

23 August 2019, Adelaide

ITEM 3: LESSONS LEARNED FROM THE NATIONAL INDIGENOUS REFORM AGREEMENT

RECOMMENDATIONS

That the Joint Council:

1. **AGREES** that a new National Agreement on Closing the Gap (National Agreement), covering the next ten years, be developed to replace the National Indigenous Reform Agreement (NIRA), building on the lessons learned; to continue its successful elements, strengthen others and address foundational areas that were previously excluded from consideration.

KEY ISSUES

The NIRA was a significant step forward in the way governments committed to coordinated and collaborative action to improve the lives of Aboriginal and Torres Strait Islander peoples. However, its potential was hampered in a number of ways, and efforts under the NIRA were not sustained over time.

In the Closing the Gap Partnership Agreement, endorsed by the Council of Australian Governments (COAG) in December 2018, there was a commitment to review the NIRA to inform the development of a new National Agreement on Closing the Gap.

The Partnership Working Group has reviewed the NIRA with a view to determining the strengths and weakness that should be taken into account in drafting a new National Agreement. Some of the sources of information and analysis consulted are listed at [Schedule A](#).

STRENGTHS AND WEAKNESSES – OVERVIEW

The NIRA brought unprecedented national attention to outcomes for Aboriginal and Torres Strait Islander people. It created a coherent national policy framework based on an interlinking series of 'building blocks', linked to national targets identifying the key outcomes to be prioritised.

The accountability of governments was supported by annual progress reporting. The shared and individual roles and responsibilities of governments were clearly spelled out within the existing Commonwealth-state relations framework. However, as elements of that framework expired, uncertainty about roles and responsibilities increased over time.

The NIRA's service delivery principles and remote investment principles were a significant step forward in the way governments' committed to working with Aboriginal and Torres Strait Islander people. However, they come across as secondary to the targets and performance framework and are not up to date with relationships and commitments in most jurisdictions.

Target setting was highly aspirational. While this helped to highlight the issues and create a sense of urgency, the trajectories were not based on historical trends or evidence about

what could realistically be achieved in a given timeframe. This lack of a distinction between final policy goals and an ambitious-yet-achievable rate of progress further contributed to a deficit narrative by creating the perception of continuous failure even when steady progress over time occurred in some areas (e.g. life expectancy).

While the NIRA itself did not provide funding, it was underpinned by a series of Indigenous-specific and mainstream National Partnerships that committed Commonwealth funds, often paired with State and Territory funds. These provided the critical foundation for Closing the Gap implementation, and as these began to expire from 2013 without renewal, bipartisanship and implementation fell away.

Two additional factors compounded the impacts of this withdrawal of resources: the absence of a formal structure for Aboriginal and Torres Strait Islander involvement in the governance of the framework, and the dissolution in 2013-4 of the two key oversight bodies for the Closing the Gap framework (the COAG Reform Council and Working Group on Indigenous Reform). Both factors facilitated a period of policy drift. The *Close the Gap* campaign's 10-year review concluded that:

By 2014-15, the Closing the Gap Strategy as a coherent, national response to Indigenous disadvantage was effectively over. [...] In practice, [it] persists in name only...

POLICY FRAMEWORK, PRINCIPLES, AND STRATEGY

The NIRA committed the Australian, State and Territory governments to a framework of objectives, outcomes, outputs, performance measures and targets. It also scheduled strategies and service delivery principles to guide the coordinated design and delivery of programs.

Strengths

- Closing the Gap was a coherent national policy framework for Indigenous affairs.
- Building blocks approach recognised the need for action across portfolios, and the interconnectedness of outcomes across life areas.
- Desired outcomes were defined, with outputs mapped against these.
- Strategies and principles were basically sound and acknowledged the importance of place and the different contexts for urban/regional and remote.
- The shared roles and responsibilities of governments were clearly spelled out in the NIRA, while individual jurisdictions' roles and responsibilities were set out in separate National Partnership and other COAG agreements.
- Service delivery principles moved the relationship with Aboriginal and Torres Strait Islander peoples forward.

Weaknesses

- Negotiated with little input from Aboriginal and Torres Strait Islander people.
- The policy framework was articulated in scheduled strategies to the NIRA that were lengthy, lacked clear structure and were not written in accessible language.
- Ambitious targets contributed to a narrative of deficit and failure over time.
- Targets took prominence over service delivery principles.

