

DVA TALKING POINTS – ESO ROUND TABLE (12/11/2015)

Changes to Programme Performance Indicators (PPIs) for Outcome 1

- Implementation of the *Public Governance, Performance and Accountability Act 2013* (PGPA), requires DVA to review its performance indicators, and this process commenced late in 2014.
- In September 2015, DVA's Executive Management Board (EMB) endorsed new indicators for Outcome 1, which is relevant to Income Support, VEA Disability Claims, War Widow/ers claims, MRCA claims, and SRCA claims.
- There are several **reasons for the forthcoming changes**, including:
 - a. *Client service*: DVA continues to strive to improve its service standards and outcomes for clients;
 - b. *Legislative*: the PGPA requires the Secretary, 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;
 - c. *Best practice*: the ANAO's better practice criteria for the development of performance measures, requires them to be *Relevant, Reliable, and Complete*;
 - d. *Shortcomings of current performance measures*:
 - i. Outcome 1's performance indicators are inconsistent, irrelevant in some cases, inaccurate or incomplete;
 - ii. In addition, the current use of the mean (or average) number of days to process a claim is easily misunderstood and unduly influenced by very new or very old cases;
 - iii. A move to a more contemporary measurement, such as percentile bands has been successfully adopted by other similar agencies, including Department of Human Services.
- In summary, the **forthcoming changes** will move from the current timeliness description of "mean or average number of days" to the new percentile band approach.
- 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.
- The "median" (or 50th percentile) will be introduced as the initial target.

- The 50th percentile is the median, however, it is best described as *'50 per cent of cases can be expected to be processed in X days or less'*.
- 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.
- DVA plans to report against both the current and new indicators in the Corporate Plan 2016-17 and the Annual Report 2016-17.
- Some of the key improvements include:
 - a. Addressing the inaccuracy of Outcome 1.2;
 - b. Removing the affect of 'merged cases' on time taken to process (TTTP) results*;
 - c. Establishing single and consistent timeliness targets for all liability claims, regardless of the Act the claim is lodged under; and
 - d. Setting quality assurance targets at a 'correctness rate' rather than an error rate.
- * 'Merged cases' are where an 'applications for increase' (AFIs) is merged with a Disability Pension (DP) claim that is received by the Department at the same time. It is important to note 'merged cases' make up approximately 30 per cent of finalised cases. The AFIs that are merged usually have a TTTP of 1 or only a few days, even though they are finalised at the same time as the DP claim with which they have been merged. The affect of merging cases halves the average TTTP for approximately 30 per cent of VEA claims.
- DVA continues to strive to improve its service standards and outcomes for clients.
- This is a response to a whole of Government approach to public governance, performance, and accountability, requiring DVA to review its PPIs to ensure they are relevant, reliable, and complete.

- The **benefits of these forthcoming changes** include:
 - a. More realistic targets being set for delegates;
 - b. Clients and their 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.

- 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.