



Working with Aboriginal and Torres Strait Islander peoples

# Closing the Gap Grants Prioritisation Guide

## Purpose

All Commonwealth agencies are committed to implementing the [National Agreement on Closing the Gap \(National Agreement\)](#). The National Agreement represents a fundamentally new way of developing and implementing policies and programs that impact the lives of Aboriginal and Torres Strait Islander people. This Grants Prioritisation Guide (GPG) is an example of how to position Aboriginal people and Aboriginal community-controlled organisations (ACCOs) as equal partners.

The guide demonstrates practices that can be applied by all APS employees that design and administer Commonwealth competitive grant opportunities that prioritise funding to Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations.

## National Agreement on Closing the Gap – Priority Reform Two

**Priority Reform Two commits all governments, including all Commonwealth agencies, to building formal Aboriginal and Torres Strait Islander community-controlled sectors to deliver services to support Closing the Gap.**

*“Aboriginal and Torres Strait Island community-controlled services are better for Aboriginal and Torres Strait Islander people, achieve better results, employ more Aboriginal and Torres Strait Islander people and are often preferred over mainstream services”.*

**Outcome** - Building the community-controlled sector: There is a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector delivering high quality services to meet the needs of Aboriginal and Torres Strait Islander people across the country.

**Target** - Increase the amount of government funding for Aboriginal and Torres Strait Islander programs and services going through ACCOs.

### Clause 55

Clause 55 of the National Agreement commits all Governments to implement measures to increase the proportion of services delivered by Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations.



### **Clause 55(a)**

Under Clause 55(a) of the National Agreement, Governments agree to implement funding prioritisation policies across all Closing the Gap outcomes requiring decisions about the provision of services to Aboriginal and Torres Strait Islander people and communities, to preference Aboriginal and Torres Strait Islander community-controlled organisations and other Aboriginal and Torres Strait Islander organisations.

### **Clause 118 (d)**

Requires Governments to list the number of Aboriginal and Torres Strait Islander community-controlled organisations and other Aboriginal and Torres Strait Islander organisations that have been allocated funding for the purposes of 55a and 55b of the National Agreement; and subject to confidentiality requirements, also list the names of the organisations and the amount allocated.

## **Aligning Competitive Grants with Closing the Gap**

All agencies are accountable for delivering on the National Agreement and should consider embedding the Closing the Gap Priority Reforms in their ways of working. This guide provides agencies practical prioritisation methods to embed practices in competitive grant opportunities, to achieve the Closing the Gap Priority Reforms and/or socio-economic targets.

This guide should be used when grant rounds (including all Non-Targeted programs) provide services to Aboriginal and Torres Strait Islander people.

This guide also provides advice regarding identifying and leveraging opportunities to work in partnership with Aboriginal people and organisations, ensuring agencies have access to the knowledge and expertise of ACCO's to achieve the outcomes of the National Agreement and the grant opportunity.

Portfolio agencies which have specific responsibilities under the socio-economic targets, grant prioritisation should be a high priority.

## **Prior Policy**

A trial commenced by the National Indigenous Australians Agency (NIAA) in 2018 demonstrated that implementing a prioritisation strategy resulted in increased allocation of grants to Aboriginal and Torres Strait Islander organisations. As at May 2023, 75 per cent of 2022-23 Indigenous Advancement Strategy (IAS) funding is provided to Aboriginal and Torres Strait Islander organisations, increasing from 35 per cent in 2014. This practice can be applied for all Commonwealth grants subject to policy design, program implementation and the applicable legislative authority under which the program is developed.



## Grants Administration Considerations

Commonwealth agencies may choose to prioritise Aboriginal and Torres Strait Islander organisations, particularly ACCOs, during the grant administration process by implementing funding prioritisation within internal policies and practices which are reflected in the Grant Opportunity Guidelines (GOGs). This approach could include updating program guidelines in funding processes where relevant value for money is demonstrated.

When designing grant opportunities that either target and/or impact the lives of Aboriginal and Torres Strait Islander people, leveraging the cultural expertise and working in partnership with relevant ACCOs is best practice.

All Commonwealth agencies must administer grants in accordance with the legislative, policy, and legal authority aligned with their agency goals. Key grants legislation includes the [Commonwealth Grants Rules and Guidelines 2017](#) (CGRGs) and the Public Governance, Performance and Accountability Act 2013 ([PGPA Act](#)). This guide supports agencies to prioritise funding to achieve the Government's Closing the Gap objectives and complies with the [CGRGs](#).

- The [CGRGs](#) establish the Government's grants policy framework.
- The [CGRGs](#) apply to all non-corporate Commonwealth entities when they make financial arrangements that meet the definition of a grant.
- Please ensure prioritisation does not conflict with the constitutional and/or legislative authority for the grant opportunity.
- This guide is for future grant opportunities and shouldn't be applied retrospectively.

## Using this guide

The [CGRGs](#) are largely principles-based, with a small number of mandatory requirements, providing agencies with flexibility in how they design their grants processes to achieve government objectives. This guide outlines the ability to prioritise particular applicants (where consistent with the policy and legal authority) through a variety of prioritisation practices. Any prioritisation practice that is applied needs to be outlined in the GOGs in accordance with paragraph 8.6 of the CGRGs.

