



**Australian Government**

**Department of Social Services**

# **DEED OF VARIATION**

To Official Order Number: 90012506

Between: COMMONWEALTH OF AUSTRALIA  
represented by the Department of Social Services

and The Boston Consulting Group Pty Ltd  
ABN 70 007 347 131

for: the provision of Review of Disability Employment Services  
and Research into Partial Capacity to Work payment rates

THIS DEED OF VARIATION is made on 14 August 2020.

## **BETWEEN**

**COMMONWEALTH OF AUSTRALIA (the Commonwealth)** as represented by the Department of Social Services (**the Department**)

**AND** The Boston Consulting Group Pty Ltd (**the Supplier**) ABN 70 007 347 131, an Australian company incorporated in accordance with the Corporations Act 2001 and having its registered office at Canberra, ACT.

## **PURPOSE**

- A. The Supplier and the Commonwealth, represented by the Department, entered into Official Order Number 90012506 dated 11 May 2020 (**the Contract**) for the provision of the Review of Disability Employment Services and Research into Partial Capacity to Work payment rates pursuant to and subject to the terms and conditions of Deed Number SON 3305648 between the Finance and the Supplier.
- B. The parties have agreed to certain variations to the rights and obligations contained in the Contract.
- C. The parties wish to formally record those variations in the form of this Deed of Variation.

## **IT IS AGREED**

1. The Contract is varied by the following amendments:

**Delete** item:

### **2. Ordered Services**

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The Supplier will undertake a mid-term review of the Disability Employment Services (DES) program and evaluate the impact of the reforms and the performance of the program in relation to:

- delivering the Government's policy objectives to improve the employment outcomes of people with disability
- supporting people with disability to find and retain supported and/or open employment
- the full array of disability needs and supports, including episodic and psychosocial needs
- contestability of service delivery in regional and remote Australia
- other existing and complementary employment service programs, and
- national and international best practice.

The Supplier will also undertake additional research into partial capacity to work, payment rates for people with disability, and any other potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system

- recommendations of previous reviews and their continued applicability, and
- any other matters the department deems relevant.

The Supplier will:

- provide a detailed project plan of an approach and methodology proposed to meet the objectives of the Review
- review and analyse literature, research, analysis and data. This includes information publicly available and available internally to the department
- engage with relevant stakeholders, including employers and participants; employer, disability and provider peak bodies; DES providers and interested government agencies
- provide the department ongoing research, which will be conducted over an eight-week period
- provide the department a report regarding the mid-term review of the DES program in two stages:
  - a draft report of the findings and recommended options for reform to the department and key government stakeholders, by 26 June 2020 and a final report no later than July 10; and
  - final completion of all services by 31 August 2020, and no later than 30 October 2020

The Supplier will include an assessment of whether the current model is an appropriate model for:

- **Participants**, to support them to identify and find sustainable employment suited to their skills and ability to work.
- **Employers**, to ensure there are appropriate supports, including from DES providers, to recruit and retain suitably skilled jobseekers with disability; and
- **Service Providers**, to ensure the focus is appropriately on the needs of participants and employers to maximise employment outcomes for people with disabilities.
- **Government**, by boosting the employment participation of people with disability, raising the productive capacity of the workforce and delivering a positive return on investment and value for money service.

To support the Review within the timeframe, the Supplier will be assisted by departmental subject matter experts and have access to readily available program and expenditure data, and recent research and analysis on the program.

of the Work Order, and **Replace** it with new item:

## 2. Ordered Services

---

The Supplier will undertake a **mid-term review of the Disability Employment Services (DES) program** and evaluate the impact of the reforms and the performance of the program in relation to:

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- supporting people with disability to find and retain supported and/or open employment

- the full array of disability needs and supports, including episodic and psychosocial needs
- contestability of service delivery in regional and remote Australia
- other existing and complementary employment service programs, and
- national and international best practice.

The Supplier will:

- provide a detailed project plan of an approach and methodology proposed to meet the objectives of the Review
- review and analyse literature, research, analysis and data. This includes information publicly available and available internally to the department
- engage with relevant stakeholders, including employers and participants; employer, disability and provider peak bodies; DES providers and interested government agencies
- provide the department ongoing research, which will be conducted over an eight-week period
- provide the department a report regarding the mid-term review of the DES program in two stages:
  - a draft report of the findings and recommended options for reform to the department and key government stakeholders, by 26 June 2020 and a final report no later than July 10; and
  - final completion of all services by 31 August 2020, and no later than 30 October 2020

The Supplier will include an assessment of whether the current model is an appropriate model for:

- **Participants**, to support them to identify and find sustainable employment suited to their skills and ability to work.
- **Employers**, to ensure there are appropriate supports, including from DES providers, to recruit and retain suitably skilled jobseekers with disability; and
- **Service Providers**, to ensure the focus is appropriately on the needs of participants and employers to maximise employment outcomes for people with disabilities.
- **Government**, by boosting the employment participation of people with disability, raising the productive capacity of the workforce and delivering a positive return on investment and value for money service.

To support the Review within the timeframe, the Supplier will be assisted by departmental subject matter experts and have access to readily available program and expenditure data, and recent research and analysis on the program.

The Supplier will also undertake additional **research into partial capacity to work, payment rates for people with disability**, and any other potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system
- recommendations of previous reviews and their continued applicability, and
- any other matters the department deems relevant.

The Supplier will also undertake a **review of the Employment Assessment Tool (ESAt)** policy and processes for referring people to jobactive Stream C and DES, and provide recommendations to improve the quality and consistency of the referral process.

The Supplier will:

1. Undertake analysis of the characteristics of people referred for ESAts and their outcomes in employment services (range of analysis depends on data availability).
2. Engage with stakeholders from the Department, Services Australia, the Department of Education, Skills and Employment and the National Indigenous Australians Agency.
3. Undertake a detailed assessment of the ESAt referral policy and operational guidelines.
4. Recommend options to improve the process for referring people to DES, by those within the Department's or Service Australia's authority to implement and those requiring Ministerial or legislative authority to implement.

Delete item:

## 7. Fees, allowances and costs

The total work order value must not exceed **\$2,760,000.00 GST inclusive**.

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	Project plan, including stakeholder engagement plan	s47G		
9-Jun-20	Commence field work			
15-Jun-20	Initial Research of PCW payment rates			
26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			
15-Aug-20	Final Research of PCW payment rates			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>				

of the Work Order, and **Replace** it with new item:

## 7. Fees, allowances and costs

The total work order value must not exceed **\$3,321,000.00 GST inclusive**.

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	Project plan, including stakeholder engagement plan	s47G		
9-Jun-20	Commence field work			
15-Jun-20	Initial Research of PCW payment rates			
26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			

15-Aug-20	Final Research of PCW payment rates	s47G		
21-Aug-20	Final ESAt Review Report			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>		<b>\$3,019,090.91</b>	<b>\$301,909.09</b>	<b>\$3,321,000.00</b>

2. In all other respects the terms and conditions of the Contract remain unaltered.

**SIGNED** as a Deed by the parties as at the date first above mentioned.

**SIGNED by the COMMONWEALTH OF AUSTRALIA**

acting through and represented by the Department of Social Services

by

George Sotiropoulos

s47F

\_\_\_\_\_  
(Name of Commonwealth Representative)

\_\_\_\_\_  
(Signature of Commonwealth Representative)

**IN THE PRESENCE OF**

s47F

\_\_\_\_\_  
(Name of Witness)

Date 14/8/2020

s47F

\_\_\_\_\_  
(Signature of Witness)

Date 14/8/2020

**SIGNED for and on behalf of THE BOSTON CONSULTING GROUP PTY LTD**

(ABN 70 007 347 131)

by

s47F

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Signature)

**IN THE PRESENCE OF**

s47F

\_\_\_\_\_  
(Name of Witness)

Date 12/8/20

\_\_\_\_\_  
(Signature of Witness)

Date 12/8/20

s 47F

**From:** FLAVEL, Matt  
**Sent:** Wednesday, 12 August 2020 8:57 AM  
**To:** SOTIROPOULOS, George  
**Cc:** DC Executive; s 47F  
**Subject:** RE: FOR DEP SEC APPROVAL - ESAt review procurement [SEC=OFFICIAL]

George – I approve.

Thanks

Matt

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**From:** SOTIROPOULOS, George s 47F  
**Sent:** Tuesday, 11 August 2020 4:32 PM  
**To:** FLAVEL, Matt s 47F  
**Cc:** DC Executive <DCExecutive@dss.gov.au>; s 47F  
**Subject:** FW: FOR DEP SEC APPROVAL - ESAt review procurement [SEC=OFFICIAL]

Matt

As a/g Deputy Secretary, I am seeking your formal approval (following verbal approval from Catherine) to proceed with a variation to the Work Order (90012506) with Boston Consulting Group (BCG). The variation is for BCG to undertake a review of triggers for the Employment Services Assessment (ESAt) at an additional cost of \$560,000 (GST inclusive).

#### **Action required**

Approve a Work Order variation with BCG to include the ESAt review for a cost of \$560,000. This will bring the total Work Order value to \$3,321,000 (GST inclusive).

#### **Background**

In April 2020, BCG were engaged to undertake a review of the Disability Employment Services (DES) program for a cost of \$999,999 (GST inclusive). The Social Security Stream used the same Work Order for BCG to undertake research of payment rates of people with disability and people with a partial capacity to work, including consideration of the implications from COVID-19. The cost of the payment rates research was \$880,000 (GST inclusive) The initial Work Order was valued at \$1,879,999 (GST inclusive).

On 29 June 2020, the Social Security Stream varied the Work Order for BCG to undertake a second phase of the research of payment rates for an additional cost of \$880,000 (GST inclusive), increasing the value of the Work Order to \$2,760,000 (GST inclusive).

On 6 July 2020, the department met with Services Australia to discuss the findings from the DES review and discuss ways to manage the flow of people into the Disability Employment Services (DES) program. As ESAts are a key gateway to DES, Catherine Rule requested BCG undertake the ESAt review.

BCG provided a proposed scope for the ESAt review on 17 July 2020 (attached). The cost is \$560,000 (GST inclusive). BCG commenced work on the ESAt review on 27 July and it is due to be completed by 21 August 2020.



At this stage, no further variations to the Work Order are expected. The DES review will be finalised by 31 August 2020, the final payment for the research of payment rates is being actioned and the ESAt review will be completed by 21 August 2020.

Kind regards  
George

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**From:** SOTIROPOULOS, George s 47F  
**Sent:** Tuesday, 11 August 2020 2:24 PM  
**To:** [REDACTED]  
**Subject:** FW: FOR DEP SEC APPROVAL - ESAt review procurement [SEC=OFFICIAL]

[REDACTED] – can you please put together a few dot points that I can forward to Matt to get his approval.