- The principles on Indigenous engagement are not up to date with current relationships and commitments to working with communities and organisations. In particular, there was no framework for working at the regional level.
- The strategies and principles did not strongly enough set out expectations about the role of Aboriginal Community-Controlled Organisations (ACCOs) or measures to build ACCO capacity.
- In general, there was not enough reference made in Closing the Gap to mainstream policies and programs that worked to improve outcomes for Indigenous Australians. Some mainstream policies undermined the objectives of Closing the Gap because of its lack of visibility in the broader policy environment.

FUNDING AND IMPLEMENTATION

The critical foundation for implementation of the NIRA was a set of Indigenous-specific and mainstream National Partnerships, although the NIRA merely noted these and contained no independent funding commitments.

These National Partnerships were essential to planning and implementation. The nationally coordinated approach to implementation fell away as the respective agreements expired from 2013 and were not renewed. Very few new agreements directly referenced Closing the Gap.

A list of relevant Indigenous-specific and mainstream National Partnerships are at Schedule B.

Strengths

- The NIRA's service delivery principles and remote investment principles were a significant step forward in the way that governments committed to working with Aboriginal and Torres Strait Islander people.
- New resources were committed to achieving the targets, locked in through intergovernmental agreements rather than left to annual budget processes.ⁱ
- COAG's initial up-front commitment in 2008 was \$4.6 billion across five Indigenous-specific National Partnerships, of which approximately two-thirds was new Commonwealth funding.
- Eight Indigenous-specific National Partnerships committed around \$8.9 billion funding over ten years for services and programs to support Closing the Gap outcomes.
- The schedules linked specific COAG agreements and outputs to the targets, building blocks and outcomes.
- Overarching Bilateral Implementation Plans integrated activities under multiple National Partnerships, allowing greater coordination and oversight.

Weaknesses

- Federal-State cooperation on resourcing significantly diminished mid-way through the 10-year timeframe, attributed partially to diminishing bipartisan support for the framework at the political level.
- The NIRA contained no commitment to enter into new funding arrangements. With few exceptions, expired funding agreements were not replaced.ⁱⁱ After 2012, only three National Partnerships with direct references to the Closing the Gap framework

were developed. This caused policy discontinuity which not only affected immediate service delivery, but also hampered the development of the ACCO sector's workforce and corporate knowledge, and undermined leadership and community trust.

- While the NIRA referenced the importance of leveraging mainstream National Partnerships and funding to achieve Closing the Gap outcomes, in practice this was not fully realised and fell away with time.
- Four of the National Partnerships were specific to remote Aboriginal communities (*Remote Indigenous housing; Remote service delivery; Remote Indigenous Public Internet Access; and NT Remote Aboriginal Investment*), with limited focus on providing targeted, culturally safe services and programs for urban Aboriginal and Torres Strait communities in the other National Partnerships.
- Even while the National Partnerships were in effect, implementation planning was slow to start and in some cases was never completed. Overarching bilateral implementation plans were agreed between 2010 and 2012, but by 2014 were effectively defunct and had been removed from the internet. There was no overarching Commonwealth implementation plan.
- Closing the Gap activities outside those funded through Indigenous specific and mainstream National Partnerships was limited.
- As early as 2013 the COAG Reform Council found that implementation of the strategies and principles scheduled to the NIRA was "patchy" and that they were "seldom a significant driver of government activity".ⁱⁱⁱ
- Programs gradually stopped referring to Closing the Gap outcomes.
- There was no systemic plan in relation to housing or other social determinants.
- There was no commitment to investing in ACCO capacity and insufficient measures to embed their critical role in service-delivery.
- Failure to update the NIRA neglected a key mechanism available to governments for cataloguing and overseeing mainstream National Partnerships that had Aboriginal and Torres Strait Islander-specific measures or activities that contributed to Closing the Gap.

ACCOUNTABILITY

The NIRA contributed to accountability through transparent reporting on targets. However, because responsibility and accountability for targets was shared by the Commonwealth and states, responsibility for poor progress was often unclear. Accountability could be strengthened by outlining the levers and actions (including funding) each party is responsible for, to support bipartisanship and policy continuity over the long term.

Strengths

- Accountability was supported by regular, public reporting on outcomes, showing where progress was or was not being made, and where it was tied to funding.
- During the term of the accompanying National Partnerships, the shared and individual roles and responsibilities of governments were clearly defined within the framework. However, mechanisms to support shared accountability required strengthening.

- The Prime Minister's annual statement to Parliament put the national spotlight on Closing the Gap every year.