**Structure of grant round:** This assessment needs to be undertaken as outlined in the relevant GOGs and the [CGRGs](#) and relevant consultation and considerations applied. The relevant GOGs must clearly outline how prioritisation is to be applied. Agencies should consider how to structure the grant funding. For example, choosing a target amount or percentage to set aside of the total grant, or select regions based on localised priorities. For both Non-Targeted and Targeted grants, considerations to help inform this decision include;

- Who are the intended beneficiaries?
- Where will the grants be delivered and for what purpose?



- What are the characteristics of the First Nations population where each of the grant activities will be delivered?
- Have you considered the expertise and knowledge of Aboriginal and Torres Strait Islander organisations to maximise better outcomes for the grant?
- Is the organisation culturally safe to deliver the service?

**Grant selection type:** Using grant selection processes can allow prioritisation or inadvertently exclude it. Officials should be guided by paragraph 13.11 of the CGRG when deciding on selection processes. For example:

- Open competitive processes may be better for prioritisation, as they allow the market to consider the grant opportunity and determine if they want to apply.
- Grant rounds which are closed non-competitive may inadvertently exclude Aboriginal and Torres Strait Islander organisations if they are unknown to the agency.

Below are current prioritisation practices used by grant teams, including design considerations and approaches when administering grants;

- **Use of Eligibility:** Grant rounds intended to benefit Aboriginal and Torres Strait Islander peoples may identify restricting eligibility of the application to certain types of organisations, i.e. Aboriginal community-controlled organisations (ACCOs) will deliver the best policy outcomes. Eligibility can also be used to ensure that an applicant has the support of the local community in the design and implementation of the grant activity. For example, requiring a letter of support from the local community or local stakeholders for any non-Indigenous organisation. Officials should be guided by paragraphs 7.5, 8.6, 8.7, 13.11 and 13.14 of the CGRGs when deciding on eligibility criteria.
- **Assessment Criteria:** The assessment criteria outlines how the grant opportunity and the organisation is best placed to service Aboriginal and Torres Strait Islander communities and/or people. Example of criteria some grants use are:
  - organisations that are committed to designing and delivering grant activities in partnership or with the support of local Aboriginal and Torres Strait Islander communities and stakeholders;
  - culturally safe; and
  - committed to economic empowerment of Aboriginal and Torres Strait Islander peoples through Indigenous employment and use of Aboriginal and Torres Strait Islander organisations in their supply chain or subcontracting arrangements.
- **Funding prioritisation assessment policies:** Grants can apply prioritisation to applications which are found to meet eligibility and assessment criteria. Prioritisation policies could include a single prioritisation approach, i.e. any Aboriginal and Torres Strait Islander organisation, or multiple tiers. Achieving value with relevant money should be a prime consideration in all phases of grants administration. Prioritisation occur after eligibility and assessment process, as follows:



- Open competitive – eligible applicants are ranked in order of merit against the assessment scoring. Applicants are then grouped either by using categories i.e. full meets, does not meet or a scoring matrix with prioritisation applied to applications within each category. The Commonwealth is only applying bandwidth prioritisation to a group of applications which all meet the assessment criteria and demonstrate value for money.
- Non-competitive – funding recommendations can consider support for Closing the Gap objectives by prioritising ACCOs and/or Aboriginal and Torres Strait Islander organisations that meet the assessment criteria.
- Closed – agencies may wish to only invite ACCOs and/or Aboriginal and Torres Strait Islander organisations to apply, or ensure they are included in the list of invitees. Rounds where non-Indigenous and Aboriginal and Torres Strait Islander organisations are invited to apply, agencies could then apply the methods outlined in the open competitive and open non-competitive rounds.

When designing grants (including Non-Targeted), agencies should consider how grants contribute to Closing the Gap targets and outcomes, and consider applying one/or more prioritisation practices. To give effect to this, agencies need to ensure;

- GOGs include relevant:
  - details about Closing the Gap and how the grant will contribute to targets and outcomes, and
  - prioritisation approaches i.e. eligibility, assessment criteria, funding prioritisation policies and include how it will be applied to the grant.
- Application forms capture all required information to report against Closing the Gap measures (including Clause 118(d)) and the selected prioritisation approach. This includes consideration of how the agency will validate an organisational status (see verification of organisation for more details).
- Eligibility checks and assessment plans include clear and concise processes for how to implement any prioritisation approach.
- Grant agreements include relevant details to continue to manage prioritisation approaches, to reduce the likelihood of unintended consequences.
- Grant agreement best practice assists with managing the grant activity, i.e. reporting, quality and risks.
- Consideration of how probity will be managed throughout the consultation phase and grants administration, outlined in the assessment plan.

Attachment A: [Prioritisation steps](#) and Attachment B: [Examples of prioritised grants](#), will provide assistance when developing standard terminology in your GOGs.