Thank you

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**George Sotiropoulos**  
Group Manager  
Disability, Employment and Carers  
Department of Social Services  
**P:** s 47F **E:** s 47F **M:** s 47F  
**EA:** s 47F

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

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**From:** DC Executive <[DCExecutive@dss.gov.au](mailto:DCExecutive@dss.gov.au)>  
**Sent:** Tuesday, 11 August 2020 11:32 AM  
**To:** SOTIROPOULOS, George s 47F  
**Cc:** s 47F; RULE, Catherine s 47F  
**Subject:** RE: FOR DEP SEC APPROVAL - ESAt review procurement [SEC=OFFICIAL]

Hi George

As Matt is acting in Catherine's role is currently in the position that has delegation to sign off on the additional funding. Given Matt hasn't had background on the matter, can you please prepare a short Minute to seek his approval? Or alternatively provide a more detailed email to give him a bit more context and reasoning for approving the additional funding.

Happy to discuss with you or your team if you wish.

Thanks

s 47F  
A/g Executive Officer to Deputy Secretary  
Disability and Carers  
Department of Social Services  
**P:** s 47F

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**From:** SOTIROPOULOS, George s 47F  
**Sent:** Monday, 10 August 2020 4:22 PM  
**To:** RULE, Catherine s 47F  
**Cc:** DC Executive <[DCExecutive@dss.gov.au](mailto:DCExecutive@dss.gov.au)>; s 47F  
**Subject:** FW: FOR DEP SEC APPROVAL - ESAt review procurement [SEC=OFFICIAL]

Catherine – sorry to bother you during these busy times. However, I am told we need your formal written approval (in addition to your verbal agreement) for the additional work that BCG is undertaking in relation to ESAt's.

The work is progressing well as per the attached and, as expected, BCG has identified several areas for improvement.

Kind regards  
George

---

**George Sotiropoulos**  
**Group Manager**  
**Disability, Employment and Carers**  
Department of Social Services

**P:** [REDACTED] **E:** [REDACTED] **M:** [REDACTED]  
[REDACTED]

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**From:** s 47F  
**Sent:** Monday, 10 August 2020 9:37 AM  
**To:** SOTIROPOULOS, George s 47F  
**Cc:** SAASTAMOINEN, Tarja s 47F ; s 47F  
**Subject:** FOR DEP SEC APPROVAL - ESAt review procurement [SEC=OFFICIAL]

Hi George

As discussed, could you please see formal written confirmation from Catherine Rule in regards to the procurement for BCG for the ESAt review?

The attached document from BCG outlines their approach and the cost of \$560,000 (GST inclusive).

I have developed a work order variation which I'll get s47F and then either Catherine or yourself to sign.

Kind regards

s 47F  
**Director, Disability Employment Research and Analysis**  
**Disability and Carer Reform Branch**  
Department of Social Services  
**P:** s 47F

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s 47F

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**From:** s 47F  
**Sent:** Wednesday, 22 July 2020 2:48 PM  
**To:** [REDACTED]  
**Cc:** s 47F  
**Subject:** Cost Centre change for PO 90012506 [SEC=OFFICIAL]

Hi s 47F

We are looking at correcting the cost centre that this additional work will be charged to in relation to our component.

Currently it is being charged against cc 2657 in Data, Housing and Homelessness Group – refer snippet below.

Could you please amend the cost centre to be 3150 – Participation Payments Executive?

s 47F said she could help you through updating this in the system if that helps. I'm hoping it won't be problematic to change!

Many thanks in anticipation.

Regards,

s 47F  
x. s 47F

Invoice Officer: **s 47F**

Financial Delegate: George SOTIROPOULOS

Details of change:

Requestor Comments:
   
12/5/20 - Submitting POs for the attached Work Order to cover two projects - DES Review and Research of Partial Capacity to Work payment rates.
   
29/4/20 - Submitting the draft PO and Work Order for comments/approval please. The milestones have been agreed with Catherine Rule. Thanks. **s 47F**

Order Total: **2,760,000.10**

Original Order Total: 1,879,999.00    New Order Total: 2,760,000.10    Invoiced: 2,000,000.00    Still to be invoiced: 760,000.10

Item	GR/IR	Delivery Schedule
00030		Cost center
00010		DES Review 2020
00030		PCW Research

PO Line Text:	PCW Research
PO Quantity:	1,760,000
<b>Enter \$ amount in the PO Quantity</b>	
Delivery complete	
Funding Type:	DSS - DEPARTMENTAL
Service Type:	Consultancy Expenses
Delivery date:	31.08.2020
G/L Account:	513108 <b>Consultants Fees</b>
Cost Center:*	2657 <b>Policy Evaluation</b>
WBS element:	

From: **s 47F**  
 Sent: Tuesday, 30 June 2020 8:58 AM  
 To: **s 47F**  
 Subject: FW: Invoice [SEC=OFFICIAL]

Hi **s 47F**

This is the invoice for the first new milestone payment for the research project in Nathan's stream.

Regards

**s 47F**

**s22**



s 47F

**From:** s 47F  
**Sent:** Wednesday, 8 July 2020 11:48 AM  
**To:** s 47F  
**Cc:** s 47F  
**Subject:** RE: Advice please [SEC=UNOFFICIAL]  
**Attachments:** RE: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

Hi s 47F

Please see attached email with an explanation of why the procurement uses different cost centres and different funding types. The bottom line is, the same organisation is being used for two different projects – the DES Review (for our stream) and a research project on partial capacity to work (for the Social Security stream).

Regards

s 47F

---

**From:** s 47F  
**Sent:** Wednesday, 8 July 2020 11:40 AM  
**To:** s 47F  
**Cc:** s 47F  
**Subject:** FW: Advice please [SEC=UNOFFICIAL]

Hi s 47F can you explain the reason for using an admin and a departmental cost centre.

s 47F  
Disability, Employment and Carers Group Finance Team  
s 47F  
Department of Social Services.

---

**From:** s 47F  
**Sent:** Wednesday, 8 July 2020 11:29 AM  
**To:** s 47F  
**Cc:** s 47F  
**Subject:** FW: Advice please [SEC=UNOFFICIAL]

Hi s 47F

In addition to the below email, Andrew has asked why we used \$999,999 of admin funding on the below?? Can you provide some rational for this please?

90012506	The Boston Consulting Group Pty Ltd	MED	Strategic advice & review services	Review of Disability Employment Services and PCW Research	PO Released	30.04.2020
90012506	The Boston Consulting Group Pty Ltd	MED	Strategic advice & review services	Review of Disability Employment Services and PCW Research	PO Released	30.04.2020

Thanks

s 47F





s 47F

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**From:** s 47F  
**Sent:** Monday, 15 June 2020 3:43 PM  
**To:** SocialSecurityExecutive; s 47F; PATON, Kath  
**Cc:** s 47F  
**Subject:** RE: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

Hi s 47F

Thanks for forwarding this. I'll use these words in our brief for the EMG Consultancies report in relation to the research project side of the Review of Disability Employment Services and PCW Research being undertaken by Boston Consulting Group Pty Ltd.

Regards

s 47F

---

s 47F

**Procurement and Contracts Section**  
Financial Services Branch  
Department of Social Services

**P:** s 47F **M:** s 47F **E:** s 47F

(Please note I am currently working remotely. Contact details can be found in my signature block above. Also, please note I work part time. My hours are Mon-Thurs 7.30am - 4.00pm)

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

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**From:** SocialSecurityExecutive <SocialSecurityExecutive@dss.gov.au>  
**Sent:** Monday, 15 June 2020 1:45 PM  
**To:** s 47F; s 47F;  
SocialSecurityExecutive <SocialSecurityExecutive@dss.gov.au>  
**Cc:** s 47F; s 47F  
**Subject:** RE: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

Hi s 47F

The use of Departmental funds for the research component was approved by Deputy Secretary, Nathan Williamson, noting available budget and the work to be undertaken.

Kind regards,

s 47F

---

s 47F

Executive Officer | Nathan Williamson  
Deputy Secretary | Social Security

Department of Social Services

P: s 47F M: s 47F E: s 47F

DSS acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

From: s 47F

Sent: Wednesday, 10 June 2020 4:23 PM

To: s 47F; SocialSecurityExecutive

<SocialSecurityExecutive@dss.gov.au>

Cc: s 47F

Subject: RE: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

Hi s 47F

Thanks for your response. I'm only interested in the research project which is being funded for \$880,000 from departmental funds. The information below tells me what the research project is about but, for these purposes, I need to know what is the reason departmental funds are being used. Are you able to provide me with some words which justifies why it's coming out of departmental funds?

s 47F

---

s 47F

Procurement and Contracts Section

Financial Services Branch

Department of Social Services

P: s 47F M: s 47F E: s 47F

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From: s 47F

Sent: Wednesday, 10 June 2020 2:28 PM

To: SocialSecurityExecutive <SocialSecurityExecutive@dss.gov.au>; s 47F

s 47F

Cc: s 47F

Subject: RE: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

Hi s 47F

As s47 mentioned the procurement covers two projects with BCG for two teams in the department. The \$880,000 is the research project detailed by s47F below and is funded from a cost centre using departmental funds. It is managed by the Social Security team.

The remaining \$999,999 of the procurement is for a review of the Disability Employment Services (DES) program. It is being managed by the Disability and Carers stream. The review is funded through the DES appropriation (administered funding). The review will assess the effectiveness of the DES program and will provide options for changes to the design of the program.

Please let me know if you need any further information/explanation.

Regards

s 47F

Director Support Programmes and Employer Engagement  
Disability and Carer Reform Branch  
Department of Social Services

P: s 47F E: s 47F

**From:** SocialSecurityExecutive <SocialSecurityExecutive@dss.gov.au>

**Sent:** Wednesday, 10 June 2020 2:11 PM

**To:** s 47F SocialSecurityExecutive <SocialSecurityExecutive@dss.gov.au>;

s 47F

**Subject:** RE: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

s 47F – would you be able to assist s 47F with her request for an explanation why Departmental funds are being used as opposed to Administered fund for the Review of Disability Employment Services and PCW Research.

s 47F – this piece of work is spilt between two teams. Below I've given some words on the Research part.

A consultant was engaged to undertake the research component of the review to consider potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system
- recommendations of previous reviews and their continued applicability, and
- any other matters the department deems relevant.

Kind regards,

s 47F

---

s 47F

Executive Officer | Nathan Williamson  
Deputy Secretary | Social Security  
Department of Social Services

P: s 47F M: s 47F E: s 47F

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**From:** s 47F

**Sent:** Tuesday, 9 June 2020 5:49 PM

**To:** SocialSecurityExecutive <SocialSecurityExecutive@dss.gov.au>

**Subject:** FW: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

Hi s 47F

I've just received this request from the Procurement team in relation to the research project.

Are you best placed to provide a response?

Happy to further discuss.

Regards,

s 47F

s 47F

Stream Finance Manager – Social Security  
Financial Management Branch  
Department of Social Services

P: s 47F E: s 47F

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From: s 47F

Sent: Tuesday, 9 June 2020 3:10 PM

To: s 47F Social Security Stream Finance

<SocialSecurityStreamFinance@dss.gov.au>

Cc: s 47F

Subject: EMG Consultancies report for February to May 2020 - Social Security [SEC=OFFICIAL]

Hi s 47F

As part of the Consultancies report for EMG, we are required to provide an explanation why Departmental funds are being used as opposed to Administered funds. Could you please review the following purchase orders and include an explanation why Departmental funds are being used for these procurements.

