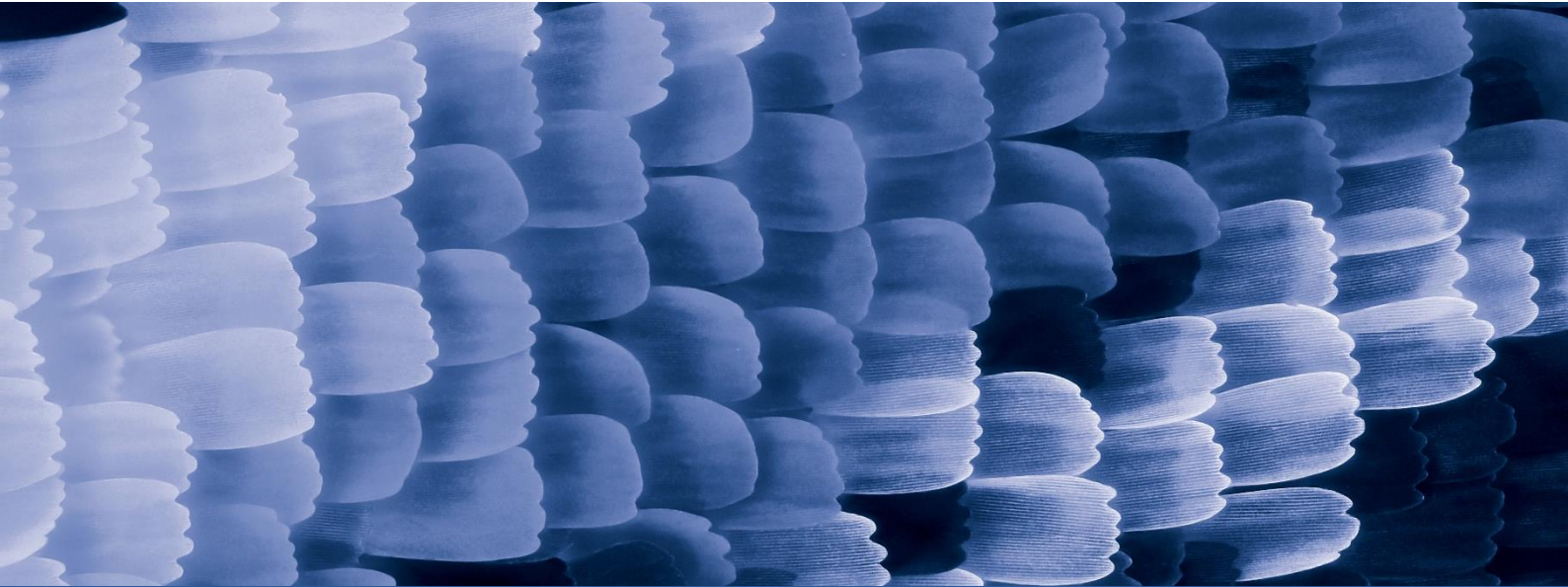




Australian Government
Productivity Commission

February 2025



Measuring outcomes for First Nations communities

Productivity Commission submission

Submission to the *Select Committee on Measuring Outcomes for First Nations Communities*

The Productivity Commission acknowledges the Traditional Owners of Country throughout Australia and their continuing connection to land, waters and community. We pay our respects to their Cultures, Country and Elders past and present.

The Productivity Commission

The Productivity Commission (PC) is the Australian Government's independent research and advisory body on a range of economic, social and environmental issues affecting the welfare of Australians. Its role, expressed most simply, is to help governments make better policies, in the long-term interest of the Australian community.

The PC's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

For more details, visit the PC's website at www.pc.gov.au.

© Commonwealth of Australia 2025



With the exception of the Commonwealth Coat of Arms and content supplied by third parties, this copyright work is licensed under a Creative Commons Attribution 4.0 International licence. In essence, you are free to copy, communicate and adapt the work, as long as you attribute the work to the PC (but not in any way that suggests the PC endorses you or your use) and abide by the other licence terms. The licence can be viewed at: <https://creativecommons.org/licenses/by/4.0>.

The terms under which the Coat of Arms can be used are detailed at: www.pmc.gov.au/government/commonwealth-coat-arms.

Wherever a third party holds copyright in this material the copyright remains with that party. Their permission may be required to use the material, please contact them directly.

An appropriate reference for this publication is:
Productivity Commission 2025, *Measuring outcomes for First Nations communities*, Productivity Commission submission, Canberra.

Publication enquiries:
Phone 03 9653 2244 | email publications@pc.gov.au

The Productivity Commission has a monitoring role for the National Agreement on Closing the Gap

The Productivity Commission (the PC) welcomes the opportunity to make a submission to the Select Committee on Measuring Outcomes for First Nations Communities.

