

Submission

Measuring Outcomes for First Nations Communities

6 March 2025

Introduction

The Aboriginal Health Council of Western Australia (AHCWA) welcomes the opportunity to provide a submission to the Select Committee Inquiry on Measuring Outcomes for First Nations Communities (the Inquiry).

AHCWA is the peak body for 23 Aboriginal Community Controlled Health Services (ACCHS) in Western Australia (WA). WA ACCHS are located across geographically diverse metropolitan, regional and remote locations. They deliver the most effective model of comprehensive primary health care for Aboriginal people¹ and are in a unique position to identify and respond to the local, cultural and health needs of Aboriginal people and their communities. AHCWA exists to support and act on behalf of its 23 Member Services, actively representing and responding to their individual and collective needs.

The Select Committee has been tasked with investigating the regression of the Closing the Gap targets concerning the rates of suicide, the number of children in out-of-home care, adult incarceration and the number of children commencing school who are developmentally on track. The Terms of Reference (ToR) for the Inquiry aim to examine this, with particular reference to the way in which the targets are funded, measured and evaluated; the priority of the targets and progress under the Reforms; and the possibility of incorporating broad ideas of wellness and alternative measurements, as well as opportunities for building on, and expanding, the current Closing the Gap framework.

AHCWA asserts that addressing these targets is critical to the health and wellbeing of Aboriginal people in WA. Addressing the high rates of suicide across Aboriginal communities and the overrepresentation of Aboriginal people in the justice system require urgent, structural reforms. Supporting Aboriginal children - in out-of-home care and as they prepare to enter school - is essential to ensuring Aboriginal young people have the best start in life. ACCHS and Aboriginal Community Controlled Organisations (ACCOs) across WA, are engaging governments to develop culturally safe interventions and supports across these areas; but meaningful progress requires government agencies to collaborate effectively and uphold their commitments under the National Agreement on Closing the Gap (National Agreement).

¹ Throughout this submission, AHCWA uses the term 'Aboriginal' to respectfully refer to all Aboriginal and Torres Strait Islander people across WA.

*The Aboriginal Health Council of Western Australia advocates on behalf of
23 Aboriginal Community Controlled Health Services in Western Australia to ensure that
the health and wellbeing needs of Aboriginal communities are represented at all levels.*

While AHCWA's submission broadly addresses the areas of inquiry as defined by the ToR, it does not provide detailed responses regarding the funding, measurement and evaluation of specific targets. In line with the Coalition of Aboriginal and Torres Strait Islander Peak Organisations (the Coalition of Peaks), AHCWA's core policy position is that full implementation of the National Agreement, particular the Four Priority Reforms, is fundamental to achieving all targets. AHCWA supports the Coalition of Peaks' call for all Australian Governments to strengthen their commitment to the Priority Reforms, ensuring that Closing the Gap objectives are met.

Recommendation: All Australian Governments must act urgently to fully implement the National Agreement and embed the Four Priority Reforms across all areas of work.

Insufficient progress on the part of Governments across the Four Priority Reforms

The Productivity Commission's January 2024 Review of the National Agreement confirms that government transformation has barely begun, with insufficient progress in embedding the Priority Reforms. In its third recommendation, the Productivity Commission states that, "Mainstream systems and culture need to be fundamentally rethought, and that Governments have not fully grasped the scale of change required to their systems, culture, operations and ways of working to deliver the unprecedented shift they have committed to in the National Agreement."²

In its overall assessment, the Productivity Commission's Review notes that accountability for delivering on the Government's commitments in the National Agreement is lacking. While some partnership arrangements have succeeded in building trust and progressing the priorities of Aboriginal people and communities, many have fallen short of embedding shared decision-making in a sustained way. The Productivity Commission recognises that Governments need to trust that relinquishing control over decisions, and empowering the Aboriginal community-controlled sector, will enable better outcomes for Aboriginal people. AHCWA is optimistic that the recommendations from the Productivity Commission's Review will be the catalyst for change and that a renewed commitment to Priority Reform One and Priority Reform Three is required by all Governments as they work in genuine partnership with the Aboriginal community controlled sector to deliver culturally safe, community-led solutions in youth justice, out-of-home care and other targets under the Priority Reforms.

A. Funding for targets

The National Agreement was not intended to be a funding agreement. However, ACCHS and ACCOs must be adequately resourced to deliver place-based, community-led, culturally appropriate program and services and engaged - in genuine partnership - to participate in the implementation of the National Agreement. The Productivity Commission's Review acknowledges that governments must co-design strategies and actions with Aboriginal partners that are substantive and critical to achieving the objectives of the National Agreement. This includes adequate funding and resourcing.

