

**Cathy McGowan AO MP**

Federal Member for Indi

Mr Grant Hehir  
Auditor-General  
Australian National Audit Office  
GPO Box 707  
Canberra ACT 2601

Dear Mr Hehir,

I write to request an audit of the Regional Australia Impact Statement process, which is administered by the Department of Infrastructure and Regional Development.

Regional impact statements first appeared as a requirement of the Cabinet process in 1998. Under the current guidelines any Cabinet submission that has a positive or negative impact on Australia's regions must include a Regional Australia Impact Statement.

The expectation is the Minister's Department will work with the Department of Infrastructure and Regional Development to assess the regional impacts of Cabinet proposals, which includes working through the guidelines to mitigate any negative impacts. I understand that as part of the Cabinet submission, Ministers are required to include a summary of the regional impacts and include a Regional Australia Impact Statement if required.

As the statements are considered part of the Cabinet process, the documentation is not available to Members of Parliament or to the public. This makes it is very difficult to get an insight into the rigor of the process or confirm that mitigation measures have been implemented to account for the unique circumstances of rural and regional Australians.

I have recently had cause for concern that the process may be falling short of the stated objectives. In response to a question in writing about the completion of the RAIS for the Jobs for Families Child Care package (Question No. 25, 45th Parliament), the Minister representing the Minister for Education and Training confirmed that a Regional Australia Impact Statement was not completed because the "circumstances of all families, including families in regional and remote areas, were taken into account in developing the Package". This response seems to be inconsistent with the guidelines that require an assessment of all proposals, positive or negative.

It is concerning that the guidelines allow for a package of the size of the Jobs for Families Child Care package to be considered by Cabinet without a requirement for a Regional Australia Impact Statement. If a package worth \$24 billion is not considered for its rural and regional impacts, then what is the threshold for a proposal to be considered?

Given the process has been in operation for almost 20 years, I believe it is timely to look at the administration of the statements and ask the following questions. Is it meeting the stated objectives? Is it an effective and efficient use of resources? Is it consistent with the guidelines?

The Australian National Audit Office is well placed to take a closer look at the process and make sure the Regional Australia Impact Statements are achieving the stated objectives. Are Ministers being well supported in considering potential impacts of the proposals? There are many recent examples of where more attention to assessing the regional impact would have led to better policy outcomes.

Thank you in advance for your consideration of this request and I look forward to your response.

Regards,

A handwritten signature in blue ink, appearing to read 'Cathy McGowan', with a stylized flourish at the end.

Cathy McGowan AO MP  
Federal Independent Member for Indi

10 April 2017

