Getting Serious on Client Service

An IPAA Policy Discussion Paper

Executive Summary

Public sectors worldwide are facing unprecedented pressures to deliver more effective, efficient and responsive public programs. This is in the face of a combination of social, economic and global challenges. The Information and Communication Technology revolution is rapidly changing how society operates and how services are delivered and critiqued.

Many of the "easy wins" have already been made in delivering service improvement, making it harder for governments at all levels to find significant future enhancements. This is coupled with rising public expectations regarding public service delivery notwithstanding fiscal constraints and crises in most advanced countries.

This paper explores the issue of how to further improve public sector service delivery in spite of these challenges. In particular the issue of customer service in the tax-payer subsidised general government sector is examined from three perspectives.

Firstly, the core attributes of a well-functioning service delivery strategy are examined. Secondly, significant gaps in the implementation of such strategies in Australia are identified. Thirdly, it is argued that addressing these gaps requires a fundamental rethink of who exactly governs the customer experience in public bureaucracies, and ways to strengthen both internal and external accountabilities are suggested.

Whilst governments at all three levels within Australia have embraced e-government strategies for delivering public information and services to their clients, this is not a substitute for designing and implementing a customer service strategy within each public sector agency.

An effective service strategy will intersect relevant service priorities with managing client expectations and improving service capability, ensuring a better match between service expectations and different potential channels and service standards. This provides the opportunity for agencies to ensure that their planning efforts are driven by the need to achieve service outcomes for their customers and ensure collaboration between all partners involved in the service delivery.

Increasingly the way forward in government sector service delivery will be to extend beyond individual public sector agencies. Instead services will be delivered in a more holistic way reflecting cross agency and cross government collaboration utilising a broader range of service providers. Services will also be more targeted and personalised to specific groups of clients rather than a one size fits all approach, reflecting the public's increasing desire for greater choice.

Promoting public participation in service design and delivery will be critical in solving how to deliver more effective personalised services at a lower unit cost than top-down driven services. This will operate in tandem with decentralising control of public services to either the individuals who use the service or the lowest appropriate level. This will require a rigorous analysis of the service delivery value chain; knowing how to progress from a deep analysis of clients' needs and expectations to delivering a service of quality with strong client input and feedback and the empowerment of front-line staff to deal with problems and complaints as they arise.

Global standards for service delivery set by countries like the Denmark, Finland, Canada and the United Kingdom should be within Australia's reach. Service delivery must be elevated to a national conversation and momentum must be built in support of service delivery improvement as a national strategy. Lastly, consideration should be given to requiring all public sector bodies to develop, publish and rollout integrated service delivery strategies as well as holding CEOs accountable for their success.

Introduction

The pressure on public sectors around the world to deliver highly effective, efficient and responsive public programs has increased immensely over recent times. The rapid development of service delivery channels in private sector industries such as banking, media, communications, and retailing, coupled with private operators introducing novel customer service concepts in the delivery of quasi-public goods such as education, health and transportation, has arguably left public services 'behind the times' on a comparative basis, and amplified demand for public sector providers to catch up.

In particular, new relationships between those designing and providing services and those consuming them have opened up rich new opportunities for a mix of collaborative models of service improvement. The new language of co-design and co-production has become dominant, reflecting the continued rise of social media which consumers are using in creative ways to rebalance the power they have over product and service design, delivery and performance.

Public leaders have, in most cases, responded with at least a cursory attempt to develop 'customer service charters', or 'customer centred' approaches to public service delivery. 'Customer charters' first emerged in Australia in the mid-1990s, as public sector management practices drew on the New Public Management market based reforms occurring in the United Kingdom at that time.

These Charters were largely aimed at 'replicating the impulses of the marketplace', as Alan Fels said in 1994 and giving clients or customers of government agencies a picture of what they should expect[i]. Most federal and state administrations became active in this arena. Indeed the Commonwealth government made service charters mandatory for all its agencies.

Some individual agencies have excelled in customer service delivery. For example, C*entrelink* has long been viewed as one of the pioneers of multi-channel service delivery, so much so that it has heavily influenced the development of similar organisations globally, such as *Service Canada*. The *311* telephone service in New York City broke ground that has since been copied by many local government areas around the world. A particularly successful example is the customer service delivery platform that Brisbane City Council has developed, widely regarded as one of the best in the local government sphere.

Notwithstanding positive intentions and examples of innovation to draw on, the move to fully responsive and integrated service delivery systems still appears a long way off for many governments.

Global Trends

The whole field of customer service in both the private and public sectors, and in the not-for-profit sector too, is being impacted by the confluence of a number of trends.

One of the key recognised budget pressures on future government services will be the impact of an ageing population on health and aged care, and social security.

Social networking technologies are creating new opportunities for service users and service providers to be in an almost permanent "service conversation" about all aspects of a service as it is being experienced. Consumers can quickly and often unpredictably 'swarm' around instances of both very good and very bad service and make their voices known in very effective and sometimes disruptive ways. At

the same time, these same technologies and a range of other digital tools and platforms, especially using video, are proving to be powerful service delivery mechanisms in their own right.

The Information and Communication Technology (ICT) revolution is radically changing the way that society operates, which has profound consequences for public governance and administration. At a localised level consumers of public sector services tend to have rising expectations in tandem with a growing sense of self reliance. Yet this is coupled with a sense of civic disengagement as people focus more on individual development than collective action. At the global level there are factors such as economic globalisation, the GFC fallout and changing demographic trends.

There is also an expectation that notwithstanding fiscal crises in most advanced countries the future demand for public services will expand rather than diminish. The need for excellent education, training and employment services has never been higher, particularly to service emerging industries, while an ageing population is rapidly increasing demand for world-class health and social care.

These forces impact how future government services are delivered. With significant progress already made in delivering on many of the "easy wins" in service improvement, governments at all levels will find delivering further enhancement extremely difficult.

In developed countries the future rate of growth of public spending on service delivery may be lower than it has been in previous decades. The sovereign debt crisis requires government to deleverage and downsize on an unprecedented scale by taxing significantly more than they return by way of public services.

Our Focus

This paper explores the issue of how to improve public sector service delivery in light of these challenges. Many changes simply require modifying or building on existing approaches. Others require replacing traditional systems and practices. For instance, in indigenous affairs the current debate seems to suggest that most if not all pre-conceived practices may have to be scrapped in favour of more creative solutions based on deep collaboration, co-design and recognising that "what works is what matters".

In particular this paper looks at the issue of customer service in the (tax-payer subsidised)   general government sector from three perspectives. First, it examines the core attributes of a well-functioning service delivery strategy in the public sector, drawing primarily on examples from Australia, but looking more broadly to the international scene and the academic literature to help define what "good practice looks like".

Second, it identifies that Australia still has some significant gaps in the implementation of customer service strategies. It highlights these gaps to illustrate that weakness in implementation appears to be driven by common factors across jurisdictions. On the supply-side, limitations are primarily related to the absence of well designed and integrated delivery processes in some agencies, the requirement for (expensive) investment in service delivery technology, and immense difficulty in 'joining up' services across government departments on the other.

On the demand side the challenge is one of responding to client and citizen expectations for service quality and responsiveness which reflects an insistence

that at least some aspects of the more transparent and collaborative approach to service design and delivery they have started to experience in the private sector should be infecting what happens in government services too. Many public agencies struggle to engage the new tools and processes by which it is possible to discern more directly what their customers and citizens 'really want'. This results in unclear or fragmented objectives, weak client focus, and poor results for actual delivery of services.

Finally, the paper suggests that to address the gaps requires a new way of thinking about customer service delivery – one that would be based on addressing fundamental issues of who governs the customer experience in public bureaucracies, and how innovation and internal and external accountabilities can be strengthened. As demonstrated below, there are some early and positive signs that such changes are being introduced; and it is suggested these should be explored further as a means to "Get Serious on Client Service".

Client or Customer?

A persistent theme in the literature and debate about services reform in the public sector is what to call the people who are consuming the different services which governments provide. Should they be called customer, client or citizen? Is there an acceptable blanket and generic term that can be used to denote "anyone who is receiving a service from government" or are the differences between these terms significant?

In this paper, we have used the term "client" in relation to general government sector services (i.e. those funded largely by taxes, statutory fees and grants from other tiers of government). The term "customer" is more apt for public trading enterprises since they derive their income by charging users for their services (e.g. electricity, water and transport).

A dictionary definition of "customer" is "a person or organisation that buys goods or services from a store or business" (which focuses on the commercial nature of the transaction which by definition does not apply to general government services which are either free of charge or highly subsidised by the public purse).

"Client" by contrast, has several definitions, including "a person or organisation using the services of a lawyer or other professional person or company" and "(in ancient Rome) a plebeian under the protection of a patrician."[ii] A client receives a benefit, but does not necessarily pay for it or if they do it may be just a nominal amount.

A protective, ongoing social relationship is formed with a client, whereas a more commercial one exists with a customer. The concept of citizenship is broader again and implies rights and responsibilities in the wider relationship between people and government or the state. For instance a citizen may seek advice on rights or want to engage in wider policy debates so they can add an opinion or contribute some expertise. In that case, the role of education, access to information online and the role of possibly extensive follow up advisory and complaint management systems become important.

The distinction between "client" and "customer" blurs where clients are given vouchers or social payments which enable them to choose and buy services of their own accord. In such cases both "subsidy" and "dependence" coexist with "commerce" and "transaction". Hence for purposes of this paper we define a "client" as someone who receives a service from an organisation whether they pay

for it or not. In that sense it is a much broader concept than a customer, who by definition, pays for it.

