



Australian Government

Department of Social Services

New Specialist Disability Employment Program – Request for Tender (RFT) Exposure Draft

Public Briefing

August 2024

Acknowledgement of Country



The Department of Social Services acknowledges Aboriginal and Torres Strait Islander peoples throughout Australia and their continuing connection to land, water, culture and community.

We pay our respects to the Elders both past and present.



We invite you to join the discussion

Use QR code or go to:

<https://app.sli.do/event/6o16JbqHUcDCu2NNuuP3kw>



Probity Statement

The Department of Social Services is committed to conducting a fair, honest, and transparent process for the design and implementation of the new specialist disability employment program and related services.

For today's event, this means that:

- this presentation will be made publicly available on the DSS Engage website
- any views expressed, or information provided, by attendees to this event will be considered, along with the views expressed and information provided by other stakeholders.

Overview

Key Topics

1. Approach to Market
2. Indicative timeline
3. Summary of new program design
4. Market Structure
5. Specialist and Generalist providers
6. Policy reform areas
7. Performance Framework
8. National Panel of Assessors and Disability Employment Centre of Excellence
9. RFT process



The new disability employment program commences 1 July 2025

The Approach to Market – two stage process

1 Exposure Draft

- Stakeholders provide feedback to the department on key policy areas and tender arrangements.
- Questions and requests for clarification can be forwarded to the department.
- Tender responses must not be lodged in response to the Exposure Draft.

2 Request for Tender

- The formal, structured invitation for potential providers to bid to deliver services under the new specialist disability employment program

Indicative Timeline

Date	Key element
7 August 2024	Publication of the Exposure Draft for the New Specialist Disability Employment Program 2025-2028 Request for Tender (RFT) on AusTender and engage.dss.gov.au
August 2024	Exposure Draft Public Briefing
30 August 2024 (5.00 pm Canberra time)	Closing date for comments on the Exposure Draft
September/October 2024	Release of the RFT
September/October 2024	RFT Public Briefing
October/November 2024	Closing date and time for responses to the RFT
March 2025	Notification of tender outcomes
April 2025	Commencement of the transition period to the new program
1 July 2025	The new program commences

Summary of new program design

New program design

A simplified program design focussed on relationships with participants and employers and less complexity.

Expanded eligibility targeting those who will benefit most.

An intensive and flexible service to meet the individual needs of participants.

A focus on meaningful engagement of participants to deliver a respected service led by the participant.

Support whilst in employment for those who need it.

Employer services to build capability to employ people with disability and improved wage subsidies.

Simplified fee structure – a higher proportion of service fees to ensure participants are supported with quality services and investment in building their skills and work readiness.

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New approach to employment assistance

- Two service offers – intensive and flexible, to reflect the individual needs of participants.
- Providers will offer a range of customised supports to participants depending on where they are in their employment journey and their capacity to participate.
- Providers will explore options and pathways to employment with participants under both services and build trust through a Job Plan that is participant led.



Intensive Service

The intensive service is the default for those who are preparing for work and looking for work.

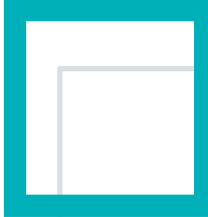

Flexible Service

The flexible service targets participants who are already engaged in other activities (such as work, training or non-vocational supports) or need to build their capacity to fully engage.

Meaningful engagement



Participants will start in the service with a Job Plan that includes a single activity to **'Participate Meaningfully'**, and all appointments and other activities added will be voluntary requirements.



A Provider will be required to enter into a Job Plan that removes the Meaningful Engagement requirement and includes compulsory requirements, where the provider:

- determined the Participant with participation requirements is not meaningfully engaging or
- confirms a Participant (Mutual Obligation) has committed a Work Refusal Failure or an Unemployment Failure.

Market Structure

The new program aims to strengthen the quality and diversity of providers.

Specialist providers with deep expertise in a participant cohort will be encouraged.

Balance market controls that support the viability of smaller and more specialist providers to enter or re-enter the market.

Increase diversity and participant choice and control.

Employment Service Areas (ESAs) remain the same.



Specialist and Generalist Providers

Specialist Providers

Specialist Providers will deliver services to a group of eligible Participants with specific needs defined by Participant characteristics and/or disability type.

- A Provider cannot be a Specialist Provider for large cohorts such as 'mental health' or 'physical disability'. The speciality must be a specific cohort such as Spinal Cord Injury.
- Not subject to market share caps and will generally be able to accept all suitable referrals according to their maximum caseloads.

