



A Case Study

Compulsory Third Party Insurance, Australian Capital Territory (ACT)

2017

democracyCo



Brief Description

Compulsory Third-Party Insurance (CTP) in the ACT was a challenging area for reform for the following reasons;

- It was a complex topic
- There were strong vested interests and stakeholders with competing priorities
- Low community interest until such time as the impact was felt directly.
- The existing scheme was expensive and didn't cover everyone

The ACT government felt that reform was needed and they wanted a scheme that worked for the residents of the ACT.

democracyCo designed a three-phase process which ran over six months and involved co-design with stakeholders and citizens' jury of 50 people.

The government committed to pursue implementation of the Jury's preferred CTP model before the process began.

In 2019 a new Motor Accident Injuries Act was gazetted in the ACT Legislative Assembly.

Problems and Purpose

CTP insurance covers other people (including pedestrians, passengers, pillion riders and cyclists) injured in an accident with a motor vehicle where they can prove someone else was at fault. It does not cover accidents where fault cannot be proven. Without CTP insurance, if you were found to be at fault in a car accident and other people were injured, you would personally be responsible for the compensation costs arising from those injuries. This could amount to many thousands, sometimes hundreds of thousands of dollars. If you could not pay, the injured people could be left without a way to recover their loss and manage their injuries. This is why CTP insurance is compulsory in every state and territory in Australia ¹

The ACT Government felt that the existing (now previous) CTP scheme didn't reflect the needs and values of the community. They wanted to better understand what the needs of the community were and design a new CTP model that met those needs. The government had experienced challenges in the past sufficiently engaging the community in this issue as there were strong stakeholder interests and voices being heard which didn't necessarily represent the needs of the broader ACT community.

The following summarises the purpose of the process;

1. Stakeholder relations – the government valued its relationships with all stakeholders that had an interest in CTP in Canberra. Consequently, the process needed to bring these stakeholders in, in a respectful and meaningful way, but also in a way that is cognisant of the financial interest that some stakeholders have.
2. Decisive and clear outcomes – to give the government complete clarity about the views of the community / deliberative group and give the community and stakeholders clarity about how the government will use the outcomes of the process.
3. Workability - Any engagement process needed to ensure that the ultimate workability of a new CTP model was ensured. There are many different elements in a CTP scheme and each

***“In mid-2017 we decided to embark on our very first citizens’ jury, on a complex and politically sensitive topic – the reform of the Compulsory Third Party Insurance System. DemocracyCo was appointed to design, implement, and facilitate an appropriate process. We found democracyCo to be a safe pair of hands. Emma and Emily deeply understood our objectives and were able to deliver on them in a way that was flexible and responsive to need.*”**

We would recommend them to other governments seeking to involve stakeholders and the community in complex reform.”

Anita Perkins, Executive Director,
Communications & Engagement, Chief
Minister, Treasury and Economic
Development Directorate, ACT, 2018

¹ <https://apps.treasury.act.gov.au/compulsorytpi>

has to work with the other to make a model work. The process needs to work in practice and not have unintended consequences.

4. To hear what constituents, want from a CTP scheme - To really give the community a voice.
5. Balanced trade-offs- ensure improvements to the CTP scheme are based on balancing benefits and affordability.
6. To increase knowledge of CTP in the broader ACT community.
7. Build deliberative skills/ experience in government – to enhance the ACT governments confidence and skills in this form of engagement

History

The government had previously tried to reform the CTP scheme three years earlier but had faced considerable resistance from key stakeholder interests. This resistance undermined the government's efforts. Nevertheless, reforming the area had remained important to the government.

"We do feel that this is a really interesting useful and participatory way to get the community involved in policy making..... complex policy can be made by normal citizens."

Jury Spokesperson

Originating Entities and Funding

The process was initiated and funded by the ACT Government.

Participant Recruitment and Selection

50 jurors were recruited through a process of random selection.

Random selection of citizens' juries delivers the most representative cross-section of the community ensuring that there is considered public judgment rather than simplistic public opinion.

While a degree of self-selection naturally occurs (in agreeing to RSVP in the first place) it is important to consider what would otherwise occur in the absence of a jury. Processes which only involve self-selection include only the passionate voices (frequently with polarised views) and very few everyday people not tied to an organisation.

In contrast, random selection actively seeks individual invited voices instead of hearing solely from insisted voices.

Recruitment occurred through a combination of mail invitations via Australia Post (as this was the most comprehensive accessible database of households in the ACT) and an email database created by the ABC's Vote Compass initiative.

In total 7,500 email invitations were sent out across the ACT. Any individual in the household was then able to RSVP indicating their interest in being part of the process.

