

Closing the Gap

Appendix D: Progress update of 2024 Productivity Commission Review Actions



Australian Government



CLOSING THE GAP

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The Joint Council response to the 2024 Productivity Commission Review of the National Agreement on Closing the Gap (the response) agreed to 15 of the 16 Essential Actions that are intended to strengthen implementation of the Priority Reforms. Parties to the National Agreement on Closing the Gap (the National Agreement) share responsibility for implementing the agreed Essential Actions in the manner and timeframes confirmed through the response. While most Essential Actions require progression by each individual Government Party, some require collective effort from all Parties.

The below table details steps taken by the Commonwealth in 2025 to progress its commitments to the agreed Essential Actions.

ESSENTIAL ACTION	2025 UPDATE
Recommendation 1: Power needs to be shared	
1.1 Amend the Agreement to clarify the purpose and broaden the scope of Priority Reform One	<p>Following the release of the Independent Aboriginal and Torres Strait Islander led Review in 2025, Partnership Working Group (PWG) resolved to provide advice to Joint Council in 2026 regarding options for achieving the intention of Essential Action 1.1. The Commonwealth is supporting delivery of this action through its role as the Closing the Gap Secretariat.</p>
1.2 Governments treating ACCOs as essential partners in program and service design and delivery, not simply as funding recipients	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>Commonwealth agencies continue to grow partnerships with First Nations people, communities and Aboriginal Community Controlled Organisations (ACCOs) in the design of strategies, policies, and programs.</p> <p>For example, in March 2025 the Department of Education signed landmark formal Partnership Agreements with the National Aboriginal and Torres Strait Islander Education Corporation (NATSIEC) and SNAICC – the National Voice of our Children to enable them to share decision-making with the Commonwealth on strategies to improve outcomes for Aboriginal and Torres Strait Islander children and young people.</p> <p>Partnership arrangements continue to be strengthened through ongoing initiatives that prioritise ACCOs and Indigenous organisations in grants processes, embed the Priority Reforms in grant agreements, and build the cultural capability and knowledge of Closing the Gap commitments across the Australian Public Service (APS).</p>
1.3 Regular meetings between Ministers and Aboriginal and Torres Strait Islander peak bodies	<p>Commonwealth portfolio Ministers with responsibility for Closing the Gap targets and outcomes and the Minister for Indigenous Australians are responsible for engaging regularly with relevant Aboriginal and Torres Strait Islander peak bodies. In 2025, engagements occurred through a range of forums, including regular one-to-one meetings, forums, roundtables, conferences and working groups. Additionally, the Minister for Indigenous Australians is the co-chair for Joint Council on Closing the Gap, and the Attorney-General and Minister for Social Services attended Joint Council in November 2025 for discussions about Targets 11 and 12 respectively.</p>

ESSENTIAL ACTION	2025 UPDATE
1.4 Governments adequately resourcing the implementation of the Agreement	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>The Commonwealth is committed to adequately resourcing the implementation of the National Agreement. In 2025, the Commonwealth resourced commitments including:</p> <ul style="list-style-type: none"> • The 2025 Independent Aboriginal and Torres Strait Islander-led Review scoping and delivery, and Closing the Gap Assembly (funded in 2024/25). • The Coalition of Peaks Secretariat. • Policy Partnerships, including: <ul style="list-style-type: none"> – An extension of the Early Childhood Care and Development Policy Partnership to 2028. – Extended the Justice Policy Partnership to 2028. – An extension of the Language Policy Partnership to 2028. – Additional funding for the Social and Emotional Wellbeing Policy Partnership through to 2028. – Establishment of the Data Policy Partnership. – An extension of the Housing Policy Partnership for a further 2 years from 2026-27. <p>The Commonwealth continues to progress a range of measures to improve the lives of First Nations people and achieve Closing the Gap outcomes. These measures can be found throughout the 2025 Annual Report and 2026 Implementation Plan.</p>

