

A further Submission to the Productivity Commission Review of the National Agreement on Closing the Gap

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This submission is made following the release of the Commission's Draft Report of its review of the National Agreement on Closing the Gap. It should be read as supplementary to my initial submission. Following the publication of the Draft Report, I posted a critique on my personal blog¹ which I suspect at least some of the Commission's staff have read. I attach a copy to this submission at Appendix B for completeness and the record. I would ask that the arguments made in both my initial submission and in the blog post are also (re)considered by the Commission.

In this submission, I focus my commentary on the adequacy of the targets and the Priority Reforms in the National Agreement and argue that the Commission should direct some of its considerable intellectual resources to an examination of the targets and Priority Reforms and their utility and adequacy in assisting governments to deliver on the overarching commitments they have made in the National Agreement. Such a focus is reinforced by the generalised expectation within the wider community that governments are effectively focussed on closing the gap.

To contextualise and reinforce that argument, I make some preliminary comments on the role of the Commission in undertaking this review. In particular, I wish to reiterate the points made in my initial submission regarding the desirability of the Commission adopting a wholistic approach to the terms of reference. To summarise, it is my view that the Commission's remit, properly understood, is to assess the adequacy of the Agreement as a mechanism for closing the gap, and is not merely to assess the implementation of the Agreement as it stands.

I note that in the former Treasurer's terms of reference, he explicitly mentions a comprehensive review, and that paragraph 121 of the National Agreement on Closing the Gap, states that the 'comprehensive review of progress':

... will provide **an analysis of progress** on Closing the Gap **against the priority reforms, targets**, indicators and trajectories, and **examine the factors contributing to progress**, including by drawing on evaluation and other evidence (emphasis added).

In its Draft report, the Commission identifies that government are not adequately delivering on the commitments outlined in the National Agreement, and focusses much attention on the lack of progress on the four Priority Reforms. In relation to the targets, the Commission finds that performance reporting provides only a partial picture of progress. It suggests that stronger accountability mechanisms are needed to drive change; that Aboriginal voices could shine a spotlight on government failures; that clearer responsibilities within the public sector are required; and that governments should publish meaningful implementation plans and reports. I've drawn this condensed summary from the Commissions Executive summary of the draft review.

What is missing from the draft report is a close analysis of the efficacy of the terms of the agreement itself as well as what I referred to previously as the architecture of the agreement. In particular, the Commission appears to have taken the terms and architecture of the Agreement as an immutable given, and made minimal effort to analyse and assess whether the targets as currently formulated, either individually or as a whole, are actually fit for purpose as a mechanism to assist governments

¹ <https://refragabledelusions.blogspot.com/>

to close the gap. Such an exercise falls within the remit set out in paragraph 121, and is necessary for two reasons.

First, the current framework and architecture is an overwhelmingly complex and convoluted bureaucratic maze, deliberately designed (in my view – drawing on my own experience as a bureaucrat at both Commonwealth and state levels) to ensure governments cannot and thus will not be held accountable for failure while giving the appearance of action.² Second, the designation of multiple poorly designed and framed targets would inevitably divert governments into unproductive work and away from focussing on important priorities that are not listed, and thus reinforce the likelihood that the overarching process of using the Agreement to progress closing the gap would fail. Taken together, both factors would almost certainly guarantee ongoing failure. The Commission has noted the complexity of the implementation plans published to date, but said nothing to suggest that the Agreement might be adjusted to ensure they meet their original purpose. The Commission has said nothing substantive about the issues that arise from multiple and (what I consider to be) poorly framed targets, and in particular, whether the Agreement should be adjusted to ensure they work as intended.

So my **first proposition** is that the Commission should revisit its approach to the review, and at the very least undertake an analysis and assessment of the overarching policy architecture of the Closing the Gap framework. One key element of such an exercise would be to assess each of the targets and Priority Reforms to assess their fitness for purpose, both individually and overall. This analysis should not be limited to the technical specifications of each target, but should take account of the strategic policy context within which the target operates. Such a review is necessary because the targets appear to have emerged from a ‘negotiated’ process and become a means for governments to signal commitment on a random array of issues without any coherent overarching strategy and without any commitment to actually follow through with policy reform or program investment.

My **second proposition** is to acknowledge that, as anthropologist Nic Peterson has pointed out,³ there is an interactive connection between the material conditions of life and culture, and as a result, policy initiatives designed to positively affect material conditions of First Nations lives will have cultural consequences, and cultures will affect how policies operate. In turn, this ensures that the policy process is even more complex and strengthens the case both for Indigenous involvement and for high quality policy analysis to underpin the process.⁴ Peterson argues persuasively that particularly in remote contexts, the desires of Indigenous people to retain core elements of their culture can hinder the effective implementation of policies that implicitly require cultural compromise or concessions. Cultures are never static, and Indigenous peoples have a history of successful adaptation to the imposition of constraints by the larger society, but these processes take time. Some interactions between policy and cultural norms continue to lead to social chaos,⁵ but the imposition of punitive policy responses is neither effective nor ethically justified given the well documented inter-generational consequences of dispossession, exclusion and discrimination. This raises deeper and legitimate questions for government as to the very viability of the closing the gap ‘experiment’. As Tim Rowse has noted:

² See Dillon (2021a) for a longer exposition and justification of this argument.

