



Australian Government

Department of Social Services

# New Specialist Disability Employment Program (the new program)

## Request for Tender (RFT)

## **Industry Briefing**

Friday 11 October 2024

 [DE2025Purchasing@dss.gov.au](mailto:DE2025Purchasing@dss.gov.au)

# 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.

# 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 (New Program) and related services.

For today's event, this means:

- this presentation will be made publicly available on [engage.dss.gov.au](https://engage.dss.gov.au) and [dss.gov.au](https://dss.gov.au).
- Q&A and comments will not be open for this event.
- all questions in relation to the RFT must be submitted to [DE2025Purchasing@dss.gov.au](mailto:DE2025Purchasing@dss.gov.au).
- publication of responses to questions will be managed in accordance with the process outlined in the RFT.

# Industry Briefing Overview

## Key Topics

1. Summary of the New Program.
2. Key changes from the Exposure Draft.
3. Lodging a response to the RFT.



**The New Specialist  
Disability Employment  
Program commences 1 July  
2025**

# Indicative Timeline

<b>Date</b>	<b>Key element</b>
Friday 4 October 2024	Release of the RFT
Friday 11 October 2024	RFT Industry Briefing
Wednesday 23 October 2024 at 5.00pm AEDT	Deadline for Respondents to submit questions/requests for RFT clarification
Wednesday 30 October 2024 at 12.00pm AEDT	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

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# The New Program – Overview

## The New Program:

- combines the Employment Support Service (ESS) and Disability Management Service (DMS) Programs into a single Program.
- expands eligibility for Participants.
- introduces different levels of servicing intensity.
- gives Participants greater choice through a diverse Provider market and greater control of their individualised plans.
- incorporates the Work Assist Program as part of Ongoing Support.
- introduces a simplified payments model.
- introduces more active market stewardship.
- introduces an improved ICT solution, and
- Supports capacity and capability through the Capacity Building Fund and Centre of Excellence.

# Key changes from the Exposure Draft

- Initial Deed Term of five years, from 1 July 2025 to 30 June 2030.
- Terminology changes to *Specific Providers and All Cohorts Providers*.
- Two specific Job Plan types for participants with Mutual Obligations:
  1. Job Plan (Meaningful Engagement)
  2. Job Plan (Detailed) - which contains listed mandatory requirements.
- Funding adjustment for indexation and application of the new Participant Investment Funding Model.
- Market shares for All Cohorts Providers and Specific Cohort Providers with 10% or more of ESA business.
- Including broad specific cohort categories such as mental health or neurodivergent.
- Updates on staff qualifications, including micro-credentials and accreditation requirements.
- Introduction of a Capacity Building Fund.

# Market Structure

The New Program aims to strengthen the quality and diversity of Providers.

Specific Cohort 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) locations remain the same.



# Types of Providers

## Specific Cohort Providers

Specific Cohort Providers will deliver services to a group of eligible Participants with specific needs - defined by a Participant's personal characteristics and/or disability type.

- Examples: Aboriginal and/or Torres Strait Islander, youth, intellectual disability, vision impaired, or neurodivergent.
- Respondents may nominate a broad specific category, such as mental health, or a more specific cohort, such as vision impaired.
- Respondents must demonstrate deep historical expertise with cohort.
- Can have partial market coverage and/or operate a hub-and-spokes model.
- Promoted to participants during the Services Australia referral process, where relevant.

## All Cohorts Providers

All Cohorts Providers will deliver services to all eligible Participants regardless of their disability, injury or health issue.

They will be required to tender to deliver Services in the whole ESA and cannot offer partial ESA coverage.

# Caseload and Market Share



All Cohorts Providers will have market share in each ESA

Market share will also apply to Large Specific Cohort Providers seeking 10% or more of all new Specialist Disability employment Program business in an ESA

Small Specific Cohort Providers will not have market share and will have a Maximum Caseload for each site operating in the ESA

Respondents should bid for the proportion of the whole caseload in an ESA they want to assist

# Specific Cohort Providers – Market Share or Site Maximum Caseload in an ESA

## **Large** Specific Cohort Provider

Specific Cohort Providers whose caseload for their nominated cohort is **10% or more of all** new program business in the ESA

The ESA will have **Market Share** arrangements applied

## **Small** Specific Cohort Provider

Specific Cohort Providers whose caseload for their nominated cohort is **less than 10% of all** new program business in the ESA

Each site in the ESA will have a **Maximum Caseload** applied

# Adjustment to fees

- Maintains Budget neutrality.
- Indexation applied.
- Increase to Outcome Fees, Service Fee amounts maintained.
- Participant Investment Funding Model (PIFM) re-profiling of current participants (more on this later).
- New funding model acknowledges removal of 2-year program limit.