ESSENTIAL ACTION	2025 UPDATE
1.5 Governments writing implementation plans more strategically, in collaboration with Aboriginal and Torres Strait Islander people	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>The Commonwealth Government is committed to working in close partnership with First Nations Peaks to develop a strategic and effective Closing the Gap Implementation Plan each year. A dedicated Joint Working Group on Closing the Gap (JWG) provides a mechanism for Deputy Secretaries across portfolios to engage directly with Peaks in the development of the Implementation Plan.</p> <p>In 2025, Commonwealth agencies worked with Aboriginal and Torres Strait Islander peoples and peak organisations to develop input to the 2026 Implementation Plan with a strategic focus on accessibility and strengths-based story-telling.</p> <p>A continuous improvement approach to partnership practices ensures stakeholders are embedded in strategic decision-making about materials informing the Implementation Plan. This year, that occurred through greater education on partnership requirements for individual Commonwealth entities, and longer timeframes for various levels of engagement.</p>
Recommendation 2: Indigenous Data Sovereignty needs to be recognised and supported	
2.1 Amend the Agreement to include Indigenous Data Sovereignty under Priority Reform Four	<p>Following the release of the Independent Aboriginal and Torres Strait Islander led Review in 2025, PWG resolved to provide advice to Joint Council in 2026 regarding options for achieving the intention of Essential Action 2.1. The Commonwealth is supporting PWG to undertake this work through its role as the Closing the Gap Secretariat.</p> <p>In addition, the Commonwealth is implementing the Framework for the Governance of Indigenous Data (GID), which is grounded in and informed by concepts of Indigenous Data Sovereignty. Agencies are in the process of appointing Indigenous Data Champions, with several already established. Additionally, the principles of the GID and Indigenous Data Sovereignty are being incorporated into the core data policies, strategies and work of Commonwealth agencies. The inclusion of Indigenous Data Sovereignty will also be considered by the Data Policy Partnership (DPP), which was established in 2025 to progress Priority Reform Four.</p>
2.2 Establish a Bureau of Indigenous Data	<p>This action was not agreed. Joint Council instead resolved to establish a DPP to consider the logistics, scope, roles and responsibilities, and resourcing complexities to support Indigenous Data Governance and Closing the Gap data development, including examining the option of a Bureau of Indigenous Data. The Commonwealth supported the establishment of the DPP in 2025, with formal endorsement from Joint Council in June. The DPP is co-chaired by the NSW Coalition of Aboriginal Peak Organisations and the Australian Bureau of Statistics, and held its first meeting in October 2025. The Commonwealth has committed to resourcing the DPP over four years from 2025-26.</p>

ESSENTIAL ACTION	2025 UPDATE
Recommendation 3: Mainstream government systems and culture need to be fundamentally rethought	
3.1 Government departments develop and execute a transformation strategy for the portfolio	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>The Commonwealth is progressing an APS-wide Priority Reform Strategy to drive systemic and structural transformation across mainstream Commonwealth entities. It is being delivered in two stages: a Commonwealth Priority Reform Roadmap was delivered in 2025, and a Priority Reforms Strategy will be developed in 2026 in partnership with the Coalition of Aboriginal and Torres Strait Islander Peaks (Coalition of Peaks).</p> <p>In 2025 the Secretaries Board agreed the <i>Strategic Action Plan for Commonwealth Central Agencies: Driving transformational change under the National Agreement on Closing the Gap</i> to further embed policy to advance First Nations commitments systematically.</p>
3.2 Review and update funding and contracting rules so that they explicitly incorporate accountability for funders to abide by the Priority Reforms in commissioning processes	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>Clause 55(a) of the National Agreement is being progressed through the Commonwealth Grants Prioritisation Guide (the Guide), which provides entities with suggested approaches to prioritise Aboriginal and Torres Strait Islander organisations during grant design and administration. To further promote the Guide, the Department of Finance updated Grant Opportunities Guidelines templates.</p> <p>The Commonwealth is looking to strengthen grant mechanisms to direct a greater proportion of grant funding to ACCOs and Indigenous organisations for initiatives that directly or indirectly help to Close the Gap. The NIAA is developing a business case for an Indigenous Grant Connected Policy, to embed considerations of how the broad range of Commonwealth grant opportunities could prioritise funding to Indigenous organisations where appropriate. The NIAA is taking a data driven approach and working in close partnership with the Coalition of Peaks.</p>
3.3 Review and update Cabinet and Budget processes so that they explicitly promote, support and encourage the Priority Reforms	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>The Budget Process Operational Rules (BPORs) and Cabinet Handbook require new policy proposals to be developed in line with the Government's Closing the Gap commitments. Policy drafters are supported to meet their obligations through the First Nations Impact Framework, which encourages policy drafters to meaningfully consider the potential impacts a proposal will have on First Nations peoples. First Nations Impact Analysis is a requirement for all New Policy Proposals and Cabinet Submissions.</p>

