



# APS Strategic Commissioning Framework | 2024 Public Update

## Overview

4 November 2024

This document provides an update on implementation of the Strategic Commissioning Framework in 2024. The intent of the framework is to bring core public service work back in-house over time, to strengthen APS capability and reduce risks to integrity and public trust.

In 2024, the framework required APS agencies to identify their core work that should be done by APS employees - not outsourced - and set targets to begin bringing it in-house in 2024-25. Agencies were required to report to the Australian Public Service Commission on their core work and targets and summarise targets in their 2024-25 corporate plan.

While this update provides useful insights, it is important to note the limitations of the data. This is the first time data of this nature has been collected and the information gathered is based on self-reporting. Agencies relied heavily on manual processes as they assembled information in this first year of reporting and began to embed the framework in their operations. The APSC has not undertaken quality assurance of data provided by agencies and, as such, caution should be taken when analysing the data and drawing conclusions. Percentages and dollar values in this update have been rounded which affects some totals.

## Agency participation

Agencies have made important strides in this first year of implementation and continue to embed the principles of the framework. In July and August 2024, all agencies within the scope of the framework submitted reporting to the APSC identifying their core work and targets with a 100% participation rate.

Public reporting in corporate plans had a lower participation rate (86%<sup>i</sup> of agencies reported on the framework and 65% of agencies with a target reported a dollar value in their corporate plan). A number of agencies noted challenges with timeframes, with some agencies locking in their targets after corporate plan content was finalised. The APSC will consider ways to address this challenge in the design of 2025 reporting processes.

## Core work

The framework asks agencies to think about their use of external labour in a different way. In this first reporting cycle agencies identified tasks, functions and/or roles they consider core and noted the relevant job family. Importantly, this does not mean all work in that job family is considered core. Agencies will have opportunities to refine their core work list in future years based on further reflection and any changes in their operating environment.

In 2024-25, the most widespread job families for core work are Policy, Legal & Parliamentary and Accounting & Finance, incorporating and building on the list of APS-wide core work. Service Delivery is the next most common, with 71 agencies identifying core work in this job family.

Around two thirds of agencies consider some of the work in the ICT & Digital Solutions job family to be core. Agencies report widespread outsourcing of core work in this job family and note it is difficult to bring in-house.

## Targets

APS-wide, agencies reported targets totalling more than \$527 million for 2024-25. This is the expected reduction in supplier expenditure as agencies bring work in-house in 2024-25. This figure is not a saving, as agencies will have related employee costs as core work is brought in-house.

<sup>i</sup> This figure was updated on 15 November 2024 to correct a transcribing error

## Background

The APS Strategic Commissioning Framework is an APS policy applying to all agencies employing staff under the *Public Service Act 1999* (see [Attachment A](#) for a list of the 104 entities in scope in 2024).

The Australian Government is committed to increasing the capability of the APS while reducing reliance on outsourcing. The framework was announced by the Minister for the Public Service on 24 October 2023 and applies from 2024-25. There is recognition that the APS will continue to need external expertise and the framework is not intended to stop all outsourcing. The framework focusses on ensuring the core work of the APS is done by APS employees and only outsourced in limited circumstances.

The APSC has central policy responsibility for the framework and coordinates monitoring and reporting. Key features of the policy's implementation are devolved to agency heads as accountable authorities. When setting targets under the framework, agencies must comply with the *Public Governance, Performance and Accountability Act 2013* and Commonwealth Procurement Rules. The framework's remit is core work; this distinguishes it from the Department of Finance's Audit of Employment, which collects information on all outsourcing not just core work.

## Reporting methodology

Most agencies reported to the APSC through the APS Agency Survey in late July 2024. Eight small agencies that do not participate in the Agency Survey reported directly to the APSC. A number of reporting extensions were granted, with all reports submitted by 31 August 2024. Agencies mapped their core work and targets to the top level of the [APS Job Family Framework](#), to allow some comparison across agencies. While some agencies grappled with the concept of core work and subsequent target-setting, there was genuine engagement with the framework's policy intent and the reporting process.

