Service Delivery in Radio and Telecommunications
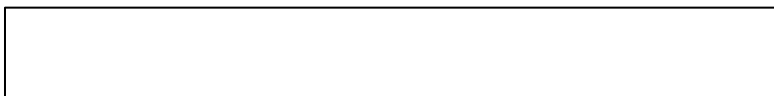
Australian Telecommunications Authority and Spectrum Management Agency

Canberra   ACT
17 October 1997

Dear Madam President
Dear Mr Speaker

In accordance with the authority contained in the *Audit Act 1901*,
the Australian National Audit Office has undertaken a performance
audit of Service Delivery in Radio and Telecommunications by the
Australian Telecommunications Authority and the Spectrum
Management Agency and I present this report and the
accompanying brochure to the Parliament. The report is titled
*Service Delivery in Radio and Telecommunications, Australian
Telecommunications Authority and Spectrum Management Agency.*

Yours sincerely

P.J. Barrett
Auditor-General

The Honourable the President of the Senate
The Honourable the Speaker of the House of Representatives
Parliament House
Canberra   ACT

Audit Team

Jim Grenfell
Matthew Fehre
Stephan Delaney
Michael Lewis

Abbreviations/Glossary

ABA	Australian Broadcasting Authority
ACA	Australian Communications Authority
ACCF	AUSTEL Consumer Consultative Forum
ANAO	Australian National Audit Office
ARSG	Australian Radio-Communications Study Groups
AUSTEL	Australian Telecommunications Authority
BIS	Business Information System
BOPs	Business Operational Procedures
CPI	Consumer Price Index
CRIS	Customer Record Information System
FAMS	Field Activities Management System
GIS	Geographic Information System
HRDC	Human Resource Development Committee
IT	Information Technology
JOBREG	SMA's Licence Tracking System
NTA	National Transmission Agency
PIPs	Policy Information Papers
RADCOM	SMA's Licence Management System
RDBMS	Relational Data Base Management System
RCC	Radiocommunications Consultative Council
SMA	Spectrum Management Agency

Part One

Summary and Recommendations

Summary

1. In recent years the radio and telecommunications sectors have experienced significant change in their technical, economic and administrative environments. From the perspective of public sector service delivery the most significant of these changes have included:

- the transition from a regulatory framework to an environment of coordination and support;

- the introduction of industry-developed voluntary codes of practice;

- the introduction of spectrum auctioning; and

- the rapid growth of communication technology (such as cellular mobile telephone services, digital cordless services, and satellite systems).

2. The Australian Telecommunications Authority (AUSTEL) and the Spectrum Management Agency (SMA) have played a pivotal role in facilitating the changes in radio and telecommunications administration during this time. The merger of AUSTEL and SMA from 1 July 1997 to form the Australian Communications Authority (ACA) means that the new organisation is well placed to consolidate the better features of service delivery by both organisations and to build upon those areas in which some improvement is both possible and desirable.

Objectives and methodology

3.   The objective of the audit was to review AUSTEL and SMA's approaches to service delivery against recognised good practice and to identify opportunities for the ACA to adopt the relevant features of these approaches in its service delivery. The audit criteria, developed from previous ANAO audits and a wide range of studies and publications on client service, sought to assess the degree to which:

- planning frameworks were specifically directed to the delivery of quality service;

- client communication and consultation processes identified client needs and enabled service delivery to be focussed on meeting those needs;

- resource management practices enabled resources to be allocated to where they were most needed for efficient and effective service delivery;

- the use of technology and organisational arrangements assisted quality service delivery; and

- performance measurement and reporting arrangements provided an effective assessment of service delivery performance in terms of time, cost and quality.

Overall conclusion

4.   The ANAO found that, on the whole, both AUSTEL and SMA had been successful in delivering a good quality of client service during a period of substantial change but that there was scope for greater consistency in the standard of service provided. The ANAO identified several existing organisational and other features on which the ACA could build, for example:

- a network of area offices providing quality service accessible to clients across Australia;

- the high level of personal motivation and commitment of managers and service delivery staff;

- high overall customer satisfaction (the 1997 client survey by SMA indicated a rating of 73 per cent);

- SMA's involvement in international benchmarking, and the development of financial and operational performance indicators; and

- the formal consultative arrangements established by AUSTEL.

