



Australian Government

Department of the Prime Minister and Cabinet
Office of Best Practice Regulation

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Professor Brendan Murphy
Chief Medical Officer
Department of Health

Dear Professor Murphy

Regulation Impact Statement – Second Pass Final Assessment – Stronger Rural Health Strategy

Thank you for the Regulation Impact Statement (RIS) submitted to the Office of Best Practice Regulation (OBPR) for second pass final assessment on 30 January 2019, assessing the impacts of the Stronger Rural Health Strategy. I understand the challenges your team has faced in finalising this RIS. In this context I appreciate the collegiate approach your Department has taken to working with the OBPR to finalise this analysis of a complex policy problem and proposed solutions.

The OBPR assessment is the RIS is compliant with Australian Government RIS requirements, and may now be provided to the decision maker to inform a final decision. However, while the RIS provides a compelling explanation of the symptoms of the problem and the need for change, its level of analysis does not quite achieve best practice.

While new planning tools will facilitate health workforce planning into the future, the Department has been unable to explain in the RIS what constitutes oversupply in the GP context or what efficiency looks like in the long-run. Given this, and the problem's many dimensions, it would have been appropriate for the RIS to fully draw out the risks this type of major reform presents to the broader health system. This includes potential costs, including to the public hospital system, if the measures exacerbate or fail to address shortages in regional areas. In addition, and noting the risks above, the RIS would have benefited from a greater analysis of the key drivers expected to incentivise Vocationally Recognised GPs to both move and remain in regional areas. While the RIS broadly acknowledges the risks of labour market recalibration, our view is that it does not sufficiently address them outside of the *ex post* evaluation context. In this regard the ongoing evaluation process you have committed to will be important to both monitor progress of these measures against the objectives outlined in the RIS and to respond to any unintended consequences.

We would appreciate you advising us when a final decision on this proposal has been announced and forwarding us a copy of the RIS in a form meeting the Government's accessibility requirements. The OBPR's reference number for this matter is 23390. If you have any further queries, please do not hesitate to contact me.

Yours sincerely

Jason Lange
Executive Director
5 February 2019