## Verification of Organisations

Agencies will need to determine, based on an assessment of administrative effort, the intent of the grant, and associated risks:



- the type of organisations being prioritised (e.g. ACCOs, other Aboriginal and Torres Strait Islander organisation, or other arrangements like joint ventures);
- GOGs will need to include a clear definitions of eligible organisations e.g. definition of ACCO; and
- whether to verify the organisational type.

If verification is undertaken, the agency must decide both when and how the verification will be undertaken. Agencies use a range of different practices to verify organisational status, including;

- Self-declaration;
- Desktop review;
- Use registers such as [Office of the Registrar of Indigenous Corporations](#) (ORIC), Supply Nation, or member of the Coalition of Peaks; or
- Documentation such as Register of Shareholders, Shareholders Agreement, Register of Officeholders, Register of Members, Constitution, Rule Book, Trust Deed, Partnership Agreement, or ABN Registration.

Currently, there is no single authoritative source to accurately confirm the status of ACCOs and other Aboriginal and Torres Strait Islander organisations. Agencies must determine if the source they use is a reliable indication that the applicant has the required organisational status. For example, [Office of the Registrar of Indigenous Corporation](#)'s (ORIC) Register provides details of organisations that are over 51 per cent owned and controlled by Aboriginal and Torres Strait Islander people that voluntarily register with them.

- Additional registers available to verify an organisations status include; [Supply Nation](#), [Aboriginal Business Directory WA](#), [Northern Territory Indigenous Business Network](#), [NSW Indigenous Chamber of Commerce](#), [First Nations Chamber of Commerce and Industry](#) and [Black Business Finder](#).
- The verification process must be outlined in the GOG.
- Limited methods exist to check if an organisation is an ACCO. For example, the [NSW Department of Communities and Justice](#) provides material on community-control, and the requirements for reporting on community-control.

## Reporting

Agencies are advised to establish their own recording and reporting practices to track prioritisation efforts and report on the types of organisations grants are awarded.

All agencies are required to report their Closing the Gap activities quarterly to the NIAA Closing the Gap Branch and through their annual report. An email is sent quarterly to all Commonwealth agencies asking for their action items. When reporting prioritising actions, please ensure the action details refers to 'Funding Prioritisation Action' or Clause 55(a) which is on the [Closing the Gap Actions Table](#).



For further information please contact [IA-IDC@niaa.gov.au](mailto:IA-IDC@niaa.gov.au).

## Supporting documents

Further information on how to apply prioritisation practices, including key considerations, risks and options in verifying applicants, refer to:

- Attachment A: [Prioritisation steps](#)
- Attachment B: [Examples of prioritised grants](#)
- Attachment C: [Grant Prioritisation Scenario](#)
- Attachment D: [Examples of Prioritisation of First Nations Funding](#)
- Attachment E: [How Grant Prioritisation aligns to Closing the Gap?](#)

More information on Closing the Gap is available at [www.closingthegap.gov.au](http://www.closingthegap.gov.au) or please contact the NIAA Closing the Gap Branch at [IA-IDC@niaa.gov.au](mailto:IA-IDC@niaa.gov.au).





## Glossary of terms

Term	Term description
Aboriginal community-controlled organisations (ACCOs)	<p>Under Clause 44 of the National Agreement, Aboriginal and Torres Strait Islander community control is an act of self-determination. An Aboriginal and/or Torres Strait Islander community-controlled organisation delivers services, including land and resource management, that builds the strength and empowerment of Aboriginal and Torres Strait Islander communities and people and is <i>(all of the following)</i> :</p> <ul style="list-style-type: none"> <li>a. incorporated under relevant legislation and not-for-profit</li> <li>b. controlled and operated by Aboriginal and/or Torres Strait Islander people</li> <li>c. connected to the community, or communities, in which they deliver the services</li> <li>d. governed by a majority Aboriginal and/or Torres Strait Islander governing body.</li> </ul>
Aboriginal and Torres Strait Islander organisations (other than an ACCOs)	As per Chapter 12 of the National Agreement, a business, charity, not-for-profit organisation, incorporated under Commonwealth, state or territory legislation that has at least 51 per cent Aboriginal and/or Torres Strait Islander ownership and/or directorship and is operated for the benefit of Aboriginal and Torres Strait Islander communities.
Commonwealth Grant Rules and Guidelines 2017 (CGRGs)	The CGRGs provide the legislative framework for grants administration. The CGRGs are issued by the Finance Minister under section 105C of the PGPA Act.
Grant Opportunity Guidelines (GOGs)	The authoritative documents which inform stakeholders, including potential applicants, of the purpose of a grant opportunity and include all the information required to apply for and understand a grant opportunity. These also explain how value for money will be determined in order to make a recommendation to the grant decision-maker.