Service Delivery Strategies

The vast majority of public services are monopolies which means that their clients are captive and, as such, often taken for granted. The following chart shows how government service providers can be classified by their dependence on the public purse (as distinct from client funding) and their exposure to market contestability. By definition the general government sector (as distinct from public trading enterprises) is largely taxpayer funded and enjoys an exclusive franchise because it is largely sheltered from price competition. Because general government agencies don't fully charge for their services they have to ration them using non-price mechanisms such as client eligibility criteria (e.g. means testing aged pension applicants).
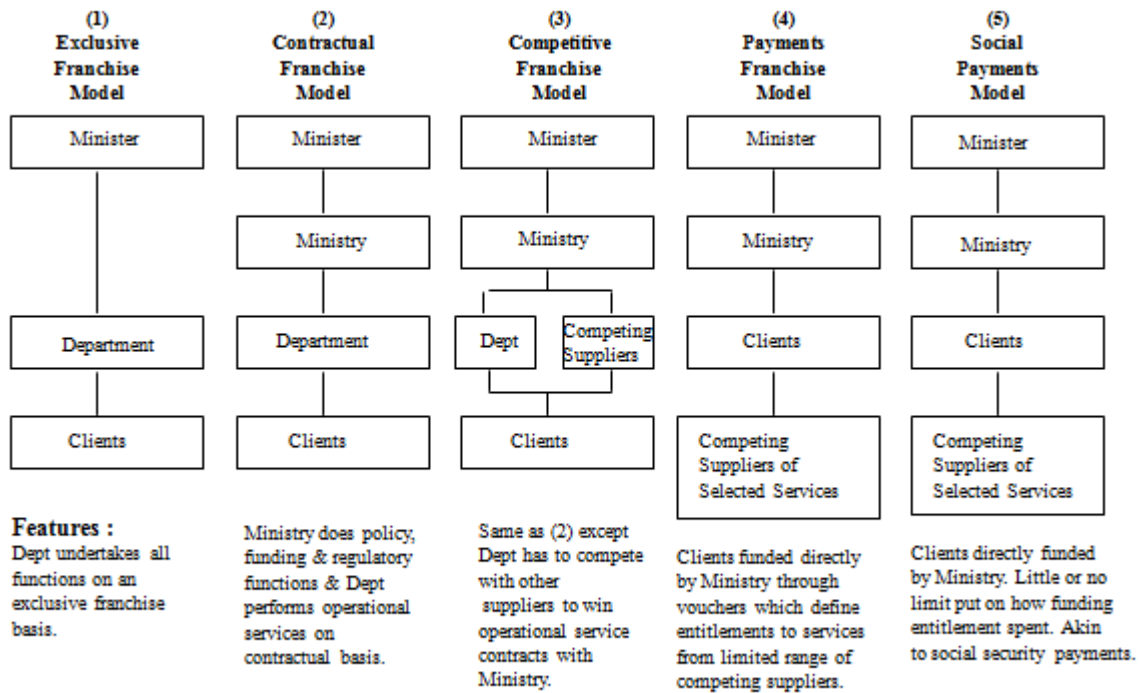
Most government agencies have captive clients so may take them for granted

	Taxpayer funded	Client funded
Competitive market	Outsourced Govt Services (e.g. Job Network, legal aid, private prisons)	Competitive PTE's (e.g. electricity generation and retail sales)
Exclusive franchise	General Government Sector (e.g. public schools, hospitals, police, roads)	Monopoly PTE's (e.g. water, electricity transmission/distribution)

Note: in relation to outsourced government services the market may be competitive in terms of choice of service provider, but from a client perspective that is not always so (e.g. prisoners can't choose between public and private prisons).

Another way of looking at service delivery is from the viewpoint of the funder (i.e. direct or indirect purchaser) of the service as opposed to the provider. The alternative service funding models range along a continuum from funding the provider to service the client to funding the client to access the provider. Examples include exclusively funding a government agency to provide a service (e.g. police service), contracting various government agencies to provide operational services (e.g. NSW Department of Transport's contracts with Rail, Bus and Ferry Services), using market testing to determine which government, private or not for profit suppliers are subsidised to provide the service (e.g. Australian Job Search network), giving clients vouchers they can use to procure particular services from approved suppliers for free or at a discount (e.g. Medicare Card for obtaining medical services) or making social security payments which put no restrictions on how clients spend their entitlements (e.g. unemployment, disability and aged pensions). These various funding models can be depicted as follows.

Alternative Service Provision Models for General Government

(1) Exclusive Franchise Model	(2) Contractual Franchise Model	(3) Competitive Franchise Model	(4) Payments Franchise Model	(5) Social Payments Model
Minister	Minister	Minister	Minister	Minister
	Ministry	Ministry	Ministry	Ministry
Department	Department	Dept / Competing Suppliers	Clients	Clients
Clients	Clients	Clients	Competing Suppliers of Selected Services	Competing Suppliers of Selected Services

Features:

Dept undertakes all functions on an exclusive franchise basis.

Ministry does policy, funding & regulatory functions & Dept performs operational services on contractual basis.

Same as (2) except Dept has to compete with other suppliers to win operational service contracts with Ministry.

Clients funded directly by Ministry through vouchers which define entitlements to services from limited range of competing suppliers.

Clients directly funded by Ministry. Little or no limit put on how funding entitlement spent. Akin to social security payments.
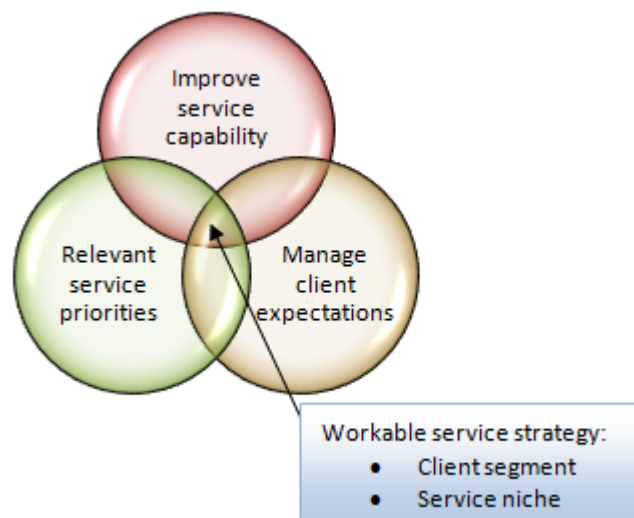
Source: Percy Allan, *The New State – Recasting Government for the 21st Century*, July 1999

Description:
  (1) Department funded to undertake all functions on an exclusive franchise basis.
  (2) Ministry does policy, funding & regulatory functions & Department performs operational services on a contractual basis.
  (3) Same as (2) except Department has to compete with other suppliers to win operational service contracts with the Ministry.
  (4) Clients funded directly by the Ministry through vouchers which define entitlements to services from a limited range of competing suppliers.
  (5) Clients directly funded by Ministry. Little or no limit put on how funding entitlement is spent. Akin to social security payments.

A good service strategy will intersect relevant service priorities with managing client expectations and improving service capability and ensuring a better match between service expectations and different potential channels and service standards. Problems arise in public sector agencies when these three imperatives don't overlap. For instance a gap between agency capability and client expectations or service priorities and client desires.

Venn diagram: Improve service capability; Relevant service priorities; Manage client expectations. Workable service strategy: • Client segment • Service niche

In essence, a service strategy should answer the question – within the relevant policy framework, and given what we know about citizen needs, demands and priorities - what services should be delivered, why and how? This entails determining what the service experience will be for those who use or consume the service, how the services will be delivered (including often variations on the "co-production" theme where consumers are also part of producing the outcome, for example in health promotion and prevention campaigns) and what funding model will be employed.

While service strategies are one of a host of strategy and planning documents, they focus directly on providing a comprehensive (agency-wide) picture of all goods and services provided to external clients, either directly, indirectly or collaboratively. They look at the government services from a client's perspective rather than through a producer's lens.

Service strategies assist agencies plan and prioritise their services in total rather than in functional or divisional silos. They can also help agencies review and realign their existing services against current strategic objectives, ensuring that limited resources are utilised in line with the agency's strategic priorities. Because they work back from the client's needs rather than the organisation's resource base and existing processes they challenge both the priorities of management and the way work is organised to best deliver outputs and outcomes.

Hence, the development of service strategies provides the opportunity for agencies to ensure that their planning efforts are driven by the need to achieve service outcomes for their customers and ensure collaboration between all partners involved in the service delivery.

Many such strategies will need to extend beyond the individual agency, for example, cross agency arrangements focusing on a grouping of citizens in a holistic way and strategies based on delivery through other bodies (different levels of government or through non government agencies or commercial entities). In a public administration world increasingly characterised by networked government, effective service delivery strategies become more complex and challenging but all the more important.

A good strategy should define "deliverables" in sufficient detail to cost the services and inform client targeting and the management of client demand and access to services. As far as possible, these should be quantified although there will always be dimensions of service outcome and impact in many public services that are more qualitative. These "soft" variables have to be accounted for as well. Overall, the strategy should give a concrete program of outputs and services provided by the agency along with an overarching rationale for the service delivery program.

Australia's Missing Link

Governments in Australia have embraced e-government to use the internet and other technologies for delivering public information and services to citizens, and for processing payments. For instance Queensland (*Internet Gateway*) and Victoria (*Citizen Centric Services*) offer integrated online public service access.

However, this is not a substitute for having a customer service strategy within each public sector agency and across the whole of government. In fact, this is quite the opposite. Increasingly, the digital dimension has to be not only factored into the overall service strategy and framework across a city or a state. It also will feature prominently as a major service delivery platform in its own right, often creating a

method of service provision that is preferred, in some situations and for some client groups, as the main service and information platform.

For example, the Tasmanian government (*Service Tasmania Strategic Plan 2010-2015*) offers a one stop shop approach to accessing its public services, but the agencies that can be accessed in this way are not required to have a service strategy of their own. It would appear that only the South Australian government (*Customer Service Good Practice Guide)*, has a whole of government service strategy directive with a manual to guide action.
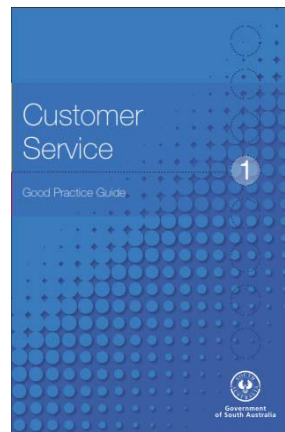
The Queensland government's *Smart Service Queensland* is another example of simplifying access to, and links between, different services across different parts of government.

