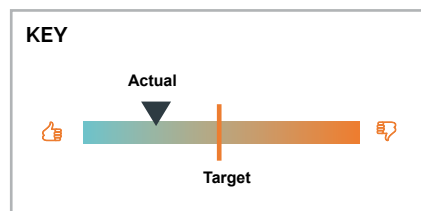




Key Performance Indicators

Indicators at a Glance



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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 2025.



Sharryn Jackson
Board Chair
WorkCover WA
29 August 2025



Chris White
Chief Executive Officer
WorkCover WA
29 August 2025

Information in Support of KPIs

Government Goals provide an expression of high level policies and/or priorities that support 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 makes 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 link to the Government Goals.

Agencies deliver services to achieve these desired outcomes and contribute to meeting the 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 (KPIs) 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).

Government Goals introduced from 2022/23 are:



Strong and Sustainable Finances:
Responsible, achievable, affordable budget management.



WA Jobs Plan:
Diversifying the WA economy, creating local jobs for the future.



Safe, Strong and Fair Communities:
Supporting our local and regional communities to thrive.



Investing in WA's Future:
Taking climate action and supporting the arts, culture and sporting sectors to promote vibrant communities.

WorkCover WA contributes to Government Goal, 'Strong and 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 vision is to have a workers compensation and injury management scheme that works for all and our purpose is to lead a contemporary, sustainable and integrated workers compensation scheme that is fair, accessible and cost effective for all stakeholders, through:

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

WorkCover WA strives to achieve its outcome through the effective administration of the *Workers Compensation and Injury Management Act 2023* (the Act), the provision of quality policy advice to government, and excellent stakeholder relationships.

The *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.

Changes to the Outcome Based Management Structure

WorkCover WA undertakes regular reviews of its OBM Structure and KPI Framework to ensure it provides the most suitable measures to indicate the agency's performance.

In line with the introduction of the new the Act, which came into effect from 1 July 2024, the agency has made the following changes to its KPIs for the 2025 reporting year:

1. Effectiveness KPI 1.1

The number of non-compliance events identified as a result of a claim on the General Account.

The name of this KPI has been amended to *The number of non-compliance events identified as a result of a claim on the Default Insurance Fund* in line with Division 6 of the Act.

There is no change to the measurement of this KPI. The name has been amended due to the creation of a new special purpose account under the Act that separates these activities from the General Account which is now used specifically for operational purposes.

2. Efficiency KPI 2.3

Average cost to process a Memorandum of Agreement. This KPI has been renamed to *Average cost to process a Settlement Agreement* in line with Part 2 Division 12 of the Act.

This KPI previously measured the average cost to process a Memorandum of Agreement. Under the previous legislation, the *Workers' Compensation and Injury Management Act 1981* (1981 Act). WorkCover WA was responsible, under the provisions of Section 76 of that Act, for registering each Memorandum of Agreement (MoA) where parties agreed 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 a MoA involved an assessment of the accuracy of the documentation provided by the parties, as well as of compliance with the Act. In some instances, the decision of an arbitrator to register the MoA could also have been required.

The previous legislation also made provision for a worker's claim for damages against an employer or defendant to be settled by agreement of the parties [Section 92(f)]. This was a simple process with little checking or assessment required by WorkCover WA and has not previously been attributed to a KPI.

Under Division 12 of the new Act 'Settlement of compensation claims' combines all statutory agreements into one category of 'settlement agreements'.¹

All other aspects of the OBM Structure including the Agency Level Desired Outcome, Services and remaining KPIs remain relevant and appropriate. Any transitional arrangements relevant to the new Act are explained against the individual KPIs.

¹ Under section 587 transitional arrangements in the new Act a reference to a memorandum of an agreement is to read as a settlement agreement.

Outcome Based Management Structure

Government Goal

Strong and Sustainable Finances

– Responsible, achievable, affordable budget management.

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.

Key Effectiveness Indicators

- The number of non-compliance events identified as a result of a claim on the Default Insurance Fund
- The proportion of conciliations completed within eight weeks
- The proportion of disputes resolved within six months

Service 1: Scheme Regulation

Regulation of workers compensation scheme participants for compliance with legislative requirements.

Key Efficiency Indicators

- Average cost per employer compliance activity
- Average cost per approved and monitored service provider
- 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.