## Attachment A: Prioritisation steps

Steps	Competitive grant prioritising for Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations
<p>1. Consider at the design stage whether the grant program is in scope for the prioritisation, and if so, does the agency's policy and legal authority support this prioritisation practice.</p>	<p>If a grant round (including Non-Targeted programs), provides services for the benefit of Aboriginal and Torres Strait Islander people, agencies should consider if they will apply prioritisation to all or some of the grant round.</p> <p>As the CGRGs are largely principles-based, with a small number of mandatory requirements, providing the grant opportunity is consistent with the <a href="#">CGRGs</a>, the Public Governance, Performance and Accountability Act 2013 (<a href="#">PGPA Act</a>), and other finance law, then the grant is in-scope for prioritisation.</p> <p>If prioritisation practices are to be applied a risk assessment and associated mitigations need to be applied. This includes risks associated with verification of organisations.</p> <p>Things to consider include:</p> <ul style="list-style-type: none"> <li>• Will this grant contribute to achieving the socio-economic targets or deliver on the Priority Reforms under the National Agreement?</li> <li>• What are the costs, benefits and associated risks of applying prioritisation practice to this grant round?</li> </ul>
<p>2. Design the Opportunity including consultation and risk assessment</p>	<p>In order to design a grant opportunity, consultation should be undertaken early with stakeholders to identify (or discuss the delivery of the grant opportunity) outcomes/priorities as well as prioritisation options for eligible applicants.</p> <p><b>Structure of grant round:</b> This assessment needs to be undertaken as outlined in the CGRGs and relevant consultation and considerations applied. Agencies should consider how to structure the grant funding. For example, choosing a target amount or percentage to set aside of the total grant, or select regions based on localised priorities. Considerations to help inform this decision include;</p> <ul style="list-style-type: none"> <li>○ Who are the intended beneficiaries?</li> <li>○ Where will the grants be delivered?</li> <li>○ What are the characteristics of the First Nations population where each of the grant activities will be delivered?</li> <li>○ Have you considered the expertise and knowledge of Aboriginal and Torres Strait Islander organisations to maximise better outcomes for the grant?</li> </ul> <p>Some prioritisation options to consider during the design phase of a grant opportunity are outlined here.</p>



Steps	Competitive grant prioritising for Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations
<p>2. Design the Opportunity including consultation and risk assessment (cont.)</p>	<p><b>Grant selection type:</b> Using grant selection processes can allow prioritisation or inadvertently exclude it. For example:</p> <ul style="list-style-type: none"> <li>• Open competitive processes may be better for prioritisation, as they allow the market to consider the grant opportunity and determine if they want to apply.</li> <li>• Grant rounds which are closed non-competitive may inadvertently exclude Aboriginal and Torres Strait Islander organisations if they are unknown to the agency.</li> </ul> <p>How should the opportunity be open to applicants:</p> <ul style="list-style-type: none"> <li>• Open</li> <li>• Targeted</li> <li>• Restricted</li> <li>• Demand driven, or</li> <li>• Closed?</li> </ul> <p>Delegates making funding decisions must do so based on the relevant GOGs and the principle of achieving value for money (paragraph 4.5 of the CGRGs). All factors which inform a delegate's funding decision should be articulated in the GOGs. This will also increase transparency in the process, consistent with the CGRGs, and reduce the likelihood of any complaints.</p> <p><b>Competitive round</b>, in order to determine the most meritorious, there may be factors beyond the selection criteria that should be considered in the overall ranking of applications. Agencies will need to identify what these factors are and how they will impact ranking and recommendations.</p> <p>For example, if the grant round (or a portion) contributes towards a Closing the Gap target and relates to media, Clause 24 of the National Agreement states "Aboriginal and Torres Strait Islander media, in particular community-controlled media, have a central role in communicating activities under this Agreement to allow culturally relevant messages to be developed and shared by Aboriginal and Torres Strait Islander organisations and communities for Aboriginal and Torres Strait Islander people". This is a factor that would support prioritisation of Aboriginal and Torres Strait Islander media, in particular community-controlled media organisations in this grant process.</p> <p><b>Non-competitive round</b>, each application is assessed on its own merits against the assessment criteria. What determines the worthiness for recommendation? Are there minimum standards or benchmarks for each criteria? Must all criteria assessment pass a minimum threshold to be recommended for funding?</p>



