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# THE FIRST DECADE OF CLOSING THE GAP: WHAT WENT WRONG?

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# The first decade of Closing the Gap: What went wrong?

M. C. Dillon

## Abstract

This paper assesses the major reviews and assessments of the National Indigenous Reform Agreement (NIRA), the COAG agreement that established the first iteration of Closing the Gap from 2008 to 2019. Since 2008, Closing the Gap has been the Australian Government's central policy narrative in the Indigenous policy domain. The reviews examined are important because they sought to identify issues that needed to be taken into account in moving to the next iteration of the Closing the Gap strategy laid out in the 2020 National Agreement on Closing the Gap. The paper concludes that the reviews examined provide direct evidence that the Australian Government's expressions of rhetorical support for Closing the Gap are contradicted by its actions from 2013 to dismantle the core components of the Closing the Gap strategy and reduce its funding commitments.



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## Acronyms

ACCO	Aboriginal Community Controlled Organisations
AHRC	Australian Human Rights Commission
ANAO	Australian National Audit Office
ANU	Australian National University
ATSIC	Aboriginal and Torres Strait Islander Commission
CAEPR	Centre for Aboriginal Economic Policy Research
CEO	Chief Executive Officer
CGSC	Close the Gap Steering Committee
COAG	Council of Australian Governments
FOI	Freedom of Information
LNP	Liberal-National Party
NGO	non-government organisation
NIAA	National Indigenous Australians Agency
NIRA	National Indigenous Reform Agreement
NPARIH	National Partnership Agreement on Remote Indigenous Housing
PMC	Australian Government Department of Prime Minister and Cabinet

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## Introduction

In July 2020, a pathbreaking national agreement, the 2020 National Agreement on Closing the Gap (Australian Government, 2020), established an ambitious new policy framework for national efforts to close the gap in Indigenous disadvantage. This paper critically assesses the reasons for the failure of the first iteration of Closing the Gap to make significant progress in meeting the targets set. It focuses on a critical examination of the reviews and evaluations of the 2008 National Indigenous Reform Agreement (NIRA), the policy architecture for closing the gap established by the Rudd Labor Government. In particular, the paper analyses the Australian Government's 2019 review of the NIRA that was used to shape and develop its new policy framework for Closing the Gap.

## The NIRA: A short history

In early 2008, the Council of Australian Governments (COAG) finalised the NIRA as part of broader reforms to federal financial relations. NIRA established the policy architecture for Closing the Gap, the Labor Government's signature Indigenous policy framework. The new Government's approach was strongly influenced by, and responded to, a concerted campaign by an alliance of Indigenous health organisations and non-government organisations (NGOs) known as the Close the Gap Campaign.<sup>1</sup> In parallel with NIRA, from March 2008, Australian governments progressively signed a *Close the Gap Statement of Intent* with a variety of non-government organisations.<sup>2</sup>

The NIRA encompassed the original Closing the Gap targets and a series of National Partnership Agreements that provided substantial increases in funding for Indigenous programs. In total, government investments in National Partnerships linked directly or indirectly to NIRA allocated in excess of \$16 billion in expenditure over the 10 years from 2008 (Australian National Audit Office (ANAO), 2019). While most of the funding was from the Commonwealth, the bulk of program delivery was the responsibility of the states and territories. Perhaps the most important innovation embedded within the NIRA was the use of longer multi-year funding commitments, with a number of programs allocated 10-year funding, effectively locked in by a Council of Australian Governments (COAG) endorsed national agreement. While the various national partnerships were not directly aligned with the Closing the Gap targets<sup>3</sup>, the NIRA encompassed an array of new partnership agreements incorporating substantial new funding aimed at progressing underlying Indigenous disadvantage across the board.<sup>4</sup>

Aimed at ensuring accountability, at the beginning of each parliamentary year, the Prime Minister tabled a report outlining progress against each of the Closing the Gap targets. From the start, the targets were partial, reflecting a pragmatic appreciation that change would take time. Even so, over the course of the decade following the NIRA and the promulgation of the Closing the Gap strategy, progress was mixed. By 2018, the Prime Minister's report reported that only three of the seven targets were on track (Australian Government Department of the Prime Minister and Cabinet (PMC), 2018, p. 8). In tandem, there appeared to be a growing sense in the broader

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<sup>1</sup> See the close the gap page on the Australian Human Rights Commission (AHRC) website for more details: <https://humanrights.gov.au/our-work/aboriginal-and-torres-strait-islander-social-justice/projects/close-gap-indigenous-health>

<sup>2</sup> See Close the Gap Campaign Steering Committee 2018, footnote 10. A copy of the Statement is available on the AHRC website.

<sup>3</sup> For example, there was no Closing the Gap target directed to improved housing; yet the largest program within NIRA was the National Partnership Agreement on Remote Indigenous Housing (NPARIH) which recognised the multiple disadvantages which flow from inadequate housing provision, and the importance of housing as a key social determinant of health outcomes, and thus a key mechanism for driving progress against the targets in remote areas where levels of Indigenous disadvantage was deepest.

