



Australian Government



2018 DES Star Ratings Methodology Advice

V 1.0

Disclaimer

This document is not a stand-alone document and does not contain the entirety of Disability Employment Services Providers' obligations. It should be read in conjunction with the Disability Employment Services Grant Agreement and any relevant guidelines or reference material issued by the Department of Social Services under or in connection with the Disability Employment Services Grant Agreement.

2018 DES Star Ratings Methodology Advice
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2018 DES Star Ratings Methodology Advice

Document Change History

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1.0	1 July 2018		Original Document

Introduction

This advice describes the 2018 Disability Employment Services (DES) Star Ratings methodology used to calculate the 2018 DES Star Ratings referred to as “the DES Star Ratings”.

The 2018 DES Star Rating Model, used for the calculations, is an outcome-based model. In line with the new 2018 DES Performance Framework, it rewards DES providers who drive performance and continuous improvement, in the delivery of effective services, to all participants and employers. It includes new outcome measures to encourage long-term sustainable employment outcomes for participants and enhancements to the technical methodology, based on recommendations by the actuarial firm, Taylor Fry.

The DES Star Ratings provide an indicator of DES providers’ relative performance, based on their success in placing participants in sustainable employment or education, after adjusting for differences in their client characteristics and local labour market characteristics. Because the Star Rating calculations adjust for factors outside providers’ control using statistical regression methods, they allow direct comparison of providers across Australia. For example, this allows for a direct comparison of Star Ratings between a Provider in regional Queensland and a one in inner metropolitan Melbourne and so on.

The DES Star Ratings measure the relative performance of Providers in delivering services contributing to the objectives of the DES program, focusing on Key Performance Indicator KPI 1 Efficiency and KPI 2 Effectiveness.

Each Provider receives a Star Rating ranging from 1-Star to 5-Stars. A Site performing at a level that is better than the average of all Sites will receive a high rating (4 or 5-Stars). A Site that is performing at around the average will receive 3-Stars. A Site performing at a level that is not as good as the average will receive a lower rating (2-Stars or 1-Star).

The DES Star Ratings are also used by:

- Participants to assess the comparative performance of different Providers in their local area;
- Employers may use them as part of their assessment for which DES providers they might engage to make recruitment agreements with
- Providers to assess their Contractual performance; and
- The department to drive continual improvement in performance and to inform DES panel review processes.

This document sets out the methodology used to calculate the Star Ratings. It covers:

- What the Star Ratings assess, including detailed performance measure rules

- The data used to calculate the Star Ratings, including a description of the two year rolling period
- The six steps that the department takes to calculate a Star Rating; and
- Provides further information available to Providers to help them manage their performance.

What do Star Ratings Assess?

Key Performance Indicators

The Star Ratings assess the performances of Providers against two of the three Key Performance Indicators that are specified in the DES Deed.

- **KPI 1:** an efficiency indicator which seeks to minimise the average times taken by Providers to achieve employment outcomes for their Participants. Efficiency is implicitly captured by the existing Effectiveness Performance Measures and the regression methodology.
- **KPI 2:** an effectiveness indicator which seeks to maximise the number of outcomes achieved by Participants, as well as the number of Participants maintained in employment where assistance is required.

KPI 3 is a quality indicator which is not directly assessed in Star Rating calculations. KPI 3 – Quality under DES is driven primarily by certification against the National Standards for Disability Services and the Job Plan assessment results. Details about these arrangements can be found on the DSS website and in the [Quality Assessment Instructions Measure 3.1 Individualised Job Plans document](#) on the Provider Portal.

Performance Measures and their weightings

The performance measures are used to assess Provider’s performance in meeting the KPIs described above. The following section describes each of the DES performance measures, their objectives, weightings and detailed business rules for their assessment.

Table one describes the full set of performance measures that apply to the DES Star Ratings. The table includes a basic description of each of the performance measures and the performance measure weightings within each DES program.

Interim weightings will be applied until sufficient data is available for all performance measures from the March 2020 release of the DES Star Ratings onwards. See the 2018 DES Star Ratings Transition Advice document for further information about the interim weightings.

Table 1: 2018 DES Performance Measures and Weighting

Performance Measure		DMS Weighting	ESS Weighting
2.1	13 Week Full Outcomes Proportion of Participants who achieve a 13 Week Full Outcome	25%	20%
2.2	26 Week Outcomes	45%	40%
2.2.1	26 Week Full Outcomes Proportion of Participants who achieve a 26 Week Full Outcome	(35%)	(30%)
2.2.2	26 Week Pathway Outcomes Proportion of Participants who achieve a 26 Week Pathway Outcome	(5%)	(5%)
2.2.3	26 Week Bonus Outcomes/Work Assist Proportion of relevant anchors that convert to a paid 26 Week Bonus Outcome or a 26 Week Full or Pathway Outcome for Indigenous Participants and the proportion of Work Assist anchors which convert to a Work Assist outcome	(5%)	(5%)
2.3	52 Week Outcomes	30%	25%
2.3.1	52 Week Full Outcomes Proportion of Participants who achieve a 52 Week Full Outcome	(25%)	(20%)
2.3.2	52 Week Pathway Outcomes Proportion of Participants who achieve a 52 Week Pathway Outcome	(5%)	(5%)
2.4	Ongoing Support Proportion of Ongoing Support Participants who remain in employment or exit ongoing support as an Independent Worker and have their employment verified	-	15%

Notes:

- a) The 52 Week Outcomes performance measures will not form part of the Star Ratings calculations until December 2019, to allow for a minimum of six months of performance data to be included in the calculations for a robust measure. Up to this period, the weighting for these measures will be redistributed among the other key performance measures.
- b) Only DES participants anchored into employment or education on or after 1 July 2018 will have their subsequent outcomes counted in the DES Star Ratings model. This ensures that the performance reported is performance under the new arrangements, and that it is comparable across all providers under the new arrangements.

Performance Measures Numerator and Denominator Definitions

The detailed numerator and denominator definitions for each of the individual performance measures are set out in Table two. There are also overarching rules which apply to all of the measures or multiple of the measures.

The principal performance measure rules to be applied against each measure are:

- *13 Week Full Outcome, 26 Week Full Outcome, 26 Week Pathway Outcome, 52 Week Full Outcome and 52 Week Pathway Outcome performance measures*, Participants will only be included in the denominator where the organisation has claimed an Employment Assistance service fee (with a current status of Pending or Approved) for the participant
- Participants who do not meet the standard criteria for inclusion in the denominator are included if an outcome for the measure has been achieved
- The Participant is included in the applicable numerator and denominators if they meet the conditions of the two year rolling period. Further information on the two year rolling period is available in the 'Two Year Rolling Assessment Period' section of this document
- The duration in assistance for a Participant starts from when they commence with the Site. It includes the total time spent in both the Employment Assistance and Post Placement Support phases combined and excludes all periods of suspension after commencement. If a Participant exits the program and starts a new Period of Service then it is also a new duration in assistance period
- DES outcome and service fee claims that are less than one dollar, including zero dollar claims, are excluded from the numerator and denominator calculations regardless of the claim status
- Claim(s) that have been identified and confirmed for recovery by the Relationship Manager, will immediately be removed from the numerator for the applicable performance measure(s). This is regardless of whether the claim has a current status of pending or approved in the IT system.