Steps	Competitive grant prioritising for Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations
<p>2. Design the Opportunity including consultation and risk assessment (cont.)</p>	<p>For example, a number of applications may be meritorious, however there are limited funds. There are various ways of prioritisation funding in these cases including:</p> <ul style="list-style-type: none"> <li>• Use of Eligibility</li> <li>• Assessment Criteria</li> <li>• Prioritisation following assessment</li> </ul> <p><b>Use of Eligibility:</b> Grant rounds intended to benefit Aboriginal and Torres Strait Islander peoples may identify restricting eligibility to certain types of organisations, (i.e. ACCOs) will deliver the best policy outcomes. Eligibility can also be used to ensure that an applicant has the support of the local community in the design and implementation of the grant activity. For example, requiring a letter of support from the local community for any non-Indigenous organisation. This prioritises funding to organisations that have certain objective characteristics. If using specific eligibility criteria, the eligibility needs to be clearly outlined in the GOGs and the application process should capture and test eligibility requirements.</p> <p>Examples of using eligibility include:</p> <ul style="list-style-type: none"> <li>• Listing specific ABN/s that can be eligible for the grant, or</li> <li>• Limited applications to ACCO and/or Aboriginal and Torres Strait Islander Organisations, or</li> <li>• Located on community full time.</li> </ul> <p><b>Assessment Criteria:</b> The primary consideration is the capacity and prior experiences of the organisations to deliver quality services and provide value for relevant money. The assessment criteria can be chosen to ensure organisations are best suited to deliver services to Aboriginal and Torres Strait Islander communities and/or people. Examples of criteria based on Closing the Gap Priority Reforms, include organisations that are;</p> <ul style="list-style-type: none"> <li>• committed to designing and delivering grant activities in partnership or with the support of local communities;</li> <li>• culturally competent; and</li> <li>• committed to economic empowerment of Aboriginal and Torres Strait Islander peoples through Indigenous employment and use of Aboriginal and Torres Strait Islander organisations in their supply chain or subcontracting arrangements.</li> </ul> <p>The GOGs will need to outline how the criteria will be assessed and what supporting information organisations need to supply. Refer to Attachment B: <a href="#">Examples of prioritised grants</a> for more examples.</p> <p><b>Prioritisation:</b> Further ranking after assessment could include grouping applications against particular categories, or use of a scoring matrix. Non-competitive grant rounds can include the need for meritorious applications that support Closing the Gap objectives to be prioritised.</p>



Steps	Competitive grant prioritising for Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations
<p>2. Design the Opportunity including consultation and risk assessment (cont.)</p>	<p>The Commonwealth is only applying bandwidth prioritisation to a group of applications which all meet the assessment criteria and demonstrate value for money.</p> <p>Two options are given as examples below.</p> <p><b>Option 1:</b> Prioritisation within category. The Aboriginal and Torres Strait Islander applications in each category will be promoted to the top of the list. The categories might be:</p> <ul style="list-style-type: none"> <li>• 'fully meets': meets all the assessment criteria</li> <li>• 'does not meet': meets none of the assessment criteria</li> </ul> <p>Or</p> <ul style="list-style-type: none"> <li>• 'highly meritorious': meets all the assessment criteria to a high standard</li> <li>• 'meritorious': satisfies the criteria but not to the same degree as above category</li> <li>• 'does not represent value with relevant money': does not meet minimum standards</li> </ul> <p>Individual agencies responsible for determining what 'prioritisation' e.g. bandwidths looks like. For example, an Aboriginal or Torres Strait Islander organisation assessed as 'fully meets' with a score of 65 and a non-Aboriginal or Torres Strait Islander organisation is assessed as 'fully meets' with a score of 70. After prioritisation is applied, the Aboriginal or Torres Strait Islander organisation would be ranked ahead of the non-Aboriginal or Torres Strait Islander organisation as they are both considered 'fully meets'. Attachment C: <a href="#">Grants Prioritisation Scenario</a> demonstrates how this can be applied.</p> <p><b>Option 2:</b> A scoring matrix. This can include awarding additional points to each meritorious application from an Aboriginal and Torres Strait Islander organisation and then consider the rankings.</p> <p>Example: an Aboriginal and Torres Strait Islander organisation, received an overall assessment of 65/100. The prioritisation practice applied to that round included awarding 10 additional points to each Aboriginal and Torres Strait Islander applicant who received 51/100 or more, resulting in a final score of 75/100 following prioritisation.</p> <p>For non-competitive grants, funding recommendations can include the need for meritorious applications that support Closing the Gap objectives will be prioritised.</p> <p>Regardless of the final design approach decided upon, the risks and benefits of the process should be clearly identified and agreed by the decision maker.</p>



Steps	Competitive grant prioritising for Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations
2. Design the Opportunity including consultation and risk assessment (cont.)	<p><b>Grant Agreements</b></p> <p>It is better practice to determine the appropriate grant agreement to assist with managing the grant activity, i.e. reporting, quality and risks. Where prioritisation occurs and Aboriginal and Torres Strait Islander applicants are awarded funding in part due to their Aboriginal and Torres Strait Islander status, it may be appropriate to consider if the ongoing nature of this status should be included in the grant agreement.</p> <p><b>Design Decision</b></p> <p>Documentation to support administration will need to clearly explain how this is to be done, and the GOGs will also need to explain this to stakeholders. The relevant Minister is responsible for releasing the GOGs and noting the risks. This includes any risks associated with the decision to prioritise and if verification accompanies the process what arrangements will be in place for the management of the grant in case this entity type changes.</p>
3. Publish the GOGs, including advice on how prioritisation will be applied.	<p>GOGs provide all information required for applicants to understand the purpose of a grant opportunity and how to apply. If the agency has decided to apply prioritisation to a grant opportunity, the details need to be incorporated into the GOGs. Here are four areas GOGs need to be updated to reflect prioritisation practices:</p> <ol style="list-style-type: none"> <li><b>GOG: About the grant section</b> – Provide an introduction about Closing the Gap, including the Priority Reforms and socio-economic target/s the grant supports. The section 'about the grant' should focus on the intended outcomes and objectives of the grant opportunity and provide information on the types of activities associated with it. If organisations may need more information about Closing the Gap you may add a suitable link or attachment in the GOGs.</li> <li><b>GOG: Grant selection process section</b> – Explain how prioritisation will be applied to the grant process.</li> <li><b>GOG: Grant Agreement</b> – Include any requirements to maintain organisational status for the duration of a grant agreement if prioritisation is applied.</li> <li><b>Grant Applications</b> – Include questions requiring applicants to confirm their organisational status to identify those that meet prioritisation requirements.</li> </ol> <p>All GOGs must be consistent with the CGRGs and the risk rating must be agreed with Finance and PM&amp;C prior to their release.</p>
4. Assess applications as per the criteria (assessment plan) set out in the GOG. Apply prioritisation	<p>The GOG is published and applications received.</p> <p>Only eligible applications (organisations) will be assessed.</p> <p>Applications are assessed according to the GOGs. If an organisation is an ACCO or other Aboriginal and Torres Strait Islander organisation and considered to meet the assessment criteria and value for money,</p>



