

The background image shows a person's hands interacting with a tablet. The scene is overlaid with various data visualization elements: a world map, a bar chart, a line graph, and a network diagram with nodes and connecting lines. The overall color scheme is a light blue monochrome. A semi-transparent white box on the left contains the text for this section.

## Section 6: Key Performance Indicators

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# Key Performance Indicator information

## Certification of KPIs

We hereby certify the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess WorkCover WA's performance, and fairly represent the performance of WorkCover WA for the reporting period ended 30 June 2018.

Greg Joyce  
Chairman  
WorkCover Western Australia Authority  
31 August 2018

Chris White  
A/Chief Executive Officer  
WorkCover Western Australia Authority  
31 August 2018

## Detailed information in support of Key Performance Indicators

Government Goals provide the high level basis of the Government's vision to improve the quality of life for all Western Australians and are supported at departmental level by Agency specific desired outcomes.

Outcomes are defined as the effects, impacts, results on or consequences for the community, environment or target clients of government services and clarify the contributions each agency is expected to make towards achieving these government policies and priorities. Agency Level Desired Outcomes are intended to bring about behavioural change or satisfy a community or client need and must link to the government goals.

Agencies deliver services to achieve these desired outcomes which ultimately contribute to meeting Government goals. This linkage creates a hierarchy in which the purpose of each service provided by an Agency can be traced to a Government goal and is referred to as Outcome Based Management (OBM).

Key Performance Indicators are part of the OBM and provide an overview of the critical or material aspects of outcome achievement (effectiveness indicators) and service delivery (efficiency indicators).

New Government Goals introduced for the 2017/18 reporting year and announced during the 2017/18 Budget process are:

- **Sustainable Finances:** Responsible financial management and better service delivery

- **Future Jobs and Skills:** Grow and diversify the economy, create jobs and support skills development
- **Strong Communities:** Safe communities and supported families
- **Better Places:** A quality environment with liveable and affordable communities and vibrant regions.

WorkCover WA contributes to Government Goal 1, **'Sustainable Finances'** by delivering services aimed at minimising the social and economic impact of work-related injury and disease on workers, employers and the Western Australian community.

WorkCover WA's purpose is to lead a contemporary, healthy and integrated workers' compensation scheme that is fair, accessible and cost effective for all participants, through:

- providing advice and guidance on workers' compensation, injury management and return to work practices
- active, responsive and transparent management of the scheme
- focused information, education and compliance activities
- fair and timely dispute resolution
- a strong service focus.

WorkCover WA strives to achieve its outcome through the effective administration of the *Workers' Compensation and Injury Management Act 1981* (the Act), the provision of quality policy advice to Government, and excellent stakeholder relationships.



Our Agency Level Desired Outcome relates directly to our vision and purpose: *“To ensure a workers’ compensation and injury management scheme that is financially viable, contemporary and integrated whilst providing services that are fair, accessible, timely and cost effective for all participants”.*

The Agency Services provided to ensure WorkCover WA achieves its desired outcome are:

- **Scheme Regulation** - regulation of workers' compensation scheme participants for compliance with legislative requirements
- **Scheme Services** - provision of effective and equitable dispute resolution and other services to scheme participants.

Figure 28 shows the WorkCover WA Outcome Based Management (OBM) Structure.

## Changes to the Outcomes Based Management Structure (OBM)

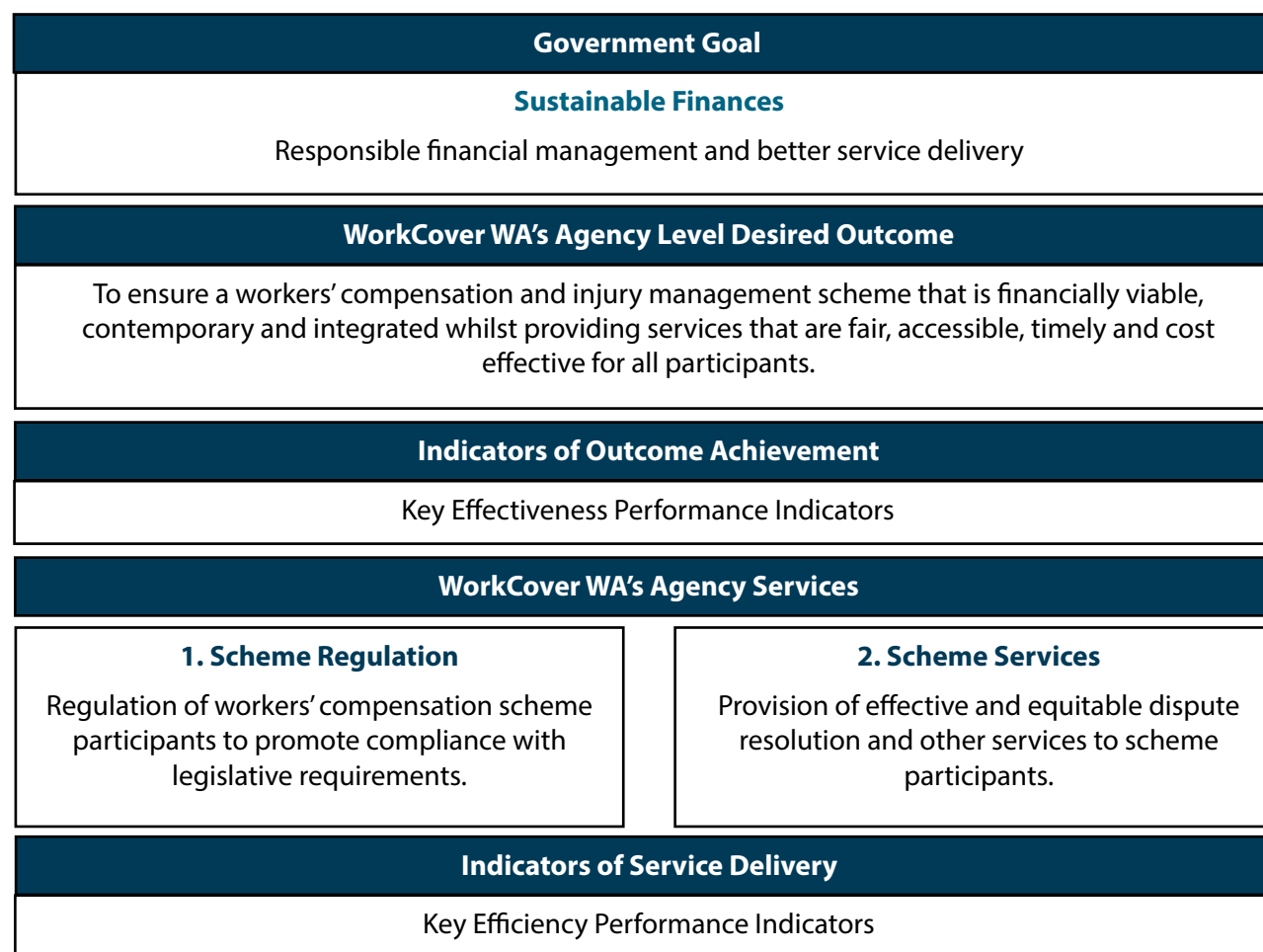
WorkCover WA undertakes regular reviews of its Outcome Based Management Structure (OBM) and KPI framework to ensure it provides the most suitable measures to indicate the Agency's performance.