Key Efficiency Indicators

- Average cost to complete a conciliation
- Average cost to complete an arbitration
- Average cost to process a Settlement Agreement

Independent Audit Opinion

KPIs are audited annually by the Auditor General and the audit opinion is included in the Independent Auditor's Report published in the section on financial statements and notes.

KPIs Snapshot

Table 20: Key Performance Indicators of Effectiveness

#	Indicator	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Actual	2024/25 Target
1.1	The number of non-compliance events identified as a result of a claim on the Default Insurance Fund ²	5	5	7	10	10	6
1.2	The proportion of conciliations completed within eight weeks	94.8%	90.8%	89.1%	92.2%	91.4%	97.0%
1.3	The proportion of disputes resolved within six months	83.0%	83.6%	82.3%	85.1%	84.5%	90.0%

Table 21: Key Performance Indicators of Efficiency³

#	Indicator	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Actual	2024/25 Target
1.1	Average cost per employer compliance activity	\$270	\$211	\$210	\$155	\$146	\$236
1.2	Average cost per approved and monitored service provider	\$2,882	\$3,015	\$3,026	\$ 2,595	\$ 6,383	\$7,768
1.3	Average cost per client contact to provide information and advice	\$94	\$77	\$71	\$76	\$63	\$71
2.1	Average cost to complete a conciliation	\$2,055	\$1,980	\$2,075	\$2,149	\$2,662	\$1,927
2.2	Average cost to complete an arbitration	\$9,495	\$10,739	\$9,911	\$11,944	\$13,121	\$9,142
2.3	Average cost to process a Settlement Agreement ⁴	\$497	\$525	\$415	\$386	\$207	\$231

² The name of this KPI has been amended in line with changes introduced with the new Act. Under the new legislation a new special purpose account called the Default Insurance Fund which incorporates claim payments has been established.

³ Efficiency indicators have not been adjusted for inflation.

⁴ The name of this KPI has been amended in line with changes introduced with the new Act. Under the new legislation Memorandums of Agreement are now referred to as Settlement Agreements.

KPIs of Effectiveness

The Agency Level Government Desired Outcome reflects the purpose of WorkCover WA.

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**
- **Scheme Services**

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

Indicator of Effectiveness 1.1

Number of Non-Compliance Events Identified as a Result of a Claim on the Default Insurance Fund

WorkCover WA is responsible under the Act, to oversee the requirement of employers to hold workers compensation insurance.

This indicator shows the number of new claims with payments made from WorkCover WA's Default Insurance Fund (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:

A health and safety incident involving a worker or workers of an uninsured employer, which has a financial impact on WorkCover WA's Default Insurance Fund by way of an uninsured claim payment.

While there is ongoing claims activity against the Default Insurance Fund, for the purpose of this indicator, claims are only counted in the year the first payment is made to a worker.

Key Performance Indicators

Claims involving specific dust diseases⁵ are made years after the causal exposure. For example, specific dust diseases associated with the inhalation of asbestos fibres (i.e. asbestosis, mesothelioma, asbestos-related lung cancer and diffuse pleural fibrosis) generally take 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 damage claims paid from the Default Insurance Fund 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 one uninsured claim per 5,000 insured claims has been set based on figures two years in arrears, due to the lag nature of the data. Therefore, the target for 2024/25 uses the 2022/23 year figure of 27,522⁶ and sets the target figure as 6.

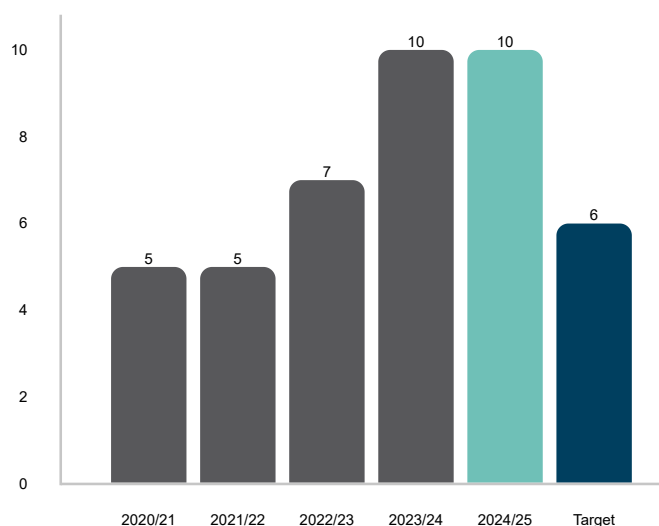
Information for this indicator is derived from two agency information systems. Claim numbers are reported from a central database which captures details of all claims as reported by approved insurers and self-insurers.

