



## **Productivity Commission review of the National Agreement on Closing the Gap**

This submission is provided on behalf of the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (Coalition of Peaks, the Peaks), the representative body of some 80 Aboriginal and Torres Strait Islander community-controlled peak organisations, which represent approximately 800 member organisations that provide services to more than 500,000 of our people nationally, and in every state and territory. The Coalition of Peaks came together to change the way Australian governments work with our people.

Australian Governments have committed to the full implementation of the National Agreement on Closing the Gap (National Agreement) as well as a range of measures that will support improved life outcomes for Aboriginal and Torres Strait Islander people. The National Agreement was initiated by the Coalition of Peaks and was negotiated and agreed with all Australian governments and the Australian Local Government Association through the Partnership Agreement on Closing the Gap (Partnership Agreement).

The Peaks are an act of self-determination and provide governments with an unparalleled network of Aboriginal and Torres Strait Islander people and organisations. There is no other forum for governments to negotiate and agree the policies and programs that have a significant impact on the lives of Aboriginal and Torres Strait Islander people. The National Agreement was informed by nationwide engagements of almost 4,000 Aboriginal and Torres Strait Islander people, and highlights that we knew what was needed to improve the lives of our people.

### **Key points**

- The premise of the National Agreement is that governments need to change the way they work with our people and engage in genuine partnership if we are to see progress against Closing the Gap targets.
- When considering progress against the National Agreement, it is positive to see some achievements and the partnership maturing, but overall progress is far too slow.
- The Parties to the National Agreement must collectively address the systemic issues that hinder the implementation of the National Agreement.
- Additional efforts must be concentrated on the systemic issues that are impeding progress of the Priority Reforms, and in-turn impeding progress of the socio-economic outcomes:
  - a. Understanding, support, and active sponsorship of the National Agreement,
  - b. Capability and capacity in the partnership,
  - c. Institutional structures and systems.

For the first time, the National Agreement on Closing the Gap focuses on the relationship between Aboriginal and Torres Strait Islander people and all governments in Australia. Its success requires governments to accept this and proceed with strengthening all such relationships to achieve meaningful outcomes at community level.

A number of the Coalition of Peaks members have provided individual submissions based on their experiences in their jurisdictions or their sector and we acknowledge their efforts.

We hope that the renewed focus on Aboriginal and Torres Strait Islander people and the commitment for structural reform to embed Aboriginal and Torres Strait Islander people as partners in decision-making continues and leads to increased action on the National Agreement this year.

### Understanding, alignment, and championing implementation of the National Agreement

There must be a better understanding, alignment, and championing implementation of the National Agreement. The National Agreement was informed by significant nationwide engagements of almost 4,000 Aboriginal and Torres Strait Islander people about what governments must do to see significant improvements in the lives of our people. These engagements were led by the Peaks.

The Peaks find that government officials, outside of Indigenous Affairs, have a very limited understanding of the National Agreement, and often many do not know it exists. The Peaks appreciate the work by jurisdictions to raise the profile of the National Agreement in their business areas, however there is a lack of active championing implementation at the national level. The burden is often on Peaks to remind government officials about the National Agreement and how it can (and should) be used to achieve better outcomes.

Even when there is acknowledgement of the National Agreement, there can often be a disparity in the understanding of its premise. The premise of the National Agreement is that an overhaul is needed to the way governments work if we are to see progress against the socio-economic targets. While the Priority Reforms are designed to change the way governments work with our communities and organisations, there tends to be over-emphasis on achieving the socio-economic outcomes in isolation, or simply completing the listed partnership actions. Governments must understand, embrace, and embed the Priority Reforms in their jurisdiction if we are going to deliver and drive accelerated progress to close the gap.

All parties are responsible for supporting engagement with the National Agreement through the delivery of an ongoing joint communications strategy. This includes the promotion and distribution of material and information across a range of mediums to Aboriginal and Torres Strait Islander people, as well as to other Australians. To date, this responsibility has been largely left to the Peaks. Governments must take a more active role in promoting the National Agreement; ensuring that they have a strong understanding and that they support colleagues and Ministers to maintain focus and alignment with the National Agreement.

### Capability and capacity in the partnership

As per Clause 112 of the National Agreement, the Parties acknowledge implementation of the National Agreement will require significant and effective resources and efforts. To understand the Peaks' capability and capacity to act as partners in the implementation of the National Agreement, the Peaks initiated the *Strengthening the Partnership – Mapping the Capability and Resources of the Coalition of Peaks Report (Attachment A)*. The Report identified that the Coalition of Peaks have delivered great value in a short period of time, however different and uneven resourcing arrangements are in place across the jurisdictions.

Since the Report was finalised there have been some welcome changes, including increased funding to the National Coalition of Peaks Policy and Secretariat team. However, the continued uneven resourcing across Peaks Members and the broader sector significantly impacts the ability to be full and genuine partners. Jurisdictional Peaks work in partnership with the respective State/Territory government and National Peaks often have a broader remit of partnership with multiple State/Territory governments and the Commonwealth government. Where there are resource issues, Peaks are limited with the time and expertise they can provide governments.

