

## Case Study #12 – SERVICE TASMANIA

### 1. Background

#### 1.1 Origins

The *Service Tasmania* initiative began in July 1997.<sup>1</sup> It was a response by the Tasmanian Government to the withdrawal by the private sector of service delivery outlets from rural and regional areas. The Government wanted not only to rebuild community confidence in these towns but also to enable easier access to government services. *Service New Brunswick (Canada)* provided the ideal example of a one stop, multi-channel integrated service delivery model to suit Tasmania's circumstances.

#### 1.2 Evolution

The Government decided to undertake a major reform of the way in which over-the-counter transactions were delivered. A number of government agencies were responsible for carrying out counter transactions such as registering a vehicle, paying State taxes, obtaining business licences, accepting fine payments and issuing birth certificates. These agencies sometimes provided physical and electronic points of service. The Government believed that these multiple points of access were both inefficient and difficult for customers. It decided that service integration (rather than co-location) was required to provide one stop shops, with one stop staff and one stop systems.

#### 1.3 Establishment

Since a top down governance structure drove the *Service Tasmania* initiative, there was an incentive to make it happen. A Project Team was formed with a Steering Committee comprising Heads of Agency and a directive for *Service Tasmania* to commence delivering one stop services over the three channels (counter, telephone and Internet) within six months. The funds allocated to cover project costs were supplemented by funds from the Australian Government as part of the [Networking the Nation](#) Program.

#### 1.4 Service Transformation

The initiative formed part of a broad government-wide service transformation program. Although the initiative has in many ways achieved its objective, agencies continue to participate in identifying new services for delivery by *Service Tasmania*, while recognizing that this participation implies a strong alignment with the ethos of high quality customer service delivery.

---

<sup>1</sup> For a full account of *Service Tasmania*'s creation and evolution to 2003, see Victoria Rigney, *The Service Tasmania Story* (Hobart, Tasmania: *Service Tasmania* Unit, Department of Premier and Cabinet, 2003).

## **2. Organizational Design and Governance Arrangements**

### *2.1 Organization*

From the outset the Government took the view that no new entity was to be established to implement the *Service Tasmania* initiative. In effect, *Service Tasmania* is a virtual organization with three existing Lead Agencies responsible for service delivery: the Department of Primary Industries and Water delivers over-the-counter services; the Department of Education delivers online services and the Department of Premier and Cabinet (DPAC) delivers telephone services.

### *2.2 Governance and Accountability*

This virtual organization is governed by a *Service Tasmania* Board that is responsible to the Secretary of DPAC. The Board is chaired by a Deputy Secretary from DPAC and contains six other Deputy Secretary or equivalent members selected for their skills and experience. The Premier has parliamentary accountability for *Service Tasmania* except where purely operational matters are raised and then accountability resides with the relevant Lead Agency Minister. Accountability for the policy and business processes relating to a particular service remains with the Client Agency.

### *2.3 Legislation and Powers*

There is no statutory authority for *Service Tasmania* and it has no statutory powers. Agencies are required to use *Service Tasmania* channels to deliver their services, but not exclusively. They may also provide customers with a choice of bill payment options by using private sector providers or a Government Business Enterprise (GBE) such as Australia Post.

The *Service Tasmania* Board enters into Master Level Agreements with each Lead Agency setting out the terms and conditions under which the services are to be delivered. The Board allocates funds to each Lead Agency to cover those additional costs that are incurred in delivering the services, including salaries and other operating expenses.

## **3. Business Model**

### *3.1 Service Tasmania Vision*

The *Service Tasmania* Vision as described in its Strategic Plan is to “provide easy access to government services for the community.” The *Service Tasmania* Board Charter calls for “the management of consistent high quality statewide service provision through the service delivery channels.”

### *3.2 Activities*

*Service Tasmania* customer activities through the counter, telephone and online channels can be separated into the following categories: seek help; pay bills; buy

products, lodge applications, make enquiries, arrange bookings, notify address changes, give feedback; and find a Commissioner for Declarations. There are 500 different services available to *Service Tasmania* customers through 27 shops in city, urban and country areas, with each country shop providing the same range of services that are available to city customers. There are 80 different bill payment services available over the telephone and over the Internet. *Service Tasmania* delivers services on behalf of State government agencies, statutory authorities, GBEs and State Owned Companies as well as Commonwealth Government organizations and Local Government Councils, a bank and a not-for-profit community organization. Partnership contracts are arranged for all services delivered for organizations other than State government agencies.