Uninsured claim payments are 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 Default Insurance Fund.

⁵ Asbestos and industrial disease under the 1981 Act is now referred to as dust disease.

⁶ The figure quoted is that available at the time of setting the target in April 2024 and the figures for the two years previous is used, due to this being lag data. The number of insured claims is based on the insurer received date and excludes specific dust diseases, journey and invalid claims. The number of claims quoted may vary from those previously published due to delays in claim reports to WorkCover WA from insurers.

Number of non-compliance events identified as a result of a claim on the Default Insurance Fund



Analysis

In 2024/25 there were ten non-compliance events resulting in a claim paid from the Default Insurance Fund. This is four more than the target and equal to the 2023/24 result. The number of uninsured claims against the Default Insurance Fund (previously the General Account) continues to remain low in the context of approximately 28,000 lost time insured claims for the year.

WorkCover WA has continued to implement effective compliance campaigns to identify uninsured employers, and it is anticipated that reduced incidence of these non-compliant events will be seen in coming years.

Indicator of Effectiveness 1.2

Proportion of Conciliations Completed within Eight Weeks

The *Workers Compensation and Injury Management Conciliation Rules 2024* 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 56 days (eight weeks).

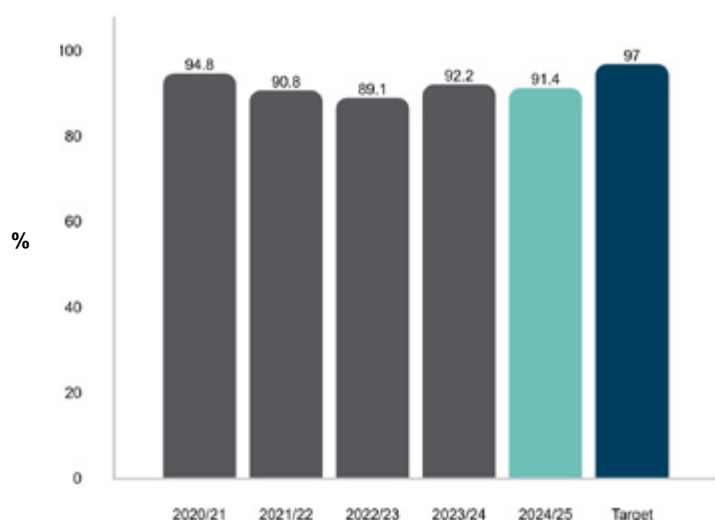
This timeframe is reflected in this KPI which reports the percentage of conciliation applications completed within the initial eight weeks.

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 which supports the business needs of the Conciliation and Arbitration Services.

The target for this KPI has been set based on the previous year's target and performance of years prior to the COVID-19 pandemic. A high percentage outcome for this KPI shows that WorkCover WA is performing well in meeting this statutory requirement.

Proportion of conciliations completed within eight weeks



Analysis

In 2024/25, 91.4 percent of conciliations were completed within the eight-week statutory timeframe.

This is 5.6 percentage points less than the target and 0.8 percentage points less than in 2023/24.

This KPI continues to be impacted by constraints on access to medical and other service providers.

Where a conciliation cannot reasonably be resolved within the initial eight-week period the Director may grant an extension for a further (maximum) eight-week period. In 2024/25 the number of cases extended beyond the initial timeframe decreased marginally from 196 in 2023/24 to 190 in 2024/25 (3 percent).

Of the matters granted an extension, all were completed within the extended timeframe except one which was deferred to allow the appointment of a Litigation Guardian by the State Administrative Tribunal.

Indicator of Effectiveness 1.3

Proportion of Disputes Resolved within Six Months

This KPI reports the time taken to resolve a dispute and is consistent with Part 6, Section 305 of the Act, which states:

The objective of the conciliation and arbitration functions are to provide a fair and cost-effective system for the resolution of disputes under the Act that -

- a) is timely; and*
- b) is accessible, approachable and professional; and*
- c) minimises costs to parties to disputes; and*
- d) in the case of conciliation, leads to final and appropriate agreements between parties in relation to disputes; and*
- e) 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.

