



## **New Specialist Disability Employment Program – Industry Briefing – Talking Points**

### **Slide 1 - Introduction**

Good morning everyone,

My name is Kellie Spence, Group Manager, Disability Employment, at the Department of Social Services.

I am a middle –aged woman with salt and pepper hair and I am wearing a white top.

Today I am joined by the Acting Branch Manager of Disability Employment Implementation, Sonya McCarthy.

The Department is committed to making this presentation as inclusive as possible. We have Auslan translation available on the screen. We also have live captioning, if you require this functionality.

Welcome to this Industry Briefing for the New Specialist Disability Employment Program – request for tender, which has been released.

The new program will be referred to today as the new program, and the Request for Tender will be referred to as the RFT.

### **Slide 2 – Acknowledgement of Country**

- I would like to start by acknowledging the Traditional Custodians of the lands on which we meet today and their connections to land, water, culture and community.
- I pay respects to the Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

### **Slide 3 – Probity Statement [to be read verbatim]**

Before we go further, I need to read the 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 [engage dot dss dot gov dot au](https://engage.dss.gov.au) and [dss dot gov dot 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](mailto:DE2025Purchasing@dss.gov.au) at [dss dot gov dot au](https://dss.gov.au).



- Publication of responses to questions will be managed in accordance with the process outlined in the RFT.

#### **Slide 4 – Overview**

Today we will go through three main topics

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

#### **Slide 5 – Indicative Timeline**

Just to briefly recap, the Government's 2024 Budget announcement outlined the introduction of the new specialist disability employment program commencing on 1 July 2025.

This followed stakeholder consultation over the past two years on Disability Employment Services Reforms, or DES Reforms for short.

In May this year, Minister for Social Services, Amanda Rishworth, held a public briefing where she presented her vision for reform of the disability employment sector.

This was then followed by a thorough Exposure Draft process on the RFT where feedback was collected from a range of stakeholders.

Today we will review the key changes that occurred as a result of that consultation.

This timeline sets out the indicative dates for the approach to market Request for Tender (RFT):

- The RFT was released on 4 October 2024.
- The deadline for Respondents to submit questions/requests for RFT clarification is on Wednesday 23 October at 5.00pm Australian Eastern Daylight time.
- The closing date and time for submitting tender responses to the RFT is Wednesday 30 October at 12.00pm AEDT time.
- The notification of tender outcomes is expected to be in March 2025.
- Commencement of the transition period to the new program is expected to be in April 2025.
- The new program will commence on 1 July 2025.

#### **Slide 6 – The New Program – Overview**

Many of you will be very familiar with the New Specialist Disability Employment Program design. Here is a brief summary of the new program to remind you of the key components.

The new program will focus on assisting people with disability, injury or health condition to prepare for, find and maintain sustainable employment in the Open Employment market. The new program will put Participants at the centre of the service and Employers as key partners.



This program takes a person-centred, case management approach to services for Participants. Participants in the new program will have a wide range of needs and some will require more support than others. Providers of the new program will be expected to customise their services to Participants in order to meet their employment goals.

The new program implements the following key changes:

- simplifies through combining 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 so servicing better reflects individual Participant needs.
- 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 and updated payments model.
- introduces more active market stewardship.
- introduces an improved ICT solution to enable Providers to support Participants and Employers more efficiently, and
- Focuses on continuous improvement by supporting capacity and capability through the Capacity Building Fund and Centre of Excellence.

### **Slide 7 – Key changes form the Exposure Draft**

We received a lot of feedback from the Exposure Draft. It demonstrated the commitment of stakeholders to seeking better employment outcomes for people with disability. We really appreciate all stakeholders who took the time to engage. The Department has worked hard to consider all of the feedback and make adjustments to ensure clarity and to respond to the issues raised.

In summary, here are the key changes from the Exposure Draft – each of which will be covered in greater detail through the presentation.

The Deeds for the new program will now be for an initial term of five years from 1 July 2025 to 30 June 2030 with the option to offer extensions for up to an additional 2 years. This is a change from a 3-year contract with up to a 3-year extension.

We heard strong feedback about the terms 'general' and 'specialist' Providers. This wording has been amended to Specific Cohort Providers and All Cohorts Providers to better reflect the two Provider types.

The terminology of Job Plan types has also been updated. There are now two specific Job Plan types for Participants with Mutual Obligations. Participants may move between both Job Plan types, pending certain requirements being met:



1. Job Plan (Meaningful Engagement).
2. Job Plan (Detailed) - which contains listed mandatory requirements.

Funding adjustments due to indexation and a review of the Participant Investment Funding Model, and other minor modelling updates.

Introduction of Market Share for Specific Cohort Providers seeking or expected to be more than 10% (*drafting note: please note this should be 10% or more, please refer to information on the slide*) of all caseload in an Employment Service Area.

Smaller Specific Cohort Provider will nominate a Maximum Caseload in each Site within an ESA to which the Respondent is tendering for.

Respondents may nominate broad Specific Cohort categories such as mental health or neurodivergent or a more targeted Specific Cohort such as spinal cord injury.

We have improved clarity around Provider staff qualification requirements, including allowing units or micro-credentials within a related qualification in addition to accredited certificates. We have also made it clear that it is not mandatory for Provider staff to hold accredited qualifications.

Under the new program, a Capacity Building Fund will be established to assist small not-for-profit organisations to participate in the new program and support greater diversity among Providers. More information on the Fund will be provided in later slides.

All Respondents who wish to submit a Tender must meet the Conditions for Participation and Minimum Content and Format Requirements. This too will be discussed later in the briefing.