# Overall fee adjustments

Changes to Fees

21% increase in 12-Week Outcomes

7% increase in 26-Week Outcomes

MID Payment for 12-week Outcomes increased

No change to Service Fees

# Participant Investment Funding Model (PIFM)

The Participant Investment Funding Model replaces the Risk Adjusted Funding Model:

- Simplified with fewer variables.
- Captures recent DES experience and future expected experience.
- Removes allowance types and Jobseeker Classification Index Score (JSCI) score.
- Updated Volunteer, Cultural and Language Diversity, Ex-Offender and Indigenous variables.
- Updated regional employment market factors.
- Refined variable of time since last employment.

**Distribution of participants at each band in the new model is designed to be:**

Level of Support (\$*)	Funding Level 1	Funding Level 2	Funding Level 3	Funding Level 4	Funding Level 5
Proportion of participants in each funding level	5%	20%	25%	25%	25%

# PIFM – Transition to new program

- Current participants will be re-profiled under the new Participant Investment Funding Model.
- Some participants will have a different funding level from 1 July 2025.
- It is important this is done to minimise impacts of continuing with current program funding level distribution.
- It is the fairest approach under a new funding and program model.
- Participants in Post Placement Support or Ongoing Support will not be re-profiled and will maintain their current funding level, unless they return to Pre-Employment supports after transition.

# Impacts of PIFM re-profiling

Table 1 demonstrates how current participants in Employment Assistance will be re-profiled under the new Participant Investment Funding Model.

**Table 1** - Proportion of active participants in Employment Assistance by RAFL Funding Level, and allocated PIFM Funding Levels 1-5

RAFL	New PIFM Level					Total
	1	2	3	4	5	
1	40%	49%	9%	1%	0%	100%
2	18%	48%	28%	6%	1%	100%
3	5%	33%	38%	21%	3%	100%
4	1%	16%	31%	37%	16%	100%
5	0%	3%	13%	28%	56%	100%
Total	<b>5.2%</b>	<b>21.3%</b>	<b>25.4%</b>	<b>24.5%</b>	<b>23.6%</b>	

\*Indicative of funding level movements on 1 July 2025.



# Service Fees - Indexed

**Table 1 Service Fee\*^ (GST inclusive)**

Service Offer	Funding Level				
	1	2	3	4	5
Intensive Service	\$ 282	\$ 323	\$ 375	\$ 482	\$ 549
Flexible Service	\$ 107	\$ 107	\$ 107	\$ 107	\$ 107
<b>*Indicative payment amounts subject to indexation from 1 July 2025</b>	<b>^ Rounded to nearest whole dollar</b>				

The updated Service Fees for the new program are specified in Table 1 of this slide.

# Progress Fees - Indexed

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)**

	<b>Fee* (\$ GST inc.)</b>
Amount per instance	\$ 1,052

**\*Indicative payment amounts subject to indexation from 1 July 2025**



# Outcome Fees - Revised

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 Table 3.

**Table 3 - Outcome Fees\*^ (GST inclusive)**

Employment Outcome Type	Funding Level				
	1	2	3	4	5
12-week Full Outcome	\$ 1,584	\$ 2,829	\$ 4,125	\$ 5,820	\$ 10,385
26-week Full Outcome	\$ 2,021	\$ 3,605	\$ 5,251	\$ 7,419	\$ 13,206
52-week Full Outcome	\$ 522	\$ 928	\$ 1,353	\$ 1,911	\$ 3,413
12-week Partial Outcome	\$ 509	\$ 911	\$ 1,343	\$ 1,926	\$ 3,417
26-week Partial Outcome	\$ 654	\$ 1,166	\$ 1,715	\$ 2,435	\$ 4,373
52-week Partial Outcome	\$ 166	\$ 298	\$ 442	\$ 624	\$ 1,126

