



Australian Government

Comcare

LICENSEE KEY PERFORMANCE INDICATOR TARGET SETTING METHODOLOGY

The Safety, Rehabilitation and Compensation Commission (Commission) *Licence Compliance and Performance Model (LCPM)* outlines the performance standards and measures that will be used to measure the claims, rehabilitation and prevention performance of self-insured licensees in the Comcare scheme.

This document details the Commission's endorsed methodology by which annual targets are set for each licensee key performance indicator (LKPI). This document complements the LKPI Specifications document¹ which defines the reporting basis for each LKPI.

TARGET SETTING METHODOLOGY

LKPI 1 - Number of notified fatalities

Description	The number of worker fatalities notified to a licensee's respective Work Health and Safety (WHS) regulator in the reporting period.
Method for setting target	Zero fatalities.

LKPI 2 - Number of compensated fatalities

Description	The number of compensated worker fatalities with a date of first determination in the period.
Method for setting target	Zero fatalities.

¹ LKPI Specifications, available from www.srcc.gov.au.



LKPI 3 - Incidence of serious claims

Description	The number of claims initially determined in the reporting period with one week or more lost time, per 1000 full time equivalent employees.
Method for setting target	<p>Developing licensee² (year one) Developing licensees in their first year of licence are given a target equal to the 50th percentile of their specified industry.</p> <p>Established licensee³ and developing licensee (year two) For all licensees with one full financial year of data the target is based on the annual performance result for the previous financial year.</p> <p>Where, at the end of the financial year, a licensee's performance is:</p> <ol style="list-style-type: none">i) within the top 25 per cent of the industry benchmark, the target will be set to remain in the top 25 per cent⁴ii) between 25 percent and 50 per cent of the industry benchmark, the target will be a 3 per cent improvement on the previous financial year resultiii) above 50 per cent of industry benchmark, the target will be a 6 per cent improvement on the previous financial year result. <p>Where a licensee's result is not in the top 25 per cent of the industry benchmark, the percentage improvement that is applied will not exceed that required to meet the top 25 per cent industry benchmark.</p>

LKPI 4 - Incidence of accepted claims

Description	The number of claims initially determined in the period, with an initial determination status of accepted, per 1000 full time equivalent employees.
Method for setting target	<p>Developing licensee (year one) Developing licensees in their first year of licence are given a target equal to the 50th percentile of their specified industry.</p> <p>Established licensee and developing licensee (year two) For all licensees with one full financial year of data the target is based on the annual performance result for the previous financial year.</p> <p>Where, at the end of the financial year, a licensee's performance is:</p> <ol style="list-style-type: none">i) within the top 25 per cent of the industry benchmark, the target will be to remain in the top 25 per centii) between 25 per cent and 50 per cent of the industry benchmark, the target will be a 3 per cent improvement on the previous financial year resultiii) above 50 per cent of the industry benchmark, the target will be a 6 per cent improvement on the previous financial year result. <p>Where a licensee's result is not in the top 25 per cent of the industry benchmark, the percentage improvement that is applied will not exceed that required to meet the top 25 per cent industry benchmark.</p>

2 A developing licensee is a licensee in its first two years of holding a self-insurance licence.

3 An established licensee is a licensee which has held a self-insurance licence for more than two years.

4 The Commission's assessment of performance of licensees in the top 25 per cent of the industry benchmark reflects the following principles:

- > performance continues to improve; or
- > performance remains stable and the licensee can demonstrate a continued focus on improvement through its annual Licensee Compliance Performance Improvement report;
- > performance is maintained in the top 25 per cent of industry; and
- > the licensee's explanation and, where required, response to deterioration of performance is accepted.

LKPI 5 - Median incapacity

Description The median (middle point) of incapacity weeks for accepted claims that have had one week or more lost time.

Method for setting target Targets are no longer set for LKPI 5⁵.

LKPI 6 - Timeliness - determination of new claims

Description The percentage of new claims that were initially determined within set timeframes from the date of receipt by the licensee of a compliant claim:
Tier 1 - 20 days injury, 60 days disease
Tier 2 - 30 days injury, 75 days disease
Tier 3 - 45 days injury, 90 days disease

Method for setting target The following targets are set for the determination of claims within timeframes:
Tier 1 - 95 per cent
Tier 2 - 98 per cent
Tier 3 - 100 per cent

LKPI 7 - Timeliness - decisions on requests for reconsideration

Description The percentage of reconsideration requests decided, in the reporting period, within set timeframes from the date of receipt:
Tier 1 - within 30 days
Tier 2 - within 45 days
Tier 3 - within 90 days

Method for setting target The following targets are set for the determination of reconsideration requests within timeframes:
Tier 1 - 95 per cent
Tier 2 - 98 per cent
Tier 3 - 100 per cent

⁵ At the 19 June 2019 meeting, the Commission agreed that targets would no longer be set for LKPI 5, with licensee performance assessed against a trend over time.

OTHER CONSIDERATIONS

Performance reporting and target setting

The Commission has set performance indicators across a number of areas of licensee's performance, as outlined in Section 7 of the LCPM.

Targets are used by the Commission to encourage improvement in licensee performance against these indicators.

Industry classification

A licensee's industry classification is based on what the majority of its' business activity is, in reference to the Australian and New Zealand Standard Industrial Classification industry codes⁶.

⁶ [Australian and New Zealand Standard Industrial Classification \(ANZSIC\), 2006](#)