## **Slide 8 – Market Structure**

Let's go over market structure.

The Government is seeking to procure a diverse network of Providers who offer high quality expert services to Participants and Employers.

This will include attracting Providers with deep expertise in working with a Specific Cohort of Participants.

We also received feedback on balancing ESAs with All Cohorts Providers and Specific Cohort Providers who may represent a large proportion of the caseload.

It is important to note that a Participant will be able to exercise their choice of Provider at the point of referral or at any time and not be hindered by Market Share.

Another key aspect of the market structure is an expectation of Providers to demonstrate leadership in employing people with a disability in both their staff and leadership.

Providers are expected to offer expert services to Employers on employing people with a disability and should be leading by example.

Providers will also be expected to engage people with disability in the design and continuous improvement of their service delivery.



How they will achieve this is a part of the selection criteria and their commitments will form part of their ongoing service delivery obligations under the Deed.

## Slide 9 – Types of Providers

So, let's discuss types of Providers.

You provided us with feedback that the terms 'generalist' and 'specialist' Providers were not fit for purpose. You shared that these terms did not recognise generalist Providers are specialists in servicing all people with a disability. You also shared that the term 'generalist employment Provider' may confuse people with the services provided by Workforce Australia.

In response, the new terms 'All Cohorts Providers' and 'Specific Cohort Providers' have been incorporated into the RFT to better reflect the two types of Providers. These terms are still subject to some market testing. Organisations wishing to be a Provider of the new program must choose to be either a Specific Cohort Provider or an All Cohorts Provider.

**All Cohorts Providers**, or specialist disability employment services for all Participant cohorts, will deliver services to all eligible Participants irrespective of the nature of their disability, injury or health condition.

Respondents tendering to be All Cohorts Providers are required to tender to deliver services for the whole ESA and cannot tender for part of an ESA. This does not mean Sites must be in all locations in an ESA, rather the organisation must be willing to service Participants, regardless of where they come from across the ESA.

**Specific Cohort Providers** will deliver services to a specific group of eligible Participants defined by their personal characteristics (for example, Aboriginal and/or Torres Strait Islander or youth) and/or disability type (for example, intellectual disability, or autism). Specific Cohort Providers must only select one cohort group in their response and will demonstrate a deep, historical expertise and experience in supporting this cohort group of Participants.

Expertise in the cohort may arise from providing services and support other than employment services. The Respondent would still need to demonstrate that they will be able to deliver quality disability employment services to the specified cohort.

There was a diversity of views with respect to broad cohort specialist categories. The main concern expressed was potential for large Specific Cohort Providers to create uncertainty in market shares for All Cohort Providers.

It was also identified some categorisations such as physical disability were very broad and did not lend itself to specific expertise. Whereas mental health did have specialists that worked across the cohort and offered benefits from more integrated servicing.

In response, organisations will now be able to nominate to provide Specific Cohort services to broad categories, such as neurodivergence, as well as more targeted categories such as vision impairment. In particular, organisations can now nominate 'mental health' as a Specific Cohort. A broad category of physical disability continues to be excluded.



When bidding for a service within an Employment Service Area, Respondents will be asked to specify Site locations and the level of coverage they expect to achieve across an Employment Service Area.

- All Cohorts Providers will be required to support full market coverage for an Employment Service Area.
- Specific Cohort Providers may elect not to deliver their services across an entire Employment Service Area.

A Respondent may also deliver Specific Cohort Provider Services across Employment Service Area boundaries, using a 'Hub and Spokes' Model, where one Employment Service Area is nominated as the central 'Hub' with Full-Time or Part-Time Sites and 'Spoke' ESAs are delivered through Full-Time, Part-Time or Outreach Sites.

A nearby ESA may be adjacent or in reasonably proximity to the ESA, for example, Canterbury Bankstown ESA and Inner Sydney ESA, but not in very different areas such as a Sydney 'Hub' and Brisbane 'Spoke'.

Specific Cohort Providers will be promoted to Participants during the Services Australia Referral process, where relevant.

### **Group Respondents**

Group and Subcontractor Respondents must also choose to be either a Specific Cohort Provider or an All Cohorts Provider when submitting a Tender, except in limited circumstances.

To clarify, Group Respondents and Respondents with Subcontractors can deliver more than one type of Specific Cohort Provider services in one Employment Service Area.

This supports the objective of a diverse market. It recognises some smaller organisations may benefit from leveraging the corporate support of a large organisation or as part of a group.

With regard to Group Respondents, the Department will accept Tenders from a group of legal entities as a consortium, joint venture, partnership, or some other form of alliance to deliver the Service.

It is important to note that each member of the Group must individually satisfy the conditions for participation in the Request for Tender, otherwise the entire Group will be taken to have not satisfied the conditions for participation.

A Group Tenderer must specify in its Tender the business structure and arrangement under which it proposes to deliver the services. There must be a lead member to lodge the Tender on behalf of all members of the Group.

The lead member entity must be authorised to negotiate, act on behalf of and contractually bind each member of the Group.

Each member of the Group must confirm the authority of the lead member entity in writing to contractually bind and act on its behalf to the Department as part of the Group Tender. The member's written confirmation is to detail the scope of the lead member's authority.



## Slide 10 – Caseload and Market Share

Let's discuss caseload and Market Share.

All Cohorts Providers will have Market Share in each ESA where they are awarded business.

Specific Cohort Providers may apply for either Market Share or Maximum Site Caseload depending on the available business in an ESA and how much they want to nominate for their bid.

