

19 February 2026

Ms Sue Dawson
Independent Reviewer
State Insurance Regulatory Authority (SIRA)

Submitted online via: <https://www.haveyoursay.nsw.gov.au/review-health-provider-regulation>

Dear Ms Dawson,

APS response to the Strategic review of health provider regulation within NSW SIRA personal injury schemes

The Australian Psychological Society (APS) commends the New South Wales (NSW) Government for commissioning an independent review of the State Insurance Regulatory Authority (SIRA) health provider regulation within personal injury schemes. We appreciate the opportunity to provide feedback to this review, both in person on the 18 February, and in this submission.

In making this submission, the APS has reviewed the Discussion Paper and consulted APS members with expertise in providing psychological services to injured people within SIRA's workers' compensation and motor accidents' insurance (CTP) schemes.

The APS endorses findings outlined in the Discussion Paper that there is significant duplication of allied health provider regulation within the SIRA personal injury schemes, in particular, the need for psychologists to obtain approval to become an allied health provider. We support the simplification of health provider regulation processes and recommend that the removal of the requirement for psychologists to obtain SIRA approval would contribute to the reduction of unnecessary regulatory burden and facilitate access to psychological services for injured people in NSW.

Feedback included in this submission reinforces the issues that we discussed in person and responds broadly to the Discussion Paper questions regarding the overarching issues (Section 1), regulatory scope and collaboration (Section 2.1), regulation policy and instruments (Section 2.2), and risk-based regulatory practices and processes (Section 2.3).

As discussed, we welcome the opportunity to re-establish regular meetings with SIRA to facilitate collaborative regulation. Should any further information be required from the APS, please do not hesitate to contact me on (03) 8662 3300 or at z.burgess@psychology.org.au.

Yours sincerely,

Dr Zena Burgess FAPS FAICD
Chief Executive Officer

APS Response to the Strategic Review of Health Provider Regulation within NSW SIRA Personal Injury Schemes

Response to overarching issues to be addressed (Section 1):

1. *In strengthening health provider regulation within the NSW personal injury schemes, are there particular issues and outcomes that you wish to highlight as requiring consideration in this Review?*

2. *Do you have specific examples of concerns that are not currently addressed adequately within existing regulatory practice?*

The Australian Psychological Society (APS) recognises that SIRA's regulatory reform agenda places health provider regulation within its broader Regulatory Framework¹ and the SIRA 2028 Strategy². This strategic review aims to inform the completion of the *SIRA Health Provider Regulation Strategy* and ensure that SIRA's regulation of health providers is well governed and impactful. The APS notes that strengthening health provider regulation needs to be one component of a broader regulatory ecosystem aimed at improving outcomes for injured people, ensuring appropriate provision of services, and supporting financially sustainable and accessible personal injury schemes.

The approach outlined in the Discussion Paper risks starting from an assumption that providers are the primary cost driver, rather than objectively examining how scheme design, insurer and employer practices, education and claim management challenges can also shape regulatory outcomes. Without addressing these systemic factors, strengthening health provider regulation may not reduce costs as intended and could potentially contribute to reducing access and scheme sustainability, that is, due to health provider attrition.

Further, Ahpra is the most appropriate regulator for registered health professions governed by the National Law. Consequently, additional regulation of health providers within the SIRA personal injury schemes, particularly for Ahpra registered health professions, needs to be proportionate. The APS has previously raised our concerns regarding parallel regulation of psychologists by Ahpra and SIRA³, which we consider contributes unnecessary regulatory burden for SIRA and for psychologists.

The public are adequately protected by the current national regulatory arrangements for Ahpra registered health professions. Consequently, there is limited opportunity for value-add at a state level by requiring additional practitioner obligations, except potentially where roles are scheme-specific, for example, Permanent Impairment Advisors (PIAs) and Expert Witnesses.

The APS notes there is a loss of specificity with SIRA's current regulatory arrangements associated with not distinguishing between allied health practitioners and the nature of the services that they provide. This loss of specificity is particularly evident when considering the difference in services provided by regulated allied health professions and unregulated/self-regulated professions, such as the difference in services provided by counsellors (self-regulated profession) and psychologists, who can undertake psychometric testing/assessment and have an embedded understanding of the impact of trauma on people with an injury. We consider that impactful regulatory procedures need to account for these professional differences and be proportionate in nature. We therefore recommend that SIRA and the NSW Government prioritise regulatory focus on unregulated and self-regulated health professions.

Regulatory scope and collaboration (Section 2.1)

1. Do you have a view about what SIRA's health provider regulation should focus on?

The APS considers that SIRA's health provider regulation should focus on issues related to compliance (e.g., clearly identifiable outlier behaviour, overservicing, inappropriate billing, poor quality services that impact recovery or systemic non-compliance), ensuring services are reasonable, necessary, and outcome-focused, while addressing systemic issues through proportionate, risk-based oversight, and scheme-specific risks that are not already regulated elsewhere.

2. Do you see a need for clearer delineation between the role of SIRA and the role of specialist (state and national) health regulators?