5. The ANAO also identified additional opportunities for the ACA to further develop its approaches to quality service delivery by:

- providing a clear and unequivocal corporate commitment to, and suitable frameworks for delivering, quality service. There were differing perspectives and uncertainties across management, staff and clients regarding the priorities of service delivery vis-a-vis the needs of internal administration. The development of a customer service charter presently under way should help to resolve these uncertainties;

- extending client communication and consultation processes beyond technical advisory issues so that a better understanding of clients' needs and expectations can be obtained. This includes implementing effective systems for handling complaints;

- introducing resource management practices that better match resources to workload and the priorities established for service delivery. The use of mechanisms such as internal and external benchmarking, more flexible organisation arrangements and monitoring of workload can assist the ACA to achieve a better balance between resources and workload;

- identifying and disseminating the better practices and approaches to service delivery applied across both organisations to ensure that a consistent level of client service is achieved. This can be facilitated by drawing on the innovations of AUSTEL and SMA in their use of information technology to promulgate a more coordinated approach to service delivery; and

- introducing performance management and measurement that includes monitoring and reporting on the time, cost and quality of service delivery. Performance measurement and reporting were at an evolutionary stage in both AUSTEL and SMA and could have been better linked to the corporate and business plans as part of good corporate governance. There is also scope for introducing standardised performance reporting based on a combination of financial and operational performance indicators and targets that measure all aspects of spectrum management in terms of time, cost and quality of service delivery.

Australian Communications Authority response
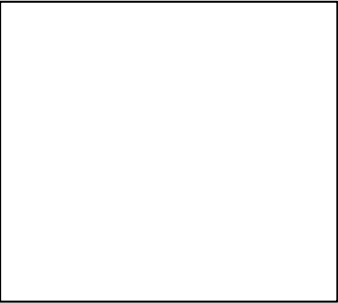
6. The ACA considers the report has been most valuable and timely in providing the impetus to better balance the foundations of organisational culture, customer relationships and processes across the whole organisation to provide quality customer service in a more holistic manner. In addition, the recommendations of the report are considered by the ACA to be most valuable in providing a focus in delivering quality service as the ACA establishes itself as a distinctive regulatory organisation in the dynamic communications sector. All recommendations have been, or are in the process of being, implemented.

Key findings

AUSTEL and the SMA have played a pivotal role in facilitating the changes in radio and telecommunications administration during a period of significant and ongoing change. With the merger of AUSTEL and SMA, the ACA is well placed to consolidate the better features of service delivery by both organisations and to build upon those areas in which some improvement may be necessary. The key findings of the audit are outlined below.

The framework for service delivery

7. The ANAO sought to establish the degree to which the strategic directions for service delivery, as set out by corporate objectives, business plans and service strategies, demonstrated a commitment to service delivery and established priorities for the effective delivery of services.

8. The ANAO found that there are opportunities for the ACA to more clearly define and promote service delivery as a key corporate objective. Industry representatives, management and staff indicated to the ANAO that individual managers and staff in both organisations were committed to a quality service delivery ethos. However, the ANAO noted that, although corporate documents endorsed the delivery of quality service as a key corporate objective, there were different interpretations of these documents conveyed across the SMA.

9. Both AUSTEL and SMA were committed to quality service delivery. This was demonstrated by such initiatives as the 1997 SMA client survey and the

evident individual commitment of management and staff. However, at a corporate level, the commitment could be strengthened by more clearly specifying the priority to be given to service delivery vis-a-vis the needs of internal administration and introducing appropriate measures to achieve that objective. The development of the Charter of Customer Service by the ACA should provide a clear organisational commitment to service delivery and encourage staff ownership of the service delivery framework.

Communicating with clients

10.   The ANAO reviewed the processes used by AUSTEL and SMA to identify key clients, understand their needs and expectations, to communicate with them and to deal with their complaints.

11.   The ANAO found that the frameworks developed by AUSTEL and SMA for client consultation on industry and technical issues could be expanded to include service delivery issues. AUSTEL and SMA served different segments of the communications market and had different methods of client contact and consultation. AUSTEL had established formal consultative arrangements with peak industry and consumer groups that helped identify gaps in industry performance (but not in its own performance in service delivery). SMA made less use of formal arrangements but employed to good effect the personal approach of area managers and staff who had acquired valuable local knowledge of clients' needs and expectations.