The Agency did not make any changes to its OBM in 2017/18 as the Agency desired Outcomes, Services and KPIs remain relevant and appropriate. The last changes were made in 2014 and included in our 2014/15 Annual Report.

## Independent audit opinion

KPIs are audited annually by the Auditor General and results included in the Independent Auditor's Report published in *Section 7: Financial statements and notes*.

**Figure 28: WorkCover WA's links to Government Goals through its Agency Desired Outcome, Services and Key Performance Indicators**





## Key Performance Indicators

Table 23: WorkCover WA's Key Performance Indicators and their relationship with the Agency's Outcome Based Management Structure

### Agency Level Desired Outcome

To ensure a workers' compensation and injury management scheme that is financially viable, contemporary, and integrated whilst providing services that are fair, accessible, timely and cost effective for all participants.

### Effectiveness Indicators

- |  |  |   |
|--|--|---|
| <p><b>1.1</b> The number of non-compliance events identified as a result of a claim on the General Account</p> | <p><b>1.2</b> The proportion of conciliations completed within 8 weeks</p> | <p><b>1.3</b> The proportion of disputes resolved within 6 months</p> |
|--|--|---|

### Agency Services

- |  |   |
|--|---|
| <p><b>1. Scheme Regulation</b> - regulation of workers' compensation scheme participants for compliance with legislative requirements.</p> | <p><b>2. Scheme Services</b> - provision of effective and equitable dispute resolution and other services to scheme participants.</p> |
|--|---|

### Efficiency Indicators

- |   |  |   |   |   |   |
|---|--|---|---|---|---|
| <p><b>1.1</b> Average cost per employer compliance activity</p> | <p><b>1.2</b> Average cost per approved and monitored service provider</p> | <p><b>1.3</b> Average cost per client contact to provide information and advice</p> | <p><b>2.1</b> Average cost to complete a conciliation</p> | <p><b>2.2</b> Average cost to complete an arbitration</p> | <p><b>2.3</b> Average cost to process a Memorandum of Agreement</p> |
|---|--|---|---|---|---|



## Summary of Key Performance Indicators

Table 24: Key Performance Indicators of Effectiveness

| #   | Indicator  | 2013/14 Actual | 2014/15 Actual | 2015/16 Actual | 2016/17 Actual | 2017/18 Actual | 2017/18 Target |
|-----|--|----------------|----------------|----------------|----------------|----------------|----------------|
| 1.1 | The number of non-compliance events identified as a result of a claim on the General Account | 4              | 3              | 9              | 2              | 4              | 6              |
| 1.2 | The proportion of conciliations completed within 8 weeks                                     | 96.8%          | 96.3%          | 96.2%          | 97.1%          | 96.7%          | 97.0%          |
| 1.3 | The proportion of disputes resolved within 6 months  | 89.5%          | 88.8%          | 86.8%          | 87.9%          | 84.1%          | 90.0%          |

Table 25: Key Performance Indicators of Efficiency\*

| #   | Indicator   | 2013/14 Actual | 2014/15 Actual | 2015/16 Actual | 2016/17 Actual | 2017/18 Actual | 2017/18 Target |
|-----|---|----------------|----------------|----------------|----------------|----------------|----------------|
| 1.1 | Average cost per employer compliance activity                     | \$198          | \$255          | \$281          | \$251          | \$261          | \$290          |
| 1.2 | Average cost per approved and monitored service provider          | \$3,047        | \$3,250        | \$3,472        | \$3,177        | \$3,522        | \$3,221        |
| 1.3 | Average cost per client contact to provide information and advice | \$120          | \$120          | \$106          | \$110          | \$75           | \$104          |
| 2.1 | Average cost to complete a conciliation                           | \$2,268        | \$1,966        | \$2,095        | \$2,208        | \$2,353        | \$2,194        |
| 2.2 | Average cost to complete an arbitration                           | \$11,153       | \$10,042       | \$10,084       | \$9,587        | \$8,579        | \$10,819       |
| 2.3 | Average cost to process a Memorandum of Agreement                 | \$389          | \$342          | \$339          | \$341          | \$348          | \$345          |

\*Efficiency indicators have not been adjusted for inflation



## Key Performance Indicators of Effectiveness

Agency level government desired outcomes should reflect the purpose of the agency. WorkCover WA's Agency Desired Outcome is: "To ensure a workers' compensation and injury management scheme that is financially viable, contemporary, and integrated whilst providing services that are fair, accessible, timely and cost effective for all participants."