The APS supports the need for clearer delineation between SIRA and specialist (state and national) health regulators, with APS members reporting overlapping and unclear regulatory authority, including, at times, conflicts of interest in terms of professional practice.

3. What should such role delineation be?

- a. What types of matters should be referred to the health regulators?**
- b. What types of matters should not be referred to health regulators?**
- c. Are there types of matters where both SIRA and the health regulator should be taking action?**

The Health Care Complaints Commission (HCCC)/Ahpra should oversee professional practice and conduct matters, while SIRA should focus on compliance risks and issues. Some matters may require coordinated action between SIRA and the HCCC/Ahpra where both professional and scheme-specific risks are present. Where there is a clear need for parallel regulation, SIRA should await the outcome of health regulator investigations and recommendations prior to taking action (other than where action is obviously indicated while awaiting the health regulator's decision, e.g., suspension of services pending an outcome). Dual regulation should be rare and justified.

4. How could any proposed delineation be implemented?

- a. Would a formal MOU be beneficial (and if so, what could that include)?**
- b. Is a governance structure required?**

The APS supports the establishment of agreements, such as formal MOUs between SIRA and the HCCC and between SIRA and Ahpra, to clarify the delineation and coordination of regulatory responsibilities. Establishment of a governance structure would also be helpful if it improves transparency, consistency and accountability across regulatory functions.

5. Which other regulators at state or national level should SIRA be collaborating with?

Other regulators that SIRA should be collaborating with include the Personal Injury Commission and other state and national agencies where scheme intersections exist. However, the APS cautions against compounded regulatory exposure for providers resulting from such collaboration and again advocates for proportionality.

6. What else could be done to ensure that the regulatory role of SIRA is clear to scheme users, providers, insurers and other regulators?

APS members report uncertainty regarding regulatory roles. Structured mapping of regulatory obligations (as proposed in the Discussion Paper) together with clear communication to stakeholders (e.g., plain language guidance and statements regarding regulatory intent and priorities, along with relevant examples) would reduce confusion. This should be accompanied by explicit clarification of matters that fall outside of SIRA's regulatory remit.

Regulation policy and instruments (Section 2.2)

1. What measures would you propose to improve provider, insurer and user understanding of existing health provider obligations?

The APS recommends consistent communication with providers, insurers, and scheme participants to improve their understanding of health provider obligations. The provision of interpretive guidance would facilitate alignment between insurer expectations and regulatory intent, and relevant education would help ensure consistent application of obligations. Reducing, streamlining and simplifying regulatory instruments would also be beneficial, especially where similar instruments exist outside of SIRA for professions such as psychology.

Annual professional updates and training for health providers would be helpful to continually clarify and improve understanding of existing obligations.

2. What opportunities are there to simplify health provider regulation across the personal injury schemes?

To simplify health provider regulation across the personal injury schemes, the APS recommends:

- Aligning workers' compensation and motor vehicle insurance (CTP) scheme obligations,
- Consolidating overlapping guidelines to reduce duplication,
- Removing redundant reporting and approval requirements and streamlining those that remain, and
- Providing practical guidance and examples for health providers that clearly demonstrate compliance (e.g., reporting templates)

While the APS embraces the Discussion Paper recommendation to simplify health provider regulation, we note that the differences in competencies and professional skillsets across allied health professions poses particular challenges.

3. Do you think rationalising the core obligations of all health service providers in one single regulatory instrument (i.e. within the Relevant Service Provider Guidelines under the State Insurance and Care Governance Regulation 2021) would be beneficial?

While there is a need for improved clarity and accessibility, consistent baseline expectations, and reduced fragmentation, the APS does not support rationalising core obligations of all health providers into one single regulatory instrument. Psychologists are regulated health professionals who are subject to the Ahpra Code of Conduct⁴ and Professional Practice Standards⁵.

The APS recommends that regulation within the SIRA schemes of nationally regulated health professions, including psychologists, needs to be fit-for-purpose, and to focus on high-level principles, avoid excessive prescription, and be applied consistently.

- 4. *Would review of the need for additional obligations for each provider category be a sound approach?***
- 5. *Do you propose any immediate priorities for revised or additional profession-specific regulation?***
- 6. *Under what circumstances should the imposition of additional profession-specific obligations be considered - what principles should be applied?***

In response to Questions 4-6, many additional obligations already apply to psychologists within SIRA's schemes. Reviewing the necessity of these additional obligations is a sound approach, particularly in the absence of clear evidence that psychologists require additional regulation beyond existing professional and scheme-based controls. Retention of additional obligations should be proportionate, evidence-based, and clearly justified. Further, the APS recommends that immediate regulatory reform priorities focus on unregulated and self-regulated professions, where risks are not subject to equivalent national oversight mechanisms.

When considering the imposition of additional profession-specific obligations for regulated health professions, an applicable principle could be whether the profession provides services that are unique to the SIRA schemes. Permanent Impairment Assessors (PIAs, highlighted in the Discussion Paper as a provider cohort for whom regulation is currently both confusing and incomplete) appear to be a good example of a role which provides unique services which warrant additional obligations. Applying this principle, Expert Witnesses may be another role that warrants consideration of additional obligations.