The Department of Finance and Deregulation has published an *Australian Government Service Delivery Capability Model* (see chart below) that defines the contextual drivers and resource inputs that go towards service delivery, but it does not purport to be a service strategy.
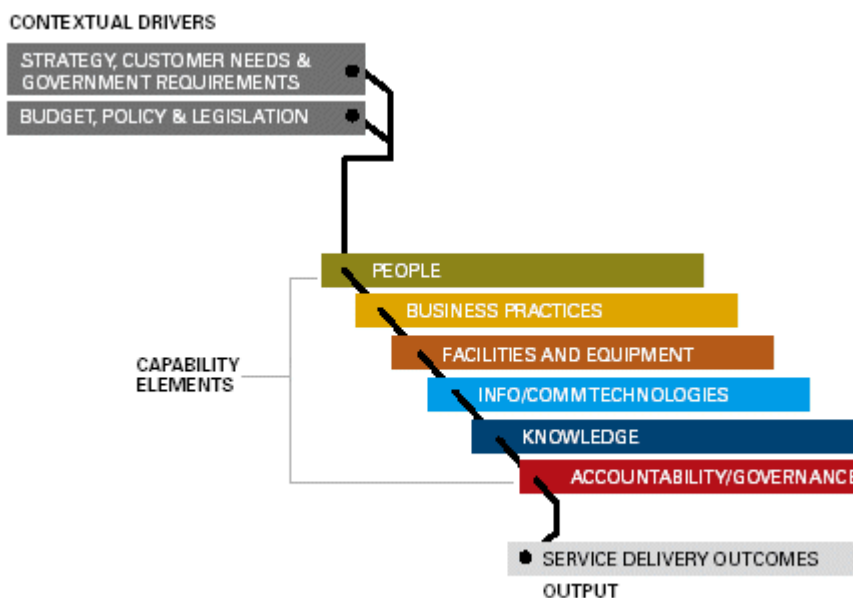

Figure 1: Capability is the sum of all things that enable an organisation to deliver services

In December 2009, the Minister for Human Services in the Australian Government announced the *Service Delivery Reform Agenda* expressed in terms of simplifying peoples dealing with government by giving them more control and better support and assistance when they need it. Greater citizen involvement in service design

was highlighted as central to achieving this objective. An Advisory Group on the Reform of Australian Government Administration was established to lead these changes with leadership, among others, from the, Department of Human Services and the Department of Finance and Deregulation, and drawing on long term experience in service delivery reform in the Australian Taxation Office.

Delivering better services for citizens is one of the nine key reforms outlined in *Ahead of the Game, Blueprint for Reform of the Australian Government Administration*, 2009. [iii] Four recommendations are about service quality/ simplifying services; reducing regulatory burden; improving engagement with the community; and building closer partnerships with other jurisdictions.

The reshaping of the Australian Public Sector Commission following *Ahead of the Game*, is expressly to stimulate and support the development of a more responsive public service system through better use of data, more regular reviews of departments' performance and capability and a greater understanding of the needs and preferences of the community. A unified citizen–centric public service is the mantra guiding their work.

The first of the nine proposed reforms in *Ahead of the Game* was to deliver better services for citizens by better integration and appropriateness to citizens' life experiences and needs. The *Blueprint* proposed a systematic evaluation of how services are delivered from the citizen's perspective, with an aim to develop a whole of government strategy. There is also strong recognition of the need to pursue new and aligned technological solutions and to develop better models for partnership across both government and non-government agencies.

To ensure that this is achieved, the Secretaries Board, a unified APS-wide leadership group, has been established and meets monthly. It has been charged with the responsibility of developing a whole of government service delivery strategy which makes better use of technology.

In tandem, APS200 has also been established as the new senior leadership forum for the Australian Public Service to communicate the vision of the APS and build understanding, engagement and commitment of staff to the reform agenda.

On 1 July 2011, the former Human Services agencies, Centrelink and Medicare, were integrated into the Department of Human Services, through the *Human Services Legislation Amendment Act 2011.* This single department now aims to deliver services more efficiently, effectively and conveniently. The timeframe for reform is set out in three distinct phases.

Phase One: 2010-11 is focused on planning and design where detailed business cases and proposals were developed and the foundation elements of service delivery reform were implemented. Phase Two: 2011-12 to 2014-15 will concentrate on integrating, simplifying and automating frontline services. Phase Three: 2015-16 to 2019-20 will aim to co-ordinate service delivery across government, including at the state and local government level as well as with third party providers and the community sector.[iv]

The *Blueprint for Reform* also recognised the need for a whole of government service delivery strategy. The Secretaries Board is currently working on this and it is to be developed through a cross-departmental project team that will systematically examine Australian Government service delivery, taking into account existing reviews, reports and research, as well as consulting with the public, employees and other relevant stakeholders.

The Australian Public Service Commission has also been tasked to examine the feasibility of conducting a citizen survey to improve the quality of service delivery by the public sector. The results of such a survey, if the government decides to proceed with it, could feed into developing the strategy.[v]

There are indications that government agency collaboration is an area where there is significant room for improvement. The *State of the Service Report 2009-2010* found that while most SES and EL APS service delivery employees (88%) reported working with other public sector agencies in 2009-10, less than half (48%) of service delivery employees agreed that this collaboration improved their work area's capacity to tailor service delivery to the needs of their clients.

Further investigation of public service collaboration in delivering services showed that 59% of agencies worked with other APS agencies, 55% with state and territory government agencies, and 31% with local government agencies.[vi]

In February 2006, the NSW Government announced a number of initiatives to reduce red tape. Now, all Directors General of NSW Government departments are required to report in writing twice yearly to the Better Regulation Office on achievements in cutting red tape. The previous NSW Government was committed to reducing red tape by $500 million by June 2011. Following the election in March 2011, the new Government in NSW has made service reform and improvement a major priority. It has appointed a Customer Service Commissioner and established a unit within the Department of Premier and Cabinet to focus specifically on whole-of-government service strategies.

Indeed most governments focus on one or two aspects of good customer service (e.g. service charters, service standards, e-access, client surveys), but don't require their agencies to have comprehensive client service strategies nor do they publish guidelines on how to prepare them. This is a serious gap in claims by governments that they are customer- centric.

Nevertheless some public agencies publish customer service strategies of their own volition. They include Rockdale City Council (NSW), Logan City Council (Qld) and Jerramungup Shire Council (WA), the Dept of Treasury and Finance (SA) and Primary Industries and Resources (SA).

But an intensive search of the internet did not find many general government agencies that have a comprehensive service strategy that exhibits, let alone links, all the elements of the service value chain discussed below. If anyone knows of leading edge examples we overlooked we would welcome them being brought to our attention. It is doubtful that such strategies would be withheld from public view for commercial reasons because the general government sector, by definition, is not subject to price contestability.

In NSW, government agencies were surveyed to find out the extent to which they measured, reported and improved customer services in 2006/07. At the Commonwealth level, the Australian Public Service Commissioner monitors government service delivery reform in the *State of the Service Report.* In the latest report, it was observed that there has been a 10% drop in the proportion of agencies using surveys of the general public in the last three years (from 46% in 2007-08 to 39% in 2009-10). Further, independent analysis of citizen surveys agencies provided to the Commission indicated a high degree of variation in the quality of questionnaires. More than half the questionnaires (59%) were assessed as fully adequate, 26% as moderately adequate and 15% as inadequate.[vii]

Since service strategies are not obligatory or supported by instructions on how to prepare them it's not surprising that customer service initiatives at national, state, territory and local government levels tend to be fragmentary and incomplete.
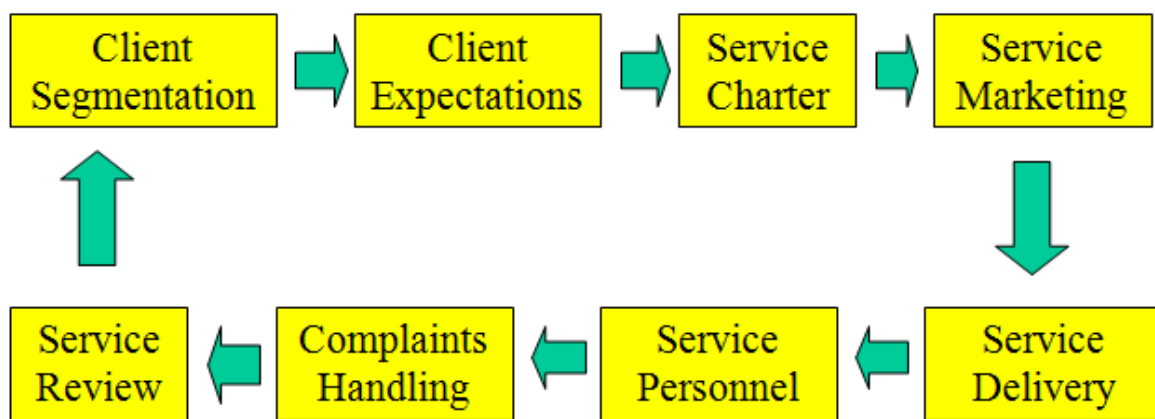
The Customer Service Value Chain

A successful service strategy comprises a sequence of activities that link together to form a customer service value chain as illustrated below.

These activities follow a logical flow, namely:
- deciding what segment of clients to service;
- gauging client expectations and managing them;
- setting minimum service standards in a public charter;
- publicising the services and their eligibility conditions to their target audience;
- organising the most effective way to deliver the services in-house or externally;
- training and supporting personnel in relating to client needs;
- resolving complaints as they arise and through adequate redress mechanisms; and
- periodically reviewing the effectiveness and efficiency of all links in the chain.

If any of the links in the value chain are missing then the service strategy is at risk because it's incomplete.

One of the striking and important insights to emerge from some of the work on service delivery reform and customer satisfaction measurement in Canada is the way the value chain leads to growing trust. The evidence suggests that engaged employees lead to better service performance and thereby higher customer satisfaction which in turn leads to trust and confidence in government itself.

Client Segmentation

In order to design an effective service strategy the client market should be disaggregated into meaningful segments. The client base is divided into groups of individuals who share common distinct characteristics, providing a reasonably simple way to establish a clear picture of an agency's customer base and then allowing an agency to determine the needs of a particular client segment.

There are a number of different criteria available to segment clients including the following:

Criteria	Description
Need	Desired outcome
Demographic	Age, gender, income, occupation
Psychographic	Lifestyle, personality
Behavioural	Usage, familiarity, loyalty
Geographic	Size, country, state, city, region
Preferred mode of interaction	Digital-preferred, human-preferred
Capability	Skills, abilities

After segmentation has been completed the next step is deciding which client groups should be served based upon government policy priorities. Specific services should then be tailored to match client needs within existing resource constraints.

