

# NSW Government submission

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Australian Government Productivity Commission review of  
the National Agreement on Closing the Gap

June 2023



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# 1

## Overview

# 1 Introduction

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## 1.1 National Agreement on Closing the Gap

The NSW Government signed the new National Agreement on Closing the Gap 2020–2031 (the National Agreement) in July 2020 alongside all Australian governments (the Commonwealth and all states and territories), the Australian Local Government Association, and the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (the Coalition of Peaks), the peak body representing Aboriginal people in Closing the Gap. In NSW, the Coalition of Aboriginal and Torres Strait Islander Peak Organisations is represented by the NSW Coalition of Aboriginal Peak Organisations (NSW CAPO).

The National Agreement commits the NSW Government to work in partnership with Aboriginal communities and organisations to improve the life outcomes of Aboriginal people. It sets out 4 Priority Reform areas, designed to fundamentally change the way governments work with Aboriginal and Torres Strait Islander people to give effect to (including jointly through partnership actions):

- formal partnerships and shared decision-making
- building the Aboriginal community-controlled sector
- transforming government organisations
- shared access to data and information at a regional level

NSW has also committed to a fifth, NSW-specific Priority Reform on driving employment, business growth and economic prosperity. In addition to the Priority Reforms, the National Agreement sets out 17 socio-economic outcome areas across health, education, justice, families, housing, land and waters, languages and culture, and digital inclusion.

The commitment to shared decision-making is a commitment to make policy impacting on the lives of Aboriginal people in full and genuine partnership – and to empower Aboriginal people to share decision-making authority with governments.

The National Agreement has been committed to by the NSW Government, indicating whole-of-government responsibility for meeting the Closing the Gap commitments and achieving the Closing the Gap outcomes. Every part of the NSW public service has a role to play in transforming the way it works with Aboriginal communities to deliver better outcomes for Aboriginal people and local communities.

The NSW Government recognises the scope of transformative change required to successfully implement the intent of the Priority Reforms, but equally, can see the importance and the value in doing so, with benefits likely flowing beyond the scope of Closing the Gap. Working towards the socio-economic outcomes will close the gap, but the realisation of the Priority Reforms will ensure the gap stays closed and Aboriginal communities can thrive, which will in turn strengthen and benefit the state of NSW.

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## 1.2 Productivity Commission Review

The parties to the National Agreement have committed to independent oversight and accountability of progress under the National Agreement. This includes the Productivity Commission undertaking a comprehensive review of progress every 3 years, with the final report of the first review (the Review) due to be reported to the National Joint Council on Closing the Gap in December 2023. This Review is an opportunity to highlight where governments are changing the way they operate, where outcomes are improving for Aboriginal and Torres Strait Islander people, and where additional effort is needed.

The NSW Government makes this submission to the Productivity Commission demonstrating our progress to date and highlights the ways NSW is pushing forward in this space, transforming

government, and responding to community feedback to ensure we stay on track to meet our commitments under the National Agreement.

As we are in the early years of program delivery, this report also focuses on how initiatives have been shaped and developed, sharing insights about processes as well as outputs and outcomes.

NSW recognises the benefits that come from sharing information and insights with other jurisdictions and stakeholders. By taking the opportunity to learn from each other we can improve our ability to deliver the best possible outcomes in partnership with Aboriginal people and communities.

# 2

## Our approach in NSW

## 2 Approach

### 2.1 Working in partnership

The NSW Government is focused on delivering meaningful outcomes in genuine partnership with NSW CAPO and other Aboriginal partners, to achieve our commitments under the National Agreement. As co-signatories to the National Agreement, the NSW Government and NSW CAPO have formed the NSW Partnership on Closing the Gap. This shared accountability will achieve better outcomes for all Aboriginal and Torres Strait Islander peoples across NSW. This new approach is a key difference to previous Closing the Gap and Aboriginal Affairs approaches and is a crucial opportunity to do things better, together.

NSW CAPO is a member of the national Coalition of Aboriginal and Torres Strait Islander Peak Organisations and is made up of member organisations including:

- NSW Aboriginal Land Council
- First Peoples Disability Network Australia
- NSW Aboriginal Education Consultative Group (AECG)
- Link-Up (NSW) Aboriginal Corporation
- NSW Child, Family and Community Peak Aboriginal Corporation (AbSec)
- Aboriginal Health and Medical Research Council NSW
- BlaQ Aboriginal Corporation
- Aboriginal Legal Service NSW/ACT
- Aboriginal Culture, Heritage & Arts Association (Affiliate Member).

#### The NSW Partnership Health Check

Under the first NSW Implementation Plan, the NSW Partnership committed to undertake a health check of the NSW Closing the Gap partnership arrangements to ensure they were operating as effectively as possible. This was conducted in 2022 by an independent Aboriginal business, Murawin. It reviewed the partnership and governance structures to determine what could be improved and made 9 recommendations to further strengthen the NSW Partnership.

The report acknowledged that the NSW Partnership allowed for input from a variety of stakeholders and was established with positive intent and goodwill. It was also highlighted that the strong open working relationships and commitment from members enabled the partnership to thrive. The NSW Joint Council was pinpointed as working ‘most effectively’, primarily due to the consistent involvement of senior/high-level executives and decision-makers.

It noted that the governance structures often centred around a ‘business as usual’ approach, and timeframes and processes that suited NSW Government members more than NSW CAPO members. It was also recommended that the governance model be reviewed to ensure effective shared decision-making, collaboration and a shift in focus from ‘process to outcomes’.

The NSW Partnership is now working to address the recommendations and reform the governance arrangements so it can better achieve outcomes in partnership with Aboriginal people and communities.