**\*Indicative payment amounts subject to indexation from 1 July 2025**

**^ Rounded to nearest whole dollar**

# Moderate Intellectual Disability (MID) Payment - Revised

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)**

Payment	Fee*^ (\$ GST inc.)
12-week MID Payment	\$ 12,048
26-week MID Payment	\$ 16,853
52-week MID Payment	\$ 3,065

**\*Indicative payment amounts subject to indexation from 1 July 2025**

**^ Rounded to nearest whole dollar**

# Ongoing Support Fees - Indexed

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

A Provider can 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	Monthly	Quarterly
Flexible Ongoing Support	\$ 502	N/A	N/A
Moderate Ongoing Support	N/A	\$ 463	\$ 1,505
High Ongoing Support	N/A	\$ 1,157	\$ 3,762

\*Indicative payment amounts subject to indexation from 1 July 2025      ^ Rounded to nearest whole dollar

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 Performance Framework comprises of:

- Domains
- Measures
- Indicators

**Domains** based on 3 Key Performance Indicators:

- (Quality)
- (Effectiveness)
- (Efficiency)

The Performance Framework will be supported by a Scorecard.

Performance will be monitored and assessed quarterly.

The new Performance Framework for the current Disability Employment Service (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.

# National Standards for Disability Services

- The National Standards for Disability Services are the compliance standards for regulated activities under the *Disability Services and Inclusion Act 2023* (DSI Act).
- All Providers, regardless of whether a previous Certificate of Compliance was obtained under the current program, will be required to obtain a Certificate of Compliance for the program commencing 1 July 2025.
- Providers will not require a Certificate of Compliance on commencement. Timing for completion will be determined by the department.

# Capacity Building Fund

\$7.5 million capacity building fund – supports new smaller and not for profit organisations

Providers must meet eligibility criteria – defined as a small business by ATO and are not for profit/or a Specific Cohort Provider

The fund will reimburse each eligible Provider up to \$150,000 for activities such as certification/accreditation, financial planning, business advisory services, and staff training



