Review of the National Agreement on Closing the Gap

Submission to the Productivity Commission

Lowitja Institute, October 2026

27 October 2026

Dear Commissioners,

Re: Productivity Commission Review of the National Agreement on Closing the Gap

Lowitja Institute is Australia's national institute for Aboriginal and Torres Strait Islander health research, named in honour of our Co-Patron, the late Dr Lowitja O'Donoghue AC CBE DSG, and the only Aboriginal community-controlled research institute in Australia. We welcome the opportunity to provide a submission to the Productivity Commission's Review of the National Agreement on Closing the Gap.

Lowitja Institute's work consistently works to and supports the *National Agreement on Closing the Gap,* by advocating for and conducting Aboriginal and Torres Strait Islander led research that drives the four Priority Reforms. As an institute, we have contributed to previous reviews of the National Agreement conducted by the Productivity Commission, and this submission reiterates those calls to action and our expectations from Commonwealth, state and territory governments to uphold their commitments in full.

Our response focuses specifically on the importance of the Priority Reforms, as the foundation and architecture for change, and what governments can and must do strengthen them. Transformation, equitable funding, co-design, data, evaluation and accountability are referenced as key to embedding the Priority Reforms across government operations, and in strengthening and building the capacity of Aboriginal and Torres Strait Islander peoples and organisations to lead and have control over decisions that impact our communities.

Please find our submission attached. We would welcome the opportunity to further discuss any of the issues contained herein.

Warm regards



Rosemary Smith
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About Lowitja Institute

Lowitja Institute is a national Aboriginal and Torres Strait Islander Community Controlled Organisation working for the health and wellbeing of Australia's First Peoples through high-impact quality research, knowledge translation, and by supporting Aboriginal and Torres Strait Islander health researchers.

Established in January 2010, we operate on the key principles of Aboriginal and Torres Strait Islander leadership, a broader understanding of health that incorporates wellbeing, and the need for the work to have a clear and positive impact.

Lowitja Institute's research is built on priorities identified by Aboriginal and Torres Strait Islander peoples. We aim to produce high-impact research, tools and resources that will have positive health outcomes for Aboriginal and Torres Strait Islander peoples. To guide this, we work by five principles that underpin our approach to research.

These principles are:

1. Beneficence, to act for the benefit of Aboriginal and Torres Strait Islander people in the conduct of our research.
2. Leadership by Aboriginal and Torres Strait Islander people
3. Engagement of research end users (Aboriginal and Torres Strait Islander organisations and communities, policymakers, other potential research users)
4. Development of the Aboriginal and Torres Strait Islander research workforce
5. Measurement of impact in improving Aboriginal and Torres Strait Islander people's health.

General preamble

The *National Agreement on Closing the Gap* is, by design, is the most comprehensive policy initiative to deliver improved outcomes across health and wellbeing for Aboriginal and Torres Strait Islander peoples. All state and territory governments have committed to the *National Agreement,* and they are responsible for its deliverables and progress, and it remains the critical architecture for improving the health and wellbeing for our peoples. The Priority Reforms included in the National Agreement are focused on formal partnerships and shared decision-making, strengthening the community-controlled sector, transforming government organisations, and improving shared access to data and information. These provide the foundations for systemic change. However, progress towards their implementation has been inconsistent, fragmented and slow.

The *National Agreement* remains an unrelenting focus for Aboriginal and Torres Strait Islander leaders, and the sector, who continue to hold governments accountable for their promises. The Productivity Commission, in their review of the National Agreement on Closing the Gap in 2024, provided the overall assessment that there

is insufficient progress against these priority reforms and that governments are not adequately delivering on their commitments. The Commission noted that in regards to the four Priority Reforms, shared decision making is rarely being achieved in practice; government policy does not reflect the value of the community controlled sector; governments are not enabling Aboriginal and Torres Strait Islander-led data; and that the effective transformation of government organisations has barely begun.[1]

As such, Lowitja Institute is particularly keen to focus on what is needed from governments to strengthen and embed the Priority Reforms in full, to facilitate the change and architecture that is necessary for progress towards the socio-economic targets.

The need for governments to transform is foundational to progressing the Priority Reforms

In the last Review of the National Agreement on Closing the Gap, the Productivity Commission found that governments are not adequately delivering on their commitments. The Commission's overarching finding was one of insufficient progress, noting that progress in implementing the Agreement's four Priority Reforms has, for the most part, been week, and that there has been no systematic approach to determining what strategies need to be implemented to disrupt the business-as-usual approach of governments. The review found that the transformation of government organisations, as stipulated under Priority Reform 3, has barely begun, and that accountability for delivering on the commitments in the National Agreement is lacking.[2]

The Priority Reforms remain integral to accelerating improvements in life outcomes for Aboriginal and Torres Strait Islander peoples. Governments focus heavily on the socio-economic targets; their progress or lack of progress, but don't seem to fully grasp that you will not see progress towards these targets if you do not completely commit to and implement the four Priority Reforms, which provide the architecture and pathway for improvements in health and wellbeing across all sectors.