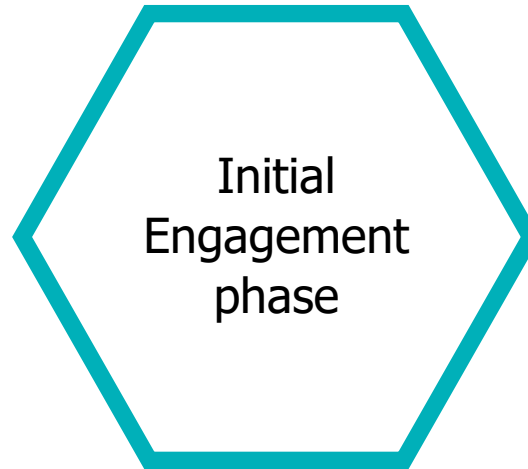
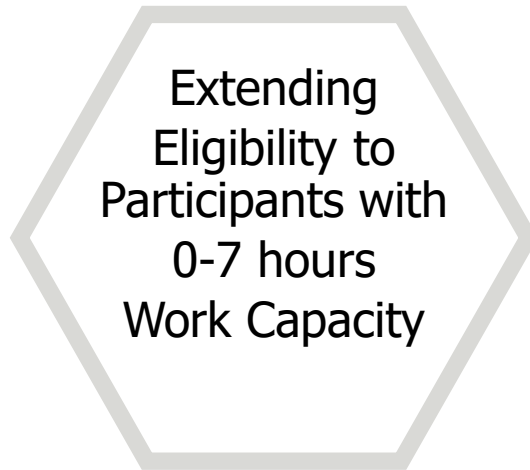
Generalist Providers

Generalist Providers will deliver services to all eligible participants.

- Will be subject to market share caps in an ESA but may continue to receive referrals over the market share cap in the event of Participant choice.
- The department anticipates setting an upper market share tolerance of 30 per cent to limit situations where Providers cannot receive referrals once they reach their market share cap.

Policy reform areas

A number of current DES policies will be reformed under the new specialist disability employment program:



Support for the 0-7 hours per week cohort

Participants with a 0-7 hour per week work capacity will:

be assigned an 8-hour per week employment benchmark, but with increased flexibility to meet

have partial outcomes at 5 hours per week for an 8-hour employment benchmark

have self-employment for full and partial outcomes at an 8-hour benchmark

be entitled to wage subsidies at the 8-hour value, if employment is offered at an intended level of 8 hours per week on average

Initial Appointment / Initial Engagement Period



There will be a minimum number of Contacts per quarter:

- **6** for Intensive Service
- **2** for Flexible Service

but these may take different forms to support tailored servicing.

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Service Fees

Service Fees proposed for the new program are specified below:

- Five levels of Service Fees for the Intensive Stream, determined by the Participant Investment Funding Model.
- Service fees will be paid in arrears for a participant 28 days from the date the participant commences in the program.
- The Flexible Service will have one flat fee.
- The new program has been modelled with a service, progress and outcome fee split ratio of 50:6:44 per cent.
- At the commencement of the new program, Providers will be offered the option of advance payment of the service fees.

Table 1 Service Fee*(GST inclusive)

Service Offer	Funding Level				
	1	2	3	4	5
Intensive Service	\$268	\$307	\$357	\$458	\$522
Flexible Service	\$102	\$102	\$102	\$102	\$102

*Indicative payment amounts

Progress Fees

Will be introduced to recognise improvements to Participant's work readiness and progress towards Employment

Progress fees will be available for employment and work experience, gaining qualifications, and other approved vocational activities such as volunteer work. They will replace the existing education outcome fee and 4-week employment outcome fee.

Up to 2 Progress Fees may be claimed for a Participant in any 12-month period.



Table 2 Progress Fees * (GST inclusive)

	Fee* (\$ GST inc.)
Amount per instance	\$1,000.00

*Indicative payment amounts

Outcome Fees

Outcome Fees will be available for 12, 26 and 52-week Full and Partial Outcomes

Outcome Fees proposed for the new program are listed in the table to the right:

Table 3 Outcome Fees* (GST inclusive)

Employment Outcome Type	Funding Level				
	1	2	3	4	5
12-week Full Outcome	\$1,250	\$2,232	\$3,255	\$4,592	\$8,194
26-week Full Outcome	\$1,797	\$3,205	\$4,669	\$6,596	\$11,742
52-week Full Outcome	\$496	\$882	\$1,286	\$1,817	\$3,244
12-week Partial Outcome	\$401	\$718	\$1,060	\$1,520	\$2,696
26-week Partial Outcome	\$581	\$1,037	\$1,525	\$2,165	\$3,888
52-week Partial Outcome	\$157	\$283	\$420	\$593	\$1,070

*Indicative payment amounts

Moderate Intellectual Disability Payment

The Moderate Intellectual Disability (MID) Payment is in addition to outcome fees and available for participants who achieve a Full Outcome for a Job Placement of at least 15 hours per week.