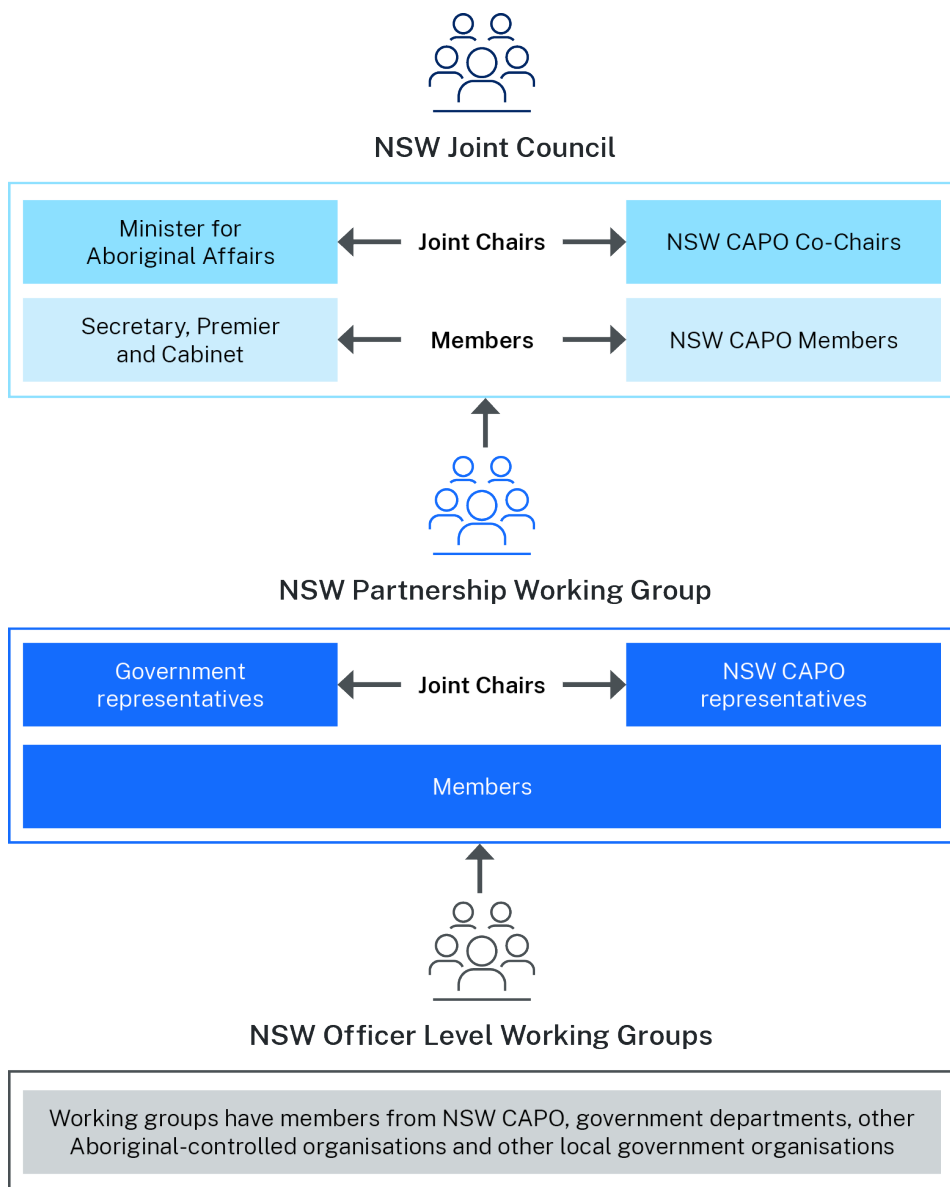
Significant efforts and resources have been dedicated to strengthening and achieving positive relationships with Aboriginal communities through the establishment of formal partnership arrangements for Closing the Gap. The commitment to reviewing and reforming arrangements in response to feedback demonstrates the maturity and strength of the partnership, and its commitment to ensuring better outcomes across all areas for Aboriginal people and communities.

## 2.2 NSW Governance for Closing the Gap

Closing the Gap is a whole-of-government responsibility. Every part of the NSW public service has a role to play in transforming the way it works with Aboriginal communities to deliver better outcomes for Aboriginal people. As co-signatories to the National Agreement, the NSW Government and NSW CAPO are working in partnership to develop Implementation Plans over the next 10 years that will enhance economic, social, and cultural outcomes for Aboriginal people and communities.

Closing the Gap governance arrangements have been established to ensure shared decision-making and partnership are embedded throughout our work. This includes:

- **NSW Joint Council** – a key decision-making group overseeing the planning and implementation of the National Agreement in NSW
- **NSW Partnership Working Group** – monitors performance, endorses key deliverables and processes to develop the NSW Implementation Plan and proposes initiatives to fulfil National Agreement requirements
- **13 Officer Level Working Groups** – offering subject matter expertise to develop and progress action towards Closing the Gap outcomes (comprising representatives from government, NSW CAPO and other relevant Aboriginal organisations), organised thematically to focus on the 5 Priority Reforms and 17 socio-economic targets.





Establishing formal partnerships with Aboriginal stakeholders across government is integral to the whole program of Closing the Gap and will inform and improve the way we work towards the socio-economic outcomes and Priority Reforms. There is a strong commitment to working in partnership in NSW and embedding accountability to ensure better outcomes for all Aboriginal and Torres Strait Islander peoples across NSW.

