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25 July 2018

Independent Review of the Australian Public Service
Department of the Prime Minister and Cabinet
PO Box 6500
Canberra ACT 2600

Dear Mr Thodey AO,

Submission: Independent Review of the Australian Public Service

Thank you for your letter of 29 June 2018, inviting QBE to make a submission to the Independent Review of the Australian Public Service (**APS**). We understand that the review is considering the capability, culture and operating model of the APS, with a view to ensuring it is fit-for-purpose for the coming decades.

As a global insurance company headquartered in Australia with operations in every Australian state and territory, we operate within a heavily regulated environment. This environment brings us into close contact with public sector regulators and policy officials. We are fortunate to have had the opportunity to build lasting and constructive relationships with the men and women of the APS, who we hold in high regard.

Many of the challenges facing private organisations are the same as those that confront the modern public sector. These include the need to meet the changing expectations of service end-users, and the importance of harnessing technology and data to drive innovation. All organisations – both private and public sector – need to be able to adapt quickly to widespread disruption and keep pace with the rate of change.

With this in mind, we raise the following suggestions for the independent panel's consideration.

The importance of subject matter expertise

We appreciate that over time the skillset of many members of the APS has become more generalist in nature. There are many benefits to this, including the ability to transfer expertise, maintain consistency, and allow officials to gain experience across a wide range of subject areas. We do, however, consider that the role of specialists should be valued more highly in policy-making functions.

To use our industry as an example, while the fundamental concept behind insurance is a simple one – that individuals and enterprises can benefit when risk is transferred and pooled – the pricing, underwriting and claims mechanisms that underpin modern insurance operations are technical and complex, as is the regulatory framework within which we operate. As such, it is crucial that policy initiatives benefit from the expertise of officials with appropriate subject matter expertise. We believe this will increase the likelihood that regulations will meet the challenges they are designed to address and reduce the risk of unintended adverse consequences.

Cultural values and experiential diversity

QBE is rolling out a new set of cultural values across all of our divisions globally. We refer to these elements as our 'DNA', as we believe they are fundamental to who we are, and how we need to operate to succeed in a rapidly changing world. We also believe that with the right culture, we can improve our performance, deliver a consistent customer experience, and attract and retain the best people.

One of our cultural values is diversity. We want to build diverse teams that represent a range of experiences, capabilities and strengths, so that the decisions we make on a day-to-day basis benefit from a variety of different perspectives. Building a diverse workforce means ensuring that our teams are representative of the broader communities within which we operate, including gender, race and ethnicity, age and sexual orientation.

However, true diversity goes beyond this and also encompasses experiential diversity, such as socio-economic status and work experience. On the latter point, we have made it a priority to recruit people from a variety of different employment backgrounds. We also consider there would be significant benefit to a greater diversity of workplace experience in the APS. Just as companies such as ours benefit from recruiting employees with an understanding of the regulation and policy-making functions of government, the public sector would benefit from engaging more employees with private sector expertise.

Cross-sector talent exchange program

We understand that, at present, the APS provides private sector secondment opportunities for senior officials. We strongly suggest that this program be expanded to allow for a greater number of secondments, including at more junior levels. This exchange of talent could be two-way, with private sector staff also taking up secondments in public sector agencies.

There would be many benefits to an expanded exchange program, including:

- career development opportunities for high-performers,
- the opportunity to build a deeper understanding of the challenges facing each sector,
- the ability to establish new contacts and working relationships, and
- the opportunity to develop expertise in new subject areas.

QBE would be most interested in participating in such an exchange.

Thank you for the opportunity to provide a submission to the review. We appreciate your commitment to ongoing collaboration and the testing of ideas throughout the course of this work and would welcome the opportunity to be engaged in this process. Please do not hesitate to contact me or Kate O'Loughlin, Head of Government Relations and Industry Affairs (kate.oloughlin@qbe.com), (02) 8275 9089) if you have any queries or would like to engage further.

Yours sincerely,



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