# Request for Tender (RFT) process

## – Submitting a Tender



Conditions for Participation

Minimum Content and Format Requirements

Employment Service Area

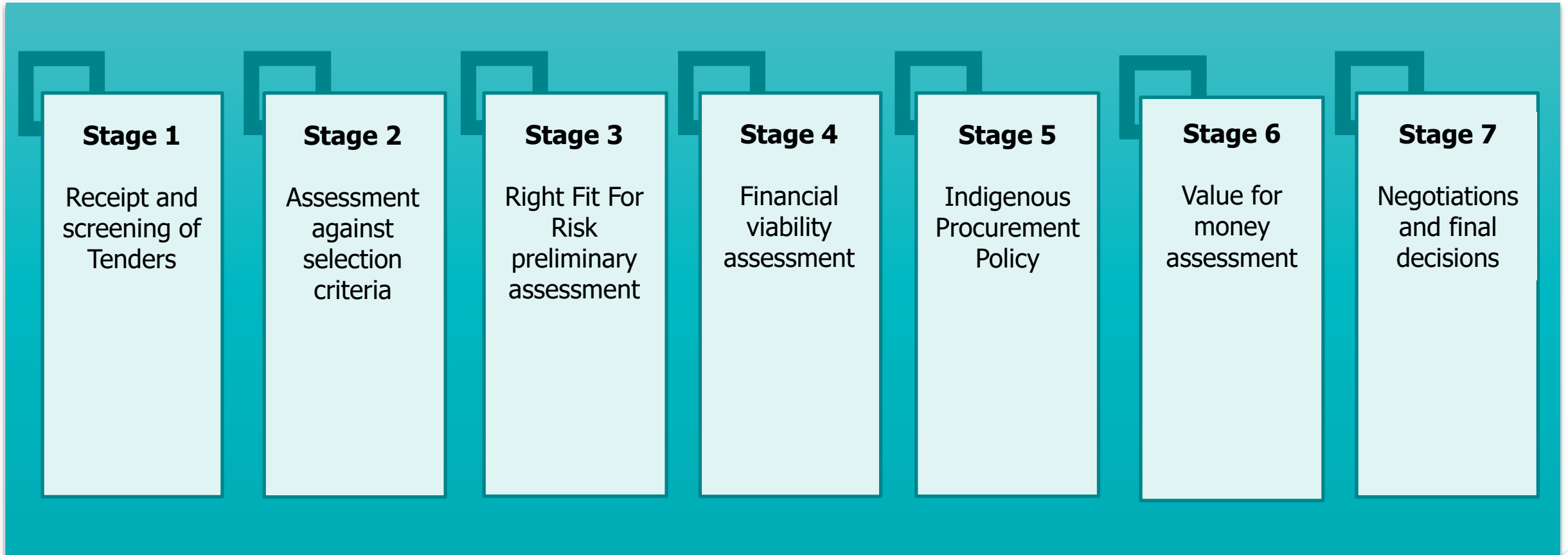
Coverage

Evaluation Criteria

# Request for Tender (RFT) process

## – Evaluation of Responses

Staged approach to evaluation:



# Request for Tender (RFT) process

## – Indigenous Procurement Policy

- The Indigenous Procurement Policy applies to the new program procurement.
- Respondents will be required to adhere to the Mandatory Minimum Requirements and provide a proposed Indigenous Participation Plan with the tender response.
- Mandatory Set Aside requirements apply to this RFT in 9 ESAs that intersect with an area considered remote in the Remote Indigenous Procurement Policy (RIPP).

# How will tenders be assessed?

Separate selection criteria and sub-criteria for Specific Cohorts Providers and All Cohorts Providers.

## Selection Criteria (SC)

**1**

Organisational  
Capability

**2**

Tailored  
Servicing  
Strategies

**3**

Local Strategies  
for Employer  
and Participant  
Engagement

# Organisational Capability (SC1)

Answered once  
at the  
**organisational**  
level

How the Respondent's  
organisational management,  
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 of the service delivery design.

# 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

# Assessing Performance as part of the Tender

- The department will use all information available to validate Providers claims when assessing performance.
- The department will consider a range of data and will not rely solely on the most recent Performance Data.
- Tenderers should not assume the department will consider all information which may have been previously provided to the department by a tenderer (under the previous program or in other interactions with the department) and should ensure it includes all information it wishes to be considered in its response.



# Tendering Rules

## Specific or All Cohorts Providers

Respondents must only bid for either specific cohort/s or all cohorts - this applies at the national, as well as individual ESA level.

**Limited exceptions** apply (upcoming slide)

Respondents that wish to deliver Services as a Specific Cohort Provider:

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

All Cohorts Providers will be subject to Market Share in an ESA.

Specific Cohort Providers whose caseload for their nominated cohort is 10% or more of all new Program business in the ESA will have Market Share in an ESA.

Market shares will operate with a 30% tolerance.

Respondents must nominate a minimum and maximum market share for each ESA.

Specific Cohort Providers servicing less than 10% of an ESA will operate without Market Share and under Maximum Caseload arrangements

Respondents must nominate a maximum caseload for each site operating in the ESA.

# Tendering Rules (continued)

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

Subject to meeting the **criteria**, a Group Respondent or a Respondent with a Subcontracting arrangement may submit one tender for:

- Specific Cohort Provider and All Cohorts Provider Services for the same ESA; or
- an All Cohorts Provider and to provide one or more Specific Cohort Provider Services in multiple ESAs
- for Specific Cohort Provider Services for different ESAs for different cohorts

A Respondent **must not** compete against itself within a single ESA by submitting alternative Tenders except in limited circumstances

# Financial viability and other checks



Financial  
viability  
information



Credentials  
checks

# Legal and other matters

Conditions  
of Lodgment

Indigenous  
Procurement Policy

Legal and  
Commonwealth Policy  
requirements

Probity

# Procurement Process

04/10/2024

RFT released on AusTender website  
[tenders.gov.au](https://tenders.gov.au)

Respondents must access and register with AusTender.

23/10/2024

Deadline for Respondents to submit RFT questions and requests for clarification is 5.00pm AEDT.

30/10/2024

Tender Closes at 12 noon AEDT.

Tenders must be lodged via AusTender in the format described.

March 2025

Notification of tender outcomes

April 2025

Transition period to the New Program commences

01/07/25

New Program commences

All Tender questions must be submitted through the Contact Officer via  
[DE2025Purchasing@dss.gov.au](mailto:DE2025Purchasing@dss.gov.au)

# Thank You

## Get in touch



[www.dss.gov.au](http://www.dss.gov.au)



[DE2025Purchasing@dss.gov.au](mailto:DE2025Purchasing@dss.gov.au)



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