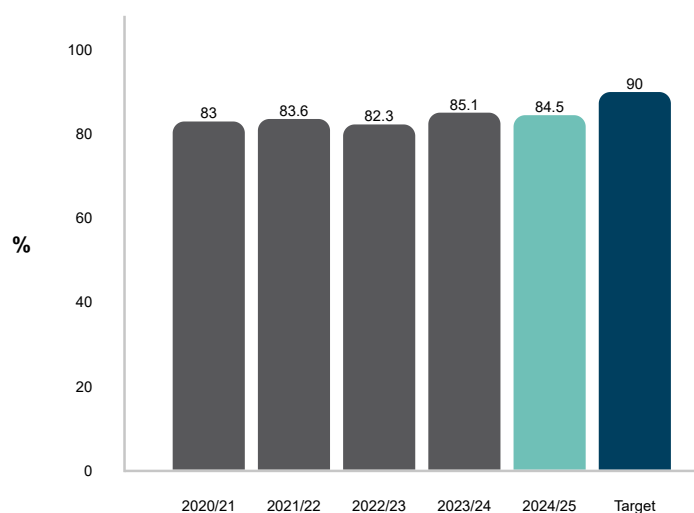
For those disputes progressing to arbitration the 28-day statutory gap (or portion of) in which an application for arbitration can be made, and the time between lodgement and acceptance of an application, is not included in the timeframe.

Acceptance of an application (after lodgement) can be delayed due to the provision of incomplete or inadequate documentation. It is the date of acceptance that is the starting date, as there may be time between lodgement and acceptance when further information is required to progress the application to an outcome. Incomplete applications are rejected rather than accepted and are not counted in this KPI.

Data for this KPI is drawn from the Dispute Case Management System 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's target and performance of years prior to the COVID-19 pandemic.

Proportion of disputes resolved within six months



Analysis

In 2024/25, 84.5 percent of all disputes were resolved within six months. This is 5.5 percentage points less than the target of 90.0 percent and 0.6 percentage points less than the 2023/24 result.

Dispute resolution performance indicators are published in the Comparative Performance Monitoring data produced by Safe Work Australia which compares work health and safety and workers compensation schemes in Australia. This report shows that dispute resolution within the Western Australian workers compensation scheme performs well compared with other jurisdictions. The latest available national data shows the 2022/23 national average for disputes resolved within six months was 71.7 percent.

KPIs 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.

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 determines overheads and allocates costs across the agency's divisions and six efficiency KPIs and is reviewed for accuracy at least 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.

To account for all agency costs, expenditure from cost centres not attributed directly to a KPI is allocated across all KPIs on an FTE basis.

Other indirect costs (overheads) such as rates, water, electricity, and depreciation of buildings are allocated according to the floor space specifically allocated to an area.

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 Default Insurance Fund claims, which if included, would unduly skew key KPI data (for 2024/25 this represents 27.6 percent of the total expenditure).

The KPIs listed on the following pages measure the costs of providing these activities.

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.

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

The Conciliation and Arbitration Services provide a fair and cost-effective system for the resolution of disputes that are 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 a workers compensation claim through the registration of a Settlement Agreement and the processing of documents submitted in relation to common law elections.

Indicator of Efficiency 1.1

Average Cost Per Employer Compliance Activity

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 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.

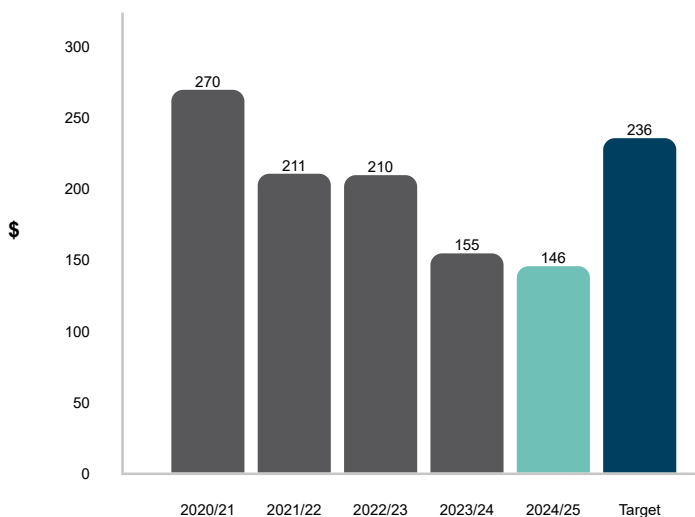
The Act has numerous penalty provisions relating to employers obligations. Following identification of a possible breach, an investigation follows that may result in a caution, infringement notice or prosecution.

