

ESORT Meeting – 12/11/2015

Changes to DVA's Programme Performance Indicators (PPIs) for Outcome 1

Background

1. Implementation of the *Public Governance, Performance and Accountability Act 2013* (PGPA), requires DVA to review its performance indicators, and this commenced late in 2014.
2. In September 2015, DVA's Executive Management Board (EMB) endorsed new indicators for Outcome 1, which is described as *'Maintain and enhance the financial wellbeing and self-sufficiency of eligible persons and their dependants through access to income support, compensation, and other support services, including advice and information about entitlements'*.
3. DVA is seeking to inform stakeholders about the forthcoming changes.

Rationale for changes

4. Client service:
 - a. DVA continues to strive to improve its service standards and outcomes for clients; and
 - b. The assessment of quality was considered to be too negative and not fully focussed on outcomes for the client.
5. Legislative:
 - a. Sections 38 and 39 of the PGPA require an accountable authority (Secretary or CEO), to measure and assess the performance of the entity in achieving its purpose, and prepare an Annual Performance Statement for inclusion in the entity's annual report;
 - b. The Act's subordinate legislation, the *Rule 2014* requires the Annual Performance Statement to set out the results and analysis of the entity's performance for the year; and
 - c. The PGPA and the Rule are supported by directions and guidance material.
6. Best practice:
 - a. Department of Finance guidance has adopted the Australian National Audit Office's (ANAO's) better practice criteria for the development of performance measures – *Relevant* (focussed and understandable), *Reliable* (measureable and free from bias), and *Complete* (balanced and collective).

7. Shortcomings of current performance measures:
 - a. An assessment of Outcome 1's performance indicators showed that they were inconsistent, irrelevant in some cases, inaccurate or incomplete.
 - b. Measurement of performance based on the mean number of days to process a claim is easily misunderstood, unduly influenced by very new or very old cases, and by a mix of cases of uneven weight.
 - c. Analysis of contemporary measurements being adopted by similar entities, including the Department of Human Services (DHS), suggested that a move to percentile bands over time would address these shortcomings.
 - d. A review of actual results indicated that the existing indicators were out of date and did not accurately reflect actual outcomes.

Forthcoming changes

8. DVA is moving from the current timeliness description of "mean number of days" to the new percentile band approach.
9. Table 1 at Attachment A shows the results for various sub-programmes in Outcome 1 over the last three financial years, in terms of 50th percentiles (i.e. 50 per cent).
10. It is recommended the "median" (or 50th percentile) is introduced as the initial target.
11. The median is the 50th percentile, however, it is best described as *'50 per cent of cases can be expected to be processed in X days or less'*.
12. The inaccuracy of Outcome 1.2 is being addressed by:
 - a. removing war widow/ers data as it is covered separately under Outcome 1.3; and
 - b. not counting merged Application for Increase (AFIs) in time taken to process (TTTP) results.
13. A single and consistent timeliness target needs to be established for all liability claims, not different targets for VEA, MRCA, and SRCA. It will be far easier to remember, and promotes fairness and consistent expectations for delegates, management, and clients, regardless of the Act the claim is lodged under.
14. In particular, we will be attempting to describe (and promote understanding of) the "median", as this will be the starting point for DVA in moving to a percentile band approach.
15. Table 2 at Attachment B shows the current and new median (50th percentile) timeliness performance targets for sub-programmes 1.1, 1.2, 1.3, 1.6 in Outcome 1.

16. DVA is planning to report against both the current and new indicators in the DVA Corporate Plan 2016-17 and the Annual Report 2016-17.

Key messages

17. DVA continues to strive to improve its service standards and outcomes for clients.
18. A whole of Government approach to public governance, performance, and accountability requires DVA to review its Programme Performance Indicators (PPIs) to ensure they are relevant, reliable, and complete.
19. Current performance measures for timeliness in Outcome 1 (relevant for Income Support and Rehabilitation and Compensation) are considered inconsistent, irrelevant, or incomplete, and do not accurately reflect outcomes for clients.
20. The adoption of contemporary measurements by other similar agencies (e.g. DHS) suggests a move from the current 'mean' or average time taken to process to percentile bands would address these shortcomings.
21. A single and consistent timeliness target will be established for all liability claims, regardless of the Act it is lodged under.
22. Quality assurance targets will be set at a 'correctness rate' rather than an error rate and will be more focused on outcomes for the client.
23. These forthcoming changes will result in:
 - a. more realistic targets being set for delegates;
 - b. clients and representatives having clearer expectations of the claims process;
 - c. DVA's performance being measured more accurately; and
 - d. stakeholders being able to understand DVA performance reporting more easily.

Recommendations

1. It is recommended that ESORT Members:
 - a. **Note** the forthcoming changes to DVA's timeliness measures in respect to Programmes 1.1, 1.2, 1.3 and 1.6;
 - b. **Agree** to inform the ESO community about the forthcoming changes; and
 - c. **Note** that both the current and new indicators will be reported against in the DVA Corporate Plan 2016-17 and the Annual Report 2016-17.

Table 1: Programme Performance Indicators – 1 July 2012 to 30 June 2015			
Programme	Claim Type	TTTP Days to Process	TTTP Days to Process (excluding merged and withdrawn cases)
		50%	50%
1.1	Income Support – Reviews	9	
1.1	Income Support – New Claims	29	
1.2	VEA – all except WW claims	73	101
1.3	VEA – War Widows	24	27
1.6	MRCA – Initial Liability	114	
1.6	SRCA – Initial Liability	140	
1.6	MRCA – New Incapacity Claims	50	
1.6	SRCA – New Incapacity Claims	51	
1.6	MRCA – Permanent Impairment*	57	
1.6	SRCA – Permanent Impairment	95	

* Not including election days

Table 2: Programme Performance Indicators (PPIs) – current measures and forthcoming changes		
	Existing Key Performance Indicators (KPIs) for timeliness	New PPIs – Median (based on results from previous 3 financial years)
Measurement technique	Average/Mean	Percentiles/Median (50 th percentile)
Programme 1.1 – Veterans’ Income Support and Allowances	Mean time for processing new claims and reviews. (new claims 32 days; reviews 14 days)	The number of days within which claims will be finalised. 50% (new claims 30 days; reviews 10 days)
Programme 1.2 – Veterans’ Disability Support	Mean number of days to process claims. (75 days)	The number of days within which claims will be finalised. 50% (100 days)
Programme 1.3 – Assistance to Defence Widow/ers and Dependants	Mean number of days to process claims. (75 days)	The number of days within which claims will be finalised. 50% (30 days)
Programme 1.6 – MRCA and SRCA Payments – Income Support and Compensation	Mean number of days to determine MRCA and SRCA liability claims. (120 days each)	The number of days within which claims will be finalised. 50% (100 days)
	Mean time to finalise new MRCA and SRCA Incapacity claims. (Currently not reported)	The number of days within which claims will be finalised. 50% (50 days)
	Mean time to finalise MRCA and SRCA Permanent Impairment claims. (Currently not reported)	The number of days within which claims will be finalised. 50% (100 days)