**Market Shares** enable the equitable distribution of referrals to Providers operating in an ESA based on their caseload size.

- A tolerance setting of 30% is applied allowing Providers to receive referrals above their contracted share.
- Referrals are preferenced to Providers operating 30% below their contracted share.

The **Maximum Site Caseload** represents a capacity limit for the Provider and is not the 'expected caseload in the ESA'.

For example, an ESA has with an active caseload of 3,000 Participants, 10% of that would be 300 Participants. The ESA has an estimated population of 200 Participants with Autism. The Respondent is proposing to have one Full-Time Site and one Part-Time Site. It is estimating 150 Participants may choose or be referred to them in their ESA.

The Full-Time Site they plan to operate will have a maximum capacity of up to 130 Participants and the Part-Time Site could service 80 Participants. As a small Specific Cohort Provider, they nominate their Maximum Site Caseloads as 130 and 80 respectively.

## Slide 11 – Specific Cohort Providers – Market Share or Site Maximum Caseload in an ESA

So, let's dive a bit deeper into when a Specific Cohort Provider may choose to apply for either Market Share or Site Maximum Caseload in an ESA.

When bidding for business, a Specific Cohort Provider will need to consider whether they are applying to be a large Specific Cohort Provider or small Specific Cohort Provider in each ESA they nominate to service.

A Provider will need to apply to be a large Specific Cohort Provider in an ESA when they expect and want to service a caseload size that represents 10% or more of all available caseload in that ESA.

Large Specific Providers will then be subject to Market Share Arrangements in that ESA and they should nominate a minimum and maximum Market Share they wish to tender for. The minimum should be an amount lower than the estimated population of the Specific Cohort

A Provider will apply to be a small Specific Cohort Provider in an ESA when their offered caseload size for their nominated cohort is less than 10% of all new program business in the ESA.





A small Specific Cohort Provider in an ESA will not be subject to Market Share arrangements, but instead will be subject to a nominated Maximum Caseload at each Site in that ESA.

To be clear, the same Specific Cohort Provider may operate with Market Share in one ESA where, for its cohort, it has at least 10% of the new program business and with Site Maximum Caseload in another ESA where, for its cohort, it has less than 10% of the business.

This also applies for each ESA for those delivering under a 'Hub and Spoke' model.

For example, a Respondent may nominate Cairns as a central ('Hub') ESA to operate as a First Nations Specific Cohort Provider with Full and Part-Time Sites. They expect an active caseload of greater than 10 per cent of all ESA business and apply for a Market Share range of 15 to 20% of the Cairns ESA business.

The Respondent may also wish to deliver services in the adjacent 'Spoke' ESA of Townsville via an Outreach Site, but only want to provide services to a maximum of 75 Participants.

In this instance, the Respondent may apply for a Maximum Site Caseload of 75 Participants in the Townsville ESA.

To be clear, the 10 per cent refers to the total ESA business and not to the proportion of the Participant cohort in an ESA.

## **Slide 12 – Adjustment to Fees**

Now let's take a look at the upcoming program fee adjustments.

The high level take aways are that:

- The new program's fee structure has been designed to maintain Budget neutrality.
- The new program allows for a small increase of an estimated 15,000 new Participants each year.
- This was balanced by reducing the work required and associated funding for Participants who are engaging in the flexible service offer.
- Indexation has been applied for 2024-25 and will continue to apply annually through the contract, including on commencement on 1 July 2025.
- In addition, the Department completed a review of the Participant Investment Funding Model to capture recent data and reassess the parameters producing individual funding level. This has resulted in Participants being reprofiled for the new program (more on this later).
- The Funding Model also had some other minor refinements, including reflecting the removal of the two year program limit.
- These changes have led to some minor increases in the fees.

## **Slide 13 – Overall Fee Adjustments**





So, the overall snapshot of fee adjustments under the new funding model include:

- Service Fees were only indexed. Stakeholder feedback from the Exposure Draft indicated more weighting should be available for Outcome Fees to meet program objectives to incentivise Employment Outcomes.
- Around 21% increase in 12-week outcomes (excluding indexation)
- Around 7% increase in 26-week outcomes (excluding indexation) .

The adjustment to 12 week and 26 week outcomes was prioritised given the feedback around financial viability.

- Increase to Moderate Intellectual Disability Payments (MIDPs) for 12-week outcomes – by including funding from the 4-week Outcome payment to the 12-week MIDP Outcomes.

The overall funding profile is now estimated to be around 48.3% Service Fees, 45.4% Outcome Fees and 6.3% Progress Fees.

### **Slide 14 – Participant Investment Funding Model (PIFM)**

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

- It has been simplified with fewer variables
- Captures recent DES experience and future expected experience
- Removes allowance types and Jobseeker Classification Index Score (JSCI) score.
- Factors previously captured as part of the JSCI are now included as individual components including:
  - a) Volunteer, Cultural and Language Diversity, Ex-offender and Indigenous variables.
  - b) Regional employment market factors.
- Some factors were refined, including Time Since Last Employment.
- targeted re-assessments to reduce administration will be introduced.

The age of the Participant also continues to be an important variable.

The distribution of Participants at each band in the new model is designed to meet the profile previously communicated.

### **Slide 15 – Current Participants**

Current Participants who transition to the new program into Pre-Employment Support will be re-profiled under the new PIFM.

This means some Participants will have a different funding level from 1 July 2025.



It was considered this was the fairest approach and would avoid major inconsistencies in funding levels for Participants.

The current caseload based on the RAFL distribution was weighted more heavily to the higher funding levels. These shifts created a change to the overall funding and this has been redirected into the increased fees we have described.