<sup>4</sup> The NIRA and its associated National Partnerships were developed as part of, and in tandem with, wider reforms to federal financial relations in 2008.

Australian community that the Closing the Gap process had not worked and that fundamental change was required.<sup>5</sup>

This raises the important and crucial question: what went wrong?

While there had been reviews and evaluations of most of the national partnerships under the NIRA (either in full or part), albeit of varying quality and independence, there have been only three comprehensive independent assessments of the NIRA's effectiveness as an overarching strategy. The first was an independent performance assessment of its first six years undertaken at the request of COAG by the Productivity Commission (2015), and the second was an ANAO (2019) performance audit of Closing the Gap. The third was undertaken by the coalition of NGOs and Indigenous leaders who initiated the campaign to close the gap in health outcomes that pre-dated the Australian Government adoption of the strategy as its central policy narrative in Indigenous affairs (Close the Gap Campaign Steering Committee, 2018).

There have been other attempts to assess aspects of the NIRA that do not take a comprehensive approach and/or are not entirely independent of the executive arm of government. For example, in 2017, PMC commissioned a qualitative review focused on Indigenous citizen's opinions that was asked to focus on five questions and to take into account nine factors all ostensibly directed at understanding the reasons for the failure of the Closing the Gap process to meet its targets; however these terms of reference assiduously avoided any focus on levels of investment by government (Murawin Pty Ltd, 2018, p. 4).<sup>6</sup> A more recent academic paper by Fisher et al. (2021) is limited to an examination of stakeholder perspectives.

In February 2018, the Australian Government convened a special gathering of 64 Indigenous representatives, selected by all Australian governments, to discuss the process for refreshing the Closing the Gap targets – many of which were time limited and about to expire – and future policy priorities.<sup>7</sup> The Indigenous representatives advocated a greater role for the Indigenous community in program design and implementation, called on governments to partner with Indigenous interests, and to clarify accountabilities between levels of government. They also agreed 'that existing targets should be retained and critically reviewed' and laid out a series of new priority areas that also required targets [emphasis added] (Special Gathering, 2018).

In December 2018, COAG met in Adelaide, and in relation to Closing the Gap. The communique issued after the meeting stated (COAG, 2018):

*COAG is listening to Aboriginal and Torres Strait Islander peoples, communities and their peak and governing bodies. Leaders are committed to ensuring that the finalisation of targets and implementation of the Closing the Gap framework occurs through a genuine, formal partnership between the Commonwealth, state and territory governments and Indigenous Australians through their representatives.*

*This formal partnership must be based on mutual respect between parties and an acceptance that direct engagement and negotiation is the preferred pathway to productive and effective outcomes. Aboriginal*

<sup>5</sup> See, e.g., the submission to the Closing the Gap refresh process from the Centre for Independent Studies (Jacobs 2018, p. 2) which noted: 'While the targets set in 2008 were ambitious, and the task immense, the failure to meet the majority of targets implies the need for a reassessment of the underlying principles and structures of the Closing the Gap strategy'.

<sup>6</sup> PMC tasked Murawin Pty Ltd to prepare a retrospective qualitative study focusing on Indigenous citizens' opinions of the Closing the Gap process. The National Indigenous Australians Agency (NIAA) website is arguably misleading when it describes the review in the following terms: 'The project examines and reports on the effectiveness and appropriateness of the overarching Closing the Gap policy framework, with specific attention to critical components of the National Indigenous Reform Agreement (NIRA) in achieving its objectives.' While the report is dated March 2018, it was not published until October 2019. It is also worth noting that the NIRA review omits mention of this review in the sources listed as informing its analysis.

<sup>7</sup> There is a useful summary history of the closing the gap process on the Closing the Gap website: <https://www.closingthegap.gov.au/history>

and Torres Strait Islander peoples must play an integral part in the making of the decisions that affect their lives – this is critical to closing the gap...

*...Governments and Aboriginal and Torres Strait Islander representatives will share ownership of, and responsibility for, a jointly agreed framework and targets and ongoing monitoring of the Closing the Gap agenda. This will include an Aboriginal and Torres Strait Islander-led three yearly comprehensive evaluation of the framework and progress.*

*The arrangements of the formal partnership between COAG and Aboriginal and Torres Strait Islander representation will be settled by the end of February 2019, and will include a Ministerial Council on Closing the Gap, with Ministers nominated by jurisdictions and representation from Aboriginal and Torres Strait Islander peoples. The framework and draft targets will be finalised through this Council by mid-2019, ahead of endorsement by COAG. A review of the National Indigenous Reform Agreement will be informed by the framework [emphasis added].*

A formal Partnership Agreement (COAG, 2019) was agreed in March 2019 to guide the process of negotiating the new policy framework and what would ultimately become the National Partnership Agreement on Closing the Gap (Australian Government, 2020). The Partnership Agreement established a Joint Council co-chaired by the Minister for Indigenous Australians and the Chief Executive Officer (CEO) of the Coalition of Peaks and provided (clauses 26–27) for the review of the NIRA to commence immediately. Over the ensuing 15 months, the Joint Council met three times as officials worked to negotiate and develop the new Closing the Gap framework. This included the preparation of the review of the NIRA by a Partnership Working Group comprised of government and Coalition of Peaks officials.