Each segment will have unique preferences and requirements. Agencies generally hold significant quantities of personal data about their clients from information collected from other services, feedback, stakeholder interaction and correspondence. By collating this information, agencies create a resource of information about their customers and their characteristics.

Commonwealth, state and territory tourism agencies, in particular, rely on client segmentation to target services. Tourism Victoria, for example, has developed a number of Market Segment Plans for Victoria's key product and niche market strengths, including cycling, aboriginal, backpacker, arts, golf and food and wine tourism strategies. These aim to increase visitation and awareness, and to stimulate growth and development within the tourism industry. [viii]

In Commonwealth social security areas, client segmentation is largely determined by means testing based on personal income and assets.

Client Expectations

Within selected target segments, customer needs, priorities and demands have to be carefully interpreted. This might include traditional methods such as surveys and focus groups. But these days it might also involve listening to the conversations amongst service users that are happening across a range of social media platforms such as twitter, flickr, dig, metcafe, get-up, etc. Some government agencies are beginning to experiment with better ways to 'listen and learn' through these new media so that they get a richer and more 'real time' view of customer preferences and concerns than some of the older methods can deliver.
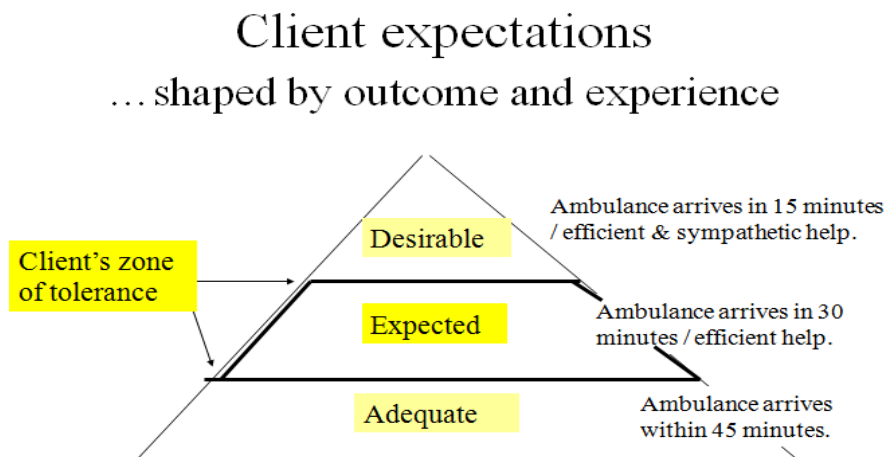
The rapidly changing face of online platforms presents opportunities for government to market its services in entirely different ways, through apps, QR codes linked to YouTube, Facebook, Twitter, e-newsletters, Foursquare listings, and online news services. Websites such as Social Mention are also ways for public agencies to monitor online conversations about their services made on Facebook, Twitter, blogs etc while Google Alerts can deliver emails detailing any wider news coverage.

Government agencies and governments themselves of course need to realise that these platforms and tools are essentially conversational, not just transactional. In other words, their value goes beyond simply being another channel. They offer new opportunities for more persistent, nuanced service conversations between service users and service providers. They also create opportunities for new models

of co-design and co-production where services users are more closely involved in shaping at least some dimensions of the services they use.

Monitoring discursive opinions about government services is not a substitute for methodically surveying clients to gauge their expectations of the selected government service. This has been made easier by the availability of low cost e-survey tools such as SurveyMonkey. Because public resources are always limited (since a price mechanism cannot be fully used to match demand to supply) an effort must be made to distinguish needs from wants to tailor the range, level and quality of services to be provided.

The client's zone of tolerance should be determined for each service as illustrated with an example below.

Client expectations
… shaped by outcome and experience

Client's zone of tolerance

Desirable — Ambulance arrives in 15 minutes / efficient & sympathetic help.

Expected — Ambulance arrives in 30 minutes / efficient help.

Adequate — Ambulance arrives within 45 minutes.

Of course the capability of an agency to match its client expectations will be determined by various factors shown as follows.

Service capability
… determined by:

- Funding
- **Processes** (procedures)
- Infrastructure
- **Personnel**
- Database

Where there is a mismatch between policy priorities, client expectations and service capability the gap will need to be closed by a mixture of policy changes, capacity improvements and demand management. Demand management means clawing back client expectations where they are too high to meet with available resources.
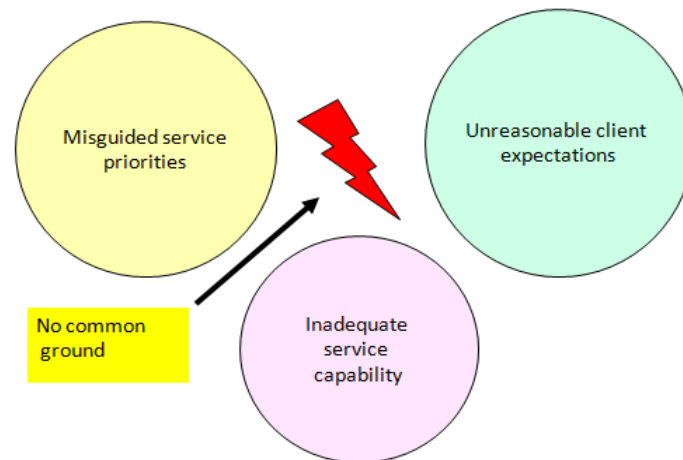
Service Charter

For some years Australian government agencies have been required to develop customer service delivery standards.

Service standards are a commitment by a public sector organisation to provide a certain minimum level of service to its customers. These standards are generally applied to service features such as communications, access, timeliness, error rates, dispute-resolution remedies, interactions between staff and clients and costs. Consistency is imperative in relation to service standards.

All service standards must incorporate performance objectives. The question must be asked, what is the appropriate level of performance for achieving the standard? This allows for standards that are citizen/client based and attempt to meet their expectations for service delivery. Incorporating performance objectives into service standards also provides the organisation with room for improvement, such as setting the goal to move the objective of meeting the standard.

Service standards are an extremely important tool for managing client expectations and should always reflect the available resources, telling customers what the organisation can provide and what they should expect to receive. They should also be transparent, published and readily available to all those affected by them. This availability motivates staff, influences client expectations, allows educated feedback on performance, and ensures that accountability and measurement are open and honest.

In tandem with minimum service standards, stretch targets should be set for the levels of citizen and client satisfaction the organisation aims to achieve within a given timeframe. While service standards are the key means for managing client expectations based on available resources, satisfaction targets are the key method for improving actual service delivery.

Where the gap between service delivery and client expectations is too wide relative to the limited resources available to the agency, unrealistic client expectations need to be reined in by either changing service eligibility criteria or ensuring that achievable delivery standards are widely understood.

All satisfaction targets should be reasonable, realistic, reviewed regularly and ideally adjusted annually. Service targets should serve as goal posts not just for driving service delivery, but also measuring its performance afterwards. Service standards and satisfaction targets which are measured, benchmarked, monitored, and reported will then be available to guide ongoing operating decisions and be integrated within annual business planning processes.

A popular way to communicate service standards to clients is through a Client Services Charter. There are seven recognised key steps in developing an effective charter:
1. Develop a commitment to service;
2. Identify your customers;
3. Make a list of services;
4. Consult with customers;
5. Set service standards;
6. Analyse complaints and other feedback;
7. Publish a charter;
8. Monitor performance.[ix]

In response to rapid changes in information technology, various governments around the world are also developing e-charters with their clients. A notable example is the e-Citizen Charter in the Netherlands which sets out how citizens can expect to be treated in an age of advanced information and communication technologies. It includes such rights as a choice of channel for service and rights to accessible performance information. A programme called Citizenlink, along with a "People's Panel" and online discussion boards support the enforcement of the Charter.

The Charter is deliberately written from the citizen's perspective and consists of 10 quality requirements for digital contacts. Each requirement is formulated as a right of a citizen and a corresponding duty of government.

Since 2008, the Netherlands Government has used the Charter to examine and benchmark the performance of its services. Quality codes have been developed to turn the general principles of the Charter into specific implementation measures which can then be used to measure compliance with the Charter.

While it is a national Charter, to make it more enforceable and accountable every city mayor is required to annually present a report to their city council on why the standards have or have not been met.[x]

Services Marketing

Marketing of services, even in a monopoly provider situation should be integral to all aspects of the management process including planning and developing products and services, costing, deciding service distribution outlets and undertaking promotional activities, except of course in certain cases such as prisons.

Public services which are free or largely subsidised normally have to be rationed to limit their demand. Hence the marketing of such services is not just about their promotion, but explaining the circumstances by which they will be made available (e.g. eligibility criteria) and managing the expectations about their level, quality and cost depending on the policy outcomes being sought by the government.

To be most effective marketing of services must have strategies which link marketing activities to government or organisational objectives and a clear

identification of target audiences as discussed above under client segmentation. Evaluation methods are also critical to measure effectiveness of communication and promotion activities.

Service Delivery

At the core of any service delivery system should be good process.

The organisations which receive the highest service ratings such as McDonalds, Apple, Four Seasons Hotels and Resorts, Lexus, The Ritz Carlton, Amazon.com, Starbucks, Charles Schwab, Dell, South West Airlines, etc) define their services by their seamless low fault processes. Making public services citizen or client centric involves not just policy reform, but also redesigning organisational processes, structures, systems, controls and KPIs to make them responsive to user needs.