³ Peterson (2010: 228-9).

⁴ Of course, closing the gap is not unique in this respect; virtually every aspect of government has some potential to impact Indigenous cultures

⁵ In 2002, John Ah Kit in a speech to the NT Legislative Assembly called out the existence of endemic community dysfunction in NT communities.

The statistical apparatus of the National Indigenous Reform Agreement [the precursor of the National Agreement on Closing the Gap] is a reassertion, in an apparently objective idiom, of an approach to social justice that we should treat as contentious. “Closing the Gaps” assumes that there are ultimately no differences between Indigenous and non-Indigenous aspirations....Our public policy thinking at the moment is dominated by a fixation on equality of outcomes, to the effective exclusion of considering how to allow Indigenous Australians choices in their mode of engagement.⁶

Clearly this is an issue that deserves serious attention in any independent comprehensive review of the National Agreement. For what it is worth, my own view is firmly pragmatic insofar as it is apparent that deep disadvantage is one of the key causes of social dysfunction in society generally and Indigenous societies in particular, but is tempered by the understanding that there is a need for inherent flexibility (for example, regarding Indigenous choice and the pace of change) to be built into policies that directly raise these cultural paradoxes.

The priority reforms

The Commission’s approach to assessing progress on the Priority Reforms, particularly Priority Reform 3, is in my view deeply flawed. I dealt with this in my previous submission to the review, so won’t duplicate it at length here. The key point is that increasingly, mainstream policies and programs are gaining greater salience across the Indigenous policy domain. Ensuring mainstream agencies and mainstream programs are focussed on addressing Indigenous disadvantage in their core activities is crucial to ensuring that there is a whole of government focus on these issues. This is not necessarily an argument for agencies to establish dedicated Indigenous units, nor for programs to have dedicated Indigenous specific sub-programs, but it is an argument for the development of a culture of assessing the impact of agencies’ programs on Indigenous citizens and ensuring that they are not (unintentionally or otherwise) excluded, under-represented or under-resourced. Yet treating the priority reforms as akin to mechanistically constructed targets, and measuring important but incidental issues such as levels of racism within agencies as the metric of success is a recipe for failure and non-performance. Unfortunately, the Commission in its draft report fails to explore the underpinnings of the Priority Reforms and examine and consider how they might be made more effective (rather than merely how they might be better measured). To take just one example, there is no analysis of the extraordinary demographic shifts underway in the Indigenous population, driven largely by increasing self-identification and inter-marriage. An independent review of the closing the gap architecture would, it seems to me, need to acknowledge this issue, assess the likelihood that it will continue, and consider what implications will follow.⁷

The targets

The targets have been central to the Closing the Gap architecture since the process was initiated in 2008. Yet they have never been closely analysed to explicate the theory of change that is being utilised by governments in adopting them.⁸ Nor has there been any formal examination of whether different governments have adopted different change theories in this policy space. Nor has there

⁶ Rowse 2010.

⁷ This issue was only tangentially mentioned in the recent 2023 Intergenerational Report. See Dillon (2023) for a more detailed discussion.

⁸ The nearest example of such a process was in the Overcoming Indigenous Disadvantage framework developed in 2002 by governments and published by the Productivity Commission. The particular theory of change adopted then was arguably neo-assimilationist.

ever been a review that sought to propose the most effective approach to selecting, framing and utilising targets within the context of a feasible and effective theory of change.

For example, it has never been made clear (by governments) whether governments use the targets as a set of generalised indicators of progress towards closing the gap, or whether they are seen as the key or essential priorities that will most effectively drive progress towards closing the gap. Or it may be that governments see the primary purpose of the targets as being merely to signal commitment with the concomitant (and invariably unacknowledged and unarticulated) implication that addressing disadvantage is a lower order priority. Moreover, given that the National Agreement is a negotiated document between nine governments, the Australian Local Government Association, and the Coalition of Peaks,⁹ the possibility exists that different governments have adopted differing rationales in relation to the purpose of the targets; this possibility raises the question: how would we ever know? In addition, the understanding of the Coalition of Peaks as to the conceptual underpinnings of the targets has implications for how they expect the Agreement and its policy architecture to work. A comprehensive independent review would provide a mechanism to make more visible the expectations of the Coalition of Peaks in relation to how the specification of targets will lead to tangible progress.