Purchase Order	90012506
Supplier	The Boston Consulting Group Pty Ltd
Description of service	Review of Disability Employment Services and PCW Research
Value	\$880,000
Financial delegate	Kathryn Campbell
Group	Analysis, Evaluation & Data

Can you please provide me with your response by noon Monday 15 June 2020 or earlier.

Many thanks.

s 47F

s 47F

Procurement and Contracts Section  
Financial Services Branch  
Department of Social Services

P: s 47F M: s 47F E: s 47F

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s 47F

---

**From:** s 47F  
**Sent:** Monday, 29 June 2020 10:13 AM  
**To:** s 47F  
**Subject:** FW: Deed of Variation (WO 90012506) [SEC=OFFICIAL]  
**Attachments:** Deed of Variation 90012506.pdf

Just an update – Nathan signed the deed and it has gone to BCG for signing.

We had some delays as they got the price down.

BCG know it is urgent and will have it back to us shortly.

I've flagged with the CFO office and our Stream finance manager so they are aware it will be coming shortly.

s22





**Australian Government**  
**Department of Social Services**

# **DEED OF VARIATION**

To Official Order Number: 90012506

Between: COMMONWEALTH OF AUSTRALIA  
represented by the Department of Social Services

and The Boston Consulting Group Pty Ltd  
ABN 70 007 347 131

for: the provision of Review of Disability Employment Services  
and Research into Partial Capacity to Work payment rates

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**AND** The Boston Consulting Group Pty Ltd (**the Supplier**) ABN 70 007 347 131, an Australian company incorporated in accordance with the Corporations Act 2001 and having its registered office at Canberra, ACT.

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The total work order value must not exceed **\$1,879,999.00 GST inclusive**.

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26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>				

of the Work Order, and **Replace** it with new item:



**8. Fees, allowances and costs**

The total work order value must not exceed **\$2,560,000.00 GST inclusive**.

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	Project plan, including stakeholder engagement plan	s47G		
9-Jun-20	Commence field work			
15-Jun-20	Initial Research of PCW payment rates			
26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			
15-Aug-20	Final Research of PCW payment rates			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>		<b>\$2,309,091</b>	<b>\$230,909</b>	<b>\$2,560,000</b>

2. In all other respects the terms and conditions of the Contract remain unaltered.

**SIGNED** as a Deed by the parties as at the date first above mentioned.

**SIGNED by the COMMONWEALTH OF AUSTRALIA**

acting through and represented by the Department of Social Services

by

NATHAN WILLIAMSON  
(Name of Commonwealth Representative)

s47F  
(Signature of Commonwealth Representative)

**IN THE PRESENCE OF**

s47F  
Date 29 June 2020

s47F  
(Signature of Witness)  
Date 29 June 2020

**SIGNED for and on behalf of THE BOSTON CONSULTING GROUP PTY LTD**

(ABN 70 007 347 131)

by

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Signature)

**IN THE PRESENCE OF**

\_\_\_\_\_  
(Name of Witness)  
Date

\_\_\_\_\_  
(Signature of Witness)  
Date

s 47F

---

**From:** s 47F  
**Sent:** Thursday, 25 June 2020 2:57 PM  
**To:** s 47F  
**Subject:** Chat with s 47F

**25 June 2020**

s 47F

Hey - when youre free can I talk to you about the BCG work. The Secretary 14:07  
has agreed to them doing another 8 weeks of work on the research  
project. For an additional \$880K. I'm in the process of getting an update on  
how much will be charged this FY and how much for 20-21. Our Stream  
Finance Manager has advised, we'll need to get a variation put in place. I  
will need some assistance from you as the contract manager to get this in  
place. So sorry we can't progress ourselves.

s 47F

yep. I'm just doing an IPDA chat with one of the team. I've got the 14:10  
template to make the variation and can fill that out when you work out the  
split by FY. I'll make a start on it. I'll also need agreement from  
Nathan/Secretary in writing about the additional cost (procurement will  
want to see it for the proper authority being given).

s 47F

---

**From:** s 47F  
**Sent:** Monday, 29 June 2020 3:55 PM  
**To:** s 47F  
**Subject:** FW: Deed of Variation (WO 90012506) [SEC=OFFICIAL]  
**Attachments:** 0007\_001.pdf

s 47F and s 47F

Please find attached the signed Deed of Variation. It is for \$880K for the additional work.

BCG have agreed to invoice in two stages:

- \$200,000 (plus GST) to be invoiced today (as per below, BCG will invoice shortly). This is for work completed.
- \$600,000 (plus GST) to be invoiced, upon completion (next FY).

Please let me know if you need me to do anything further on this one, thanks to date for your assistance to get this one done.

s 47F - I will forward the invoice as soon as I have it.

Kind regards,

s 47F

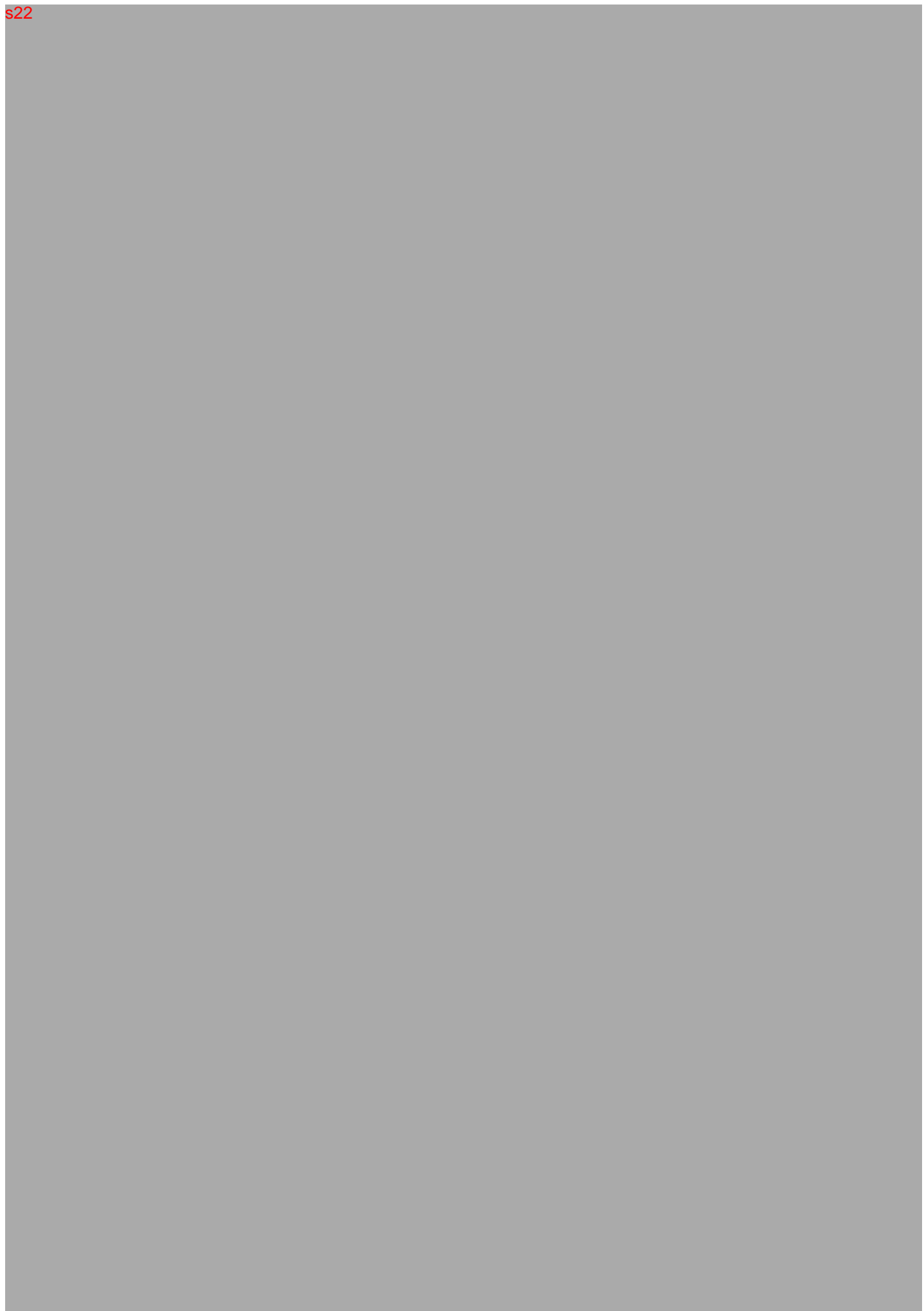
---

s 47F  
**Executive Officer | Nathan Williamson**  
**Deputy Secretary | Social Security**  
Department of Social Services  
**P:** s 47F **M:** s 47F **E:** s 47F

DSS acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

s22











**Australian Government**

**Department of Social Services**

# **DEED OF VARIATION**

To Official Order Number: 90012506

Between: COMMONWEALTH OF AUSTRALIA  
represented by the Department of Social Services

and The Boston Consulting Group Pty Ltd  
ABN 70 007 347 131

for: the provision of Review of Disability Employment Services  
and Research into Partial Capacity to Work payment rates



THIS DEED OF VARIATION is made on 29 June 2020.

## BETWEEN

**COMMONWEALTH OF AUSTRALIA (the Commonwealth)** as represented by the Department of Social Services (**the Department**)

**AND** The Boston Consulting Group Pty Ltd (**the Supplier**) ABN 70 007 347 131, an Australian company incorporated in accordance with the Corporations Act 2001 and having its registered office at Canberra, ACT.

## PURPOSE

- A. The Supplier and the Commonwealth, represented by the Department, entered into Official Order Number 90012506 dated 11 May 2020 (**the Contract**) for the provision of the Review of Disability Employment Services and Research into Partial Capacity to Work payment rates pursuant to and subject to the terms and conditions of Deed Number SON 3305648 between the Finance and the Supplier.
- B. The parties have agreed to certain variations to the rights and obligations contained in the Contract.
- C. The parties wish to formally record those variations in the form of this Deed of Variation.

## IT IS AGREED

1. The Contract is varied by the following amendments:

Delete item:

### 7. Fees, allowances and costs

The total work order value must not exceed **\$1,879,999.00 GST inclusive**.

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	Project plan, including stakeholder engagement plan	s47G		
9-Jun-20	Commence field work			
15-Jun-20	Research			
26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>		<b>\$1,709,090</b>	<b>\$170,909</b>	<b>\$1,879,999</b>

of the Work Order, and **Replace** it with new item:

**8. Fees, allowances and costs**

The total work order value must not exceed **\$2,760,000.00 GST inclusive**.

