



Australian Government

Department of Social Services

Dear CEO

Suspension of DES Star Ratings and formal performance assessment

The Department wishes to advise of two important changes to Disability Employment Services (DES) performance management.

Until further notice, the Department of Social Services (DSS) is suspending:

- production and publication of the DES Star Ratings; and
- conduct of the DES formal performance assessment.

DES Star Ratings

The DES Star Ratings are based on performance data for each DES service collected by the Department and data items from a range of external sources. One of these is the 'state final demand' trend series published by the Australian Bureau of Statistics (ABS). The DES Star Ratings use data from this trend series to enable regression of performance data, allowing comparison of relative performance of each service with similar services based on a range of factors.

The ABS has suspended publication of the 'state final demand' trend series due to volatile economic conditions during the COVID-19 pandemic. The Department is therefore suspending the calculation and release of the DES Star Ratings from December 2020, until the ABS resumes publication of the 'state final demand' trend series and the Department is satisfied that it provides robust information.

With the DES Star Ratings being unavailable, the Department is investigating options for alternative provider performance data. Further information will be provided to you when the Department is able to do so.

Provider Formal Performance Assessment

As a consequence of suspending DES Star Ratings, the Department will also delay undertaking the DES provider formal performance assessment.

A process for undertaking this assessment was detailed in the Industry Information Paper released for provider comment on 8 December 2020. The proposed process was based on the Star Ratings data for four performance quarters up to and including December 2020. With the subsequent suspension of Star Ratings from December 2020, an alternative process will be developed.

The Industry Information Paper was released as a Draft without Prejudice to encourage provider comment and with the intention of making suitable amendments where possible. Thank you to those who provided comments.

The Department will consider this feedback and other factors, and make appropriate adjustments to the formal performance assessment process. For example, provider feedback included a number of concerns about the proposed use of Star Ratings data for the formal performance assessment. The Department is considering these concerns in the development of alternative provider performance data, potentially including a greater focus on localised labour market conditions.

Management of DES performance remains an important part of ensuring participants can access effective and efficient services to find sustainable employment. All providers will have a further opportunity to review the Department's revised performance assessment process once it is developed and your further input is welcome.

Responding to your questions

In the near future, the Department will invite providers to the first teleconferences of 2021 in the ongoing series that commenced during the COVID-19 pandemic. Suspension of Star Ratings and the formal performance assessment will form a significant focus of initial meetings.

To help guide planning for the first discussions, please provide your comments and questions to your Relationship Manager or Funding Arrangement Manager, who will forward through to my team. We will endeavour to answer questions received by 9 February 2021 during the first teleconferences.

As we are informing providers of these changes at an early stage, the Department may not have detailed information or a clear position to answer all enquiries immediately. However, all comments and questions will be considered as the Department progresses work on these issues.



Annette Shaw
Acting Branch Manager
Disability Employment Services
3 February 2021