Each government agency should map each step in its service delivery processes. An example of a work flow chart for delivering medical services is shown below.
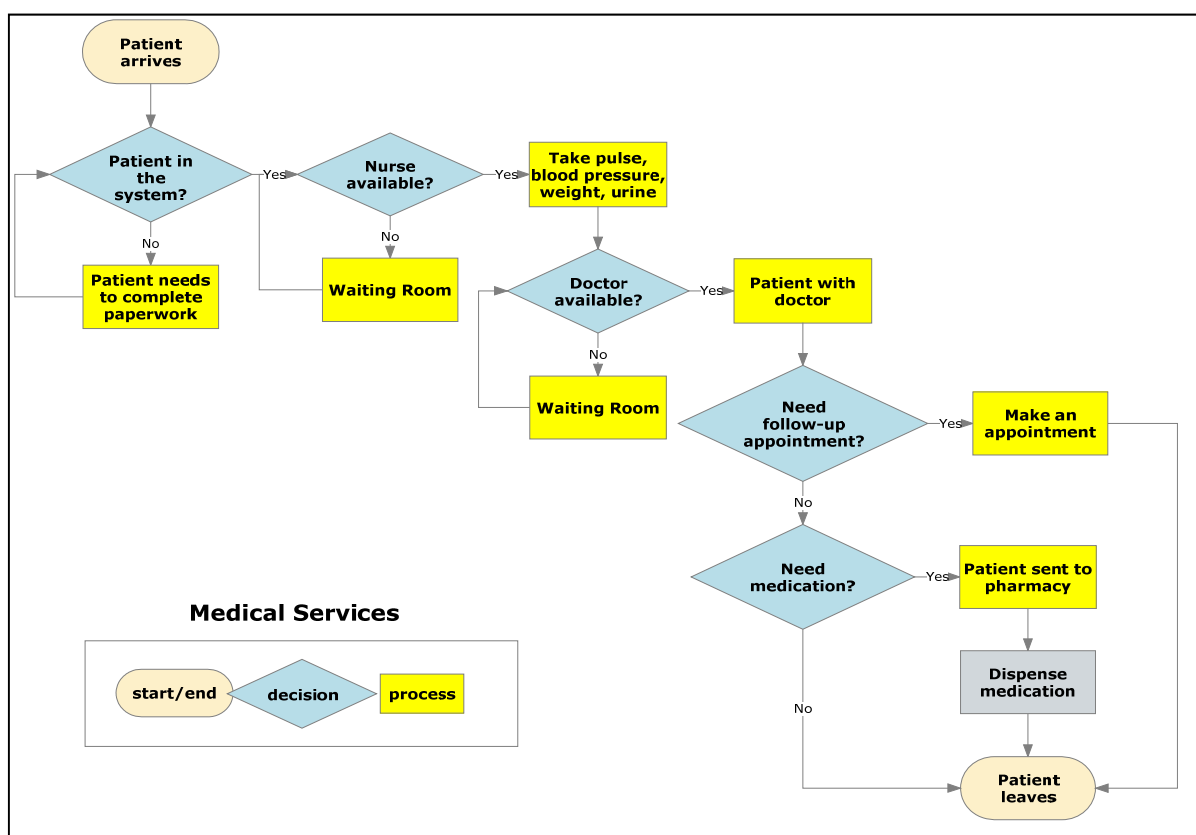
By referring to best practice organisational processes and performance benchmarks collected and distributed by public interest bodies (such as www.apqc.org and www.value-chain.org) government agencies should be able to re-engineer their work practices to achieve both greater effectiveness and efficiency.

Reform should start on those delivery processes that receive the most client complaints and suggestions about service access, timeliness, reliability, etc. Re-engineering delivery processes to be faster, more consistent and user friendly is the best way to win client support.

Determining who is best suited to providing a service is also an important strategic issue that impacts both resource utilisation and responsiveness to citizens/clients. An agency can have various roles in the provision of goods and services such as provider, regulator, funder or contractor.

Central considerations in service delivery include who is best placed to deliver service and what funding models should be employed. Where third party providers are funded to deliver the service, consideration must always be given to the basis on which the service is provided. Options may include input funding, purchasing clearly defined outputs, or funding outcomes along with incentives for meeting these.
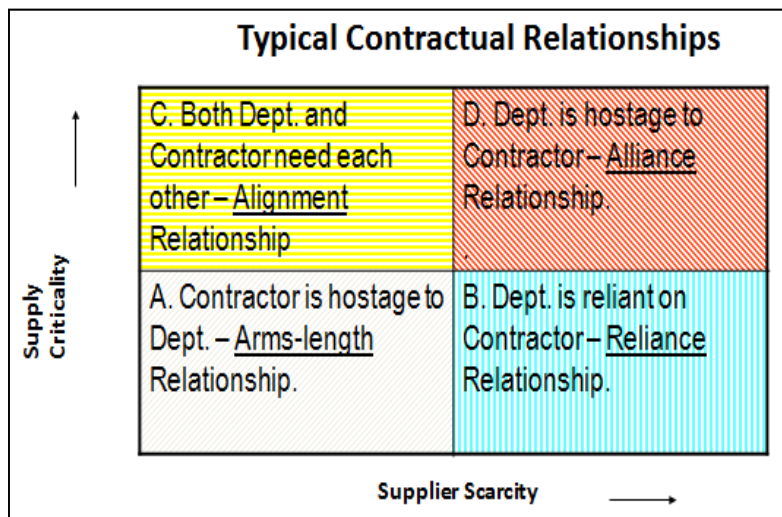
Previous public sector reform programs, including the New Public Management, have emphasised private sector style service delivery, with an emphasis on contracting and outsourcing public services to contestable suppliers.

The late 1980s and early 1990s saw a push to separate service delivery from government accompanied by a cultural shift from reliance on direct service provision and prescriptive regulation to managing change, providing frameworks and incentives, and overseeing the protection of the public interest. This trend to outsource, privatise and transfer activities to other sectors altered the role of many public servants from service provider to service purchasers and contract managers.

The Funder/Purchaser/Provider Split
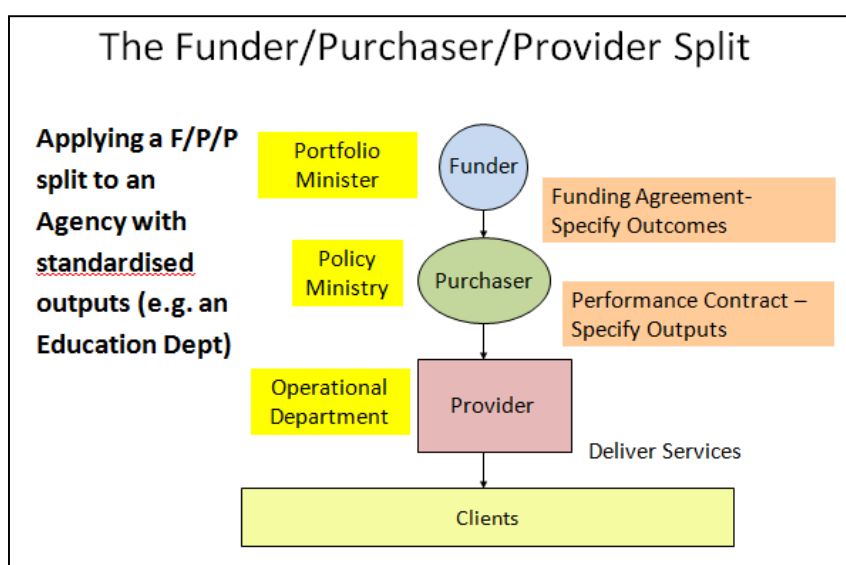
Over the last decade or so there has been a move from single suppliers to joint venture arrangements or partnerships which is indicative of recognition that strategic sourcing is becoming a more complex undertaking, and that while an agency may outsource the activity itself, it may wish to remain involved in the strategic delivery of the service and it still has responsibility and accountability for ensuring appropriate outcomes.

The following charts depict the different types of contractual relationships that arise depending on the criticality (i.e. importance and sophistication) of the procurement and the number of competing suppliers for a procurement contract.

Typical Contractual Relationships

	C. Both Dept. and Contractor need each other – Alignment Relationship	D. Dept. is hostage to Contractor – Alliance Relationship.
Supply Criticality ↑	A. Contractor is hostage to Dept. – Arms-length Relationship.	B. Dept. is reliant on Contractor – Reliance Relationship.

Supplier Scarcity →

Each contractual relationship warrants different terms and conditions as shown below.

- **Types of Contractual Relationships**
  - **A. Arms-Length Relationship** – short term contract where buyer can dictate price and terms (e.g. IT help, food services).
  - **B. Reliant Relationship** – medium term contract where buyer reaches mutual pact with seller (e.g. capital equipment).
  - **C. Alignment Relationship** – medium to long-term contract where trust grows as supplier demonstrates their ability (e.g. management consulting).
  - **D. Alliance Relationship** – long-term contract where buyer is heavily dependent on supplier's support (e.g. road maintenance, human services).

Of course it is possible for governments to by-pass procurement arrangements altogether by simply moving to vouchers and social payments which empower citizens to buy services from competing suppliers themselves. For example school vouchers exist in the USA, Sweden and Hong Kong.[xi]

Around the world there now appears to be a growing trend away from a rigid, entitlement based service delivery model to more flexible, placed based and personalised approaches. There is also a strong acknowledgement of the need for far more citizen involvement in how services will be delivered as well – a move from "agency-centricity" to "customer-centricity" and the new tools and practices of co-design and co-production.

Engaging citizens in services can range from low-key information exchange to more intensive co-design and co-production as the following chart shows.

> The participatory approaches on this 'engagement continuum' are defined as follows:
>
> - Networking – a low level of engagement characterised by information exchange about strategies and activities;
> - Coordination – structured consultation on strategies or activities to influence outcomes;
> - Cooperation – formal involvement in the development of outcomes;
> - Collaboration – similar to cooperation, except that this phase signals changes in the way stakeholders behave when working together; and
> - Partnering – shared accountability for the product and in the achievement of the goals set.
>
> Chris Eccles ANZSOG Speech – Restoring Trust in Government – July 2011

Dr Ian Watt, Secretary of the Department of Prime Minister and Cabinet, in a recent address to the National Press Club said "we know that the coming decade will require government:…. to meet the rising demands of our citizens and give them more of the input they expect in designing policies and services."[xii]

The latest Department of Human Services model is viewed as an example of co-design in relation to service delivery reform. Co-design is working with key stakeholders such as the community, staff and other relevant groups, using an end-to-end and outside-in approach. This involves incorporating engagement into the design process across all stages of project conception, planning, development and roll-out. In conjunction with this, the Human Services portfolio is currently developing a co-design methodology, governance arrangements and capability.[xiii]

To date, much of the work on citizen-centered service focuses on transactional services as these are the easiest to reform. However, Lynelle Briggs, formerly CEO of Medicare Australia, observed, in a recent article, that many relationships between government services and their clients are dynamic and interactive in a way that transactional ones are not.[xiv] She argued that, while a transactional relationship is essentially a way to deliver a service to a customer, co-design allows for a genuinely interactive relationship where both parties will understand their role in making the service work, by making them aware of their own situation and needs, clarifying the purpose of the service and the role of the service provider, or articulating issues in new and enlightening ways.