These overarching performance measures rules will be subject to additional business rules for Participants who transfer between Sites, ESA and program (see Attachment A).

Table 2: Numerator and denominator definitions for performance measures

Performance Measure	Numerator and Denominator
13 Week Full Outcomes	Number of Participants with a pending or approved 13 Week Full Outcome at the Site.
	Count of Participants whose duration in assistance (Employment Assistance (EA) and Post Placement Support (PPS) phases) at the Site is at least 13 weeks (excluding all periods of suspension). The denominator excludes those who have achieved a 13 Week Pathway Outcome.
26 Week Full Outcomes	Number of Participants with a pending or approved 26 Week Full Outcome at the Site.
	Count of Participants whose duration in assistance (EA and PPS phases) at the Site is at least 26 Weeks (excluding all periods of suspension). The denominator excludes those who have achieved a 26 Week Pathway Outcome.
26 Week Pathway Outcomes	Number of Participants with a pending or approved claim for 26 Week Pathway Outcome at the Site.
	Number of Participants who have commenced in DES and duration in assistance (EA and PPS phases) at the Site is at least 26 weeks (excluding all periods of suspension). The denominator excludes Participants who have achieved a 26 Week Full Outcome or who have an eight hour benchmark.
26 Week Bonus Outcomes	Number of Participants with a pending or approved 26 Week Bonus Outcome, or who are Indigenous and have achieved a paid 26 Week Full Outcome or 26 Week Pathway Outcome at the Site.
	When the Provider has anchored ¹ a Participant at least 26 weeks before the end of the performance period in: <ul style="list-style-type: none"> • an apprenticeship or traineeship • employment which may be related to a qualifying training course that the Participant has completed or will complete before the end of the 26 week period or employment or education and the Participant is Indigenous.
Work Assist 26 Week Outcome (joined with 26 Week Bonus Outcomes)	Number of Participants who have a pending or approved Work Assist 26 Week Outcome at the Site.
	When the Provider has anchored ² a Work Assist Participant at the Site 26 weeks prior to the end of the performance period.
52 Week Full Outcomes	Number of Participants with a pending or approved 52 Week Full Outcome at the Site.
	Count of Participants whose duration in assistance (EA and PPS phases) at the Site is at least 52 weeks (excluding all periods of suspension). The denominator excludes those who have achieved a 52 Week Pathway Outcome or who have achieved a 26 Week Full or Pathway Outcome for education.
52 Week Pathway Outcomes	Number of Participants with a pending or approved 52 Week Pathway Outcome at the Site.
	Count of Participants whose duration in assistance (EA and PPS phases) at the Site is at least 52 weeks (excluding all periods of suspension). The denominator excludes those who have achieved a 52 Week Full Outcome or who have an eight hour benchmark or who have achieved a 26 Week Full or Pathway Outcome for education.

Performance Measure	Numerator and Denominator
Ongoing Support	<p>The number of DES-ESS Participants included in the denominator and:</p> <ul style="list-style-type: none"> • remain in the Ongoing Support Phase at the Site at the end of the performance period or • who have exited as an Independent Worker after a recommendation by an Ongoing Support Assessment • who have had a Provider Initiated Independent Worker exit on or after 2 January 2019³ and it has been verified that the Participant is still in employment six weeks after they exited⁴. <p>Refer to the 'Employment Verification for Ongoing Support' section (page 10) for more details on a verification of Independent Worker exits.</p>
	<p>The number of DES-ESS Participants who have had an Ongoing Support Assessment (including assessments pre 1 July 2018) which recommends that the Participant requires further Ongoing Support, was in the Ongoing Support phase on or after 2 January 2019 to be included in the denominator and:</p> <ul style="list-style-type: none"> • had at least 26 calendar weeks in the Ongoing Support phase since 1 July 2018 (transition Ongoing Support Participants) or • had a period of Ongoing Support at the Site since they achieved a 52 Week Full or Pathway Outcome or • A former Work Assist Participant that has spent at least 26 calendar weeks in the Ongoing Support phase since 1 July 2018. <p>If the DES-ESS Participant was in Flexible Ongoing Support, then they will only be included in the denominator if they have a pending or approved claim for at least one instance of Flexible Ongoing Support (where the claim was created after a 52 Week Full or Pathway Outcome).</p>

Notes:

1. Individual Participants are only counted once per Site commencement, per Period of Service and per employment anchor (i.e. move in the PPS phase).
2. Only anchors that occur from 1 July 2018 onwards will be included in this measure.
3. The start date of this performance measure is from 2 January 2019, so that all participants included in the performance measure have been in the Ongoing Support phase for at least six months after 1 July 2018 (to meet the same requirements of a new Ongoing Support participant post a 26 week outcome).
4. Where the six-week employment verification date is a month or less (28 days or less) prior to the end of the performance period, those Participants will remain in the numerator. If employment is verified during this period, then they will also remain in the numerator.

Performance Measures

13, 26 and 52 Week Full Outcomes

The 13, 26 and 52 Week Full Outcomes performance measures seek to maximise the number of Participants placed into sustainable employment at their assessed work capacity (and/or education for certain Participant groups for 13 and 26 Week Full Outcomes) or higher. These measures are the most heavily weighted performance measures, 70 to 85 per cent of the total Star Rating in DES-DMS and DES-ESS respectively. Improvements in performance in these performance measures in particular will see the greatest impact on Star Ratings. There are no 52 Week Full Outcomes for education placements.

26 and 52 Week Pathway Outcomes

The 26 and 52 Week Pathway Outcomes performance measure seek to maximise the number of Participants placed into sustainable employment or education. The Pathway measures also exclude Participants with an eight hour benchmark. The exception to this rule is that if a Participant does achieve a 26 Pathway Outcome (for education) then they will be included in both the numerator and denominator for the 26 Week Pathway Outcomes performance measure (there are no 52 Week Pathway Outcomes for education).

26 Week Bonus Outcomes

This Bonus measure only includes Participants that are anchored (i.e. start in employment or education) into an Apprenticeship, Traineeship, Directly Related Employment or are Indigenous are included in the denominator for this measure (after being anchored 26 weeks previous).

The Bonus Outcome Measures will be based on data (anchors) from 1 July 2018 onwards.

See [Attachment C](#) for a detailed explanation of the combining process where there is zero in scope for a particular sub measure.

Work Assist measure

This measure has replaced the previous Job in Jeopardy measure from 1 July 2018. Only Participants commenced in Work Assist on or after 1 July 2018 are included in this performance measure. The Work Assist performance measure will be combined with the 26 Week Bonus Outcomes performance measure, as it does not have enough performance data nationally for a separate performance measure.

Ongoing Support performance measure

The Ongoing Support measure, only applicable for DES – ESS participants, will continue as per the pre-2018 model.