Steps	Competitive grant prioritising for Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations
	<p>prioritisation practices should be applied to award the suitable organisation the grant. The Commonwealth is only applying bandwidth prioritisation to a group of applications which all meet the assessment criteria and demonstrate value for money.</p> <p>Attachment C: <a href="#">Grants Prioritisation Scenario</a> demonstrates how to prioritise applicants in the highest bandwidth. Where there are no suitable ACCOs or Aboriginal and Torres Strait Islander organisations in the highest bandwidth, alignment is not possible.</p> <p>Depending on how agencies undertake this part of the process, their approach to prioritising may require adjustment, however the concept is the same.</p>
5. Brief the Delegate / Decision maker, award grant, and execute agreement	<p>If an applicant is awarded a grant due to organisational status (e.g. prioritising an ACCO or other Aboriginal and Torres Strait Islander organisation), the agreement should require the applicant to retain that organisational status for the life of the agreement. To monitor this, the agency can request that the applicant notifies them of any change or anticipated changes which impacts their organisational status.</p> <p>Example details for inclusion in the GOGs;</p> <ul style="list-style-type: none"> <li>• <b>Keeping us informed:</b> You should let us know if anything is likely to impact your grant activity or organisation by contacting the Agency's contact officer listed in your grant agreement. We need to know of any key changes to your organisation or its business activities, particularly if they impact your ability to complete your grant activity, carry on business or pay debts due.</li> <li>• <b>You must also inform us of any of the following changes:</b> Any instance where your organisation may no longer meet the definition of an ACCO or an Aboriginal and Torres Strait Islander organisation as defined in the glossary.</li> </ul> <p>Compliance and reporting clauses may be required in the grant agreement to manage organisation structures, subcontracting, joint ventures, and partnerships for the life of the grant.</p>
6. Reporting	<p>Agencies may want to consider what their data collection processes are so they can capture data that tracks details such as how many grants they are prioritising (e.g. number of grant rounds and grants activities awarded), type of services provided (e.g. education, employment etc.), and the types of service delivery organisations (e.g. ACCO or other Aboriginal and Torres Strait Islander organisation).</p>





## Attachment B: Examples of prioritised grants

Below are some existing examples of GOGs that use prioritisation.

GOG #	GOG Name	Agency	Grant Selection Type	Prioritisation Practice
<b><u>GO4807</u></b>	Tailored Assistance Employment Grants	NIAA	Open Competitive	Assessment
<b><u>GO5529</u></b>	IAS Skills and Employment Program	NIAA	Open Competitive	Criteria and Assessment
<b><u>GO5695</u></b>	Indigenous Languages and Arts (ILA) Strategic Projects 2022-23	Department of Infrastructure, Transport, Regional Development, Communications and the Arts (DITRDCA)	Open Competitive and Targeted Competitive	Assessment
<b><u>GO6053</u></b>	2023-24 Indigenous Languages and Arts (ILA) Program Guidelines	DITRDCA	Open Competitive and Targeted Competitive	Assessment
<b><u>GO5472</u></b>	National First Nations Flexible Aged Care Program 2021-22 Residential – Expansion Round	Department of Health and Aged Care (DoHAC)	Targeted Competitive	Criteria
<b><u>GO5829</u></b>	Native Title Anthropologist Grant Program 2022 to 2025	Attorney-General's Department	Open competitive	Eligibility and Assessment (by panel)
<b><u>GO1300</u></b>	Aboriginal and Torres Strait Islander Health Professional Organisations	DoHAC	Closed Non-Competitive	Eligibility
<b><u>GO167</u></b>	National Aboriginal and Torres Strait Islander Flexible Aged Care Program - Expansion Round	DoHAC	Targeted or Restricted Competitive	Criteria
<b><u>GO6469</u></b>	Justice Reinvestment in Central Australia Program – Round 1	Attorney-General's Department	Open Non-competitive	Eligibility
<b><u>GO6470</u></b>	National Justice Reinvestment Program – Round 1	Attorney-General's Department	Open Non-competitive	Eligibility
<b><u>GO6522</u></b>	Indigenous Australians' Health Programme - Closing the Gap - Major Capital Works Program Round 2	DoHAC	Targeted or Restricted Competitive	Eligibility





## Attachment C: Grant Prioritisation Scenario

One example of how prioritisation is applied in a grant assessment practice if bandwidth assessment is used.