The need for governments to transform is foundational for actioning the Priority Reforms and seeing improvements in the socio-economic targets. It is the responsibility of governments to lead system reforms and, for this to work, it must be accompanied by increased investment in the four priority reform areas identified within the National Agreement on Closing the Gap. These priority areas have been

[1] Commonwealth of Australia, 2024, Review on the National Agreement on Closing the Gap: Study Report, Productivity Commission
[2] Productivity Commission 2024, Review of the National Agreement on Closing the Gap, Study report, volume 1, Canberra

strategically identified by Aboriginal and Torres Strait Islander peoples as overarching areas required to drive better outcomes for Aboriginal and Torres Strait Islander peoples and communities. All governments have committed to them in the National Agreement, and significant reform can be achieved where there is matching political will and investment. The four Priority Reforms provide the blueprint for transformation and embedding them fully is essential to creating the holistic infrastructure needed to meet the socio-economic targets. Without it, the targets are not likely to be met.

The National Agreement should **not** be understood primarily as a framework for changing Aboriginal and Torres Strait Islander people and communities. It should be understood as a framework for changing the systems and structures that contribute to inequitable outcomes.

The intent of the Priority Reforms is the change the way that governments work with Aboriginal and Torres Strait Islander peoples, and to build the architecture, systems, structures and accountability to drive progress towards the targets. Embedding the Priority Reforms in full would work towards dismantling the siloing of government that very often hampers progress and collaboration between sectors, and impacts fundings decisions and opportunities. They have been designed to empower Aboriginal and Torres Strait Islander peoples, leaders and organisations, to effect change, have impact and get a seat at the table. This holistic approach to action is what Aboriginal and Torres Strait Islander leaders have been calling for, and the ACCO sector is a perfect example of this in practice.

How governments can strengthen the four Priority Reforms

The Priority Reforms must be understood and implemented as a coherent, interdependent framework not as standalone initiatives. Each reform reinforces the others. Genuine, shared decision making (Priority reform 1) cannot occur without strong, well – resourced ACCOs (Priority Reform 2), and ACCOs cannot thrive if government systems remain unchanged and do not address racism (Priority Reform 3). Finally, partnerships are impossible without transparent, accessible data that community's control and trust (Priority Reform 4).

Funding

To strengthen these both individually and collectively, there needs to be immediate and comprehensive action. Firstly, governments must ensure that Aboriginal and Torres Strait Islander community controlled organisations are appropriately, and sustainably funded and resourced to enable full participation, leadership and governance across all four Priority Reform Areas. This applies particularly to Priority

Reform Two: Building the community controlled sector, but also across all other Priority Reforms as Aboriginal and Torres Strait Islander peoples must be empowered to contribute fully and lead action towards meeting the targets.

Aboriginal and Torres Strait Islander community controlled services consistently provide better care for Aboriginal and Torres Strait Islander peoples, whilst mainstream services consistently fail in their duty of care towards our peoples. ACCOs achieve better results, employ more Aboriginal and Torres Strait Islander peoples, and are very often preferred over mainstream services. It is the commitment and responsibility of governments, to arm the Aboriginal and Torres Strait Islander community controlled sector, through secure, long-term and flexible funding, so that they can continue to provide services that are culturally safe and free from racism for their communities.

They must also support and appropriately resource ACCOs so that they are able to participate in decision making and leadership, partnerships and capacity building, all of which are integral to actioning and embedding the Priority Reforms and their principles and disrupt the business as usual for government and mainstream systems. Without sustainable, long-term funding, ACCOs often lack the workforce capacity, time, and resources to achieve and maintain sufficient control over these processes. Greater funding to support genuine co-design is necessary for the design and delivery of projects, programs, and services that effectively support Aboriginal and Torres Strait Islander people's health and wellbeing.[3]

Accountability

There is a major accountability gap. As noted in the 2024 Closing the Gap independent review led by the Jumbunna Institute, Governments have yet to commence any genuine transformative work, continue with business-as-usual approaches that are inconsistent with their commitments under the National Agreement and are not generating widespread impact. This type of business-as-usual approach has prevented transformational progress in the realms of shared decision making and accountability. In addition, the siloed structures of Governments fundamentally fail to meet the multi-faceted needs of Aboriginal and Torres Strait Islander peoples and communities, and hamper the appropriate distribution of funds, shared decision making, and accountability over action or inaction.