- any Ongoing Support participants who exit before the 52 Week Full or Pathway Outcome are excluded from this measure
- all Participants who are assisted in the Ongoing Support phase for a period, post the 52 Week Full or Pathway Outcome, are included in the measure
 - an Ongoing Support Assessment must also be finalised with a recommendation for further Ongoing Support

- For Flexible Ongoing Support participants (funding level while in the measure denominator) at least one Flexible Ongoing Support fee must be claimed by the provider to be included in the denominator.
 - This requirement is not applicable to participants in the Moderate or High Ongoing Support funding levels
- Former Work Assist participants, who require Ongoing Support, must spend at least 26 calendar weeks in the Ongoing Support phase.
 - an Ongoing Support Assessment must also be finalised with a recommendation for further Ongoing Support
- Provider Independent Worker exits, for those participants already in the measure denominator, will be verified six weeks following the exit from the program, to confirm whether they are still in employment. The verification process is described in further detail below

All continuing transition Ongoing Support participants will be treated as if they commenced in Ongoing Support for the first time on 1 July 2018, then they will need to progress to meeting the requirements of the Ongoing Support performance measure to be included in the denominator (spend at least six months in the phase).

The time a participant has been in the Ongoing Support denominator with a Provider is taken into account in the statistical regression calculations for expected performance. In general, the longer a participant is in the Ongoing Support denominator for (as appropriate for the participant) the lower the expected performance for the participant will be. The lower the expected performance becomes, assuming the participant remains in the numerator, the greater the difference between the actual and expected performance will be and more upward pressure on the overall Star Rating.

Employment Verification for Ongoing Support

Participants in the Ongoing Support performance measure denominator who exit as an Independent Worker will have their employment verified six weeks later.

In DES - ESS, employment will be verified through:

- the Participant declaring earnings from employment to the Department of Human Services or
- an Ongoing Support Assessment recommends an exit as an Independent Worker or
- the Provider declaring in the Employment Services System that the Participant was in employment at the employment verification date and they have the appropriate documentary evidence, consistent with the Employment Verification (Star Ratings) Guidelines.

What data is used to calculate Star Ratings?

Two Year Rolling Assessment Period

The 2018 DES Star Ratings model will be calculated quarterly to assess performance over a two year period, rather than three as in the previous model. This will increase currency of ratings. Refer to Table three for Assessment Periods for Star Ratings Releases.

A Participant will be included in the Star Ratings calculations of a Site if they:

- were still in assistance at the end of the two year rolling period at the Site or
- exited the Site during the two year rolling period or
- exited the Site prior to the two year rolling period but have an associated outcome which was lodged during the two year period at the Site or
- exited prior to the two year rolling period but had an ongoing support employment verification date which is within the two year rolling period.

The outcome claims to be included in Star Ratings calculations are those which were lodged during the two year period and which have not been subsequently recovered or withdrawn.

As an example, the following sets out the records that will be included in the September 2021 ratings.

- outcome claims which were lodged between 1 October 2019 and 30 September 2021 (with a current status of Pending or Approved).
- Participants who;
 - exited assistance between 1 October 2019 and 30 September 2021 or
 - were actively in assistance at the end of September 2021 or
 - exited assistance prior to October 2019 but have an outcome claim that was lodged during the two year period.

For example, a DES-ESS commencement record for a Participant who exited in August 2019 has an associated 13 Week Full Outcome that was lodged in November 2019 (i.e. a special claim), but has no 13 Week Pathway Outcome. This commencement record would be included in the DES-ESS 13 Week Full Outcome performance measure but not the 13 Week Pathway Outcome performance measure.

Claim cut-off date for Star Ratings period

The cut-off date for pending and approved claims to be included in the DES Star Ratings is as follows:

1. Last business day (Friday or end of month) of the quarter (i.e. during the week and not a public holiday) for the March, June and September quarter Star Ratings
2. First available Friday in January for the December Star Ratings.

For example, for the March 2019 *DES Star Ratings* 31 March 2019 will fall on a Sunday. Therefore, Friday 29 March 2019 will be used as the cut-off day that claims are accepted for the March 2019 Star Ratings. The claim cut-off is as described above, unless otherwise stated on the DES Provider Portal. Please refer to release dates in the table below.

Table 3: Assessment Periods for Star Ratings Releases

Star Ratings Release	Assessment Period	Public Release Date / Anticipated Release month
March 2019	1 July 2018 – 29 March 2019	April 2019
June 2019	1 July 2018 – 28 June 2019	July 2019
September 2019	1 July 2018 – 4 October 2019	November 2019
December 2019	1 July 2018 – 10 January 2020	February 2020
March 2020	1 July 2018 – 31 March 2020	April 2020
June 2020	1 July 2018 – 30 June 2020	July 2020
September 2020	1 October 2018 – 30 September 2020	October 2020
December 2020	1 January 2019 – 8 January 2021	February 2021
March 2021	1 April 2019 – 31 March 2021	April 2021
June 2021	1 July 2019 – 30 June 2021	July 2021
September 2021	1 October 2019 – 30 September 2021	October 2021
December 2021	1 January 2020 – 7 January 2022	February 2022
March 2022	1 April 2020 – 31 March 2022	April 2022
June 2022	1 July 2020 – 30 June 2022	July 2022
September 2022	1 October 2020 - 7 October 2022	November 2022
December 2022	1 January 2021- 6 January 2023	February 2023
March 2023	1 April 2021 – 31 March 2023	April 2023

Notes:

- a) Any extensions to the end dates will be advised in news items on the Provider Portal and are most likely to occur in response to natural disasters or technical systems issues.
- b) March 2019 ratings will be supplied to owning providers with no public release.

How are star ratings calculated?

The Star Rating calculation addresses two key questions.

- What was actually achieved by the Provider (actual performance)?
- What was realistic for the Provider to achieve (expected performance)?

The Star Ratings compare a Provider's actual performance to their expected performance for each of the performance measures. The Provider's scores for each of the performance measures are then aggregated together and weighted. Lastly, the Providers are allocated a Star Rating based on a distance from the mean distribution. Overall, this is a six step calculation process.

The following sections explain actual performance, expected performance and statistical regression and how the Star Ratings are distributed into bands. The six step calculation process is also described in more detail, followed by some additional business rules (e.g. minimum data required to receive a Star Rating and the arrangements for zero Participants in scope for a performance measure).

Actual Performance

The Star Ratings Model assesses Provider performance against the performance measures shown in Table one. It assesses the Outcomes that have been achieved compared with the number of Participants that have been assisted for long enough to potentially achieve the Outcome.

Expected Performance and Statistical Regression

The ability of Providers to achieve outcomes is influenced by the level of disadvantage faced by the Participants they are assisting and the strength of the labour market they are operating in.

For example, Participants who have been unemployed for more than three years and their highest education attainment is Year 10 tend to achieve fewer employment outcomes than those Participants without these characteristics, all other things being equal. Participants with these characteristics would therefore have lower than average expected outcomes in the calculations.

The model calculates the expected rates of a Site using statistical regression which takes account of those Participant and labour market characteristics which influence the achievement of outcomes but which are outside Providers' control. In this way, the differing levels of difficulty Participants have in finding sustained employment and/or education outcomes are accounted for and all Providers are assessed equitably.

Separate regressions are run for each performance measure within DES-DMS and DES-ESS, assessing the expectations of an outcome for each individual Participant who has potentially been eligible for that outcome.

The full list of Participant and labour market characteristics which are accounted for in the statistical regression are shown in Table four and Table five.

