



Shadow Minister for Infrastructure, Transport and Regional Development

13 December 2019

Mr Grant Hehir
Auditor-General
Australian National Audit Office
GPI Box 707
CANBERRA ACT 2601

Dear Mr Hehir

I write to request that the Australian National Audit Office (ANAO) conducts performance audits into a number of programs being delivered by the Government to support regional development and jobs growth across Australia.

In particular, I request that the ANAO include the following programs in its forthcoming audit program:

The Building Better Regions Fund (rounds 1-4)

Since 2017, the Australian Government has committed \$841.6 million through the four rounds of the Building Better Regions Fund (BBRF) to create jobs, drive economic growth and build stronger regional communities into the future. This is a substantial financial commitment, which I believe must be subject to appropriate scrutiny to ensure that the program's objectives are being met, the program is being administered appropriately, and the program is free of political influence. This audit should take into account the design and development of the program, program administration and decision making, and evaluation that has (or should have) been done after each funding round.

Regional Growth Fund

Under the Regional Growth Fund the Government provided grants of \$10 million or more for major transformational projects to support long-term economic growth and create jobs in regions, including those undergoing structural adjustment. Applications under this program closed in April 2018 and grants of between \$10 million and \$28.5 million were awarded to a number of organisations, many of which were private, for-profit corporations. Under these circumstances I again believe it is appropriate for the ANAO to provide scrutiny to the administration of this program, the projects that were funded, the outcomes achieved, and whether the Australian community received value for money from this investment. I request that his audit consider the design of the program, development of the program guidelines, program administration and decision making, and how the program is being evaluated against its objectives.



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Drought Communities Program

The Drought Communities Program has been delivered in rounds since 2015 through the original program, the Drought Communities Program Extension, and the Drought Communities Support Initiative. Since 2015 at least \$336 million has been outlaid under this program. Noting recent concerns from councils from Victoria, NSW and Queensland of their exclusion from current rounds, I request that the ANAO review the various rounds of this program to ensure that the program has been administered prudently and without political bias by the Government. The development and amendment of program guidelines, advertising/promotion of the program rounds, and evaluation should be included in the audit scope. The audit should consider whether funds have been distributed fairly according to respective need and whether the Australian community received value for money from this investment.

Regional Jobs and Investment Packages

The ANOA recently completed a review of the Regional Jobs and Investment Packages as a result of representations from Mr Stephen Jones MP and the Hon Mike Kelly MP related to the administration of the program. I am concerned that the scope of this audit was narrow and did not consider the design of the program, development of the program guidelines, how the 10 regions were selected, how the program was advertised/promoted, or the effectiveness of the program in achieving its goals of creating sustainable employment in the nominated regions. Given the significant distribution bias that was evident in a number of regions I am concerned that the program may not have been adequately promoted in some electorates (for example NSW South Coast, Geelong Victoria, Tropical North Queensland, Goulburn Valley Victoria). For this reason I request that the ANOA consider expanding the audit completed into this program to look at the design of the program, work undertaken to develop guidelines and promote the program to potential applicants, and how the program is being evaluated.

I would welcome the opportunity to discuss this request with you in more detail. Any initial questions can be directed to my Chief of Staff, Katrina Wotton who can be contacted on mobile 0404 852 683 or by email at katrina.wotton@aph.gov.au.

Yours sincerely

A handwritten signature in blue ink that reads 'Catherine King'.

Catherine King MP