## 2.3 NSW Implementation Plans – an iterative approach

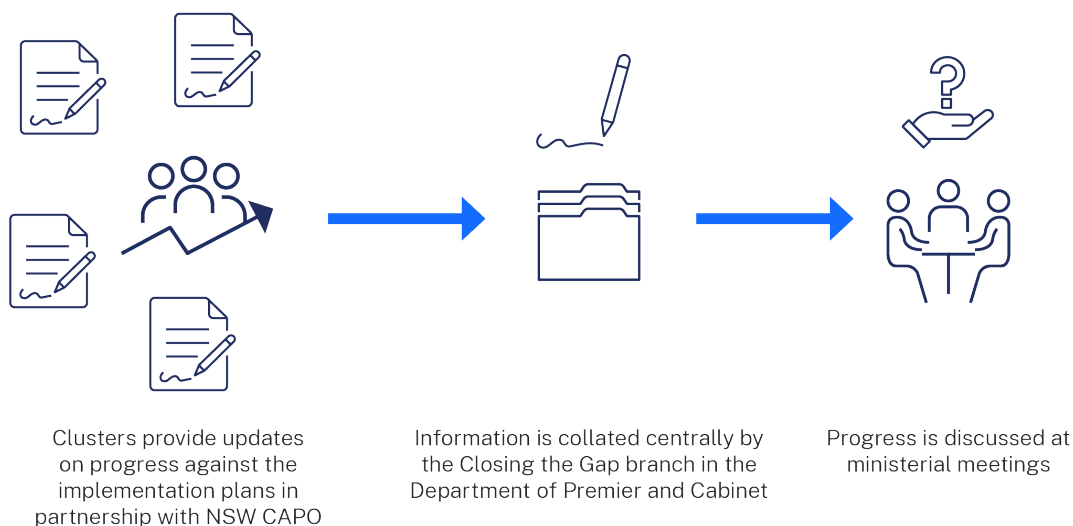
NSW is committed to the 10-year journey to drive reform across all parts of government to achieve the change we need in genuine partnership with Aboriginal people and communities. The NSW partnership has developed 2 Implementation Plans so far. Both are the product of extensive community engagement and collaboration between Aboriginal partners and government agencies. The first, NSW Closing the Gap Implementation Plan 2021–2022, focused on establishing foundational work across government. The current NSW Closing the Gap Implementation Plan 2022–2024 builds on the previous iteration by embedding and investing in the Priority Reforms and driving a greater focus on the 17 socio-economic outcome areas. A total of 142 initiatives – 48 initiatives associated with the 5 Priority Reforms and 94 initiatives associated with the 17 socio-economic outcome areas – have been identified across government for delivery through the Closing the Gap partnership. These focus on establishing processes that enable longer-term change and reform across government. What we learn from the delivery of this plan will inform how we approach future Implementation Plans.

We are in the early stages of the 10-year Closing the Gap program, and it will take time for programs, services, and initiatives to be implemented and have an impact. NSW is committed to delivering the reforms and initiatives in a dynamic and receptive way. Taking an iterative approach allows us to build in time and capacity to see what is working, ensuring our approach is continuously refined against quantitative data and qualitative feedback from the community.

## 2.4 Reporting and accountability

NSW is committed to ensuring those responsible for delivering change as part of Closing the Gap are accountable to community. This includes the whole of NSW Government, NSW CAPO and our service delivery partners. The NSW governance structure ensures that all significant decisions regarding Closing the Gap in NSW are shared in partnership between senior decision-makers from NSW CAPO and the NSW Government. This also fosters shared accountability for outcomes.

An overview of the reporting requirements is provided below.



To date, quarterly ministerial meetings are held with all responsible NSW Government ministers to regularly report on progress. The ministerial meetings are attended by key stakeholders including senior executives from the NSW Government, NSW CAPO leads and relevant ministers, to:

- discuss progress and delivery against commitments in the NSW Implementation Plans
- explore strategic opportunities and unlock challenges to achieving Priority Reforms and socio-economic outcome targets across government.

The meetings further act as a reporting mechanism where government departments are held accountable for their respective delivery responsibilities. NSW CAPO representatives are at the table alongside ministers and senior public servants, signalling and embedding strong accountability and commitment to working in partnership.

### NSW leading the way

In February 2023, Pat Turner, Lead Convenor of the National Coalition of Peaks, spoke to the *Sydney Morning Herald*, urging governments across Australia to get their central agencies more engaged in driving progress for Aboriginal and Torres Strait Islander people. She praised NSW for instituting quarterly ministerial meetings between state cabinet and NSW CAPO, noting the progress made in this area compared to other jurisdictions.<sup>1</sup>

## 2.5 Progress and performance

### 2.5.1 Socio-economic outcomes

The performance data outlined below provides a snapshot of NSW's progress on the 17 Closing the Gap socio-economic outcome areas. Approximately a third of the Closing the Gap socio-economic outcomes in NSW have stalled or deteriorated since baseline (based on available data). More data is required to build a comprehensive picture of Closing the Gap progress in NSW, which is currently being undertaken with the Premier's Implementation Unit in the Department of Premier and Cabinet (DPC).

NSW performance summary	# targets <sup>2</sup>	% of targets
Target met	1	6
Improvement on baseline (and target not yet met)	9	50
Deterioration on baseline	5	28
No change from baseline	1	6
Data not available on current performance	2	11

<sup>1</sup> Deborah Snow, "'Sick of the good intentions': Pat Turner demands faster action on Indigenous disadvantage", *Sydney Morning Herald* (smh.com.au)

<sup>2</sup> Note: The total number of targets adds up to 18 as Target 15 has 2 sub-targets. The Productivity Commission does not articulate state-level targets. To calculate the gap to target, this brief makes the following assumptions:

- Where the target is to achieve a certain % – for example, 91% of babies born with a healthy birthweight – that same % target is used in the NSW context.
- Where a target is expressed as a % increase or decrease – for example, a 15% reduction in incarceration – the target is calculated by applying the increase or decrease to the NSW baseline.

## 2.5.2 Progress on Priority Reforms

The National Agreement sets out the Priority Reforms and their outcomes and target indicators. However, the baseline and target values for the Priority Reforms have not been agreed to and are still being worked through as part of the national Closing the Gap governance.

The *NSW Implementation Plan for Closing the Gap 2022–2024* commits the NSW Government to support the creation and adoption of these trajectories and we are currently supporting the national work on data development and measurement of the Priority Reforms. NSW has an additional NSW-specific priority, Priority Reform 5, which relates to employment, business growth and economic prosperity. As there are no national indicators for this Priority Reform, indicators are being developed in partnership with NSW CAPO.

Progress against the Priority Reforms is currently measured qualitatively. NSW Government clusters and NSW CAPO report against the 48 Priority Reform-specific initiatives in the Implementation Plan, through discussions of key themes and issues at quarterly ministerial meetings, and through other work identified under the National Agreement. In the long term, our objective is to ensure a frequent and comprehensive picture of progress in NSW against all the Priority Reforms and to enable NSW to ensure its approach is having the desired impact. This work is subject to extensive consultation and appropriate approvals to develop a whole-of-government Change and Transformation Strategy.

# 3

The Priority Reforms:  
driving transformative  
change

## 3 The Priority Reforms

### Priority Reforms are the levers for systemic, transformative change

The Priority Reforms are central to the National Agreement and will fundamentally change the way governments work with Aboriginal people and communities. NSW has developed dedicated strategies to implement the Priority Reforms across all of government and is focused on ensuring these principles transform government and become business-as-usual. In addition, NSW has developed a fifth Priority Reform that gives increased focus to employment, business growth and economic prosperity for Aboriginal people and communities. This was developed in response to feedback from Aboriginal communities gathered as part of the consultation process for the first Implementation Plan.

