Australian Government

Services Australia

Productivity Commission's Review of the National Agreement on Closing the Gap 2026 Submission

Introduction

This submission presents Services Australia's (the agency's) experience in implementing the National Agreement on Closing the Gap (the National Agreement).

Services Australia is the Australian Government's primary service delivery agency, making payments and delivering other services in accordance with nationally consistent legislative requirements. We do this through a large national network of frontline, telephony and digital channels. Unlike policy agencies, we do not typically administer grant programs or engage contracted providers to deliver payments and programs on our behalf. This direct connection with customers, including Aboriginal and Torres Strait Islander peoples in urban, regional, rural and remote communities, gives the agency valuable insight into how policy works in practice and where service design and implementation can be improved.

Our agency's national service delivery footprint and role provide significant opportunities to contribute to the outcomes of the National Agreement on Closing the Gap. Accordingly, the agency has prioritised its effort against Priority Reform 3, Transforming Government Organisations, consistent with the Commonwealth Priority Reforms Roadmap. We have taken actions to transform how we design and deliver services with and for communities, while improving how we engage Aboriginal and Torres Strait Islander customers and staff. This has been done through shared decision-making, partnership, cultural safety and Aboriginal and Torres Strait Islander-led and informed approaches.

While the agency's scale presents challenges with embedding reform across all our business areas, service channels and governance arrangements, it also creates significant opportunities for large scale change. This is supported by Aboriginal and Torres Strait Islander-led stewardship, senior executive commitment and the agency's Closing the Gap Action Plan (the action plan).

Implementation is guided by the agency's strengths-based cultural principles of listen, share, value and learn; Aboriginal and Torres Strait Islander ways of thinking, knowing, being and doing; and a commitment to co-designing with Aboriginal and Torres Strait Islander peoples.

Launched in May 2025, the action plan translates the National Agreement's Priority Reforms into a connected strategic and operational framework to guide and sustain meaningful transformation. This includes five long-term strategic objectives with 15 strategic key results, and shorter-term operational objectives owned by responsible business areas. All of these are reviewed through biannual reporting.

This submission addresses the following questions:

1. Governance of the National Agreement on Closing the Gap, including:
    a. Shared decision-making in Agreement governance.
    b. Embedding the Agreement.
2. Transforming government organisations, including:
    a. Cultural safety and responsiveness.
    b. Delivering in partnership and strengthening partnerships.
3. Shared access to data and information, including:
    a. Collection and governance of data.

4. Governments developing and delivering policy with Aboriginal and Torres Strait Islander people, including:
    a. Engaging and sharing decisions across the policy cycle.
    b. Building capability to deliver the Agreement.

Question 1: Governance of the National Agreement on Closing the Gap

1a. Shared decision-making in Agreement governance

To what extent do governance arrangements enable genuine, shared decision-making?

What is working

For Services Australia, shared decision-making means centring Aboriginal and Torres Strait Islander knowledge, lived experience and leadership from the outset to understand the issue(s) at hand, options, implementation and measures of success.

The agency has strengthened opportunities for Aboriginal and Torres Strait Islander peoples and communities to influence the design and delivery of services, alongside mechanisms that strengthen Aboriginal and Torres Strait Islander staff voice in internal governance and decision-making.

Externally, this includes place-based engagement and co-design with communities. The agency's partnership with Palm Island Aboriginal Shire Council provides a practical example of shared decision-making and place-based collaboration, with agreed priorities, sustained relationships and shared accountability shaping the local service approach.

Internally, the agency has strengthened Aboriginal and Torres Strait Islander participation in governance forums and decision-making.

The agency's Karulbo Program supports Aboriginal and Torres Strait Islander-led engagement and culturally informed research and design. Further detail on these approaches is provided under Questions 2b and 4a.

An Aboriginal and Torres Strait Islander Advisor joined the agency's Executive Committee in September 2026, complementing senior Indigenous representation on the Customer Committee. Together, these roles bring Indigenous expertise to Tier 1 Committee decision-making.

The National Indigenous Coalition, the agency's Aboriginal and Torres Strait Islander employee voice, supports governance, planning and shared decision-making. The National Indigenous Coalition has helped shape the action plan, including its strategic performance measures, and the agency's Statement of Commitment to the National Agreement.

Aboriginal and Torres Strait Islander-led Yarning Circles with National Indigenous Coalition members, the CEO and Deputy CEOs have explored how shared decision-making should work in practice, emphasising early involvement, sustained influence, culturally safe processes and visible feedback.

In 2025 the CEO, David Hazlehurst launched the Golden Threads within the agency. The three golden threads weave across the agency's 2030 Vision, 2030 Strategy and Customer 360 model and focus on creating capacity to provide more support to those who need it the most; getting things done, and getting them right, the first time; and empowered leadership at every level.

