



**Hon Dr Tony Buti MLA
Minister for Education; Aboriginal Affairs;
Citizenship and Multicultural Interests**

Our Ref: 80-12046

Ms Danielle Wood
Chair
Productivity Commission
Locked Bag 2
Collins Street East
MELBOURNE VIC 8003

Dear Ms Wood

PRODUCTIVITY COMMISSION THREE YEARLY REVIEW OF THE NATIONAL AGREEMENT ON CLOSING THE GAP – DRAFT REPORT

I am writing to you regarding the Productivity Commission's (Commission) Draft Report of the first Three-Yearly Review of the National Agreement on Closing the Gap (Draft Report). I acknowledge the breadth and depth of work the Commission has undertaken to assess the implementation progress by Parties to the National Agreement on Closing the Gap (National Agreement) at this juncture.

Since the release of the Commission's Draft Report, the WA Government has published two significant reports: the Aboriginal Expenditure Review (AER) and the WA Government's second Closing the Gap Implementation Plan, for the period 2023-25 (Implementation Plan). I trust these reports will be valuable in informing the Commission's Final Report and Recommendations. The Commission's Review Team can access the Implementation Plan and AER via links provided at the end of this correspondence.

The WA Government's Closing the Gap Implementation Plan outlines the next phase of work required to accelerate progress against the four Priority Reform Areas and socio-economic targets of the National Agreement. The Implementation Plan also demonstrates the alignment between the Priority Reform Areas and the key strategic elements of the WA Government's Aboriginal Empowerment Strategy: the strategic framework for Aboriginal Affairs, developed in partnership with the Aboriginal Advisory Council WA (AACWA).

The WA Government's inaugural AER Report, published on 22 August 2023, identifies spending on Aboriginal programs and services using data from 23 State Government agencies. In 2021-22, Aboriginal organisations were shown to play a significant role in delivering 70 per cent of existing WA Government spending on programs targeted to, or used predominantly by, Aboriginal people and communities.

This included Aboriginal organisations as the sole providers of \$115.8 million (or 20 per cent of all direct expenditure) across 46 programs in 2021-22.

The WA Government is the only Government Party to the National Agreement so far to commit to repeating the AER annually. The inaugural report will be an important companion piece to the Implementation Plan, providing data against which the WA Government and our Aboriginal partners can track the progress over time in terms of the proportion of funding provided to Aboriginal organisations, including the Aboriginal community-controlled sector, to deliver vital services across the State.

Jurisdictional context

It was disappointing that the Commission's Draft Report found that, overall, progress against the Priority Reforms has been uncoordinated, piecemeal and slow. The WA Government appreciates that the full impact of the initial phase of implementation of the National Agreement may not be highly visible to, or currently being directly felt, by all Aboriginal people across WA.

The first three years of implementation has been absorbed by the negotiation of new national Partnership Actions, including four Sector Strengthening Plans, the establishment of five Policy Partnerships and additional Socioeconomic Outcomes and Targets. It is too early to assess whether these national mechanisms are fit for purpose, as some are still in an establishment phase. The WA Government's experience to date indicates that further consideration could be given to how national Closing the Gap partnership structures, such as Policy Partnerships and the Partnership Working Group, can accommodate the timeframes required for jurisdictional partners to participate in planning and decision-making at the national level.

The impact of Covid-19 on both the WA Government and our Aboriginal partners' ability to progress key projects and initiatives cannot be understated. In WA, travel and access to regional, remote and other discrete regional communities were highly restricted for lengthy periods throughout 2021-22 and the attention of both Government and Aboriginal partners directed to protecting the health and wellbeing of all Western Australians. While this barrier has lifted, the impact of natural disasters in Northern WA, including remote and very remote Aboriginal communities, has required emergency responses and in some cases exacerbated the challenge of progressing against national targets when, in several cases, WA started from a lower-than-average baseline.

I note these challenges because the implementation of the unique commitments under the National Agreement has, during these first three years, occurred in the context of constantly evolving WA Aboriginal community aspirations and shifting social, economic, and political settings at the national, state and regional/local level.