- All grant applications separated into the bandwidths assessment (e.g. does not meet, partially meets, or fully meets). Applicants that 'fully meet' the selection criteria (i.e. top bandwidth) are sorted within each bandwidth according to their score.
- All applications within the highest bandwidth must be exhausted before moving to the next bandwidth. The following table demonstrates how an ACCO or Aboriginal and Torres Strait Islander organisation may be weighted before and after prioritisation is applied.
- The table below used three grants in one regional area. It demonstrates both before and after prioritisation was applied. Example, prior to prioritisation A, B and C would have been awarded the grant, versus after prioritisation, where F, D and E organisations were awarded the grants.
- How to use this table
  - This example has four Individual Selection Criteria (SC), as described in the GOGs.
  - All SCs are weighted equally (25%).
  - Organisational Types are either Aboriginal Community Controlled Organisations (ACCOs), First Nations Organisations or Other (non-Indigenous) Organisations.
  - There are three categories used to assign to scoring, these are FM - Fully meets (Score > 60 plus), PM - Partially meets (Score 40 - 60) or DM - Does not meet (Score < 40). For this purpose of this example only those in the fully meets category will be prioritised as they meet eligibility requirements. Those that partially or doesn't meet doesn't have a new ranking after prioritisation as the practice isn't applied to these organisations.

Organisation ID	Selection Criteria One Score	Selection Criteria Two Score	Selection Criteria Three Score	Selection Criteria Four Score	Total Score	Org Type	Category	Rank before prioritisation	Rank after prioritisation
A	10	20	20	20	68	Other	FM	1	<b>4</b>
B	10	20	20	19	68	Other	FM	2	<b>5</b>
C	10	20	19	19	68	Other	FM	3	<b>6</b>
D	14	16	16	18	67	First Nations	FM	4	<b>2</b>
E	18	12	15	18	67	First Nations	FM	5	<b>3</b>
F	18	12	15	17	67	ACCO	FM	6	<b>1</b>
G	10	12	14	16	60	Other	PM	7	
H	10	12	14	15	59	First Nations	PM	8	
I	10	12	14	14	58	Other	PM	9	
J	18	8	9	10	45	ACCO	PM	10	
N	10	12	8	8	38	Other	DM	11	
O	14	6	8	9	37	First Nations	DM	12	
P	18	6	6	6	36	ACCO	DM	13	



## Attachment D: Examples of Prioritisation of First Nations Funding

There are many options for funding prioritisation which can include using eligibility for organisations which can apply for grants or setting up longer grant periods to stabilise funding models. The below example of how using a range of funding prioritisation practices (including prioritising ACCOs).

### The Health Sector

This case study has been included for agency and staff to see some outcomes that have been achieved.

“Aboriginal Community Controlled Health Organisations (ACCHOs) play a pivotal role in achieving improved health outcomes for First Nations people and communities. The National Aboriginal Community Controlled Health Organisation (NACCHO) is the national leadership body for Aboriginal and Torres Strait Islander health in Australia. NACCHO currently has 143 members that operate ACCHOs in urban, regional, and remote Australia. They range from large multi-functional services employing several medical practitioners and providing a wide range of services, to small services which rely on Aboriginal Health Workers and/or nurses to provide the bulk of primary care services, often with a preventive health and education focus. The ACCHOs are well established and are more effective than other health services at improving Indigenous health outcomes. ACCHOs specialise in providing comprehensive primary care consistent with First Nations community needs, as informed by local communities. This includes home and site visits, public health and health promotion services, allied health, nursing services, assistance with making appointments and transport, assistance accessing childcare or engaging with the justice system, as well as drug and alcohol services. The ACCHOs have also been shown to be more cost effective than non-Indigenous service providers and their activities result in greater health benefits per dollar spent, with a return on investment of \$1.19 per \$1 spent. The lifetime health impact of interventions delivered by Aboriginal controlled health services is also 50 per cent greater than if these same interventions were delivered by non-Targeted health services, primarily due to improved Indigenous access”<sup>1</sup>.

“The ACCOs play a critical role in facilitating employment pathways for many Indigenous peoples, particularly young people. Like Indigenous businesses, ACCOs are more likely to employ Aboriginal and Torres Strait Islander peoples. In 2019-20, NACCHO employed nearly 7,000 staff (54 per cent of whom identify as Aboriginal and Torres Strait Islander), making them the second largest employer of Aboriginal and Torres Strait Islander people in Australia, behind Coles. In 2019-20, the Aboriginal Legal Service employed 217 staff (45 per cent of whom identify as Aboriginal and Torres Strait Islander). Driving Aboriginal employment is a key focus of the NSW Government and is demonstrated through its commitment to a fifth NSW-specific Closing the Gap Priority Reform, Employment, Business Growth and Economic Prosperity. In 2019-20 NACCHO employed nearly 7,000 staff (54% Identify as Aboriginal and Torres Strait Islander)”<sup>2</sup>.

