

## Case Study #13 – SMART SERVICES QUEENSLAND

### 1. Background

Smart Service Queensland (SSQ) was first established in 1999 as “Access Queensland” – a “concept” rather than an operational service delivery entity. It was supported by the government based on an identified need to make it easier for the public to access government services and information. The Access Queensland initiative’s vision statement was: *The public can expect access to government products and services anywhere and anytime through a variety of channels.*

To achieve integrated service delivery, government agencies agreed to establish a shared operational entity to manage service provision, on their behalf, through a fee-for-service structure. The operational entity was called Smart Service Queensland (SSQ) and focused on the provision of “generic” services. It delivered its first integrated services to the public in 2002.

At the time, SSQ’s responsibilities included management and provision of services through: the [www.qld.gov.au](http://www.qld.gov.au) whole-of-government Internet site, the Integrated Contact Centre, and selected government agency customer service centres. These responsibilities have largely stayed the same for SSQ. However, in 2003, the Queensland Government Agent Program (ie. a network of government counters located in 68 rural/regional locations across Queensland) also became the responsibility of SSQ. A fundamental principle of SSQ was that it would only coordinate the presentation of information to customers of the Queensland Government. Agencies would retain absolute control of their policy, business processes, business systems and revenue. This is still the case today.

SSQ began in 2002 with the delivery of four integrated services. It now delivers over 160 services on behalf of agencies. In the year to 30 June 2007, SSQ processed 4.7 million enquiries, visits and transactions through its three major channels.

SSQ secured base funding (ongoing government financial support) for the first time in 2006-07 which was a positive step towards longer-term sustainability. In late 2006, SSQ was permanently aligned with the Department of Communities (rather than periodically moving it between portfolios), to embed operationalization of the initiative at the front-end of Queensland government client service delivery, and to ensure ongoing stability and longer-term sustainability. SSQ also started operating under new governance arrangements comprising a SSQ CEO Committee and the establishment of a dedicated Strategy Office within the Strategic Policy and Evaluation Directorate (Department of Communities) to support and drive new strategic directions for SSQ at a whole-of-government level.

There was no overarching public sector reform or government modernization agenda that underpinned the initiative at a whole-of-government level – there is still no such agenda for the Queensland Public Sector. SSQ responded to the Queensland Government’s desire to make it easier for customers to access services and products, in

response to growing public expectations for improved service delivery. The major obstacles to its creation and development were the following:

- Lack of readiness by government agencies to make the required cultural shift from “silo-based” service delivery to integrated/cross-agency service delivery including: agency fear of losing its identity through transitioning its service to a whole-of-government model; lack of trust/ levels of cynicism by agencies (particularly in relation to SSQ’s ability to deliver cost-efficiencies to government); agencies’ feeling that their services are “specialized” and could not be effectively delivered by a more generic service delivery model; and inadequate infrastructure (IT systems and processes) to support “integration”.
- Ineffective change management strategies to support the required shift in public sector culture and agency relationship building.
- New area of government activity – fear of the “unknown”; limited benchmarking opportunities at the time to effectively predict outcomes and to demonstrate the initiative’s benefits and risks; business economic modelling was based on “expectations” and so there have always been issues in relation to determining the most appropriate funding model for the initiative, including the required levels of financial support to ensure its longer-term sustainability and viability.
- No government “mandate” to help support the initiative – the initiative is dependent on voluntary participation by agencies and so the business has always been developed based on those services that agencies are willing to transition rather than being driven by strategic investment decisions.

## 2. Organizational Design and Governance Arrangements

SSQ is a Division within the Department of Communities (a State Government Department). It does not operate under legislation.

Government departments are not “forced” to use SSQ – it is based on voluntary participation. However an increasing number of agencies are realizing the benefits of transitioning “new” services to SSQ, particularly for short-term campaigns. “Central” agencies are also slowly beginning to identify opportunities in “line” agencies for transitioning new services to SSQ.

SSQ has been through many governance reviews over the years. It was initially set-up to rotate and align itself with different hosting Departments every time there was a machinery-of-government change. This proved to be ineffective and so for the first time in December 2006, it was agreed by Cabinet that SSQ would align itself permanently with the Department of Communities - accountable to a single CEO.