In mid-2026 a fourth thread, the Ochre Thread was developed and endorsed by the Executive Committee. The Ochre Thread is the agency's commitment to embed sharing power with Aboriginal and Torres Strait Islander peoples into the way we work. It is intended to ensure Aboriginal and Torres Strait Islander voices are involved early in defining problems, considering options and designing solutions, rather than being consulted after decisions have effectively been made.

The Ochre Thread was developed through engagement with Aboriginal and Torres Strait Islander staff, leaders, and through National Indigenous Coalition Yarning Circles, asking a central question: "How can we genuinely do better at sharing power?"

The Ochre Thread complements our Golden Threads by bringing a cultural lens to how we lead, make decisions, and deliver outcomes. It defines how our priorities should be pursued when work affects Aboriginal and Torres Strait Islander peoples: listen early, share power, value lived experience and cultural knowledge, learn and work collaboratively, and embed culturally safe decision-making and design processes.

An Ochre Thread Playbook will be developed to provide practical guidance and accountability across governance, program and service design, engagement and delivery. Its impact will depend on consistent adoption and evidence of changed decisions and outcomes.

1b. Embedding the Agreement

How could the Priority Reforms be better integrated into broader governance systems?

Our action plan translates Priority Reforms into five strategic objectives, 15 strategic key results and business-owned operational objectives.

The action plan uses evidence, lessons, risks and emerging needs to drive changes in service delivery and program design and to influence practices and behaviours, rather than operate as a stand-alone compliance mechanism.

What is working

Our action plan aligns the Priority Reforms of the National Agreement with agency strategy, operational delivery and relevant commitments from existing agency plans.

Mid-Cycle and Annual-Cycle Reviews provide a regular mechanism to show progress, risks and lessons.

The agency's performance measurement process is designed to assess long-term outcomes and meaningful transformation, while operational objectives and key results support shorter-term delivery. Together with biannual reporting, these elements strengthen accountability, evidence-based decision-making, learning and continuous improvement.

Careful and deliberate placement of our listen, share, value and learn principles into the agency's 2030 Vision and Strategy connects the Priority Reforms to enterprise direction.

Question 2: Transforming government organisations

2a. Cultural safety and responsiveness

What actions are governments taking to address institutional racism and improve cultural safety and responsiveness in government organisations and the services they fund?

What is working

Cultural practice is embedded broadly across the agency. Strengths-based cultural principles were incorporated into the agency's 2030 Vision and Strategy, and work is progressing on the Aboriginal and Torres Strait Islander Cultural Capability Framework and practical learning resources to help staff apply culturally safe and respectful practices in their everyday work.

The agency is embedding cultural practice into how we operate, make decisions and design and deliver services. Our Statement of Commitment to the National Agreement sets out a cultural strengths-based approach, including challenging bias and racism, building cultural capability and co-designing services and programs with Aboriginal and Torres Strait Islander peoples.

This approach brings together our principles of listen, share, value and learn with Aboriginal and Torres Strait Islander ways of thinking, knowing, being and doing. These principles guide how we engage, work in partnership, make decisions and improve our services.

Our Services Australia Statement of Commitment to Anti-racism is accompanied by an Anti-racism Action Plan 2026-28, reinforcing the agency's zero-tolerance approach to racism and commitment to cultural safety, inclusion and respect. The statement goes beyond individual behaviour and explicitly commits the agency to embedding anti-racism in "how we lead, design services and make decisions". It commits to move "beyond

intent to action" and recognises that actively identifying and addressing racism is essential to building culturally safe systems, accountable leadership and better outcomes.

The statement is linked directly to the agency's Closing the Gap commitments and Priority Reform 3. It commits the agency to:

- truth telling
- challenging bias
- calling out racism
- creating cultural change across the organisation
- strengthening leadership accountability.

The agency is strengthening cultural capability, cultural safety and anti-racism through staff learning, leadership development and work to better understand the experiences of Aboriginal and Torres Strait Islander staff and customers. In 2025–26, more than 1,600 staff completed the Closing the Gap Learning Package, while Indigenous Cultural Learning refresher participation reached 97% of staff and 100% of senior executives. In 2025, 68 Indigenous Cultural Awareness Training sessions were delivered to priority teams. By 31 May 2026, 27.1% of substantive EL2 staff had completed Indigenous Cultural Capability Training.

2b. Delivering in partnership and strengthening partnerships

How are governments working with communities to design and deliver mainstream services in partnership?

What is working

Bespoke Service Centres use tailored designs where a standard service centre model does not fully meet the needs of the local community. Five service centres, Tennant Creek, Bourke, Galiwin'ku, Nhulunbuy and Western Cape, were transformed into Bespoke Service Centres during 2025. Aboriginal and Torres Strait Islander community engagement was used to align local service models with community priorities and needs.