Weaknesses

- "Shared responsibility" prevented success or failure being attributed to either level of government.
- Each party accepted accountability "for achieving outcomes in its area of responsibility", but these were not clearly defined and disagreements emerged. In particular, after the expiry of the National Partnerships, responsibility for funding the continuation of relevant activities was not always clear or mutually agreed.
- Some of the "performance indicators" defined in the NIRA were simply additional measures of population-level outcomes, and were not useful indicators of the actual performance of governments or programs, or the drivers that contributed to achieving the targets.

ABORIGINAL AND TORRES STRAIT ISLANDER PARTNERSHIP AND ENGAGEMENT

Strengths

- The NIRA (particularly in its schedules) recognised the centrality of partnership and the need to engage with communities in planning and implementation.
- Governance and Leadership was included as a building block.

Weaknesses

- There was no direct mechanism for ACCOs or communities to influence the development of the strategy or targets, and no role in ongoing oversight.
- The NIRA did not contain any concrete measures to develop strengthened structures for Indigenous engagement in planning and implementation.
- The principle of partnership was not embedded in the body of the agreement.
- Resourcing and planning assumed centralised rather than place-based policy responses. Future arrangements should facilitate local decision-making.

GOVERNANCE AND OVERSIGHT

The Australian National Audit Office (ANAO) concluded that:

While oversight has been maintained over the collation and reporting of data for the Closing the Gap targets, the overall effectiveness of the framework has been reduced by a lack of oversight of its implementation and limited stakeholder engagement.

Strengths

- Governance for data and reporting was sound.

Weaknesses

- Insufficient leadership left Closing the Gap working groups without necessary leverage within their respective governments to drive change.
- The key oversight and implementation bodies (COAG Reform Council, Working Group on Indigenous Reform, bilateral working groups) were disbanded from 2013-14. COAG Councils and Senior Officials Meetings have not been used to identify policy adjustments necessary to meet the targets.

- The NIRA lost relevance as it was not updated to reflect important changes.

REPORTING AND EVALUATION

The ANAO found that reporting on the target measures was generally sound. However, there was only weak evaluation of the effectiveness of particular initiatives, the performance of particular parties, or the way in which resources were allocated.

Strengths

- Regular, public and nationally consistent reporting contributed to transparency.
- The processes established to administer the data were robust.
- Closing the Gap Clearinghouse provided a valuable evidence base.

Weaknesses

- Very little reporting and evaluation of performance and effectiveness.
- Programs were not consistently and explicitly linked to NIRA targets, weakening attempts to evaluate implementation of the framework as a whole.
- Expectations around the timeframe for measurable improvements were not well managed. This was an issue with the initial formulation of the targets, and contributed to a narrative of policy failure, that, over time, undermined renewed commitment to policy continuity and resourcing.
- Jurisdictions did not explicitly build evaluation costs into funding provisions.
- The Closing the Gap Clearinghouse was abolished in 2014.

TARGETS

Strengths

- Targets (initially) prompted strategic investment across health, early childhood education, housing and economic participation.

Weaknesses

- The focus was on deficit and Indigenous disadvantage rather than articulating a positive vision; on achieving parity rather than defining success on Indigenous terms.
- Ambitious targets and unrealistic expectations about how soon improvements could be measured led to a perception of ongoing failure, undermining the continuity of policy and funding.
- A parity benchmark with the non-Indigenous population masked progress on targets.
- Aggregate targets masked the different contexts of urban/regional and remote/very remote communities, and can distort policy responses. Reporting separately on these two contexts allows greater visibility of progress.