The initiative is overseen by a CEO Committee (co-Chaired by the CEO for the Department of Communities and the Under-Treasurer), comprising CEO representation from those Departments that are responsible for driving a SSQ service cluster as well as the Chief Information Officer. A SSQ Strategy Office was established in the Strategic Policy and Evaluation Directorate of the Department of Communities to support the CEO Committee in setting the strategic directions for SSQ. The Strategy Office is separate

from SSQ. SSQ is positioned within the Service Delivery Directorate of the Department of Communities and has a Program Board that provides advice on SSQ's program of work activities.

SSQ is based on a service cluster model to support cross-agency service delivery opportunities. The current SSQ service clusters are: human services, business, transport and land and resources. It is expected that another two clusters will be established by mid-2008, including a law and safety cluster and potentially an education and learning cluster. The service clusters play an important role in streamlining service delivery and empowering agencies to work together more effectively in the design and delivery of services that are centred on customer needs and preferences. (See attached SSQ Governance Model).

### 3. Business Model

The overriding principle on which the SSQ business model is based is that it is the 'front door' for customer access to government services. It aims to deliver the following 2 outcomes:

- To make government services more accessible, efficient and convenient to the Queensland public; and
- To minimise the costs across government of service delivery via a range of channels.

#### 3(a) Activities, Channels and Migration

SSQ delivers a range of services on behalf of government – a combination of existing services, new services and campaigns. SSQ also has a co-location arrangement in place with Queensland Health in relation to the government's 13HEALTH service. This arrangement means that 13HEALTH professional nurses are employed by the Department of Health, but they use SSQ's contact centre infrastructure to deliver the service and they pay SSQ for its use.

SSQ also manages the community engagement website [www.getinvolved.qld.gov.au](http://www.getinvolved.qld.gov.au) and the youth engagement website [www.generate.qld.gov.au](http://www.generate.qld.gov.au).

SSQ's main current service delivery channels include:

- **Internet** - through the Queensland Government Gateway ([www.qld.gov.au](http://www.qld.gov.au))
- **Phone** – through the SSQ Integrated Contact Centre (two site locations). Interactive Voice Response (IVR) and Short Message Service (SMS) are also used by SSQ and Natural Language Speech Recognition (NLSR) is about to be trialed.
- **Counters** – through the Queensland Government Agent Program – QGAP (located in 68 locations across rural and regional Queensland)
- **Mail.**

SSQ has a Channel Management Strategy that guides decision-making on channel choice and availability for particular service types and client groups. The Strategy outlines a number of detailed strategies that focus on enhancing and consolidating existing service

delivery channels as well as introducing new channels. It also outlines four types of channel migration strategies for SSQ:

- **Accessibility** – the ease with which channels and services can be accessed by customers
- **Marketing** – promotion, awareness raising and education on the availability of channels and services offered by the Queensland Government
- **Incentives** – the financial advantage or prizes for the customer for interacting with government through the more cost effective channels for particular services
- **Availability** – the availability of specific channels for services including the ability to turn off channels for certain services

SSQ's integrated contact centre offers IVR for some services and is about to trial the use of NLSR. It has also piloted the use of SMS for a "quit smoking" campaign for distributing quit smoking information packages to the public.

SSQ is leading the development of a whole-of-government portal with a view to rationalizing the number of websites that currently exist in the Queensland Government. It is undertaking a whole-of-government counter service delivery project that is exploring the impacts of integrating existing counters (and establishing new integrated counters) in major urban and regional centres in Queensland. A strategy is also being developed to address the large number of government advertised phone numbers that currently exist in Queensland for public access.

### *3(b) Funding*

SSQ operates on a mixed funding model arrangement – i.e. a combination of funding from fee-for-service (user pays) revenue and government appropriation.

### *3(c) Human Resources Issues*

SSQ's Workforce Strategy has been developed to build internal capability and to implement employer of choice strategies to attract an appropriate workforce to deliver on SSQ's objectives. SSQ currently develops and delivers training in the following areas:-

- leadership and management development (rolling out specific programs for middle and senior management together with individual and group coaching)
- induction activities
  - service delivery staff (8-12 weeks covering service training as well as governance and soft skill training)
  - non-service delivery staff (on-line program backed up with a 2 day program covering overview of agency, SSQ, orientation, technology, governance and soft skill training)
- refresher and up-skilling programs (for service delivery staff to obtain new skill levels and to implement amendments to existing services)

- corporate training calendar (facilitate and broker a program of training activities to meet specific needs identified through the Achievement Planning process)

### *3(d) Performance Measurement*

SSQ has key performance measures that are reported on a regular basis to the appropriate governance forums. These indicators have focused primarily on the Contact Centre. However, SSQ is in the process of extending these measures across all channels.