A random stratification process in line with key criteria (age, gender, location) was then undertaken by democracyCo. Importantly the recruitment process included a financial conflict of interest clause. It was vital that the members of the Jury were not motivated in anyway by the substantial impact that any changes to the scheme could have on their personal or households' income therefore people who had a financial conflict of interest (ie those with current claims to the scheme) were ineligible to be jurors.

democracyCo views citizens' juries as a form of volunteer work, and in their experience, the Jurors, view it in this way as well. However, it is important that jurors don't have any out-of-pocket expenses associated with their participation as a consequence Jurors received \$75 per day/per Juror (or \$450 total) for the 6 days.

Methods and Tools Used

The process methodology is summarised in the following diagram.

It involved a citizens' jury of 50 people meeting to determine what it wanted / needed from a CTP scheme – in effect writing a 'brief' for a new model. A group of all interested stakeholders (or representatives thereof) then met to design up to 4 models that met the requirements of the jury's brief. The stakeholders were involved in a co-design process working closely with an independent scheme designer and actuary to design four workable models. The jury was then reconvened to choose which of the 4 models best met their brief.

The Government committed at the beginning of the process to implement the model which the jury agreed best met their needs or more specifically, best met the brief they had written.

Jury Part 1 (October 2017) 4 days

What should the objectives of an improved CTP scheme be to best balance the interests of all road users?

Jury are briefed on the scheme, challenges, issues, other jurisdictions - by a range of witnesses.

Jury 'trained' on critical thinking skills to ensure ability to interpret information.

Jury discuss and decide on what the objectives should be for a reformed CTP scheme.

Online community conversations and research into community views - to feed in to Jury.

Models Developed - November

A Stakeholder Reference Group (SRG) (membership to be discussed) meet (collaborative governance approach) to develop a number of possible CTP models that best meet the objectives as determined by the Jury (deliberative approach).

This group would be supported by a modelling expert and actuary.

Actuary - Dec-Feb

Actuary-cost up models.

The SRG oversee the development of the models & the actuary

Jury Part 2 (March) 2 days

What CTP model best meets the objectives as defined by Jury 1? What's important to communicate to the community about the scheme?

Jury explore the different models and their suitability under the objectives - including having the opportunity to examine witnesses about their perspectives on the models - why witnesses feel that models do or don't deliver on the objectives. (witness panels within Jury workshops)

Jurors evaluate each option against the criteria from Jury Part 1 - also jointly determining whether some criteria need to be weighted to give them their due importance - ie do a multi criteria analysis.

Deliberation, Decisions, and Public Interaction

The Jury deliberated over 6 days in total. They had four days to develop their brief for the stakeholder process and then 2 days to decide which off the four models best met their original brief.

During this time they received considerable 'evidence' from experts, stakeholders and the community.

The broader community fed into the jury via a survey, market research and through submissions. The Jury meetings were also open to the public and public observers were invited to share any thoughts/ concerns or reflections they had about CTP with Jurors via an feedback wall.

All key stakeholders briefed the jury and shared their knowledge / experience of the scheme. Jurors were then asked to choose people that they wanted to hear expert evidence from. To support them in this process (because it was strongly recognised that 'you don't know what you don't know') democracyCo prepared a comprehensive list of potential experts for the jurors to choose from. The Stakeholders assisted with this process by providing lists of people they felt were experts and people they felt the jury should hear from.

democracyCo then worked with the Jury using a bias limiting technique to choose their witnesses and ensure that jurors heard from a range of perspectives.

Jury deliberations were supported by democracyCo facilitators. Public observers were invited into the process, as was the media and members of parliament.

Influence, Outcomes, and Effects

The Government committed at the outset to pursue implementation of the jury's chosen model – and the government did indeed do this. After the Jury chose their preferred model, the government worked with stakeholders to translate the model into legislation and finalised the detail.

This Bill was then introduced to Parliament.

Changes were then made to the legislation through the process of negotiation with other members of the legislature as is standard practice in legislative processes.

The Motor Accident Injuries Act became law in the ACT in 2019.

The commitment of government to pursue the citizens' jury recommendations was key. More impressive was the way a carefully facilitated process involving critical thinking skills went right past a series of interventions from vested interest groups.'

Member of the SRG

Want to learn more

External Links

<https://www.canberratimes.com.au/story/6128524/new-ctp-bill-passes-but-savings-eroded/>

<https://www.canberratimes.com.au/story/6122745/act-greens-gain-super-concessions-for-motor-accident-injuries-scheme/>

<https://www.canberratimes.com.au/story/6029138/compulsory-third-party-insurance-topic-of-first-citizen-jury/>

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