Transition Participant characteristics are included in the statistical regression model to control for Participants impacted by the transition. In addition, each phase that a Participant transitions into is identified, to allow for comparison between Sites or Contracts with differing levels of transition participants. Some spline functions have been introduced, to optimise smoothing in the modelling process. This was in response to recommendations made in the Taylor Fry Report. Through the normal course of the program Participants that transfer between Sites or Contracts in the PPS phase are also identified. The final participant and labour market characteristic variables will be confirmed prior to the March 2019 DES Star Ratings, following testing with actual 2018 DES data.

Table 4: Draft Participant Characteristics

Participant Characteristics	Description	Data Source
Other:		
Age (spline)	Age spline, based on jobseeker Age at Commencement	Centrelink
Age Youngest Child	The age of the youngest dependent child	
Barriers	Vocational or Non-Vocational Barrier to employment	
Criminal convictions	Participant is an ex-offender	ESSWeb - JSCI
Culturally and linguistically diverse	Country of Birth – level of disadvantage group.	
Educational Attainment Level	Highest education level as recording in the JSCI	ESSWeb - JSCI
English language proficiency	Level of English Proficiency	ESSWeb - JSCI
Employment benchmark	The employment benchmark of the participants, as determined by their future work capacity in their ESAt/JCA.	ESAt/JCA
Funding level	Funding level determined by the 2018 DES Funding Level Tool	ESSWeb
Gender	Gender	Centrelink
Homeless status	Participant is Homeless (Primary or Secondary)	
Indigenous Status	Participant identifies as Indigenous.	ESSWeb - JSCI
Indigenous Status/Metro Location	Participant identifies as Indigenous and lives in Metropolitan location.	ESSWeb - JSCI

Participant Characteristics	Description	Data Source
Income Support Allowance Type	Income Support type at commencement	Centrelink
JSCI Score (spline)	Spline based on Job Seeker Classification Index Score	ESSWeb - JSCI
Ongoing Support funding level (DES-ESS only)	Only applicable for the Ongoing Support performance measure.	
Time on Income Support (spline)	Proportion of the preceding 10 years the job seeker was on income support (or from the age of 15 if under 25).	
Time in assistance (spline)	Spline based on Time in Assistance.	
Transition Variables	Variables to control for Participants impacted by various transitions.	
Unemployment Duration (spline)	Spline based on Unemployment Duration at Commencement (since Registration Date)	
Disability Variables:		
Employment benchmark	Number of hours, on average, that a Participant must work each week to achieve a Full Outcome.	ESAt/JCA
Medical Condition	Participant's Medical Conditions (identified individually or as part of a group of conditions such as Intellectual, Physical).	ESAt/JCA
Number of Medical Conditions	Count of the Participant's Medical Conditions	ESAt/JCA
Medical Condition Type	Participant has a least one Permanent medical condition	ESAt/JCA
Primary disability	Primary Medical Condition/Disability (for Participants without an ESAt/JCA)	ESSWeb – registration screen

Table 5: Draft Labour Market Factors

Labour Market Factors	Description	Data Source
IVI growth (spline)	Spline of growth in the Participant's IVI (Internet Vacancy Index) region, a measure of level versus historical average in a region.	Department of Jobs and Small Business Vacancy Report – published on the Labour Market Information Portal
Low Skill Vacancies Rate	Proportion of low skilled vacancies in the Participant's IVI (Internet Vacancy Index) region.	Department of Jobs and Small Business Vacancy Report – published on the Labour Market Information Portal
Size of local labour market	A measure of economic activity in a state or territory. Change in per capita SFD (over past year) functions as a leading indicator of employment growth	
State final demand	A measure of economic activity in a state or territory. Change in per capita SFD (over past year) functions as a leading indicator of employment growth.	ABS Published data - ABS Published data - 5206.0 - Australian National Accounts - Table 25
Unemployment Rate (spline)	The unemployment rate of the job seeker's ABS Statistical Area 4 level spatial unit.	ABS published data - ABS published data - 6291.0.55.001 - Labour Force, Australia, Detailed - Electronic Delivery – Table 02 and RM1

Example calculation of Actual to Expected Ratio

The example below demonstrates the importance of expected performance.

In this example, there are three Sites in three different ESAs, all with actual DES-ESS 13 Week Full Outcome rates of 25 per cent but quite different actual to expected rate ratios:

- Site A has an expected outcome rate of 20 per cent, giving a ratio of 1.25 (25/20).
- Site B has an expected outcome rate of 25 per cent, producing a ratio of 1.0 (25/25).
- Site C has an expected outcome rate of 30 per cent, producing a ratio of 0.83 (25/30).

All three of these Sites have the same actual performance level of 25 per cent. However, Site A has had a caseload of relatively more disadvantaged Participants, with the lowest expected outcome rate of 20 per cent. Site C on the other hand has the highest expected outcome rate, reflecting a relatively less disadvantaged caseload.

Once the expected performance is taken into account it is clear that Site A is actually performing best, while Site C is performing the least well.

Distribution of DES Star Ratings

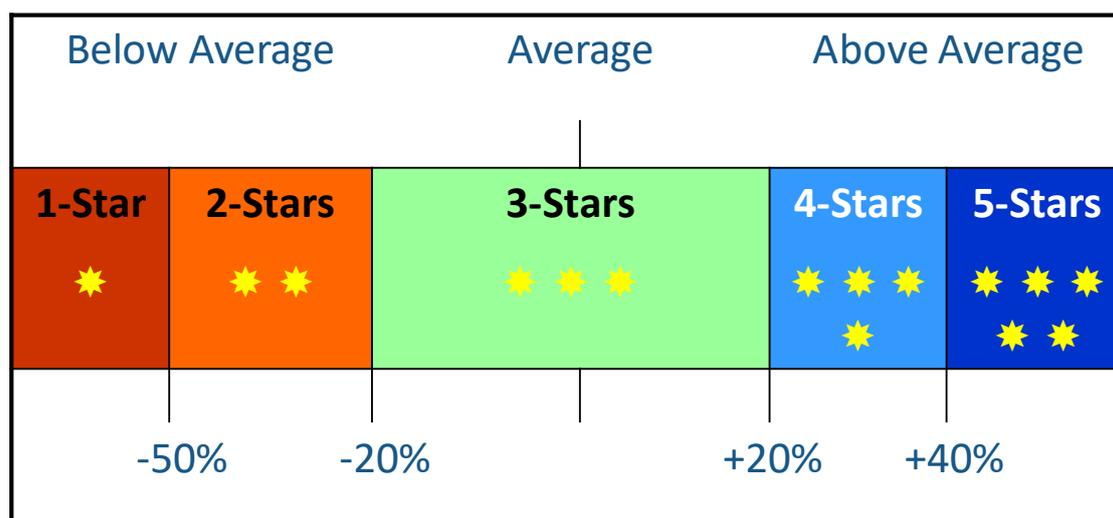
The Provider’s final performance score is compared against the final scores of all Providers nationally to produce a Star Percentage, which shows the percentage a Provider is above or below the mean score. The Provider is then allocated to a Star Ratings band according to Table six. These may be subject to change from time to time by the Department of Social Services.

National average performance is calculated at the Contract level. All Sites and Contracts with sufficient data to receive a rating are compared against the Contract level national average score to determine the final Star Rating. Single Site Contracts (with no associated ceased or new Sites) will therefore receive the same Star Rating and Star Percentage at both the Contract and Site level.