The MID Payments proposed for the new program are specified in Table 4.

Table 4 MID Payments * (GST inclusive)

	Fee* (\$ GST inc.)
12-week MID Payment	\$7,892
26-week MID Payment	\$16,020
52-week MID Payment	\$2,913

*Indicative payment amounts

Ongoing Support Fees

Ongoing Support is available to employees with disability who require support to maintain their employment

A Provider can only claim up to 6 instances of Flexible Ongoing Support within a 26-week period.

Table 5 Ongoing Support Fees* (GST inclusive)

Level of Support (\$*)	Claim Type		
	Per instance	Quarterly	Monthly
Flexible Ongoing Support	\$477	N/A	N/A
Moderate Ongoing Support	N/A	\$1,430	\$440
High Ongoing Support	N/A	\$3,576	\$1,100

*Indicative payment amounts

Increased flexibility in contacts to support tailored servicing, whilst maintaining minimum service standards and targeted re-assessments to reduce administration.

Performance Framework

Performance Framework

The overarching objective is to measure and drive a high performing disability employment service that supports individuals to find and maintain sustainable employment.

3 Key Performance Indicators:

- KPI 1 (Quality)
- KPI 2 (Effectiveness)
- KPI 3 (Efficiency)

The Performance Framework will be supported by a Scorecard, which communicates Provider performance against the KPIs.

The new performance framework for the current DES program will be the base for the performance framework for the new program. Adjustments will be made to reflect changes in policy for the new program.

We invite you to join the discussion

Use QR code or go to:

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National Panel of Assessors and Disability Employment Centre of Excellence

National Panel of Assessors (NPA)

The NPA program is a standing panel of independent assessment service providers contracted to provide assessments to support the needs of people with disability in the workplace.

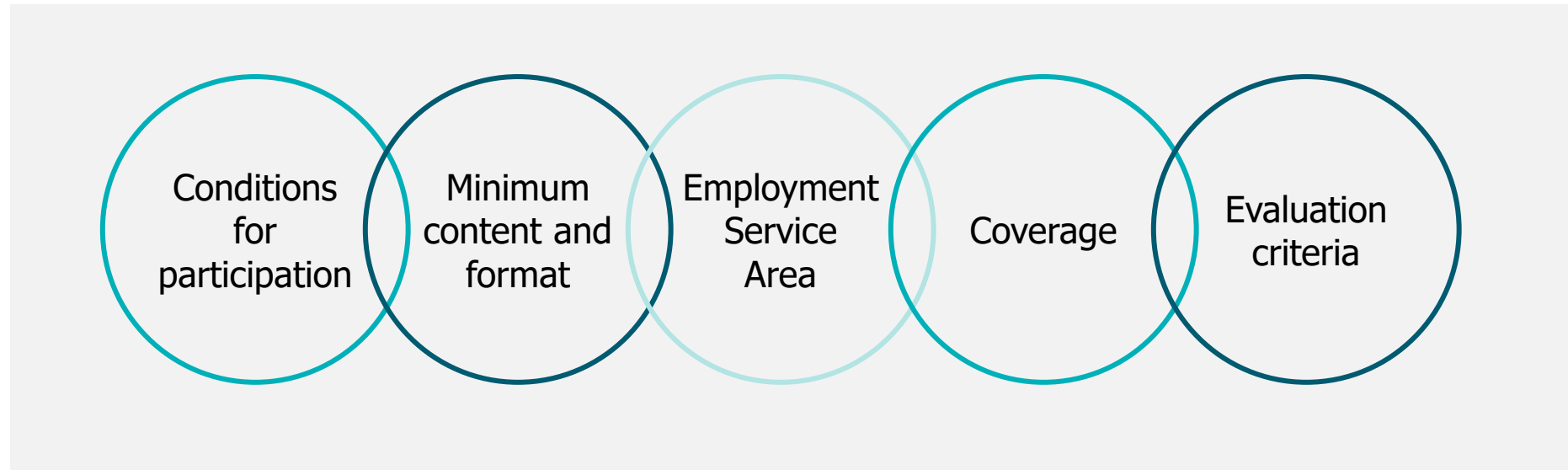
The NPA program will continue to provide high-quality assessment services from 1 July 2025.