<b>Due date</b>	<b>Milestone description</b>	<b>Total price (excl GST)</b>	<b>GST component</b>	<b>Total price (incl GST)</b>
15-May-20	Project plan, including stakeholder engagement plan	s47G		
9-Jun-20	Commence field work			
15-Jun-20	Initial Research of PCW payment rates			
26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			
15-Aug-20	Final Research of PCW payment rates			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>		<b>\$2,509,091</b>	<b>\$250,909</b>	<b>\$2,760,000</b>

2. In all other respects the terms and conditions of the Contract remain unaltered.

**SIGNED** as a Deed by the parties as at the date first above mentioned.

**SIGNED by the COMMONWEALTH OF AUSTRALIA**

acting through and represented by the Department of Social Services

by

NATHAN WILLIAMSON  
(Name of Commonwealth Representative)

s47F  
(Signature of Commonwealth Representative)

**IN THE PRESENCE OF**

s47F  
Date 29 June 2020

s47F  
(Signature of Witness)  
Date 29 June 2020

**SIGNED for and on behalf of THE BOSTON CONSULTING GROUP PTY LTD**

(ABN 70 007 347 131)

by

s47F  
(Name)

s47F  
(Signature)

**IN THE PRESENCE OF**

s47F  
(Name of Witness)  
Date

s47F  
(Signature of Witness)  
Date

s 47F

---

**From:** s 47F  
**Sent:** Friday, 8 May 2020 10:51 AM  
**To:** s 47F  
**Subject:** RE: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Hi -

Yes the research part will be managed by our Stream (Mary McLarty and Kath Paton are the SES contacts). It might get complicated in terms of billing– as the Social Security Stream is paying for the research work – with the other work being paid for by D&C.

I'll have a chat with our Stream Finance Manager, as the research will need to be billed under the work-order, but paid by a different cost centre, so it will probably be best for BCG to provide the invoices for that component directly to our Stream.

Kind regards,

s 47F

---

s 47F  
**Executive Officer | Nathan Williamson**  
**Deputy Secretary | Social Security**  
Department of Social Services  
**P:** s 47F **M:** s 47F **E:** s 47F

DSS acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

---

**From:** s 47F  
**Sent:** Thursday, 7 May 2020 6:27 PM  
**To:** s 47F WILLIAMSON, Nathan s 47F  
**Cc:** SOTIROPOULOS, George s 47F  
**Subject:** RE: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Thanks for this s 47F and Nathan

I'll send a final copy to you once signed.

Could I also confirm if the research project will be managed by your area and if you'd like me to assist with the payment of any invoices?

Kind regards

s 47F

---

**From:** s 47F  
**Sent:** Thursday, 7 May 2020 5:04 PM  
**To:** s 47F WILLIAMSON, Nathan  
s 47F

**Cc:** SOTIROPOULOS, George s 47F  
**Subject:** RE: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

s 47F

Thanks for your assistance – Nathan has approved the attached amendments to incorporate the research project. To accommodate the changes I've had to make some minor edits to your text – I've tracked all the changes.

Please let me know if there are any issues.

When you have a signed/final copy, can we also get a copy for our records.

Kind regards,

s 47F

---

s 47F  
**Executive Officer | Nathan Williamson**  
**Deputy Secretary | Social Security**  
Department of Social Services

**P:** s 47F **M:** s 47F **E:** s 47F

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---

**From:** s 47F  
**Sent:** Thursday, 7 May 2020 3:06 PM  
**To:** WILLIAMSON, Nathan s 47F ; s 47F  
**Cc:** SOTIROPOULOS, George s 47F  
**Subject:** FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Hi Nathan

As requested through s 47F please find attached the work order for BCG for the DES Review. For your input please.

Regards

s 47F  
**Director Support Programmes and Employer Engagement**  
**Disability and Carer Reform Branch**  
Department of Social Services  
**P:** (s 47F) **E:** s 47F

s 47F

---

**From:** s 47F  
**Sent:** Thursday, 7 May 2020 5:04 PM  
**To:** s 47F; WILLIAMSON, Nathan  
**Cc:** SOTIROPOULOS, George  
**Subject:** RE: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]  
**Attachments:** Business Advisory Panel - work order v2.DOCX

s 47F

Thanks for your assistance – Nathan has approved the attached amendments to incorporate the research project. To accommodate the changes I've had to make some minor edits to your text – I've tracked all the changes.

Please let me know if there are any issues.

When you have a signed/final copy, can we also get a copy for our records.

Kind regards,

s 47F

---

s 47F  
**Executive Officer | Nathan Williamson**  
**Deputy Secretary | Social Security**  
Department of Social Services  
**P:** s 47F **M:** s 47F **E:** s 47F

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---

**From:** s 47F  
**Sent:** Thursday, 7 May 2020 3:06 PM  
**To:** WILLIAMSON, Nathan s 47F  
**Cc:** SOTIROPOULOS, George s 47F  
**Subject:** FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Hi Nathan

As requested through s 47F please find attached the work order for BCG for the DES Review. For your input please.

Regards

s 47F  
**Director Support Programmes and Employer Engagement**  
**Disability and Carer Reform Branch**  
Department of Social Services  
**P:** s 47F **E:** s 47F

## Business Advisory Panel – Work Order

### SCHEDULE 3 OFFICIAL ORDER

Official Order number 90012506.

#### 1. Context

This Official Order is issued and agreed pursuant to and subject to the terms and conditions of the Deed between Finance and the Boston Consulting Group dated 11 November 2015 (SON3305648).

#### 2. Ordered Services

The Supplier will undertake a mid-term review of the Disability Employment Services (DES) program and evaluate the impact of the reforms and the performance of the program in relation to:

- delivering the Government's policy objectives to improve the employment outcomes of people with disability
- supporting people with disability to find and retain supported and/or open employment
- the full array of disability needs and supports, including episodic and psychosocial needs
- contestability of service delivery in regional and remote Australia
- other existing and complementary employment service programs, and
- national and international best practice.

The Supplier will also undertake additional research into partial capacity to work, payment rates for people with disability, and any other potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system
- recommendations of previous reviews and their continued applicability, and
- any other matters the department deems relevant.

The Supplier will:

- provide a detailed project plan of an approach and methodology proposed to meet the objectives of the Review
- review and analyse literature, research, analysis and data. This includes information publicly available and available internally to the department
- engage with relevant stakeholders, including employers and participants; employer, disability and provider peak bodies; DES providers and interested government agencies
- provide the department ongoing research, which will be conducted over an eight-week period
- provide the department a report regarding the mid-term review of the DES program in two stages:
  - -a draft report of the findings and recommended options for reform to the department and key government stakeholders, by 26 June 2020, and

Formatted: Font: (Default) Arial, 11 pt

- final completion of all services by 31 August 2020, and no later than 30 October 2020

The Supplier will include an assessment of whether the current model is an appropriate model for:

- **Participants**, to support them to identify and find sustainable employment suited to their skills and ability to work.
- **Employers**, to ensure there are appropriate supports, including from DES providers, to recruit and retain suitably skilled jobseekers with disability; and
- **Service Providers**, to ensure the focus is appropriately on the needs of participants and employers to maximise employment outcomes for people with disabilities.
- **Government**, by boosting the employment participation of people with disability, raising the productive capacity of the workforce and delivering a positive return on investment and value for money service.

To support the Review within the timeframe, the Supplier will be assisted by departmental subject matter experts and have access to readily available program and expenditure data, and recent research and analysis on the program.

### **3. Policies, Standards and Guidelines**

---

The Supplier must ensure that any goods and services proposed comply with all applicable Australian standards (or in its absence an international standard) including any requirements or standards specified in this Statement of Requirement. Potential Suppliers should note that they may be required to enable the Customer, or an independent assessor, to conduct periodic audits to confirm compliance with all applicable Australian or international standards.

#### **Web Content Accessibility**

The Supplier must ensure that any website, associated material and/or online publications (where applicable) complies with the Web Content Accessibility Guidelines available at: <https://www.w3.org/WAI/intro/wcag>.

#### **Publications**

Publications and reports (if any) must be drafted to comply with the current version of the Commonwealth's [\*Style Manual\*](#).

### **4. Required Contract Material**

---

The Supplier will provide:

- a detailed project plan, PDF or word
- a Draft Review Report
- a Final Review Report in the form of a MS Word document and an executive summary in MS PowerPoint.

### **5. Commencement and Time frame**

---

#### **Contract Commencement Date:**

30 April 2020



**Time frame:**

30 April 2020 to 31 October 2020 - Six (6) months)

The Department may, at its sole discretion and by providing the Supplier with written notice prior to the Completion Date, extend the Work Order for a further period of **three (3) months** (Additional Contract Period).

**6. Specified Personnel**

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

Mid-term review of the Disability Employment Services (DES) program

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

TBC in late May 2020, ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss47F and 47G [redacted]

Research

s47F [redacted], ss 47F and 47G [redacted]

TBC, ss 47F and 47G [redacted]

At the Department's request, BCG will provide additional project resources to support this research at the agreed rates under the Finance Business Services Advisory Panel Agreement.

**7. Fees, allowances and costs**

The total work order value must not exceed **\$999,999.001,879,999.00 GST inclusive**.

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	Project plan, including stakeholder engagement plan	s47G [redacted]		
9-Jun-20	Commence field work			
<u>15-Jun-20</u>	<u>Research</u>			

26-Jun-20	Submit Draft Review Report	s47G		
7-Jul-20	Department agreement of Final Review Report			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>		<b>\$999,999,170,090</b>	<b>\$90,909,170,909</b>	<b>\$999,999,1879,999</b>

**8. Existing Material**

None specified.

**9. Commonwealth Material**

The department will provide access to readily available program and expenditure data and recent research and analysis on the program, including access to agreed departmental data on the DES program and social security recipients, and available research and analysis on employer engagement, the process for referring jobseekers to DES, jobseeker insights and attitudes, and DES performance.

**10. Security and privacy**

Security Requirements include:

- All Personnel and Subcontractors who will or may have access to official information to execute a conflict of interest declaration; and
- All Personnel and Subcontractors who will or may have access to official information to obtain a security clearance to, at minimum, the Baseline level.

The cost of obtaining each security clearance will be borne by the Supplier. The Supplier must ensure that its Specified Personnel promptly provide to the Customer relevant details to assist with the security clearance process, and the Supplier must notify the Customer promptly in writing of any change in circumstances which is likely to affect the Customer's assessment of the Specified Personnel's entitlement to hold a security clearance.

Current AGSVA Vetting Fees and Charges can be found at <http://www.defence.gov.au/AGSVA/corporate-industry-policy.asp>

**11. Service Provider's Confidential Information**

(a) Contract Provisions/Schedules/Attachments

Item	Period of Confidentiality
s47G	

(b) Contract-related material

Item	Period of Confidentiality
s47G	

**12. Special Conditions**

Condition	Clause of Deed Affected (if any)
s47G	

Signed for and on behalf of the Commonwealth of Australia, represented by Department of Social Services by:

George Sotiropoulos  
Finance's Representative

.....  
Signature

.....  
Date

Signed for and on behalf of The Boston Consulting Group Pty Ltd  
(ABN 70 007 347 131)

by:

s47F  
Service Provider's Representative

.....  
Signature

.....  
Date

DRAFT

s 47F

---

**From:** s 47F  
**Sent:** Monday, 11 May 2020 1:00 PM  
**To:** SOTIROPOULOS, George; WILLIAMSON, Nathan; s47F  
**Cc:** s47F s 47F  
**Subject:** FOR INFO: Signed Work Order with BCG [SEC=OFFICIAL]  
**Attachments:** Business Advisory Panel - work order - signed.pdf

Hi all

For your information, please find attached the signed Work Order for the DES Review and Research projects.