### 3.3 *Channel Shift*

Prior to the *Service Tasmania* initiative, customers were mostly limited to obtaining their services on either a face-to-face basis or by “ringing around” agencies. Soon after *Service Tasmania* was established, 10% of government bills were being paid through electronic channels. This increased to about 25% in mid-2006 when the Government and the *Service Tasmania* Board endorsed a formal Channel Shift Strategy aimed at easing the workload pressure on shops. *Service Tasmania* shops are very popular with customers and there is a strong demand for more shops and more staff. The take up rate for government bills paid through electronic channels is now about 30% and the benchmark target is 40%. This benchmark target has been partly derived from information gained from customer surveys and partly from the rate being achieved by *Service New Brunswick*.

### 3.4 *Service Convergence*

One of the outputs of the *Service Tasmania* Channel Shift Strategy is the objective of increased service convergence involving the identification of counter services in particular that should be available electronically. In addition, when any new service is being developed for a Client Agency the *Service Tasmania* Board requires that all three channels be examined with a view to service convergence. It is an objective of *Service Tasmania* to increase the range of service choices available to the community.

### 3.5 *Funding*

*Service Tasmania* is 60% funded by the Consolidated Fund and 40% by fees paid to the *Service Tasmania* Board by Client Agencies and Partner organizations. Fees are paid for both financial and non-financial transactions based on volume and the order of complexity (time taken).

### 3.6 *Human Resource Issues*

The major human resource issues are recruitment, retention and training. There is a significant turnover of staff. Many positions are part-time positions and the Customer *Service Officer* (CSO) workforce is largely made up of female staff. *Service Tasmania* staff are employed by each Lead Agency and their salaries and ongoing costs are

reimbursed by the *Service Tasmania* Board. Lengthy induction training is provided and Client Agencies are responsible for delivering training for specialized services such as motor vehicle registration and driver licensing. Shop and Contact Centre staff are supported by a networked procedural help system known as Quest (*Query Service Tasmania*) which is updated daily and also provides a facility for staff to provide feedback.

### 3.7 *Performance Measurement*

*Service Tasmania* deliberately does not measure the amount of time taken to serve individual customers. The *Service Tasmania* customer service ethos is based on “quality” rather than throughput metrics. However, the *Service Tasmania* Board is interested in performance measurement, taking account of overall staffing levels and the type of feedback being received. Lead Agency management monitors performance from the viewpoint of refresher training needs.

### 3.8 *Information Technology*

Information technology is used to operate networked systems such as Quest, STARS (*Service Tasmania* Receiving System), and TRACS (Transaction Recording and Charging System) and to allow *Service Tasmania* direct access to backend systems such as the Motor Registry System and the Fines Enforcement System. Quest is shared across the counter and telephone channels.

In addition, *Service Tasmania* Online makes use of a Resource Discovery System to enable customers to access relevant State Agency, Australian Government and Local Government sites. The Contact Centre utilizes an ACD (Automatic Call Distribution) system to manage calls across the two Contact Centre sites.

### 3.9 *Partnerships*

*Service Tasmania* has partnership contracts with statutory authorities, GBEs and State Owned Companies as well as Commonwealth Government organizations and Local Government Councils, a bank and a not-for-profit community organization.

There is day-to-day inter-jurisdictional collaboration across all levels of government to ensure that partnership arrangements are operating effectively.

## **4. Community Engagement**

Community engagement in the form of partnerships with non-government organizations has been limited. The principle is that *Service Tasmania* exists to deliver government services. The exception is the delivery of banking services through a particular shop for historical reasons. The Board will consider the delivery of non-government services where there is no alternative service provider in the township and where the delivery of the service will not lead to the closure of the client’s outlet. The Board has agreed to the delivery of services on behalf of not-for-profit community based organizations where these criteria are met and the service to be delivered has been outsourced by a

government agency.