Citizens/clients also do not want to present themselves across multiple agencies to have their problems addressed. If their problems are joined together they expect a single response from government. This will require unprecedented innovation and collaboration across government for whole of government service delivery involving stewardship of information, infrastructure and business processes in order to achieve seamless, multi-channel, multi-agency customer-centric service delivery. It requires a joined approach to be made to the model outlined above.

In 2005 the Canadian government introduced Service Canada, a "one stop" delivery network providing access to over 77 different government programs, with strong focus on transactional services such as benefit payments. Service Canada now offers single-window access to a wide range of Government of Canada programs and services for citizens through more than 600 points of service located across the country, call centres and online.[xv]

In March 2010 the Advisory Group on Reform of Australian Government Administration released *Ahead of the Game: Blueprint for Reform of Australian*

Government Administration. The Blueprint advocated for streamlining and aligning Australian Government service delivery and implementing citizen focused service delivery with automated and simplified business processes. Enhanced service delivery coordination between State, Territory and local government to provide citizens/clients with complex needs a single access point was also considered to be critical. [xvi]

Information and Communications Technology is increasingly playing an important role in determining the quality and accessibility of government services. Electronic delivery of services will increasingly allow governments to provide integrated services that are far more focussed on the needs of citizens/clients and business as well as allowing these users to interact with government in a manner, time and place of their choice. The development of whole-of-government approaches to ICT is critical in achieving further significant gains in delivering government services.

Finally, critical to improving service delivery is innovation, the process of introducing new ideas to enable new services and service delivery models, new concepts, new policy and administrative approaches, and new systems. In fact, a high-performing public sector must not only be committed to continuous improvement of its policies, processes and services, but also to recognising, rewarding and nurturing innovation which produces breakthroughs.

Examples of successful innovations within the Australian public sector include the development of the Higher Education Contribution Scheme through to improvements in the breeding of detector dogs.

Innovation sometimes works best when it is done in collaboration with external bodies and when it challenges the whole notion of a traditional service design. For example, the Australian Centre for Social Innovation in Adelaide has developed a program called *"Family by Family"*, focusing on the families themselves as the service, enabling and empowering them to be more engaged with each other.

This prototype emerged from a completely different way of conceiving of the notion of 'service' in the first place, and challenges the notion of external, professionalised service 'delivery' into the family context. The project, which is now heading to Canberra and other states, was initiated by the Centre in association with the South Australian Department of Families. The CEO was looking for a new way of thinking about the whole service model, recognising that top down, outside-in service models were not necessarily all that effective in terms of family thriving and ultimately reducing the risks of child abuse.

Innovation has been very successful in the private sector in tailoring services to more effectively meet the needs of consumers, and this is raising the bar and putting pressure on government to follow suit.

To ensure that innovation is service oriented it is important that it is driven by a sensitivity to client needs. Note the following observation on how Steve Jobs, who was innately attuned to the community's ITC needs and aspirations, quickly turned a nearly bankrupt Apple into the world's most valuable technology company.

At most companies engineering drives design; Apple does it the other way around. Together with Jonathan Ive, the firm's chief designer, Mr Jobs would decide on how a product should look and feel, and the engineers had to make it happen.[xvii]

Service Personnel

The performance of public services can never exceed the quality of their staff, especially front-line staff that directly interacts with the public. Organisations can have the best processes, systems and promotions in the world, but if at the actual point of interaction with staff the client experiences ignorance, indifference, rudeness or inordinate delays then their trust and tolerance will be lost which can be hard to restore.

Public sector agencies need to attract and retain people of the highest quality, especially at the client interface. This can be done in a variety of ways: recruiting the best people; skills and leadership development; performance management; workforce planning; and diversity. Capability of outsourced providers needs to be a central element in procurement and contract management processes.

Skills and leadership development are aided by the provision of appropriate courses and training, often delivered by a key delivery body or agency, and a leadership development structure to either identify, or to manage, emerging leaders.

Performance management is facilitated through a formal performance management framework and performance related rewards where transparency, clear promotion mechanisms and trust of top and middle management policies are prerequisites.

The United States and Canadian Governments have adopted examples of over-arching human resource management strategies to assist with workforce planning. The United States Federal Human Capital Assessment and Accountability Framework (HCAAF) outlines an ongoing process of human capital management for each Federal agency. HCAAF is driven from a whole of government perspective by the Office of Personnel Management, and led within individual agencies by senior management. HCAAF promotes alignment of human capital management strategies with agency mission, goals and objectives by means of effective analysis, planning, investment, measurement and management of human capital programs.[xviii]

A 2009 examination of best public services practices by the UK Cabinet Office Strategy Unit found that the best systems are characterised by more than just attracting and selecting the best people. In addition, they unlock the creativity and ambition of their professionals. Services which achieve this are characterised by the following:
- Individual professionals comparing their performance with their peers so that each professional knows how their performance compares with their colleagues and how to improve;
- Professionals owning the quality improvement agenda and therefore being responsible for driving improvement;
- Innovative organisational forms combining strong local accountability with high levels of professional expertise; for example, organisations operating as part of chains, networks and umbrella associations.[xix]

A services strategy will give particular emphasis to upgrading the professional and interpersonal skills of front-line staff. This will involve:
- Providing meaningful careers and intensive training for front line staff;
- Using staff with interpersonal skills for face-to face and phone contact;
- Empowering front-line staff to make decisions when interacting with clients; and
- Giving client contact staff regular feedback on their performance.

One of the proposed reforms of *Ahead of the Game* is to strengthen workforce planning and recruitment. This will largely be lead through APS 200. The 2009-10 *State of the Service* Report found that the APS is facing significant challenges in its human capital management. There were significant shortages of ICT, accounting and financial management professionals. Further, APS agencies' mean expenditure on learning and development was between 1.3% and 2.3% of their operating expenses, whereas the best performers in the public sector spent between 3% and 6%.

There were also strong challenges in relation to recruitment. While some agencies have invested in e-recruitment solutions, employees continue to view APS recruitment processes poorly. Recruitment timeframes varied widely across agencies, with an average of 54 working days to finalise a competitive selection exercise, and an average of 74 working days to fill the position. [xx]

Complaints Handling

An essential part of a service delivery strategy is demonstrated commitment by agencies to an effective complaints handling system that reflects the needs, expectations and rights of complainants.

This requires a culture within the agency that recognises the complainant's right to remonstrate and provides the mechanisms for complaints to be addressed in an efficient, fair and timely manner. Management commitment should be demonstrated by the provision of adequate resources including training.

There are five key components to a good complaints handling system:
- Fairness – judging all complaints on their merits and facts and giving equal treatment to all complainants;
- Transparency and access – the details of the system should be well known to both clients and staff of the agency;
- Responsiveness – complaints should be dealt with quickly, courteously, fairly and within established timeframes;
- Privacy and confidentiality – all complaints should be dealt with in accordance with privacy legislation and details of the complaint should only be known by those directly concerned;
- Accountability – the system should be open to scrutiny by clients, the responsible Minister, agency staff and watchdog agencies; Business improvement – analysis of aggregated complaint data and identification of recurring or system wide problems – should be used to address the action or service that has been the source of the complaints through corrective or preventive actions and innovative improvements.[xxi]

However in a service strategy particular attention should be given to empowering front-line staff to resolve complaints on the spot. The emphasis should not just be on due legal process, but on finding a quick and amicable solution. Fixing a problem at its source is less expensive than sending it up the line or letting it fester until it ends in litigation. By analysing an agency's complaints database it should be possible to identify the business units, work processes and client localities where complaints are most prevalent and address those concerns. Listening to the client is the best way of identifying where problems reside.

Many government services now involve two or more agencies. Some agencies administer programs or deliver payments on behalf of other agencies or several agencies may work alongside each other in the same locations, such as at airports. As government embraces a whole-of-government philosophy in relation to policy

making and service delivery, the issue of which agency bears responsibility for problems that arise becomes far more complex.

This is particularly so when services are outsourced to an external provider. In one famous case a dispute arose over whether Australia Post or its privately contracted courier should take responsibility for a post box damaged by the courier. The Commonwealth Ombudsman held Australia Post accountable since they were the principal who had contracted the agent.

Some countries such as the Netherlands have empowered watchdog agencies such as Ombudsman with investigative powers across all tiers of government. While the Netherlands Ombudsman was initially only provided with jurisdiction over central government and the police, this power has now been extended to all 500 autonomous government bodies and the provinces. Municipalities can either choose to be covered by the National Ombudsman or develop their own body. This model of Ombudsman enables customers to receive complaint support across the whole breadth of public services.[xxii]

In Australia the National Ombudsman is confined to investigating complaints about Commonwealth public services (including those provided by most statutory bodies) while state Ombudsmen handle state and local government complaints.

The 2009 UK Cabinet Office review of the world's best public services found that those which provide for simple, immediate redress, tied to specific guarantees are the most effective. This circumvents bureaucratic processes and costs associated with complex complaints and litigation. It also provides a much more powerful improvement driver than aspirational charters.

In some commercial organisations, an internal ombudsman is available for dealing with customer complaints, at arms-length from executive management.

In many countries redress simply takes the form of compensation. In the Canadian province of Ontario, for example, new parents who do not receive a birth certificate for their child within 15 working days get the cost of the certificate refunded. [xxiii]

Obviously, customers often want more than financial compensation, they may want an apology, an explanation or an assurance that it will not occur again. The best public service examples of redress offer action when standards are not met: redress either works to restore the service to the individual, or to resolve the problem for all. Patients in Canada, Sweden and Denmark, for example, are given the redress of access to health care in another municipality if maximum national waiting times are not met.

The UK Cabinet Office found that such systems of redress need not be costly as they tended to maintain pressure on performance, but reduce the need for heavy top-down management systems. Health care guarantees in Sweden led to waiting times falling dramatically with very few people changing their health care provider.

Protecting public confidence and ensuring citizen satisfaction when service delivery is devolved to external providers requires skilful design. It is essential to have an understanding of the level and nature of risk tolerance (or intolerance) and how to manage this by balancing funding and accountability requirements, performance monitoring and relationship building.