We know that when work is done in partnership with a government, where communities have access to data, and services are developed and delivered through strong community-controlled organisations, we will see meaningful and sustainable change. Full implementation of the Priority Reforms will help us embed this approach, and ensure that Aboriginal people determine, drive and own their desired outcomes, alongside government.

The NSW Government is committed to transforming our processes and the whole of government to implement the Priority Reforms. We recognise that the Priority Reforms are interrelated and interdependent – focusing on a single reform area or socio-economic outcome in isolation is therefore not enough. Rather, we must embed transformational change through the implementation of the Priority Reforms, which will in turn help us to realise the 17 socio-economic outcomes in a sustainable way and make meaningful strides towards closing the gap.

The NSW Government recognises the magnitude of the change required to successfully implement the intent of the Priority Reforms, but equally, can see the importance and the value in doing so, with benefits likely flowing beyond the scope of Closing the Gap.

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### 3.1 Priority Reform 1: Formal Partnership and Shared Decision-Making

Priority Reform 1 is about creating genuine partnerships with Aboriginal people and communities at all levels of government. Partnership and shared decision-making are embedded across NSW, particularly through the NSW Closing the Gap governance arrangements outlined above. These arrangements are in direct response to Priority Reform 1 and demonstrate our strong commitment to transforming how government works with Aboriginal stakeholders.

Implementing Priority Reform 1 is a whole-of-government responsibility and work is being done by various clusters and Aboriginal stakeholders to improve and expand the number of partnerships. This approach recognises that genuine partnership is critical to accelerating place-based progress, and that Aboriginal people must be key decision-makers in policy matters that affect their lives and communities.

#### **NSW CAPO on the NSW governance arrangements for Closing the Gap:**

*In NSW, we have formalised governance arrangements for our work on Closing the Gap, based on the strong partnership elements of the National Agreement. These governance arrangements ensure that there are structures for equal, shared decision-making on Closing the Gap work in NSW. The 3 tiers of governance mean that CAPO is represented from initial project and policy development through to formal endorsement of approaches and strategic decision-making with the Aboriginal Affairs Minister.*

In addition to the governance structure, each government department has a responsibility to work in partnership with Aboriginal people and to implement shared decision-making. There is overarching

strategic work in place to coordinate this, as well as efforts in various sectors to implement the partnership approach and share decision-making on matters relating to Aboriginal people and communities.

### **3.1.1 A snapshot of current work – Priority Reform 1**

NSW is working on several initiatives to strengthen and coordinate working in partnership and to expand the number of formal partnerships between Aboriginal stakeholders and the NSW Government. This work is ongoing, and we are regularly assessing and improving our approach as we progress.

#### **Partnership stocktake**

As committed to in the National Agreement, NSW has carried out a review of current partnerships and assessed them against the ‘Strong Partnership Elements’ criteria. Our initial stocktake provided information on over 230 partnerships in NSW. Analysis is underway to help us understand what is working well, what can be improved, and what else we can do to continue having a positive impact.

NSW has gone beyond the scope of the National Agreement by including local councils in our analysis as well as government departments. Next steps are to develop toolkits and guidelines on how to strengthen partnerships, drawing on the evidence and analysis carried out as part of the review process.

#### **Establishing new place-based partnerships**

NSW CAPO is leading work to establish 3 new place-based partnership sites in NSW. This contributes to work outlined under the current Implementation Plan to ensure Aboriginal communities have access to partnership arrangements in their local community and on policy issues impacting them, where their voices can be heard.

Tamworth has been selected as one site for the place-based partnership in NSW. Tamworth has strong existing governance structures, strong Aboriginal community-controlled organisations and presents an opportunity to build on existing work with the Tamworth Aboriginal community. The approach to this partnership will be developed in more detail, with the local community, soon.

### **3.1.2 Case study: Increasing school attendance in partnership**

#### **NSW Aboriginal Education Consultative Group and the NSW Department of Education**

The NSW Aboriginal Education Consultative Group (AECG) is the peak community advisory body to the NSW Department of Education (DoE) on Aboriginal education at all levels and in all stages of planning and decision-making. The ongoing partnership between the NSW AECG and the DoE is recognised in the current Walking Together, Working Together 10-year Partnership Agreement.

The NSW AECG is also a contracted service provider to the DoE and has provided a range of services to Aboriginal students in NSW public schools, including Aboriginal language and culture lessons, and goal setting programs. The NSW AECG has also delivered camps and workshops to students covering categories such as science, technology, engineering and mathematics (STEM); Aboriginal language and culture; and sport, health opportunities and wellbeing.

The DoE and NSW AECG are currently working together to develop a Girls Academy program. The Girls Academy program aims to provide mentoring and support to female Aboriginal students in Years 7 to 12 in NSW public schools. The projected outcomes of the Girls Academy program are to increase school attendance, increase HSC attainment, provide post-school transition pathways, improve retention rates, promote self-determination and positive change, and improve health and wellbeing. The program is designed to help female students make active choices toward realising their full potential in all aspects of their education, development, cultural identity and wellbeing, with a strong focus on cultural engagement and connection to Country.

The Walking Together, Working Together 10-year Partnership Agreement has proven it's a strong foundation to support the development and success of the Girls Academy program. As a result, the NSW DoE is actively promoting and co-developing the program through the involvement of NSW

public schools in collaboration with the NSW AECG. The partnership includes robust consultation with school executives, established Aboriginal workers, parents of enrolled students and community to ensure dedicated high-quality support to empower Aboriginal students through their educational journey.

The partnership contains agreed governance terms, including performance and outcome measures, reporting requirements and payment structure terms, equivalent to that of similar services delivered to Aboriginal students in NSW public schools. The partnership will continue to be instrumental in supporting the future of female Aboriginal students in NSW public schools.