12.   In order to obtain client feedback SMA conducted a major survey of its clients during March and April 1997. Overall, the results were favourable although

some areas for improvement were identified, such as in document processing and decision-making, where clients considered service could be more timely, for example, 27 per cent of respondents expressed dissatisfaction with processing times.
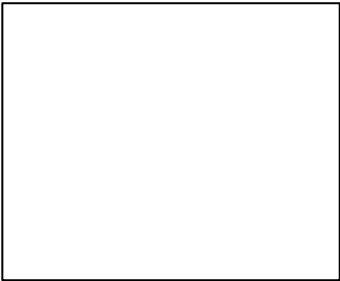
13.   Industry and consumer groups considered that the consultative arrangements had provided them with a voice in decision-making but that consultation could be improved by involving clients more in the development of service delivery processes, performance standards and indicators. These steps would ensure that service delivery reflected both the commercial imperatives of clients and the needs of internal administration (such as accountability and control).

14.   The ANAO found that the role and responsibilities of both AUSTEL and SMA were not widely known and could have been better promulgated to the community. For example, AUSTEL was frequently confused with Telstra and clients were also uncertain about the role of SMA. The SMA client survey found that SMA had a low public profile.

15.   Significant effort had been applied by both organisations to produce a wide range of printed material which varied in form and quality, and in distribution. This had contributed to some client confusion and uncertainty regarding organisational responsibilities; to duplication of production and distribution effort; and to increased costs (for short run publications). The SMA had undertaken a review of its information management and had commenced action to improve coordination and control. There would be considerable advantage for the ACA to introduce an effective communications strategy including a centralised distribution database and an ongoing review of publications to better reflect the information needs of clients.

16. AUSTEL and SMA received three basic types of complaint: Ministerial complaints (that is complaints made to Ministers); technical complaints (such as complaints about carriers or complaints about radio or television interference); and complaints about service delivery. Both organisations received relatively few Ministerial complaints (estimated by both organisations at fewer than 50 complaints per year) in comparison with their total client base. These complaints were handled expeditiously on individual administrative files maintained by action officers. The system appeared to work effectively.

17. Overall, complaints handling for technical matters (such as radio or television interference) was effective but could have been improved within the SMA by introducing guidelines and training on complaints handling practices (including clear policies on important complaints-handling issues and maintaining records) and by improving the reliability and consistent use of RADCOM[1] system data. Within AUSTEL, complaints about carriers and service providers were well handled, and were recorded, tracked and analysed in the Customer Record Information System (CRIS). This system was efficient and effective.
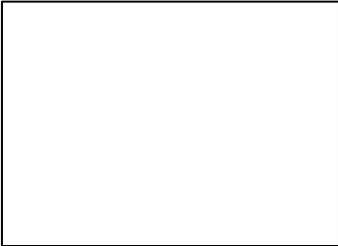
18. Although AUSTEL and the SMA claimed that complaints about service delivery were handled expeditiously, the ANAO was unable to verify this because neither organisation had effective systems for handling these types of complaint. There was a need for more formal systems for recording these complaints and the introduction of a systematic approach to handling complaints to obtain client feedback and input into the development of improved service delivery practices. A cost effective system for handling these complaints could be developed using the frameworks

---

[1] RADCOM was the SMA's licence management system.

established for handling technical complaints, with adjustments as indicated above.

19. With the development of its service charter there is an opportunity for the ACA to actively promote a commitment to resolving complaints and letting people know how to complain about service delivery issues and have it effectively dealt with.

Managing resources for service delivery

20. The ANAO examined the resource management processes of AUSTEL and SMA to ascertain the degree to which resource management strategies helped to achieve quality service delivery and ensure that resources were allocated to the priority areas.

21. Resources were largely allocated on an historical basis, with some adjustment for price variations and new policy proposals. This process had provided a stable base on which to review staff levels and the need for area offices but could mask inefficient processes and resource under-use. It did not encourage improvements in efficiency or operational effectiveness. The allocation process could have been assisted by the identification of specific corporate priorities for service delivery.

22. AUSTEL agreed that resource management approaches should be reviewed but advised the ANAO that this had not been possible because of budget constraints, reduced staff levels and the developmental work necessary for the merger with SMA.

23. Within the SMA, although there had been staff reductions in some area offices and some area offices had been closed in recent years, a more analytical approach to matching resources to workloads, taking into account the achievement of performance standards, would have improved resource allocation. The results of an activity-based costing review has confirmed that there were significant variations in the costs per transaction, productivity rates and revenue-earning of individual area offices. At the time of audit, the ACA was considering its processes of resource allocation.

24. There are opportunities for the ACA to introduce resource management processes that better allocate resources where they are needed according to the priorities identified for quality service delivery.