The Commission's Draft Report acknowledges a similar point; that the National Agreement sits within a rapidly evolving landscape. The WA Government would welcome a constructive dialogue between the Coalition of Peaks and Government Parties about how we can collectively respond to emergent political, policy and environmental contexts and calibrate expectations of all Parties to sustain a healthy partnership over the life of the National Agreement.

Key achievements during the initial phase of implementation

The WA Government has invested significant effort and resources during the initial phase of implementation to establish an enabling environment to support the WA Government and our jurisdictional Aboriginal partners to meet discrete commitments arising from the National Agreement. While this is not always public-facing work, intensive work has been undertaken – including at the Ministerial level – to build awareness and ownership of the National Agreement across all of State Government.

This early investment in establishing the foundations for sustainable implementation of the National Agreement have strengthened the WA Government's approach and accountability. The WA Government has endorsed formal Closing the Gap Governance Arrangements that ensure responsibility for the four Priority Reform Areas are shared by all Ministers and all WA Government Agencies; with Lead Ministers and Agencies identified for each of the 17 Socioeconomic Outcome Areas and their Targets. These arrangements are published in the new Implementation Plan.

These governance arrangements are supported by an embedded coordination function within the Department of the Premier and Cabinet, which Chairs the Aboriginal Affairs Coordinating Committee (AACC), comprised of heads of Agencies, the Co-Chairs of the Aboriginal Advisory Council WA and the Chairperson of the Aboriginal Health Council WA (AHCWA); and the Closing the Gap Deputy Director Generals Group. These devolved governmental arrangements have taken careful consideration and time to establish to ensure they meet the needs and expectations of our Aboriginal Partners, including the WA member body to the Coalition of Peaks, AHCWA.

Partnership development

As indicated in the new Implementation Plan, this initial investment has established the foundation for sustained progress against Priority Reform One: Formal Partnerships and Shared Decision-Making. Pleasingly, the WA Public Sector has made significant progress to improve our partnerships with Aboriginal representatives, with 110 existing partnerships across nine WA Government Agencies currently demonstrating some level of shared decision-making aligned to the strong partnership elements under Priority Reform One.

A priority focus for the next 12 months will be to increase and strengthen the partnership arrangements across the governance structures, and the newly established ACCO Peak Body, the Council of Aboriginal Services WA (CASWA), will be critical to this process (see below).

Strengthening the Aboriginal Community-Controlled Sector (ACCO Sector)

As noted in previous correspondence to your predecessor dated 25 July 2023, Mr Michael Brennan, our phased approach required initial investment aligned to Priority Reform Two to strengthen and build the ACCO Sector in our State, through:

- \$1.4 million to AHCWA to establish a broader ACCO peak body CASWA;
- \$3.4 million in grants to ACCOs; and
- \$5.725 million in 2023-2024 State Budget for operational funding for CASWA.

The positive impact of this foundational work is now being felt across the WA Public Sector and the WA ACCO Sector more broadly. At the commencement of the National Agreement, the WA Government was in a unique position with the AHCWA being the only Peak body member to the Coalition of Peaks. CASWA is now registered and has appointed its Chief Executive Officer. It is anticipated that CASWA will be operational by the end of 2023, with a membership comprising ACCOs across all the Closing the Gap outcome areas.

Transforming government organisations

While the WA Government appreciates that the transformation of government organisations envisioned under Priority Reform Area Two would ideally occur holistically and be centrally led in each jurisdiction with oversight nationally, it is noted that the Productivity Commission's draft report appeared dismissive of efforts by government agencies to address employment of Aboriginal people, cultural and capability training and other mechanisms by which government can affect change.

The WA Government wholeheartedly believes that Aboriginal employment aspirations are not only necessary but are able to drive change internally that will lead to holistic and wide-ranging transformation of the entirety of the public sector.