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## 3.2 Priority Reform 2: Building the Community-Controlled Sector

This Priority Reform is about increasing services delivered by Aboriginal Community-Controlled Organisations (ACCOs), as these services have been shown to achieve better results and employ more Aboriginal people, and are often preferred by Aboriginal people over mainstream service offerings.

NSW is committed to building the ACCO sector and acknowledges that this sector is best placed to drive positive change in the lives of Aboriginal and Torres Strait Islander people. Since signing the National Agreement, NSW has delivered 2 grant programs directly focused on funding ACCOs – \$4.2 million for Strengthening Community Capability and more than \$20 million for the Community and Place Grants program, which aims to deliver tangible local benefit and impact to Aboriginal communities against the socio-economic outcome areas.

We are aware that funding ACCOs through individual grant rounds is not a sustainable strategy for the meaningful growth of the sector required under Priority Reform 2. NSW is focused on ensuring that ACCOs have a dedicated, reliable and consistent funding model designed to suit the types of services required by communities. Therefore, in addition to these grants, we are working on larger reforms to the structure and process of ACCO funding to support sustainable growth. This will enable ACCOs to better deliver services for Aboriginal communities.

### 3.2.1 A snapshot of current work – Priority Reform 2

#### Community and Place grant funding

NSW Government has committed \$15 million to support a second round of Community and Place grants in 2023 for local ACCOs delivering outcomes against Closing the Gap targets.

This funding will build on the initial investment of \$20 million commissioned through round one in 2022 and allow for a genuine testing of ideas and approaches that are designed by Aboriginal communities with a view to informing how recurrent programs should change.

#### Prioritisation policy and sector strengthening

NSW has committed to scoping policy options to prioritise funding to ACCOs in line with Priority Reform 2. This prioritisation policy needs to be supported by sector-strengthening to ensure the ACCO sector has the right support and capacity to absorb increased funding flows and is set up for success to deliver. Work is currently underway to scope the needs and best approach.

#### Develop a sustainable funding model for ACCOs

NSW CAPO is leading a funded project to develop a model for sustainable funding and accountability arrangements for ACCOs that recognises the unique value ACCOs deliver in Aboriginal communities and supports improved outcomes for Aboriginal people. The project will look at strengths and likely future challenges of ACCOs to design a comprehensive support package to inform investment and commissioning approaches with the sector. Overall, it will aim to improve the effectiveness and appropriateness of services being provided in Aboriginal communities.

### 3.2.1 Case study: Indigenous Expenditure Reports

#### NSW Treasury

NSW Treasury has published 2 Indigenous Expenditure Reports – the Interim Indigenous Expenditure Report, which analyses targeted expenditure<sup>3</sup> and the Comprehensive Indigenous Expenditure Report, which analyses non-targeted expenditure<sup>4</sup>.

Indigenous Expenditure Reports can be a critical pillar to assist in the Implementation of the National Agreement in NSW, specifically Priority Reform 2 and Priority Reform 4. They can identify expenditure associated with the ACCO sector and inform conversations of capacity building. This can include identifying programs and services delivered by government and non-government organisations (NGOs), and how this expenditure can be reprioritised towards the ACCO sector, including the development of transition plans to enable ACCOs to build capacity and capability.

Indigenous Expenditure Reports can also provide an evidence base to present to government regarding the need for systematic reform in areas where Aboriginal people are disproportionately overrepresented, such as the criminal justice and out-of-home care systems. For example, the Indigenous Expenditure Report found \$806 million or 42% of the out-of-home care and child protection budget was spent on Aboriginal people. This data evidences how reform can provide cost savings to government, impact Closing the Gap targets and improve outcomes for Aboriginal people.

Indigenous Expenditure Reports can also assist in achieving the socio-economic outcomes and targets outlined in the National Agreement. The reports can identify programs and services designed to impact Closing the Gap targets and enable robust evaluation to understand their effectiveness. This includes analysis of how services are delivered (e.g., ACCO vs NGO), the type of services provided (e.g., proportion of preventative programs) and service gaps (e.g., a lack of mental health services in a certain community).

### 3.2.2 Spotlight: Culturally Informed Aboriginal Family Preservation Framework

#### Department of Communities and Justice, and AbSec

The Department of Communities and Justice (DCJ) and AbSec – the peak NSW organisation for Aboriginal children and families – are working in partnership with Aboriginal families, community and family preservation service providers to co-design an evidence-based and culturally informed Aboriginal family preservation framework. The framework and guide (tools and resources) will ensure Aboriginal family preservation services have the tools to develop their own culturally informed, responsive and community-led family preservation models.

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## 3.3 Priority Reform 3: Transforming Government Organisations

Priority Reform 3 is about changing the way governments work, so they are more responsive and able to meet the needs of Aboriginal people. The National Agreement sets out 6 elements that must be addressed to achieve this positive transformation:

- eliminating racism
- embedding cultural safety

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<sup>3</sup> Targeted expenditure refers to expenditure on programs and services that are specifically designed to support Aboriginal communities (e.g., expenditure on Indigenous Community Housing)

<sup>4</sup> Non-targeted expenditure refers to First Nations people's share of expenditure on programs or services that are available to all Australians (e.g., expenditure on the hospital system)



- delivering services in partnership
- increasing transparency and accountability for funding
- supporting the cultures of Aboriginal people
- increasing engagement with Aboriginal people.

The NSW Government is making strides towards implementing systems and processes to address the elements listed above. We have been careful and deliberate in our approach to make sure we are testing assumptions, collecting and analysing data and making evidence-informed decisions. For example, in the first Implementation Plan there was a focus on measuring experiences of racism, with the second Implementation Plan establishing actions to address individual and structural racism within government.

Significant work has also gone into reforming government budget processes to better respond to the needs of Aboriginal communities and capture their perspectives on where budget should be directed in line with Clause 114 of the National Agreement. To do this, NSW implemented shared decision-making processes to develop new initiatives for funding under the 2022–23 NSW Budget for Closing the Gap. This process is discussed in more detail below and also relates to Priority Reform 1, demonstrating the interconnected nature of the Priority Reforms.

### **3.3.1 A snapshot of current work – Priority Reform 3**

#### **Independent mechanism to monitor the transformation of government**

NSW CAPO is leading a project to explore options for Aboriginal-led mechanisms to monitor the transformation of government in line with Priority Reform 3, and ensure government is held accountable to Aboriginal communities when designing policies and programs that affect them. NSW CAPO will work in close partnership with NSW Government on developing the scope and evidence for this initiative.