Table 6: Distribution of DES Star Ratings

Star Rating	Star Percentage
5-Stars	+ 40 or higher
4-Stars	Between +20 and +39
3-Stars	Between +19 and -19
2-Stars	Between -20 And -49
1-Star	-50 or lower

Figure 1: Distribution of DES Star Ratings – graphical representation



Star Ratings Model Six Steps –

The model undertakes six major steps in the calculation of Site Star Ratings. The following presents a walked-through example of how the Star Ratings are calculated.

Summary of the Six Steps

For all Sites for each performance measure:

Step 1: Calculate actual performance

Step 2: Calculate expected performance

Step 3: Calculate ratio of actual rate to expected rate

Step 4: Standardise the performance measure scores on a scale from between zero and four.

For all Sites:

Step 5: Calculate the Site performance score by applying the scheduled weightings in Table one to each performance measure score.

Step 6: Calculate the **Star Percentage** by comparing the Site's performance score with the national average performance score. Allocate the **Star Rating** on the basis of the distribution in Table six.

The Star Ratings Model Six Steps In Detail

The example boxes for each step relate to the calculation of a DES-ESS Star Rating for a hypothetical Site X.

Step 1: Calculate Actual Performance

See Table two for descriptions of how the numerator and denominator are determined for each of the performance measures.

- the Star Ratings calculates the actual number of outcomes or indicators achieved (numerator) and the number of Participants who are in scope for the measure (denominator).
-

Step 1 Example

Site X (DES-ESS) has achieved 58 *13 Week Full Outcomes* for 150 Participants that have commenced and been assisted for at least 13 weeks, during the two-year period. The numerator for *13 Week Full Outcomes* is 58 and the denominator is 150. Similarly, the number of actual outcomes is also calculated for the other performance measures as shown in the following table.

Performance Measure	Numerator	Denominator	Actual performance rate (%)
13 Week Full Outcomes	58	150	39
26 Week Outcomes combined			
26 Week Full	26	75	35
26 Week Pathway	13	40	33
26 Week Bonus Outcomes/Work Assist	6	10	60
52 Week Outcomes combined			
52 Week Full	22	35	62.9
52 Week Pathway	13	30	43.3
Ongoing Support	12	15	80

Step 2: Calculate Expected Performance

Using statistical regression, which takes account of variable Participant and labour market characteristics and the number of Participants in the denominator, the Star Ratings model calculates:

- the number of outcomes that the Site could be expected to achieve.
-

Step 2 Example

The Star Ratings model in assessing *13 Week Full Outcomes data* for all Sites across Australia in DES-ESS, calculates that Site X with 150 Participants in the denominator could reasonably be expected to have achieved 15 *13 Week Full Outcomes*. In this example, Site X has more disadvantaged participants and lower local labour market conditions. Similarly, the number of expected outcomes is also calculated for the other performance measures as shown in the following table.

Performance Measure	Denominator	Expected	Expected performance rate (%)
13 Week Full Outcomes	150	15	10
26 Week Outcomes combined			
26 Week Full	75	10	13
26 Week Pathway	40	2	5
26 Week Bonus Outcomes/Work Assist	10	1	10
52 Week Outcomes combined			
52 Week Full	35	10	28.6
52 Week Pathway	30	5	16.7
Ongoing Support	15	13	86.7

Step 3: Calculate Ratio of Actual Outcomes to Expected Outcomes

The Star Ratings calculates the ratio of actual outcomes to expected outcomes. For the calculation of Step 3 for the combined 26 Week Outcomes/Work Assist and the combined 52 Week Outcomes, please refer to [Attachment B](#).

Step 3 Example

The model calculates the actual to expected rate ratios for Site X as shown in the following table.

Performance Measure	Actual	Expected	Ratio
13 Week Full Outcomes	58	15	3.87
26 Week Outcomes combined			2.78
26 Week Full	26	10	2.60
26 Week Pathway	13	2	6.50
26 Week Bonus Outcomes/Work Assist	6	1	6.00
52 Week Outcomes combined			2.02
52 Week Full	22	10	2.20
52 Week Pathway	13	10	1.30
Ongoing Support	12	13	0.92

Note: The 26 Week Full, Pathway and Bonus Outcome/Work Assist actual and expected results are combined into one single ratio. See [Attachment B](#) for more detail on how this occurs. Similarly, the 52 Week Outcome actual and expected results are combined into one single ratio. See [Attachment B](#) for more detail on how this combining process occurs.

Step 4: Standardise the Ratios to Performance Measure Scores between 0 and 4

The model standardises the ratios to performance measure scores and places them on a scale from 0 to 4. This ensures that the performance measure weightings as set out in Table one are applied correctly.

Step 4 Example

The model transforms the performance measure ratios for Site X to the standardised performance measure scores shown in the following table.

Performance Measure	Ratio	Standardised Score
13 Week Full Outcomes	3.87	4.00
26 Week Outcomes combined	2.78	3.00
26 Week Full		
26 Week Pathway		
26 Week Bonus Outcomes/Work Assist		
52 Week Outcomes combined	2.02	2.16
52 Week Full		
52 Week Pathway		
Ongoing Support	0.92	1.97

Step 5: Calculate the Overall Performance Score

Each performance measure score for a Site is multiplied by the weighting in Table one to give a weighted score. All weighted scores are then aggregated to calculate the Site X performance score.

Step 5 Example

The calculation of the performance score for Site X (DES-ESS) is shown in the following table. The weightings are applied to each of the performance measure standardised scores. The weighted scores are summed together to give the overall score for the Site.

The reader should note that the 26 Week Outcome score is weighted by a 40 per cent weighting, while the 52 Week Outcomes combined score is weighted by 25 per cent. The weightings for the Full, Pathway and Bonus outcomes individually were applied in Step 3. See [Attachment B](#) for further information on the combined score process for the 26 and 52 Week performance measures.

Performance Measure	Standardised Score	Weighting	Weighted Score
13 Week Full Outcomes	4.00	0.20	0.80
26 Week Outcomes combined	3.00	0.40	1.20
26 Week Full			
26 Week Pathway			
26 Week Bonus Outcomes/Work Assist			
52 Week Outcomes combined	2.16	0.25	0.54
52 Week Full			
52 Week Pathway			
Ongoing Support	1.97	0.15	0.30
Performance Score for Site X			2.84

Step 6: Calculate the Star Percentage and Star Rating

From the overall performance scores for all Sites across Australia, the national average Site performance score is calculated. The example below shows a national average Site performance score of 2.00.

Each Site's Star Percentage is then calculated by comparing their performance score with the national average Site performance score. The Star Percentage is always truncated to the integer, meaning that the decimal components are always removed. For example, a Star Percentage of 19.82 is truncated to '+ 19', and a Star Percentage of -19.82 is rounded down to '- 19'.

Star Ratings are then allocated to each Site on the basis of the distribution in Table six.

Step 6 Example

The Star Percentage and Star Rating for Site X is calculated as follows.

Performance Score for Site X =	2.84
National Average Site X Performance Score =	2.00
Site X Star Percentage = $(2.84-2.00)/2.00 * 100 =$	42
Site X Star Rating =	5-Star

as '+42' Star Percentage is above the 5-Star threshold of 40 per cent or more, the Site receives 5-Stars.