Participants in Post Placement Support or Ongoing Support will maintain their current funding level unless they fall out of employment and are returned to Pre-Employment Support, after which they will then be re-assessed under the PIFM.

### **Slide 16 – Here is a summary of the impacts of PIFM re-profiling**

- Table 1 provides an indicative overview of the movements between the Risk Adjusted Funding Model and the new PIFM.
- It sets out the estimated proportion of active participants in Employment Assistance who will remain at the same funding level or shift to a new funding level under PIFM.
- For example, the table shows 40% of participants with a Funding Level 1 under the Risk Adjusted Funding Model are expected to retain a Funding Level 1 under the new PIFM. A further 49% will move to a Funding Level 2, and 9% to a Funding Level 3, under the PIFM model.
  - o Our analysis suggests the change has gone some way to addressing previous weaknesses in the model for some cohorts such as people with an Intellectual Disability
- It should be noted that these figures are indicative and based on the Employment Assistance caseload on 31 March 2024. The actual movements will reflect the caseload profile on a date closer to the start of the new program.

### **Slide 17 – Service Fees**

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

- They reflect indexation and will be further indexed as at 1 July 2025.
- There continues to be five Funding Levels for Service Fees in the Intensive Stream, determined for each Participant by the PIFM.
- Service Fees will be calculated on a daily basis and paid monthly in arrears after each 28-days of Pre-Employment Support.
- To support Providers to commence operations, the Department will be offering Providers an optional, one-off, advance payment of the Service Fees upfront at the commencement of the new program.
- The amount available will be equivalent to up 12 weeks of Service Fees based on the indicative caseload allocated through the transition process.
- Providers will be able to accept an amount up to 100% of the upfront amount offered.



- The upfront advance will be offset against Fees generated by the Provider commencing 1 September 2025, to be fully offset by 30 June 2026.

### **Slide 18 – Progress fees**

Progress Fees have been introduced to recognise improvements to Participant's work readiness and progress towards Employment through the provision of Services under the new program.

The progress Fee reflects indexation as at 1 July 2024 and will be indexed again on 1 July 2025. Progress fees include:

- achievement of 4-weeks of Employment.
- completion of paid work experience, including shorter jobs that may be non-ongoing and work in a social enterprise.
- attainment of a Certificate II, where the Participant does not already hold a year 12 or equivalent qualification. Otherwise, attainment or participation in a Certificate III or higher qualification, or
- undertaking an approved activity that builds work readiness.

Up to 2 Progress Fees may be claimed for a Participant in a 12-month period, however only one of the 2 payments can be claimed for education and training.

### **Slide 19 – Outcome Fees**

Updated Outcome Fees for the new program are specified in Table 3 of this slide.

- These fees reflect current indexation and will be further indexed on 1 July 2025.
- Outcome Fees will be available for a Participant achieving Employment for 12, 26 and 52 weeks duration and can either be for Full or Partial Outcomes depending on a Participant's benchmark hours.

### **Slide 20 – Moderate Intellectual Disability (MID) Payment**

The updated Moderate Intellectual Disability or MID Payments for the new program are specified in Table 4 on this slide.

- As with the other fees, they reflect current indexation will be further indexed on 1 July 2025.
- The MID Payment will continue to be an additional payment to the outcome fee. It can be claimed when a Participant with moderate intellectual disability meets the requirements of a Full Outcome for employment of at least 15 hours per week.
- This MID payment is a stretch target which offers substantive employment to Participants of 15 hours or more per week.

### **Slide 21 – Ongoing Support Fees**

The updated Ongoing Support payments for the new program are specified in Table 5 on this slide. These will be further indexed on 1 July 2025.



- Ongoing Support will be available to employees with disability who require support to maintain their employment and can be delivered at a Flexible, Moderate and High Support level.
- Increased flexibility in contacts will be introduced to support tailored servicing, whilst maintaining minimum service standards and targeted re-assessments to reduce administration will be introduced.

## **Slide 22 – Performance Framework**

The Department will use a Performance Framework to ensure the delivery of a quality service, supported by a Scorecard to inform us about the effectiveness of the Service that you are providing against the Key Performance Indicators.

The Performance Framework for the new program will be based on the recently developed Performance Framework, noting that there will be some adjustments to reflect the new program where required.

Each Domain has one or more Measures that represent outcomes to be achieved.

Each Measure has one or more Indicators which determine how performance will be assessed. All indicators will be calculated at the individual contract level, Provider level and program level.

Further information on the current Framework can be found on [dss dot engage dot gov dot au](https://dss.gov.au/engage).

## **Slide 23 – National Standards of Disability Services**

The National Standards of Disability Services or NSDS are the compliance standards for regulated activities under the *Disability Services and Inclusion Act or DSI Act*.

The new program is considered a regulated activity under the DSI Act and therefore all Providers must comply with the NSDS.

It is important to note that the DSI Act requires that all Providers obtain a new Certificate of Compliance under the new program commencing from 1 July 2025.

This is regardless of whether or not a Certificate of Compliance is held for the current DES program.

Providers will not be required to have the Certificate of Compliance before the new program starts.

The date at which a Provider needs to obtain a Certificate of Compliance will be determined by the Department.

The Department will consider appropriate transition arrangements for existing Providers.

## **Slide 24 – Capacity Building Fund**

Under the program, a Capacity Building Fund (which we will refer to as the Fund) will be established to support greater diversity among Providers by assisting small organisations to participate.