#### **Cultural audits and feedback mechanisms**

DPC is leading a project in partnership with NSW CAPO to undertake cultural audits across all government organisations in partnership with Aboriginal organisations and communities.

#### **Strengthening community engagement**

DPC is leading a project in partnership with NSW CAPO to develop and implement guidelines and coordination tools to improve engagement with Aboriginal communities to shape government policies and programs.

### **3.3.2 Case study: Transforming the budget process**

#### **Department of Premier and Cabinet, NSW Treasury and NSW CAPO**

NSW is committed to transforming government so that it is more responsive to the needs of Aboriginal people and communities. This includes transforming our approach to funding and budget processes for Closing the Gap and ensuring a partnership approach is embedded across all our work. In response to Clause 114 of the National Agreement, the NSW Partnership established a shared decision-making process for the development of new initiatives and their applications for funding for the 2022-23 NSW State Budget.

This process started with the Officer Level Working Groups (OLWGs), each co-chaired by the lead government agency and lead NSW CAPO organisation, which jointly developed 51 Closing the Gap proposals for funding. Key decision-makers from NSW Government, NSW CAPO and other Aboriginal stakeholders then attended workshops to discuss the initiatives and agree by consensus the highest priority initiatives to be carried forward for funding. As a result, 30 initiatives were identified as high priority.

In November 2021, NSW CAPO, Department of Premier and Cabinet and NSW Treasury undertook a moderation process to independently assess each prioritised initiative and its draft proposal for

funding against an NSW Treasury-developed Prioritisation Framework. This framework had been endorsed by the NSW Joint Council on Closing the Gap to measure the impact of the initiatives on Closing the Gap outcomes and provide feedback on the short-form business cases for the initiatives. OLWGs were then tasked with responding to recommendations.

Through these processes, some proposed initiatives were merged, and some were held back for further development in a future budget round. As a result, 27 final short-form business cases were endorsed by the NSW Closing the Gap governance bodies (NSW Partnership Working Group and NSW Joint Council, including the Minister for Aboriginal Affairs) for submission to the 2022 NSW Budget process as a whole-of-government submission for Closing the Gap.

Unlike standard government process, this approach to budget submission incorporated Aboriginal perspectives and ensured the involvement of NSW CAPO and other non-government partners in determining the direction of Closing the Gap funding. The success of this process was enabled by the governance structure, which allowed key decision-makers to work in partnership at multiple levels. Below is a process flow of the budget process:



### 3.3.3 Spotlight: Winanga-li – Aboriginal Cultural Capability Framework

#### Department of Planning and Environment

In September 2022, the Department of Planning and Environment (DPE) Office of the Secretary officially launched Winanga-li, the new department-wide Aboriginal Cultural Capability Framework, designed to build Aboriginal cultural knowledge and understanding among all employees through e-learning and interactive training.

The Aboriginal People and Culture team led the creation of the framework, designed in collaboration with department employees and Aboriginal stakeholders. The new framework is designed to support and create a culturally safe environment for all the Aboriginal people DPE works with and the Aboriginal communities it serves.

Aboriginal People and Culture Director Amanda McCarthy said the framework signified the department's ongoing commitment to advancing the aspirations of Aboriginal people and communities in NSW:

"The launch of the framework is a significant step towards transforming government through increased Aboriginal knowledge, understanding and cultural capability amongst all our employees ... It is also a significant step in reinforcing DPE's commitment to the national Closing the Gap Priority Reform agenda."

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## 3.4 Priority Reform 4: Shared Access to Data and Information at a Regional Level

Priority Reform 4 is a commitment to ensure Aboriginal people have shared access to, and the capability to use, locally relevant data and information to set and monitor the implementation of Closing the Gap and community priorities and drive their own development. Separately, the NSW Data Strategy commits NSW to implement the principles of Indigenous Data Sovereignty.

NSW CAPO and government have co-developed an \$18.76 million work program focused on tackling whole-of-system barriers, and building whole-of-system enablers, to transform the relationship between Aboriginal communities and government around data. This focus on building stronger 'foundations' for shared access to data recognises that many of the barriers to Priority Reform 4 cannot be resolved through support for specific data projects, and may require changes to legislation or policy, as well as to how data systems operate.

NSW currently collects data that government systems need for their own operations, which does not necessarily reflect the information that Aboriginal communities are interested in. Data about Aboriginal communities is often reported in a decontextualised way and can result in partial or deficit-based reporting. Government data systems also struggle to share data with Aboriginal communities, reflecting broader system challenges in sharing data that are especially acute for smaller populations.

NSW CAPO and the NSW Government will aim to co-design and take practical steps towards implementing a future state of the NSW data ecosystem. This will enable shared access to government-held data, respect of Indigenous Data Sovereignty Principles, and implementation of Indigenous Data Governance practices. It is likely to take the period of the current Closing the Gap Agreement to fully realise this substantially different approach; however, by investing in a system reform, NSW is working to take a major step forward by end of 2024.

### 3.4.1 Snapshot of current work – Priority Reform 4

#### Transforming government data ecosystems

Work is underway to establish a data-sharing service and reform roadmap so government can better respond to community requests for data and ensure data is shared in more culturally appropriate and useful ways. We are also aiming to be more transparent around the lifecycle of data requests, and, in turn, improve the quality of government data holdings and the way we use data to tell stories.

We are analysing the current state of the NSW Government's data sharing with Aboriginal communities and working to resolve outstanding data requests (especially from Just Reinvest). We are looking to establish a prototype data-sharing service by the end of 2023.

#### Western Sydney Community Data project

The National Agreement includes a commitment to set up Community Data Projects in up to 6 locations across Australia by 2023. The Western Sydney Community Data project is being run in partnership between Aboriginal Affairs NSW, Closing the Gap, NSW CAPO and Maïam Nayri Wingara (contracted by CAPO to lead Indigenous Data Sovereignty and Governance). The project is currently in its community engagement phase, which includes targeted education sessions with individual ACCOs to determine their data priorities and engaging with community members (service users) to understand their needs and expectations to inform a governance structure and protocols.