Disability Employment Centre of Excellence

The Centre of Excellence will be an evidence-informed, best-practice hub that will focus on providing resources and tools to help employment service providers deliver disability aware quality services to both clients with disability and employers.

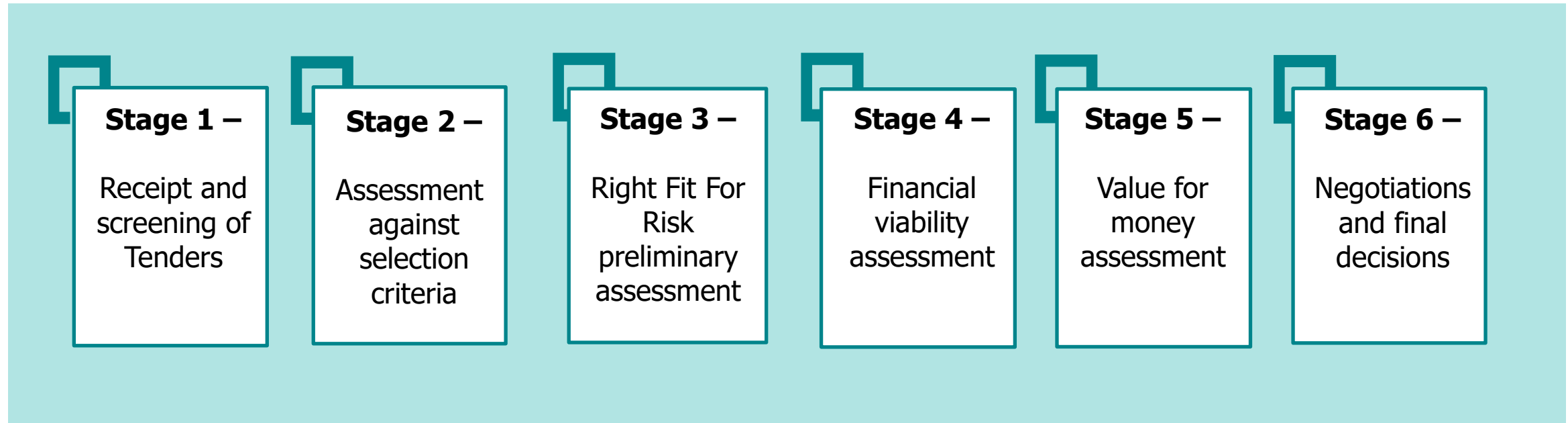
The Centre is intended to commence in March 2025, and share evidence-based best practice resources.

Request for Tender (RFT) process – Lodging a Response



Request for Tender (RFT) process – Evaluation of Responses

Staged approach to evaluation:



How will tenders be assessed?

Separate selection criteria and sub-criteria for Specialist and Generalist Providers

- Proposed selection criteria:



Organisational Capability (SC1)

Answered once at
the
organisational
level

How the Respondent's
organisational management,
and governance framework
and delivery approach, will
ensure performance and
deliver quality disability
employment services

Tailored Servicing Strategies (SC2)

Answered once
at the
organisational
level

What is the Respondent's service delivery model for Participants and Employers and how it will deliver tailored disability employment services that creates a culture with Participants and Employers at the centre

Local Strategies for Employer and Participant Engagement (SC3)

Answered for
each ESA

How the Respondent will implement local strategies and collaborative arrangements in their chosen ESA to achieve sustainable outcomes for Participants and to support the workforce needs of Employers

Tendering rules

Generalist vs specialist providers

Tenderers must only bid for either generalist or specialist - this applies at the national, as well as individual ESA level

Limited exceptions apply (see next slide)

Respondents that wish to deliver Services as a Specialist Provider:

- must identify the **specific client group** in their response to the Specialist Selection Criteria, and
- will be required to demonstrate a deep and historical expertise in supporting their nominated Specialist group

Specialist Providers will not be subject to **Market Share Caps** in each ESA where they are for small participant cohorts

Generalist Providers will be subject to **Market Share Caps** in each ESA but may continue to receive Referrals over their Market Share Cap in the event of Participant choice



