

# Job Services Australia Star Ratings Methodology

## From July 2012 To June 2015

### Introduction

The Job Services Australia (JSA) Star Ratings are used by:

- job seekers to assess the comparative performance of providers in their local area;
- providers as a measure of their contractual performance; and
- the department to drive improved performance and allocate business share to providers.

The ratings measure the relative performance of providers against two contractual Key Performance Indicators (KPIs) over the most recent three year period:

- **KPI1 Efficiency** - the average time taken by providers in comparison with other providers to assist relevant participants into employment.
- **KPI2 Effectiveness** – the proportions of relevant participants for whom placements and outcomes are achieved, including social outcomes for Stream 4 participants.

### Performance Measures and Weightings

A set of performance measures for each JSA Stream enables the assessment of the KPIs. These are shown in the table below along with their relative weightings. Overall JSA ratings are calculated by aggregating the individual Stream ratings with Stream 4 contributing 40%, Stream 3 30%, Stream 2 20% and Stream 1 10%.

Performance Measure	Weightings in JSA Star Ratings Model			
	Stream 4 40%	Stream 3 30%	Stream 2 20%	Stream 1 10%
13 Week Full Outcomes	20%	20%	20%	10%
13 Week Pathway Outcomes	10%	10%	10%	5%
13 Week Bonus Outcomes	15%	15%	15%	10%
Speed to 13 week Full Outcomes		5%	5%	
<b>13 Week Outcomes Total</b>	<b>45%</b>	<b>50%</b>	<b>50%</b>	<b>25%</b>
26 Week Full Outcomes	20%	30%	30%	10%
26 Week Pathway Outcomes	10%	10%	10%	5%
<b>26 Week Outcomes Total</b>	<b>30%</b>	<b>40%</b>	<b>40%</b>	<b>15%</b>
Barriers Serviced	15%			
<b>Social Outcomes Total</b>	<b>15%</b>			
Paid Placements	10%	10%	10%	30%
Speed to Job Placements				10%
<b>Job Placements Total</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>40%</b>
Off Benefit				15%
Speed to Going Off Benefit				5%
<b>Off Benefit Total</b>				<b>20%</b>

#### Notes:

1. For the September and December 2012 releases, performance data were not available for the Barriers Serviced measure and the weighting for this measure was required to be redistributed to the other measures.
2. The 13 Week Pathway Outcomes performance measure also includes Remote Educational Achievement Outcomes and Remote Foundation Skills Outcomes.
3. The '13 Week Bonus Outcomes' measure also includes outcomes which were for Indigenous job seekers or which were the result of out of area placements.

## Allocation of Star Ratings

The Star Ratings model calculates a performance score for each site across Australia using the performance measures and weightings previously described. From these scores, a national average performance score is calculated.

The Star Ratings are then allocated on the basis of the comparison of individual site performance scores to the national average site performance score. For example, all sites which are 40 per cent or more above the national average are allocated 5-Stars. The Star Ratings and their associated Star Percentages are detailed in the table below.

Star Rating	Star Percentages
5 Stars	40% or more above the average.
4 Stars	Between 20% and 39% above the average.
3 Stars	Between 19% above and 19% below the average.
2 Stars	Between 20% and 49% below the average.
1 Star	50% or more below the average.

## Three Year Rolling Assessment Period

The Star Ratings assess performance over a three year rolling period. For example, the September 2012 ratings assess the three year period between October 2009 and September 2012 and the December 2012 ratings assess the period between January 2010 and December 2012.

## 'Imputed' Star Ratings

For each release, some sites will not have had sufficient performance data for the calculation of Star Ratings for one or more of the four Streams. The affected sites and streams can be identified in the public release listings by the absence of a rating.

However, overall Star Ratings have still been published for these sites. These have been enabled via site level Stream ratings being imputed from the Contract level Stream ratings. For example, if a site has insufficient data for a rating for Stream 1, and the contract it belongs to has a Stream 1 rating of 3-Stars, then the site is allocated an imputed Stream 1 rating of 3-Stars, which is then used for the calculation of the overall rating.

There may be sites for which all four Stream level ratings and the overall JSA ratings are absent. These sites belong to contracts which have only recently started operating and have insufficient performance data for the calculation of ratings.

## Accounting for Different Job Seeker Characteristics and Labour Market Conditions

The Star Ratings methodology uses proven statistical regression analysis to allow the comparison of provider performances across Australia. It does this by measuring the outcome levels of all providers for the job seekers they are assisting and then applying the results to a set of established job seeker and labour market characteristics which impact most on the achievement of job outcomes.

This enables the Star Ratings model to calculate what providers could reasonably be expected to have achieved given the unique set of job seekers they have assisted in their specific labour market.

Scores for each performance measure are then calculated by comparing providers' actual outcome rates with their expected outcome rates. The more that actual outcome rates exceed expected rates then the higher the performance score.

The following characteristics are accounted for in the Star Ratings model.

<b>Job Seeker Characteristics</b>	<b>Description</b>
Age	Age at commencement.
Age of Youngest Child	The age of the youngest dependent child.
Allowance Type	Allowance type at commencement.
Culturally and Linguistically Diverse	Country of birth – two groups of medium and high level of disadvantage.
Community Development Employment Projects program Participant	Has participated on a Community Development Employment Projects program project while in Stream Services.
Days Available	The number of days which the provider has had to place the job seeker.
Disability	Identification of any disability through the Job Seeker Classification Instrument.
Drought Force	Has participated on a Drought Force project while in Stream Services.
Earn or Learn	Identified as 'Earn or Learn' job seekers.
Education Level	Highest education level (from current registration record).
Ex Offender	Identified as having had a custodial sentence.
Flow	Identified as being an active job seeker at the start of the Job Services Australia contract period.
Gender	Gender.
Indigenous	Job seeker is Indigenous.
Indigenous Metro	Job seeker is Indigenous and is being assisted by a Metropolitan located site.
Long Term Income Support	Proportion of the preceding 10 years the job seeker was on income support (or from the age of 15 if they are under 25).
Mature Age Volunteer	Identified as being aged 55+ and undertaking voluntary work.
Pre Release Prisoner	Has participated in a pre-release prisoner project.
Transient	Number of moves to different postcodes and different Employment Service Areas during period of assistance.
Unemployment Duration	Unemployment duration at commencement.
Unstable Accommodation	Identified as having unstable accommodation through the Job Seeker Classification Instrument.
Work Capacity Hours	The number of hours per week available for work as identified by the Job Capacity Assessment.

<b>Labour Market Characteristics</b>	<b>Description</b>
Employment Growth	The employment growth rate of the job seeker's Australian Bureau of Statistics Statistical Region.
Industry Share	Industry share of employment by 19 Industry Types based on Australian Bureau of Statistics Statistical Regions.
Jobs Available	The monthly average number of jobs available to be filled in an Employment Service Area while the job seeker was in assistance. It is calculated by dividing the number of jobs on Australian Job Search by the number of active Job Services Australia job seekers.
Metro Employment Service Area	Job seeker is being assisted by a Metropolitan located site.
Statistical Local Area Size	Job seeker lives in a Statistical Local Area which has an area of 2,000 or more square kilometres.
Unemployment Rate	The unemployment rate of the job seeker's Australian Bureau of Statistics Statistical Local Area.