To access the fund, Providers must meet eligibility requirements including:

- meeting the definition of small business using the Australian Tax Office definition, **and**
- They are a not-for-profit organisation.

Up to \$150,000 will be available to each eligible Provider.

The Department may approve funding to be used on a range of supports such as:

- financial support to achieve National Standards for Disability Services (NSDS) certification and Right Fit For Risk (RFFR) accreditation.
- support for building organisational leadership and mentorship arrangements.
- business advisory and management consulting services.
- financial planning or accounting services.
- essential IT equipment, and
- Provider staff training and other relevant training and development services.

***[Handover to Sonya to talk about the tender process]***

My name is Sonya McCarthy, Acting Branch Manager of Disability Employment Implementation, at the Department of Social Services.

I am a woman with blonde hair, glasses and I'm wearing a black top with a red jacket.

**Slide 25 – Request for Tender Process – Lodging a Response**

I'll now go through the key aspects of the RFT process.

The RFT process for the program is being conducted through an open tender process.

I will go through these in some detail. It is important that you read the relevant parts in the RFT. They are quite technical as a result, so please bear with me.

Throughout the next few slides, I will refer to a Respondent. What I mean by this is the organisation or body that prepares a tender bid or response to the RFT and submits it.

Lodging a response to the RFT will constitute an offer by the Respondent to provide the Services on the terms and conditions set out in their response and the Draft Deed. It is the document that the Department will use for the evaluation.

When lodging a response, there are a few aspects that you need to be aware of.

The RFT document includes Conditions for Participation and Minimum Content and Format Requirements.

Respondents must satisfy these elements for their response to be evaluated.

The RFT includes information about Employment Service Areas and coverage. For this process Providers are being sought to provide the new program in 111 ESAs.



Maps of each ESA are available in Appendix C of the RFT and in response to feedback, Appendix D provides indicative numbers of All Cohorts and large Specific Cohort Providers in an ESA. To be clear, it is indicative and may change based on the responses received to the RFT.

## **Slide 26 – Request for Tender process – evaluation of responses**

In assessing Tenders, the Department will act:

- in accordance with the Commonwealth Procurement Rules which are publicly available from the Department of Finance website at [finance.gov.au](http://finance.gov.au); and
- and ensure it remains fair and consistent in its dealings with all Tenderers.

The Department has engaged the law firm Ashurst to provide independent probity advice on the conduct of this Tender process.

The Tender evaluation process will be undertaken in the following manner noting that some of these stages may be conducted in parallel or in a different order as necessary.

At any stage of the evaluation process, Respondents or nominated Subcontractors may be contacted to clarify aspects of their Tender or seek additional information. This contact will be on a confidential basis and does not mean the Department will be offering a Deed to the Respondent.

The Department also reserves the right to exclude from consideration any Tender response that is incomplete or clearly non-competitive at any time during the evaluation process at the Department's absolute discretion.

### Stage 1:

Upon receipt, Tenders will be screened to determine whether they were received by the closing date and time; are complete; and comply with the Minimum Content and Format requirements and Conditions for Participation.

One notable Minimum Content and Format requirement is the Statement of Tax Record. A failure to provide all required Statement of Tax Records will result in a Tender being excluded from further consideration.

### Stage 2:

The Department will then assess Tenders against the evaluation criteria set out in Section 5 of the Request for Tender

### Stage 3:

Right Fit For Risk (RFFR) assessment: The Department, with the assistance of the Department of Employment and Workplace Relations (DEWR), will consider the status of a Respondent's RFFR accreditation, or readiness to achieve RFFR accreditation under the External Systems Assurance Framework (ESAF).

### Stage 4:



Tenderers will also be assessed on the extent to which they have the financial and corporate capacity to fulfil the Deed obligations and potential financial or credential risks to the Commonwealth if a Deed is entered into with the Tenderer.

#### Stage 5:

Tenderers will be assessed as to whether their proposed Indigenous Participation Plan will meet the Mandatory Minimum Requirements for Indigenous Participation. This includes targets for Indigenous employment and the use of Indigenous suppliers, should they be successful in receiving a Deed.

#### Stage 6:

Achieving value for money will be the core principle and it underpins all government procurement. The factors the Department will consider in making its value for money assessment include:

- the selection criteria assessment results.
- assessment of the breadth of coverage to maximise access for individuals, Employers and stakeholders.
- available performance data including current Departmental data or data held by other government agencies, and
- considerations of the Indigenous Participation Plan.

#### Stage 7:

Following the closing date and time of the RFTs, the Department may enter into negotiations or discussions with one or more Tenderers including in relation to terms and conditions of the Deed, or any other matter. The Department may also discontinue negotiations or discussions with a Tenderer, whether or not the Tenderer has been notified that it is the successful Provider.

### **Slide 27 – Indigenous Procurement Policy**

The Indigenous Procurement Policy or IPP helps stimulate Indigenous entrepreneurship and business development, providing Indigenous Australians with more opportunities to participate in the economy.

The IPP applies to this tender – through Mandatory Minimum Requirements and Mandatory Set Aside requirements.

#### **Mandatory Minimum Requirements**

All Tenders will be evaluated based on the Respondent's:

- past performance and/or demonstrated commitment in relation to increasing Indigenous participation, including, if relevant, by having regard to the Respondent's past compliance with any Mandatory Minimum Requirements, and
- proposed Indigenous Participation Plan and the extent to which it will meet the Mandatory Minimum Requirements in the Indigenous Procurement Policy.





All Respondents to the new program RFT will need to attach an Indigenous Participation Plan as part of its Tender response.

