

Service Charters: The Latest Fad or Last Hope

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I suspect that some of you may think that the current talk about service charters is just the latest fad in management jargon – and that if you learn the terminology you will be safe, avoid much of the fuss, and be able to get back to your normal business.

After all we are all trying to do more with less and don't have time for distractions.

Indeed as Ombudsman it is a somewhat nerve racking task to be making predictions about protecting the citizen and ensuring service quality at a time when the resources of the Ombudsman have been effectively cut by 19% and while the annual rate of complaints increased 28% last year and on current trends will increase another 20% this year.

It is also a time of great change in how the public sector is going about its business. For example:

- # the introduction of telephone service centres and one stop shops
- # greater reliance and responsibility for the individual to self assess their eligibility for DSS and other entitlements
- # the introduction of purchaser provider models, contestability and an increased emphasis on contracting out of the service delivery
- # the introduction of 'risk-management' in service delivery
- # the increased focus on outcomes rather than process, and
- # the revision of the Public Service Act.

These are not new debates and a number are long overdue. The focus and momentum of change has, however, hastened. Unfortunately, good client service is sometimes considered a luxury that the public sector cannot afford and the importance of good client service can be overshadowed by the need to cut costs.

In this climate of change individuals and their organisations will also often try to protect their own workloads, stress and at times sanity. There is danger that some changes and work place practices being put into play merely reinforce the convenience of the agency and staff rather than reflect the actual objectives of the program and priorities of its clientele. Some recent danger signs and examples include:

- # taped and recorded messages instead of access to real people
- # long waiting queues on the telephone or counter
- # use of computer generated letters and advice which do not answer the specific questions raised
- # pressures for a more streamlined and uniform approach
- # the provision of information through oral advice but with signs and a caveat that the seeker of that advice "should not rely on oral advice", and

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an assumption by some managers that 'risk management' means transferring the risk to someone else – the contractor, insurer or client – but not them.

All of these practices may have a value in certain circumstances but are currently being adopted as common procedure in situations which are in my opinion highly inappropriate.

Last week, a DSS client had these observations of how she was treated.

"I have just lodged my second entitlement review form in a month at my local Social Security Department office.

I went to the appropriate counter and as I handed the form over I told the customer service officer that I had a simple question about the form.

He told me that he could only take the form from me and directed me to another counter, which was actually adjacent to his.

So I went to the next counter and was told by the service officer there that if I wanted to ask a question about the form I had to make an appointment.

I was the only customer in the office at the time and the question required a yes or no answer.

When I asked why they couldn't answer a simple question, they reiterated that all questions require appointments.

This is an insidious form of client harassment. Not all Social Security clients have time on their hands.

I am a full-time student with deadlines to meet. My time is precious to me.

How dare the Government policy-makers treat their customers with such contempt?

This is worse than just a case of bad policy or bad management. It is a calculated inconvenience that demeans all Social Security clients."

Public servants rightly reject the common perception of an indolent tea sipping lifestyle. I am aware, for example, that the DSS teleservice centres expect about 20 million client contacts a year and long waiting queues on the line. A good number of those calls will be agitated, angry and desperate. Providing the right information in a way that can be understood clearly can be very difficult indeed. It is certainly a lot more difficult than the proforma of "here's your hamburger" and "have a nice day".

That's part of the challenge.

From a client's or citizen's perspective the public sector can be remote, unresponsive and arbitrary in the way that it makes decisions on matters that can affect their basic freedoms and/or livelihood. The complexity of the rules can represent an impenetrable maze for many. This combination of complexity and impact on personal lives can be frustrating and creates an explosive mix and the negative perception of the public sector is reinforced.

It is precisely because of this backdrop of change and uncertainty that a focus on clients and service charters is so important. It can help to define the real priorities and central purpose of the program.

Indeed many agencies have found in consulting with their clients and stakeholders that the real needs and priorities are often very different to those assumed. They have found that some practices and processes have simply grown up out of habit.