In August 2019, the Joint Council issued a communique reporting on progress in the development of the new policy architecture. It stated, *inter alia*:

*The Joint Council considered a review of the National Indigenous Reform Agreement (NIRA), completed by the Partnership Working Group, and agreed to develop a new National Agreement on Closing the Gap, covering the next ten years, continuing the NIRA's successful elements, strengthening others and addressing foundational areas that were previously excluded from consideration (COAG Joint Council on Closing the Gap, 2019).<sup>8</sup>*

The available public documentation is largely silent on the genesis of the NIRA review, but it appears likely that it was at the behest of the Coalition of Peaks negotiators following on from the recommendations of the Special Gathering, and presumably intended to establish a jointly agreed baseline from which to assess the proposals for future targets and financial resourcing as the new agreement was being negotiated.<sup>9</sup>

Following the Joint Council's August 2019 communique, the author lodged a Freedom of Information (FOI) request with the Australian Government National Indigenous Australians Agency (NIAA) for a copy of the NIRA review. The NIAA at first refused access in full. Following an application for review to the Australian Information Commissioner involving considerable delay, the NIAA published the review in full in November 2020 (NIAA, 2020).

By this stage in the process, the parties developing the new policy framework for Closing the Gap had access to all three comprehensive reviews, and had undertaken their own review of the NIRA.

<sup>8</sup> This decision mirrors exactly the single recommendation of the subsequently released NIRA review.

<sup>9</sup> See Coalition of Peaks, 2021.



## The key findings of the high-level assessments of the NIRA

### The 2015 Productivity Commission review

The Productivity Commission (2015, p. 2) performance assessment examined progress against the then targets and in addition considered how the 'broader reporting framework and policy evaluation efforts could be improved'. This report was undertaken by the Productivity Commission following the abolition of the COAG Reform Council that had undertaken five previous reports.

The Commission's assessment confirmed that progress in closing the gap had been mixed, and in particular pointed to shortcomings in life expectancy, reading and numeracy, and employment 'despite considerable effort and investment' (Productivity Commission, 2015, p. 2). Confirming what has been well known in the academic literature for some years, the Commission pointed to 'markedly worse' outcomes in more remote areas. The Productivity Commission (2015, p. 2) was also critical of the volume of reporting in relation to closing the gap and argued for a rationalisation, noting that:

*While tracking progress towards an outcomes end point can inform policy making, it is not a substitute for examining the role of specific policies in reducing disadvantage, and assessing their cost effectiveness in absolute terms and relative to other approaches.*

This led the Commission to note the 'critical role that robust policy evaluation could play in improving outcomes', and to recommend the promotion of a much stronger evaluation culture in the Indigenous policy area. The Commission identified a number of options for invigorating evaluation:

*an overarching review of policy evaluation in the Indigenous area; COAG committing to evaluating policy settings in a target area or a sub-set of policies in a particular area (say education); and adding a procedural, evaluation-focused target to the Closing the Gap initiative (Productivity Commission, 2015, p.2).*

In effect, in answering the question 'what went wrong with Closing the Gap?', the Productivity Commission was arguing that the shortcomings in progress were the result of a sub-optimal commitment to the evaluation of policies and programs by governments. This has been a wider theme and explanation for policy failure amongst policy insiders through most of the decade.

The argument that lack of evaluation is responsible for policy and program failure in the Indigenous policy domain is not particularly persuasive. But assuming it is, as has been consistently claimed by governments over the past decade, then why is it that governments continue to under-invest and under-commit to robust and substantive evaluation?

A recent policy insights paper dealing with evaluation (Dillon, 2020, pp. 1, 5), noted that senior officials in the Australian Government had been advocating for stronger evaluation of Indigenous programs from 2010, and more widely from 2016. In 2017, the Australian Government with some fanfare allocated \$40 million over four years for evaluation (Easton, 2017). The absence of comprehensive evaluations across the Indigenous policy domain was, once again, identified as a major issue by the recent Productivity Commission (2020) report proposing a national Indigenous Evaluation Strategy. In that report, the Productivity Commission devoted substantial attention to the need for transparency with regard to evaluations and reviews, and recommended that the Australian Government should commit to publishing all evaluations in the Indigenous policy sector. It also identified mainstream policies and programs as important subjects for evaluation of impacts on Indigenous

people. (Productivity Commission, 2020, pp. 19, 23). The Australian Government has yet to formally respond to the Productivity Commission report, and now seems unlikely to do so before the forthcoming election, if ever.