The establishment of service standards by way of funding arrangements has been a common feature of the provision of human services by devolved arrangements. Good practice in articulation of service expectations and standards and associated

monitoring mechanisms is still an evolving process. Service Charters are also becoming standard practice for third party providers such as Family Relationship Centres.

Building integration and connectedness within a network is also a fundamental design and management issue as the nature of relationships within networks varies significantly. The UK National Programme for Third Sector Commissioning has been established to build the project commissioning skills of civil servants and improve understanding of what outsourcing can offer. An Improvement and Development Agency has also been set up to improve commissioning practice and provide comprehensive training.

Sophisticated ICT platforms to provide linkages within networks and with the coordinating authority are also essential. These can involve multi-tiered arrangements comprising information on providers' performance from a monitoring and accountability perspective to inform citizen choice; resource and contextual information and/or better practice advice and examples to assist providers; and a shared operational platform for government and non-government partners.

Effective avenues for citizen complaint and redress are also essential to ensure public confidence in devolved service providers. For example, the Job Network enables clients to raise issues with their providers and, if they are not satisfied, to express these concerns to the Department of Education, Employment and Workplace Relations Customer Service Line. Similarly, Family Relationship Centres are required to have an internal complaints procedure in place and it must be prominently displayed as part of the service charter. [xxiv]

In all of this, it is worth remembering that some of the most powerful 'complaints' mechanisms in the context of customer service, in both the private and public sectors, are fuelled by the new social media tools and platforms. The impact of rapid and dramatic customer anger with Dell computers when a fault was discovered in a particular model and the company's response was seen as too slow and inadequate is a good example of new complaint models. A challenge for companies and government agencies alike is how to respond to these new methods of rapid, real-time customer feedback which can often dramatise shortcomings and service flaws much more quickly than traditional methods. People assume that organisations can respond with similar flexible and agility. [xxv]

Service Review

The completeness and integrity of the service value chain needs to be assured by regular performance monitoring of each link and periodically undertaking in-depth reviews of the chain's capability against best practices elsewhere.

Regular service strategy reviews should entail:
- Checking that all elements of a service strategy are in place;
- Testing efficacy of service processes, people, systems, controls and metrics;
- Measuring service outcomes against minimum standards;
- Benchmarking service performance against other like-organisations; and
- Undertaking regular client satisfaction surveys.

The most reliable indicator of improvement in service quality and service performance is the continuous and measurable improvement of client satisfaction. Monitoring activities at regular intervals should allow an agency to demonstrate its progress in meeting its service standards. Both outputs and outcomes should be measured. The primary outcomes are: performance against service standards;

baseline measures and targets for increases in client satisfaction; and progress toward targets.

Regular and systematic "static" satisfaction surveys should draw on, and augment the "dynamic" review outcomes of the more widespread use of social technologies by service users to share their experiences, frustrations and aspirations for particular services. Often, these 'always on' conversations between service users can be the source of valuable insights about many of the dimensions of good service that can be adjusted as the service develops. That does not mean periodic and properly structured surveys are no longer important. But their questions should be informed by the digital conversation stream about service quality and performance since that can flag areas of service deficiency deserving formal investigation.

At the time of establishing service standards, verification mechanisms should be identified for each service standard as well as the frequency for reporting. Continuous benchmarking and communication of results are also essential steps.

Regular measurement of customer satisfaction in relation to service provision is still rather an ad hoc, add-on or non-existent process in many public sector environments. Further, when satisfaction is measured, there is often a tendency to focus on outputs rather than outcomes.

Measuring the satisfaction of government service consumers is highly valuable for the following reasons:
- It meets the needs for external public accountability;
- It establishes defined targets for service improvement by management;
- It enshrines accountability internally for staff;
- It strengthens the legitimacy of public sector agencies.

Canada has led the world in surveying its citizens about public service delivery. In 1998 the original *Citizens First* study asked a cross section of Canadians what they thought of the delivery of public services, what expectations they held, and what they saw as the priorities for improvement.

Some of the work at the national level on the Service Canada initiative was built on the back of equivalent work at the Canadian provincial and US State levels, including for example Service Ontario and Service New Hampshire which had pioneered many of these reforms. Sponsored by federal, provincial, territorial, and municipal governments, *Citizens First* identified the drivers of satisfaction with service delivery, dispelled myths about the relative quality of public services, and highlighted the importance of service standards. The study has since been repeated in 2002, 2005 and 2008.

All five *Citizens First* studies have highlighted that confidence in government is rooted in good service and in confidence in the public service. This confidence rests on competent management and the perception that the public service is fair, honest and in touch with the community.

The latest study, CF5 conducted in 2008, provided the following major findings:

There are five drivers of citizen satisfaction:
- Timeliness: this is the single most important driver across all services, all governments
- Staff: customers appreciate knowledgeable staff who treat them fairly, put in extra effort
- Positive outcome: customers felt that they had received what they needed

- Ease of access
- Recent experiences of services

Main points of contact

The telephone remains the most commonly used channel in government services although there is more frustration with phones than other forms of communication. However, internet usage was nearly on par with visits and telephone communication yet it is, surprisingly, not displacing traditional channels of communication, merely complementing them. Citizens are therefore using more than one channel to access government 50% (2002) to 59% (2008).

For routine services timeliness across all channels is identified as the number one priority and citizens do not want to deal with more than two people while five to nine minutes is the maximum time they wish to wait in a government office. While these timeliness expectations have remained relatively stable since 1998, there has been a dramatic rise in expectations regarding the maximum turnaround time for mail service which is now two to three weeks.

Measuring satisfaction

Each of the five *Citizens First* studies has tracked citizens' ratings across a range of municipal, provincial/territorial and federal services. Averaging across these services, there has been a significant upward trend. Over 10 years from 1998-2008 the average score for the 26 services which have appeared in each of the surveys has risen from 64 in 1998 to 72 in 2008 which represents an eight point increase. Thirty-seven of these services are trending up, 31 show no significant changes and only two services declined.

Following the results of the first 1998 survey, the Canadian government established the Institute for Citizen-Centred Service (ICCS) to promote the principle and practice of measuring citizen satisfaction with public service delivery. The ICCS is funded by all three levels of Canadian government and is governed by a public sector Board of Directors. It dedicates itself to the purpose of improving government services and identifying the service expectations of Canadian citizens. ICCS research continues to maintain a focus on the actual needs of the citizen – the "outside-in" view – as opposed to an in-house managerial assumption regarding what those needs may be.

The *Citizens First* surveys and subsequent research have lead to the design of the *Common Measurements Tool* (CMT) which is a citizen/client feedback survey designed to provide accurate and reliable customer feedback on key dimensions of service delivery. The CMT is basically a question bank, containing over 150 questions, which uses a standard five point scale of measurement with one being strongly dissatisfied and five being extremely satisfied.

The CMT is being used across government agencies in Canada and has been purchased by several international jurisdictions, including the South Australian Government which in 2007 mandated a new target to increase customer satisfaction by 10 per cent by 2010 and maintaining or exceeding that level of satisfaction thereafter. Following the purchase of the CMT, all South Australian government agencies were asked to assess customer satisfaction against the eight core questions/statements and report against this target.

However, due to the fact that the implementation of the CMT's use was not mandated, variation across the agencies in the methodology used precluded comparative results. For example, some agencies chose to use an external consultancy to apply the CMT who opted to use a different level of satisfaction scale.

Despite this, the South Australian Government has implemented some interesting initiatives through the use of the CMT. For example, the South Australian Cabinet Office now conducts a Household Survey via the telephone to randomly selected households which incorporates the eight core questions from the CMT. The result of this survey is used to determine progress against the target of 10 per cent improvement in customer satisfaction.

The CMT is also being used within the *Service SA* unit located within the South Australian Department of Transport, Energy and Infrastructure. Similarly, the South Australian Department for Families and Communities has been using the CMT to drive service improvement since its purchase in 2007.

Agencies in other jurisdictions have also embraced the CMT, including Information Victoria, Canberra Connect, Service Tasmania, Service South Australia and Smart Service Queensland. Canberra Connect is a customer service delivery arm of the ACT Government which provides information, payments, services and emergency support to the ACT community on behalf of ACT Government agencies. Canberra Connect undertakes different benchmarking activities each year and has set a target of 90 per cent for their customer satisfaction reporting.

In addition to the annual externally undertaken Customer Benchmarking Survey, in 2010 Canberra Connect also participated in a cross jurisdictional benchmarking activity which benchmarked the client experience by utilising a "Mystery Shopper" methodology which used similar questions across jurisdictions.[xxvi]

Agencies which have been considered at the forefront of service delivery reform include the Australian Tax Office and Centrelink. Since its establishment in 1997 to deliver social welfare and employment-related services and income support on behalf of the Commonwealth Government, Centrelink has been charged with the task of supplying more holistic, integrated customer service. Centrelink was one of the first Australian government agencies to establish a service charter which was drawn from the examples of newly introduced service charters in the United Kingdom.

Centrelink continues regularly to conduct its Customer Satisfaction Survey Program which is used to guide improvements to its services. Centrelink reports against customer satisfaction targets as well as service commitment themes. Customer satisfaction was 90.1 per cent in 2010-2011 which was well above its target of 88 per cent. [xxvii]

Another example is the work of the AGIMO in the Federal Department of Finance and Deregulation which has undertaken a series of reviews monitoring the level of community use of, and satisfaction with, APS eGovernment services, as well as community preferences for different channels of engagement regarding delivery of government services.

The Way Ahead

For some time there has been a growing recognition that the way ahead for public sector service delivery will be through distributed systems rather than centralised structures. By distributed systems is meant a collection of autonomous entities connected by a computer network and middleware that enables them to coordinate their activities so that users can access them as a single integrated service.

Governments will be challenged with the task of distributing complexity to the margins as the role of citizens/clients changes from passive recipient to active contributor in the development of policies and improved public services.

Promoting public participation in service design and delivery will be critical in unlocking the solution to more effective, personalised solutions that deliver value at lower unit cost than top-down professional services and have more lasting impact.

There is an international trend to giving citizens and communities a greater role, enabling them to bring their own insights, time and energy to meeting their own needs in partnership with services.