In some cases the process of developing a service charter may result in a realignment of priorities. For example, in my own Office we put an increased emphasis on timeliness and closing cases more quickly. We know that this is important to both complainants and agencies. But we now know from our client satisfaction surveys that feedback about what we are doing, that we demonstrate our understanding of the issues the complainant is raising, and that we are getting to the bottom of a matter is more important to the complainant – even if it takes time and even in those cases where the final answer is not in the client's favour.

In other cases a review of practices can hopefully achieve a win/win situation. For example last year we undertook an own motion investigation into why a large proportion of Aboriginal people living in the town camp areas of Alice Springs were not receiving social security entitlements. The answer partly lay in cultural barriers. It was also partly a result of the administrative requirement that the unemployed respond fortnightly to written letters to confirm their status. The illiteracy levels and the transient nature of the town camp population means that this is not a workable alternative arrangement. Hopefully the win/win situation will be to reduce the requirement for such status reports to every 4 or 8 weeks (rather than every two). The risk to the public purse of wrongful payments is negligible.

It is also a clear example of where one size definitely does not fit all and the pressures on the Department to develop a streamlined/uniform approach need to be modified.

There is perhaps another fairly obvious but important point about why service charters are important in the public sector. That is that people often have no choice about whether they deal with the public sector or not. Whether you are a DSS client seeking an entitlement to meet basic needs or a tax client meeting your obligations there is a broader public interest obligation at work in how fair and accountable the government is in its dealings with you and how it uses its statutory powers. A government agency regulates and rations. This relationship is different to that of a consumer in the market place.

For example, an authority providing public housing will have a very different set of policy parameters guiding its operations than a commercial landlord. In this case governments make provision for consumers who may simply not survive in the market place. A simple eviction policy that may be tenable to commercial operators must be modified for housing authorities.

In looking at the functions of government and the impact on people's lives there will often be a greater obligation on the responsible departments to get it right the first time. The protection provided by choice and the market place are not always adequate when it comes to the activities and functions of government.

Some of the administrative law and accountability structures recognise these differences. Although even here business has found that the 'business equivalent' of say industry Ombudsman schemes are of value in ensuring consumer confidence. A list of the guiding principles of accountability expected of government agencies includes

- openness and transparency in decision making,
- fairness,
- impartiality,
- lawfulness,
- probity of actions, and
- the appropriate use of information.

Client service charters should support and reinforce all these values and help compensate for the fact that the protections of the market place do not exist or are not adequate. The service charters provide a transparency up front about what service standards can be expected and what rights and responsibilities a citizen has in ensuring that they are met. As such, I strongly endorse the principles embodied in the charters.

A set of nine principles have been developed under three headings.

Content of the Charter

1. Identification of the organisation and its customers
2. Communication
3. Customer service standards and customer rights and responsibilities
4. Customer feedback and complaints

Development and support of the Charter

5. Consultation in charter development
6. Format, style and presentation
7. Complaints handling process

Monitoring review and accountability of the Charter

8. Monitoring and review
9. Accountability

This is a fairly extensive list of elements and should be accompanied by a comprehensive set of guidelines which explain, and expand on, what the adoption of these principles entails.

It is clearly up to the agencies themselves to develop a charter which is relevant to the particular circumstances and clients of that agency. As indicated, the very experience of developing the charter itself is one of the most valuable products of the process, a fact which can be attested to by, eg. those in the UK involved in the Citizen's Charter.

The Ombudsman's Office has assisted in the development of charters with the Australian Taxation Office and the Child Support Agency. We saw this as being an important way of clarifying and hopefully preventing what have been common questions and issues coming to our Office about those agencies.

The process of developing these charters has, however, raised some fundamental questions. For example, whether a charter should be backed up by legislation and therefore enforceable, or whether it should be aspirational, setting the tone and culture in the way people should be treated.

My guess is that you need a mix of both. The danger of a prescriptive approach is that it is likely to be set at the lowest common denominator. However, if it is only couched in nothing but general and aspirational terms it may not be worth the paper it's written on.

Managers also need to be aware that an initiative such as this goes beyond public relations. It needs to be able to meet the test of reality. If you fail to deliver your credibility can be severely tarnished.