The Indigenous Participation Plan will be assessed as to whether a Respondent meets the Mandatory Minimum Requirements, including targets for Indigenous employment and the use of Indigenous suppliers.

### **Mandatory Set Aside requirements**

The Mandatory Set Aside requirements or MSAs applies to 'remote procurements'.

This is defined as a contract where the majority of the value of the goods and services will be delivered in a remote area, which is, an area identified Remote Indigenous Procurement Policy (RIPP) map on the National Indigenous Australians Agency website and niaa dot gov dot au.

The Department identified 9 ESAs that intersect with the remote regions. These are:

- Far West NSW (Broken Hill)
- Mt Isa QLD
- Goldfields / Esperance WA
- Mid-West and Gascoyne WA
- Kimberley WA
- North Country SA
- Port Lincoln / Ceduna SA
- Darwin NT
- Alice Springs NT

In line with the MSA requirements, Tenders received from Indigenous small to medium enterprises in these ESAs will be considered for offers of business before Tenders from other Respondents for those ESAs.

### **Slide 28 – How will Tenders be assessed?**

The evaluation process will be based on the weighted and unweighted evaluation criteria and will determine which Tenderers provide the best overall value for money proposition.

Unweighted criteria are described in section 5 of the RFT.

Weighted evaluation criteria are also called selection criteria and are described section 5 of the RFT.

In relation to the weighted selection criteria, please make sure you consider these weightings when drafting your responses.

Now I'll take you through the selection criteria. Tenderers will be required to provide claims against the selection criteria in three areas of capability. They are:



- organisational capability
  - tailored services
  - local knowledge and connections.
- Tenderers are required to respond to targeted questions under each area of these capabilities and choose:
    - the ESAs for which they are bidding to deliver the service; and
    - whether they are proposing to deliver services for all or part of the ESA. If they are tendering for only part of an ESA, they must indicate the relevant postcode area for which they are tendering to deliver services.
  - Tenderers must answer each selection criterion as a discrete response and avoid cross-referencing of other selection criterion responses, noting that each selection criterion will be read and assessed in isolation.
  - You may however repeat information under each criterion if relevant providing you do not exceed the character limit.
  - I will go through the character limits and weighting of each criterion shortly.
  - It is important that Respondents only respond to the criteria and sub-criteria that reflect the business they are bidding for.
  - Respondents should include evidence such as case studies, examples or relevant data to support their responses.
  - In responding to the selection criteria, Respondents should refer to the Statement of Requirements in the Request for Tender.

There are separate selection criteria for Specific Cohort Providers and All Cohorts Providers which will be outlined in the next slides.

## **Slide 29 – Organisational Capability (SC1)**

Criterion 1 asks Respondents to demonstrate how its organisational management, governance framework and delivery approach will ensure performance and deliver quality disability employment services. Respondents should address each of the sub-criteria in their Response.

Selection Criteria 1 should be completed once at the organisation level. It has a 30% weighting and total character limit of 20,000 characters.

This criterion seeks information from the Respondent on how its organisational management, governance framework and delivery approach will ensure performance and deliver quality disability employment services. Respondents should address each of the sub-criteria in their Response.

For those responding as an All Cohorts Provider, you will need to demonstrate how you will deliver tailored disability employment services and create a culture that places Participants



and Employers at the centre of the service delivery design. It is proposed that this criterion asks the Respondent to:

- demonstrate knowledge and experience in providing services to people with disability;
- demonstrate governance arrangements, communication strategies, organisational management, accountability structures and delivery approach;
- describe how your organisation will recruit, train and retain qualified and experienced staff to work with Participants with differing work capacity due to their disability;
- demonstrate how your organisation provides leadership in disability employment; and
- demonstrate in quantitative terms your organisation's experience and achievements.

Now for the Specific Cohort Selection Criterion 1 which should also be completed once at the organisational level.

This criterion also seeks information from the Respondent on how its organisational management, governance framework and delivery will ensure performance and deliver quality disability employment services to the specified cohort. Respondents will need to:

- Demonstrate how their organisation has deep knowledge and experience in providing services to the specified cohort
- demonstrate governance arrangements, communication strategies, organisational management, accountability structures and delivery approach
- describe how your organisation will recruit, train and retain qualified and experienced staff to work with Participants with differing work capacity due to their disability
- demonstrate how your organisation provides leadership in disability employment and
- demonstrate in quantitative terms your organisation's experience and achievements.

The Specific Cohort selection criteria character limit is 20,000 characters, with an additional 2,000 characters for Group Respondents and Respondents proposing to deliver services to more than one cohort through members or Subcontractors, as applicable.

The Criterion 1 weighting for Specific Cohort Providers is also 30 per cent.

### **Slide 30 – Tailored Servicing Strategies (SC2)**

The second selection criterion is about tailored servicing strategies.

This criterion seeks information on the Respondent's service delivery model for Participants and Employers and how it will deliver tailored disability employment services and create a culture that places Participants and Employers at the centre of the service delivery design. Respondents should address each of the sub-criteria in their Response.

For both All Cohorts Providers and Specific Cohort Providers, the criterion is worth 35% and should be answered once at the organisational level.

It is proposed that this criterion asks the Respondent to:



- Describe the disability employment service model that will be offered to Participants and Employers
- Describe how the organisation will achieve quality sustainable employment outcomes for Participants
- describe how it will deliver a Flexible Service Offer to encourage ongoing engagement and participation of people with a disability; and
- describe specific strategies as to how its organisation will service and support Participants not on income support and those with a Future Work Capacity of 0-7 hours.