Many of our Peaks in the community-controlled sector have considerable experience engaging with governments to deliver key areas of policy, programs, and services. Despite the commitment of

shared-decision making and partnerships, governments still request that Peaks are engaged via various advisory councils, working groups, and other consultation forums on an ad-hoc basis. There are a limited number of formal partnerships that meet the strong partnership elements outlined in Clause 32 of the National Agreement. This continues to undermine the National Agreement and the role of the Peaks as partners with governments.

It has been noted by independent parties engaged to support partnership capability that a high level of inequity within the partnership remains. The inequity was described as a “*deeply ingrained historical lack of trust between Aboriginal and Torres Strait Islander people and various levels of government*”. The Peaks want to ensure that government parties are focusing on changing their traditional, top-down approaches and, instead, are making significant efforts towards partnership. In addition, the independent parties noted that Government maintains a high degree of authority over the Peaks because of funding arrangements. It was noted that this further reduces the Peaks’ ability to be genuine partners.

An example of good practice has been demonstrated by partnership between the New South Wales (NSW) Government and NSW CAPO (Jurisdictional Peak). NSW has demonstrated what can be achieved with appropriate funding and shared decision-making. NSW has also implemented a comprehensive partnership governance structure that mirrors the national Closing the Gap governance structure. NSW is the first jurisdiction to publish their second implementation plan (the 2022-24 NSW Closing the Gap Implementation Plan) and is the only jurisdiction to publish a Comprehensive Expenditure Review (Clause 113). This is not to say there is not more that NSW could do to accelerate change, just that they are demonstrating good practice that could be replicated.

### Entrenched government structures and systems

The systemic issues of governments and bureaucracies are not unique to Aboriginal and Torres Strait Islander policy. However, when the National Agreement demands governments undergo change to achieve better outcomes, these systemic and structural issues create the biggest barrier to the successful implementation of the National Agreement. This not only hinders progress on Closing the gap but perpetuates the poor life outcomes of Aboriginal and Torres Strait Islander people.

These systemic and structural issues are abundant, and include issues like non-collaborative environments, restrictive budget lines, political cycles, red-tape, staff turnover, and capability gaps (including lack of cultural competence). The Peaks have described governments as largely continuing with traditional approaches despite the National Agreement. We often find the same problems in different governments, where implementation depends on the efforts of individuals and tasks take longer and are more challenging than they should be. The systems of governments are significantly out of alignment with the partnership and shared decision-making principles outlined in the National Agreement.

However, the incremental and transformative changes required in governments to enable partnership and shared decision-making require buy-in, collaboration and courage beyond individual business units responsible for Closing the gap. It requires a level of collaboration across business units and across agencies that is often uncommon in governments. The default or the status quo is hard to change when governments use performance measures at a business unit level, through financial results (budget spent) and technical performance (activities completed), and often these assessments are made internally. Without accounting for internal bias when making this performance assessment, the partners, stakeholders, and clients experiences are not reflected. While some of these systems are set and filtered down from larger powers, there are many opportunities for governments to disrupt and transform these traditional systems.

For example, two of the five key accountability mechanisms from the National Agreement – Implementation Plans and Annual Reports – are proving to have varying application as accountability measures. While intending to outline how governments are implementing and progressing the National Agreement, these documents are often continuing traditional government practices of highlighting selected achievements while neglecting systemic issues that limit progress. When the Peaks undertook a detailed analysis of the first round of Implementation Plans, we found that more than 70 per cent of all actions were existing or old actions, with just 30 per cent of actions new. Moreover, often these new actions were neither comprehensive nor aligned with the National Agreement, they were mainstream policies and programs that had been retrofitted to look like Closing the Gap, making it extremely challenging to hold governments to account. The absence of clear, consistent evaluation criteria and data in these documents further reduces the effectiveness of these accountability mechanisms.

While the Productivity Commission Dashboard is an accountability mechanism that may reduce the limitations of biases and political narratives of Implementation Plans and Annual Reports, the data only indicates whether progress is occurring or not, rather than what needs to be focused on to get back on track. This is where embedding the Priority Reforms is most important. The Peaks look forward to the Productivity Commission Review and the Independent Aboriginal and Torres Strait Islander Review to assess whether the existing accountability mechanisms of the National Agreement are valuable.

An example of good practice is the steps occurring in the Commonwealth Government departments of Finance, Treasury, and Prime Minister and Cabinet to provide advice to other departments about how the National Agreement applies to the development of New Policy Proposals. While this work is in progress and yet to be finalised, it is a great example of focusing on systemic initiatives to embed the Priority Reforms. But again, this work was led and driven by the Peaks.

### Attachments

- Attachment A – Strengthening the Partnership – Mapping the Capability and Resources of the Coalition of Peaks Report