Internal Complaint Procedures

Part of the charter development should include the establishment of appropriate internal complaints handling mechanisms (principle 7). Again this is not a revolutionary concept but is one that has come surprisingly late to the public sector – and I might add to much of the private sector too.

Why? You might think that it would be self-evident that properly recording and resolving complaints gives an agency a window on its operational effectiveness and impact. I suspect that part of the answer lies in the lack of knowledge and understanding of the whole subject of service quality by many.

We recently undertook a survey of agencies to find out which had established internal complaints handling mechanisms to deal with complaints from outside the organisation about their service (as distinct from internal review of agency decisions, or staff complaints).¹

We received responses from approximately eighty agencies which allowed us to gain a broad oversight of the range of mechanisms available for a cross-section of diverse agencies. These included both small and large agencies, with differing client demands on their services.

The results were disappointing. Apart from specific statutory arrangements for merits review, less than 20% of agencies which responded had complaint systems in place which would probably satisfy the Australian Standard. Another 10% of agencies indicated that they were in the process of reviewing their current systems with a view to improving them. This leaves about 70% of agencies with inadequate, or non-existent, complaint mechanisms for clients.

Overall, this exercise strengthened my belief that there is still a lack of understanding within Commonwealth agencies of the importance of effective complaints mechanisms. It was also clear that the principles which underpin an effective complaint handling system are not well understood. In particular, we found that

- few agencies (openly) offer clients the opportunity to make general service delivery complaints as distinct from requests for review of a decision;
- a large proportion of agencies indicated that they did not have a ‘formal’ complaint handling system, but simply responded to complaints in an ad hoc fashion as they were received;
- some agencies incorrectly represented their current client feedback mechanisms as internal complaint mechanisms, for example, describing a ministerial correspondence system or visitor’s book (in isolation) as an adequate internal complaint system; and
- even where agencies claimed to offer clients access to an internal complaints handling mechanism, they were often poorly designed, limiting their accessibility to complainants and usefulness to managers.

In expressing these concerns I, of course, have a self interest in improving this situation.

The lack of effective internal complaint mechanisms has a significant impact on the Ombudsman’s workload.

During the 1995/96 financial year, over a quarter of the 20,000 plus complaints we received were about basic service delivery issues, such as timeliness and staff behaviour. This trend continues for the 1996/97 financial year.

In my view, these types of issues can be much better dealt with by the agency concerned without our intervention. It is my preference that the Ombudsman's office should be the agency of last resort – and that agencies, for the large part, identify and deal with their own service problems.

Agencies can learn a lot about the quality of their service delivery by listening to their clients complaints. Most agencies are currently missing out on this valuable information, and consequently their attempts to improve service delivery are often unfocused or misplaced.

If you take this view, complaints and complainants should be encouraged to provide feedback, good and bad, and should not be regarded as nuisances. A couple of words of warning here. You should expect that with the release of service charters – and the clarification of rights and responsibilities – that you are likely to receive more complaints if you don't meet those targets.

The SOCAP American Express study² indicated that Australians are more likely to complain about service failure than their counterparts in the USA or Europe, and are more persistent.

So now is the time to start thinking about effective complaints and quality assurance mechanisms.

Such procedures need to be able to ensure accountability, impartiality and fairness in the way complaints are handled and an ability to effectively deal with the issues raised. There should be an ability to deal with anonymous complaints where serious issues are raised and there should certainly be no retribution against the person raising a complaint.

In some agencies I have been concerned by a response by some individual public servants to threaten defamation action when a complaint is lodged against them. To me, this raises significant concerns about the culture at play in that agency and points to a lack of corporate leadership and commitment to continuous improvement. Part of the establishment of a complaints procedure must ensure protection for the complainant and also some level of protection and confidentiality for an individual staff member who is the subject of the complaint – especially during the course of an investigation.

It must be remembered that generally the purpose of any investigation is not to lay blame on individuals, but to improve service standards procedures, and/or training overall. Cultures will vary from ones built around a strong 'mateship' which can result in cover ups of poor service and even corruption, to a more open culture and an ethos of learning from experience and continuous improvement.