[3] Butler, T; Anderson, K; Black, O; et al. 2025, *Co-design Versus Faux-design of Aboriginal and Torres Strait Islander Health Policy: A Critical Review,* Lowitja Institute, Melbourne

Transformational progress in transparency, accountability and shared decision making is critical and must be introduced as a matter of urgency under the National Agreement. In particular, there is particular need to establish independent accountability mechanisms to hold governments accountable to their commitments under the National Agreement, over and above the transformation required by Priority Reform 3. This is the Priority Reform which most deeply challenges governments and relies on them to act. Priority Reform Three commits governments to undertaking systemic and structural transformation of mainstream government organisations to respond to the needs of Aboriginal and Torres Strait Islander people.

While there are a number of accountability institutions at both the State/Territory and Commonwealth level that undertake oversight of governments, very few of these bodies or positions have a specific remit over Aboriginal and Torres Strait Islander-specific policy and programs. At the Commonwealth level, accountability entities include the Australian Human Rights Commission, Commonwealth Ombudsman, and the Australian National Audit Office. Whilst these entities have legislative authority and independence from the Government of the day, there are limitations on the applicability of their functions to those sought by ACCOs who are signatories to the National Agreement.[4]

The Productivity Commission, whilst not an accountability entity in the same way as the Australian National Audit Office, provides another example. It contributes to the development of more robust policy, program and regulatory settings relating to Australia's economic performance and community wellbeing through the provision of independent advice, undertaking research, evaluation, and performance monitoring. This review, being a key example of an attempt to hold governments accountable to what has been committed to under the National Agreement; however, Lowitja Institute would argue that much stronger accountability measures and commitments are required.

Schedule B of the National Health Reform Agreement (NHRA) and the Independent Monitoring and Accountability Group (MAG) is an example of a monitoring and accountability framework that has been set up under a big reform piece. Whilst we cannot yet say whether it will be effective, it is an example worth noting and evidence that when there is political will, these groups can be set up and can be set up quickly.

[4] Lowitja Institute & VACCHO, 2023, *Victorian Aboriginal Authority: An Initial Feasibility Study for Discussion,* Lowitja Institute

Measurable indicators and Aboriginal and Torres Strait Islander led research and evaluation

Accountability requires the development of measurable indicators of government and institutional transformation. There must be changes in what is being measured, whilst ensuring that lived experience is embedded as a measure, and Aboriginal and Torres Strait Islander knowledges and methodologies are incorporated within evaluations.

Delivering on the ambitions of the National Agreement requires that evaluations that are not only methodically robust, but also credible, culturally grounded and capable of informing real policy and funding decisions.[5] In Lowitja Institute's 2026 position paper, *Aboriginal and Torres Strait Islander evaluations informing policy and practice: What do we know and where do we need to go,* authored by Summer May Finlay, we discuss what is needed to ensure evaluations have meaningful impact:

- Aboriginal and Torres Strait Islander leadership and governance must be evident across all stages of an evaluation – from commissioning to decisions about how the findings can inform policy and practice. This will result in better outcomes for Aboriginal and Torres Strait Islander people
- There must be community authority over projects, including building in Indigenous Data Sovereignty (D-SOV) into each evaluation to ensure that Aboriginal and Torres Strait Islander perspectives and knowledges frame evaluations
- Aboriginal and Torres Strait Islander led research must meet the needs of community; evaluations must be designed with communities; research must address power dynamics; and research must be in line with the four Priority Reforms
- Aboriginal and Torres Strait Islander evaluation capacity must be strengthened so that the outcomes are reflective of community priorities and communities defined indicators or success, and to ensure that that evaluations are useful to communities and have impact
- Findings of commissioned evaluations must be published, so that communities can make evidence-based decisions. The NIAA and Department of Health, Disability and Ageing is a significant funder of Aboriginal and Torres Strait Islander programs but there are very few published publicly published evaluation reports – and when they are they are difficult to find.

[5] Evaluation paper Summer May Finlay

Co-design for shared decision making

To date, governments are not yet implementing shared decision-making in a way that reflects true co-design. Traditional top-down policy approaches have largely failed to address the health inequities experienced by Aboriginal and Torres Strait Islander peoples. In contrast, authentic co-design centres Aboriginal and Torres Strait Islander knowledges, priorities, and values, ensuring people most affected by policies have real decision-making power in shaping them. This approach fosters self-determination, cultural safety, and equity; and leads to policies and programs that are more effective and sustainable because they reflect community-defined solutions rather than externally imposed ones.[6]

In June 2025, Lowitja Institute published a position paper, Co-Design Versus Faux-Design of Aboriginal and Torres Strait Islander Health Policy: A Critical Review.[7] The position paper provided an overview of key concepts, principles, and benefits of the codesign methodology; highlighted concerns with contemporary practices and tokenistic co-design; and outlined critical issues to address and achieve effective co-designed health policies. It included case studies of best practice co-design to demonstrate how co-design can be done by, with, and for Aboriginal and Torres Strait Islander communities. These case studies demonstrated the benefits of co-design, including how community-led governance, community driven priorities and self-determination can create lasting, meaningful policy change. They also provided examples of how best practice co-design can be meaningfully enacted in research and policy making.