## The Close the Gap Campaign Steering Committee 10-year review

In their 10-year review of the Closing the Gap strategy, the Close the Gap Campaign Steering Committee (CGSC) were much more incisive. The key findings included:

*First, the Close the Gap Statement of Intent (and close the gap approach) has to date only been partially and incoherently implemented via the Closing the Gap Strategy...*

*...Second, the Closing the Gap Strategy – a 25-year program – was effectively abandoned after five-years and so cannot be said to have been anything but partially implemented in itself. This is because the ‘architecture’ to support the Closing the Gap Strategy (national approach, national leadership, funding agreements) had unraveled by 2014–2015.*

*Third, a refreshed Closing the Gap Strategy requires a reset which re-builds the requisite ‘architecture’ (national approach, national leadership, outcome-orientated funding agreements)...*

*...Fifth, there is a ‘funding myth’ about Aboriginal and Torres Strait Islander health – indeed in many Indigenous Affairs areas – that must be confronted... a refreshed Closing the Gap Strategy must include commitments to realistic and equitable levels of investment (indexed according to need)... (CGSC, 2018, p. 4).*

The review also included a series of recommendations, including that a refreshed Closing the Gap strategy is codesigned with Indigenous leaders, that such a refresh include a reinvigorated policy architecture, that there be a focus on health infrastructure and the social determinants of health inequality, and that input targets (such as funding levels) should be agreed and monitored going forward (CGSC, 2018, p. 6). It is clear that, funding issues aside, the CGSC review was influential in shaping future policy development on Closing the Gap.

Rather than asking in relation to Closing the Gap ‘what went wrong?’, the CGSC review in effect laid out a persuasive and cogent agenda for what would make it right.

## The 2019 ANAO performance audit

The ANAO (2019) performance audit, while a valuable source of insights and information, is largely process oriented (i.e. has an efficiency rather than an effectiveness focus). Nevertheless, it does contain some excellent compilations of relevant data relating to the operation of the NIRA over the decade to 2019. For example, Table 3.3 provides a snapshot of declining progress against the eight targets over the years 2011 to 2018 (ANAO, 2019, p. 42). Table 4.1 provides the best available information on the total funds allocated under the NIRA and associated national partnership agreements (see the discussion below).

Key conclusions and findings included:

*9. Arrangements for monitoring, evaluating and reporting progress towards Closing the Gap have been partially effective. Reporting on the high-level Closing the Gap targets has been maintained, but little work has been undertaken to monitor and evaluate the contribution of Australian Government programs towards achieving these targets.*

10. *Governance arrangements established for monitoring progress towards Closing the Gap have been partially effective. While oversight has been maintained over the collation and reporting of data for the Closing the Gap targets, the overall effectiveness of the framework has been reduced by a lack of oversight of its implementation and limited stakeholder engagement...*

12. *Most Australian Government programs which reference the Closing the Gap framework were implemented in its first years...Arrangements for monitoring and evaluating the contribution of the Australian Government's programs to the Closing the Gap targets are not effective and do not provide an objective assessment of performance...*

20. *The Australian Government has not developed an overarching implementation plan to focus its contribution to achieving the Closing the Gap targets.*

21. *...The Closing the Gap Prime Minister's Report does not provide an objective assessment of contribution towards Closing the Gap.*

22. *An evaluation framework has not been established to measure the impact of programs on Closing the Gap targets...PM&C's evaluation framework for the Indigenous Advancement Strategy does not include any references to Closing the Gap (ANAO, 2019, pp. 8–10).*

The performance audit also noted that following the abolition of the COAG Reform Council in 2014, the last independent oversight of jurisdictional progress under the Closing the Gap framework was the Productivity Commission's assessment in 2015. It also noted that it had found no evidence that COAG had considered the Productivity Commission's recommendations on evaluation.<sup>10</sup>

Notwithstanding its predominant focus on process and efficiency (rather than effectiveness), the ANAO performance audit is an excoriating indictment of the Australian Government's commitment to the closing the gap policy. Its most critical findings are effectively buried within mundane technical analysis, a product of the ANAO's culture of prioritising neutral assessment over 'cut through' analysis.

## **The 2019 Joint Council review of NIRA ('NIRA review')**

The NIRA review is significant because it was effectively a jointly agreed starting point for the negotiation of the new National Agreement on Closing the Gap. It was not independent of the executive arm of government and while its focus was comprehensive insofar as it addressed the entirety of NIRA, the context of its drafting meant it was not always internally consistent.

The NIRA review considered and endorsed by the Joint Council in August 2019 took the form of a relatively short briefing paper<sup>11</sup> to the Joint Council and was titled 'Lessons learned from the National Indigenous Reform Agreement'. Given its format, the composition of the Partnership Working Group<sup>12</sup> that prepared the review, and its context as a precursor to the negotiation of a new national agreement, the review might best be understood as a negotiated set of jointly accepted appraisals of the impact and significance of the NIRA.

