



Priority Reform Three Transforming government organisations



Guidance

What public servants can do to transform now

The Australian Public Service (APS) has a responsibility to implement the Priority Reforms under the National Agreement on Closing the Gap (the National Agreement) (Coalition of Peaks and Australian Governments 2020). The Priority Reforms aim to improve life outcomes through changes in the relationship between governments and Aboriginal and Torres Strait Islander people that enable greater self-determination. The reforms recognise that without shifting government systems, cultures and decision-making processes, socio-economic outcomes for Aboriginal and Torres Strait Islander people will not improve (PC 2024a, p. 27).

Priority Reform Three of the National Agreement (PR3) commits public servants to shift business-as-usual structures, systems, processes and practices to adopt new ways of working that are grounded in listening, learning and acting in genuine partnership with Aboriginal and Torres Strait Islander communities (Joint Council on Closing the Gap 2020 cls. 58-68). Yet within these commitments, public servants often express hesitation as to how to meet their commitments within their respective legislative obligations and authorising environments (PC 2024b, p. 60).

This guide

- draws on case studies of good practice to identify transformative action already sanctioned within Commonwealth legislative frameworks
- provides practical advice to support public servants in understanding their capability to drive transformation.
- highlights six examples of change underway across government to show how to embed culturally informed, collaborative approaches that lead to better outcomes and stronger relationships with Aboriginal and Torres Strait Islander communities (PC 2024a, pp. 28, 49):

1. Sharing decision-making
2. Taking a relational approach to grant administration
3. Co-developing budget bids
4. Allocating time for collaborative design
5. Prioritising funding through grant programs
6. Monitoring and evaluating using community-defined success measures.

1. You can share decision-making within the scope of the Public Governance, Performance and Accountability Act 2013 (PGPA Act)

Under section 17 of the PGPA Act, the Accountable Authority for each Government Department has a positive duty to encourage their officials to co-operate with others to achieve common objectives.

While government bodies operate under different governance structures, all government officials can meet this positive duty by engaging in shared decision-making processes with Aboriginal and Torres Strait Islander organisations and communities. Doing so enables the pooling of expertise, builds trust with Aboriginal and Torres Strait Islander communities and ensures that policy solutions are culturally informed and responsive to community needs (PC 2024b, p. 63).

Shared decision-making processes, supported by strong governance, can also enhance probity compliance (ECCDPP 2025, p. 14). For example, a governance framework that has transparent, consensus-based shared decision-making embedded in its design can minimise individual bias and influence on decisions (ECCDPP 2025, p. 14).

Why should you consider doing this?

Shared decision-making is an outcome under the National Agreement, as well as a key element required under Priority Reform One of the National Agreement (PR1). Its implementation is critical, as programs that are designed and governed by Aboriginal and Torres Strait Islander people have been found to be more effective in incorporating Indigenous knowledges and practices, leading to greater program effectiveness, community acceptance and buy-in (Murrup-Stewart et al. 2025, p. 6; SNAICC 2022, p. 8). This, in turn, contributes to quality of expenditure, greater sustainability and achievement of outcomes.

What might this look like in practice?

Sharing decisions at every stage of the program or policy cycle from design and implementation right through to evaluation

This could be achieved through an:

- overarching program or policy design reference group, or joint governance mechanism which operates by consensus, with decisions only proceeding when supported by all parties (DSS 2021b, p. 8; ECCDPP 2025, p. 10).
- expert joint grant or advisory panel, that ensures the voices of Aboriginal and Torres Strait Islander representatives are weighed equally, if not greater, to government (PC 2024b, p. 117). Panel representation should be appointed and decided by Aboriginal and Torres Strait Islander partners, rather than government (Coalition of Peaks 2023).

Establishing shared decision-making panels to provide collective recommendations to the financial delegate on the expenditure of public funds (noting the final decision remains with the delegate)

Such panels require strong governance arrangements to ensure probity risks are identified and managed effectively, without unnecessarily restricting consideration of cultural knowledge and the broader operating environment.