WorkCover WA measures its success in achieving its outcome through effectiveness indicators. Effectiveness indicators provide information on the extent to which the Agency desired outcome has been achieved, or contributed to, through the delivery of services.

The effectiveness indicators chosen by WorkCover WA provide information in relation to workers' compensation compliance activities and timeframes for managing conciliation and arbitration processes.

The indicators relate directly to the two services provided by WorkCover WA: Scheme Regulation and Scheme Services.

The following commentary explains the rationale behind each effectiveness indicator and how it measures success in achieving our outcome.

### Indicator 1.1

**Number of non-compliance events identified as a result of a claim on the General Account**

| 2013/14<br>Actual | 2014/15<br>Actual | 2015/16<br>Actual | 2016/17<br>Actual | 2017/18<br>Actual | 2017/18<br>Target |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 4                 | 3                 | 9                 | 2                 | 4                 | 6                 |

### Description

WorkCover WA is responsible under the *Workers' Compensation and Injury Management Act 1981*, to ensure all employers are insured for workers' compensation for their full liability.

This indicator indicates the number of new claims with payments made from WorkCover WA's General Account (as a safety net payment) to workers, due to employers not having the required insurance to cover such payments (non-compliance).

A non-compliance event is defined as "an occupational safety and health incident to a worker or workers of an uninsured employer, which has a financial impact on WorkCover WA's General Account by way of an uninsured claim payment".

Claims involving asbestos and industrial disease are made years after the causal exposure. For example, the four main diseases associated with the inhalation of asbestos fibres (i.e. asbestosis, mesothelioma, asbestos-related lung cancer and diffuse pleural fibrosis) generally take many years, if not decades, to develop after a worker has been exposed to asbestos. Accordingly, these are excluded from the definition of an 'event' as they bear no reflection on the current insurance levels of employers.

Common law damages claims paid from the General Account due to insurers declining to indemnify the claim are also excluded. This exclusion is limited to claims where a court finds the insured employer breached its insurance policy by recklessly disregarding the risk to the worker.

To determine the target for this KPI, a benchmark of two uninsured claims per 10,000 claims was established and for many years the overall number of insured claims was consistent in the vicinity of 40,000 per annum, giving a target figure of eight. However, in recent years this figure has continued to decline (33,914 in 2014/15, 32,225 in 2015/16, and 28,161 in 2016/17\*). Using the same methodology of two uninsured claims per 10,000 claims, the target for 2017/18 was maintained at six.

*\*The figures quoted are those available at the time of setting the target in April 2017. The number of insured claims per year is based on the insurer received date and excludes asbestos and industrial disease, journey and invalid claims. The number of claims may vary from those previously published for some years due to delays in claim reports to WorkCover WA from insurers.*



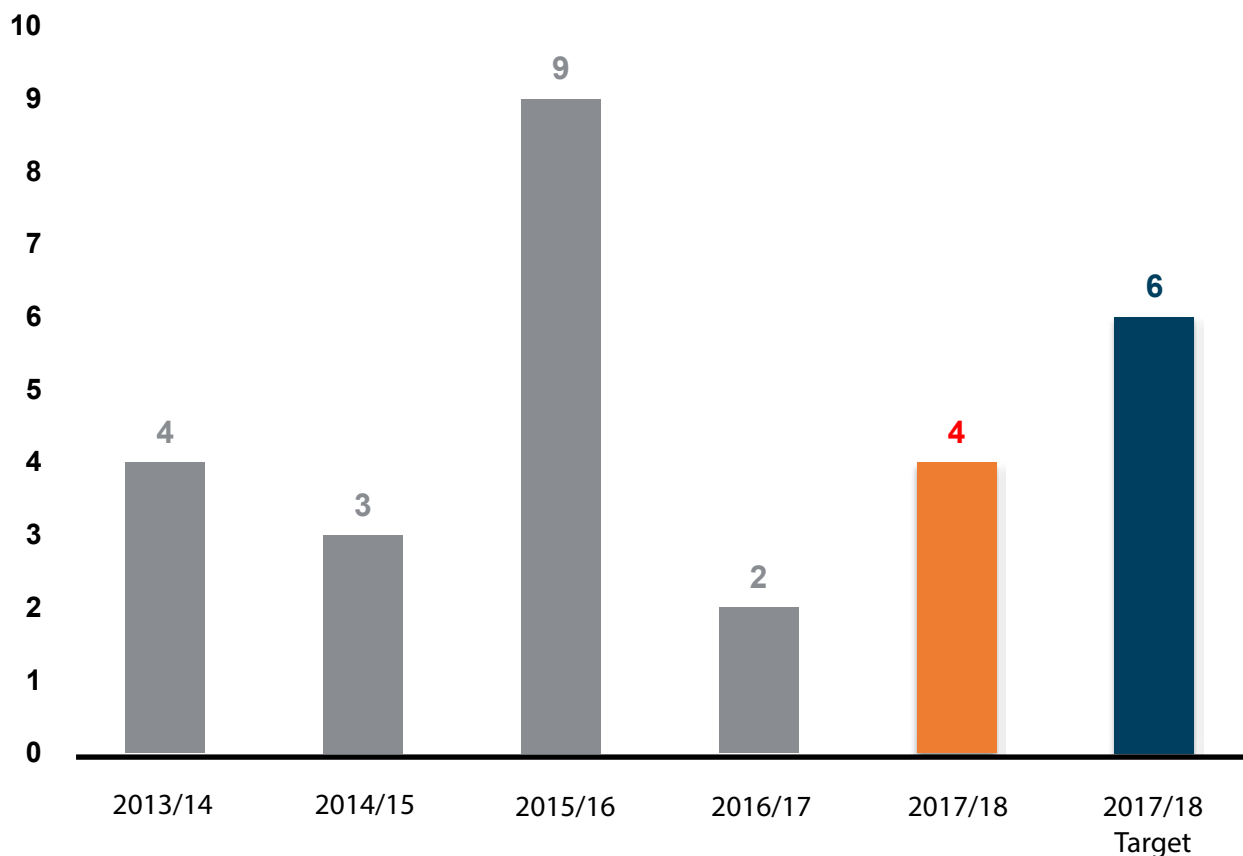
The information to inform this indicator is derived from two Agency information systems. The total number of claims is reported from the Q2 database which captures details of all claims as reported by approved insurers and self-insurers.