This indicator reports the average cost of these employer compliance activities and is measured by dividing the full cost of the agency's Compliance Branch 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 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. It was expected that compliance activity for the year would continue to increase due to enhanced data matching initiatives and the target figures reflect a 22.2 percent increase on the target for the previous year.

Average cost per employer compliance activity



Analysis

In 2024/25 the average cost per employer compliance activity was \$146. This is 38.1 percent less than the target of \$236 and 5.8 percent less than the outcome of \$155 in 2023/24.

The variance of the outcome against the target is due to the continued effectiveness of the Employer Contact Team's proactive voluntary compliance campaigns and the success of the in-house prosecution function which expedites the enforcement process.

Enhanced administrative investigative and data analysis strategies have enabled high levels of compliance activity, investigations and enforcement outcomes.

Indicator of Efficiency 1.2

Average Cost Per Approved and Monitored Service Provider

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 permanent impairment assessors, registered agents, audiologists, and ear, nose and throat medical specialists.

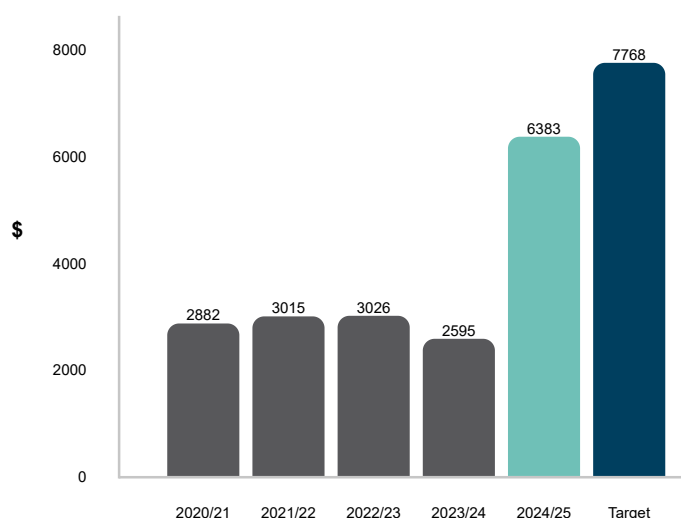
This indicator reports the average cost per approved and monitored service provider and is measured by dividing the full costs of providing this regulation service by the total number of approved and monitored service providers.

All information relevant to these service providers is captured in the Regulatory Services Management System 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 predicted number of service providers for 2024/25 was anticipated to significantly decrease to approximately 500 (-60 percent) in line with changes being introduced with the new Act. Under the new legislation, audiometrists, audiometric officers and independent registered agents are no longer required to be licensed, however, a transitional period to phase in these requirements means many were still being managed for various periods of the year. The number of service providers for this KPI is measured as of 30 June each year.

Average cost per approved and monitored service provider



Analysis

In 2024/25 the average cost per approved and monitored service provider was \$6,383. This is 17.8 percent less than the target of \$7,768 and 146.0 percent more than the outcome in 2023/24 of \$2,595.

This KPI is significantly impacted by changes introduced with the new Act which came into effect from 1 July 2024. Under the new Act, Registered Agents, Audiometric Officers and Audiometrists are no longer approved and monitored service providers and have therefore been removed from this KPI. These changes required a transitional arrangement and were phased in over the first half of 2024/25.

Indicator of Efficiency 1.3

Average Cost Per Client Contact to Provide Information and Advice

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 providing the Advice and Assistance Service by the total number of advice and assistance activities (written advice notifications prepared and verbal consultations conducted).