For example, the Early childhood Care and Development Policy Partnership (ECCDPP) was established as a mechanism under PR1 as a shared decision-making forum between all Australian governments and Aboriginal and Torres Strait Islander representatives.

The ECCDPP's purpose is to develop recommendations to improve early childhood outcomes for Aboriginal and Torres Strait Islander children and families. The ECCDPP is co-chaired by Education and SNAICC, who also operate a co-secretariat for the Partnership (DoE, personal communication, 4 September 2025).

Connected Beginnings is an example where the Department of Education (Education) and the Department of Health, Disability and Ageing (Health) transitioned to shared decision-making processes to achieve the aim of improving health, development and education outcomes for Aboriginal and Torres Strait Islander children. Under the program, SNAICC - National Voice for our Children (SNAICC) - and the National Aboriginal Community Controlled Health Organisation (NACCHO) - are engaged as Community Partners to oversee key aspects of the Program.

Engaging an independent probity advisor

An independent probity advisor can support all parties to feel confident in meeting PGPA Act requirements while undertaking shared decision-making. At the federal level, DSS has a probity advisor available through the Grants Hub to assist in this area (DSS 2021a).

2. You can take a relational approach to the administration of grants

Taking a relational approach to the administration of grants involves a transition away from short-term, transactional and output-based funding to longer-term relational and outcomes-focused funding (PC 2020a, p. 20). It involves working collaboratively with Aboriginal and Torres Strait Islander partners or communities to focus on community-led priorities and solutions (PC 2020a, p. 13), enabling decisions to be shared with those who are closest to understanding the needs and opportunities on the ground (PC 2020a, pp. 38, 246, 263).

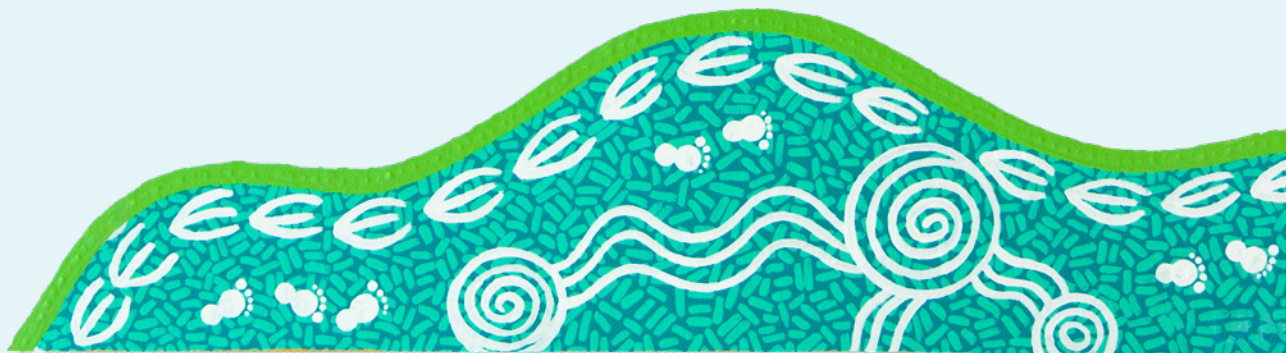
Why should you consider doing this?

Taking a relational approach to grant administration supports grants processes to be more culturally informed, responsive and accessible (PC 2020a, p. 236). It supports the commitment under PR1 to enable self-determined resource allocation in line with local community-defined priorities and aspirations (SNAICC 2022, pp. 29–30).

What might this look like in practice?

Resource an Aboriginal or Torres Strait Islander partner to administer the grant program in partnership with the government

For example, the Australian Government Department of Health, Disability and Ageing resourced NACCHO to deliver the First Nations Australian Health Program – Major Capital Works in partnership with the government. Under this program, NACCHO co-designed the program parameters and structure, grant opportunity guidelines, assessment plans and decision-making processes and timeframes, as well as co-chairing the assessment committee (NIAA 2023, p. 18).



