



9 July 2021

State Insurance Regulatory Authority  
Level 14-15  
231 Elizabeth Street  
SYDNEY NSW 2000

## Online submission: Enhancing SIRA's Research Program

IAG is pleased to make a submission to the State Insurance Regulatory Authority (SIRA) on their '*Enhancing SIRA's Research Program*' consultation paper (the Paper). IAG is the parent company of a general insurance group with controlled operations in Australia and New Zealand. Our businesses underwrite almost \$12 billion of premium per annum, selling insurance under many leading brands, including NRMA Insurance, CGU, SGIO, SGIC and WFI (in Australia) and NZI, State, AMI and Lumley Insurance (in New Zealand). With more than 8.5 million customers and information on the majority of domestic residences in our markets, we use our leadership position to understand and provide world-leading customer experiences, making communities safer and more resilient for the future.

IAG has over three decades of experience in the management of NSW compulsory third party (CTP) claims, under its NRMA Insurance brand. In addition to our NSW CTP business, we operate in several personal injury compensation schemes (CTP and workers compensation) in multiple jurisdictions across Australia. IAG regularly funds and uses research evidence to improve customer experiences and outcomes within our businesses. This submission draws on these experiences. The submission answers the questions posed in the Paper in chronological order.

### 1. Do you have any comments on SIRA's current research priorities? Can they be improved, and if so, how?

IAG commends SIRA on its targeted engagement with stakeholders to identify current gaps in knowledge, knowledge translation and the evaluation of injury recovery within NSW personal injury compensation schemes. The research priorities outlined in Figure 1 of the Paper represent a broad range of clinical, systems and policy areas, all of which, IAG believe hold merit as priority areas for SIRA funded research.

In Figure 1, it is noted that there are eight different SIRA research priorities, each with a significant scope. It is suggested that SIRA continue to work with stakeholders to consolidate and/or further prioritise this list to ensure that research funding is targeted and not spread across all eight areas which may lead to insufficient funding in some areas. IAG believes there would be greater value in funding a smaller number of research projects through the discrete phases of knowledge generation, knowledge translation and knowledge implementation rather than funding research projects with an aim to deliver equity across each priority area.

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**2. Do you have any comments on SIRA's proposed research objectives? Can they be improved, and if so, how?**

SIRA's proposed research objectives highlight collaboration, knowledge activation and build upon current knowledge base foundations. We support these objectives and concur with their alignment to address current and emerging challenges within NSW personal injury compensation schemes.

IAG suggests that consideration be given to adding a further research objective which encapsulates the need for research investments to represent "value for money". Within the Paper, SIRA has acknowledged broad scheme considerations of premium affordability and scheme sustainability but these have not been captured by the current listed objectives. The criteria for defining value could be developed from input from all stakeholders (for example, policy holders, injured people, insurers, health care providers and legal practitioners).

It is acknowledged that the sentiment of value has been captured in some of SIRA's research guiding principles, however IAG believes that "value for money" should be more formally recognised as a research objective. This would provide a greater accountability link for SIRA's research program.

**3. Do you have any comments on SIRA's research guiding principles? Can they be improved, and if so how?**

IAG supports the six research guiding principles proposed by SIRA. We acknowledge the value of research being customer focused and where possible, co-designed with customers and scheme participants/stakeholders. As detailed in our response to question 2, we believe it is important that SIRA's research investments, sourced from levies paid by motorists and employers, are also underpinned by a consideration of the economic value of a project and would suggest that if SIRA chooses not to add this as a research objective, then to consider adding this as a standalone guiding principle.

There is merit in specifying that SIRA's research should be applicable to both worker compensation and CTP schemes given the similarities between the schemes. However, we believe there may be instances when a different approach or research question may be required to be evaluated within individual schemes. As an example, we highlight the recent findings from SIRA's customer experience research.<sup>1</sup> This research highlighted that people with a CTP claim were more impacted by their injury. They reported a lesser sense of justice, less trust in the scheme and more problems with their health. We suggest SIRA consider that a CTP specific research project might be required to discover potential reasons for these different customer experiences. We believe that this project would hold significant value for CTP scheme participants.

**4. How effective do you think a research community of practice would be? Please comment on what you see as the key benefits and key challenges of a research community of practice.**

IAG believes that a research community of practice is likely to provide SIRA with several key benefits in relation to their research program. In the first instance, a research community of practice would facilitate the sharing and mobilisation of knowledge and innovation across the field of injury recovery in compensation environments. Healthcare services and technology are changing at such a rapid pace that it is difficult for a single organisation or regulator to keep abreast of the latest research in the field. A research community of practice would assist SIRA to readily identify innovation and to develop a proactive research investment strategy based on these latest advancements.

A second benefit of establishing a research community of practice, is that Australia has a significant number of world class research institutions with dedicated programs addressing injury prevention, injury recovery and disability management (for example, Recover Injury Research in Queensland and The John Walsh Centre for Rehabilitation Research in NSW). As suggested in the Paper, a research community of practice would provide a formalised network that could leverage opportunities for research collaboration and codesign across these institutions as well as work to reduce duplication in research investment.

It is acknowledged that there are likely to be some challenges with establishing and maintaining a research community of practice. To establish such a community there needs to be commitment from all the parties to the value of sharing of information and resources. This can be challenging for academic partners as they are often competing against one another for ongoing research funding. This difficulty is not insurmountable

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<sup>1</sup> SIRA Regulatory Measurement of Customer Experience and Outcomes Study, November 2020

however and there may be merit in considering whether sub-communities of practice, addressing each of SIRA's research priorities could promote greater engagement and collaboration. These communities of practice will also have the added advantage of partners being able to develop multi-site collaborations.