ESSENTIAL ACTION	2025 UPDATE
3.4 Designate a senior leadership group to drive public sector change in each jurisdiction	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>The Commonwealth Secretaries Board has responsibility for implementing the Priority Reforms and is supported by several sub-committees including the Partnership Priorities Committee; Chief Operating Officer Committee; Secretaries Board Digital and Data Committee; and Capability and Workforce Committee. The Partnerships Priorities Committee supports the NIAA's whole-of-government leadership role driving and embedding ways of working in genuine partnership with First Nations communities, organisations and people, in line with the Priority Reforms and more broadly, and reports regularly to Secretaries Board.</p> <p>Additionally, work to strengthen the remit of JWG continues. Through JWG, Coalition of Peaks members and 17 key Commonwealth agencies work together to provide strategic oversight of Commonwealth progress against National Agreement commitments. For example, JWG has committed to the establishment of a steering committee to guide the development of the Priority Reforms Strategy.</p>

ESSENTIAL ACTION	2025 UPDATE
3.5 Embed responsibility for improving cultural capability and relationships with Aboriginal and Torres Strait Islander people into public sector employment requirements	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>The Commonwealth supports a range of measures to embed cultural safety and capability within the APS. Examples of strategic initiatives include:</p> <ul style="list-style-type: none"> • The SES Performance Leadership Framework was updated in March 2025 to include an expectation that Senior Executive Service (SES) employees build cultural capability. • An Allyship Toolkit to support non-Indigenous APS staff to engage meaningfully and in a culturally safe manner was released in May 2025. • An APS Integrated Unconscious Bias training program pilot was implemented in 2025. • The Collaboration Circle was established as a permanent APS governance forum, offering a cross-Commonwealth mechanism for senior leaders to learn from the lived experiences of First Nations members, and First Nations members to shape solutions on matters relating to them across the APS. • Through the Boosting First Nations Employment commitment, and more specifically the SES100 program, there are now over 100 First Nations SES leaders in the Australian Public Service. The APS is now shifting its focus to its longer-term goal of ensuring five per cent of all staff across the service are First Nations by 2030. • All substantive, ongoing Executive Level 2 staff within the Commonwealth Public Service will now have completed First Nations cultural competency training, fulfilling a mandatory requirement in all Commonwealth enterprise agreements. All new substantive, ongoing staff must complete the training within 6 months of commencement. <p>The APS-wide Priority Reform Strategy is progressing and will identify policy and behavioural levers for change, as reported under Essential Action 3.1.</p>

ESSENTIAL ACTION	2025 UPDATE
Recommendation 4: Stronger accountability is needed to drive behaviour change	
4.1 Establish the independent mechanism in each jurisdiction without further delay	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>The Commonwealth is considering a path toward the establishment of a Commonwealth Independent Mechanism, including options put forward by a 2025 report commissioned by the Coalition of Peaks from the Jumbunna Institute for Indigenous Education and Research.</p> <p>The Commonwealth is also co-chairing and providing secretariat support to the Independent Mechanism Working Group, which was re-established by PWG in early 2025 to provide an opportunity for jurisdictions to share progress and lessons learned in relation to independent mechanisms, and provide recommendations to PWG on whether a national body is required, and if so, advise on the scope, role and functions for this body.</p>
4.2 Embed the commitments of the National Agreement on Closing the Gap in other inter-governmental Agreements	<p>This action is the joint responsibility of all state, territory and Commonwealth governments.</p> <p>It has progressed through the 'Guidance Note: Embedding Priority Reforms in National Agreements', which supports all state, territory and Commonwealth jurisdictions to leverage intergovernmental agreements to improve outcomes for First Nations peoples in line with the National Agreement. The Commonwealth facilitated agreement by all jurisdictions by securing endorsement at First Deputies Group (FDG) in April 2025. The document was subsequently circulated through First Secretaries. Following this, in September 2025, FDG agreed for Commonwealth to undertake an analysis of upcoming National Agreements due for negotiation and identify opportunities to influence stronger outcomes, and to report back to FDG on findings. The adoption of the Guidance Note has been demonstrated in a number of agreements, including the National Skills Agreement (2023) and National School Reform Agreement (modified 2023). Mapping of further opportunities will be undertaken in 2026.</p>
4.3 Include a statement on Closing the Gap in every government organisations' annual report	<p>State, territory and Commonwealth governments each have individual responsibility for progressing this action within their jurisdiction.</p> <p>In December 2025, the Commonwealth completed its review of current Closing the Gap reporting practices and will consider it as part of the Priority Reform Strategy.</p>
4.4 Publish all the documents developed under the National Agreement	<p>This action is the responsibility of PWG.</p> <p>The Commonwealth supports the publication of a wider scope of documents and will implement the Productivity Commission's proposed minimum publishing requirements, and publishing principles agreed by PWG and Joint Council.</p>