7. *In relation to the current regulation of Allied Health professions:*

- a. *Do you have a view about the suitability of current approval requirements?***
- b. *Do you have a view on improved regulatory instruments or settings for this cohort?***

While approval requirements are an important mechanism for managing scheme entry and risk, they need to be proportionate, efficient, and aligned with scheme objectives. In their current form, approval requirements can lead to:

- Reduced access to care,
- Exclusion of experienced clinicians, and
- Increased delays in treatment and claim duration.

The APS supports the removal of additional requirements that SIRA imposes on psychologists to become an approved Allied Health provider⁶. Duplication in SIRA approval processes for psychologists adds unnecessary regulatory burden and imposes barriers to psychologists providing services to clients within the schemes. It may additionally act as a disincentive for psychologists to participate in the scheme.

Risk-based regulatory practices and processes (Section 2.3)

1. What is your view of the current SIRA approach to health provider regulation?

- The APS acknowledges that this strategic review seeks to enable SIRA to establish a more risk-based, intelligence-led regulation process with greater consistency and transparency to improve regulatory impact.
- While the APS supports SIRA's continued audit and review of non-compliant billing by health providers, we recommend that concerns regarding regulated health practitioner conduct should be referred to the relevant regulator (e.g. HCCC), rather than SIRA, which may decide to suspend the provider pending HCCC review.
- The APS also recommends that SIRA seeks thorough feedback and consults widely with key stakeholders when emerging trends are identified. Sometimes a perceived problem (such as non-compliant provider billing practices), may be driven by other factors, such as system users, inadequate remuneration for services or other systemic issues. It is important that the root-cause of emerging trends is investigated adequately before action is taken, in order to avoid unintended consequences (such as reduced participation of quality health providers within the schemes).
- The APS is concerned, as identified in the Discussion Paper, that in the absence of foundational supervision planning practices, evidence to support regulatory decision making may not be gathered lawfully. We support the Review's proposal for more consistent implementation of supervision plans.

2. What risks should be the focus of SIRA's regulatory strategy for health providers?

The APS considers the greatest risks to scheme outcomes from a provider perspective to be:

- Prolonged claim duration,
- Delayed or inconsistent insurer decisions,
- Provider attrition due to inadequate allocation of funding for services, such as report preparation (e.g., psychologists are allocated a maximum of one hour for report writing which is often clinically inadequate).
- Poor return-to-work coordination, and
- Psychological harm caused by adversarial processes.

The APS also recognises that the organisational/system risks identified in the Discussion Paper, which are of particular interest to SIRA include:

- Low-value or ineffective care,
- Overservicing and extended treatment without functional improvement,
- Poor-quality reporting that impedes recovery and return-to-work planning, and
- Systemic behaviours (including problematic business models) that undermine scheme outcomes.

3. Can you suggest regulatory inputs that may assist in strengthening health provider regulation?

Regulatory inputs that may assist in strengthening health provider regulation include:

- Improved data intelligence (e.g., on claim duration and decision timelines),
- Analysis of insurer behaviour and variability,
- Whole-of-system risk assessment, and
- Improved business processes (e.g., better information sharing with insurers and other regulators, and analysis of stakeholder feedback and lived experience insights from clients/consumers).

4. Do you have any comments on requirements for a governance reset for health provider supervision?

A governance reset could clarify accountability, strengthen coordination, and improve consistent regulatory decision-making. However, it could also disincentivise providers and lead to unnecessary scrutiny. As outlined in the Discussion Paper, adequate resourcing and skills mix are required for successful implementation.

5. Do you have a view on what the performance KPIs for health provider regulation should be?

Performance KPIs need to be system-wide in recognition of the ecosystem within which health providers practice in the schemes. Specific KPIs include:

- Impact on recovery (improved mental health), self-management, discharge from treatment and return-to-work outcomes and
- Measures as previously outlined as key priorities for SIRA (e.g., appropriateness and value of care and scheme sustainability).

6. Are there regulatory interventions that you think should be used more frequently or effectively and if so, what are they?

Consistent with regulatory toolkit activities identified in SIRA's Regulatory Framework¹, namely Engagement, Expectations and Education, the APS recommends that interventions should prioritise timely engagement, education, guidance, monitoring, and supervision. Punitive or enforcement-based interventions should be reserved for clear misconduct, not clinical disagreement or complexity.

7. Are the regulatory priorities for health providers sufficiently clear to stakeholders?

8. What opportunities are there to increase regulatory collaboration with insurers, membership bodies and peak organisations?

In response to Questions 7 and 8, the APS recommends that genuine collaboration with provider peak bodies is essential to improve profession-led buy-in. Regular ongoing communication (i.e., meetings, newsletters, consultation) can facilitate understanding about trends in treatment services, current risks and facilitate joint actions to improve the achievement of scheme outcomes.

In addition, although regulatory arrangements enable SIRA to supervise allied health providers, there is limited data currently available to demonstrate outcomes, such as improved compliance and provision of best practice services. Sharing this data on a regular basis with peak professional bodies and health providers would potentially facilitate collaborative engagement in the reform process.

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