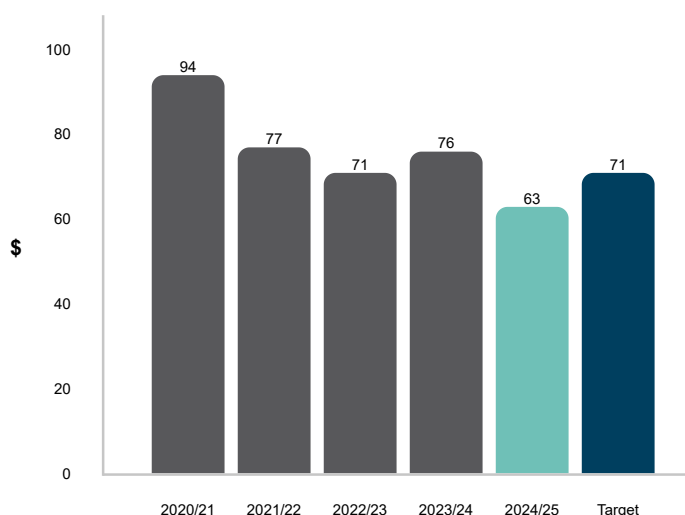
All written advice notifications and verbal consultations including in-person enquiries, consultation via appointments, emails, written enquiries and notifications sent via electronic news alerts are captured in the Regulatory Services Management System.

Inward telephone calls made to the Advice and Assistance Service (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 based on the previous four years performance and current trends.

Average cost per client contact to provide information and advice



Analysis

In 2024/25 the average cost per client contact to provide information and advice was \$63. This is 11.3 percent less than the target and 17.1 percent less than the 2023/24 outcome of \$76.

The lower than target outcome for this indicator is due to the higher than expected number of client contacts attributed to enquiries related to the introduction of the new legislation.

Overall, in 2024/25 the Advice and Assistance Service responded to 22,983 requests.

Indicator of Efficiency 2.1

Average Cost to Complete a Conciliation

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.

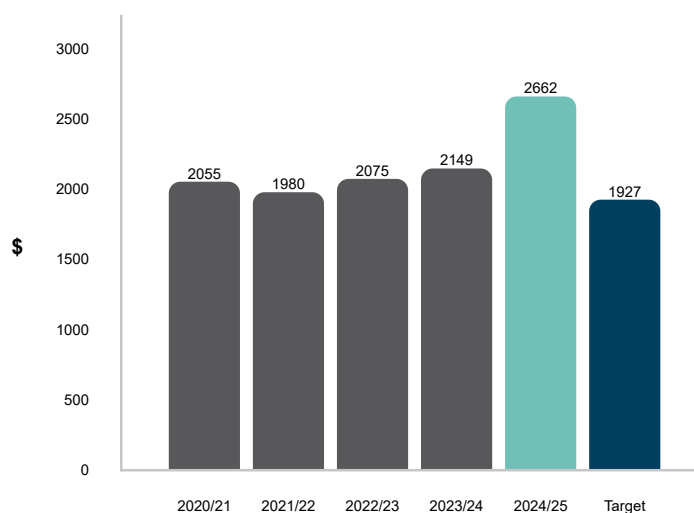
All conciliations are recorded in the Dispute Case Management System along with dates completed. 'Completed' is measured as the date that a conciliation officer records a *Certificate of Outcome* at the end of a conciliation process.

The data for this indicator is extracted directly from the Dispute Case Management System.

The target for this indicator is based on current and previous performance and 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 2024/25 is based on outcomes for the previous four years and current trends.

Average cost to complete a conciliation



Analysis

In 2024/25 the average cost to complete a conciliation was \$2,662. This is 38.1 percent more than the target of \$1,927 and 23.9 percent more than in 2023/24.

The increase in the number of disputes received in 2023/24 in the lead up to the commencement of the new Act on 1 July 2024 did not continue into the 2024/25 year as anticipated. As a result, the number of conciliations processed was considerably less than expected.

The number of conciliations completed for the year reduced by 26.3 percent on the target and 11.9 percent on the previous year.