The Palm Island Statement of Intent and the agency's partnership with Palm Island Aboriginal Shire Council provide a practical example of shared decision-making and place-based collaboration. Agreed priorities, sustained relationships and shared accountability are shaping the local service approach.

Indigenous Service Officers and Remote Servicing Teams are critical to establishing and maintaining trusted relationships between the agency, Aboriginal and Torres Strait Islander communities and third-party organisations. Their presence and cultural knowledge help coordinate services, respond to emerging needs and maintain continuity when access, circumstances or community priorities change. These relationships also enable the agency to secure point-in-time feedback on service delivery and policy impacts, identify local barriers and adapt services so customers can access the payments and support they need.

This frontline intelligence strengthens broader service and policy planning. The Remote Services Panel combines service data, community and third-party insights, and specialist expertise to set remote servicing priorities, with senior executive oversight provided through the Remote Services Governance Forum.

Reform of Centrepay (a means by which customers can make regular bill payments) is another example of Aboriginal and Torres Strait Islander peoples contributing to the design and reform of mainstream services. The agency engaged Aboriginal and Torres Strait Islander customers, communities and consumer advocates, including through on-the-ground consultation in regional and remote communities, and engagement with First Nations financial counselling and consumer advocacy organisations. This engagement deepened the agency's understanding of Centrepay use, highlighted concerns about financial harm and identified opportunities to improve the service.

The current Child Support Reform program of work will include a member of the Indigenous Multidisciplinary Team to ensure Aboriginal and Torres Strait Islander insights inform service delivery reform, tailored communication and stronger outcomes for customers and communities. Engagement with the agency's National Indigenous Coalition, Karulbo, National Indigenous Social Work Group, Remote Visiting Team and Indigenous Service Officer network will be central to listening to, valuing and learning from customer and community voices to shape the design and implementation of the reform.

The agency's 2025 Safety by Design review of family and domestic violence demonstrates culturally informed, strengths-based co-design with First Nations peoples. Led by the Service Design Authority, with

guidance from the Indigenous and Remote Programs Branch and the National Indigenous Coalition, the review partnered with Aboriginal and Torres Strait Islander staff, including Coalition members, Indigenous Service Officers, Indigenous Social Workers and service delivery staff. Grounded in the principles of listen, share, value and learn, and in Aboriginal and Torres Strait Islander ways of thinking, knowing, being and doing, the culturally safe sharing of stories, lived experience and cultural knowledge shaped shared understanding, insights and recommendations, embedding First Nations voices beyond consultation. The review laid the foundation for ongoing collaboration under the agency's Family and Domestic Violence Strategic Commitment and subsequent Action Plan, drawing on cultural expertise to build trust and culturally responsive pathways for Aboriginal and Torres Strait Islander people affected by violence.

Additionally, the agency's Aboriginal and Torres Strait Islander Community Engagement Principles provide a common foundation for culturally informed engagement and partnership across service design and delivery. This is supported by internal learning products that build staff cultural capability, including the Closing the Gap Learning Package, guidance on designing with First Nations peoples, and refreshed remote servicing learning.

Question 3: Shared access to data and information

3a. Collection and governance of data

How are parties working with Aboriginal and Torres Strait Islander people and communities to determine what data is collected and shared? What does this look like in practice?

How are parties working to incorporate Indigenous Data Governance into government data collection and management? How might these approaches be strengthened?

What is working

The agency is implementing its Governance of Indigenous Data Plan and embedding the Indigenous Data Champion role, to review data-related learning products and policies and strengthen its data governance. This work also includes updating frameworks and processes to align with Indigenous Data Governance principles.

Work is progressing to identify and understand Indigenous data assets, identifiers and knowledge holdings. This is increasing the visibility of, and awareness about, Indigenous data across the agency. It will provide a foundation for broader data sharing and a consistent, culturally informed approach across the data lifecycle.

Question 4: Governments developing and delivering policy with Aboriginal and Torres Strait Islander people

4a. Engaging and sharing decisions across the policy cycle

How should government agencies engage and share decisions across the development, delivery and evaluation of policies, programs and services?

Where have you seen good examples of genuine engagement, co-design or co-governance? What supported their success?

What is working

The agency's direct service delivery relationship with Aboriginal and Torres Strait Islander customers, communities and organisations provides valuable insight into how policy operates in practice. Through service centres, remote servicing, Indigenous Service Officers, social workers, telephony and digital channels, the agency identifies barriers, unintended impacts and emerging needs at the point of delivery. These insights, supported by customer feedback, community engagement and service data, are shared with

policy partners to inform implementation, improve program and service design, and support practical policy improvements. This feedback loop supports policy development that is more responsive to lived experience, local circumstances and the needs of Aboriginal and Torres Strait Islander peoples.