In policymaking, co-design approaches aim to shift decision-making power from government or institutions to communities, so that community-led decision-making shapes and drives the development of priorities and strategies. The need for best-practice co-design is particularly important when it comes to the National Agreement on Closing the Gap, which commits governments, through Priority Reform One, to shared decision-making authority with Aboriginal and Torres Strait Islander peoples.

Genuine co-design approaches, rather than tokenistic practices that are often seen in contemporary applications and political settings, will foster self-determination, cultural safety, and equity, and will lead to policies and programs that are more

[6] Butler, T; Anderson, K; Black, O; et al. 2025, *Co-design Versus Faux-design of Aboriginal and Torres Strait Islander Health Policy: A Critical Review,* Lowitja Institute, Melbourne
[7] Butler, T; Anderson, K; Black, O; et al. 2025, *Co-design Versus Faux-design of Aboriginal and Torres Strait Islander Health Policy: A Critical Review,* Lowitja Institute, Melbourne

effective and sustainable because they reflect community-defined solutions rather than externally imposed ones.[8]

Access to data and information

Data, and the principles of Indigenous Data Sovereignty and Governance, are central to catalysing meaningful change across systems, processes and outcomes for Aboriginal and Torres Strait Islander peoples. Indigenous Data Sovereignty (ID-SOV) is a global movement that recognises Indigenous communities' ownership, leadership, and governance of data relating to them. At its core, Indigenous people have the right to decide what's been collected, who manages it, how it's collected, and how the data is used and reused.[9] Without Aboriginal and Torres Strait Islander authority and data governance structures, evaluation processes risk reinforcing deficit narratives and continuing colonial patterns of knowledge production against Aboriginal and Torres Strait Islander people. Importantly, Indigenous data is required for evaluations to be undertaken. This requires that data, including baseline data, are relevant and align with Aboriginal and Torres Strait Islander priorities and aspirations for health and wellbeing.[10]

ID-SOV is a critical component of both ethical evaluation practice and the centring of Aboriginal and Torres Strait Islander knowledge, particularly regarding control over data collection, ownership, access, and use. This directly aligns with and is central to achieving the Closing the Gap Priority Reform 4 on access to data, which emphasises the importance of Aboriginal and Torres Strait Islander people having authority over data that relates to them and their communities.

Continual short term and disjointed efforts, compounded by governments' lack of willingness and commitment to truly embed the Priority Reforms, means that communities still do not have access and control over the data that relates to their communities. Unethical data practices, including collection, engagement and ownership, and interpretation of data, continue to enforce gatekeeping and prevent community access to, use of and control over data, hindering the development of best-practice approaches and strong and meaningful policy making that upholds the principles of the Priority Reforms and serves our communities well.

Addressing these issues requires a systemic shift towards open evaluation practices and the operationalisation of Indigenous Data Sovereignty principles through

[8] Butler, T; Anderson, K; Black, O; et al. 2025, *Co-design Versus Faux-design of Aboriginal and Torres Strait Islander Health Policy: A Critical Review,* Lowitja Institute, Melbourne

[9] Lowitja Institute, 2024, *Taking Control of Our Data: A Discussion Paper on Indigenous Data Governance for Aboriginal and Torres Strait Islander People and Communities*, Discussion Paper, Lowitja Institute, Melbourne. DOI: 10.48455/rtvd-7782

[10] Finlay, S.M., Maher, B., & Temby, A. 2026, *Aboriginal and Torres Strait Islander Evaluations, Informing Policy and Practice: What do we know and where do we need to go*, Lowitja Institute, Melbourne.

Indigenous Data Governance. These challenges demonstrate that many evaluation practices remain at early or developing stages across key domains, particularly in relation to Aboriginal and Torres Strait Islander leadership, transparency, and the use of evidence in decision-making. By prioritising Aboriginal and Torres Strait Islander leadership, strengthening capability, and enhancing transparency, evaluations can move beyond performative exercises to become powerful instruments for advancing self-determination and improving outcomes for Aboriginal and Torres Strait Islander peoples.[11]

[11] Finlay, S.M., Maher, B., & Temby, A. 2026, *Aboriginal and Torres Strait Islander Evaluations, Informing Policy and Practice: What do we know and where do we need to go*, Lowitja Institute, Melbourne.