Additional Business Rules

Thresholds for Calculated Ratings (Minimum Data Requirements)

To ensure the robustness and statistical validity of the assessments, a Star Rating will only be awarded for a Site or Contract once the following has been achieved:

- Disability Management Service
A minimum of 20 Participants in the denominator for the 13 Week Full Outcomes measure
- Employment Support Service
A minimum of 20 Participants (combined) in the denominators for the measures:
 - 13 Week Full Outcomes (minimum of 5 Participants)
 - Ongoing support

Some Contracts or Sites may have insufficient data to receive a Star Rating. If a Contract or Site is not issued with a Star Rating this does not signal poor performance. Where a Site has insufficient data for a Site level Star Rating, any of its performance data still contributes to the overall Contract level Star Rating.

It is possible that due to the two year rolling assessment period and variations in referrals over time, a Site or Contract may oscillate over and under 20 eligible Participants (i.e. sufficient data) from one ratings release to the next. In the first instance that a Site moves from being above the threshold to below the threshold, then the department will publish the Site's previous rating. If a Site is below the threshold for two consecutive ratings periods then the department will publish a rating of insufficient data for that site.

Zero Participants in the denominator for a Performance Measure

In some instances, a DES Site or Contract will have zero Participants in the denominator for a particular performance measure. Where there are zero Participants in the denominator for a performance measure, then the weighting for that measure will be scaled up to other remaining measures.

This is most likely to occur in relation to either the Pathway or Bonus Outcome performance measure. For example, if there are zero observations in the denominator for the Pathway performance measure as the Site solely assists Participants with an 8 hour benchmark, then the five per cent weighting of the Pathway performance measure will be distributed to the Full and Bonus outcome measure, proportionate to the weighting of the Full and Bonus outcome measure. See [Attachment C](#) for a more detailed explanation of how this will occur.

Very small numbers in the denominator for a performance measure

Where there are very small numbers of participants in the denominator, the weighting for that performance measure will be proportionally adjusted to reduce the variability of performance associated with very small numbers.

All performance measures except Ongoing Support

Where a performance measure has one to four participants in the denominator, the weighting for that measure will be adjusted proportional to the number of participants in

the denominator. The adjusted weighting is relative to the prescribed measure weighted applicable for that Star Ratings period. Any excess weighting will be reallocated among the performance measure weightings that have not been adjusted.

Table 7: Example DES-DMS 26 Week Full Outcomes measure weighting adjustment

Denominator	Weighting
0	0 %
1	7 %
2	14 %
3	21 %
4	28 %
5+	35 %

DES-ESS Ongoing Support performance measure

Where the Ongoing Support performance measure has one to nine participants in the denominator, the weighting will be adjusted proportional to the number of participants in the denominator. The adjusted weighting is relative to the prescribed measure weighting applicable to that Star Ratings period. Any excess weighting will be reallocated among the performance measure weightings that have not been adjusted.

Table 8: DES-ESS Ongoing Support measure weighting adjustment

Denominator	Weighting
0	0 %
1	1.5 %
2	3 %
3	4.5 %
4	6 %
5	7.5 %
6	9 %
7	10.5 %
8	12 %
9	13.5 %
10+	15 %

ESAt/JCA exempt participants

ESAt/JCA exempt participants do not have an ESAt/JCA report, which contains barriers and medical conditions information. Providers are required to enter the primary disability information for these participants into the Employment Services System (ESS) for the DES Star Ratings regression calculations.

Information like education level, ex-offender status and Indigenous status are sourced from participants' JSCI, including eligible school leavers. Providers should ensure that the JSCI is accurate and current for participants prior to commencing them.

The Primary disability information for these participants is entered in the following location in ESSWeb (see screenshot below):

ESSWeb > Job Seeker > Registration > Circumstance Details section

Registration Details Summary
↶
-

✓ **Personal Details**
+

✓ **Address and Contact details**
+

✓ **Circumstance Details**
-

<p>RapidConnect <i>No data recorded.</i></p> <p>RapidConnect Exemption Reason <i>No data recorded.</i></p> <p>Wage Assistance Card No</p> <p>PPP/PPS Low hours No</p>	<p>RapidConnect Date (dd/mm/yyyy) <i>No data recorded.</i></p> <p>Primary disability [REDACTED]</p> <p>Wage Assistance Card Date (dd/mm/yyyy) <i>No data recorded.</i></p> <p>Redundancy Due Date (dd/mm/yyyy) <i>No data recorded.</i></p>
---	---

JSCI information and Star Ratings calculations

All DES Participants should have an active Job Seeker Classification Instrument (JSCI), for the information to be included in the Star Ratings calculations (reviewed or entered prior to commencing the participant). DES providers have access to create and update a JSCI for their own Participants and should do this when a Participant:

- is Directly Registered and is a Volunteer (Non-activity Tested)
- discloses new information to the DES provider
- incorrect or missing information is identified in the current JSCI or
- does not have an active JSCI.

Further information on the JSCI process can be found by referring to the Job Seeker Classification Instrument Guidelines.

Treatment of new and continuing Contracts, Contract Novations, Contracts that hand back business and Ceased Contracts

New Contracts

The department will publically release a Star Rating for new DES Contracts after they have been operating for 12 months. In the interim, the department will display insufficient data for publishing purposes. The department will calculate a Star Rating for the Provider after nine months of operation, but this will not be published.

Continuing Contracts

All DES contracts will start their performance from 'zero' on 1 July 2018. Adjustments will be made in the Regression Model to account for continuing providers appropriately and enable fair comparison to genuinely new providers and contracts.

Contract Novations

Where a Provider takes over the business of an existing Contract, as part of a Contract novation, the new Contract inherits the past performance of the original Contract. The new Provider is required to establish a new Contract and transfer the Participants from the original Contract. Subsequent Star Ratings calculations for the new Contract will include the performance data of both the original and the new Contracts. This will continue to be the case until there is no performance data (commencements or outcomes) for the original Contract which lies within the two year rolling assessment period.

The DES performance reports will be updated to reflect this joining of performance data. However, there will be up to a three month lag for the reports to be updated as contract novation details are only updated every Star Ratings period.

Contracts that 'hand back' business

Where a Provider contacts the department to request a 'hand back' of their Contract, the Participants are then allocated to other available Contract(s). The receiving Contract(s) do not take on any past performance of the original Contract.

Ceased Contracts

Past performance data for all Contracts which ceased operating as a result of a purchasing process or the DES provider panel refresh process will be removed from future Star Ratings. If they were generally lower performing contracts, then the national average and future expected performance will likely be increased after they are removed from the national performance data set. Any new Contract(s) do not take on any past performance of the ceased Contracts.

Treatment of New and Ceased Sites with Continuing Contracts

New Sites with Continuing Contracts

New Sites with continuing Contracts will initially not receive a Star Rating. They must operate for at least nine months, even if they meet the minimum data requirements, before a Star Rating is calculated. This is to ensure that there is sufficient time for the flow of new Participants to be included in the 13 and 26 Week performance measure denominators and therefore the performance in these measure not only being reflective of the initial transfer of Participants (if applicable). The performance associated with the New Sites will contribute to the Contract level Star Rating.

