking machinery of government reform, due regard should be given to the principles of natural justice; to planning and communication; consultation; redeployment consequences; and to ensuring that appropriate support mechanisms for staff are in place. These are further described in the people management aspects of change included in the Hicks machinery of government review.

10. A review of an agency can be triggered in response to a statutory requirement, a sunset clause in its terms of reference, or to address performance issues. Wider structural consolidation of the sector can be triggered by government strategic policy goals. Reviews undertaken without a justifiable trigger or clear objective may be counter-productive to the principles of effectiveness and efficiency. Typically a reviews would be guided by the following stages and questions:

- a) Determine the effectiveness of the entity.
- b) Should the entity be abolished or merged with another entity?
- c) Should the State Government be undertaking the function?
- d) If it is determined that the State Government is the most appropriate body to undertake the function then should it be undertaken by a department rather than a statutory authority?
- e) If it is determined that a non-departmental government body is the most appropriate body to undertake the function then the organisational and accountability frameworks should be examined.