A comprehensive review of the National Agreement should, it seems to me, make an effort to understand which of these conceptual frameworks is actually being utilised, and provide some articulation of the advantages and risks involved in adopting the conceptual framework in use. Seeking to ascertain the actual conceptual framework being adopted by the parties to the Agreement is not necessarily straightforward. The review might ask each jurisdiction and the Coalition of Peaks for their views. But it would also be important for an independent review to consider the link between resource allocations and the targets, since in public policy settings actions speak louder than words. There is also a role for an independent review (such as the present exercise) in identifying a normatively desirable conceptual framework to underpin the targets (and priority reforms) which would allow the public and First Nations interests to better understand the trade-offs involved in adopting alternative conceptual frameworks.

A separate but related task for an independent review is to assess the targets that have been chosen, and consider whether these are the most appropriate targets to use in (a) the extant conceptual framework and (b) the optimal conceptual framework.¹⁰ Such an analysis should both canvass the ways in which the targets have been framed (e.g., do they involve a comparative assessment of mainstream and Indigenous indicators or are they measuring indicators of absolute progress) as well as whether the targets are consistent with the underlying conceptual framework in use (or desired) and are thus necessary or unnecessary. There is also merit in asking the question: are there potential indicators essential to closing the gap that are missing?

To provide just one example that makes the discussion above somewhat more real, it is worth asking the question: how important is education to closing the gap? Or to ask the related but slightly different question, how important is education to reducing existing and systemic disadvantage (inequality) experienced by First Nations citizens?

⁹ Dillon (2021b) provides a comprehensive analysis of the issues raised by the process of negotiating the National Agreement.

¹⁰ I note in passing that the choice of targets, and in particular, how they are framed and specified, provides further evidence of the underlying conceptual frameworks adopted by the parties to the National Agreement.

There is considerable evidence to suggest that **the answer to this question is that education is crucial**. For example:

The 2019 Closing the Gap Report stated:

Our young people need to be strong in two worlds – culture, language and education go hand in hand.' (Kimberley Aboriginal Law and Cultural Centre)... A good quality education lays the foundations for success in later life. While all social indicators are important, education can be the catalyst for improving life outcomes in the long term.¹¹

A 2021 Centre for Independent Studies Report noted:

... ensuring that all Indigenous Australians have educational opportunities that match those of non-Indigenous Australians is central to national aspirations and intergovernmental commitments. At the Education Council meeting of December 2019, policymakers committed to the Alice Springs (Mparntwe) Education Declaration: 'Australian Governments commit to empowering Aboriginal and Torres Strait Islander students to reach their potential and to ensuring the education community works to "close the gap" for young Aboriginal and Torres Strait Islander peoples.'¹²

A 2013 Productivity Commission working paper titled Deep and Persistent Disadvantage in Australia, in the chapter titled Factors Influencing Life Chances, notes:

Skills are considered to be the 'global currency of 21st century economies' (OECD 2012b, p. 3). Education provides skills, builds the capacity to learn and acts as a protector by creating greater labour market resilience. In turn, this increases lifetime job prospects, social engagement and the capacity for self-reliance. There is strong evidence to show that education is associated with improved life chances. The evidence points to a relationship between education and:

- better labour market outcomes (employment and earnings)
- better health and improved life satisfaction
- raised levels of civic and social engagement (volunteering, associations, interest in civic/political matters)
- reduced crime.

Yet the 'refreshed' targets included in the 2020 National Agreement excluded all schooling education targets. Fahey outlines the history succinctly:

By the end of 2008, COAG approved the National Indigenous Reform Agreement (NIRA) along with six 'Closing the Gap' targets — including two school education and one early education target (see Table). In May 2014, COAG agreed to a new additional target on school attendance, and in 2015, to extend the original early education target that had since been achieved....

... [In the 2020 National Agreement] In the area of education, all schooling outcome targets were excluded, other than the original attainment target (which was already on track to be

¹¹ Closing the Gap report (2019: 17; 64), Department of Prime Minister and Cabinet, Canberra.

¹² Fahey (2021: 3).

met). Instead, a greater emphasis was placed on both (i) post-schooling attainment and participation in work and/or study and (ii) pre-schooling participation and development.¹³

Clearly there was a deliberate decision to remove the education targets despite the widespread evidence and acknowledgement that education is crucial to skills acquisition, employment and better life opportunities. Unsurprisingly, no public rationale was offered by governments to justify this decision apart from the generalised argument that the refresh would be 'strengths based'.

To take another issue, the shift from six targets in 2008 to the current 19 socioeconomic targets plus four priority reforms raises multiple questions regarding the theory of change that underpins each of these new targets (i.e. what is the mechanism for moving from the current baseline to the desired target in relation to each target).

Further questions relate to the shift away from a focus on the gaps between Indigenous and other Australians and the shift towards absolute targets, and what implications that has for addressing disadvantage (both positive and negative); whether the targets are priorities or not, and the implications of the answer to that question for addressing disadvantage; the capacity of governments to address multiple priorities; and most fundamentally, what are the implications of the current suite of targets for addressing existing disadvantage.