The agency's Statement of Commitment to the National Agreement demonstrates Aboriginal and Torres Strait Islander-led co-design. Focus groups and co-design sessions with Indigenous and non-Indigenous staff shaped its content and informed how it could be embedded across the agency. The National Indigenous Coalition endorsed the Statement of Commitment before it was considered by additional authorising committees.

Aboriginal and Torres Strait Islander staff and senior leaders co-designed the agency's Closing the Gap Implementation Plan and its evolution into the current Action Plan, helping shape priorities, actions and accountability. This collaboration has continued through the development of the Action Plan's strategic performance measures, which will provide evidence of whether implementation is driving meaningful and sustained transformation over time.

The Karulbo Program is a Services Australia initiative designed to build Aboriginal and Torres Strait Islander-led engagement, research and design capability across the agency. It focuses on embedding First Nations perspectives, cultural authority and lived experience into service design, research and decision-making. The program began as a three-month proof of concept in January 2026, providing Aboriginal and Torres Strait Islander staff with hands-on opportunities to develop co-design and research skills while contributing to real agency projects. The program is now transitioning to an enduring program

"Karulbo" means "all together" in the Yugambeh language of the Kombumerri people. The name was selected through consultation with the National Indigenous Employee Network and National Indigenous Coalition and reflects the principle of "nothing about us without us".

Practical resources, including the agency's Aboriginal and Torres Strait Islander Community Engagement Principles, Closing the Gap learning, Designing with First Nations Peoples and culturally informed design learning, are helping translate the agency's listen, share, value and learn principles into practice.

Our commitment, dedicated resources and strong service delivery connections directly improved the Youpla Support Program. By engaging with ten Aboriginal and Torres Strait Islander communities and listening to the lived experiences of former Youpla members, third-party organisations and Indigenous Financial Counsellors, we strengthened our culturally responsive and trauma-informed approach. This ensured former Youpla members received respectful, coordinated support and could undertake Sorry Business with dignity. This important work was delivered through a close partnership with the policy agency, the National Indigenous Australians Agency.

4b. Building capability to deliver the Agreement

What is needed to build public service capability to deliver the Agreement?

How can governments better support staff to engage and work in partnership with Aboriginal and Torres Strait Islander people and organisations?

What is working

The agency's cultural strengths-based approach provides the foundation for workforce capability.

The agency has developed its own National Agreement on Closing the Gap Capability Package (the capability package) as a foundational resource to explain the National Agreement, our commitments and the shift required to work in genuine partnership with Aboriginal and Torres Strait Islander peoples, communities and organisations.

We have also developed an extensive range of communication products for staged rollout across the agency to build understanding of the National Agreement and the agency's strategic response. These include a series of Closing the Gap videos in which CEO David Hazlehurst highlights the significance of the National Agreement and key focus areas, including health, education and the agency's strengths-based cultural principles. We also regularly publish Closing the Gap material on the agency's Enterprise Change Network and News Hub intranet pages to keep staff informed about our transformational journey.

Leadership training, Indigenous Cultural Awareness Training, Designing with First Nations Peoples and the Karulbo Program provide practical opportunities to strengthen engagement while building our research and design capabilities.

Remaining barriers and opportunities to strengthen implementation

- **Consistent implementation:** Embed the National Agreement, culturally informed practice and co-design across governance, policy, service delivery, workforce capability and assurance.
- **Meaningful First Nations influence:** Strengthen Aboriginal and Torres Strait Islander leadership, authority and participation, with clear evidence of how advice shapes priorities, resources, decisions and outcomes.
- **Clear governance and accountability:** Connect ownership, risks, corrective action and reporting to reduce fragmentation and sustain reform.
- **Capability translated into practice:** Ensure learning, Indigenous expertise and practical tools lead to changed behaviours, stronger partnerships, culturally safe services and improved staff and customer experiences.
- **Outcome-focused evidence:** Establish baselines and measures that assess the quality, influence, transformation and outcomes of engagement and reform, rather than participation, training or activity alone.
- **Indigenous data governance:** Strengthen First Nations authority over data collection, management, use and sharing, and improve access to useful, culturally appropriate information.

Conclusion

Implementing the National Agreement within Services Australia requires sustained effort, guided by genuine partnership and shared decision-making with Aboriginal and Torres Strait Islander peoples.

The agency's Closing the Gap Action Plan connects the Priority Reforms directly to our long-term strategic objectives. Strong foundations are in place, but greater accountability, more consistent practice and clearer evidence of Indigenous influence on decisions and outcomes are still developing.

The agency's performance measurement process will show how our collective actions are improving outcomes for Aboriginal and Torres Strait Islander peoples, over time and assist in telling our story of agency transformation.