## Challenges to bringing core work in-house

Agencies were asked to identify expected or known challenges to bringing their core work in-house. This information indicates potential barriers and alerts us to where agencies may need to focus their efforts over time to address these challenges in the future. The most commonly noted challenges were difficulties recruiting to fill APS roles and the temporary need for technical and/or in demand skills.

## Core work

[Core work](#) refers to work that should only be done by APS employees. While agencies have a strong understanding of their role and purpose, the framework's definition of core work is new. Each agency was required to identify core work factoring in responsibilities, expertise and future capability requirements. The intent is that outsourcing of core work will reduce over time.

Agencies described core work as particular tasks, functions and/or job roles – whatever is most meaningful for them – and then mapped it to the relevant job family.

### Most widespread core work

**Table 1** shows the number of agencies that identified core work in each job family. It also shows the number of agencies that noted some of that core work is outsourced.

Job family	Number of agencies with core work in this job family	Number of agencies that outsource some core work in this job family
Accounting & Finance	89	53
Policy	80	28
Legal & Parliamentary	78	32
Senior Executive	78	7
Service Delivery	71	33
Human Resources	68	30
ICT & Digital Solutions	67	55
Portfolio Program & Project management	65	46
Administration	65	31
Communications & Marketing	65	31
Data and Research	64	40
Compliance & Regulation	50	21
Information & Knowledge Management	49	17
Intelligence	45	16
Monitoring & Audit	43	21
Science & Health	23	14
Engineering & Technical	19	12
Trades & Labour	10	9

## Embedding the framework

Embedding the framework into agencies' internal policies, systems and processes will take time, however it is key to delivering sustained change. Agencies who reported through the APS Agency Survey were asked about steps they are taking to embed the framework (as at July 2024). Although there is more work to be done, agencies have begun embedding the framework.

**Table 2 – Steps agencies are taking to embed the framework**

Steps agencies are taking to embed the framework	Percentage <sup>1</sup> of agencies that had taken this step in July 2024
Obtaining data from business divisions on what is considered core work	82%
Internal communication to set expectations for hiring/procuring managers	56%
Reviewing and updating HR policies and forms	50%
Reviewing and updating procurement policies and forms	49%
Establishing internal reporting processes	43%
Reviewing and updating workforce plans	41%
Updated Budget processes to factor in the principles	33%
Updating financial, procurement and/or ICT systems to enable reporting	22%
Update project planning processes to consider the principles	21%

## Targets

When setting targets for 2024-25, agencies identified the work they would bring in-house, the relevant job family, and the expected reduction in expenditure on external suppliers. Importantly, targets are not considered savings, as reductions in supplier expenditure will be offset by related employee costs as work is brought in-house. This is expected to be through a mix of recruitment, reprioritisation and capability building.

**Table 3 - Agency participation**

All 104 agencies in scope have reported to the APSC as required. Most agencies have set a target. Some agencies reported they do all their core work in-house. A small group of agencies report they have not set a target because their outsourcing of core work is minimal and aligns with the limited circumstances in the framework (for instance unsuccessful recruitment or a need for independent advice, specialist skills or surge). One micro agency has not set a target due to its size.

Categories of agency	Number of agencies
Agency does not outsource core work (no need to set a target)	17
Agency has set a target	75
<i>Agency outsources core work but has not set a target:</i>	
Minimal outsourcing of core work, in line with limited circumstances	11
Other – micro agency has not set a target due to its size	1

## Targets as a dollar figure

In total, agencies intend to bring more than half a billion dollars (\$527,553,088) of core capability in-house in 2024-25. A list of each agency's overall target is provided at [Attachment A](#).

<sup>1</sup> Percentages are based on the number of responding agencies. As agencies could select more than one option, percentages will not add up to 100%.