The total character limit for selection criterion 2 is 20,000 characters.

### **Slide 31 – Local Strategies for Employer and Participant Engagement (SC3)**

The third selection criterion is about local strategies for Employer and Participant engagement. The weighting for this criterion is 35%.

This criterion seeks information on the Respondent's approach to implementing local strategies and collaborative arrangements in their chosen ESAs to achieve sustainable outcomes for people with a disability and to support the workforce needs of Employers. Respondents should address each of the sub-criteria in their Response.

For **All Cohorts Providers**, this criterion must be completed for each ESA a Respondent wishes to deliver services in. The character limit for All Cohort Providers is 20,000 characters per ESA.

For **Specific Cohort Providers**, Respondents should address this criterion:

- For each ESA they wish to deliver services in, or
- If proposing to deliver through a Hub and Spoke Model, respond once for each relevant group of ESAs in adjacent or near proximity.

For example, a Respondent may nominate a central ESA with physical Sites identified, which will be the Hub, and deliver services across adjacent ESAs, for example through Outreach Sites.

In this selection criterion, the Respondent must demonstrate how they will deliver quality services across the Hub and Spoke model to Participants and Employers.

The character count for this selection criterion is 20,000 characters for each ESA, or, for each group of ESAs if delivering through a Hub and Spoke Model.

### **Slide 32**

Respondents should use relevant data in their Tender response to clearly support their claims.

During the evaluation, the Department may use all available relevant data held by the Commonwealth about a Respondent to validate these claims.



This may include outcomes, quality, performance and compliance data.

The Department acknowledges that the new Performance Framework is a new approach, including new measures and will consider this context throughout the evaluation. It will not be the sole data source or be given higher weighting than other data sources.

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.

### Slide 33 – Tendering rules

Other than for limited exceptions which I will talk about on the next slide, Respondents must only bid for either a Specific Cohort Provider or All Cohorts Provider. This applies at the national, as well as individual ESA level.

To reiterate:

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

### Slide 34 – Tendering rules – continued

As mentioned on the previous slide, there are exceptions. The exceptions apply for Group Respondents and Subcontracting arrangements.

A group of legal entities may respond as a consortium, joint venture or some other form of alliance ('Group Respondent') to deliver Services under the program. A Group Respondent **must** specify in its response the business structure and arrangement under which it proposes to deliver the Services (for example consortium, joint venture, etc.)

Subject to meeting specific criteria, a Group Respondent may tender to be:

- both a Specific and All Cohorts Provider for the same ESA (instead of having to select one of the two), **OR**
- an All Cohorts Provider and to provide one or more Specific Cohort Provider Services in multiple ESAs, **OR**
- for Specific Cohort Provider Services for different ESAs for different cohorts, including for one or more cohorts in the same ESA.

This can only occur:

- where one or more members of the Group Respondents is criteria specialist disability organisation



- when tendering for Specific Cohort Provider business in an ESA, the nominated specialist disability organisation/s will be responsible for the front-line delivery for all of the Services to Participants in their specified cohort allocated to that Group Respondent.
- if successful, the nominated organisation/s which become Specific Cohort Provider/s will remain as separate legal entities for the duration of the Deed, and

if the Group Respondent is successful in being awarded Specific Cohort Provider business in an ESA, the Group members agree that it is a fundamental term of the offer of business that the nominated member/s will carry out the front-line delivery of the Services to Participants in the nominated member's specified cohort that are allocated to that Group Respondent, and any change to the front-line delivery arrangements of the Group Respondent for that ESA must not occur without the Department's prior written agreement.

The Tender that is submitted by the Group Respondent must clearly outline each particular cohort for which it is seeking to provide Services.

Similar arrangements apply for Respondents tendering to deliver services to Specific Cohorts through Subcontractors that are specialist disability organisations.

For example, for the Manning ESA, a Respondent may tender to provide both All Cohort Services through their primary organisation and as a Specific Cohort Provider for Participants with autism through a Subcontractor relationship with a specialist disability organisation who has expertise in servicing people with autism.

The specialist disability organisation for autism will deliver the frontline services for Participants with autism and must continue to deliver these services for the duration of the Deed.

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

For this purpose, a Tender from one entity and a separate Tender from another entity 'controlled' by the first entity will be treated as alternative Tenders, and both will be excluded.

For clarification, Tenders submitted by 2 entities which are both 'controlled' by the same entity, and the 'controlling entity does not Tender, i.e. the two tendering entities are Related Entities, will not be considered as alternative Tenders as long as they are for different ESAs. Similarly, two Related Entities may each be engaged as Subcontractors, provided they will operate in different ESAs.

**IMPORTANT:** Where a Respondent retains its legal identity as a member of a Group Respondent, the Respondent cannot submit another individual Tender for the same ESA which it has responded as part of the Group Respondent.

There is an exception in that a Subcontractor may be nominated as part of a Tender by one or more Respondents for the same ESA. A nominated Subcontractor may also submit a Tender in its own right in that ESA.

## **Slide 35 – Financial Viability and other checks**



The Department may perform security, probity and financial investigations as necessary in relation to any Respondent, its employees, officers, partners, associates, Subcontractors or Related Entities.

Respondents must satisfy the Department of their financial viability to meet the requirements of the RFT.

Respondents must also provide information to allow the Department to undertake a credentials check on the organisation.