Accordingly, my **third proposition** is that the issues I have raised regarding the choice of targets, framing of targets, their conceptual underpinnings and the implicit theories of change involved should all be core elements in any independent comprehensive review of the Closing the Gap National Agreement. Unfortunately, to date the Commission has chosen a different narrower path focussed on acceptance of the current agreement and focussing primarily on implementation. The consequence of this approach will be to reinforce and lock in the status quo, which can be characterised as ongoing policy failure disguised by the appearance of government action.

The Closing the Gap framework lays out the nation's overarching approach to addressing the disadvantage of Indigenous Australians. It is not the only lens through which to assess policy outcomes, and in particular it should not be the only lens through which the contributions of First Nations citizens are recognised. But nor should it be allowed to degrade to the point that the policy efforts required to address disadvantage amongst First Nations citizens is undermined.

To be blunt, the core challenge for a truly independent review of the Closing the Gap framework — which is widely acknowledged as a failure to date — is to understand the important questions facing the framework, and to propose the means by which the framework can answer them. Those questions include: is the framework working?; if not why is that the case?; is it fit for purpose?; and if not what is to be done? Given the scale, complexity and inherent difficulty of the challenges, and having given the issues serious thought and consideration, I see no alternative but to suggest the Commission should recommend fundamental change to the current architecture to deliver:

- major simplification of the processes involved in operationalising the framework;
- a coherent policy logic that reflects the scale and complexity of the challenge, as well as the underlying demographic and cultural heterogeneity of Indigenous Australia;
- formal mechanisms to link stated priorities with adequate resource allocations; and
- transparent and independent monitoring and evaluative mechanisms that ensure governments are alerted to the need for structural changes as circumstances change.

¹³ Fahey (2021: 4).

Without decisive action along these lines, the framework will inevitably continue to produce limited, and even regressive outcomes, and will eventually reach a point where it loses the requisite community trust and credibility to survive, or even implodes under the weight of unsustainable process.

In my view, the Commission has a simple choice. The Commission can choose to be complicit in maintaining the status quo, or it can begin the process of laying out an alternative vision for addressing the deep-seated and persistent disadvantage that is blighting the lives and life opportunities of too many (but not all) Indigenous citizens.

To provide a pointer to what I have in mind, in **Appendix A**, I have attached a succinct description of an alternative framework for Closing the Gap. Such an alternative framework would be feasible and in my view would avoid many of the issues implicit in the current policy architecture. I emphasise that it is put forward merely as an example of the sort of policy thinking that should be undertaken by a comprehensive independent review rather than as a fully considered concrete proposal.

The Commission's statutory independence and the technical resources to which it has access suggests it has a special responsibility to exercise its remit — particularly in the Indigenous policy space — without fear or favour. As Aaron Wildavsky suggested in the title of his book¹⁴ on the art and craft of policy analysis, a core element of policy analysis is to join knowledge with those exercising executive power within society; that is, to speak truth to power. That is the challenge for the Commission.

8 September 2023

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¹⁴ Wildavsky 1979.

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Appendix A: Outline of one possible alternative framework for closing the gap

[This potential framework is included merely to demonstrate that alternative approaches to devising a framework for Closing the Gap are possible.]

The first step would be for the Productivity Commission to be requested to make an independently refereed estimate of the potential cost of closing the gap over (say) a fifty year period. This estimate should be indicative, revised every five or ten years, and designed to inform the Australian community of the scale of the challenge involved. Such an estimate should be contextualised with an analysis of the broad causes of existing disadvantage to undercut any suggestion that these are self-inflicted costs or that First Nations citizens are somehow responsible for their disadvantaged status. Such an estimate might be complemented by a revival of the Productivity Commission's previous Indigenous expenditure reports, albeit better framed to take into account positive and negative expenditures, to differentiate between citizenship entitlements and discretionary investments, and perhaps even broadened to include tax expenditures as well as appropriated expenditures.

Core principles of the framework would be that the targets should be high level and address systemic issues, and implicitly acknowledge that deep disadvantage has multiple causes and symptoms.

The primary purpose of the targets would be to provide a generalised indication to governments whether or not disadvantage exists and continues. To this end, a limited number of targets would be set based on the availability of reliable data, and their power to communicate a readily understood narrative to the Australian population. To this end, they would generally involve comparisons between Indigenous and non-Indigenous citizens, and may benefit from being aggregated to amalgamate differing data points within each cohort into a single index (e.g. to amalgamate outcomes for education outcomes at different schooling years into a single index). There should be no expectation that Governments should allocate funding to these particular targets.

Examples of **potential targets** include:

- Comparative lifespans.
- Comparative educational outcomes.
- An indicator of comparative geographic disadvantage across urban, regional and remote regions (incorporating physical infrastructure elements such as housing and essential services; and perhaps other core services such as health and education).
- An indicator of comparative health disadvantage.
- An indicator of comparative justice system disadvantage.