**Table 4 – Total of SCF targets for each portfolio**

<b>Portfolio</b>	<b>Total (\$)</b>
Agriculture, Fisheries and Forestry	\$7,892,684
Attorney-General's	\$9,628,393
Climate Change, Energy, the Environment and Water	\$24,312,113
Defence	\$308,725,000
Education	\$653,000
Employment and Workplace Relations	\$2,342,565
Finance	\$9,558,983
Foreign Affairs and Trade	\$7,606,114
Health and Aged Care	\$15,183,665
Home Affairs	\$6,589,386
Industry, Science and Resources	\$3,819,896
Infrastructure, Transport, Regional Development, Communications and the Arts	\$4,772,436
Prime Minister and Cabinet	\$2,593,556
Social Services	\$79,343,669
Treasury	\$33,572,925
Veterans' Affairs	\$10,958,704
<b>Total</b>	<b>\$527,553,088</b>

**Target job families**

Almost 80% of target dollars fall within six job families (excluding Defence).

**Table 5 – Dollar value of targets by job family**

<b>Job family</b>	<b>Percentage of target dollars excl Defence</b>	<b>Target dollar value (expected reductions in supplier expenditure)</b>
ICT & Digital Solutions	22%	\$49,013,919
Portfolio Program & Project Management	18%	\$38,441,251
Service Delivery	16%	\$34,685,259
Accounting & Finance	11%	\$24,923,160
Data & Research	6%	\$12,930,284
Legal & Parliamentary	5%	\$11,736,547
Other job families combined	22%	\$47,822,668

The Department of Defence target is a mix of ICT & Digital Solutions, Portfolio Program & Project Management and Accounting & Finance. Defence was unable to provide a dollar break down by job family.

**Type of external labour**

As part of the reporting process, agencies were asked to break down their targets by external workforce type: labour hire, contractor, consultants and outsourced service providers. Targets primarily focus on labour hire and contractors. Defence is listed as a separate category of external labour as it was unable to break down its target.

**Table 6 – Targets by type of external labour**

External labour type	Percentage	Target dollar value (projected reductions in supplier expenditure)
Defence	58%	\$308,000,000
Labour hire	23%	\$119,079,624
Contractors	17%	\$87,423,459
Outsourced service provider	2%	\$10,299,564
Consultant	1%	\$2,750,442

### Reporting on external positions

Agencies were asked to provide, where possible, the number of external positions affected by each target, on a full time equivalent (FTE) basis. In total, 1654 positions were identified, with Defence identifying 1052 of those positions. This is a non-mandatory data set and the FTE figure is likely to be an under-reporting. Agencies noted FTE is difficult to determine when contracts are focused on outcomes or outputs without a corresponding record of the work hours involved. Importantly, any FTE reported as part of an agency's target does not equate to an increase in the agency's existing ASL estimate. Agencies need to work within their ASL estimate as they bring core work in-house. Where required, agencies can make requests for additional ASL in line with the Budget Process Operational Rules.

### Rationale for targets

Agencies were asked to provide information about why they prioritised each target in 2024-25. A total of 302 targets were set across APS agencies. Capability priorities and the need for stability/business continuity were the most common reasons for bringing core work in-house in year one.

**Table 7 - Rationale for targets**

Why agencies prioritised targets	Percentage <sup>2</sup> of targets	Number of targets
Need for priority capabilities	75%	228
Stability/business continuity	69%	208
Material dollar impact	41%	124
Enduring function	39%	118
Integrity/conflict of interest	9%	27

### Next steps

Agencies are working to deliver on their targets for 2024-25. Progress against targets will be reported to the APSC at the end of the 2024-25 financial year and summarised in agency annual reports.

<sup>2</sup> Agencies were able to select more than one reason for each target.