## **Slide 36 – Legal and Other Matters**

### Conditions of lodgement

It is the Respondent's responsibility to ensure that it has met these requirements when lodging the RFT. For example, you will need to:

- read the entire RFT.
- make your own inquiries regarding the risks, contingencies and other circumstances that may impact on your decision to submit a response.
- satisfy yourselves as to the terms and conditions of the Draft Deed and ability to comply.
- make your own assessment and investigations.
- take note of the closing date and time.
- satisfy yourselves the response is complete, accurate and provides the necessary information to be assessed.
- keep a copy of the submitted response and attachments.

### Compliance with legislation and government policies

- Providers must comply with the DSI Act, all relevant laws and requirements of any Commonwealth, state, territory or local authority, and any other relevant government policies in the provision of the new program, including those outlined in Section 9 of the Request for Tender.

### Indigenous Procurement Policy

Respondents should note that the Indigenous Procurement Policy applies to this procurement. Further information on the Indigenous Procurement Policy is at [niaa.gov.au](http://niaa.gov.au).

As mentioned earlier, Tenderers for All Cohort Providers and Specific Cohort Providers will be evaluated based on the Respondent's Indigenous Procurement Policy

Some ESAs may intersect with remote areas identified in the Remote Indigenous Procurement Policy map, which the Mandatory Set Aside requirements may apply

### Probity





Respondents must also ensure compliance with all relevant laws and government policy in preparing and lodging tenders and taking part in the RFT process.

The Department is committed to conducting a fair, honest and transparent process for the procurement of services for the new model.

The Department has appointed Ashurst Law as the external Probity Adviser. The role of the Probity Adviser is to advise the Delegate on the probity and integrity of the procurement processes.

### **Slide 37 – Procurement Process**

Now let me take you through the procurement process itself. As you will note in the procurement documentation, Providers of the new service will be selected through an open Request for Tender that will be conducted in accordance with the Commonwealth Procurement Rules (CPRs).

The approach for this procurement is consistent with the Commonwealth Procurement Rules and the Department's own internal policies and guidelines which ensure a fair and transparent process.

So please pay particular attention to the key dates as specified in the request for Tender, which I am about to take you through now.

- Respondents may submit questions to the Department by 5pm Australian Eastern Daylight Saving Time on Wednesday 23 October 2024 through DE2025Purchasing at [dss dot gov dot au](mailto:dss.dot.gov.au).
- Respondents should be aware that all questions received, and corresponding answers provided will be made publicly available. Those posing questions will not be identified. This will ensure all potential Tenderers are given equal access to information regarding the RFT process.
- The Request for Tender will close at 12 noon Australian Eastern Daylight Saving Time on 30 October 2024.
- The Department will conduct the Tender submission evaluation process from the Tender close date with notification of outcomes to Tenderers anticipated in March 2025. For successful Tenderers, deeds are expected to be distributed soon after the outcomes notification.
- Service delivery is to commence from 1 July 2025.

#### Tender Lodgement

- This next bit is very important, the only way to submit a Tender is through AusTender which is the Australian Government's procurement information system.
- Organisations wishing to respond to this RFT must submit their Tender via AusTender, by the Closing Time specified in the RFT. Responses will not be accepted by any other means (including by hand, courier, post, facsimile, or email). Where there is any



inconsistency between the lodgement procedures set out on AusTender and those set out in this RFT, this RFT will prevail.

- Respondents are required to access and register via the AusTender website at tenders dot gov dot au, to access all related documentation. There is no fee for registering with AusTender.
- If a Respondent has obtained RFT documentation from a source other than AusTender, the Department does not guarantee the accuracy or currency of the documentation.
- It is the responsibility of Respondents to ensure that their infrastructure, including IT operating system and browser version levels, meet the minimum standards needed for AusTender.
- Neither the Department nor the government will take any responsibility for problems arising from Respondents' infrastructure and or internet connectivity.
- The Department will not accept Tenders by any other method. Tenderers should allow plenty of time to upload their Tender in the case that they may encounter technical difficulties.
- I would really like to stress that there is no scope for the Department to accept a late response. The only exception to this is where the circumstance of a late response is solely due to actions by the Department. For example, if we have a technical outage.
- Tenderers must address everything the RFT requires. So please make sure you refer to the RFT Tender checklist.

Tenders must be lodged before the Closing Time which is 12 noon Australian Eastern Daylight Saving Time on 30 October 2024. The Closing Time will also be displayed in the relevant AusTender webpage together with a countdown clock that displays in real time the amount of time left until Closing Time (for more information see the AusTender Terms of Use). For the purposes of determining whether a Tender has been lodged before the Closing Time, the countdown clock will be conclusive.

#### Tender File Formats, Naming Conventions and Sizes

The Department will accept Tenders lodged in Microsoft Excel 2010 (or above) in the format provided as the response template. Requested attachments, including your Respondent's Declaration, will be accepted in PDF format v4.1 (or above). 3.3.2.

The Tender file name/s:

- should incorporate the Respondent's company name; and
- should reflect the various parts of the Tender they represent, where the Tender comprises multiple files.
- Tender files should not exceed a combined file size of 5 megabytes per upload.

#### **Slide 38 – Summary**



Please ensure that you read the RFT, the Draft Deed, the appendices, and attachments very thoroughly before preparing your Tender.

Today's session is a brief overview of the contents of the RFT and you should do your own research and access other sources of information to assist in the preparation of your Tender.

Before completing your Tender, you must ensure that you have included all relevant documents and information, including all required forms and uploads.

Unfortunately, we are unable to take questions about the request for tender during today's session.

If you do need to get in contact with us regarding the tender, our email is DE2025Purchasing at dss dot gov dot au.

Thank you very much for joining us today.

We hope this webinar was helpful.