In addition, SSQ takes very seriously its responsibility to ensure customers receive quality services and as a result SSQ is currently working to ensure that each of the service channels are underpinned by quality standards and active strategies.

### *3(e) Use of Information Technology/Web 2.0*

SSQ is currently investigating the desirability of adopting a single content management system across all channels.

SSQ's Online Services Unit has been researching and piloting emerging web technologies over the past 12 months. Collaborative authoring via a wiki has been established for the Human Services infolink project. However, its long term viability for the Queensland Government has yet to be confirmed. The pilot project involves cross agency collaboration and is developing an e front door for consumers to access government information. The pilot will deliver integrated information about health and community services presented from a client perspective. The pilot is confined to one client group – Parents and Families – and is trialing operating and governance models and processes. The pilot evaluation will inform the phased implementation of the project.

The use of YouTube, MySpace and Second Life for community engagement purposes has been researched. Policy work will now follow as a consequence and several other Second Life projects are now being considered. Content syndication is also being considered for inclusion as part of website redevelopments within SSQ. Internal use of other technologies, such as blogs and wikis present many more opportunities without many of the inherent risks.

### *3(f) Partnerships*

SSQ's new directions place a stronger priority on the importance of partnerships, not only with government agencies and its service clusters, but also with private sector payment providers and third sector organizations. SSQ also currently leases its infrastructure to a third sector organization for the delivery of a counselling service. Further opportunities to work with the third sector will be explored.

SSQ, through its QGAP counter network, also engages in partnership agreements with local councils and private sector organizations (such as a video store) for the delivery of some government services in rural communities where community infrastructure is not as developed.

SSQ works closely with its inter-jurisdictional counterparts, particularly in relation to the sharing of learnings, challenges, innovations etc: and through its benchmarking study. A different jurisdiction is also responsible for hosting an annual integrated service delivery summit each year which provides an opportunity for all the Australian States and Territories to discuss organizational issues and developments.

#### **4. Community Engagement**

SSQ conducted a community engagement pilot at approximately 6 QGAP sites. Three elements were explored as part of this pilot:

- Linking to the community in terms of engagement activities (promotion of events e.g. disability awareness week)
- Public access computer at each site that allowed access to government websites
- Assistance with grant applications (limited application assistance and referral to grant websites)

Future opportunities for QGAPs in this space have been explored in a recent research report. SSQ also hosts and manages whole-of-Government e-consultation tools on the get involved website.

Among the key advantages of establishing relationships with stakeholders representing various business lines (or client segments) are these:

- Opportunity to explore areas of commonality and integrated processes for achieving client outcomes – we are often surprised by the degree of similarity
- Working with a broader whole of government perspective – has benefits for individual stakeholder agencies
- Learning from each other's experiences
- Information and knowledge sharing – get to know what is important for other stakeholders – can facilitate working together

Among the key challenges are

- Breaking down the agency silos
- Achieving agreement on processes that will deliver intended outcomes and satisfy existing agency governance processes, e.g. approval processes in a collaborative authoring environment
- Fear of the 'unknown' on the part of agencies – wondering what this means in the long term for their organization.

## 5. Issues Encountered/Challenges

Dependence on agencies' commitment to the SSQ initiative and capacity to transition services:

- To date, there has been no whole-of-government policy to support and drive innovative and improved service delivery outcomes for Queenslanders or a strengthening of the Queensland public sector's customer service delivery culture. Therefore, SSQ has been operating in a policy vacuum and has more or less been setting the integrated service delivery agenda for government.
- Based on high level indicative modelling, it is estimated that SSQ currently delivers around only 9% of the total Queensland Government service delivery market. The transition of services to SSQ has occurred without any formal government mandate requiring agencies to transition appropriate services to SSQ for delivery. Rather, SSQ is dependent on agencies' willingness and capacity to transition their services to the entity. There is still a need for a shift in the existing public sector service delivery culture which is still frequently agency-focused and restrictive in information and resource sharing.
- Some agencies consider the costs of SSQ service delivery to be higher than their own delivery. In many cases, this perception is due to differential costing methodologies or limited access to reliable agency data to assess the full cost of delivering a service. In some cases there is a cost difference due to the SSQ's infrastructure and quality system costs, a difference in the grade of service used by an agency compared to SSQ's (i.e. 80 % of calls answered within 20 seconds) and unanticipated service growth and latent demand.
- SSQ's service delivery success is dependent on the capacity and capability of agencies to connect their 'back-end' systems and to provide 'specialist' information support, to achieve the end-to-end service delivery experience for the customer. There are variable levels of maturity and sophistication across agencies in their ability to effectively do this. The SSQ Service Cluster model helps to address this.

### **The need for common cross-agency systems and business processes**

There is a need for improved cross-agency data collection and analysis, common cross-agency IT infrastructure and systems (including improved cross-channel integration), ongoing research to better understand customer needs and preferences, and common measurement tools across government agencies.

## **Ability to encourage greater customer migration to the Internet**

Channel migration and demand management are key challenges for SSQ including SSQ's capacity to drive the Internet as the main growth channel for government service delivery. SSQ has a Channel Management Strategy to help drive customer migration outcomes to the more cost-efficient service delivery channels.

Balancing equity of access and cost-efficiencies outcomes for government when making difficult decisions concerning channel choice and availability

A key challenge for government is making difficult decisions concerning channel management efficiencies, such as managing the political implications associated with discontinuing certain services at counters or closing counters in some locations, particularly in rural communities. It is recognized that some customers will always rely on counters and that government needs to balance equity of access with the need to generate cost-efficiencies.

SSQ previously operated under a direction of providing 'all services through all channels'. SSQ is providing an increasing number of services based on a 'best fit' approach to channel choice ie. through a limited number of channels based on customer preferences.

## **Expanding into more complex service offerings**

SSQ was set-up initially to provide generic services only. As SSQ has matured, it has also begun exploring the delivery of more complex services. It is acknowledged that SSQ's ability to do this is also subject to IT developments such as e-authentication and relevant legislative changes in relation to data privacy.

## **Developing a sustainable funding model which matches organizational growth**

One of the most significant challenges for SSQ has been the current mismatch between funding levels and organizational growth. SSQ's business model was first developed in the early stages of the trend to integrated service delivery. Many factors were unknown and could not be accurately accounted for in the initial modelling, for example, growth projections, ability to predict customer and service volume levels (including latent demand), and resource requirements to sustain long-term viability. SSQ has recently revised its funding and fee-for-service model which is based on more accurate and complete data and provides greater transparency and certainty for SSQ, agencies and Treasury in the financial arrangements underpinning SSQ.

## 6. Critical Success Factors

**Research.** *Customer market research and feedback* – understanding and responding to Queensland government customers' service needs and managing their expectations

**Best practice project management.** *Project management methodology and processes* – realizing the short- and long-term benefits of SSQ service delivery on behalf of agencies and supporting best practice project management and business processes

**Business Intelligence.** *Analyzing and sharing service delivery data across government to continuously improve business performance and inform directions and improvements*

**Innovative service arrangements.** *SSQ's Service Cluster model* – aligning the service delivery system to customer characteristics and needs by identifying cross-agency integrated service delivery opportunities and overseeing their delivery.

## 7. Next Steps

SSQ is currently developing a new strategic agenda for the next five years. Its key priorities will focus on:

- *Channel management and migration* – maximizing efficiency and service delivery outcomes through demand management and channel migration strategies (by encouraging increased customer interactions via the more cost-effective channels such as the phone and the Internet);
- *Strong economic performance* – through a future sustainable funding model and prioritised investment decisions to realise whole-of-government service delivery gains;
- *ICT and innovation* – improving and consolidating ICT platforms and systems, and introducing new service delivery channels and technologies;
- *New and strengthened relationships* – with agencies, service clusters, benchmarking partners and other third party service providers; and
- *Strong governance, strategic policy and evaluation* – improving the existing cluster model and introducing new clusters, developing cross-agency tools for ongoing research, data collection, monitoring, and evaluation, and planning for staffing, ICT infrastructure and capability.

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**Appendix**  
**Smart Service Queensland – Governance Structure**