The number of General Account claims is derived from the Agency Financial Management Information System (FMIS) which reports the commencement of any payments to a worker or service provider made from the General Account.

### Analysis

In 2017/18 there were four non-compliance events resulting in a claim paid from the General Account (see Figure 29). This is two less than the target of six, and two more than 2016/17. The number of uninsured claims against the general account continue to remain low in the context of approximately 30,000 insured claims for the year. The higher than normal figure in 2015/16 included four claims for injuries sustained in prior years and appears to be an anomaly.

**Figure 29: New claims on the General Account**



## Indicator 1.2

### The proportion of conciliations completed within 8 weeks

| 2013/14<br>Actual | 2014/15<br>Actual | 2015/16<br>Actual | 2016/17<br>Actual | 2017/18<br>Actual | 2017/18<br>Target |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 96.8%             | 96.3%             | 96.2%             | 97.1%             | 96.7%             | 97.0%             |

### Description

The *Workers' Compensation and Injury Management Conciliation Rules 2011* set the time limit for conciliation at 56 days (eight weeks) from the day on which the Director accepts an application, unless an extension is granted by the Director for a period not exceeding a further eight weeks.

This timeframe is reflected in this KPI which reports the percentage of conciliation applications completed within the initial eight weeks.

Time taken to complete an application for conciliation is measured from the date an application for conciliation is accepted to the date a certificate of outcome is issued by the Conciliation Officer.

This indicator is produced directly from data extracted from the Dispute Case Management System (DCMS) which supports the business needs of the Conciliation and Arbitration Services (CAS).

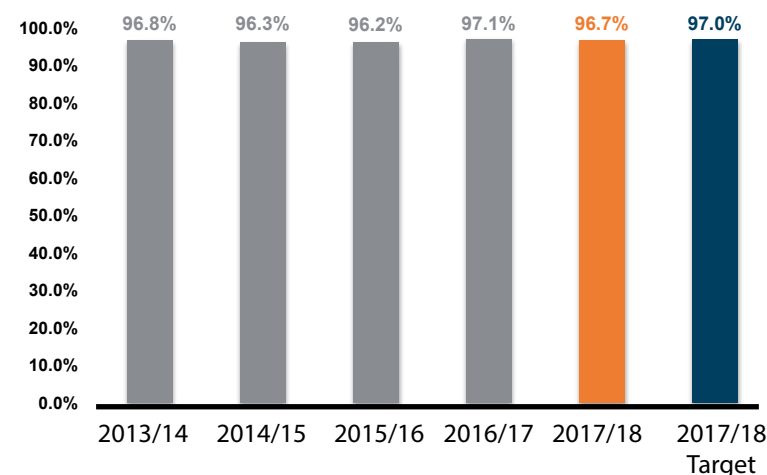
The target for this KPI has been set based on the previous year target and performance.

### Analysis

In 2017/18 96.7 percent of conciliations were completed within the eight week statutory timeframe (see Figure 30). This is consistent with the target of 97.0 percent and the outcome for 2016/17.

The eight week timeframe for completing a conciliation is a statutory requirement. There are some cases that cannot reasonably be dealt with within the initial eight week period in which case the Director may grant an extension for a further eight week period. In 2017/18 all matters not completed within the initial eight weeks were completed within the extended timeframe.

**Figure 30: Proportion of conciliations completed within 8 weeks**







## Indicator 1.3

### The proportion of disputes resolved within six months

| 2013/14<br>Actual | 2014/15<br>Actual | 2015/16<br>Actual | 2016/17<br>Actual | 2017/18<br>Actual | 2017/18<br>Target |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| 89.5%             | 88.8%             | 86.8%             | 87.9%             | 84.1%             | 90.0%             |

### Description

This KPI reports the time taken to resolve a dispute and is consistent with Part XI, Section 177 of the Act, which states:

The main objectives of the conciliation and arbitration functions are to:

Provide a fair and cost effective system for the resolution of disputes under the Act that -

- is timely
- is accessible, approachable and professional
- minimises costs to parties to disputes
- in the case of conciliation, leads to final and appropriate agreements between parties in relation to disputes
- in the case of arbitration, enables disputes not resolved by conciliation to be determined according to their substantial merits with as little formality and technicality as practicable.

This KPI measures the proportion of disputes resolved within a six month timeframe from the day an application for conciliation is accepted through to the day it is completed, either via conciliation or arbitration. For those disputes progressing to arbitration the 28 day statutory gap (or portion of) in which an application for arbitration can be made, and the time between lodgement and acceptance of an application, is not included in the timeframe. Acceptance of an application (after lodgement) can be delayed due to the provision of incomplete or inadequate documentation.