The review does not seek to directly rely on data or statistics, but rather reflects the experience and collective views of the authors. The following paragraphs summarise the key points made by the NIRA review.

<sup>10</sup> ANAO, 2019, paras. 2.15-20 & 4.51. See Productivity Commission, 2015.

<sup>11</sup> The review is six pages plus two pages of appendices. See NIAA, 2020.

<sup>12</sup> The working group comprised state and national public servants plus representatives of the Coalition of Indigenous Peaks. The Coalition of Peaks' representatives had prior experience working with the NIRA framework within government.

The review begins by noting that the NIRA was a significant step forward in facilitating coordinated and collaborative action to improve Indigenous lives, but noted that it was not sustained over time. A key strength identified was that it created a coherent national policy framework; while accountability was supported by annual progress reporting, noting that target setting was highly aspirational. It was argued that the conflation of final policy goals and rates of progress contributed to a deficit narrative of continuous failure even when steady progress occurred. Funding was allocated in accordance with subsidiary National Partnerships that provided the 'critical foundation' for closing the gap implementation. As the National Partnerships began 'to expire from 2013 without renewal, bipartisanship and implementation fell away'. The impact of the withdrawal of resources was compounded by the absence of a formal structure of Indigenous involvement, and the dissolution in 2013–14 of key oversight bodies for the Closing the Gap framework (the COAG Reform Council and the Working Group on Indigenous Reform). 'Both factors facilitated a period of policy drift' (NIAA, 2020, p. 2).

A section on Policy Framework, Principles and Strategy listed various strengths and weaknesses of the NIRA. Amongst the weaknesses identified were a lack of a framework for working at regional levels, limited commitment to the role of Aboriginal Community Controlled organisations, and not enough reference to mainstream policies and programs that worked both positively and negatively to advance the closing the gap objectives.

In a section on Funding and Implementation, the review identified as a key strength the fact that 'New resources were committed to achieving the targets, locked in through intergovernmental agreements rather than left to annual budget processes' (NIAA, 2020, p. 3). Numerous weaknesses were identified in this section. These included a drop off in federal–state cooperation on resourcing mid-way through the 10-year life of the NIRA; the lack of any commitment to enter into new funding arrangements and the fact that with few exceptions, funding agreements were not replaced when they expired; a focus on remote communities; implementation planning was weak; an absence of focus on closing the gap beyond areas with National Partnership funding; an absence of a systemic plan in relation to housing and other social determinants, nor any commitment to investing in the capacity of Aboriginal Community Controlled Organisations (ACCOs).

The section on Transparency identified the transparent reporting on targets as a strength, but noted that 'shared responsibility' [between levels of government] prevented success or failure being attributed to either level of government.

A section on Governance and Oversight noted that overall effectiveness of the framework had been reduced by a lack of oversight of implementation, and limited stakeholder engagement, citing the 2019 ANAO Report on Closing the Gap, and noting that leadership was insufficient and oversight and implementation bodies had been prematurely disbanded.

A section on Reporting and Evaluation noted that there was only weak evaluation of the effectiveness of particular initiatives, the performance of particular parties and the ways in which resources were allocated (citing the ANAO).

On Targets, the review noted that the targets initially prompted strategic investment across health, early childhood education, housing, and economic participation. It noted that a weakness was that the focus was on deficit and Indigenous disadvantage, leading to a perception of ongoing failure. Aggregate targets masked differences between urban and regional and remote contexts, and potentially distorted policy responses.

Schedule B to the review, extracted from the ANAO (2019, p. 48) performance audit on Closing the Gap, visually summarised the key national partnership Agreements under the NIRA, their terms, and the financial resources allocated to each. The table indicates that in total the NIRA encompassed National Partnership

Agreements providing in excess of \$16 billion in mainstream and Indigenous specific expenditure over the 10 years from 2008, predominantly provided by the Commonwealth.

The NIRA review contrasts sharply with the analytic rigor of the three high-level assessments of the NIRA discussed above. While its remit covered the entirety of the NIRA, it was neither an evaluation nor a standard review; neither independent nor analytic. Instead it sets out to synthesise the available information on the NIRA, utilising prior evaluations, reviews and analyses, plus presumably the accumulated experience and policy knowledge of its authors.

Its focus is akin to an internal policy assessment, but with a twist: its authors come from two quite different standpoints and outlooks. The result is an unusual, and arguably problematic document, written from two alternative perspectives, its contents presumably the result of a process of implicit negotiation. It purports to provide a single point of view, yet fails to hide the opposed perspectives. It avoids specific recommendations (apart from the single recommendation to progress a new Closing the Gap agreement), but identifies a series of 'lessons learned', not all of which are internally consistent, and not all of which were taken up in the subsequent National Agreement on Closing the Gap. Nevertheless, notwithstanding its internal tensions, it clearly had the approval of the Partnership Working Group responsible for its preparation and was formally endorsed by the Joint Council.