Beneath the high level targets there would be a limited series of **high level ten year sectoral priorities** linked to the allocation of additional funding locked in to legislated appropriations. These core priorities would be supplemented by **additional priorities** locked in to the forward estimates. The priorities and their associated funding would be underpinned by a published policy or program rationale that includes indicators of current comparative socioeconomic status, a program logic and rationale, and links back to the overarching aim of the Closing the Gap agenda, namely, removing comparative disadvantage and inequity. However, there would also be scope for these priorities to encompass initiatives directed to strengthening culture, including for example language programs, support for the various forms of artistic expression, and support for maintaining links to land and country. Stronger cultures strengthen the capabilities that are a core part of citizenship and contribute indirectly (but importantly) to addressing disadvantage. In other words, such a model

builds in a tangible mechanism for governments to acknowledge and fund alternative life choices by First Nations citizens.

In relation to the ten year sectoral priorities, there would be benefit in requiring these to be agreed Commonwealth /state funding programs which are designed to be additional to current funding initiatives and programs and can be monitored and assessed as a unified strategy.

There should be regular independent evaluations of each the sectoral and additional priority programs, with the evaluation reports tabled publicly in Parliament.

Additionally, there should be a series of **Priority Reforms** (such as currently in place) focussed on driving institutional and systemic reforms designed to support and underpin the Closing the Gap policy architecture. These should be framed in qualitative and not quantitative terms, and should be assessed by regular reviews (such as the current review process).

Finally, the Commonwealth should take the lead in this national project as the 'first among equals', rather than the current model where it sees itself merely as one of nine jurisdictions with responsibility for closing the gap. This would mean that it should take a direct leadership role in ensuring high level consistency in the closing the gap activities of states and territories, and in engaging with the Coalition of Peaks. The Commonwealth should take responsibility for amalgamating performance monitoring and reporting related to the closing the gap architecture across all jurisdictions. It should also provide robust feedback (perhaps through establishing a statutory office) to the states and territories on the quality of their program reports and implementation plans. This would be consistent with the implicit purpose of the 1967 referendum which gave the Commonwealth powers to legislate in relation to Indigenous citizens.

8 September 2023

Appendix B: Blog Post

Labyrinth: the Productivity Commission Draft Report on Closing the Gap

... that our stars,

Unreconcilable, should divide

Our equalness to this.

Antony & Cleopatra Act V, scene 1

The Productivity Commission (PC) has released a draft report on its review of progress on closing the gap ([link here](#)). The draft report package comprises a nine page plain English executive summary (which I found extremely useful); a 15 page Executive Summary which includes six draft recommendations and a series of requests for information/feedback; a 101 page Draft Report, and a series of seven information papers totalling around 280 pages.

The review arises from the terms of the National Agreement on Closing the Gap ([link here](#)), in particular, clauses 121 to 124. In particular, clause 121 states:

The Productivity Commission will undertake a comprehensive review of progress every three years ... It will provide an analysis of progress on Closing the Gap against the priority reforms, targets, indicators and trajectories, and examine the factors contributing to progress, including by drawing on evaluation and other evidence.

The political and media reaction to the Draft Review has been predictable with a large focus on the report's implications for the Voice (which to my mind prioritises means over ends). *The Australian* ran a series of articles on 26 July 2023 (behind its paywall) with headlines such as 'Closing the Gap failures "show why the vote must succeed"' (a view espoused by Minister Burney); 'Indigenous watchdog "with bite" called for regardless of voice vote to deal with Closing The Gap'; 'Closing the Gap scheme flounders within states of cynical disregard' (arguing the states have dropped the ball); and an editorial headed 'Bureaucracy firmly in the sights'. The Chair of the PC, Michael Brennan published an article in the AFR on 30 July ([link here](#)) titled 'The gap won't change without fundamental change'. The money quote was his assessment of progress on closing the gap as 'in large part, a hotted up version of business as usual'. Crikey published an analysis ([link here](#)) with the headline 'Why the Productivity Commission thinks a Voice is needed to Close the Gap'. This is arguably a misinterpretation of what the PC intends. In a perceptive comment on that article, Jon Altman wrote, inter alia, that the PC

continues to produce detailed and expensive report after report carefully documenting the nation's failure to properly address Indigenous disadvantage. But it does not address the first order issue: is the National Agreement on Closing the Gap framework a sound basis for policy formation? And will valorising equality for Indigenous populations as state-defined statistical subjects generate positive wellbeing outcomes for First Nations people in all their diversity?

Like Jon, I wish to focus on the policy issues rather than the quotidian political debate about the Voice (important as that is).

The nature of the PC review

There are a number of seriously problematic issues with the draft review (which I will seek to identify below); but these can be traced in large measure to a more fundamental issue: the PC appears to have veered away from the comprehensive review envisaged in the Agreement. The

terms of reference for the review provided by former Treasurer Frydenberg in April 2022 state, *inter alia*:

Scope of the review: *In undertaking the review, the Productivity Commission should:*

1. *analyse progress on Closing the Gap against the four Priority Reform outcome areas in the Agreement; 2. analyse progress against all of the socioeconomic outcome areas in the Agreement; and 3. examine the factors affecting progress.*

These tasks can be interpreted in one of two ways. They might be pursued broadly and holistically, in effect asking the strategic question: is the current Closing the Gap process meeting the objective of the agreement laid out in clause 15 of the National Agreement? Or they might be addressed narrowly and less consequentially, in effect asking the question, are the terms of each element of the agreement being met whether or not they are impacting the overall outcome being sought. Unfortunately, on my reading of the report, the PC has adopted the latter approach. I made this argument more expansively in my submission to the review ([link here](#) submission #5) based on my reading of an early issues paper.