Data for this KPI is drawn from the DCMS, and establishes the timeframe by counting disputes from the day a dispute is registered as accepted for conciliation through to the day the dispute is either recorded as completed (for conciliation) or closed and/or final orders issued, where the matter has proceeded to arbitration.

The target for this KPI has been set based on the previous year target and performance.

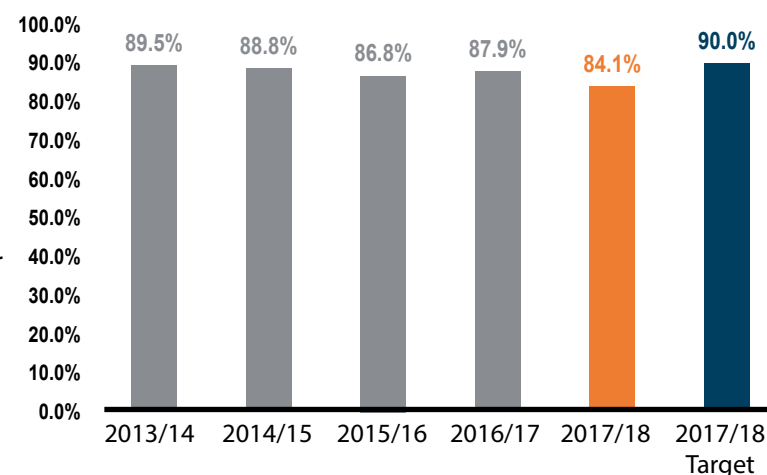
## Analysis

In 2017/18 84.1 percent of all disputes were resolved within 6 months (see Figure 31). This is 6.6 percent less than the target of 90.0 percent and a 4.3 percent reduction on the 2016/17 result.

A reduction in the availability of skilled/experienced resources due to unplanned staff absences and an increase in arbitration applications contributed to this outcome.

These results are published in a long standing comparative performance monitoring report produced by Safe Work Australia and shows dispute resolution within the Western Australian workers' compensation scheme performs well compared with other jurisdictions. The latest available national data shows the 2015/16 national average for disputes resolved within 6 months was 82.6 percent.

**Figure 31: Proportion of disputes resolved within 6 months**





## Key Indicators of Efficiency

Efficiency indicators relate Agency services to the level of resource inputs required to deliver them. The efficiency indicators for WorkCover WA are focused on financial resources and provide a per-unit cost.

There are three efficiency indicators chosen for each of the two Agency services. These indicators measure the overall unit costs of delivering the core services of dispute resolution and regulation of scheme participants.

In 2017/18 WorkCover WA participated in the workforce management strategies and whole of Government initiatives *Voluntary Targeted Separation Scheme (VTSS) for Public Sector Renewal and Senior Executive Service Reduction* aimed at assisting Chief Executive Officers to facilitate the achievement of efficiencies under the machinery of government reforms and public sector renewal generally.

## Allocation of Agency costs

To ensure accurate allocations of costs to the KPIs across the Agency, a formal Agency cost mapping model is used. The cost allocation model is used to determine overheads and to allocate costs across the Agency's divisions and six efficiency KPIs, and is reviewed for accuracy every two years. Budget figures used in the costing model are consistent with the Agency's approved budget.

Direct costs for each activity are allocated to individual cost centres within the relevant business units in the first instance. Indirect costs (overheads) easily attributed to Full Time Equivalent (FTE) positions, such as payroll tax, superannuation, workers' compensation and employee entitlements are allocated across all Agency cost centres on an FTE basis. Other overheads such as rates, water, electricity and depreciation of buildings are allocated according to the floor space specifically allocated to an area.

In order to account for all Agency costs, expenditure from cost centres that are not attributed directly to a KPI is allocated across all KPIs on an FTE basis. Calculation methodologies referred to below for both target and actual figures include allocated overheads through the cost mapping model.

Certain expenditure and revenue in relation to the payment and subsequent recovery of workers' compensation claims are not incorporated into the KPI calculation data. This is due to the nature of these transactions and the fact that WorkCover WA has no control over General Account and Supplementation Fund claims, which if included, would unduly skew key KPI data (for 2017/18 this represents 14 percent of the total expenditure consistent with the representation in 2016/17).

## Service 1: Scheme Regulation - regulation of workers' compensation scheme participants for compliance with legislative requirements

As part of its responsibilities in administering the Act, WorkCover WA has responsibility to ensure the efficient and effective operation of the workers' compensation scheme by monitoring compliance of employers, insurers and others participating in or affected by the scheme.

The following KPIs measure the costs of providing these activities.





## Indicator 1.1

### Average cost per employer compliance activity

| 2013/14<br>Actual | 2014/15<br>Actual | 2015/16<br>Actual | 2016/17<br>Actual | 2017/18<br>Actual | 2017/18<br>Target |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$198             | \$255             | \$281             | \$251             | \$261             | \$290             |

### Description

WorkCover WA seeks to ensure every employer maintains a policy of insurance for the full amount of any liability to pay compensation under the Act to any worker employed and complies with other obligations under the Act.

Authorised inspectors conduct investigations and inspections in order to ensure compliance with the Act and to issue cautions or infringement notices or prosecute where non-compliance is identified. Insurers are not able to cancel workers' compensation insurance policies without the approval of WorkCover WA. This is to ensure employers are not operating a business without insurance.

The Act has 34 penalty provisions relating to employers' obligations. Following notification of a possible breach, an investigation or prosecution may result.

This indicator reports the average cost per employer compliance activity and is measured by dividing the full costs of the Agency's Compliance Section for the reference period as determined by the Cost Allocation Model by the total number of employer compliance activities.