Ceased Sites with Continuing Contracts

Ceased Sites with Continuing Contracts will no longer receive a Star Rating. They will continue to contribute to the Contract level Star Ratings while the Ceased Site performance data is within DES Star Rating two year rolling period. The influence of the performance associated with the Ceased Site will also have a lower impact over time to the Contract level Star Rating as more performance data associated with the continuing Site(s) is added.

When and how DES Star Ratings are published

Timing of 2018 DES Star Rating releases

The first public release of ratings for the 2018 Performance Framework Star Ratings is July 2019 as per Table three. DES Star Ratings are publicly released around 48 hours after being supplied to Provider CEOs and generally four to six weeks (potentially less) after the end of the Star Ratings period.

Publication of DES Star Ratings

Site level Star Ratings are publically released on these websites and other locations. Star Percentages are not published with this information.

- [Australian Job Search](#)
- [JobAccess](#)
- Available to the Department of Human Services for the registration and referral process
- Transfer screen in ESSWeb

All Site and Contract level Star Ratings and Star Percentages are published in the following locations.

- DES Provider Portal
- [Department of Jobs and Small Business website](#)
- [Data.gov.au](#)

DES provider level Star Ratings

DES provider level Star Ratings (by DES program) will be calculated and distributed to DES providers. In addition, they will be published in the same locations and the Site and Contract level Star Ratings and Star Percentage. Both organisation Star Ratings and Star Percentages will be published.

DES Site publishing arrangements

Where a DES Site has insufficient data in their own right, the Contract level Star Rating for that Site will be substituted for the purposes of the public release (if available). For example, if the Contract level rating is 4-Stars and one of the Sites linked to that Contract has Insufficient Data in its own right then the 4-Star result will be published.

Where a DES Site receives insufficient data for the first time, the previous Star Ratings are used. Some Contracts or Sites may have insufficient data to receive a Star Rating. If a Contract or Site is not issued with a Star Rating this does not signal poor performance. Where a Site has insufficient data for a Site level Star Rating, its performance data still contributes to the overall Contract level Star Rating.

Where a DES Site has been operating for less than twelve months but the Contract had been operating for more than 12 months, the Contract level Star Rating for the Site will be substituted for the purposed of the public release (if available). If the Contract has been

operating for less than twelve months then Insufficient Data will be displayed for both the Contract and Site (as applicable).

DES performance reports

DES Star Rating related performance reports in Table eight are available in the Employment Services Reporting portal and are updated on a weekly and monthly basis (unless otherwise stated).

Table 8: 2018 DES Performance Reports

DES Performance Report Name	NEW/Replacement
DES PM ¹ Outcome Rates 2018	Replaces DPER4
DES PM Outcome Counts 2018	Replaces DPER3
DES PM Unit level 2018	Replaces Sub307
DES Star Ratings additional data 2018	NEW Report
DES PM additional region summary 2018	NEW Report
DES Overall Score 2018	NEW Report
DES Star Ratings 2018	NEW Report

Further information

Recordings of relevant DES Star Rating webinar presentations are available on the Learning Centre, also listed below. Additional explanatory documents are available on the Provider Portal:

- 2018 DES Star Ratings Transition Advice and
- Employment Verification (Star Ratings) Guidelines and Advice.

Webinar presentations posted on [the Learning Centre site](#)

- 2018 DES Star Ratings – part one (performance measures and calculations)
- 2018 DES Star Ratings – part two (transition to 2018 DES Star Ratings)
- 2018 DES Star Ratings – a beginners guide

¹ PM = Performance Measure

2018 DES Star Ratings Methodology Advice

TRIM ID: D18/573731

Arc Record Number: D18/798251

ATTACHMENT A

The following explains how Participants will be accounted for in the calculation of the Star Ratings if they transfer between:

1. Sites
2. Contracts (i.e. transfer specialisation or ESA)
3. DES programs (from DMS to ESS or vice versa).

There are two overarching transfer rules that apply to all of the performance measures. Each of the performance measures then also has individual transfer rules for the calculation of numerators, denominators and the time in assistance control variables.

Overarching Rules

- A Participant will be included in the numerator at a Site where the eligible outcome was lodged or where the indicator was achieved.
- A Participant will not be included in the denominator of a Site if they have already achieved the relevant Outcome at a previous Site with the same organisation (in the same unique period of assistance).
- A Participant who is transferred between Sites within the same Contract, will only be counted once in the applicable denominator at the Contract level.

Performance Measure Denominator Rules

Full and Pathway Outcome Performance Measures

A Participant will be included in the denominator for a Site where their duration in assistance in EA and PPS at the Site is 13 weeks (excluding periods of suspensions) for a 13 Week Full outcome, 26 weeks for a 26 Week Full or Pathway outcome or a 52 weeks for a 52 Week Full or Pathway outcome performance measures.

A Participant's *duration in assistance* at a Site is calculated from commencement in DES with that organisation until the Participant transfers from the Site or exits. In other words, a Participant's *duration in assistance* at a Site includes time spent at previous Sites with the same organisation (during the same unique period of assistance), but does not include time spent at other Sites in the future or time spent at Sites from other organisations.

If a Participant transfers organisation or changes program (i.e. between DES-DMS and DES-ESS), then their *duration in assistance* restarts.

Bonus outcome, and Work Assist Performance Measures

A Participant may transfer while they are tracking towards a Bonus outcome. This can occur where:

- A Participant who has been anchored in employment and may meet the conditions of a paid Bonus Outcome performance measure transfers Providers while they are in the PPS phase and tracking towards achieving a paid 13 or 26 Week Bonus outcome.
- A Work Assist Participant who has moved into the PPS phase transfers while they are tracking towards a 26 Week Work Assist outcome.

In each of these cases, each Participant will only be included once per individual anchor per period of service. Each Participant will be included in the denominator of the last Site where they commenced and were tracking towards achieving the outcome or indicator, whether or not they actually went on to achieve the outcome or indicator.

Ongoing Support Performance Measure

A Participant may transfer Site, ESA or Contract while they are in the Ongoing Support phase within the same organisation. In this case the Participant will only be counted in the denominator of the last of the Organisation's Sites where the Participant was commenced in Ongoing Support.

Alternatively a Participant may transfer Site, ESA or Contract while they are in the Ongoing Support phase to a new organisation. In this situation the Participant would be included:

- in the numerator and denominator of the last Site before they transferred between organisations
- in the denominator of the Site with the new organisation.

Time in Assistance Control Variables

Time available for assistance is a control variable in the regression models for Full and Pathway outcomes and Ongoing Support performance measures. It controls for the different opportunity that a Site had to achieve a particular type of outcome.

For Full and Pathway outcomes the time in assistance is the time in EA and PPS that a Participant has had at a Site, excluding periods of suspension. It also includes time since referral, prior to the participant being commenced. It does not include time spent at previous Sites either with the same organisation or a different organisation.

For the Ongoing Support measure the *time available for assistance* variable will be the amount of time that a Participant has to be maintained in the Ongoing Support Phase with the organisation to be included in the numerator. This could be until the end of the performance period or until they exit as an Independent Worker.

