



LEADERSHIP TEAM MEETING – 11 June 2024

AGENDA ITEM 3: STRATEGIC COMMISSIONING FRAMEWORK

For endorsement

Purpose:

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Recommendations:

1. That the Leadership Team **endorses** the proposed approach to assessment of core work within DHA

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Key Issues:

HR in partnership with CFO Group is implementing the Strategic Commissioning Framework as part of the APS Reform initiatives. Progress on the key requirements is as follows:

1. Identify the agency's core work that should only be done by APS employees

The SCF requires that each agency must determine what it considers core work, building on the APS-wide list. It is proposed that DHA adopt the APS Job Family Framework (JFF) as the primary mechanism for identifying core work (**Recommendation 1**). The APS JFF is a robust framework that is overseen by the Australian Public Sector Commission (APSC) to identify the type of work performed across the public sector. It has been accepted by the APS as one of the ways that agencies can make their core work assessment. The benefits of adopting this approach include:

- The use of the JFF provides DHA with an externally validated framework (APSC) and supports an objective and transparent assessment tool for core work within DHA
- The use of JFF provides a practical and efficient assessment of the many roles within DHA.

Using the JFF, an initial assessment of all roles being performed by APS employees, contractors, labour hire, consultants and external providers has been undertaken utilising Aurion and Procurement data. In this review, the methodology was that if a role could be mapped to the APS JFF then it is considered core work for DHA for the purposes of the SCF. Key findings of the initial assessment include:

1. Current roles being performed by APS employees in DHA:

- All roles performed by DHA employees can be mapped to the JFF.
- The majority of roles fall within a single classification however the Property Manager cohort is covered by two classifications- Facilities and Estate Manager and Customer Advice and Support. It is noted that with the introduction of the Strategic Asset Management framework, the job family of these roles will likely be reviewed.

2. Current roles being performed by contractors and labour hire in DHA:

- All roles performed by contractors and labour hire staff have mapped against the JFF. For the purpose of the SCF, **68** roles that are core work are currently outsourced to contractors and labour hire and consideration is required if these roles can be brought in-house.

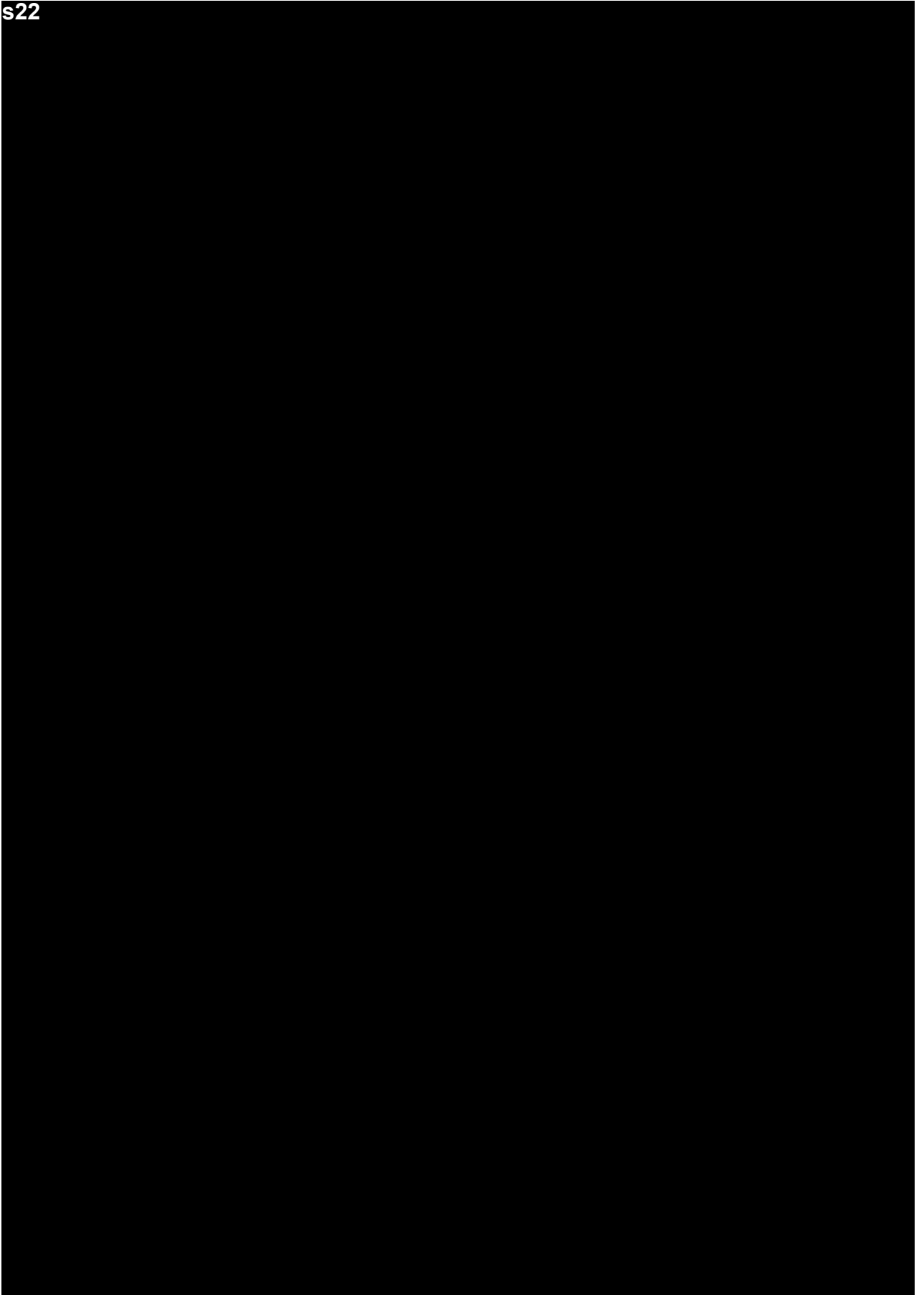
3. Current functions being procured and performed by external providers:

- The vast majority of work being undertaken by external providers can be classified as core-enabling and therefore out of scope for the SCF.
- The exception relates to Change Management procurement for Corporate Solution program. This can be considered as a recognised exemption under the SCF due to the scale and specialised requirements of the Corporate Solution program. The relevant SCF exemption is: *'A temporary need for specialised or professional skills, at a level that would be inefficient to retain internally. That is, there is not an enduring demand for the skill'*.

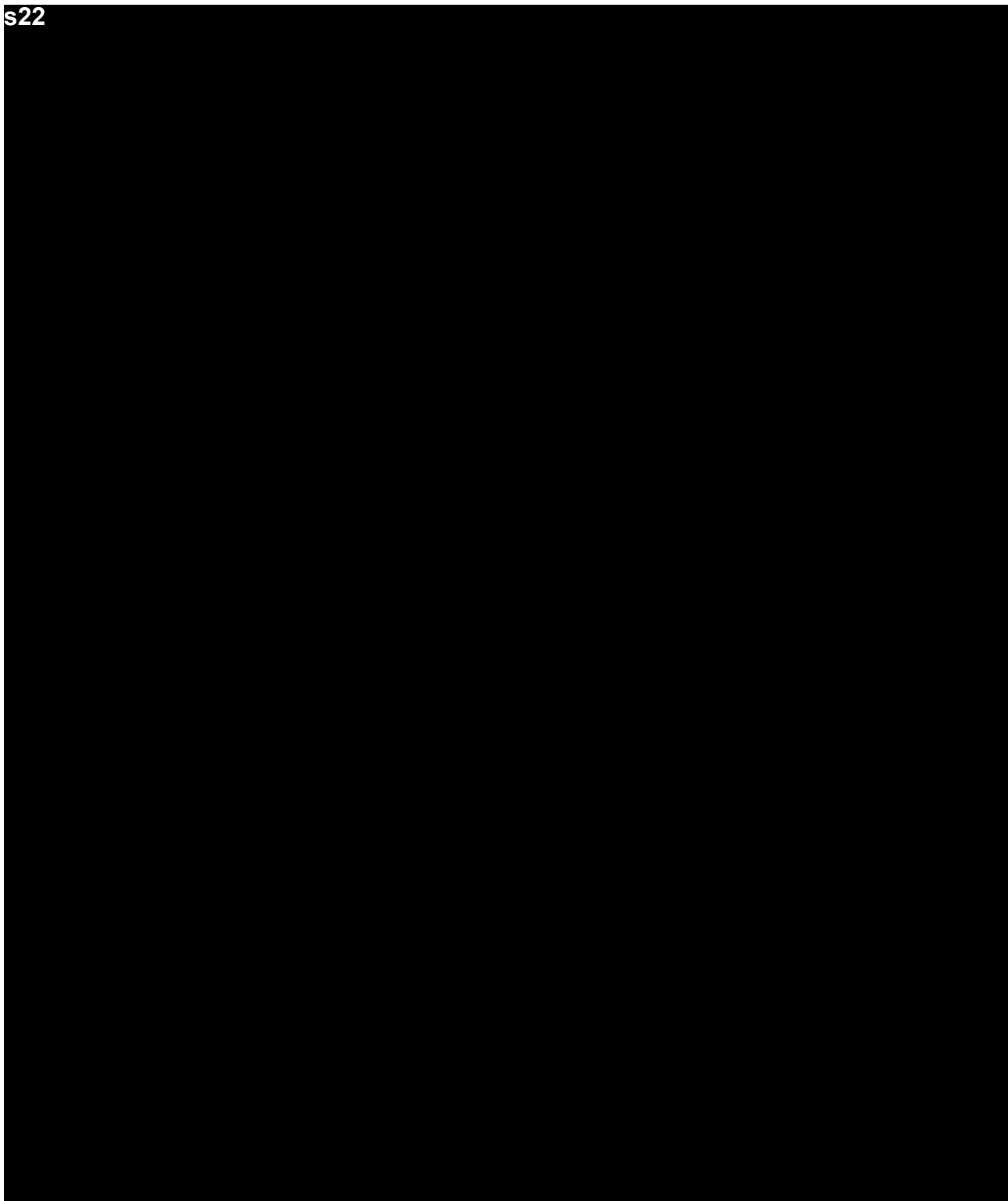
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Eline Martinsen
Chief People Officer
5 June 2024