Each employer compliance activity is recorded in the Regulatory Services Management System (RSMS) which tracks activity for each case. The total number of employer compliance activities is extracted directly from this system.

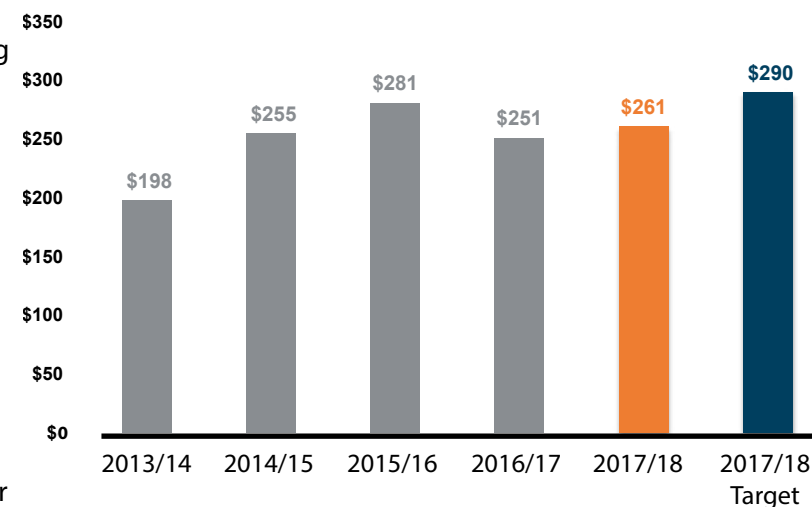
The target for this indicator was determined using the full year approved budget figures for the compliance activity divided by the estimated full year total number of compliance activity units.

### Analysis

In 2017/18 the average cost per employer compliance activity was \$261 (see Figure 32). This is 10 percent less than the target of \$290 and four percent more than in 2016/17.

The 2017/18 results are predominantly due to a new investigation model and modified penalty regime. This new model streamlined processes for lower risk matters of employer non-compliance via the early issue of caution or infringement notices improving time efficiencies and leading to an increase in compliance activity. In addition, the impact of the VTSS and a Divisional restructure introduced throughout the year resulted in some positions being unfilled for extended periods.

**Figure 32: Average cost per employer compliance activity**





## Indicator 1.2

### Average cost per approved and monitored service provider

| 2013/14 Actual | 2014/15 Actual | 2015/16 Actual | 2016/17 Actual | 2017/18 Actual | 2017/18 Target |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$3,047        | \$3,250        | \$3,472        | \$3,177        | \$3,522        | \$3,221        |

### Description

WorkCover WA is responsible for approving, monitoring and reviewing the performance of scheme service providers against established standards which can include performance criteria relating to legislative compliance, codes of conduct, codes of practice and guidelines.

Through its standards and review activities, WorkCover WA approves and/or monitors the performance of the following service providers: insurers, self-insurers, workplace rehabilitation providers, Approved Medical Specialists (AMS), audiologists/audiometric officers and registered agents.

This indicator reports the average cost per approved and monitored service provider and is measured by dividing the full costs of the Regulation Branch by the total number of approved and monitored service providers.

All information relevant to these service providers is captured in RSMS as the single data source and the data for this indicator is extracted directly from the system. The total cost of the monitoring services operational activity for the reference period is provided by the Cost Allocation Model.

The target for this indicator was determined by dividing the approved budget for these activities by the estimated total number of approved and monitored service providers. The number of service providers is measured as of 30 June each year.

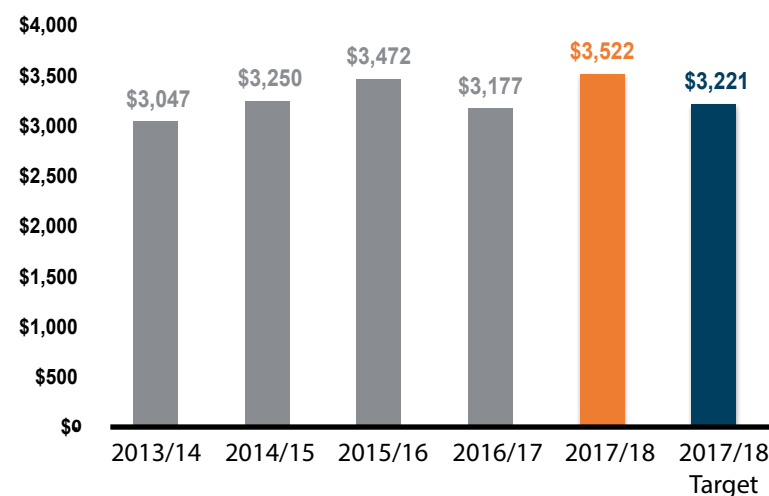
### Analysis

In 2017/18 the average cost per approved and monitored service provider was \$3,522 (see Figure 33). This is 9.3 percent more than the target of \$3,221 and 10.9 percent more than 2016/17.

The number of service providers is 5.6 percent less than the target and 3.6 percent less than 2016/17. This drop in the number of service providers is predominantly due to the reduced number of audiologists and audiometric officers registered at 30 June 2018 compared to 2017. These figures are marginally offset by an increase in Approved Medical Specialists.

With proposed changes to legislation and as the Agency moves more towards digitisation of services, activities to approve and monitor service providers will continue to change. Staff resources in this area will be reviewed and amended accordingly as changes are introduced.