You may also find that there is a tension between devolving responsibility to a region/counter/individual versus the need for management to know what is happening. Often the resolution comes down to an effective way of capturing and monitoring the issues and trends involved and the establishment of clear rules as to how, and what, matters should be referred.

Wherever possible, the number of levels and contacts from a client's perspective need to be minimised.

If resolution of the issue cannot be achieved by an officer, referral to a more senior officer should be made with a clear statement of who they are being referred to and why. Clients should also not be made to feel they are being 'buck-passed' through the bureaucracy. Details of the complaint should be summarised and quickly accessible to avoid the need for the client to repeat their story again and again.

It is not difficult to design, implement and maintain an effective complaints system. But it does require a genuine commitment, from CEO down, to client service and a good understanding of the principles of complaint handling.

Australian Standards for complaint handling

- Commitment
- Fairness
- Resources
- Visibility
- Access
- Responsiveness
- Charges
- Remedies
- Data collection
- Systemic and recurring problems
- Accountability, and
- Reviews – internal and external

As I said, the Ombudsman's office has a particular interest in ensuring that there are effective internal complaint mechanisms, since they should help fix the problems.

To this end, the Ombudsman's office has prepared and will be releasing a good practice guide for effective complaint handling.

The guide describes the essential elements of an effective complaint handling system from the theoretical standpoint and then discusses how these principles can be put into practice in any agency. We have also been able to illustrate the guide with some examples of current good practice already operating within some agencies.

Effort

Some of you may still be thinking that establishment of complaint procedures and development of service charters represents an unnecessary workload and cost.

The escalating work of the Ombudsman's office would indicate that this is not the case. Further, as a rough rule of thumb, we know that for every complaint received, there are 10 - 15 other people thinking or experiencing the same problems.

Many agencies may also find that they already expend a lot of time, energy and cost in dealing with complaints in an ad hoc way. Why not marshal and use that information and feedback in a more productive fashion?

Further, our experiences of contracting out service delivery indicates that it is often the agency's failure or inability to specify the required service standards that makes the contract unenforceable. Contracting out in these circumstances can be an abrogation of agency responsibility.

It comes down to being able to specify the required standards and outcomes, not just the processes, and will need to be complemented by clear performance information and clear lines of accountability and responsibility.

In the context of today's talk 'contracting out' is not a way you can escape the need to develop a service charter and standards!

Lastly, it would seem to me that quality assurance should always be a major aspect of our work. Our current efforts appear to be meagre.

Recently we did an exercise looking at what expenditure outlay was made for quality control agencies as a proportion of total relevant Commonwealth outlays.

This exercise did not include informal complaint procedures but, as we discussed, not many agencies currently have these in play.

Our calculations indicate that in 1995/96 about one tenth of 1% was spent on quality control by external agencies. Since then the overall budgets have been reduced but the relativities probably remain the same.

Outlays on Quality Control Agencies

Agency	\$ Million
AAT	23.3
SSAT	6.7
IRT	7.5
RRT	15.2
Ombudsman	8.8
ANAO	49.3
Total	110.8

As Proportion of Total Associated Commonwealth Outlays

Total Commonwealth outlays	106,000
Quality control as % of total government outlays	0.10%

The underlying values and reasons behind the introduction of administrative law in the seventies and eighties still hold today in providing the best measure of protection for citizens in their transactions with government and ensuring responsibility and fairness by the agency concerned.

I hope that I will be able to observe in future that there is a much greater reliance on agency internal complaint handling processes to handle those complaints which relate more to quality of service; leaving only the more complex complaints or those identifying systemic issues to the Ombudsman and other review bodies.

I hope also that service charters help to more clearly define – and benchmark – the service standards that can be met by agencies. I hope also that these principles will apply to any contracted service provider either through the detail of the contract or applied directly by the contracting agency.

The Ombudsman's office will take a keen interest in the development of such service charters.

They go to the integrity and quality of service provided by government to the citizens of Australia.

Notes

1. See also under the heading **The Ombudsman** in REGULAR REPORTS (below).
2. American Express-SOCAP Reports Nos 1 and 2, *Study of consumer complaint behaviour in Australia*, research by TARP, 1995.