Work at the pace of the Aboriginal and Torres Strait Islander community's timelines

In the design phase, this could be done by asking for a longer policy authority window, allowing adequate time to build relationships and trust and adjusting timelines based on community advice (CAAC 2021, p. 25). In the grant administration phase this may be done by setting longer application windows that build in flexible start dates and extension clauses that support Aboriginal decision-making processes (PiC 2023, p. 39), Sorry Business or cultural and seasonal events.

Administer grants directly

At the federal level, your agency or department can put a request to your minister to obtain a temporary deferral or permanent exemption from the requirement to use the Community Grants hub to deliver a grant program (Department of Finance 2025).

For example, Connected Beginnings is a place-based grant program that has a component directly administered by the Department of Education rather than the Community Grants Hub. The direct administration of grants within this program has allowed greater flexibility to build relationships which go beyond the traditional funder-grantee arrangements and provide bespoke support.

3. You can co-develop budget bids with Aboriginal and Torres Strait Islander partners

Co-developing budget bids with Aboriginal and Torres Strait Islander partners on policy and program initiatives that impact their communities creates a pathway for self-determined prioritisation of investment.

Why should you consider doing this?

Involving Aboriginal and Torres Strait Islander partners from the outset of a budget process will ensure that funding proposals are shaped by those who best understand local needs and aspirations (NSW Government 2022, p. 56), meeting the commitment of genuine partnership under PR1 of the National Agreement. Additionally, co-developing budget bids with Aboriginal and Torres Strait Islander partners is a practical step forward in the type of transformation committed to under PR3, as it can lead to improved engagement and increased transparency in funding allocations (PC 2024b, p. 267).

What might this look like in practice?

Review and update Cabinet and Budget processes so that all submissions demonstrate the impact of new policy proposals on Aboriginal and Torres Strait Islander people, and how the policy proposal aligns with, and has been developed in accordance with, the Priority Reforms (PC 2024b, p. 242).

For new budget measures with a significant emphasis on improving outcomes for Aboriginal and Torres Strait Islander people, Accountable Authorities could adopt internal measures requiring staff to explain how early engagement or partnership with Aboriginal and Torres Strait Islander people has informed the policy or program development (NIAA 2024, p. 4).

For the 2022-23 and 2025-26 New South Wales budget, NSW's Premier's Department and NSW Coalition of Aboriginal Peaks Organisation (NSW CAPO) led a process to co-design a Close the Gap budget proposal with NSW CAPO members and relevant agencies, with support and advice from NSW Treasury. Following the co-design process, and within the constraints of Cabinet-in-confidence, NSW's Premier's Departments took an active role in keeping NSW CAPO informed, facilitating ministerial meetings ahead of Expenditure Review Committee discussions and sharing outcomes prior to public announcement.

4. You can allocate sufficient time for collaborative design processes when drafting new policy proposals

For government expenditure that is focussed on improving outcomes for Aboriginal and Torres Strait Islander people, engagement is essential (PC 2024b, p. 266).

New policy proposals should be informed by priorities identified in partnership with Aboriginal and Torres Strait Islander people (PC 2024b, p. 266). Where it is not feasible to undertake a collaborative process prior to drafting a new budget proposal, public servants should ensure the proposal allocates sufficient time and resources to ensure co-design occurs to scope a full program or policy design once funds are agreed.

Why should you consider doing this?

Priority Reform Two of the National Agreement (PR2) is about Aboriginal and Torres Strait Islander people and communities being able to exercise the right to self-determination over the design and delivery of services and programs that impact their lives (PC 2024b, p. 62), however, time constraints often prevent genuine collaboration efforts (PC 2024b, pp. 31, 36).