Kind regards

s 47F  
**Director**  
**Disability and Carer Reform Branch**  
Department of Social Services  
**P:** s 47F **E:** s 47F

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

# Business Advisory Panel – Work Order

## SCHEDULE 3 OFFICIAL ORDER

Official Order number 90012506.

### 1. Context

---

This Official Order is issued and agreed pursuant to and subject to the terms and conditions of the Deed between Finance and the Boston Consulting Group dated 11 November 2015 (SON3305648).

### 2. Ordered Services

---

The Supplier will undertake a mid-term review of the Disability Employment Services (DES) program and evaluate the impact of the reforms and the performance of the program in relation to:

- delivering the Government’s policy objectives to improve the employment outcomes of people with disability
- supporting people with disability to find and retain supported and/or open employment
- the full array of disability needs and supports, including episodic and psychosocial needs
- contestability of service delivery in regional and remote Australia
- other existing and complementary employment service programs, and
- national and international best practice.

The Supplier will also undertake additional research into partial capacity to work, payment rates for people with disability, and any other potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system
- recommendations of previous reviews and their continued applicability, and
- any other matters the department deems relevant.

The Supplier will:

- provide a detailed project plan of an approach and methodology proposed to meet the objectives of the Review
- review and analyse literature, research, analysis and data. This includes information publicly available and available internally to the department
- engage with relevant stakeholders, including employers and participants; employer, disability and provider peak bodies; DES providers and interested government agencies
- provide the department ongoing research, which will be conducted over an eight-week period
- provide the department a report regarding the mid-term review of the DES program in two stages:

- a draft report of the findings and recommended options for reform to the department and key government stakeholders, by 26 June 2020 and a final report no later than July 10; and
- final completion of all services by 31 August 2020, and no later than 30 October 2020

The Supplier will include an assessment of whether the current model is an appropriate model for:

- **Participants**, to support them to identify and find sustainable employment suited to their skills and ability to work.
- **Employers**, to ensure there are appropriate supports, including from DES providers, to recruit and retain suitably skilled jobseekers with disability; and
- **Service Providers**, to ensure the focus is appropriately on the needs of participants and employers to maximise employment outcomes for people with disabilities.
- **Government**, by boosting the employment participation of people with disability, raising the productive capacity of the workforce and delivering a positive return on investment and value for money service.

To support the Review within the timeframe, the Supplier will be assisted by departmental subject matter experts and have access to readily available program and expenditure data, and recent research and analysis on the program.

### 3. Policies, Standards and Guidelines

---

The Supplier must ensure that any goods and services proposed comply with all applicable Australian standards (or in its absence an international standard) including any requirements or standards specified in this Statement of Requirement. Potential Suppliers should note that they may be required to enable the Customer, or an independent assessor, to conduct periodic audits to confirm compliance with all applicable Australian or international standards.

#### **Web Content Accessibility**

The Supplier must ensure that any website, associated material and/or online publications (where applicable) complies with the Web Content Accessibility Guidelines available at: <https://www.w3.org/WAI/intro/wcaq>.

#### **Publications**

Publications and reports (if any) must be drafted to comply with the current version of the Commonwealth's [\*Style Manual\*](#).

### 4. Required Contract Material

---

The Supplier will provide:

- a detailed project plan, PDF or word
- a Draft Review Report
- a Final Review Report in the form of a MS Word document and an executive summary in MS PowerPoint.

**5. Commencement and Time frame**

---

**Contract Commencement Date:**

30 April 2020

**Time frame:**

30 April 2020 to 31 October 2020 - Six (6) months)

The Department may, at its sole discretion and by providing the Supplier with written notice prior to the Completion Date, extend the Work Order for a further period of **three (3) months** (Additional Contract Period).

**6. Specified Personnel**

---

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

Mid-term review of the Disability Employment Services (DES) program

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

TBC in late May 2020, ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

Research

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

At the Department's request, BCG will provide additional project resources to support this research at the agreed rates under the Finance Business Services Advisory Panel Agreement.

**7. Fees, allowances and costs**

---

The total work order value must not exceed **\$1,879,999.00 GST inclusive**.



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15-May-20	s47G			
9-Jun-20				
15-Jun-20				
26-Jun-20				
7-Jul-20				
31-Aug-20				
<b>Total milestone payments</b>		<b>\$1,709,090</b>	<b>\$170,909</b>	<b>\$1,879,999</b>

**8. Existing Material**

None specified.

**9. Commonwealth Material**

The department will provide access to readily available program and expenditure data and recent research and analysis on the program, including access to agreed departmental data on the DES program and social security recipients, and available research and analysis on employer engagement, the process for referring jobseekers to DES, jobseeker insights and attitudes, and DES performance.

**10. Security and privacy**

Security Requirements include:

- All Personnel and Subcontractors who will or may have access to official information to execute a conflict of interest declaration; and
- All Personnel and Subcontractors who will or may have access to official information to obtain a security clearance to, at minimum, the Baseline level.

The cost of obtaining each security clearance will be borne by the Supplier. The Supplier must ensure that its Specified Personnel promptly provide to the Customer relevant details to assist with the security clearance process, and the Supplier must notify the Customer promptly in writing of any change in circumstances which is likely to affect the Customer's assessment of the Specified Personnel's entitlement to hold a security clearance.

Current AGSVA Vetting Fees and Charges can be found at <http://www.defence.gov.au/AGSVA/corporate-industry-policy.asp>

**11. Service Provider's Confidential Information**

(a) Contract Provisions/Schedules/Attachments

Item	Period of Confidentiality
s47G	

(b) Contract-related material

Item	Period of Confidentiality
s47G	

**12. Special Conditions**

---

<b>Condition</b>	<b>Clause of Deed Affected (if any)</b>
<p>s47G</p> 	

Signed for and on behalf of the Commonwealth of Australia, represented by Department of Social Services by:

George Sotiropoulos  
Finance's Representative

s 47F

.....  
Signature

11<sup>th</sup> May 2020.....

Date

Signed for and on behalf of The Boston Consulting Group Pty Ltd  
(ABN 70 007 347 131)

by:

s47F

Service Provider's Representative

s 47F

.....  
Signature

7<sup>th</sup> May 2020.....

Date

s 47F

---

**From:** SOTIROPOULOS, George  
**Sent:** Monday, 11 May 2020 12:26 PM  
**To:** s 47F  
**Cc:** s 47F  
**Subject:** Re: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Thanks s 47F

Happy for e-signature to be added, noting that for the extra 880,000 it is from a cost centre from the other stream - not DES.

Cheers, George

---

**From:** s 47F  
**Date:** 11 May 2020 at 12:15:45 pm AEST  
**To:** SOTIROPOULOS, George s 47F  
**Cc:** s 47F  
**Subject:** FW: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Hi George

- 1) Can you please confirm that you are happy for your e-signature to be used in the attached?
- 2) Can you please respond to s47F question below?

Thanks.

Kind regards

s 47F

[Redacted]

---

**From:** s 47F  
**Sent:** Friday, 8 May 2020 9:50 AM

To: SOTIROPOULOS, George s 47F  
Cc: s 47F | s 47F  
Subject: RE: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Hi George

Please find attached the Work Order signed by s47F . For your agreement and signature please.

At the moment, the Purchase Order in Essentials will be funded through the DES appropriation. Do you agree the additional \$880,000 can come from that appropriation? If so, I'll submit the purchase order in Essentials today, otherwise I'll contact s 47F regarding a cost centre for the research activity.

Regards

s 47F

---

From: s 47F On Behalf Of SOTIROPOULOS, George  
Sent: Thursday, 7 May 2020 5:46 PM  
To: s 47F  
Cc: SOTIROPOULOS, George s 47F ; s 47F  
Subject: FW: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Hi s 47F

George is happy with all the edits in the attached. George asked me to add his signature but I believe that we need s47F to sign first, we then sign and provide s47F with a copy of the final (I note s 47F has also requested a copy).

You can accept the edits and progress to s47F .

If you need George's signature in my absence tomorrow, please contact s 47F or s 47F

Kind regards

s 47F

---

**From:** s 47F

**Sent:** Thursday, 7 May 2020 5:04 PM

**To:** s 47F WILLIAMSON, Nathan

s 47F

**Cc:** SOTIROPOULOS, George s 47F

**Subject:** RE: FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

s 47F

Thanks for your assistance – Nathan has approved the attached amendments to incorporate the research project. To accommodate the changes I've had to make some minor edits to your text – I've tracked all the changes.

Please let me know if there are any issues.

When you have a signed/final copy, can we also get a copy for our records.

Kind regards,

s 47F

---

s 47F

**Executive Officer | Nathan Williamson**

**Deputy Secretary | Social Security**

Department of Social Services

**P:** s 47F **M:** s 47F **E:** s 47F

DSS acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, sea and community. We pay our respects to them and their cultures, and to elders both past and present.

---

**From:** s 47F  
**Sent:** Thursday, 7 May 2020 3:06 PM  
**To:** WILLIAMSON, Nathan s 47F ; s 47F  
**Cc:** SOTIROPOULOS, George s 47F  
**Subject:** FOR INPUT: DES Review - BCG Work Order [SEC=UNOFFICIAL]

Hi Nathan

As requested through s 47F please find attached the work order for BCG for the DES Review. For your input please.

Regards

s 47F

**Director Support Programmes and Employer Engagement**

**Disability and Carer Reform Branch**

Department of Social Services

**P:** s 47F **E:** s 47F

# Business Advisory Panel – Work Order

## SCHEDULE 3 OFFICIAL ORDER

Official Order number 90012506.

### 1. Context

---

This Official Order is issued and agreed pursuant to and subject to the terms and conditions of the Deed between Finance and the Boston Consulting Group dated 11 November 2015 (SON3305648).

### 2. Ordered Services

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The Supplier will undertake a mid-term review of the Disability Employment Services (DES) program and evaluate the impact of the reforms and the performance of the program in relation to:

- delivering the Government's policy objectives to improve the employment outcomes of people with disability
- supporting people with disability to find and retain supported and/or open employment
- the full array of disability needs and supports, including episodic and psychosocial needs
- contestability of service delivery in regional and remote Australia
- other existing and complementary employment service programs, and
- national and international best practice.

The Supplier will also undertake additional research into partial capacity to work, payment rates for people with disability, and any other potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system
- recommendations of previous reviews and their continued applicability, and
- any other matters the department deems relevant.

The Supplier will:

- provide a detailed project plan of an approach and methodology proposed to meet the objectives of the Review
- review and analyse literature, research, analysis and data. This includes information publicly available and available internally to the department
- engage with relevant stakeholders, including employers and participants; employer, disability and provider peak bodies; DES providers and interested government agencies
- provide the department ongoing research, which will be conducted over an eight-week period
- provide the department a report regarding the mid-term review of the DES program in two stages:



- a draft report of the findings and recommended options for reform to the department and key government stakeholders, by 26 June 2020 and a final report no later than July 10; and
- final completion of all services by 31 August 2020, and no later than 30 October 2020

The Supplier will include an assessment of whether the current model is an appropriate model for:

- **Participants**, to support them to identify and find sustainable employment suited to their skills and ability to work.
- **Employers**, to ensure there are appropriate supports, including from DES providers, to recruit and retain suitably skilled jobseekers with disability; and
- **Service Providers**, to ensure the focus is appropriately on the needs of participants and employers to maximise employment outcomes for people with disabilities.
- **Government**, by boosting the employment participation of people with disability, raising the productive capacity of the workforce and delivering a positive return on investment and value for money service.