The result is that despite nearly 400 pages of investigative narration, we don't really obtain an effective readout on the required new policy roadmap for closing the gap. Instead we get what seems at times an interminable litany of proposals for improved ways to hold governments accountable for particular cogs in the complex machine that comprises closing the gap. I am all for holding governments accountable, but there is an implicit assumption embedded in calls for improved accountability **that governments are in fact focused on implementing actions designed to achieve the overarching objective of the National Agreement**. If that assumption is wrong, then all that will be achieved will be more complexity, more engagement/involvement, more process, more bureaucratic kludge, and no change.

How might we determine if that assumption is in fact correct? The answer is by examining the tangible plans that exist to achieve the objective. Take this analogy. If I have an objective to build a new home, I develop a plan (let's call it an implementation plan). I buy some land. I consider what I need to make the home useful to me. I engage an architect, and develop detailed designs and have the design specifications costed. I allocate financial resources both for the capital costs (construction) and for the ongoing maintenance. If there is a mismatch between design and available financial resources, I either adjust the design or allocate more financial resources. This is not rocket science. If I don't have a plan; if I don't develop designs that provide tangible links between my aspiration/vision and the ultimate outcome; if my designs are not able to be constructed at present because the materials required are not available; or if I don't allocate resources and have some idea about how much it will cost; then an objective observer would conclude that I am not serious...

In relation to closing the gap, the National Agreement sets out the aspirational plan and steps to achieve the ultimate objective (clause 15 says it is reduced inequality between indigenous and other citizens). But Governments have failed to take it further. The **implementation plans** produced so far (required under the agreement) are not in fact implementation plans, but lists of what governments are already doing with some marginal new monies added. The PC identified that jurisdictional implementation plans were not fulfilling their intended purpose. See Box 4 on pages 27-8. I don't agree with the detail of the PC analysis; for example, the Joint Council has agreed that the implementation plans be produced annually, a matter which strikes me as ridiculous, yet not commented upon by the PC.

To return to the house construction analogy, you don't develop an implementation plan iteratively for each month or quarter of construction, but for the complete project. Instead the PC argues for codesign of these plans which is superficially attractive to Indigenous interests, but will inevitably produce delay and a bureaucratic morass (already a problem with this whole process). The time for Indigenous codesign is in developing the targets. Governments then must deliver against them, consulting and codesigning with relevant Indigenous interests as they go. The fact that jurisdictions do not have adequate and effective implementation plans is a fundamental flaw that requires rectification.

In relation to identifying **the cost of closing the gap**, including perhaps its constitutive elements, Governments have made no commitments. Instead, they merely publicise the financial commitments they make, often with little transparency of what the expenditures are achieving. Worse still, in contrast to the original Closing the Gap architecture under COAG (known as the National Indigenous Reform Agreement or NIRA), governments do not in general utilise decade long financial allocations. The problem with this general approach is that there is no way of knowing whether the financial commitments of governments are adequate or not. It is a truism that money is not everything, but in this case, it is an essential component of strategies to reduce inequitable access to services and basic infrastructure (like housing). Adequate funding may not be sufficient, but it certainly essential.

In my submission to the review, I argued that the PC should seek to estimate the likely total cost of closing the gap. To return to our analogy, we don't start building a house without knowing what it will cost. Unfortunately, the PC has ignored this element of my submission. It is bad enough that governments do not estimate these costs, but it is an egregious dereliction of responsibility for the 'independent' reviewer to ignore this issue. No other area of public policy is seriously analysed without a focus on cost. In areas of high ideological salience like defence, the debate over cost is assessed not just in terms of real growth rates, but the proportion of GDP allocated to the task ([link here](#)). In Indigenous affairs, all we get is an incessant flurry of media releases announcing this grant and that, often directed at squeaky wheels.

One of the consequences of this seemingly deliberate blindness by the PC is to promulgate and maintain the myth that closing the gap is solely of concern to Indigenous interests. If adequate resources are to be allocated to addressing Indigenous disadvantage, then mainstream attitudes need to change. This requires understanding which is best obtained by encouraging wider community involvement in the processes associated with closing the gap. [As an aside, the forthcoming vote on the Voice is another example of the importance of building wider community understanding in relation to the issues of core concern to Indigenous citizens.]