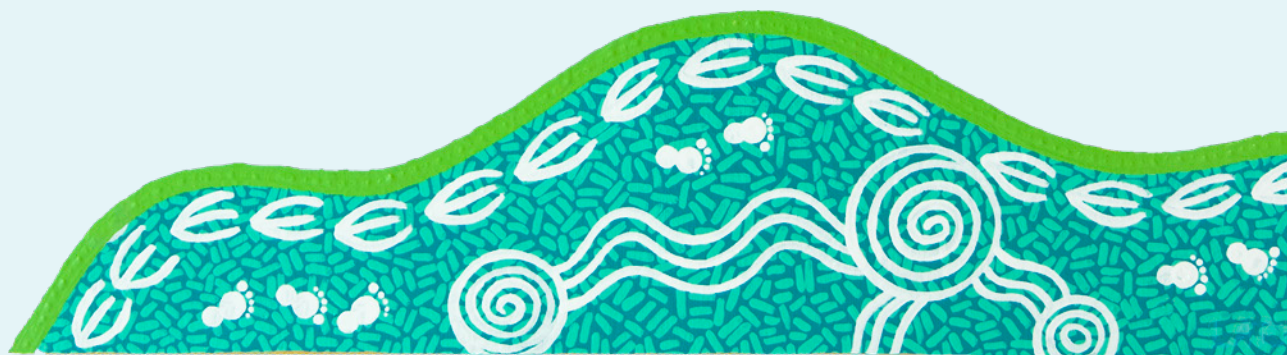
Accounting for co-design processes within a new policy proposal helps address potential time barriers of the budget cycle. It ensures that the design and implementation of initiatives aimed at improving outcomes for Aboriginal and Torres Strait Islander people occurs with them, rather than for them - consistent with the Priority Reforms of the National Agreement.

What might this look like in practice?

- Developing internal thresholds for recommending different levels of co-design, in line with the Engagement Institute's Spectrum of Public Participation, proportionate to policy and program budget and risk.
- Proposing costings for design staff and a design travel budget in the first 12 months of a new policy proposal prior to implementation.

South Australia's Continuity of Care Protocols Program is an example of government prioritising a collaborative design process for funding intended to improve outcomes for Aboriginal and Torres Strait Islander people. The Department of Health and Wellbeing (DHW) accounted for a 12-month scoping process to collect stories of people's experience with health services which informed the co-designed draft protocols. DHW and partners then moved into a three-year piloting and implementation phase. They also funded Aboriginal and Torres Strait Islander partners to participate as equal partners in the co-design process.

Commonwealth Scientific and Industrial Research Organisation's (CSIRO's) Indigenous Research Grants Program provides another example of where collaboration is factored into project design. In applying for funding, applicants must show how they will co-design and determine research priorities with Aboriginal and Torres Strait Islander communities.





5. You can prioritise funding to Aboriginal and Torres Strait Islander organisations through grant programs

PR2 of the National Agreement focuses on building the community-controlled sector. Clause 55(a) of the National Agreement commits governments to implement funding prioritisation policies that preference Aboriginal and Torres Strait Islander organisations, particularly community-controlled organisations. One way to meet these commitments is to design and administer grant opportunities that prioritise funding to Aboriginal community-controlled organisations (ACCOs).

Why should you consider doing this?

A lack of cultural safety, racism and fear are commonly reported by Aboriginal and Torres Strait Islander people as key barriers to accessing essential services that are a basic human right (AHRC 2024, p. 13; DoH 2021, p. 5).

Providing culturally safe services is essential in setting the foundation for strong social and emotional wellbeing among Aboriginal and Torres Strait Islander communities (Truong, M and Miller, H 2024). ACCOs have an established record of delivering culturally safe, effective services and are trusted leaders in their communities (Ong et al. 2012, p. 2; SNAICC 2022, p. 8; VACCHO 2025, p. 2).

Despite this, ACCOs continue to remain disadvantaged by competitive grant processes that favour larger, non-Indigenous organisations, are poorly aligned with the holistic, culturally grounded ways ACCOs support families, and include heavy compliance and reporting requirements that strain their limited resources (SNAICC 2022, pp. 29–33). Prioritising ACCOs in grant processes enables officials to back Aboriginal and Torres Strait Islander-led solutions and build on the unique strengths and expertise of the community-controlled sector.