**Figure 33: Average cost per approved and monitored service provider**





## Indicator 1.3

### Average cost per client contact to provide information and advice

| 2013/14 Actual | 2014/15 Actual | 2015/16 Actual | 2016/17 Actual | 2017/18 Actual | 2017/18 Target |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$120          | \$120          | \$106          | \$110          | \$75           | \$104          |

### Description

WorkCover WA has responsibility under the Act to promote awareness and disseminate information about the workers' compensation scheme.

This indicator reports the average cost of providing information and advice in relation to all aspects of the scheme. It is measured by dividing the full costs of the Advice and Assistance service by the total number of advice and assistance activities (written advice notifications prepared and verbal consultations conducted).

All written advice notifications and verbal consultations including in-person enquiries, appointments, and written enquiries are captured in the RSMS. Inward telephone calls made to the Agency Advisory Line (1300 794 744) are recorded by the Agency's phone system. Other enquiries such as Ministerial correspondence are recorded in the Ministerial tracking system. The total number of matters conducted is then extracted directly from the respective systems and included in a monthly activity report.

The target for this indicator was determined by dividing the approved budget for this activity by the estimated total number of written advice notifications prepared and verbal consultations

conducted for the year. The predicted number of activities was a significant decrease on the previous year based on a continuing downward trend in telephone calls attributed to increased website activity.

### Analysis

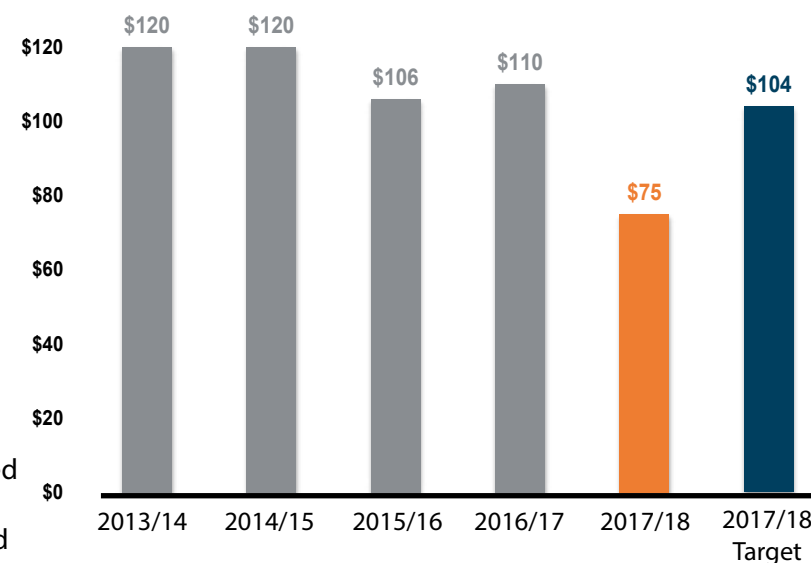
In 2017/18 the average cost per client contact to provide information and advice was \$75 (see Figure 34). This is 27.9 percent lower than the target of \$104 and 31.8 percent lower than 2016/17.

The significant reduction in the average cost of providing this service is primarily due to a Divisional restructure conducted during the year resulting in reduced direct resources for this activity.

The Advice and Assistance Unit, which is now incorporated into the Communication and Education Branch, responded to 19,939 requests in 2017/18. This is 9.7 percent more than expected and only 2.0 percent less than 2016/17 with reduced resources. The previous downward trend attributed to reduced claim numbers across the scheme and the improved information and search capabilities of the WorkCover WA website appears to be stabilising.

In 2017/18 the website attracted approximately 268,000 hits compared to approximately 275,000 in 2016/17.

**Figure 34: Average cost per client contact to provide information and advice**





## Service 2: Scheme Services - provision of effective and equitable dispute resolution and other services to scheme participants

The Conciliation and Arbitration Services (CAS) provide a fair and cost effective system for the resolution of disputes that is timely, accessible, approachable and professional, and minimises costs to parties to disputes through either conciliation or arbitration.

The Agency is also responsible for recording the finalisation of workers' compensation claims through the registration of Memoranda of Agreements (MoAs) and the processing of documents submitted in relation to settlement of common law actions initiated in the District Court.



## Analysis

In 2017/18 the average cost to complete a conciliation was \$2,353 (see Figure 35). This is 7.2 percent higher than the target of \$2,194 and 6.6 percent higher than in 2016/17. The number of conciliations completed for the period is 8.7 percent fewer than expected and 2.6 percent less than 2016/17 indicating the downward trend over the past few years in the number of conciliation applications received is continuing. This downward trend is consistent with the overall number of workers' compensation claims being received.

The Agency will continue to monitor conciliation application numbers with a view to adjusting resources as required.

## Indicator 2.1

### Average cost to complete a conciliation

| 2013/14<br>Actual | 2014/15<br>Actual | 2015/16<br>Actual | 2016/17<br>Actual | 2017/18<br>Actual | 2017/18<br>Target |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$2,268           | \$1,966           | \$2,095           | \$2,208           | \$2,353           | \$2,194           |

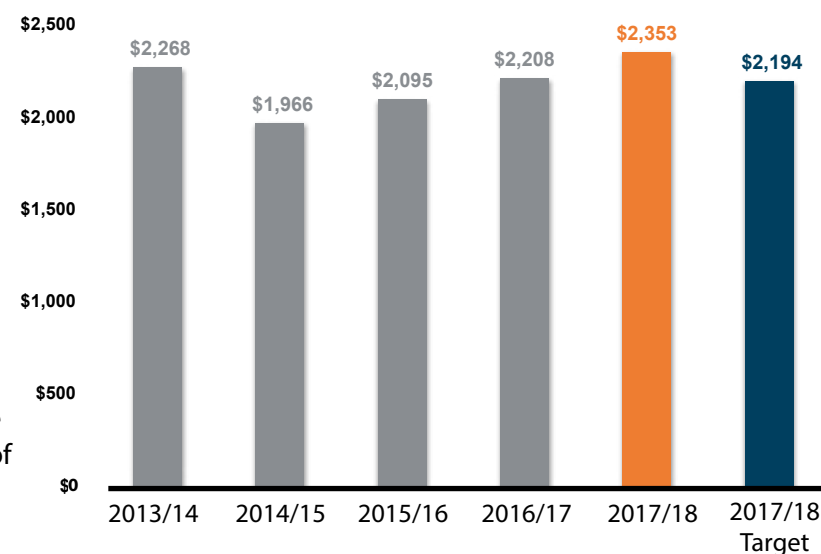
### Description

This KPI measures the average cost to complete a conciliation. It is measured by dividing the full costs of providing the conciliation process by the total number of conciliations completed.