#### Indigenous Data Sovereignty and Governance

NSW CAPO has a dedicated team working with community, incorporating technical inputs from experts and government partners, to develop a roadmap for putting Indigenous Data Sovereignty

and Governance into practice across communities and government. This work aims to increase Aboriginal control over the collection, analysis and reporting of data about Aboriginal people and empower Aboriginal communities.

## Constraints

We have identified some constraints to data sharing to improve accountability and respond to the needs of Aboriginal people – largely due to tension between current privacy legislation and the principles of Indigenous Data Sovereignty. We plan to work with the NSW Privacy Commissioner to assess the extent of this barrier and find possible legislative or other solutions.

The positive case study from the NSW Ministry of Health below showcases how data connectors can enable Aboriginal community access to government data and insights in formats that enable local decision-making and shared decision-making with government.

### 3.4.2 Case study: NSW Health statistics

#### NSW Ministry of Health

HealthStats NSW, in conjunction with NSW Ministry of Health, has released an [Aboriginal Health topic page](#) that includes data on health policy and programs, mental health, oral health, prevention and response to violence, epidemiology and evaluation, population health, environmental health and maternal and infant health. The platform was rebuilt in 2021, including new features to improve ease of use for a wider range of groups and individuals. One such feature was the inclusion of ‘topic pages’ to bring together content with relevant policy context, and resources and links to all data content on that topic.

The text content for the page was developed in conjunction with NSW Ministry of Health policy experts with responsibilities for Aboriginal health. The Ministry of Health are undertaking work with other Aboriginal health policy colleagues to identify current or new content that can be presented in ways that better meet the needs of local Aboriginal communities. This includes revising the content to better reflect and promote a strength-based approach to the reporting of Aboriginal health indicators on HealthStats NSW.

### 3.4.3 Case study: System enablers for data sharing

#### Shaping Futures, DPC and NSW CAPO

NSW CAPO and government have co-developed an \$18.76 million work program that tackles whole-of-system challenges and builds whole-of-system enablers to transform the relationship between Aboriginal communities and government around data. This focus on ‘foundations’ recognises that many challenges cannot be resolved through project-by-project approaches.

The program is, by design, structured to be jointly delivered. This promotes ongoing dialogue to build mutual trust and respect, contribute respective strengths, forge shared understandings and embed Aboriginal perspectives across government agencies. Participants aim to be a cohort of people in ACCOs (Priority Reform 2) and across all government agencies (Priority Reform 3) who are committed to and know how to drive change in genuine partnership (Priority Reform 1).

The program will be driven by community information and knowledge aspirations and needs – meaning that community define both what topics they want data on; and how they want that data to be collected, provided, managed, interpreted and used. Three interlocking components exist to enable this:

1. NSW CAPO has a dedicated team that works with community, incorporating technical inputs from experts and government partners, to develop a roadmap for putting Indigenous Data Sovereignty and Governance into practice across communities and government.
2. Community data ecosystems are supported to mature via:
  - a Community Data Fund that supports community data aspirations (whether in terms of specific collections or general capability strengthening)

- work dedicated to promoting and developing data-related training and career pathways for Aboriginal people of all ages (Department of Education and NSW AECG-led)
  - a specific place-based data project in Blacktown, funded separately under the Australian Government’s community data portal sites project.
3. Government data ecosystems will start to transform by:
- government establishing a data-sharing service and reform roadmap so it can better respond to community requests for data, and collect, share, analyse and report data in more culturally appropriate and useful ways
  - increasing transparency around the lifecycle of data requests and, in turn, dialogue that improves the quality and authenticity of government data holdings and the way stories are told using data.

While we are in the early days of implementation, we expect that the interplay between the visionary (1) and practical (2 and 3) program components will help us identify the changes we need, and systematically make those changes so we meaningfully realise Priority Reform 4 outcomes.

### 3.4.4 Spotlight: Collaborating to reduce fine debt

#### Revenue NSW and NSW CAPO

Revenue NSW and NSW CAPO have collaborated to design a coordinated approach to reducing and tackling fines debt in community. Revenue NSW launched clear and transparent fines-related data via online dashboards to support shared community accountability and action. The data gathered in the dashboards will inform new plans.

The plans were trialled in Walgett, Mount Druitt, Taree and Nowra. Funding is now available for an expanded outreach model, which includes an Aboriginal senior coordinator and 10 Aboriginal outreach officers. Revenue NSW will engage with NSW CAPO around further community action planning. Revenue NSW made other efforts that assist Aboriginal people facing fine-related problems, including:

- an initiative to identify people who are experiencing, or have experienced, financial abuse through the fines system and provide them with specialised support
- seeking a supplier to conduct discovery into hardship customer experiences
- conducting interviews with youth, case workers and key stakeholders to identify and understand the COVID-19 fines experience of under-18s, their pain points and how best support to them – some fines were then written off if they were uneconomical or unfair/unjust to pursue.

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## 3.5 Priority Reform 5: Employment, Business Growth and Economic Prosperity (NSW-specific)

Under the National Agreement on Closing the Gap, there are 4 Priority Reforms. The NSW Partnership identified the need for a fifth priority reform – one that related to economic prosperity, employment and enterprise for Aboriginal people and communities. This approach recognises that Aboriginal businesses are often vehicles of self-determination, driving positive employment, training and broader social outcomes. The development of this reform was strongly supported by Aboriginal communities during consultations in April 2021, as it was seen to be a key enabler of progress towards the socio-economic outcomes.

Priority Reform 5 is still being refined to ensure it aligns with community aspirations through continuous engagement with Aboriginal communities, businesses and relevant experts. Significant progress has been made towards empowering Aboriginal people in NSW to access pathways through education, training and employment and to help Aboriginal businesses grow and flourish.

We recognise that there is more work to be done but we are confident that our focus on this area will contribute to the success of the socio-economic outcomes and other Priority Reforms.