Table 9: Summary of Transfer Rules: Transfer between Site/Contract

Performance Measure		Losing Site/Contract	Gaining Site/Contract
13, 26 and 52 Week Full and Pathway Outcomes	Numerator	Outcomes paid at that Site/Contract will be included in the relevant numerator.	Outcomes paid at that Site/Contract will be included in the relevant numerator.
	Denominator	Included where <i>duration in assistance</i> is greater than 13, 26 or 52 weeks (excluding periods of suspensions). (<i>Duration in assistance</i> is calculated as days from commencement with the organisation in that program).	Included where either: <ul style="list-style-type: none"> <i>duration in assistance</i> is greater than 13,26 or 52 weeks; or a 13,26 or 52 Week Full or Pathway outcome is paid at the Site/Contract. (<i>Duration in assistance</i> is calculated as days from commencement with the organisation in that program).
26 Week Bonus Outcomes	Numerator	Not included.	Included if a Bonus outcome was paid for the 26 Week Full or Pathway outcome or the Participant was Indigenous.
	Denominator	Not included.	Each Participant will be included in the denominator of the last Site where they commenced and were tracking towards achieving the outcome.
Work Assist Outcomes	Numerator	Not included.	Included if a Work Assist 26 Week outcome is paid at the Site/Contract.
	Denominator	Not included.	Each Participant will be included in the denominator of the last Site where they commenced and were tracking towards achieving the outcome.
Ongoing Support	Numerator	Transfer between organisations: Included. Transfer within organisation: Not included.	Included if Participant is still in Ongoing Support, or exits as an Independent Worker, with verification that they are employed six weeks after they exit.
	Denominator	Transfer between organisations: Included. Transfer within organisation: Not included.	Included.

ATTACHMENT B

How the 26 Week Outcome performance measures are combined in Step 3 –

The following gives a practical explanation of how the 26 Week Outcome measures are combined during Step 3 of the Six Steps to calculate Star Ratings. The process for combining the 26 Week Outcomes is almost identical, except that the 26 Week Performance Measures have different weightings.

Step 3: Calculate Ratio of Actual Outcomes to Expected Outcomes

The combined measure compares the actual performance for each outcome type added together (i.e. Full + Pathway + Bonus), with the expected performance for each outcome type added together (i.e. Full + Pathway + Bonus).

The outcomes will each need to be weighted according to the performance measure weights in Table one. The actual performance for 26 Week Full outcomes in ESS is weighted by 30 per cent. Likewise, the expected performance for 26 Week Full outcomes is also weighted by 30 per cent. The actual and expected performance for Pathway and Bonus outcomes are each weighted by five per cent.

Therefore, the actual versus expected equation will look like:

$$\text{Actual vs Expected (ESS 26 week Outcomes)} = \frac{(\text{actual full outcomes}) * 30\% + (\text{actual pathway outcomes}) * 5\% + (\text{actual bonus outcomes}) * 5\%}{(\text{expected full outcomes}) * 30\% + (\text{expected pathway outcomes}) * 5\% + (\text{expected bonus outcomes}) * 5\%}$$

For Site X, described in the 'Star Ratings Model Six Steps', the actual and expected results from steps 1 and 2 above are as follows:

Performance Measure	Actual	Expected	ESS Weight
26 Week Outcomes combined			
26 Week Full	26	10	30%
26 Week Pathway	13	2	5%
26 Week Bonus	6	1	5%

These actual and expected results are combined into one actual versus expected equation, with the weightings for DES-ESS:

$$\text{Actual Vs Expected} = \frac{(26) * .3 + (13) * .05 + (6) * .05}{(10) * .3 + (2) * .05 + (1) * .05}$$

$$\text{Actual Vs Expected} = 2.78$$

ATTACHMENT C

What happens if there are zero Participants in scope for the 26 Week Pathway Outcome Fee or 26 Week Bonus Outcome/Work Assist fee performance measures?

There may be zero Participants in scope for the 26 Week Pathway Outcome measure or the 26 Week Bonus Outcome/Work Assist measure. For example, this could occur where all of a Site’s Participants have an 8 hour benchmark, excluding them all from the 26 Week Pathway Outcome performance measure. The following gives a practical explanation and example of how such instances are accounted for in the Star Ratings. A similar process is also undertaken for the treatment of very small numbers in a performance measure denominator.

If there are zero Participants in scope for the Bonus Outcome Fee measures, then:

- the 26 Week Combined measure will be calculated by comparing the Full and Pathway expected outcomes with the 26 Week Full and Pathway actual outcomes. Bonus outcomes will not contribute to the Providers expected performance or their actual performance, so they will be neither advantaged nor disadvantaged.
- the overall weighting of the 26 Week Combined performance measure will remain the same (i.e. 45% for DMS and 40% for ESS)
- the Bonus measure weighting is scaled up to the remaining Full and Pathway measures.

Step 3: Calculate Ratio of Actual Outcomes to Expected Outcomes

The actual versus expected equation for DMS 26 Week Outcomes looks like:

$$\text{Actual vs Expected (DMS 26 week outcomes)} = \frac{(\text{actual full outcomes}) * 35\% + (\text{actual pathway outcomes}) * 5\% + (\text{actual bonus outcomes}) * 5\%}{(\text{expected full outcomes}) * 35\% + (\text{expected pathway outcomes}) * 5\% + (\text{expected bonus outcomes}) * 5\%}$$

If there are zero in scope for the Bonus measure then equation would effectively exclude the Bonus component of the measure and look like the following:

$$\text{Actual vs Expected (DMS 26 week outcomes)} = \frac{(\text{actual full outcomes}) * 39.4\% + (\text{actual pathway outcomes}) * 5.6\%}{(\text{expected full outcomes}) * 39.4\% + (\text{expected pathway outcomes}) * 5.6\%}$$

For a hypothetical Site Y, the actual and expected results may look like the following:

Performance Measure	Actual	Expected	DSS Weight
26 Week Outcomes combined			
26 Week Full	25	21	39.4%
26 Week Pathway	8	6	5.6%
26 Week Bonus	0	0	

These actual and expected results are combined into one actual versus expected equation, with the weightings for DES-DMS:

$$Actual\ Vs\ Expected = \frac{(25) * 0.394 + (8) * 0.056}{(21) * 0.394 + (6) * 0.056}$$

$$Actual\ Vs\ Expected = 1.20$$

Step 5: Calculate the Site Performance Score

When the individual performance measures are combined in Step 5 of the Star Ratings, then the 26 Week Combined measure still has a weighting of 45 per cent. In effect this means that the Provider's performance on the two remaining outcome types, Full and Pathway Outcomes, have been scaled up.

Step 5 Example

The calculation of the performance score for Site Y is shown in the following table. The weightings are applied to each of the performance measure standardised scores. The weighted scores are summed together to give the overall score for the Site.

Performance Measure	Actual Vs Expected Score	Standardised Score	Weighting	Weighted Score
13 Week Full Outcomes	3.67	4.15	0.25	1.04
26 Week Outcomes combined	1.20	1.31	0.45	0.59
26 Week Full				
26 Week Pathway				
26 Week Bonus Outcomes/Work Assist				
52 Week Outcomes combined	2.27	2.54	0.30	0.76
52 Week Full				
52 Week Pathway				
Ongoing Support				
Performance Score for Site Y				2.38