AHCWA recognises that it is not a requirement of all commissioning pathways that funding is prioritised to Aboriginal community-controlled organisations. Non-Aboriginal led organisations

² Productivity Commission 2024, Review of the National Agreement on Closing the Gap, Study report, volume 1, Canberra.

delivering programs and services are not required to work with, consult, partner or collaborate with ACCHS or ACCOs in communities. However, AHCWA supports the Productivity Commission's recommendation that funding and contracting rules must explicitly incorporate accountability for funders to abide by the Priority Reforms in commissioning processes (Action 3.2).

One key area for action in the Health Sector Strengthening Plan (HSSP) is the need for a consistent funding model that ensures reliable, sustained funding proportionate to community health needs to ensure that the ACCHS can accelerate progress in health outcomes for Aboriginal people. The burden of disease is more than twice the rate for the Aboriginal and Torres Strait Islander population than for the non-Indigenous population.³ However, according to analysis by Equity Economics, in partnership with the National Aboriginal Community Controlled Health Organisation (NACCHO), the current gap in total recurrent health expenditure is estimated at \$4.4 billion, including Commonwealth, State and Territory Government and non-government expenditure.⁴ The gap in Commonwealth Government expenditure in 2019-20 is estimated to be \$2.6 billion.⁵

The HSSP recognises that a needs-based funding model enabling the ACCHS sector to deliver its full potential is yet to be developed and endorsed by all parties to the National Agreement. There are also opportunities to develop commissioning policies, outcomes-based contracting and other shifts in where and how dedicated Aboriginal and Torres Strait Islander health program funding currently allocated to mainstream organisations could be redirected. This work is critical to achieving the Priority Reforms of the National Agreement.

Clause 59(d) of the National Agreement states that the Government Parties commit to implement six transformation elements within government mainstream institutions and agencies and produce implementation plans for delivery against the requirements. Among these six elements, the Government Parties will increase accountability through transparent funding allocations to improve transparency of resource allocation to, and distribution by, mainstream institutions in relation to dedicated Aboriginal and Torres Strait Islander service-delivery. AHCWA firmly agrees that more effective community controlled health service delivery is contingent on an integrated approach being better enabled and secured in government policy. The ACCHS sector is regularly engaged in efforts on the ground in communities to 're-integrate' services that have become disintegrated through siloed funding initiatives or other program design features.

The WA Department of Treasury's Aboriginal Expenditure Review (AER), which reports on expenditure for Aboriginal programs and services across 23 agencies, is a key transparency measure under the National Agreement. However, gaps remain in how expenditure data is collected and reported, limiting its usefulness in informing funding decisions. The Productivity Commission's Review found concrete evidence that funding intended for Aboriginal community-controlled organisations has been redirected to non-Aboriginal entities, despite government commitments to prioritise ACCOs.

In agreement with the Coalition of Peaks position, AHCWA advocates that funding committed to the National Agreement include continued contributions from the Commonwealth

³ [NACCHO-and-Equity-Economics-Report-Measuring-the-Gap-in-Health-Expenditure_FINAL.pdf](#)

⁴ IBID.

⁵ IBID.

*The Aboriginal Health Council of Western Australia advocates on behalf of
23 Aboriginal Community Controlled Health Services in Western Australia to ensure that
the health and wellbeing needs of Aboriginal communities are represented at all levels.*

Government and the WA Government via a Virtual Funding Pool for ACCO strengthening activities under Priority Reform Two. Moreover, AHCWA recognises the need for dedicated, cohesive funding for community-led and self-determined activities under Closing the Gap and advocates for support for the Coalition of Peaks, in consultation with all jurisdictions, to undertake a detailed scoping exercise to explore and build the evidence base for dedicated funding arrangements. This could be similar to, and modelled after, the Australian Government's Housing Australia Future Fund (HAFF).

Recommendation: In line with the HSSP:

- **All Parties to the National Agreement commit to the development of a needs-based funding model that builds the community controlled sector to deliver its comprehensive, holistic Model of Care.**
- **The Commonwealth Government re-prioritises Aboriginal and Torres Strait Islander health program funds being directed to mainstream non-government organisations, towards the ACCHS. This includes current and new investments in mental health, drug and alcohol, aged care and emerging health priorities for Aboriginal and Torres Strait Islander people.**

Recommendation: Develop consistent and cohesive frameworks to how expenditure data on Closing the Gap is collected and reported - to increase transparency and accountability - and inform funding decisions on the implementation of the National Agreement.