### **3.5.1 A snapshot of current work – Priority Reform 5**

#### **Aboriginal Business Roundtables**

NSW Aboriginal Affairs is holding Aboriginal Business Roundtables every 6 months to support Aboriginal economic advancement. The first Aboriginal Business Roundtable was held in October 2021 and had more than 35 Aboriginal businesses attend and share insights. Businesses discussed how the NSW Government could better engage with them and work supportively with the Aboriginal private sector to achieve growth and prosperity. The second Aboriginal Business Roundtable occurred in May 2022 with another 50 businesses from a range of industries in attendance. The Aboriginal Business Roundtables continue to evolve as work continues. The first 2023 Roundtable will be held regionally and focus on how to better partner with local government to support Aboriginal businesses. It will include keynote addresses, a facilitated panel, a Q&A session as well as a 'marketplace' for networking opportunities.

#### **Reviewing the NSW Aboriginal Procurement Policy**

NSW Treasury is reviewing the NSW Aboriginal Procurement Policy in partnership with Aboriginal stakeholders to ensure funding processes are culturally appropriate and accessible. This aims to address some of the challenges Aboriginal businesses face when trying to access government procurement due to its complexity and other barriers.

#### **Aboriginal Employment and Enterprise Strategy**

Investment NSW is developing a strategy that will investigate opportunities and barriers faced by Aboriginal people and businesses in relation to employment across a range of cohorts. The strategy will employ a consultative, whole-of-government approach that is responsive to the needs and aspirations of Aboriginal individuals and communities.

The strategy will include private sector participation and planning for the workforce for future industries. It will leverage best practice in behavioural economics and program design to ensure that Aboriginal people have access to sustainable employment and job opportunities that enable economic prosperity.

### **3.5.2 Case study: Developing the NSW Roadmap for Aboriginal Business Growth**

#### **Aboriginal Affairs NSW, DPC – Closing the Gap**

NSW recognises the vital role that Aboriginal business growth can play in achieving the aspirations of Aboriginal people and its potential contribution to all socio-economic outcomes. To determine what community view as important in this area, NSW CAPO included questions relating to Aboriginal economic prosperity during its community engagements. This feedback informed the decision to set up the first Aboriginal Business Roundtable, held in Western Sydney in October 2021. At this event, Aboriginal business owners provided direct feedback on the key issues Aboriginal businesses were facing.

After the useful meeting and positive feedback, a second roundtable was held to focus on the themes of the first meeting and unpack specifically the barriers, challenges and opportunities for Aboriginal businesses. From these roundtables, 3 key pathways were identified:

- Strengthening accountability – this pathway aims to ensure opportunities for growth, expansion and diversification are directed toward genuine Aboriginal businesses and overcome issues such as 'black cladding'.
- Supporting business – this pathway acknowledges that many Aboriginal businesses are new, less established and may need tailored support.

- Growing potential – this pathway will work to help Aboriginal businesses achieve recognition, and potentially access capital and develop their businesses.

These 3 pathways would go on to form the foundation for the NSW Roadmap for Aboriginal Business Growth, which was shared in draft form for public consultation at the Aboriginal Business Luncheon in December 2022.

Input from the public consultation phase was received from Aboriginal community members and businesses as well as other NSW and Australian government departments. The final roadmap was released in early March and included a fourth pathway to enable the roll-out of the initiatives captured under the thematic pathways. These initiatives include an Aboriginal Business Taskforce, continuing Aboriginal Business Roundtables and a Research and Data Centre.

Based on feedback, Aboriginal Affairs NSW is keen to explore other areas within the sector, such as supporting women in business, partnering with big businesses and exploring options for international trade and exports.

### **3.5.3 Spotlight: One-stop shop**

#### **Investment NSW**

Investment NSW is establishing a one-stop shop to support Aboriginal businesses. This includes setting up an online portal where Aboriginal business owners and operators can find all relevant existing government services in an easy-to-access destination, to use as a first point of contact. This first stage is complete, and work is underway to evaluate current services available for Aboriginal businesses to understand how they are working and identify what can be done to provide better support. By 2024, the One Stop Shop Strategy will remove or adjust ineffective services and introduce new services in response to these evaluations. We will transition these services away from government delivery and towards delivery by ACCOs.

### **3.5.4 Spotlight: Aboriginal Procurement Participation strategy**

#### **NSW Health**

The NSW Health 2022–23 Aboriginal Procurement Participation Strategy was published in March 2022. It sets out 3 key priorities:

- to aid Aboriginal businesses through improved access to information and support, and by developing knowledge, skills and trust to effectively identify and connect with them
- to improve staff awareness and capability in Aboriginal procurement and increase sharing activity, initiatives and outcomes across NSW Health, via central leadership
- to identify and report on Aboriginal-owned businesses that have been contracted or engaged by Health and keep reliable data to help identify and manage opportunities for Aboriginal-owned businesses.

The NSW Government Aboriginal Procurement Policy sets annual targets for NSW Health. As of 31 March 2022, NSW Health had:

- spent \$203.6 million with Aboriginal businesses, far exceeding the annual \$19.6 million target
- awarded 91 goods and services contracts (valued over \$10,000) to Aboriginal businesses, exceeding the full year target of 66.

## 4 Driving and embedding transformative change

In NSW, we're working towards a future where every Aboriginal person and community is able to meaningfully influence what happens in their communities, access the services they need when they need them, feel culturally safe, have the information they need to drive the development of their own communities, and achieve their individual and collective aspirations.

The NSW Implementation Plan sets out the initiatives under each Priority Reform and socio-economic outcome area that are the focus of NSW's efforts to 30 June 2024, with the aim of progressing NSW towards the targets laid out in the National Agreement. Some initiatives focus on immediate delivery, and some are piloting new programs to build an evidence base for innovative new approaches in partnership. Each initiative is being progressed by the nominated NSW Government agency in partnership with the relevant NSW CAPO partners. Each initiative also has a corresponding delivery plan setting out how it will be successfully delivered and guiding implementation.

The 2022–2024 NSW Implementation Plan provides a strong starting point to work in partnership to drive progress against Closing the Gap and further build the evidence base for future focus. To build on this foundation, it is necessary to have a clear, evidence-based and community-driven transformation strategy for focus and investment beyond 2024. This will ensure we are focusing on the right things to make the biggest difference for Aboriginal communities, including driving genuine systems change and delivering it effectively to genuinely and positively impact the lives of Aboriginal people in NSW.



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