All conciliations are recorded in the DCMS along with completed dates. 'Completed' is measured as the date that a conciliation officer records a Certificate of Outcome at the end of a conciliation process. The data for this indicator is extracted directly from DCMS.

The target for this indicator was determined by dividing the approved budget for this activity by the estimated total number of conciliations completed for the year. The estimated number of conciliations for 2017/18 is slightly more than the figure used for 2016/17 based on the stabilising of a previous upward trend.

**Figure 35: Average cost to complete a conciliation**



## Indicator 2.2

### Average cost to complete an arbitration

| 2013/14<br>Actual | 2014/15<br>Actual | 2015/16<br>Actual | 2016/17<br>Actual | 2017/18<br>Actual | 2017/18<br>Target |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$11,153          | \$10,042          | \$10,084          | \$9,587           | \$8,579           | \$10,819          |

### Description

This KPI measures the average cost to complete an arbitration. It is measured by dividing the full costs of providing the arbitration process by the total number of arbitrations completed.

All arbitration applications are recorded in DCMS, including the dates the matters are completed. 'Completion of an arbitration' can mean a matter is discontinued or final orders are issued by an Arbitrator.

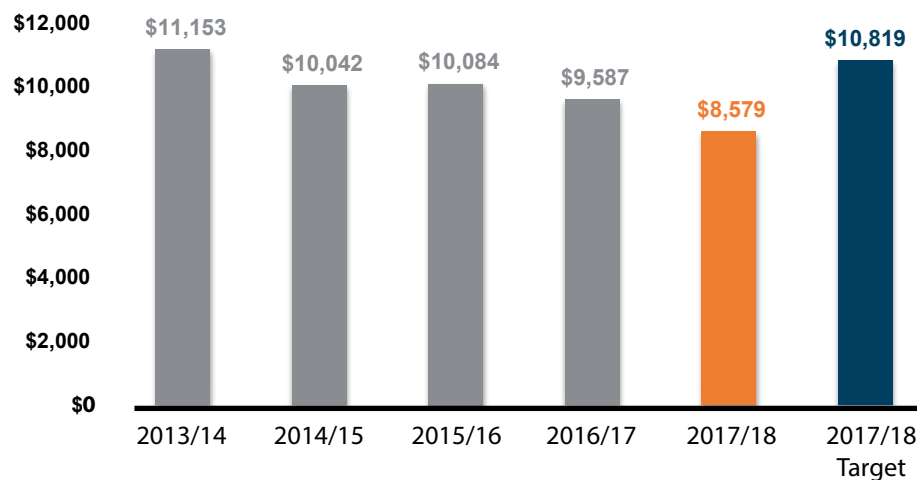
The target for this indicator is determined by dividing the approved budget for this activity by the estimated total number of arbitrations completed for the year. The estimated number of arbitrations was slightly more than predicted in 2016/17 indicating the stabilising of a previous minor downward trend.

### Analysis

In 2017/18 the average cost to complete an arbitration was \$8,579 (see Figure 8). This is 20.7 percent less than the predicted target of \$10,819 and 10.5 percent less than the outcome for 2016/17.

The lower than expected cost for this activity is predominantly due to an increase in arbitration activity, lower than expected utilisation of sessional arbitrators and the efficiencies realised through active case management.

**Figure 36: Average cost to complete an arbitration**



WorkCover WA's Arbitration Services



## Indicator 2.3

### Average cost to process a Memorandum of Agreement

| 2013/14 Actual | 2014/15 Actual | 2015/16 Actual | 2016/17 Actual | 2017/18 Actual | 2017/18 Target |
|----------------|----------------|----------------|----------------|----------------|----------------|
| \$389          | \$342          | \$339          | \$341          | \$348          | \$345          |

### Description

WorkCover WA is responsible under the Act for registering Memorandums of Agreement (MoAs), where parties agree to settle a claim in the workers' compensation scheme, either through redemption of weekly entitlements and medical expenses, and/or through an assessment of a worker's permanent impairment.

Registering MoAs involves an assessment of the accuracy of the documentation provided by the parties, as well as compliance with the Act.

This KPI measures the average cost to complete a MoA and is measured by dividing the full costs of providing the MoA process by the total number of MoAs completed.

Each MoA registered is recorded in the MoAs database which forms part of DCMS. The data for this KPI is extracted directly from this system.

The target for this KPI was set based on the trend over the previous four years in the number of MoAs being presented.

### Analysis

The average cost to process a MoA for 2017/18 was \$348 (see Figure 37). This is consistent with the target of \$345 and the outcome in 2016/17.

The number of MoAs processed in 2017/18 is 11.9 percent less than the predicted target and 6.2 percent less than the number processed in 2016/17. A previous upward trend of MoAs processed per annum appears to have stabilised and is now reducing.

**Figure 37: Average cost to complete a Memorandum of Agreement (MoA)**