The PC plays a monitoring and accountability role under the National Agreement on Closing the Gap (the Agreement), which is outlined in Section 9 of the Agreement. The role of the PC is to perform two functions:

- develop and maintain a public dashboard and annual data compilation report tracking progress of the Agreement's targets and supporting indicators, underpinned by an Information Repository drawing together existing data sources
- undertake a comprehensive review of progress every three years.

The Agreement includes a performance measurement framework with targets, supporting indicators and data development items. Decisions about these measures are made by the Partnership Working Group (PWG) and Data and Reporting Working Group (DRWG) which report to Joint Council, the main body established to drive implementation of the Partnership Agreement and the Agreement. The PC works with the PWG to prioritise existing data for reporting on progress of the Agreement and works with data custodians to source and present the data on a public dashboard. Alongside the data presented on the dashboard, the PC also provides explanatory notes and contextual information for interpreting the data.

The PC does not determine how data is measured or collected as this is done by relevant data custodians. Of the targets identified in this inquiry, data on adult incarceration and suicide are sourced from the ABS, data on children in out-of-home care is from AIHW, and data on children commencing school who are developmentally on track is from the Australian Government Department of Education, Skills and Employment.

The PC's first review of the Agreement had recommendations relevant to this inquiry

The PC released its first review of the Agreement (the Review) last year (PC 2024). The Review found that governments have largely not fulfilled their commitments under the Agreement and failed to fully grasp the nature and scale of change required. It provided four recommendations, including that stronger accountability be prioritised to drive behaviour change. The Review had findings and recommendations in several areas that are reflected in the terms of reference for this inquiry, including that:

- the targets are at risk of deficit framing if presented without appropriate context. This context includes data and narratives that draw attention to the historical and current actions of governments, including their implementation of the Priority Reforms
- the targets and supporting indicators could be improved through data that is more culturally appropriate. This requires data development
- the Agreement provides for data development, but progress in developing data has been slow. Under current data governance arrangements, progress will likely continue to fall short of commitments
- data development and management (including questions reinforced by this inquiry) would be best addressed by a new independent statutory agency. This agency should have the appropriate authority, resourcing, and cultural and technical expertise to engage with Aboriginal and Torres Strait Islander people to identify priorities and develop solutions.

The Review also noted that data governance arrangements and capabilities under the Agreement should reflect the intent of the Priority Reforms in enabling the self-determination of Aboriginal and Torres Strait Islander people.

While public reporting plays an important role in enabling accountability, the Review found that it is not sufficient to influence the type of change envisaged in the Agreement. The Agreement recognises that government organisations cannot be relied on to transform on their own. This is why Priority Reform 3 requires governments to establish an independent mechanism to ‘support, monitor, and report on the transformation of mainstream agencies and institutions’ (clause 67). The Review recommended the independent mechanism be established in each jurisdiction without further delay. It should have an expanded role overseeing all of the Agreement (not just Priority Reform 3) and a legislative basis to help guarantee its ongoing existence and the power behind its functions.

Additional data needs to be developed and current data governance arrangements are inadequate

The concern this inquiry has for deficit narratives was reflected in PC’s engagements over the course of the Review. Participants expressed concern that reporting remains overly focused on the ‘gaps’ between Aboriginal and Torres Strait Islander people and non-Indigenous people. While this reveals inequality, without context it also risks attributing problems to Aboriginal and Torres Strait Islander people rather than systems contributing to inequality, historic and current. This is particularly true for targets highlighted in this inquiry.

In the context of the Agreement, answering the central question of why these or any other targets are not on track requires data that shows what government are doing differently (or not) under the Priority Reform areas. A clear theory of change is needed to make these linkages, and to identify what needs to be measured to assess the effectiveness of the Agreement.

For example, a theory of change could link actions under Priority Reform 2 (building the community-controlled sector) to greater availability of high-quality and culturally appropriate early childhood education and care services run by Aboriginal and Torres Strait Islander community-controlled organisations (ACCOs), which in turn should increase the proportion of Aboriginal and Torres Strait Islander children assessed as developmentally on track.

Telling a fuller story requires improvements to the Agreement’s performance monitoring framework, but also significant data development work. When the Agreement was negotiated, parties acknowledged that existing jurisdictional data sets are not specifically designed by or for Aboriginal and Torres Strait Islander people (NIAA 2023, p. 2). As a result, parties also agreed to a Data Development Plan (DDP) that would ensure the framework included measures that would better reflect the priorities and perspectives of Aboriginal and Torres Strait Islander people. This would include supporting indicators capturing social and cultural determinants of outcomes and measures of the Priority Reforms that call attention to the institutional contexts that shape inequalities. Data on outcome areas such as on social and emotional wellbeing, land and waters, and culture and languages could also provide a greater strengths-based focus on wellbeing.

