



## Job Network Star Ratings

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Star Ratings measure the performance of Job Network members compared to one another in placing job seekers into jobs. Ratings vary from a minimum of '1 Star', indicating room for improvement, to a maximum of '5 Stars' reflecting excellent performance.

Star Ratings are used by:

- ✓ job seekers to assess the comparative performance of Job Network members in their local area;
- ✓ Job Network members as a measure of performance; and
- ✓ the Department of Employment and Workplace Relations (DEWR) to drive improved performance and allocate business share to Job Network members.

This Star Rating release covers the period between 1 July 2003 and 31 December 2004 and is the third release of Star Ratings under the *Employment Service Contract 2003-2006*. The first release, in April 2004, compared Job Network members' performance in each of the 137 Employment Services Areas. The last two releases, in July 2004 and February 2005, compare the performance of each Job Network site.

### *What do they measure?*

The most important criterion for gaining a high Star Rating is placing the maximum possible number of job seekers into jobs. Extra incentives are paid for placing highly disadvantaged job seekers, such as long term unemployed, mature age and Indigenous people, who are also given an extra degree of importance in the calculation of Star Ratings.

Factors which impact on job outcome levels, such as differences in the characteristics of the job seekers assisted (e.g. duration of unemployment, age and gender) and differences in the labour market conditions under which providers may operate (e.g. unemployment rates and employment growth) are taken into account when calculating the Star Ratings. For this reason, the Star Ratings can be compared between different locations throughout Australia.

### *How were they developed?*

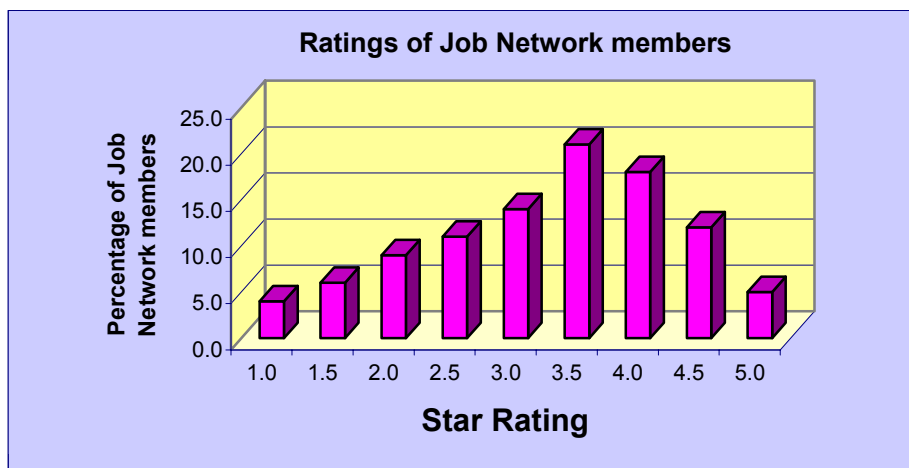
The Star Ratings Method was initially developed with the assistance of the Universities of Flinders and Adelaide, South Australian Centre for Economic Studies. An independent review, completed by Access Economics in February 2002, concluded that the ratings are calculated using a sound, leading-edge approach to performance measurement. Refinements identified by Access Economics have been implemented.

The Star Ratings have been updated to reflect the new *Active Participation Model* introduced in July 2003. The improved service arrangements have resulted in new records for Job Network performance. The National Employment Services Association, the representative industry body for Job Network members, was consulted in the development of the refined Star Ratings system. In addition, individual Job Network members made significant contributions by providing feedback during the development process.

### *Ratings of Job Network members*

Star Ratings are presented for 1,063 Job Network sites across Australia. Some smaller sites will not receive Star Ratings until larger amounts of job seeker outcomes data are available.

A Job Network member's Star Rating can vary from '1 Star', indicating room for improvement, to '5 Stars' representing excellent performance. The chart below shows the set distribution of Star Ratings. On a national basis approximately 70 per cent of Job Network members are rated at 3 Stars or better. Just 5 per cent are rated at 5 Stars, and only 4 per cent at 1 Star. The ratings categories include half star increments to better indicate differences in Job Network members' relative performance.



### *Improvements in Job Network performance*

The implementation of the *Active Participation Model* in July 2003 has resulted in new record performance levels with, for example, over 630,000 job placements recorded in the year 2004. However, because the set distribution for Star Ratings maintains the integrity of the competitive market framework - by driving providers to continuously improve their performance - it has not been altered to reflect these increases.

The Star Ratings are a key criterion in assessing the potential re-allocation of business between providers. In any area where there are significant differences in the performance of providers, DEWR examines the potential for rewarding strong performance by increasing the Job Network member's business level. This is done by reducing the business level of one or more providers with relatively low Star Ratings.

Star Ratings are derived on a national basis and as a consequence there may be regions or Employment Services Areas where no Job Network member is rated at a particular level, for example 5 Stars. On the other hand, two or more Job Network members operating in the same Employment Services Area or region may be rated at 5 Stars.

For more information about Job Network visit [www.jobnetwork.gov.au](http://www.jobnetwork.gov.au)