The 'lessons learned' format gave it the appearance of an evaluative purpose, but the synthesising reliance on more comprehensive prior evaluations and analyses suggests a different purpose. Arguably, while the original intent may have been to undertake a comprehensive review, the NIRA review's sparse succinctness and policy focus suggests that by the time it was set in train, it had evolved into a threshold process designed to identify both the points of consensus and difference between the parties to the proposed agreement.

In this interpretation, the review's primary purpose was to facilitate the forthcoming negotiation, not undertake an analytically coherent retrospective assessment of the NIRA. The fact that the forthcoming negotiation of the National Agreement was the first major policy development process in the Indigenous policy domain to explicitly adopt a codesign methodology reinforces such an interpretation.

An important corollary of this interpretation is that key narratives included in the review are legitimised and confirmed as correct since Australian Government officials agreed to their inclusion, and the Joint Council later endorsed the document without amendment. Discussed below are three key narratives that are confirmed by the NIRA review.

First, the most extraordinary revelation accepted by Australian Government officials was the narrative that spelt out the effective dismantling of the NIRA by the Coalition Government in the years from 2013 to 2018. While the elements of this narrative had been laid out in the ANAO performance audit report,<sup>13</sup> the ANAO had not emphasised the point. Similarly, the CGSC in their 10-year review of the Closing the Gap strategy were explicit in identifying that the Closing the Gap strategy had ceased to operate, but were more circumspect in allocating responsibility, referring instead to the strategy 'unraveling'.<sup>14</sup>

In contrast, the NIRA review is extremely clear in identifying that the NIRA was not sustained over time (NIAA, 2020, p. 1), that implementation fell away as National Partnerships expired and were not renewed (p. 2), federal–state cooperation on resourcing significantly diminished mid-way through the 10-year timeframe and,

<sup>13</sup> See ANAO, 2019, paras. 13, 21, 2.29, 2.30, 4.3-5, 4.51, 4.57, and in particular Figure 4.1.

<sup>14</sup> The CGSC (2018) report notes as one of its key findings: 'Second, the Closing the Gap Strategy – a 25-year program – was effectively abandoned after five years and so cannot be said to have been anything but partially implemented in itself. This is because the 'architecture' to support the Closing the Gap Strategy (national approach, national leadership, funding agreements) had unravelled by 2014–2015' (p. 4). The salience of this conclusion was perhaps reduced because the CGSC is an advocacy organisation, without a formal policy remit.



that with few exceptions, expired funding agreements were not replaced (p. 3), leveraging of mainstream funding was not fully realised and fell away with time (p. 4), and the key oversight and implementation bodies were disbanded from 2013–14 (p. 5). This is simultaneously an extraordinary indictment and confirmation of the current Australian Government's deliberate efforts to progressively dismantle the core components of the NIRA and the associated financial investments in closing the gap. Over each of the second five years of the NIRA, Prime Ministers delivered the annual Closing the Gap statement, reported on progress,<sup>15</sup> while espousing aspirations to close the gap. Yet never once did a Prime Minister admit publicly that the Australian Government's actual policy was to dismantle NIRA, reduce the contingent policy and financial liability on the Australian Government, and discontinue the former Labor Government's investments in Closing the Gap.<sup>16</sup>

The NIRA review appends a copy of Figure 4.1 from the ANAO performance audit which lists the various Indigenous specific and mainstream National Partnership Agreements linked to NIRA along with the financial commitments involved. Neither report tallies the financial commitments over the 10-year period to calculate the total investment involved. The financial investments, which were additional to the pre-existing Indigenous specific funding, total in excess of \$16 billion over the 10-year period. If adjusted to an annual basis<sup>17</sup>, the investments sum to \$3.3 billion per annum. If we ignore the mainstream financial commitments<sup>18</sup>, the respective Indigenous specific figures are \$8.5 billion over the 10-year life of NIRA or an annual commitment of \$1.87 billion. These figures are not definitive, but rather should be seen as indicative of the levels of financial investment made under the NIRA. Nevertheless, they have the imprimatur of the ANAO and the Joint Council.

How might we assess the significance of these figures? One obvious approach is to make an assessment of the financial or budgetary need implicit in each of the gaps identified as targets in the policy framework. A second approach would compare the quantum of funds allocated under the NIRA, and subsequently cut, with comparative budgetary allocations – with the aim of assessing the budgetary affordability of the allocation. While these are inherently subjective assessments, it is clear that \$2 billion per annum is a very small proportion of annual Government expenditure (around 0.34%), and the issue thus boils down to one of political priority.<sup>19</sup>

In this context, it is worth observing that following the abolition of the COAG Reform Council, and its associated published reports, there is no authoritative database on the financial investments made in relation to NIRA and/or Closing the Gap. While clearly a deliberate decision of government, a policy of public investment opacity undermines the seriousness of government commitments to the Closing the Gap process, and can only add to the levels of scepticism and distrust of governments already widespread across Indigenous Australia.