Tendering rules -continued

Exceptions: **Group Respondents** and **Subcontracting** arrangements

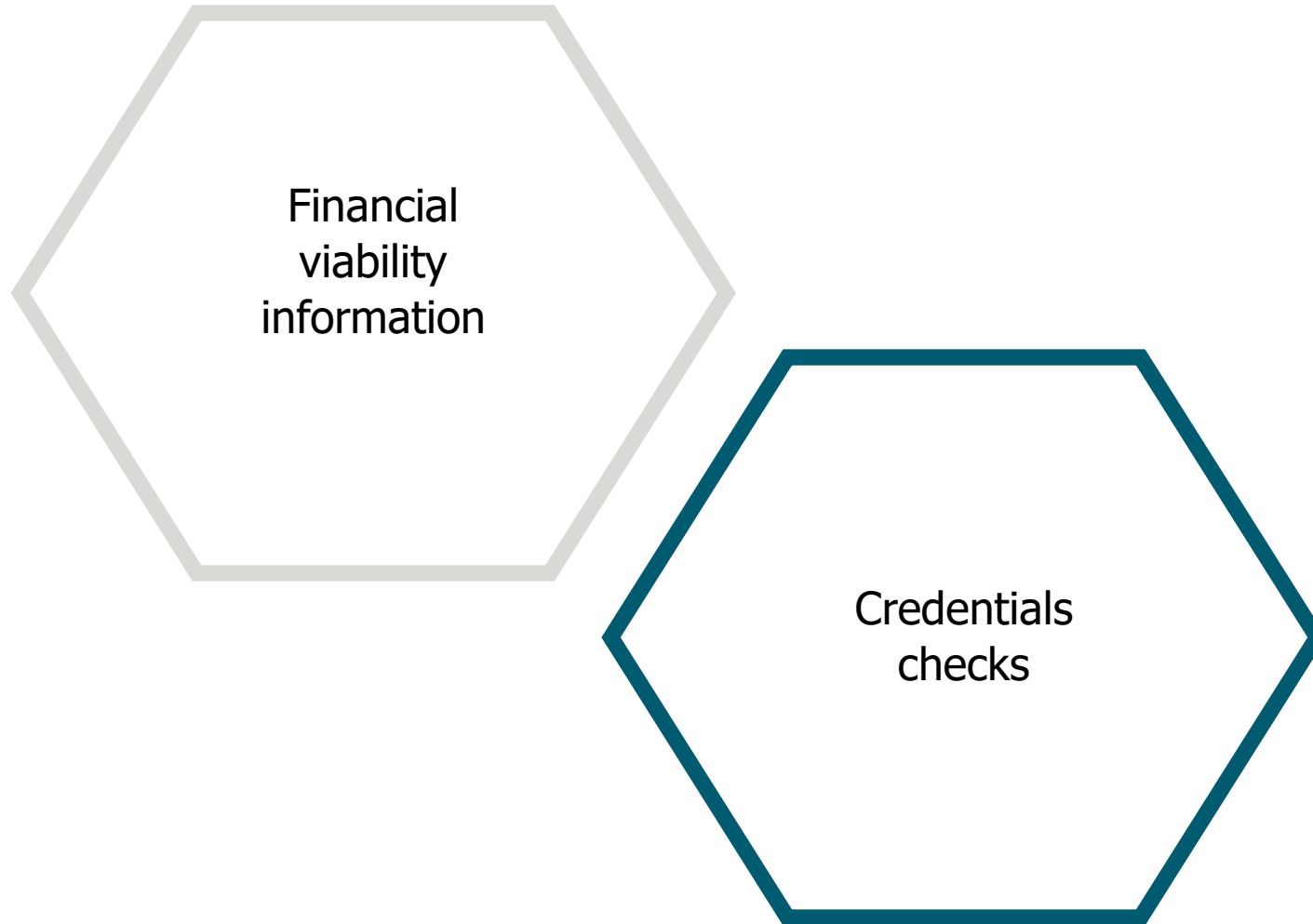
Subject to meeting **specific criteria**, a Group Respondent or a Respondent with a Subcontracting arrangement:

- may submit one tender for Generalist Provider and Specialist Provider Services for the same ESA; and/or
- may submit one Tender for Specialist Provider Services for different ESAs for different specialisations



Market Share Caps may be imposed for Respondents who will be responding to the RFT to provide Services as both a Generalist and Specialist Provider via a Group Respondent arrangement.

Financial viability and other checks



Legal and other matters



Consultation and Feedback

We want to hear feedback from stakeholders

Feedback, comments and questions on the **Exposure Draft** can be submitted to:

DESConsultations@dss.gov.au

- The department has issued a Companion Document to suggest questions to which stakeholders and potential respondents may wish to provide feedback.
- Submissions need to be made before 5.00 pm (Canberra time) on 30 August 2024 to ensure they will be considered in preparation for the Request for Tender.

DSS Engage

You can also respond to **Information Papers** on engage.dss.gov.au.

- Market Structure – published
- Payment Model – published
- Ongoing Support – pending

Q&A

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Thank You!

Get in touch



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