Adequate standards of service are no longer enough, there is a need for high-quality, personalised responses through people being able to better direct services themselves.

At the same time, front line professionals need enhanced freedoms, skills and links to their local communities, in order to respond better to service users' requirements and resolve problems and grievances on the spot so they do not escalate into formal complaints.

Enabling a new relationship between citizens and professionals requires a change in the way that government operates, stepping back from day-to-day micro-management while providing strong leadership on strategic issues such as promoting fairness, building service capacity, establishing a framework for services and citizens to drive improvement themselves, streamlining targets, giving greater weight to citizen perceptions, increasing the role of service leaders, and focussing direct intervention on services that fail to meet reasonable standards.

The 2009 UK Cabinet Office study (previously referred to) outlined some of the changes that will be most important at the interface of front-line public services and citizens.

1. Empowering citizens through stronger entitlements
Service entitlements help to embed equity and clarify accountability for citizens. They are mutual obligations that combine rights and responsibilities in public services which are backed up with simple, strong redress to restore the service or resolve the problem. Clarifying accountability reduces needs for central targets and bureaucracy; they are most effectively used to drive equity of access and quality in public services. In various countries in Europe, such as Denmark and Finland, national entitlements sit alongside significantly decentralised and diverse provision.

2. Empowering citizens through better information on services
The advent of new technologies gives rise to new opportunities to open up data as never before. The availability, timeliness and overall quality of information surpass what was previously available. Simultaneously, citizens are now able to play an active innovative role. They are no longer just "users" of information, rather, they are being empowered to contribute to and re-use information through technologies. The United States is at the forefront here, leading with examples such as StateoftheUSA.org and data.gov which are not only rapidly disseminating information, they are also breaking down government monopolies on information presentation and use by making it easy for people to analyse information themselves – this has required a cultural shift from government as well as a technical one. One of the most important developments in this area is the increasing utilisation of balanced performance information to provide robust,

comparable data on outcomes across the breadth of government agency performance.

3. More personalised services

These are services designed around the needs of the person as opposed to traditional organisational structures. The continued rise of a service culture has led to greater demands on public services. The emergence of new markets, more flexible provision of services and more sophisticated tailoring of products in the private sector has given people an expectation that they can access the same choices in the public sector.

The benefits of joining services in health, employment, welfare and training have already been recognised in many jurisdictions. However, there is still huge potential and integrate different transactional services across the whole of government. For example, Service Canada gives people access to nearly 80 government services, and the choice of accessing online, in person or by post. This integration and tailoring of services can save money by reducing unnecessary activity, exploiting a second generation of e-government and using lead professionals better. Service Canada, for example, saved Can$292 million in the first year.

Emerging evidence suggests that tailoring services which adjust to the needs of the individual citizen provides the most equitable approach while providing the same service to everyone often leads to unequal outcomes. While there are arguments that greater personalisation creates pressure for additional resources, there are various international examples which demonstrate that it is possible to re-engineer services so that, instead of adding an extra layer of service, they become simplified, better targeted and more tailored. This is achieved by streamlining transactional services, using lead professionals and giving users genuine control.

4. Working with citizens to deliver more preventative services

Across the world the case is mounting for governments stepping in to deal with problems early in order to gain the greatest cost-effectiveness. International experience shows that there is significant untapped scope for driving better value for money by mobilising the time, motivation and energy of citizens. Research here and also internationally also highlights the importance of behavioural change for tackling complex issues of social disadvantage, for example.[xxviii] Without an effective partnership between citizens and government, many chronic and complex problems are impossible to prevent and/or tackle.

Preventative service delivery involves collaborative partnerships with a pooling of resources across agencies to problem solve while also embedding a culture of collaboration by empowering people through greater peer support and improving performance management systems.

As the evidence for greater collaboration strengthens, the critical question for government will be working out how to unlock potential more systematically through: better diagnosis of needs and more intelligent targeting of resources; moving towards a problem solving approach for people with complex needs; and creating a culture of wider measures to empower users, such as greater peer support and more direct budgetary control, greater incentives to partnership working in performance management and changes in professional culture.

5. Empowering front line professionals

The best service delivery systems give high-performing professionals ownership of the quality improvement agenda. They are also encouraged to lead and share

innovation and research. To achieve this devolution of centralised power is essential to unlock the creativity and motivation of front line professionals.

For example, Health Care Quality Registries in Sweden have been instrumental in improving the quality of specific health care procedures and processes. These professionals are responsible for managing and contributing to the Registries, which contain relatively detailed information on patient treatment, interventions and outcomes. Aggregated data is then used by clinicians to inform and improve their medical practice.[xxix]

In July 2011 the United Kingdom Minister for Government Policy presented an *Open Services White Paper* which identified five principles for modernising public services:

1. Whenever possible choice should be increased by people being given direct control over the services they use;
2. Power should be decentralised to lowest appropriate level;
3. Public services should be open to a range of providers within the public sector, the voluntary and community sector, or the private sector;
4. Fair access to services must be ensured;
5. Public services should be accountable to users and taxpayers.[xxx]

Conclusion

Public administrations around the world are under intense pressure to deliver services for citizens that are personalised, integrated, and high quality. A preliminary stocktake of Australia's service delivery performance against international developments suggests that although each government jurisdiction is active in this space, the focus is on only some of the links in the value chain rather than recognising that good service delivery comes from re-thinking and re-designing the entire input-activity-output-outcome process by working back through its links from a client and citizen perspective.

Citizens want to make choices among government services and have a say in how they operate. In some cases, they have expertise and experience to contribute to the way those services are designed or even conceived in the first place. They do not really worry about who actually delivers the service – as long as it is easily accessible, equitably distributed and high quality. Moreover, demographic trends, global economic forces and social policy challenges will most likely increase demand for public services though also change their mix in the future. The combined impact of the changed character of public services with the administrative opportunities that flow from the technology revolution means 'business as usual' in public administration will not do.

This calls for radically new ways of thinking about client service delivery in the public sector. Private sector service delivery channels in sectors like banking, media and communications are setting the pace in innovation and this is amplifying demand for public sector providers to catch up. However, there are some risks comparing private sector service delivery to public sector performance because the need for community service obligations and ensuring access and equity is largely absent in the private sector.

Similarly, governments often have to grapple with difficult funding implications of service-reform change. Some aspects of poor service performance simply reflect shortcomings of systems, culture and skills. But others reflect insufficient investment. Funding agencies especially can be wary of service-led initiatives, such as customer charters and new service systems which have the capacity to increase costs unless rising expectations can be matched with productivity improvements or introduction of cheaper service channels.

More fundamental to service delivery is whether government agencies will remain at the centre of such provision. Market testing may see more publicly funded services outsourced such as happened when the Job Network (later renamed Australian JobSearch) displaced the Commonwealth Employment Service. The CES was rebranded Employment National and joined the Job Network, a competitive network of community, government and commercial agencies, but failed to win sufficient contracts to survive.

It is also possible that governments instead of competitively outsourcing services will take an even more market oriented approach by giving clients vouchers or direct payments to buy services themselves from suppliers in the open market place.

Yet notwithstanding the popularity of JobSearch (a competitive market) and the Medicare card (a voucher), there are not many other examples of where market-based solutions have been applied on a grand scale to Australian general government services. Privatisation for instance has mainly occurred to public trading enterprises with Victoria being the only state which went so far as privatising electricity, water and public transport.

Although positive service initiatives are sprinkled around Australia via customer charters, client surveys, e-access channels, and complaints handling mechanisms, here is huge potential to 'join the dots' and design truly client focussed Australian public services. The APS, *Ahead of the Game*, has committed to improvements that are the pre-conditions for citizen focussed services – like building staff capability, surveying citizens on their needs, better use of data, and more regular reviews of departments' performance – all to deliver a citizen-centric public service. But, it stops short of spelling out a confident vision for redesigning service delivery for the 21st century.

Except for South Australia, and the Commonwealth to some extent (with organisations such as the Department of Human Services), the paucity of directives, guidelines and models for designing high quality client service delivery chains is surprising.

To put citizens at the centre of public policy prioritisation and service delivery requires seeing government through the lens of the citizen as a client. This requires rigorous analysis of the service delivery value chain; knowing how to progress from a deep analysis of clients' needs and expectations to delivering a service of quality with strong client input and feedback and the empowerment of front-line staff to fix problems and complaints as they arise.

Global standards for service delivery set by countries like Denmark, Finland, Canada and the United Kingdom should be within our reach. Features such as empowering citizens through better information, unequivocal commitments to service standards including just-in-time problem resolution, highly personalised or tailored services, and front-line workers who 'own' the quality improvement agenda are attainable. The question is how do we unlock the potential for innovation and improvement in Australia?

First, service delivery should be elevated to a national conversation – we need to better understand and share service delivery expectations and existing developments to reach a broad consensus on what good practices and standards are.

Second, momentum needs to be built at all levels of government to make public service delivery improvement a top priority and governments need to recognise this can't be done without closely involving citizens.

Thirdly, consideration should be given to requiring all public sector bodies to develop, publish and rollout integrated service delivery strategies and holding CEOs accountable for their success.

Such action would demonstrate that Australia's public sector is ready to put citizens at the centre.

Postscript

This paper reflects a wide search for examples around Australia and other parts of the world for different approaches to framing the customer service priority in government. If there are strategic frameworks and policy models that have been missed or other examples which suggest major progress and promise that we have overlooked, we'd be keen to learn more. This is a critically important area of good government. If the arguments presented here prompt some wider discussion which becomes an opportunity to share more evidence and good strategic initiatives, the paper will have served a useful purpose.

Acknowledgments and Disclaimer

IPAA's policy sub-committee is grateful for the advice and input on earlier drafts of the paper from a number of people, including Maria Katsonis from the Victorian Department of Premier and Cabinet, Dianne Jeans from Smart Service Queensland and Professor Gary Sturgess from ANZSOG. Final responsibility for the views and recommendations in the paper rests with IPAA's Submissions Committee.

Members of the Committee that co-authored this IPAA Policy Discussion Paper are in alphabetical order Percy Allan (Committee Chair), Tony Katsigiannis, Mark MacDonald, Martin Stewart-Weeks, Dahle Suggett and Lynne Tacy. Catherine Watson kindly assisted the Committee with the initial drafting and later editing of the document.

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