

State vs Federal: The Different Realities of Delivering Public Sector Technology Across Tiers of Government

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Australia has three levels of government, two dominant delivery cultures, and one common expectation: technology that works. Understanding the difference between state and Commonwealth delivery contexts is a discipline in its own right.

Article

Talk to a technology leader who has delivered into both state and Commonwealth government environments in Australia and you will hear the same observation: the work looks similar on paper, but the reality of delivering that work is very different in each context. Procurement frameworks differ. Governance rhythms differ. Risk appetites differ. The skills market differs. And the assumption that a delivery model that works in one tier will simply translate to the other is one of the more common reasons initiatives struggle when partners cross between them.

Understanding those differences is not just useful. For any organisation working across both tiers, whether an agency, a partner, or a policy body, it is essential.

Procurement: framework fluency matters more than framework knowledge

At Commonwealth level, procurement runs through frameworks like the *People Panel*, *BuyICT*, whole-of-government panels administered by the Department of Finance, and the DTA's *Digital and ICT Investment Oversight Framework (IOF)* for approved projects. The panels are broad, the pre-qualification bar is high, and individual buy processes vary significantly by agency.

At state level, each jurisdiction runs its own procurement architecture. NSW alone operates the *ICT Services Scheme* (SCM0020), the *Contingent Workforce Panel* (SCM0007), the *Cloud Purchasing Arrangement (CPA)*, and various category-specific arrangements. Victoria, Queensland, Western Australia, and the other states each run parallel-but-distinct systems. Core & Agency Agreements add another layer of complexity for larger, multi-buy relationships.

The practical implication is not that either tier is “harder.” It is that success requires fluency in the specific frameworks each tier uses. Partners who move between them without adjusting their approach tend to lose deals to those who have built the muscle memory for both.

Governance: cadence and appetite

Commonwealth governance tends to be structured around longer planning cycles, larger investment envelopes, and formal portfolio-level oversight, reflecting the scale of the projects involved and the higher public scrutiny that comes with them. Reporting rhythms are typically monthly or quarterly. Investment decisions often involve multi-agency coordination.

State-level governance tends to move at a faster tempo, with tighter feedback loops between agency executives, ministers, and delivery teams. Investment envelopes are smaller on average, but decisions can move quickly when priorities shift.

Neither is “better.” Each reflects the structure of the government it serves. But delivery approaches calibrated to one tempo often struggle when transplanted to the other.

Risk appetite: same words, different weight

Concepts like “acceptable risk,” “minimum viable,” and “test and learn” carry different weights in different tiers of government. At Commonwealth level, particularly in national security, defence, or citizen-safety-adjacent domains, risk tolerance is structurally low and traceability requirements are high. At state level, in areas like citizen services or education, agencies often operate with more room to iterate and adjust.

Public sector IT solutions that cross tiers well are built with that variation in mind: the same underlying discipline, applied with different weightings depending on where it is landing.

The skills market is genuinely different

Around 60% of Australia's public-sector ICT and digital workforce is concentrated in the ACT, the direct product of Commonwealth agency headquarters clustering in Canberra. State jurisdictions draw from local markets: Sydney, Melbourne, Brisbane, Perth, and increasingly regional hubs.

That has real implications for how delivery teams are assembled. Team-as-a-Service and specialist mobilisation models that work well nationally often need to be tuned for the geographic reality of the tier they are supporting.

Why it matters for cross-tier partners

The organisations that deliver well across both state and Commonwealth government tend to share a few habits. They invest in framework-specific procurement expertise for each tier they operate in. They calibrate their governance rhythm to match the tier they are serving. They understand where local versus national talent pools matter for team composition. They treat the differences as a discipline to be respected, not a friction to be minimised.

That is the ground the strongest Government IT Consulting and Managed Services relationships increasingly compete on. Public sector IT solutions from trusted Government Enterprise IT Partners are not built around a single delivery template. They are built around the ability to shape delivery to the specific tier, agency, and mission at hand.

For agencies working with partners across both tiers, and for partners expanding from one tier into the other, that fluency is what turns a good delivery model into an enduring one.

For more information about how The Services Company (TSC) supports state and federal government agencies, visit theservicescompany.com.

Sources

Department of Finance — *People Panel*, *BuyICT*, and whole-of-government procurement arrangements (finance.gov.au); Digital Transformation Agency — *Digital and ICT Investment Oversight Framework (IOF)* (dta.gov.au); NSW Government — *ICT Services Scheme (SCM0020)*, *Contingent Workforce Panel (SCM0007)*, *Cloud Purchasing Arrangement (CPA)* (info.buy.nsw.gov.au); APS *Data and Digital Workforce Plan* (workforce concentration data); ACS *Information Age*, coverage of the APS digital talent shortfall (2025).