A further issue identified by the PC relates to **the status of the targets** in the Agreement. This is addressed at length in **Information Paper 6**, but it is too convoluted to dissect here. Instead I suggest interested readers look at the plain English Executive Summary ([link here](#)). Alternatively, see the discussion on page 5 of the draft review. Here are some choice extracts from the Summary (pp. 6-7) regarding targets and data (emphasis added):

For clear progress on the socio-economic outcomes and Priority Reforms, the Agreement says there must be: • performance tracking • public reporting. But doing this has been a big challenge. The Priority Reforms are the basis of the Agreement. Even so, governments report no data on: • the agreed targets • indicators that support the Priority Reforms. These are critical gaps in data.

*Also, progress on socio-economic outcomes is measured against national targets. It is not clear how to hold governments accountable for what happens at the regional level. **There are no data developed for: • any of the targets under the Priority Reforms • 4 of the 19 socio-economic targets • roughly 140 supporting indicators • more than 120 data development items.***

*We probably **will not see these data developed within 10 years** from the start of the Agreement (that is, by 2030). More effort is needed to: • improve governance • prioritise data development.*

In other words, we have the policy architecture, but not the means to implement it. **The PC recommendation is for a dedicated government agency to drive data development. I beg to disagree.** To return to the house construction analogy, we have constructed the frame, but the walls and roof are missing as the relevant materials are not yet available or developed. Do we appoint another builder to supervise the current builder, or go back to the drawing board?

I suggest the Commonwealth should step in and initiate an immediate process of radical simplification to take this process back to its core purpose. There is a need to consider once again what the targets are actually for: instead of providing a policy roadmap indicating that we are heading in the right direction, they have been transformed into an attempt (that is bound to fail) which seeks to guide us each and every step along the way. Nineteen targets times eight jurisdictions plus hundreds of supporting indicators and data development items again across eight jurisdictions, all under constant change and refinement, and we have a data labyrinth which is guaranteed to ensure that any one foolish enough to enter is swiftly lost in the bowels of the machine.

There are a range of other issues embedded in this draft review that require detailed consideration by those interested in seeing Indigenous inequality and exclusion removed from Australian society. I will address a few below in no particular order.

Conceptual issues

The **philosophical and ethical issues** that are embedded within the notion of closing the gap receive too little attention by policymakers. The tension between the state's rhetorical focus on removing inequality and the right of citizens, particularly Indigenous citizens, to choose fundamentally alternative ways of living (implicit in the rhetoric of self-determination), which Jon Altman alluded to in his comment to Crikey quoted above, is of enduring relevance in the policy quest to close the gap. It is an issue that is generally avoided as 'too hard' by policymakers, yet lies at the heart of much Indigenous distrust of governments and their bureaucratic processes. Altman explores this issue at length in this submission to the PC inquiry into an Indigenous evaluation strategy ([link here](#) sub.#23). The PC has entirely ignored these issues in its draft report; a reflection in my view of its lack of analytic interest in exploring what it is that the Closing the Gap process is seeking to achieve.

Deficit discourse and remote disadvantage

One of the key polemical drivers of the Closing the Gap refresh process initiated by the former LNP Government which led eventually to the National Agreement was **the notion of deficit discourse** designed to blame Indigenous citizens for their own disadvantage. This is clearly an important policy insight, one that has recently been highlighted in relation to mainstream disadvantage by the Robodebt Royal commission ([link here](#) page iii). Yet when this concept is taken to extremes, it undercuts the whole point of closing the gap.

Unfortunately throughout the draft report, the PC appears to have adopted and endorsed such an extreme interpretation uncritically, thus setting up a polemical dichotomy where governments can do no right and must be held accountable for every shortfall and (paradoxically) where Indigenous interests are ongoing victims without agency. So for example, in **Information Paper 6** ([Link here](#) pp. 14-5), the PC writes:

*Review participants indicated a role for performance monitoring in supporting a paradigm shift in policy narratives about Aboriginal and Torres Strait Islander people. This shift moves policy discourse away from framing Aboriginal and Torres Strait Islander people as a disadvantaged minority towards rights-bearing peoples with strong connections to diverse cultures, Countries, and communities that have withstood current and historical institutional racism ... In its submission, the Lowitja Institute explained: Data is a powerful tool. Data can be used to hold governments and the community-controlled sector to account on actions under the National Agreement, however there is a risk that this can be decontextualised and misused if data sovereignty and data governance mechanisms are not in place. The **oversupply of deficit-based data** has created a discourse that sees Aboriginal and Torres Strait Islander peoples presented as a problem, or as wholly responsible for inequities.... (sub. 15, p. 7). (emphasis added)*

One consequence of this aversion to anything that even hints at deficit discourse is that important issues at the core of ongoing Indigenous exclusion and disadvantage are being deliberately written out of the policy relevant narrative and thus the policy agenda. It may not be a coincidence that given the current demography of Indigenous Australia ([link here](#)), it would be theoretically possible to conjure a positive narrative on progress in closing the gap while ignoring the needs of remote Australia. The losers from this process are the most disadvantaged Indigenous citizens, particularly those in remote regions. So for example, in the 101 pages of the draft report on the status of closing the gap, there are only seven mentions of the word 'remote', most just passing references, and there are no specific statement by the PC referencing the fact that Indigenous disadvantage is deepest and most severe in remote regions. The closest is a reference in a case study on the Torres Strait on p.62 where the Torres Strait Council refers to its very remote location as an issue.

