



**Deputy Secretary
Nathan Smyth**

Dear Chief Executive Officer

Suspension of jobactive Star Ratings and alternate performance arrangements

I am writing to advise that the Department of Education, Skills and Employment (the department) has taken the decision to suspend the jobactive Star Ratings until further notice and to outline alternative arrangements to enable you to continue to track and manage the performance of your organisation.

As you will be aware, the department draws on a range of data items when calculating the jobactive Star Ratings, including trend estimates reported by the Australian Bureau of Statistics (ABS). One of the leading indicators of labour force changes in the Star Ratings Model is the ABS 'state final demand' series. The Star Ratings regression model takes data from this trend series six months before a job seeker commences in employment services.

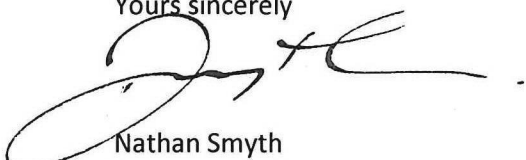
Volatile economic conditions since the start of the COVID-19 pandemic have prompted the ABS to suspend publication of this trend series. As a result, the series was not available for the calculation of the December Star Ratings. The department has been unable to identify a reliable and robust alternate data source that would maintain the integrity of the Star Ratings model. Consequently, the September 2020 Star Ratings mark the final release until the ABS resumes its trend estimates and the department is satisfied that robust and equitable ratings can again be reliably calculated.

While Star Ratings (including the indicative Star Ratings published in the Star Ratings Analysis Qlik App) are paused, please be reassured that you can track your organisation's performance through a range of other reliable measures. This includes detailed performance data against the six Star Rating performance measures and the Indigenous Outcomes Incentive through both Employment Services Reporting and Qlik on a weekly and monthly basis. This will include comparative data on all Star Ratings performance measures (by Stream) so that you can assess how your organisation is performing against the national average and the average for each Employment Region.

The publication of Star Ratings is usually a trigger to begin jobactive Performance Reviews under the Performance Framework Guideline. In the absence of Star Ratings for December 2020, the department has determined to start the review of Performance Period 11 at the end of February. Providers should expect to receive performance feedback letters by mid-March 2021. The department will also continue to monitor provider performance and provide feedback on a regular basis to ensure you are able to monitor and manage performance expectations and results.

If you have any questions, please contact your Account Manager or submit an enquiry via pigeonhole <https://pigeonhole.at/1107>, to be addressed during my upcoming CEO livestream on Friday 5 February 2021.

Yours sincerely



Nathan Smyth
3 February 2021