

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2016 - 2017

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-001957

Senator Marshall asked on 30 March 2017 on proof Hansard page 31

Question

Star ratings for jobactive Providers

Senator MARSHALL: How many of the 51 employment regions have a majority of one-star or two-star rated locations?

Mr Hehir: I do not have that exact figure in front of me. I am sure my officer will be able to find it. My recollection is that there are in the order of six or so regions that have a majority of their providers rated at one or two.

Senator MARSHALL: Right; so there are some. I am happy for you to take that on notice because what I really want to ask is what you are going to do about that. Are you going to review those locations to see whether you will reduce or cancel their contracts?

Mr Hehir: As part of the contract, at the 18-month mark—that is, the December star ratings—we use those ratings to undertake a business reallocation process. We are in the middle of that business reallocation process now.

Senator MARSHALL: When do you intend to complete that?

Mr Hehir: We would normally communicate that with the providers in April.

Senator MARSHALL: Were there any regions where the department considered the results to be particularly poor?

Mr Hehir: Yes.

Senator MARSHALL: How many?

Mr Hehir: They are the six sites that I was referring to.

Senator MARSHALL: Did you categorise another lot that were just poor? Actually, have you got a scaling system? Maybe you could explain that to me.

Mr Hehir: The star rating system is a comparative system, so there are always going to be good and poor performers because it is not set against an absolute benchmark; it compares providers to each other. There will always be providers who are in the bottom end of the scheme versus the top end of the scheme. In fact, in the design of the current star rating system we made sure that we would see greater differentiation between the providers. The reason for that is that under JSA, according to my recollection, we had 85 per cent of contractors clustered around three-star. In terms of giving useful information to jobseekers, it was not performing the job. We do have much greater differentiation under the current methodology, which allows jobseekers to see which sites are providing better service compared to other sites.

For the majority of regions we have both good and poor performing providers within them. There are some regions where the providers are generally strong and there are a small number of regions where the providers are performing poorly as a whole. I am happy to give you those on notice.

Answer

There are 13 Employment Regions in which the majority of sites are rated one or two stars (Table 1). Two of these regions have only one or two operating sites, noting that sites vary in terms of caseload size.

Table 1: Employment Regions where the majority of sites are rated 1–2 Stars

State	Employment Region	1-Star	2-Star	3-Star	4-Star	5-Star	Total
WA	Broome	1					1
WA	Geraldton	2					2
WA	South West WA	10	1				11
VIC	Ballarat		8	4			12
Qld	Mackay	5	4	2		4	15
WA	Great Southern - Wheatbelt	20					20
Qld	Fitzroy	11	4	6			21
Vic	North Western Melbourne	7	8	8	1	1	25
Qld	Wivenhoe	8	10	7	1	3	29
NSW	Far West Orana (includes Broken Hill)	11	10	7	1	2	31
WA	Perth - North	17	11	4			32
WA	Perth - South	26	9	3			38
NSW	Central West	10	16	18	1	2	47

There are 10 Employment Regions in which the majority of sites are rated four or five stars (Table 2). The smallest of these regions has 17 operating sites, noting that sites vary in terms of caseload size.

Table 2: Employment Regions where the majority of sites are rated 4–5 Stars

State	Employment Region	1-Star	2-Star	3-Star	4-Star	5-Star	Total
Vic	Bendigo	1	1	3	4	8	17
Vic	South Coast of Victoria		4	2	8	4	18
Vic	Barwon			11	6	7	24
Qld	Cairns	6	3	3	3	12	27
NSW	Mid North Coast	1	4	11	5	15	36
SA	Adelaide South		6	12	8	15	41
Tas	North and North Western Tasmania		2	22	13	12	49
NSW	Illawarra South Coast	1	5	18	11	17	52
NSW	Sydney East Metro		4	11	7	32	54
NSW	New England and North West		3	15	4	40	62