AHCWA supports the Coalition of Peak's Recommendation that all Governments appropriately fund Closing the Gap activities across all Priority Reform areas including:

- **Contributing to a Virtual Funding Pool for sector strengthening activities, and**
- **Undertaking a detailed scoping exercise to explore and build the evidence base for dedicated, Closing the Gap funding arrangements, such as a Closing the Gap Future Fund, for Aboriginal community-led Closing the Gap activities.**

B. Measurement and Evaluation of targets (data)

The Productivity Commission's January 2024 Review provides an update on progress in achieving the 17 socioeconomic targets. According to the Review, five of 19 targets are currently "on track", including healthy birth weights, preschool enrolments and overall employment. A further five have seen some improvement, but not enough for the targets to be met. These include life expectancy, Year 12 completion, and housing. The targets this Inquiry aims to examine are regressing, and no data was available on five other targets, including whether communities have access to clean drinking water, sewage treatment and electricity; the proportion of Aboriginal and Torres Strait Islander women and children experiencing family violence; and other areas including infrastructure.

The lack of progress has raised concerns that annual updates on the National Agreement reinforce negative stereotypes of disadvantage, rather than highlighting resilience, progress and achievement. While it is essential to acknowledge and celebrate successes, it is equally critical that Commonwealth and State Governments are held accountable for the commitments

*The Aboriginal Health Council of Western Australia advocates on behalf of
23 Aboriginal Community Controlled Health Services in Western Australia to ensure that
the health and wellbeing needs of Aboriginal communities are represented at all levels.*

they have made. Transparency in assessing what strategies are effective, which require adjustment, and which are failing is crucial to improving outcomes. Data reporting in this year's update was collected across multiple years (2020-23), further emphasizing the need for a more cohesive and consistent approach to measuring progress.

Recommendation 4 of the Productivity Commission's Review calls for stronger accountability mechanisms to drive meaningful change, particularly within government agencies. Despite various accountability mechanisms embedded in the National Agreement, they remain insufficient to enforce the necessary systemic transformation. Moreover, they are not informed by high-quality evaluation as determined by the Productivity Commission. AHCWA advocates that government departments must ensure they operate in ways that are culturally safe, responsive, and accountable to Aboriginal communities. This is about much more than cultural safety training; it calls for genuine structural change that embeds Aboriginal cultural perspectives in all aspects of policy-making, service design, and delivery.

Government agencies must adopt transparent accountability measures, engage Aboriginal stakeholders in meaningful roles, and transform processes that have historically excluded Aboriginal voices. AHCWA calls for a stronger commitment to structural reforms that foster trust and enable genuine collaboration. A system that is co-designed with Aboriginal communities will result in policies and services that are more effective, relevant, and capable of driving real change.

Based on the Productivity Commission's Review, AHCWA agrees that a comprehensive and systematic approach to data collection is necessary, as existing data sets and reporting frameworks do not provide the level of detail required for measuring performance across many of the Priority Reform indicators. Governments must commit to improving the consistency and compatibility of data on Closing the Gap measures and targets across jurisdictions to enable meaningful analysis of progress. A key mechanism for ensuring robust data collection is the establishment of an Independent Mechanism.

Clause 67 of the National Agreement commits all Governments to identify, develop, or strengthen an Independent Mechanism that will support, monitor, and report on the transformation of mainstream agencies and institutions (Priority Reform Three). The mechanism will support mainstream agencies and institutions to embed transformation elements, and monitor their progress; be recognisable for Aboriginal and Torres Strait Islander people and be culturally safe; engage with Aboriginal and Torres Strait Islander people to listen and to respond to concerns about mainstream institutions and agencies; and report publicly on the transformation of mainstream agencies and institutions, including progress, barriers and solutions.

The Productivity Commission's Review identified a lack of action by jurisdictions in developing or strengthening their Independent Mechanism, marking this as an urgent priority. The Coalition of Peaks has also emphasized the importance of this mechanism, and AHCWA strongly endorses this recommendation.

Recommendation: All Governments must develop or strengthen their Independent Mechanisms to ensure accountability for the implementation of the National Agreement and progress towards the targets.

*The Aboriginal Health Council of Western Australia advocates on behalf of
23 Aboriginal Community Controlled Health Services in Western Australia to ensure that
the health and wellbeing needs of Aboriginal communities are represented at all levels.*

In its Review, the Productivity Commission highlighted several critical issues regarding data in relation to the National Agreement and the measuring and evaluation of targets. While the Productivity Commission has been able to report on a number of indicators, there is inadequate data for a number of them, and in some cases, some targets have no data source. The Productivity Commission has confirmed ongoing efforts to improve data development, identify data gaps and enhance consistency across jurisdictions. However, until these issues are resolved, accurately measuring progress remains a challenge.