## List of agency targets

Dollar values have been rounded

Agency	Size	Type	Target (\$ ex GST) for 2024-25
<b>Agriculture, Fisheries and Forestry Portfolio</b>			
Australian Fisheries Management Authority	Small	Regulatory	150,000
Australian Pesticides and Veterinary Medicines Authority	Small	Regulatory	250,000
Department of Agriculture, Fisheries and Forestry	Large	Larger Operational	7,492,684
<b>Attorney-General's Portfolio</b>			
Administrative Appeals Tribunal	Medium	Smaller Operational	-
Attorney-General's Department	Large	Policy	1,887,144
Australian Criminal Intelligence Commission	Medium	Specialist	2,928,546
Australian Financial Security Authority	Medium	Regulatory	493,651
Australian Human Rights Commission	Small	Specialist	202,500
Australian Law Reform Commission	Micro	Specialist	-
Australian Transaction Reports and Analysis Centre	Medium	Regulatory	2,055,579
Commonwealth Director of Public Prosecutions	Medium	Specialist	-
Federal Court of Australia	Large	Specialist	547,106
National Anti-Corruption Commission	Small	Specialist	-
Office of Parliamentary Counsel	Small	Specialist	482,000
Office of the Australian Information Commissioner	Small	Regulatory	950,000
Office of the Commonwealth Ombudsman	Medium	Specialist	81,867
Office of the Inspector-General of Intelligence and Security	Extra small	Specialist	-
Office of the Special Investigator	Small	Specialist	-
<b>Climate Change, Energy, the Environment and Water Portfolio</b>			
Bureau of Meteorology	Large	Larger Operational	19,421,287
Clean Energy Regulator	Medium	Regulatory	1,100,000
Climate Change Authority	Extra small	Specialist	-
Department of Climate Change, Energy, the Environment and Water	Large	Policy	2,125,000
Great Barrier Reef Marine Park Authority	Medium	Specialist	901,826
Murray Darling Basin Authority	Medium	Policy	764,000
<b>Defence Portfolio</b>			
Australian Submarine Agency	Medium	Specialist	725,000
Defence Housing Australia	Medium	Smaller Operational	-
Department of Defence	Extra large	Larger Operational	308,000,000
<b>Education Portfolio</b>			
Australian Research Council	Small	Specialist	478,000
Department of Education	Large	Policy	30,000
Tertiary Education Quality and Standards Agency	Small	Regulatory	145,000

Agency	Size	Type	Target (\$ ex GST) for 2024-25
<b>Employment and Workplace Relations Portfolio</b>			
Asbestos and Silica Safety and Eradication Agency	Micro	Specialist	-
Australian Skills Quality Authority	Small	Regulatory	450,000
Comcare	Medium	Smaller Operational	399,087
Department of Employment and Workplace Relations	Large	Policy	-
Fair Work Commission	Medium	Smaller Operational	1,290,540
Fair Work Ombudsman	Medium	Regulatory	45,000
Safe Work Australia	Small	Policy	157,938
<b>Finance Portfolio</b>			
Australian Electoral Commission	Medium	Smaller Operational	1,256,209
Department of Finance	Large	Policy	371,000
Digital Transformation Agency	Medium	Smaller Operational	783,229
Future Fund Management Agency	Medium	Specialist	7,058,545
Independent Parliamentary Expenses Authority	Extra small	Specialist	90,000
Parliamentary Workplace Support Service	Extra small	Specialist	-
<b>Foreign Affairs and Trade Portfolio</b>			
Australian Centre for International Agricultural Research	Extra small	Specialist	1,466,114
Australian Trade and Investment Commission (Austrade)	Large	Specialist	-
Department of Foreign Affairs and Trade	Large	Policy	6,140,000
<b>Health and Aged Care Portfolio</b>			
Aged Care Quality and Safety Commission	Large	Regulatory	700,000
Australian Commission on Safety and Quality in Health Care	Small	Specialist	1,626,077
Australian Digital Health Agency	Medium	Smaller Operational	1,342,683
Australian Institute of Health and Welfare	Medium	Specialist	1,000,000
Australian Radiation Protection and Nuclear Safety Agency	Small	Specialist	84,155
Cancer Australia	Extra small	Specialist	-
Department of Health and Aged Care	Large	Policy	8,948,250
Food Standards Australia New Zealand	Small	Regulatory	18,500
National Blood Authority	Extra small	Specialist	348,000
National Health and Medical Research Council	Small	Specialist	1,030,000
National Health Funding Body	Extra small	Specialist	-
National Mental Health Commission	Extra small	Specialist	-
Office of the Inspector-General of Aged Care	Extra small	Specialist	-
Organ and Tissue Authority	Extra small	Specialist	-
Professional Services Review	Extra small	Regulatory	86,000
Sport Integrity Australia	Medium	Regulatory	-