Additionally, while cultural and capability strategies are seen as a mandatory training requirement within any jurisdiction, it is pleasing to see that many larger WA agencies are procuring from Aboriginal businesses and consultancies to assist in delivering online, in-person and longitudinal training that allows lessons to be embedded and reflected on. While this training might appear piecemeal, its effects can be taken for granted.

The WA Government would argue that each meaningful change within the jurisdiction leads to a cumulative effect that may transform the way we operate, engage and drive outcomes in government for the Western Australian community.

Independent Mechanism

The WA Government is considering options to meet its commitments under clause 67 of the National Agreement, including the Independent Mechanism. We look forward to ongoing discussions, at the upcoming Partnership Working Group meeting on 4 October, on the research findings by the Australian and New Zealand School of Government.

The identification and development of an Independent Mechanism(s) is technically complex work. The WA Government understands that the Australian Government is considering a national Independent Mechanism that may seek to cooperate with jurisdictional mechanisms, and that this is the preference of the Coalition of Peaks. The approach taken by the Australian Government is likely to impact directly on the approach taken by each jurisdiction to their Independent Mechanism(s).

Given the ongoing research and development at the national level, and the potential policy implications of the referendum on a national Aboriginal and Torres Strait Islander Voice to Parliament, the WA Government considers it vital that all jurisdictions are afforded sufficient time and opportunity to approach this commitment in a fully informed way, in genuine partnership with Coalition of Peaks partners and other Aboriginal representatives.

Sharing data and information at the regional level

I would also like to highlight some recent new and emerging initiatives that will accelerate WA Government's progress against Priority Reform Four. In August 2023, the WA Government launched PeopleWA: a whole-of-government linked data asset. PeopleWA will use data linkage to combine information from across the WA Public Sector, creating a rich repository of deidentified data which will enable approved users to address the State's most complex social, health, environmental and economic issues. The asset will be protected by international best practice for transparent data governance, safeguards for personal and sensitive information, and robust cyber security controls.

PeopleWA will comply with the WA Government's forthcoming Privacy and Responsible Information Sharing (PRIS) legislation, balancing privacy concerns with the benefits of data sharing. The WA Office of Digital Government is currently working with ACCOs and other key Aboriginal stakeholders to embed Aboriginal Data Sovereignty principles in the access and use of PeopleWA.

The PRIS legislation will provide Western Australians with greater control over their personal information and improve the delivery of government services. The legislation will enable data to be shared within government for the right reasons and provide greater accountability and transparency about how government uses this information. The legislation includes a mechanism that supports Aboriginal data sovereignty and governance in WA, by requiring that Aboriginal people and communities are involved or consulted when data about Aboriginal people is shared.

In summary, the WA Government acknowledges the ongoing, long-term work for all WA Government agencies to achieve the system-level reforms required under the four Priority Reform Areas. In the context of this initial Three-Year Review, I urge the Commission to assess progress on the National Agreement against the operational contexts in which Government Parties and our Aboriginal and Torres Strait Islander partners are approaching this work.

The WA Government echoes the advice of its AACWA and encourages more flexibility and constructive dialogue regarding the momentum and pace of delivery so that jurisdictions can centre the voices of Aboriginal people living in metropolitan, regional and remote areas in the implementation of national priorities.

I note the six Draft Recommendations to Joint Council provide useful direction to the national co-chair arrangements between the Coalition of Peaks and the Australian Government in support of stewardship for implementation of the National Agreement. I expect the information provided here and in the Implementation Plan and AER will assist the Commission in the final phase of its Review process.

If you would like further information, please contact Ms Tracey Ninyette, Executive Director Aboriginal Engagement

Yours sincerely

Dr Tony Buti MLA
MINISTER FOR ABORIGINAL AFFAIRS

04/10/2023

Useful Links:

- Closing the Gap Implementation Plan 2023-25:
www.wa.gov.au/government/publications/closing-the-gap-was-implementation-plan
- WA Government's Aboriginal Expenditure Review:
www.wa.gov.au/government/publications/western-australian-aboriginal-expenditure-review-2022-23