A second narrative promoted by the NIRA review as a weakness, and clearly reflective of government views<sup>20</sup>, relates to the alleged prioritising by NIRA of remote Indigenous communities, noting that four of the National

<sup>15</sup> See ANAO (2019, Table 3.3, p. 42) for a snapshot of declining progress against the eight targets over the years 2011 to 2018. It is clear from this table that progress had been underwhelming, particularly against the Government's high-profile priorities of school attendance and employment.

<sup>16</sup> Perhaps Prime Minister Abbott came closest in his 2014 Closing the Gap Prime Minister's Report when he stated 'We should not equate spending money with getting results. Spending more money on Indigenous Australians is not a sign of success and is not something that should be celebrated for its own sake' (Abbott, 2014, p. 4).

<sup>17</sup> Some National Partnerships were for periods of less than 10 years; see Figure 4.1 in the ANAO performance audit.

<sup>18</sup> One rationale for ignoring the mainstream amounts in Appendix B to the NIRA review is that they were not entirely directed to Indigenous citizens, and are more likely to have been continued in a different form outside the National Partnership format. On the other hand, the ANAO described them as being National Partnerships with 'direct links to the Closing the Gap framework' (ANAO, 2019, p. 48). This suggests that Indigenous citizens were strongly represented in the benefits of these initiatives.

<sup>19</sup> Total budgeted expenditure of the Commonwealth in 2021–22 is estimated at \$588 billion against revenue of \$482 billion (Australian Government Department of the Treasury, 2021a). The annual cost (i.e. foregone revenue) of the 50 largest tax exemptions granted to taxpayers is around \$150 billion (Australian Government Department of the Treasury, 2021b, p. 11).

<sup>20</sup> The attitude of the Coalition of Peaks representatives on the Working Party to this issue is unclear. It seems unlikely that they wholeheartedly endorsed this assessment, not least because the Coalition of Peaks argued successfully for housing to be included in the refreshed targets. It is notable however that the Coalition of Peaks membership is arguably weighted to urban and regional representation with 18 of the 26 state peaks based in New South Wales and Victoria. The bottom line is that there is no explicit focus in the new National

Partnerships under the NIRA were specific to remote communities. The implication was that there was ‘limited focus on providing targeted, culturally safe services and programs for urban Aboriginal and Torres Strait Islander communities...’ (p. 4).

The largest remote National Partnership under NIRA related to remote housing, which was designed to fill an almost total absence in remote areas of mainstream social housing provision, private sector rental availability, and (at the time) in the coverage of Rent Assistance. By 2019, it was clear that the Australian Government did not intend to renew this National Partnership, albeit without ever making a public announcement to this effect.<sup>21</sup> The narrative that NIRA was too focused on remote regions overlooks the existence of mainstream National Partnerships outside NIRA, for example on Homelessness and on Social Housing, that addressed Indigenous needs largely in non-remote areas via the application of mainstream programs. Moreover, that narrative also overlooks the relevance of needs-based criteria as an important normative driver of investment and policy focus across the Indigenous policy domain, and the explicit finding of the 2015 review of NIRA that outcomes were ‘markedly worse’ in remote areas (Productivity Commission, 2015, p. 2).

A third narrative given added legitimacy by the NIRA review relates to evaluation. In particular, the review documents the sustained efforts to avoid substantive evaluation of programs while simultaneously creating the appearance of evaluation action. Thus, the NIRA review identifies the dissolution of the two key oversight bodies (NIAA, 2020, pp. 2, 5), cited the ANAO as concluding that there was only weak evaluation of effectiveness; and comments adversely on the way that resources were allocated, before identifying as a weakness the fact that there was ‘very little reporting and evaluation of performance and effectiveness’ (p. 5). It thus confirms the critique of poor or non-existent evaluation of programs set out in the earlier NIRA assessment by the Productivity Commission (2015, p. 2).

Given the size and significance of the NIRA within the Indigenous affairs policy architecture, the Australian Government’s decision not to undertake a comprehensive independent evaluation in the lead up to the expiry of the NIRA appears both extraordinarily short-sighted and hypocritical in terms of designing the next phase of Closing the Gap. A consequence of the decision not to undertake a comprehensive evaluation was to forestall pressure for even greater investment in relevant programs.

In this context, the December 2018 announcement by COAG that a review would be undertaken, and the announcement in August 2019 that the review had been considered by the Joint Council, appears to have been intended to obfuscate if not mislead. The Australian Government’s initial refusal to release the review under FOI, and the revelation when it was eventually released that it was in fact merely a short ‘lessons learned’ agenda paper for the Joint Council reinforces that conclusion. It suggests – in addition to its role in mapping the key parameters for the negotiation of the National Agreement on Closing the Gap – that the review was merely intended by governments to create the appearance of evaluative action and thus deflect potential criticism while minimising the potential for increased pressure for targeted investment.