It is also generally recognised that research communities of practice often have a "lifecycle" in that there comes a point when they are no longer providing benefit for the group. For this reason, it is suggested that the commitment and value of the group would need to be reviewed on a regular basis.

**5. How effective do you think a collaborative model would be? Please comment on what you see as the key benefits and the key challenges, of a need and/or topic collaborative model?**

Compared to a research community of practice, a collaborative research model may facilitate a more targeted and reactive response to emerging issues and challenges within the NSW personal injury compensation schemes. The value of this needs to be weighed against the risk that the research program becomes piecemeal and less strategic in nature.

It is suggested that a research community of practice and collaborative model of research development need not be mutually exclusive activities. The research community of practice would facilitate knowledge sharing, knowledge mobilisation and the development of a strategic research investment plan, while a collaborative model could run alongside the community of practice and could activate partnerships from both the community of practice and externally as the need arises.

**6. How can SIRA effectively collaborate with stakeholders to prioritise new research opportunities as they arise?**

IAG believes that SIRA should develop a formalised planning and governance framework around their research program. This could consist of establishing a research reference group which has representatives from key stakeholders. The group could meet on a regular basis to review current research progress and to discuss new research opportunities as they arise. This would strengthen governance of the program and promote adherence to the research principles and objectives.

As an alternative or additional element, consideration could be given to a formalised research approval process within SIRA. This would ensure that research is considered from an organisational and strategic perspective.

**7. Apart from the guiding principles, are there any other key factors that SIRA should consider when determining research priorities and if so, what are they?**

As discussed in our responses to question 2 and 3, IAG believes that SIRA should consider the "value for money" of research investments when determining research priorities. It is acknowledged that it can be difficult to determine value at a project's inception, however IAG believes that SIRA's research program would be strengthened by setting parameters or criteria against which value can be measured. At a minimum these should include the following:

- having a practical application in one or more of the schemes;
- can be readily implemented into existing policies and practices; and
- produce outcomes that improve the customer experience including:
  - reducing process friction;
  - addressing knowledge gaps;
  - reducing customer uncertainty; and
  - reducing costs.

By defining value, SIRA would be enhancing the transparency and relevance of their research program. These criteria would also be of assistance to research organisations who may be planning and seeking support for their research activities.

**8. How might SIRA best involve people with a lived experience in designing, translating, and evaluating research?**

IAG acknowledges the valuable work that SIRA has recently completed in developing "*Engaging with lived*

*experience: a strategic framework for guiding our work impacting mental health*". We envisage that the formulation of this framework has provided SIRA with a range of insights and strategies to support the involvement of people with a lived experience in designing and evaluating project proposals. Building from this base, there may be value in adopting a broad view of those who might be considered as people with a lived experience to include those with experience negotiating personal injury compensation schemes as well as those who implement the schemes and comply with the legislative requirements of the schemes.

**9. How might SIRA strengthen the effectiveness of its knowledge implementation and translation activities?**

The effectiveness of knowledge translation and implementation can be enhanced through developing an integrated research process<sup>2</sup>. This involves knowledge users (end users) being engaged as equal partners with researchers throughout the research process - from the initial research design phases to the roll out and monitoring of the research and its final evaluation. By being involved in an integrated research process, the multidirectional flow of information between researchers and knowledge users is enhanced which can then lead to greater application of research findings into practice.

**10. Do you have suggestions to improve SIRA's proposed approach to planning and responding to research impact?**

We refer to our responses to questions 2, 3 and 7 which underscore the importance of working with stakeholders to develop criteria that can be used to determine "value" or in this instance, "impact". SIRA should consider what impact may look like from the perspective of an injured person, a health care provider, a scheme funder/policy holder and other scheme stakeholders.

**11. What evaluation tactics would be valuable in this context and why?**

No further comment.

**12. Do you think SIRA's proposed success measures can be improved, or are there are other success measures that should be included?**

IAG understands that SIRA proposes to measure their research program's success by evaluating whether the research program has achieved the program's stated objectives. As indicated above, IAG believes that an additional objective of the program should be developed around the construct of "value for money" and thus, this would also become a measure of success.

SIRA is commended for including both research translation and research implementation items as impact areas outlined in Figure 4 in the Paper. These items provide some tangible constructs upon which goals could be developed to measure the research programs' success. It will be important for well-defined and measurable goals to be established for translation and implementation impact areas as this will facilitate the ability to critically evaluate whether the research program has achieved the overarching and broadly defined objectives.

**13. How would you like to see each measure benchmarked?**

IAG believes that SIRA's first step in benchmarking the output of their research program needs to focus on establishing baseline performance of their current research translation and implementation activities. SIRA has clearly articulated in the Paper that they will prioritise evaluation of these two key components of research impact.

Once a baseline is established, SIRA will have the opportunity to explore barriers and facilitators to research translation and knowledge mobilisation within the NSW CTP and workers compensation schemes. The future performance of SIRA's research program can then be evaluated against the scheme's initial baseline

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<sup>2</sup> <https://www.albertahealthservices.ca/assets/info/res/mhr/if-res-mhr-kt-and-implementation-science.pdf>

performance (and then year on year performance).

It is recognised that measuring research impact within health and policy areas is a relatively new and emerging area of practice. There may be opportunities in the future to benchmark research output against personal injury schemes in other jurisdictions however any comparison would need to consider the significant variation in scheme designs, variation in the contexts that research projects are undertaken and variations in the resources that are available to each jurisdiction.

IAG welcomes the opportunity to discuss any issues raised in this submission and to be involved in any further collaboration to enrich SIRA's research program. Should you wish to discuss our submission, please contact Kate Hopman, Principal, Road Safety & Regulatory Policy on 02 9088 9836 or at [katherine.hopman@iag.com.au](mailto:katherine.hopman@iag.com.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Matthew Bennett', with a stylized flourish at the end.

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