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<sup>1</sup> National Aboriginal Community Controlled Health Organisation, Annual Report 2019-20.

<sup>2</sup> Aboriginal Legal Service, Annual Report 2019-20.



To address seriously deteriorating or non-existent health infrastructure, the Commonwealth has invested new funding of \$154.4 million over 2021–25, as well as \$100 million over 2021–25 from the First Nations Australian Health Program (IAHP), to deliver new and renovated health clinics and associated housing for health professionals. This work is being co-designed in genuine partnership with the National Aboriginal Community-Controlled Health Organisation (NACCHO) on behalf of the Aboriginal community-controlled health services sector. This includes, establishing the program parameters and structure. NACCHO has also approved the Grant Opportunity Guidelines, Assessment Plans, and communication materials to assist Aboriginal community-controlled health services with their applications, including NACCHO hosted webinars, as well as assessment, decision-making processes and timeframes. NACCHO co-chairs the assessment committee and are also joint decision-makers for grant outcomes. This project comprises two streams of work: an annual Service Maintenance Program (SMP) – minor capital, and the Major Capital Program. Through the 2021–22 SMP grant opportunity, more than \$17 million has gone to 79 projects across Australia.

### **The Justice Sector**

The Commonwealth is investing \$8.3 million over three years (2021–24) through the Attorney-General's Department to Aboriginal community-controlled organisations to support culturally safe and tailored models of family dispute resolution. The service delivery model for this measure will be developed with First Nations organisations. The Attorney-General's Department consulted with the Coalition of Peaks, community organisations, interested community members and Commonwealth entities over a 10 week period between February and April 2022. Over 60 individuals and organisations participated in a number of virtual meetings and workshops and 18 written submissions were received. Feedback was obtained about what culturally safe and appropriate family dispute resolution for First Nations families could look like and how it would best operate. Feedback was also received about the name of the program, the grant selection methodology, the draft Grant Opportunity Guidelines and data and evaluation requirements. The Attorney-General's Department will engage closely with the Coalition of Peaks throughout the consultation process. Following analysis of feedback from the consultation process, the Grant Opportunity Guidelines will be finalised. The next step is a grant selection process through the Community Grants Hub in the second half of 2022, with the new services anticipated to commence in January 2023.



# Attachment E: How Grant Prioritisation aligns to Closing the Gap?

The Australian Government is committed to working in partnership with Aboriginal and Torres Strait Islander people to achieve outcomes under [the National Agreement on Closing the Gap](#). Prioritisation of grants:

- ensures better and more suitable service delivery to Aboriginal and Torres Strait Islander people.
  - The Closing the Gap National Agreement Clause 43 states, *“The Parties acknowledge that Aboriginal and Torres Strait Islander community-controlled services are better for Aboriginal and Torres Strait Islander people, achieve better results, employ more Aboriginal and Torres Strait Islander people and are often preferred over Non-Targeted services. Priority Reform Two received the strongest support in the 2019 engagements”*<sup>3</sup>.
  - The NACCHO 20-21 Annual Report stated that ACCHOs are 50 per cent better at attracting and retaining Aboriginal clients than Non-Targeted providers. The NACCHO Pre Budget 2022/23 paper states *“ACCHOs are cost-effective. Our activities result in greater health benefits per dollar spent; measured at a value of \$1.19: \$1”*<sup>4</sup>.
- increases Commonwealth expenditure to Aboriginal and Torres Strait Islander organisations.
  - A report from Department of Industry, Science and Resources (2020) found that *“Indigenous businesses are significantly contributing to the Australian economy and the improved circumstances of Aboriginal and Torres Strait Islander peoples, their families and communities. Yet existing government business support services do not always meet the needs of Indigenous businesses or contribute to business sector growth”*<sup>5</sup>.
  - A review of Department of Industry, Science and Resources grant applicants found that Aboriginal and Torres Strait Islander organisations represented only 0.2 per cent of all applicants to the department's programs, despite Aboriginal and Torres Strait Islander organisations representing between 0.6 and 0.8 per cent of the 2.1 million businesses in Australia<sup>6</sup>.
- supports increased employment opportunities for Aboriginal and Torres Strait Islander peoples. Research shows that Aboriginal and Torres Strait Islander organisations employ more than 30 times the proportion of Aboriginal and Torres Strait Islander people than other organisations<sup>7</sup>.

<sup>3</sup> [National Agreement on Closing the Gap | Closing the Gap](#)

<sup>4</sup> [National Aboriginal Community Controlled Health Organisation - 2022-23 Pre-Budget Submissions \(treasury.gov.au\)](#)

<sup>5</sup> [Supporting Indigenous business project | Department of Industry, Science and Resources](#)

<sup>6</sup> [Current state of play for Indigenous business | Department of Industry, Science, Energy and Resources.](#)

<sup>7</sup> [Sleeping-Giant-Report.pdf \(supplynation.org.au\)](#)