To support the Review within the timeframe, the Supplier will be assisted by departmental subject matter experts and have access to readily available program and expenditure data, and recent research and analysis on the program.

### 3. Policies, Standards and Guidelines

---

The Supplier must ensure that any goods and services proposed comply with all applicable Australian standards (or in its absence an international standard) including any requirements or standards specified in this Statement of Requirement. Potential Suppliers should note that they may be required to enable the Customer, or an independent assessor, to conduct periodic audits to confirm compliance with all applicable Australian or international standards.

#### **Web Content Accessibility**

The Supplier must ensure that any website, associated material and/or online publications (where applicable) complies with the Web Content Accessibility Guidelines available at: <https://www.w3.org/WAI/intro/wcaq>.

#### **Publications**

Publications and reports (if any) must be drafted to comply with the current version of the Commonwealth's [\*Style Manual\*](#).

### 4. Required Contract Material

---

The Supplier will provide:

- a detailed project plan, PDF or word
- a Draft Review Report
- a Final Review Report in the form of a MS Word document and an executive summary in MS PowerPoint.

**5. Commencement and Time frame**

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**Contract Commencement Date:**

30 April 2020

**Time frame:**

30 April 2020 to 31 October 2020 - Six (6) months)

The Department may, at its sole discretion and by providing the Supplier with written notice prior to the Completion Date, extend the Work Order for a further period of **three (3) months** (Additional Contract Period).

**6. Specified Personnel**

---

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

Mid-term review of the Disability Employment Services (DES) program

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

TBC in late May 2020, ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

Research

s47F [redacted], ss 47F and 47G [redacted]

s47F [redacted], ss 47F and 47G [redacted]

At the Department's request, BCG will provide additional project resources to support this research at the agreed rates under the Finance Business Services Advisory Panel Agreement.

**7. Fees, allowances and costs**

---

The total work order value must not exceed **\$1,879,999.00 GST inclusive**.

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	s47G			
9-Jun-20				
15-Jun-20				
26-Jun-20				
7-Jul-20				
31-Aug-20				
<b>Total milestone payments</b>		<b>\$1,709,090</b>	<b>\$170,909</b>	<b>\$1,879,999</b>

**8. Existing Material**

None specified.

**9. Commonwealth Material**

The department will provide access to readily available program and expenditure data and recent research and analysis on the program, including access to agreed departmental data on the DES program and social security recipients, and available research and analysis on employer engagement, the process for referring jobseekers to DES, jobseeker insights and attitudes, and DES performance.

**10. Security and privacy**

Security Requirements include:

- All Personnel and Subcontractors who will or may have access to official information to execute a conflict of interest declaration; and
- All Personnel and Subcontractors who will or may have access to official information to obtain a security clearance to, at minimum, the Baseline level.

The cost of obtaining each security clearance will be borne by the Supplier. The Supplier must ensure that its Specified Personnel promptly provide to the Customer relevant details to assist with the security clearance process, and the Supplier must notify the Customer promptly in writing of any change in circumstances which is likely to affect the Customer's assessment of the Specified Personnel's entitlement to hold a security clearance.

Current AGSVA Vetting Fees and Charges can be found at <http://www.defence.gov.au/AGSVA/corporate-industry-policy.asp>

**11. Service Provider's Confidential Information**

(a) Contract Provisions/Schedules/Attachments

Item	Period of Confidentiality
s47G	

(b) Contract-related material

Item	Period of Confidentiality
s47G	

## 12. Special Conditions

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Condition	Clause of Deed Affected (if any)
<p>s47G</p> 	

Signed for and on behalf of the Commonwealth of Australia, represented by Department of Social Services by:

George Sotiropoulos  
Finance's Representative

.....  
Signature

8<sup>th</sup> May 2020.....

Date

Signed for and on behalf of The Boston Consulting Group Pty Ltd  
(ABN 70 007 347 131)

by:

s47F  
Service Provider's Representative

.....  
Signature

7<sup>th</sup> May 2020.....

Date

s 47F

---

**From:** SAASTAMOINEN, Tarja  
**Sent:** Friday, 10 July 2020 4:44 PM  
**To:** RULE, Catherine  
**Cc:** SOTIROPOULOS, George; s 47F; s 47F  
**Subject:** For comment: ESAt Review - project scope for Deputy Secretary comment [SEC=OFFICIAL]  
**Attachments:** ESAt Review - project scope - v0.2.docx

Catherine,

Following on from our discussions earlier this week, we have prepared a draft of the scope of work for extending BCG's contract with the department, to undertake analysis of the Employment Assessment Tool (ESAt) policy and processes in the context of the DES program, and options to better target referrals to the program for those that need DES and would benefit most from it. Attached is a draft for your consideration and comment.

We have run this past BCG and they are broadly comfortable with the draft, however also noting their capacity to undertake the analysis will be dependent on access to data, from both DES and DESE. It is likely we will need to seek your assistance in getting data from DESE in a timely manner – they hold data on the JSCI, including cohort characteristics and weightings, which we are not able to access. Once you have provided your approval for the scoping of this project, we will then work through the type of data we will need to provide to BCG and how to best access it from DESE, as well as our internal data sources.

Let me know your thoughts about the scoping paper. We have set up a time with Services Australia and BCG on Tuesday afternoon for the initial discussion on this project, so any feedback ahead of that meeting would be greatly appreciated. Happy to also discuss.

---

**Tarja Saastamoinen**  
**Acting Group Manager**  
Disability, Employment and Carers Group  
Department of Social Services

**P:** s 47F **E:** s 47F **M:** s 47F

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

---

## Requirement

The Department is seeking:

- analysis of the Employment Assessment Tool (ESAt) policy and processes for referring people to the Disability Employment Service (DES) program; and
- recommendations to improve the referral process and stem the flow of people to DES through streaming people with disability, illness or injury to the most appropriate employment service program.

The objective of the ESAt review is to improve the triggers for people requiring an ESAt (i.e. JSCI triggers) and improve the quality of the information gathered in the ESAt for informing DES providers how best to support a person with disability, illness or injury into sustainable employment.

The project will include

1. A review of the current referral process(s) and the pathways a person can take to be referred to DES.
2. Analysis of the characteristics of people:
  - a. triggered for an ESAt
  - b. referred for an ESAt
  - c. who have an ESAt recommending a referral to DES-ESS
  - d. who have an ESAt recommending a referral to DES-DMS
  - e. who have an ESAt recommending a referral to jobactive Stream C, where the person is identified as a person with disability.
3. Assessment of the policy and operational guidelines for triggering an ESAt and making a referral to different employment service programs.
4. Analysis of the employment outcomes achieved for the groups in point 2.
5. Options to improve the process of referring people to DES, by those options within the Department's or Service Australia's authority to implement and those requiring Ministerial or legislative authority.

Further analysis could include:

6. An assessment of the effectiveness of ESAts, including:
  - a. consideration of what medical evidence is reasonable to require/accept from an individual and/or medical practitioner
  - b. the ESAt assessor's ability to effectively determine that an individual's primary barrier to work is due to disability, illness or injury
  - c. the ESAt assessor's ability to assess a person's work capacity

## Methodology

- Analysis of JSCI, ESAt, DES and jobactive Stream C data and recorded medical information
- Analysis of operational guidelines and policy around ESAt, jobactive Stream C and DES referrals
- Discussions with ESAt assessors

## Timing

Undertake the review over a period of approximately four weeks, between late-July and September 2020.



**Australian Government**

**Department of Social Services**

# **DEED OF VARIATION No 2**

To Official Order Number: 90012506

Between: COMMONWEALTH OF AUSTRALIA  
represented by the Department of Social Services

and The Boston Consulting Group Pty Ltd  
ABN 70 007 347 131

for: the provision of Review of Disability Employment Services  
and Research into Partial Capacity to Work payment rates



THIS DEED OF VARIATION is made on August 2020.

## **BETWEEN**

**COMMONWEALTH OF AUSTRALIA (the Commonwealth)** as represented by the Department of Social Services (**the Department**)

**AND** The Boston Consulting Group Pty Ltd (**the Supplier**) ABN 70 007 347 131, an Australian company incorporated in accordance with the Corporations Act 2001 and having its registered office at Canberra, ACT.

## **PURPOSE**

- A. The Supplier and the Commonwealth, represented by the Department, entered into Official Order Number 90012506 dated 11 May 2020 (**the Contract**) for the provision of the Review of Disability Employment Services and Research into Partial Capacity to Work payment rates pursuant to and subject to the terms and conditions of Deed Number SON 3305648 between the Finance and the Supplier.
- B. The parties have agreed to certain variations to the rights and obligations contained in the Contract.
- C. The parties wish to formally record those variations in the form of this Deed of Variation.

## **IT IS AGREED**

1. The Contract is varied by the following amendments:

**Delete** under item 2 in its entirety:

### **2. Ordered Services**

---

The Supplier will undertake a mid-term review of the Disability Employment Services (DES) program and evaluate the impact of the reforms and the performance of the program in relation to:

- delivering the Government's policy objectives to improve the employment outcomes of people with disability
- supporting people with disability to find and retain supported and/or open employment
- the full array of disability needs and supports, including episodic and psychosocial needs
- contestability of service delivery in regional and remote Australia
- other existing and complementary employment service programs, and
- national and international best practice.

The Supplier will also undertake additional research into partial capacity to work, payment rates for people with disability, and any other potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system
- recommendations of previous reviews and their continued applicability, and

- any other matters the department deems relevant.

The Supplier will:

- provide a detailed project plan of an approach and methodology proposed to meet the objectives of the Review
- review and analyse literature, research, analysis and data. This includes information publicly available and available internally to the department
- engage with relevant stakeholders, including employers and participants; employer, disability and provider peak bodies; DES providers and interested government agencies
- provide the department ongoing research, which will be conducted over an eight-week period
- provide the department a report regarding the mid-term review of the DES program in two stages:
  - a draft report of the findings and recommended options for reform to the department and key government stakeholders, by 26 June 2020 and a final report no later than July 10; and
  - final completion of all services by 31 August 2020, and no later than 30 October 2020

The Supplier will include an assessment of whether the current model is an appropriate model for:

- **Participants**, to support them to identify and find sustainable employment suited to their skills and ability to work.
- **Employers**, to ensure there are appropriate supports, including from DES providers, to recruit and retain suitably skilled jobseekers with disability; and
- **Service Providers**, to ensure the focus is appropriately on the needs of participants and employers to maximise employment outcomes for people with disabilities.
- **Government**, by boosting the employment participation of people with disability, raising the productive capacity of the workforce and delivering a positive return on investment and value for money service.

To support the Review within the timeframe, the Supplier will be assisted by departmental subject matter experts and have access to readily available program and expenditure data, and recent research and analysis on the program.