Agency	Size	Type	Target (\$ ex GST) for 2024-25
<b>Home Affairs Portfolio</b>			
Department of Home Affairs	Extra large	Larger Operational	<b>4,866,000</b>
National Emergency Management Agency	Medium	Specialist	<b>1,723,386</b>
<b>Industry, Science and Resources Portfolio</b>			
Department of Industry, Science and Resources	Large	Policy	<b>1,870,000</b>
Geoscience Australia	Medium	Specialist	<b>899,896</b>
IP Australia	Large	Larger Operational	<b>950,000</b>
National Offshore Petroleum Safety and Environmental Management Authority	Small	Regulatory	<b>100,000</b>
<b>Infrastructure, Transport, Regional Development, Communications and the Arts Portfolio</b>			
Australian Communications & Media Authority	Medium	Regulatory	<b>1,370,806</b>
Australian National Maritime Museum	Small	Cultural Institution	<b>325,260</b>
Australian Transport Safety Bureau	Small	Specialist	<b>-</b>
Department of Infrastructure, Transport, Regional Development, Communications and the Arts	Large	Policy	<b>1,080,000</b>
High Speed Rail Authority	Micro	Specialist	<b>-</b>
National Archives Australia	Medium	Cultural Institution	<b>829,050</b>
National Capital Authority	Extra small	Specialist	<b>518,002</b>
National Film and Sound Archive	Small	Cultural Institution	<b>-</b>
National Library of Australia	Medium	Cultural Institution	<b>240,000</b>
National Museum of Australia	Small	Cultural Institution	<b>389,318</b>
National Portrait Gallery of Australia	Extra small	Cultural Institution	<b>-</b>
Old Parliament House - MOAD	Extra small	Cultural Institution	<b>20,000</b>
<b>Prime Minister and Cabinet Portfolio</b>			
Aboriginal Hostels Limited	Medium	Smaller Operational	<b>-</b>
Australian Institute of Aboriginal and Torres Strait Islander Studies	Small	Specialist	<b>180,563</b>
Australian Public Service Commission	Medium	Policy	<b>635,500</b>
Department of the Prime Minister and Cabinet	Large	Policy	<b>580,000</b>
National Indigenous Australians Agency	Large	Policy	<b>380,000</b>
Office of National Intelligence	Medium	Specialist	<b>-</b>
Workplace Gender Equality Agency	Extra small	Specialist	<b>172,710</b>
Torres Strait Regional Authority	Small	Specialist	<b>644,783</b>
<b>Social Services Portfolio</b>			
Australian Institute of Family Studies	Small	Specialist	<b>-</b>
Department of Social Services	Large	Policy	<b>814,999</b>
National Disability Insurance Agency	Large	Larger Operational	<b>68,482,391</b>
NDIS Quality and Safeguards Commission	Medium	Regulatory	<b>649,016</b>
Services Australia	Extra large	Larger Operational	<b>9,397,263</b>

Agency	Size	Type	Target (\$ ex GST) for 2024-25
<b>Treasury Portfolio</b>			
Australian Bureau of Statistics	Large	Specialist	-
Australian Competition and Consumer Commission	Large	Regulatory	<b>658,514</b>
Australian Office of Financial Management	Extra small	Specialist	-
Australian Taxation Office	Extra large	Larger Operational	<b>31,950,212</b>
Commonwealth Grants Commission	Extra small	Specialist	-
Department of the Treasury	Large	Policy	<b>290,907</b>
Inspector-General of Taxation & Taxation Ombudsman	Extra small	Specialist	<b>184,205</b>
Productivity Commission	Small	Specialist	-
Royal Australian Mint	Small	Cultural Institution	<b>489,087</b>
<b>Veterans' Affairs Portfolio</b>			
Australian War Memorial	Medium	Cultural Institution	<b>346,575</b>
Department of Veterans' Affairs	Large	Larger Operational	<b>10,612,129</b>
<b>Total 2024-25 (\$)</b>			<b>527,553,088</b>

Key	No target set – agency reports no outsourcing of core work	No target set – agency reports it outsources minimal core work in line with SCF limited circumstances	No target set – other reason
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