What might this look like in practice?

Implement funding prioritisation to ACCOs within internal policies and practices, such as Grant Opportunity Guidelines.

This prioritisation can occur across open competitive, non-competitive and closed grant rounds (NIAA 2023, p. 4). For example, this could be done by:

- restricting eligibility of application to ACCOs; or
- designing assessment criterion to align with placing higher value on organisations that are best placed to serve Aboriginal and Torres Strait Islander people.

The Department of Social Services' Improving Multi-disciplinary Responses Program offers a practical example of prioritising funding to Aboriginal and Torres Strait Islander organisations. Through a targeted competitive grant opportunity, \$44 million was made available to Aboriginal and Torres Strait Islander organisations and ACCOs to support design, implementation and evaluation of multidisciplinary responses projects.

Connected Beginnings is an example of an existing program that historically directed the majority of its backbone funding to mainstream organisations, often local schools. Through the implementation of its Leadership Transition Framework – which provides guiding principles for communities, ACCOs and mainstream organisations – the program is working to transition backbone grant funding to ACCOs, prioritising funding to the sector.

6. You can monitor and evaluate programs based on Aboriginal and Torres Strait Islander community-defined measures of success

To achieve better policy outcomes, what Aboriginal and Torres Strait Islander people value, their expertise and lived experiences must be reflected in what is evaluated and how evaluation is undertaken (PC 2020b, p. 10).

Aboriginal and Torres Strait Islander people are best placed to identify factors that may support or challenge an evaluation, and can ensure that the design, data collection and reporting processes are aligned with local priorities and needs (Muir, S and Dean, A 2017, p. 4).

Why should you consider doing this?

Adopting Aboriginal and Torres Strait Islander community-defined measures of success is fundamental to supporting self-determination (PC 2020b, p. 14) – it ensures communities have ownership over defining and measuring outcomes that truly matter to their communities.

Additionally, culturally appropriate evaluation methods support the implementation of Priority Reform Four of the National Agreement, as it facilitates the collection of locally relevant data, a gap that local communities continue to face to enable informed decision-making within their communities (PC 2024b, pp. 69, 231).

What might this look like in practice?

Ensure your evaluation is planned and budgeted for during the policy and program design and development phase

This includes allocating time and resources for people impacted by a policy or program to be able to lead or engage effectively in an evaluation (PC 2020b, pp. 16, 25).

Establish an evaluation steering committee with majority or full Aboriginal and Torres Strait Islander representation

This steering committee can assist in developing evaluation questions, choosing methods and suitable indicators, providing guidance on culturally safe evaluation, and developing a stakeholder engagement plan (PC 2020b, p. 23).

Commission independent reviews and evaluations led by culturally appropriate consortia of evaluation specialists

For example, in publishing a request for tender, you can seek the services of a multi-disciplinary team involving evaluators from the local community where the program or policy is being delivered (PC 2013, p. 241). The requirement for local voices to be involved in an evaluation process can also be made as an explicit eligibility criterion for evaluation and design team tenders that are put to market. Additionally, your tender can include the requirement for evaluators to undertake capacity strengthening with ACCOs, where desired, to build experience in capturing the impact of their work in a way that is both meaningful to them and government.

Listen to the advice provided by external independent evaluators and use these evaluations to change course when things are not working

South Australia's Continuity of Care Protocols Program provides an example of agreements and evaluations developed based on partner definitions of success.

The PC's Guide to Evaluation under the Indigenous Evaluation Strategy provides a whole-of-government framework for government agencies to use when selecting, planning, conducting and using evaluations of policies and programs affecting Aboriginal and Torres Strait Islander people.

The Australian Centre for Evaluation supports the APS in improving the quality and use of evaluation evidence in policy design and decision-making. It develops evaluation policy and guidance, including resources on culturally appropriate evaluations.

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About the Artwork

'Yarning Across Country' created by Ngunnawal and Wiradjuri artist LaToya Kennedy.



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