**Replace** it with the following:

## **2. Ordered Services**

---

The Supplier will undertake a **mid-term review of the Disability Employment Services (DES) program** and evaluate the impact of the reforms and the performance of the program in relation to:

- delivering the Government's policy objectives to improve the employment outcomes of people with disability
- supporting people with disability to find and retain supported and/or open employment
- the full array of disability needs and supports, including episodic and psychosocial needs
- contestability of service delivery in regional and remote Australia
- other existing and complementary employment service programs, and
- national and international best practice.

The Supplier will:

- provide a detailed project plan of an approach and methodology proposed to meet the objectives of the Review
- review and analyse literature, research, analysis and data. This includes information publicly available and available internally to the department
- engage with relevant stakeholders, including employers and participants; employer, disability and provider peak bodies; DES providers and interested government agencies
- provide the department ongoing research, which will be conducted over an eight-week period
- provide the department a report regarding the mid-term review of the DES program in two stages:
  - a draft report of the findings and recommended options for reform to the department and key government stakeholders, by 26 June 2020 and a final report no later than July 10; and
  - final completion of all services by 31 August 2020, and no later than 30 October 2020

The Supplier will include an assessment of whether the current model is an appropriate model for:

- **Participants**, to support them to identify and find sustainable employment suited to their skills and ability to work.
- **Employers**, to ensure there are appropriate supports, including from DES providers, to recruit and retain suitably skilled jobseekers with disability; and
- **Service Providers**, to ensure the focus is appropriately on the needs of participants and employers to maximise employment outcomes for people with disabilities.
- **Government**, by boosting the employment participation of people with disability, raising the productive capacity of the workforce and delivering a positive return on investment and value for money service.

To support the Review within the timeframe, the Supplier will be assisted by departmental subject matter experts and have access to readily available program and expenditure data, and recent research and analysis on the program.

The Supplier will also undertake additional **research into partial capacity to work, payment rates for people with disability**, and any other potential implications, which includes but is not limited to:

- consideration of implications from COVID-19
- alignment with payment rates and supplement rates and associated policy settings in the broader welfare system
- recommendations of previous reviews and their continued applicability, and
- any other matters the department deems relevant.

The Supplier will also undertake a **review of the Employment Assessment Tool (ESAt)** policy and processes for referring people to jobactive Stream C and DES, and provide recommendations to improve the quality and consistency of the referral process.

The Supplier will:

1. Undertake analysis of the characteristics of people referred for ESAts and their outcomes in employment services (range of analysis depends on data availability).
2. Engage with stakeholders from the Department, Services Australia, the Department of Education, Skills and Employment and the National Indigenous Australians Agency.

3. Undertake a detailed assessment of the ESAt referral policy and operational guidelines.
4. Recommend options to improve the process for referring people to DES, by those within the Department's or Service Australia's authority to implement and those requiring Ministerial or legislative authority to implement.

The Supplier will provide:

Delete item:

**7. Fees, allowances and costs**

The total work order value must not exceed **\$2,760,000.00 GST inclusive.**

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	Project plan, including stakeholder engagement plan	s47G		
9-Jun-20	Commence field work			
15-Jun-20	Initial Research of PCW payment rates			
26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			
15-Aug-20	Final Research of PCW payment rates			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>				

Replace it with the following:

**7. Fees, allowances and costs**

The total work order value must not exceed **\$3,321,000.00 GST inclusive.**

Due date	Milestone description	Total price (excl GST)	GST component	Total price (incl GST)
15-May-20	Project plan, including stakeholder engagement plan	s47G		
9-Jun-20	Commence field work			
15-Jun-20	Initial Research of PCW payment rates			
26-Jun-20	Submit Draft Review Report			
7-Jul-20	Department agreement of Final Review Report			
15-Aug-20	Final Research of PCW payment rates			
21-Aug-20	Final ESAt Review Report			
31-Aug-20	Completion of all Services			
<b>Total milestone payments</b>		<b>\$3,019,090.91</b>	<b>\$301,909.09</b>	<b>\$3,321,000.00</b>

2. In all other respects the terms and conditions of the Contract remain unaltered.

**SIGNED** as a Deed by the parties as at the date first above mentioned.

**SIGNED by the COMMONWEALTH OF AUSTRALIA**

acting through and represented by the Department of Social Services

by

\_\_\_\_\_  
(Name of Commonwealth Representative)

\_\_\_\_\_  
(Signature of Commonwealth Representative)

**IN THE PRESENCE OF**

\_\_\_\_\_  
(Name of Witness)

Date

\_\_\_\_\_  
(Signature of Witness)

Date

**SIGNED for and on behalf of THE BOSTON CONSULTING GROUP PTY LTD**

(ABN 70 007 347 131)

by

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Signature)

**IN THE PRESENCE OF**

\_\_\_\_\_  
(Name of Witness)

Date

\_\_\_\_\_  
(Signature of Witness)

Date

s 47F

---

**From:** RULE, Catherine  
**Sent:** Monday, 13 July 2020 11:57 AM  
**To:** SAASTAMOINEN, Tarja  
**Cc:** SOTIROPOULOS, George; s 47F ; s 47F  
**Subject:** RE: For comment: ESAt Review - project scope for Deputy Secretary comment [SEC=OFFICIAL]

Thanks Tarja. This looks fine to me. I am keen to make sure we are not just getting a more efficient process for referrals etc, but that we are getting better outcomes in terms of less referrals through to DES. I think the first few dot points cover this, and BCG will also get that.

---

**From:** SAASTAMOINEN, Tarja s 47F  
**Sent:** Friday, 10 July 2020 4:44 PM  
**To:** RULE, Catherine s 47F  
**Cc:** SOTIROPOULOS, George s 47F ; s 47F  
**Subject:** For comment: ESAt Review - project scope for Deputy Secretary comment [SEC=OFFICIAL]

Catherine,

Following on from our discussions earlier this week, we have prepared a draft of the scope of work for extending BCG's contract with the department, to undertake analysis of the Employment Assessment Tool (ESAt) policy and processes in the context of the DES program, and options to better target referrals to the program for those that need DES and would benefit most from it. Attached is a draft for your consideration and comment.

We have run this past BCG and they are broadly comfortable with the draft, however also noting their capacity to undertake the analysis will be dependent on access to data, from both DES and DESE. It is likely we will need to seek your assistance in getting data from DESE in a timely manner – they hold data on the JSCI, including cohort characteristics and weightings, which we are not able to access. Once you have provided your approval for the scoping of this project, we will then work through the type of data we will need to provide to BCG and how to best access it from DESE, as well as our internal data sources.

Let me know your thoughts about the scoping paper. We have set up a time with Services Australia and BCG on Tuesday afternoon for the initial discussion on this project, so any feedback ahead of that meeting would be greatly appreciated. Happy to also discuss.

---

**Tarja Saastamoinen**  
**Acting Group Manager**  
Disability, Employment and Carers Group  
Department of Social Services

**P:** s 47F **E:** s 47F **M:** s 47F

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

---

s 47F

---

**From:** s 47F  
**Sent:** Friday, 17 July 2020 1:55 PM  
**To:** SAASTAMOINEN, Tarja; SOTIROPOULOS, George  
**Cc:** s 47F  
**Subject:** FW: Next project - ESAt review and [SEC=OFFICIAL]  
**Attachments:** 2020July17 - DES Review - ESAt review scope response - BCG - vshared.pdf

Hi Tarja/George

Are you both happy with the proposed approach, and cost (\$560,000 GST inc.) for the ESAt review project? The 4-week timeframe means the report would be due on Friday 21 August.

I'm currently working on a Work Order variation, and the scope of the Whole of System analysis project for the DE Strategy.

Cheers

s 47F

s22







s 47F

---

**From:** SOTIROPOULOS, George  
**Sent:** Friday, 17 July 2020 2:50 PM  
**To:** s 47F; SAASTAMOINEN, Tarja  
**Cc:** s 47F  
**Subject:** RE: Next project - ESAt review and [SEC=OFFICIAL]

This is fine with me s 47F

Thank you for managing this additional piece of work.

Cheers, George

---

**George Sotiropoulos**  
**Group Manager**  
**Disability, Employment and Carers**  
Department of Social Services  
**P:** s 47F **E:** s 47F **M:** s 47F  
**EA:** s 47F

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

---

**From:** s 47F  
**Sent:** Friday, 17 July 2020 1:55 PM  
**To:** SAASTAMOINEN, Tarja s 47F; SOTIROPOULOS, George  
s 47F  
**Cc:** s 47F  
**Subject:** FW: Next project - ESAt review and [SEC=OFFICIAL]

Hi Tarja/George

Are you both happy with the proposed approach, and cost (\$560,000 GST inc.) for the ESAt review project? The 4-week timeframe means the report would be due on Friday 21 August.

I'm currently working on a Work Order variation, and the scope of the Whole of System analysis project for the DE Strategy.

Cheers

s 47F

s 22





s 47F

**From:** SAASTAMOINEN, Tarja  
**Sent:** Monday, 6 July 2020 1:59 PM  
**To:** s 47F  
**Cc:** s 47F  
**Subject:** For information and action: ESAt discussion with Services Australia [SEC=OFFICIAL]

**Importance:** High

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

s 47F and s 47F

See my quick notes below from the meeting just held with Catherine Rule and Services Australia s47C  
Catherine has asked that I set up a discussion with Services Australia and relevant staff from our side as soon as practical to start the work on developing a portfolio position, before we approach DESE on our policy thinking. I will email s47F and copy in s 47F to set up a time either end of this week or early next. In the meantime, I will also ask s 47F to set up a time with you ahead of the meeting with Services Australia so we can work through what will be required from our end.

s 47F

I have copied you into this email, as Catherine has asked that we include BCG in analytical work on this matter (she is going to talk to s47F to see if they would be available/ interested). s47C  
Will include you in the discussion with s47F.

s 47F

Could you please set up a time (Tuesday, if possible), for me to meet with s47F and s 47F on DES referrals and ESAts? 30 minutes will suffice. Thanks.

ESAt discussion with Services Australia (Deb Mitchell, s47F  
, Catherine Rule)

Monday, 6 July 2020  
12:59 PM

Services Australia - lot of foot traffic from DES providers, which looks like a Services Australia referral, but with information from DES providers asking them to be referred to DES. Providers are operating general within the parameters of the program.

s47C

In response to a question from CR, Services Australia noted there has not been significant work on the ESAt process over the past few years. s47C

s47C

s47C

. CR offered DSS to engage with BCG on some further work to unpack the data/ do further analysis on the ESAt cohort (where are they coming from, characteristics, where do they end up post assessment etc).

Action arising: Get together with Services Australia as soon as possible to develop a portfolio position on what we can do with the flows to DES via ESAts within current policy settings, and what we need Government to agree/ legislative issues to be addressed. Tarja to set up meeting with s47F and also include BCG.

Created with Microsoft OneNote 2016.

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## **Tarja Saastamoinen**

### **Branch Manager**

Disability Employment Services Branch

Department of Social Services

**P:** s 47F

**E:** s 47F

**M:** s 47F

The Department of Social Services acknowledges the traditional owners of country throughout Australia, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to Elders both past and present.