Proposed plans under the DDP could go some way to shifting the focus away from deficit discourse. For example, under Target 14 to reduce suicide, the DDP includes data on factors leading to suicide, barriers to accessing mental health services, prevalence of racist attitudes against Aboriginal and Torres Strait Islander people held by the Australian community, and the strength of connection to culture and community (Joint Council 2022).

Despite this, progress in meeting data commitments has been slow and requires improved governance, resourcing and prioritisation of effort. Since the DDP was approved by Joint Council in August 2022, progress has not been publicly reported on any of the 123 data development items.

The DDP was developed and continues to be overseen by the DRWG, which is made up of relevant departments and agencies from across government jurisdictions, members nominated by the Coalition of Peaks and technical experts where relevant, and reports to the PWG. The DRWG provides technical advice and coordinates data development.

However, the DDP did not identify data development action owners or timeframes for delivery, so responsibilities and accountabilities remain unclear. Work to identify action owners and timeframes in a 'traffic light' report was expected to be delivered to the Joint Council by the end of 2023 (DRWG 2023), however has not been publicly reported on. In the meantime, it is unclear how the DRWG would coordinate further engagement with data custodians and Aboriginal and Torres Strait Islander organisations and communities to resolve outstanding issues in the measurement approach.

Based on the rate of progress to date, the outstanding indicators and data items – and any further recommendations based on this inquiry – are unlikely to be developed to monitor progress within the life of the current targets.

The case for a Bureau of Indigenous Data

The Review concluded that new effort is needed to advance data development issues under the Agreement. This effort should have clear accountability and dedicated resourcing to meet the data development commitments made by jurisdictions. It also requires Aboriginal and Torres Strait Islander people as leaders or partners in decision-making regarding the collection and use of data in their communities and incorporating principles of Indigenous data sovereignty and governance to ensure data collection is ethical and useful for Aboriginal and Torres Strait Islander communities (AIGI 2018; Walter et al. 2018).

While the governance structure of the PWG and DRWG adhere to elements of Indigenous Data Governance with representation of the Coalition of Peaks at all levels, accountability is scattered and dedicated resources are lacking. Existing agencies that have the required technical skills for data development do not currently have appropriate partnership or shared decision-making settings and Aboriginal and Torres Strait Islander partners are not appropriately resourced to engage with technical data experts as equals.

To address these issues, the Review proposed that a new entity – the Bureau of Indigenous Data (BoID) – be established with dedicated resourcing and staffing to coordinate and oversee the activities required.¹ The BoID would be an Aboriginal and Torres Strait Islander-led independent statutory authority. In the context of the Agreement, it would be tasked with supporting the monitoring framework and coordinating data development. More broadly, it could play a role in supporting the implementation of Priority Reform 4 (shared access to data and information at a regional level), including leveraging and investing in the data infrastructure and capability of Aboriginal and Torres Strait Islander organisations and communities, and supporting governments in applying principles of Indigenous Data Sovereignty.

The Joint Council agreed in its response to the Review to do further work before deciding how to progress with this recommendation (action 2.2), including establishing a Data Policy Partnership to accelerate

¹ The 'Bureau of Indigenous Data' is a placeholder name for the entity. It reflects that the role will include strategic leadership, data management, and safeguarding functions.

PC submission

progress on data and report back to Joint Council (Joint Council 2024). A new Data Policy Partnership is a welcome first step and will provide an opportunity to work in partnership with Aboriginal and Torres Strait Islander people to resolve data development and measurement issues.

References

- AIGI (Maiam nayri Wingara and Australian Indigenous Governance Institute) 2018, 'Indigenous Data Sovereignty Communique', presented at Indigenous Data Sovereignty Summit, Canberra, ACT, 20 June.
- DRWG (Data and Reporting Working Group on Closing the Gap) 2023, *Draft DDP Implementation Plan*, unpublished, March.
- Joint Council (Joint Council on Closing the Gap) 2022, *Data Development Plan – 2022-2030*.
- 2024, *Twelfth meeting of the Joint Council on Closing the Gap Communique*, July.
- NIAA (National Indigenous Australians Agency) 2023, *National Indigenous Australians Agency submission to the Productivity Commission's three yearly review of the National Agreement on Closing the Gap*.
- PC (Productivity Commission) 2024, *Review of the National Agreement on Closing the Gap*, Study report, Factsheets, Canberra.
- Walter, M, Lovett, R, Bodkin Andrews, G and Lee, V 2018, *Indigenous Data Sovereignty briefing paper 1*, Maiam nayri Wingara Data Sovereignty Group and the Australian Indigenous Governance Institute.