Yet the PC itself, in its July 2023 **Annual Data Compilation Report** identifies (albeit in cautious bureaucratese) the dire state of disadvantage in remote regions ([link here](#) page 30):

People living in a more remote area may experience additional barriers to better outcomes; for example, not having access to key government services or infrastructure at the same level as people living in other areas. Aboriginal and Torres Strait Islander people typically experienced poorer target outcomes as remoteness increased, which was mostly not the case for non-Indigenous people ... Aboriginal and Torres Strait Islander people living in more remote areas also saw less progress toward target outcomes. Target outcomes typically only improved for Aboriginal and Torres Strait Islander people in major cities and regional areas where there may be fewer barriers, including better access to key infrastructure. There was little or no improvement in remote and very remote areas. The exception was for target 9A 'appropriately sized housing' where outcomes improved the most in very remote areas, though they remain well below the outcomes in less remote areas...

Or more starkly, in the same report the PC states (emphasis added):

*One jurisdiction where the worsening outcomes are particularly concerning is the Northern Territory. The **Northern Territory's outcomes worsened across eight target indicators** and in*

most of these they were already performing relatively poorly at baseline compared to other jurisdictions. For example, the adult imprisonment rate in the Northern Territory increased at the highest rate despite already being above the national average at baseline.

It is worth noting that the NT has the most geographically concentrated remote population, and has the weakest financial base in the federation.

Priority Reforms

The PC's approach to assessing progress on the Priority Reforms, particularly Priority Reform 3, is in my view deeply flawed. I dealt with this in my submission to the review, so won't duplicate it at length here. The key point is that increasingly, mainstream policies and programs are gaining greater salience across the indigenous policy domain. Ensuring mainstream agencies are focussed on addressing Indigenous disadvantage in their core activities is crucial to ensuring that there is a whole of government focus on these issues. Yet treating the priority reforms as akin to mechanically constructed targets, and measuring important but incidental issues such as levels of racism within agencies as the metric of success is a recipe for failure and non-performance. Unfortunately, the PC does not see this as they ignore this issue in its entirety.

Concluding comments

The problem with this draft review is that it is fundamentally misconceived, and fails to step back and look at the nation's approach to closing the gap holistically. This was a crucial opportunity only three years into the revised process, and unfortunately, the PC has failed to grasp it. There is a lack of real policy analysis throughout this report, and the attached information papers.

As a consequence, the review fails to ask the hard questions and ignores many aspects that should have been front and centre. For example, there is no substantive assessment of the operations of the Joint Council. There is no assessment of the capability requirements on the Coalition of Peaks and whether the current levels of support are adequate. There are mentions of states failing to deliver on their commitments, but no real solutions offered in response. There is no recognition of the primacy of the Commonwealth in the federation, and the implications of the deliberate strategy embedded within the architecture of the agreement for the Commonwealth to outsource its overarching responsibilities to the Joint Council and the states. There is no analysis of the nature of the refreshed targets which are increasingly not focussed on comparative social status, but are framed in terms of absolutes (ie improvements on current levels).

There is no recognition that the current design architecture for the agreement, while incomplete and thus subject to ongoing remedial work, is simultaneously over designed and in need of radical simplification. As presently configured, it guarantees that the Coalition of Peaks (representing Indigenous interests) will be wading through bureaucratic sludge for the next ten years, and thus effectively distracted from the main game. It also ensures that the probability of the national agreement imploding under the weight of its accumulated complexity is high and bound to grow. Proactive reform is preferable to stasis followed by abolition.

The bottom line however is that the six recommendations of the draft review (see pages 10-15), if implemented, would in my view not make any substantive difference to the nation's progress on closing the gap within five or even ten years. They are an amalgam of doubling down on the current hyper-complexity of the policy architecture along with a hefty dose of blind faith in the bureaucratic leadership of the nation. Did the robodebt royal commission not make any impression at all on the PC? Notwithstanding the PC Chair's view in his recent AFR article that governments are engaged in 'a

hotted up version of business as usual', the draft recommendations in this report might be characterised in similar terms.

I have a recommendation for the Commonwealth Government. Issue the PC with revised terms of reference, and perhaps an extension of time. Request them to (a) develop an estimate of the cost of addressing the entrenched inequality facing Indigenous Australians; (b) map out a realistic timeframe and strategy for achieving that objective; (c) make a more fundamental analysis of the current status of the Closing the Gap architecture; and (d) provide options for radically simplifying the structure and design of the current architecture while retaining the four priority reforms. And for good measure, keep it to fifty pages. Such a report would then allow the Commonwealth Government to meaningfully and honestly engage with Indigenous interests and the states and territories.

3 August 2023