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s 47F

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**From:** s 47F  
**Sent:** Friday, 10 July 2020 12:56 PM  
**To:** SAASTAMOINEN, Tarja; s 47F ; s 47F ; s 47F ; s 47F  
**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]  
**Attachments:** ESAt Review - project scope - v0.1.docx

Hi all

Please find attached a draft of the scope of the ESAt review. For comments please.

Thanks

s 47F

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**From:** SAASTAMOINEN, Tarja s 47F  
**Sent:** Thursday, 9 July 2020 10:43 AM  
**To:** s 47F ; s 47F ; s 47F  
**Cc:** s 47F ; s 47F ; s 47F  
**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]

Thanks s 47F this is a really good start. A little bit of additional detail, based on the discussion with Catherine Rule (in track changes). Happy for this to be circulated to Services Australia for comments – either from you or one of the team. Ask Services Australia to also nominate which items they would like to lead on, so we are clear.

s 47F

I mentioned the time and date of the meeting to BCG last yesterday, they were happy to participate. s 47F can extend the meeting invitation to (I think) s47F they can determine who attends on their behalf.

s 47F

I suspect the room you have booked may not accommodate all the face to face attendees (it probably only holds 8). If we can get a space that accommodates maybe about 15 people that would probably work better – some people will join in by phone, but the majority are likely to be on site. If the room next to the one you have booked is free, we could open up both rooms to accommodate everyone. If you cannot find a space large enough, work with Services Australia as they do have much bigger rooms than we do – we can always walk across the road.

---

**Tarja Saastamoinen**

**Branch Manager**

Disability Employment Services Branch

Department of Social Services

**P:** s 47F **E:** s 47F **M:** s 47F

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**From:** s 47F

**Sent:** Wednesday, 8 July 2020 2:45 PM

**To:** SAASTAMOINEN, Tarja s 47F

**Cc:** s 47F

s 47F

s 47F

**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]

Hi Tarja,

Attached is a draft of the agenda for next week's ESAt meeting. Is this what you're looking for?

Any issues, let me know and we can further develop the discussion points.

Regards,

s 47F

s22









## Requirement

The Department is seeking analysis of the Employment Assessment Tool (ESAt) policy and processes for referring people to the Disability Employment Service (DES) program; and recommendations to improve the referral process and better stream people to DES, where it is the most appropriate employment service program for them.

The objective of the ESAt review is to improve the triggers for people requiring an ESAt (i.e. JSCI triggers) and improve the quality of the information gathered in the ESAt for informing DES providers how best to support a person with disability, illness or injury into sustainable employment.

The project will include

- A review of the current referral process and the pathways a person can take to be referred to DES, including the policy and operational guidelines.
- Analysis of the characteristics of people identified for an Employment Services Assessment (ESAt) through the Job Seeker Classification Instrument (JSCI) and the outcomes they achieve in DES or in other employment service programs.
- Analysis of the characteristics of people who volunteer for DES and the outcomes they achieve in DES.
- An assessment of the effectiveness of ESAts, including:
  - o consideration of what medical evidence is reasonable to require/accept from an individual and/or medical practitioner;
  - o the ESAt assessor's ability to effectively determine that an individual's primary barrier to work is due to disability, illness or injury; and
  - o the ESAt assessor's ability to assess a person's work capacity.
- Options to improve the process of referring people to DES, by those options within the Department's or Service Australia's authority to implement and those requiring Ministerial or legislative authority.

Commented [A1]: Do volunteers have an ESAt?

s 47F

**From:** SAASTAMOINEN, Tarja  
**Sent:** Friday, 10 July 2020 2:00 PM  
**To:** s 47F  
**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]

I think the proposed scope is pretty much in line with where Catherine had thought we could use BCG. I suggest testing the draft scope with Catherine to see if it lands where she and the Secretary thought it should go – happy to email Catherine, subject to any views about readiness to do so.

s47C

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**Tarja Saastamoinen**  
**Branch Manager**  
Disability Employment Services Branch  
Department of Social Services  
**P:** s 47F **E:** s 47F **M:** s 47F

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**From:** s 47F  
**Sent:** Friday, 10 July 2020 1:05 PM  
**To:** s 47F; SAASTAMOINEN, Tarja; s 47F; s 47F; s 47F  
**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]

Hi s 47F

s47C

s 47F

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**From:** s 47F  
**Sent:** Friday, 10 July 2020 12:56 PM  
**To:** SAASTAMOINEN, Tarja; s 47F; s 47F; s 47F; s 47F

s 47F

**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]

Hi all

Please find attached a draft of the scope of the ESAt review. For comments please.

Thanks

s 47F

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**From:** SAASTAMOINEN, Tarja s 47F

**Sent:** Thursday, 9 July 2020 10:43 AM

**To:** s 47F; s 47F; s 47F

**Cc:** s 47F; s 47F; s 47F

**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]

Thanks s 47F this is a really good start. A little bit of additional detail, based on the discussion with Catherine Rule (in track changes). Happy for this to be circulated to Services Australia for comments – either from you or one of the team. Ask Services Australia to also nominate which items they would like to lead on, so we are clear.

s 47F

I mentioned the time and date of the meeting to BCG last yesterday, they were happy to participate. s47F can extend the meeting invitation to (I think) s47F, they can determine who attends on their behalf.

s 47F

I suspect the room you have booked may not accommodate all the face to face attendees (it probably only holds 8). If we can get a space that accommodates maybe about 15 people that would probably work better – some people will join in by phone, but the majority are likely to be on site. If the room next to the one you have booked is free, we could open up both rooms to accommodate everyone. If you cannot find a space large enough, work with Services Australia as they do have much bigger rooms than we do – we can always walk across the road.

---

**Tarja Saastamoinen**

**Branch Manager**

Disability Employment Services Branch

Department of Social Services

**P:** s 47F **E:** s 47F **M:** s 47F

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---

**From:** s 47F

**Sent:** Wednesday, 8 July 2020 2:45 PM

**To:** SAASTAMOINEN, Tarja s 47F

**Cc:** s 47F; s 47F; s 47F

**Subject:** RE: Follow up to meeting with DSS and Services Australia - ESAts [SEC=OFFICIAL]

Hi Tarja,

Attached is a draft of the agenda for next week's ESAt meeting. Is this what you're looking for?

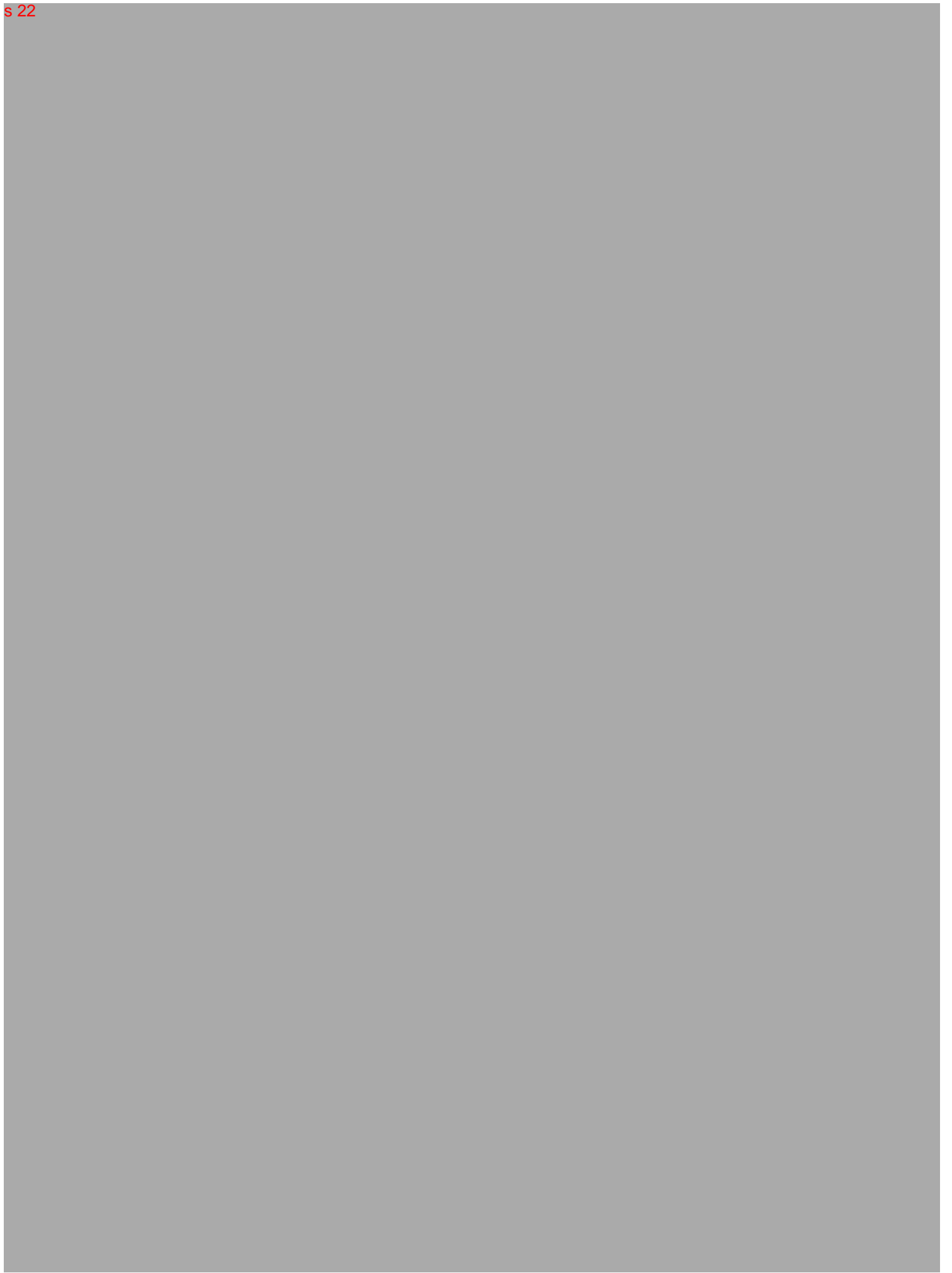
Any issues, let me know and we can further develop the discussion points.

Regards,

s 47F

s 22







s 47F

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**From:** SOTIROPOULOS, George  
**Sent:** Friday, 14 August 2020 1:16 PM  
**To:** s 47F  
**Cc:** s 47F  
**Subject:** RE: FOR SIGNATURE: BCG Work Order Variation [SEC=OFFICIAL]

Thanks s 47F – please add my signature.

Cheers, George

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**George Sotiropoulos**  
**Group Manager**  
**Disability, Employment and Carers**  
Department of Social Services  
**P:** s 47F **E:** s 47F **M:** s 47F  
**EA:** s 47F

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**From:** s 47F  
**Sent:** Friday, 14 August 2020 10:20 AM  
**To:** SOTIROPOULOS, George s 47F  
**Cc:** s 47F  
**Subject:** FOR SIGNATURE: BCG Work Order Variation [SEC=OFFICIAL]

Hi George

s47F has signed the Work Order variation to include the ESAt review. If you're happy with the variation, I can add your signature, and 'witness' it and finalised the variation.

thanks

s 47F  
**Director, Disability Employment Research and Analysis**  
**Disability and Carer Reform Branch**  
Department of Social Services  
**P:** s 47F **E:** s 47F

s22

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