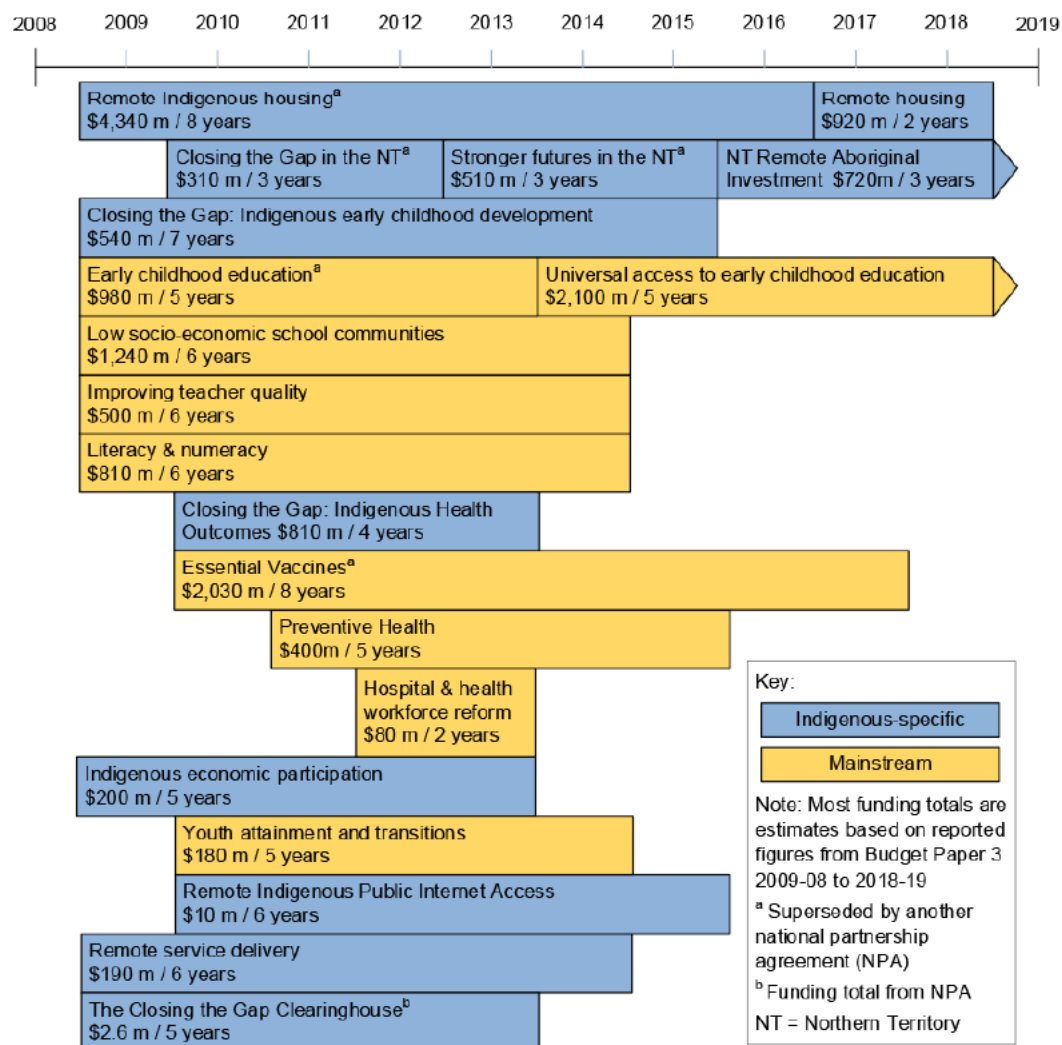
Schedule A – Sources

- Australian National Audit Office (2019) *Closing the Gap audit report*
- Commonwealth Department of Health and Ageing (March 2013) *Joint Report on the Review of the National Partnership Agreement on Closing the Gap in Indigenous Health Outcomes*
- Close the Gap Campaign (2018) *A ten-year review: the Closing the Gap Strategy and Recommendations for Reset*
- Centre for Aboriginal Economic Policy Research (2018) *Closing the Gap Refresh: Papering over the gaps or structural reform?*
- Michael Dillon (December 2018) *“Opportunities and risks: Important developments related to Closing the Gap”*
- Commonwealth Department of the Prime Minister and Cabinet (2017) *Closing the Gap: the Next Phase (Discussion Paper)*
- COAG Reform Council (2013) *Lessons for federal reform*

Schedule B – National Partnership Agreements

See below table, taken from the ANAO Closing the Gap audit report 2019 for list of National Partnership Agreements

National partnership agreements with links to Closing the Gap, 2008–2018



Source: ANAO analysis.

ⁱ The National Strategic Framework for Aboriginal and Torres Strait Islander Health 2003-2013, which at p4 states that Provision of financial resources to implement the Strategic Framework will depend on fiscal management strategies and competing funding priorities as determined by each jurisdiction's budget processes."

ⁱⁱ In some cases, activities continued to be funded outside the boundaries of an intergovernmental agreement. This often meant a reduction in the amount of expenditure, as a single level of government was now the sole funder. It also weakened the reporting and evaluation linkages to the NIRA building blocks and outcomes.

ⁱⁱⁱ COAG Reform Council, *Lessons for federal reform*, 2013, p39.