How then does the NIRA review seek to answer the question ‘what went wrong?’ As the review incorporates the potentially conflicting perspectives of both government officials and Indigenous interests, the predictable answer was ‘nearly everything’. So the review nominates implementation failure due to a loss of bipartisan support (why this occurred is left unanswered); non-renewal of national partnerships and their associated funding as they expired; lack of leadership and stakeholders engagement (again, which leaders and stakeholders is left vague); the conflation of final policy goals and rates of progress contributed to a deficit narrative of continuous failure even when steady progress occurred; that targets were highly aspirational (read too ambitious); there was no

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Agreement on remote Australia, notwithstanding that the Indigenous residents of remote and very remote regions are among the most disadvantaged groups within the nation.

<sup>21</sup> See Dillon (2020, pp. 11–17) for a discussion of the implementation and subsequent discontinuance of this National Partnership.

formal structure of Indigenous involvement; and the abolition of oversight bodies led to 'policy drift'. With so many reasons for failure, the paths forward were, perhaps conveniently, multiple and open-ended.

## Conclusion

At an ideological level, the NIRA had been the Rudd Government's response to the punitive framing of Indigenous policy by the Howard Government. In particular, the Rudd Government sought to move beyond the Northern Territory Intervention in which it was complicit having been successfully wedged prior to the 2007 election.<sup>22</sup> This in turn meant that the NIRA engendered antagonism from the subsequent Liberal-National Party (LNP) Governments led by Prime Ministers Abbott, Turnbull and Morrison, evidenced by the decisions to rebadge and eventually terminate the national partnerships established under the NIRA.

It is now apparent that, notwithstanding a COAG communique claiming to have considered a 'review of the NIRA', there was no substantive and comprehensive review or evaluation of the NIRA prior to the process of negotiating the National Agreement on Closing the Gap and refreshing the Closing the Gap targets. A truly independent comprehensive evaluation would have assessed the outcomes achieved against the investments applied.

Further, a critical reading of the NIRA review document, prepared by a joint working group that included government officials, confirms that the Australian Government, from 2013, pursued a methodical and purposive strategy of dismantling the Closing the Gap architecture established in 2008. This included abolishing the oversight institutions established to monitor the implementation of the Closing the Gap strategy, not renewing national partnerships established under the NIRA, and crucially, not renewing the associated program investments allocated to closing the gap. This strategy has been pursued incrementally, without explanation or announcement, hidden in plain sight. It has been obscured by the sheer technical complexity of the issues involved, and by an incessant focus on meeting the Closing the Gap targets to the exclusion of the necessary complementary focus on the necessary level of government funding, targeted on the basis of need, and the appropriate design and focus of substantive policy reforms.

To return to the question posed above – what went wrong with the implementation of NIRA and the first iteration of Closing the Gap – the answer is clear. A primary reason for its failure to meet its targets and deliver widespread gains in socioeconomic indicators was a fundamental absence of substantive commitment by the current Australian Government to the policy objectives of Closing the Gap. In turn, this allowed or facilitated the Government to pursue a deliberate, but unannounced, strategy of institutional deconstruction while simultaneously feigning concern and commitment. This critical assessment aligns directly with the evidence laid out in the 2015 Productivity Commission review, and is consistent with the 2019 ANAO performance audit, and the CGSC 10-year review. Moreover, it is extensively confirmed by the NIRA review co-drafted by government officials and endorsed by the Joint Council co-chaired by the Minister for Indigenous Australians.

Stepping back, this strategy of institutional policy deconstruction had the effect of weakening or reversing the institutional reforms implemented by the former Labor Government which themselves were part of a much longer and in many respects bipartisan process of seeking to implement inclusionary institutions and policies in relation to Indigenous Australians. In this reading, the outcomes in relation to the first iteration of Closing the Gap were deficient, because wider political forces were in play which led to pressure for scarce budgetary resources to be directed towards political constituencies central to governments' political survival and away from constituencies (such as Indigenous interests) without the requisite electoral influence to push back against such pressure. Of course, there is a wider constituency in Australia, beyond Indigenous interests themselves, that

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<sup>22</sup> The majority of academic analyses of the Labor Government's policy response take the view that Labor was largely unsuccessful in disassociating itself from the Northern Territory Intervention.

supports more inclusionary policies and institutions. Hence the importance of, and rationale for, rhetorical efforts aimed at persuading the wider community that governments are in fact seeking to close the gap. The problem for governments is that the mismatch between rhetoric and outcomes cannot be sustained forever without regular resets and refreshes of policy.

This conclusion raises a number of significant new questions for the future: what are the prospects for the next iteration of Closing the Gap? Has the nation reached the limit of its preparedness to support the ongoing inclusion of Indigenous interests on their terms? Or more ominously, has the gradual improvement in the inclusion of Indigenous interests in economic and social life over the past five decades come to an end? Has the tide turned?

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