## **5. Project Scope and Issues Encountered**

The challenge of having three service delivery channels involving new shops, an online site and new IVR services all branded as *Service Tasmania* and all to be completed and open to the public within six months (July 1997 to December 1997) was a daunting prospect. This was particularly the case noting there was no Project Director, no project team and a limited budget. In the event, the deadline imposed by the Premier worked to advantage by providing an immutable 'must do' factor and an unforgiving sense of urgency for all stakeholders. *Service Tasmania* opened up its three channels to the public in January 1998.

### ***Project Management***

The *Service Tasmania* Project was managed in accordance with the Tasmanian Government Project Management Guidelines.  
(see [http://www.egovernment.tas.gov.au/themes/project\\_management](http://www.egovernment.tas.gov.au/themes/project_management)).

The Government advertised the position of Project Director throughout Australia before finding the ideal person within the Tasmanian State Service. Setting up a dedicated project team with the requisite skills was another immediate challenge. At one stage there were 20 individuals working on the project team. The *Service Tasmania* Project was fortunate in finding the right mix of people.

### **Legislation**

The Government made a decision at the outset that there would be no new agency created to manage the initiative and the objectives were to be achieved within existing departmental structures. Accordingly, *Service Tasmania* has no legislative base. Although this was an issue for some at the commencement of the Project, the degree of high level support and the clear policy direction that accompanied the Government's statements ensured that progress would be achieved.

### **Governance**

A Steering Committee comprising Heads of Agency was established and once the Project neared the service delivery stage, a *Service Tasmania* Board was also set up. The Board was responsible for management of the initiative and initially it comprised a representative from each agency, a union representative, and a private sector representative. Following a review, the Board membership was changed to its current format of a chairperson and six agency members, each selected on the basis of their knowledge, skills and experience.

At one stage there were three lead agencies delivering shop services, as well as one each for the phone channel and the online channel, making five lead agencies in total. Having three shop lead agencies reflected the fact that these departments each managed shops that previously delivered specialist services in different parts of Tasmania. Rationalization into one shop Lead Agency happened in mid 1998.

Agencies had some initial concerns about assuming a Lead Agency responsibility with the associated accountability and resource implications. After about three months and before the opening date, the lead agency structure was agreed upon and funds were allocated to cover the additional costs incurred. After the number of lead agencies was reduced from five to three, Master Level Agreements were signed between the CEO of each agency and the Chair of the *Service Tasmania* Board.

### **Costs**

The Government and the Commonwealth *Networking the Nation* program provided Project and establishment funds. Operationally, the intention was that the *Service Tasmania* service delivery channels would be cost neutral to the Consolidated Fund. However, when plans were underway for an accelerated roll out of 18 rural shops, there was quick acceptance that there were no offset funds available in agency budgets and so additional operating funds were provided by Government.

### **Customer Acceptance**

Customers have expressed high levels of satisfaction with all three *Service Tasmania* channels. An issue is that a number of Tasmanians still believe *Service Tasmania* is the old motor registry outlets dressed up and rebadged. Nonetheless, *Service Tasmania* continues to carry out marketing campaigns aimed at promoting the wide range of services and the availability of the electronic channels and attempting to raise awareness that *Service Tasmania* is a one stop shop for obtaining access to government services.

## **6. Critical Success Factors**

- Quality of Project Director – The commitment and leadership qualities of the Project Director were of an extraordinarily high order.
- Level of Sponsorship – The Project Sponsor was the Premier and successive Governments have all strongly supported the initiative.
- Champions – Almost every agency had a high level officer who worked vigorously to see the initiative succeed.
- Deadlines – The sense of urgency from tight deadlines imbued in the project team and stakeholders facilitated the achievement of the Project objectives.
- Quality of Lead Agency staff – The management and operational staff involved with service delivery recognized they were part of something innovative with a vision worth working for and they ensured the provision of high quality customer service.

- Funding – There was confidence that so long as the Project remained within scope and deadlines were met, the necessary funds to establish and maintain the initiative would be provided.
- Project Management – Disciplined and sensible project management principles were applied.

## 7. Next Steps

The next steps for *Service Tasmania* are to bed in the new funding model, continue progress with implementation of the Channel Shift Strategy and participate in the development of, and deal with the impact of, business reengineering processes underway in agencies.

### Contact:

Glen Hill,  
*Service Tasmania*.  
E-mail: [Glen.Hill@dpac.tas.gov.au](mailto:Glen.Hill@dpac.tas.gov.au)