Indicator of Efficiency 2.2

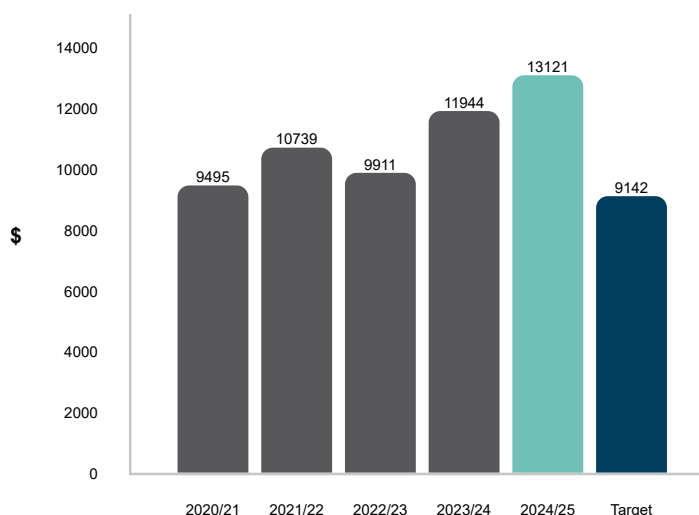
Average Cost to Complete an Arbitration

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 the Dispute Case Management System, 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 data for this indicator is extracted directly from the Dispute Case Management System.

The target for this indicator is based on current and previous performance and was 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 completed used for the target was an increase of 16.7 percent on the previous year as it was anticipated that these numbers would increase with the introduction of the new Act.

Average cost to complete an arbitration



Analysis

In 2024/25 the average cost to complete an arbitration was \$13,121. This is 43.5 percent higher than the target of \$9,142 and 9.9 percent higher than the outcome for 2023/24.

The increased cost of providing this service in 2024/25 compared with 2023/24 is predominantly due to the decrease (15.9 percent) in the number of arbitrations completed.

Indicator of Efficiency 2.3

Average Cost to Process a Settlement Agreement

WorkCover WA is responsible under the Act for registering each Settlement Agreement, 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.

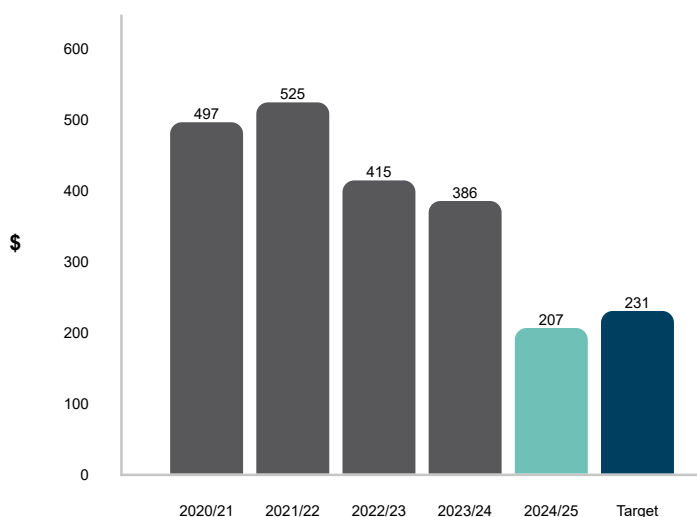
Registering a Settlement Agreement involves an assessment of the accuracy of the documentation provided by the parties, as well as of compliance with the Act.

This KPI provides the average cost to complete a Settlement Agreement and is measured by dividing the full costs of providing the Settlement Agreement process by the total number of Settlement Agreements completed. Each Settlement Agreement registered is recorded in the Settlement Agreement database which forms part of the Dispute Case Management System. The data for this KPI is extracted directly from this system.

The target for this KPI was set based on changes being introduced under the new Act and expected increases in the number of Statutory Settlements corresponding to the decrease in the use of section 92(f) common law deeds as the new Act limits the use of common law settlements. The figures used were a combination of Memorandum of Agreements and 92(f) deeds performance over the past three years.⁷

⁷ A Settlement Agreement was previously known as Memorandum of Agreement under the 1981 Act. Further details are available in the previous section 'Changes to the Outcome Based Management Structure'.

Average cost to process a Settlement Agreement



Analysis

In line with the new Act which came into effect from 1 July 2024, the name of this KPI changed from to 'Average Cost to process a Memorandum of Agreement' to 'Average Cost to process a Settlement Agreement'.

Under the new legislation, commuting compensation liabilities by settlement agreement encompasses both Memorandums of Agreement (MoAs) and 92f Settlement Deeds (Division 12, Section 149) previously listed separately under the 1981 Act.

The average cost to process a Settlement Agreement for 2024/25 was \$207. This is 10.4 percent less than the target.

The number of Settlement Agreements processed in 2024/25 is 5.9 percent more than the predicted target and 14.4 percent less than the 2023/24 combined number of MoAs and 92(f) Settlement Deeds processed.