Attachments:

- A. Summary APS Strategic Commissioning Framework key points.

ATTACHMENT A - Summary APS Strategic Commissioning Framework key points.

The following information provides a summary of the APSC Information pack on the [APS Strategic Commissioning Framework](#).

Intent

The core work of the APS must be done by our core workforce – APS employees. This expectation will wind back excessive outsourcing and its impacts on the skills held and used in APS agencies.

Core Work

‘Core’ means work essential to delivering the enduring functions of an agency, required on a regular and ongoing basis.

Core work can be defined as particular tasks, functions and/or job roles that can be mapped to specific the APS Job Family Framework.

The SCF defines two types of core work: APS-wide core work and the core work that agencies self-identify.

APS-wide core work which should be brought back in-house as a priority, includes the following:

- developing Cabinet submissions, once they are in a Cabinet classified environment
- drafting Cabinet submission recommendations at any stage of policy development
- drafting legislation and regulation
- leading policy formulation
- roles that are on an agency’s executive team
- undertaking procurement and managing contracts
- undertaking standard cost benefit analysis- external site (excluding major capital, infrastructure, complex IT and secure assets such as defence)
- delivering programs and managing grants

Each agency must determine what it considers core work, building on the APS-wide list. The core work of the agency may change over time. Monitoring and reporting arrangements will give agencies the opportunity to refresh their list of core work and associated targets annually.

Core-enabling work

Not all work is considered ‘core’. Agencies will have important and valuable functions that enable their core work but are not identified as ‘core’ in their own right. This work can be considered core-enabling and the SCF requirements do not apply.

Limited outsourcing

For core work, use of contractors/labour hire is only appropriate if at least one of the following is true:

- APS recruitment processes have been unsuccessful or are unlikely to be successful (e.g. due to a competitive labour market and skills shortages).
- There are genuine periods of high demand for staffing beyond what should be reasonably expected of an agency that are also unlikely to reoccur in future.
- There is a temporary need to backfill a vacancy to meet critical business needs, pending a recruitment process or while APS capability uplift is underway.

For core work, use of consultants is only appropriate if at least one of the following is true:

- There is a need for independent research or assessment (for example, due to requirements in legislation or an assurance need) and it cannot be sourced from within the APS. This should be used on a one-off or limited basis.
- There is a temporary need for specialised or professional skills, at a level that would be inefficient to retain internally. That is, there is not an enduring demand for the skill
- There is a genuinely urgent and/or unforeseen need for a skill or capability in an area that is an enduring function, and extra support is needed while capability building, or recruitment processes are underway.

Reporting requirements

A reporting workbook will be distributed through the APS Agency Survey in June-July 2024. It must be completed by all agencies that employ staff under the *Public Service Act 1999* (APS agencies).