AHCWA advocates for a comprehensive, systematic approach to data collection and reporting, requiring a shift towards a single methodology in the collation of data. This includes annual reporting by government parties using a consistent data reporting framework, so that measurements, definitions and reporting are comparable, meaningful and effective. This includes the annual assessment undertaken by jurisdictional Independent Mechanisms. Data should be available at regional and community levels to effectively inform socio-economic targets. Additionally, AHCWA stresses the importance of disaggregating indicators to assess their relevance within the broader Closing the Gap outcome areas.

A recent report by the Australia and New Zealand School of Government (ANZSOG) and Australian National University (ANU) presented a Priority Reform Measurement Framework and recommendations.⁶ One of the recommendations from the report included the establishment of an Independent Indigenous Data Authority (IIDA), the purpose of which would be to resolve data gaps relating to all aspects of the National Agreement. IIDA would provide a centralised agency dedicated to undertaking and coordinating data projects that serve specific and localised purposes. More generally, this Authority would constitute a major step forward in building Indigenous data sovereignty and in capacity building across ACCOs and communities. This is supported by the Coalition of Peaks, and is also aligned with the Productivity Commission's proposal to establish a Bureau of Indigenous Data. In line with the Coalition of Peaks, AHCWA supports this recommendation.

Recommendation: Progress implementation of Priority Reform Four by:

- a. Working to improve the consistency and compatibility of available data on Closing the Gap measures and targets across jurisdictions to allow for meaningful analysis of progress, and**
- b. Establishing an Independent Indigenous Data Authority (IIDA) as recommended by the Australia and New Zealand School of Government (ANZSOG) and Australian National University (ANU) and in alignment with the Productivity Commission's proposal to establish a Bureau of Indigenous Data, and**

Incorporating broad ideas of wellness into measurements (E), incorporating alternative measurements (F) and expanding the Closing the Gap framework (G)

Shared decision-making and self-determination echo the central message of the Productivity Commission's most recent Review of the National Agreement⁷. The Review emphasises Priority Reform Three, which calls for government agencies to transform their systems, culture, operations and ways of working. This includes sharing power with Aboriginal people,

⁶ Gray, Matthew, Eva, Christian, Bray, J. Rob and Schmider, Anneke. (2024) Report to the National Indigenous Australians Agency, Closing the Gap Priority Reforms Performance Measurement Project 2023-2024. Canberra: ANU and ANZSOG.

⁷ Productivity Commission (2024). Review of the National Agreement on Closing the Gap, Study report, volume 1, Canberra

*The Aboriginal Health Council of Western Australia advocates on behalf of
23 Aboriginal Community Controlled Health Services in Western Australia to ensure that
the health and wellbeing needs of Aboriginal communities are represented at all levels.*

recognising they have knowledge and leadership to determine, design and implement solutions and make change for their own communities and allowing them to do so.

AHCWA believes that this transformation must include flexibility in how Aboriginal-led services and programs are measured to ensure more meaningful and contextual analysis, with a focus on outcomes, not outputs. Success must not be tethered to mainstream norms. In this way, there may be consideration of incorporating broad ideas of wellness into measurements, with a view of promoting mental, physical and spiritual health and wellbeing; however, AHCWA strongly advocates that no changes to the National Agreement shall be made without formal input and support from Indigenous communities. This includes the incorporation of any broad ideas of wellness or the addition of alternative measurements and the expansion of the Closing the Gap framework. Any such changes may be considered, if developed in genuine partnership, guided by the Aboriginal community controlled sector, and within the structures already established under Closing the Gap, including the Coalition of Peaks and Joint Council.

AHCWA's view is consistent with the Coalition of Peaks that this is not the time to modify the National Agreement. The immediate priority is to strengthen existing measurement mechanisms, improve data collection methodologies, and ensure state implementation plans effectively capture consistent data across jurisdictions.

Conclusion

As the Aboriginal and Torres Strait Islander-led Review and Assembly approaches, providing an opportunity to capture and report on the lived experience of Aboriginal and Torres Strait Islander people and communities that have been engaged in the implementation of the National Agreement, we are reminded that Closing the Gap requires genuine and equal partnerships based on Aboriginal self-determination, shared responsibility and mutual respect. AHCWA stands with the community controlled sector, ready to partner with all Australian Governments, to fully implement the National Agreement on Closing the Gap and embed the Priority Reforms in their work. Only in this way will equity in outcomes across the Four Priority Reforms, and targets be realised.

*The Aboriginal Health Council of Western Australia advocates on behalf of
23 Aboriginal Community Controlled Health Services in Western Australia to ensure that
the health and wellbeing needs of Aboriginal communities are represented at all levels.*