25. Skills in service delivery were considered by AUSTEL, SMA and their clients to be essential to quality service delivery. There were references to team and inter-personal skills in position profiles but skills in service delivery were not designated as essential in most first point-of-contact positions. The ANAO recognises that team and inter-personal skills are important components for the effective delivery of quality service.

26. Specifying that skills and abilities in service delivery are essential criteria for appointment and advancement will complement the requirement for team and inter-personal skills and help the ACA to move towards the achievement of quality service delivery.

27. Both organisations were committed to staff development and training arrangements as endorsed by AUSTEL's Human Resource Development Committee (HRDC) and SMA's Strategic Human

Resource Development Plan. However, the approach to service delivery was highly individualistic and variable. Staff development plans could have more strongly reflected the organisational commitment to service delivery. Similarly, development programs could have been more specifically directed towards meeting the organisational requirements for service delivery.

28.   Staff rotation and cross training in a variety of positions and tasks are other methods of personal and organisational development that can provide the ACA with a relatively simple and effective way of providing greater organisational flexibility, job enrichment and diversity of skills.

Mechanisms for service delivery

29.   The ANAO examined the extent to which the use of organisational structures and technology assisted in the delivery of services and found that there were many examples of good practice but not in all offices. The variety of procedures and practices across both organisations did not provide any indication or assurance that a consistent level of client service could be achieved. The ANAO concludes that effective methods of identifying and disseminating better practices need to be developed.

30.   Individual branches in both AUSTEL and SMA sought to achieve consistent outcomes and had developed their own form of service delivery to match their functions and responsibilities. Individual arrangements, such as flexible staffing structures and delivery systems, were generally successful at a local level. However, at a corporate level, processes for identifying and applying the better practices of individual area offices and branches need to be developed if the ACA is to be assured that a

consistent and equitable level of service is provided to its clients wherever they are located.

31. Information technology played a major role in the delivery of services in both agencies. In AUSTEL the main systems used were the Internet (to provide clients with basic information), electronic mail and locally developed databases used for various purposes in different branches. In SMA, the main systems included an Internet facility to provide external clients with information (including regulatory and licensing information), an intranet facility to provide SMA staff with ready access to technical information, policies and processes, and the RADCOM system for frequency assignment, licence management, interference complaints and financial operations.

32. The SMA had encouraged staff participation in the development of its information technology (IT) environment. However, the ANAO noted that many area offices had developed independently their own databases and IT applications for business functions not contained in the RADCOM system. There is scope for the ACA to assess these individual initiatives with a view to establishing their suitability for application across the organisation to minimise cost and maximise effectiveness.

Performance measurement, evaluation and review

33. The quality of service that clients expect to be provided should be reflected in service standards. The ANAO sought to establish the existence of performance measurement processes that identified the time taken, the cost of providing services and the quality of the services provided.
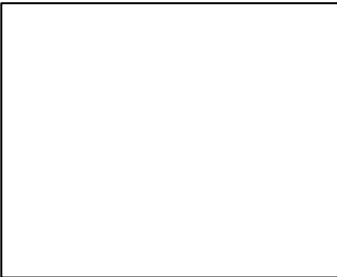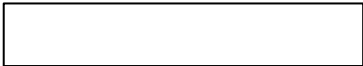
34. The ANAO found that performance reporting could be enhanced by greater consistency in presentation and the development of performance indicators that focus directly on issues of time, cost and quality of service delivery. Closer consultation with clients and stakeholders can help to ensure that performance standards reflect their needs and expectations.

35. Management reporting was still being developed within the SMA and there were variations in the standard of reporting achievement against performance targets. At the time of the audit, area offices tended to provide commentaries and subjective assessments rather than quantifiable information. Although both qualitative and quantitative information is important the current balance is heavily skewed. Many performance indicators required a subjective assessment by local management and were not verifiable by objective means. However, the standard of reporting had improved over the last 18 months or so.

36. The ANAO also noted that there were significant differences between the information reported in management reports and that reported in RADCOM. The SMA acknowledged that RADCOM data was unreliable for reporting purposes and had commenced action to improve the accuracy of reporting.

37. Although the performance targets could have been more challenging in order to provide an incentive to achieve high levels of performance, overall, the performance targets applied by SMA were at least equal to, and in some cases more demanding than, those of comparable overseas organisations.

38. Industry groups advised the ANAO that SMA performance standards were too generous and that delays in processing documents could affect their ability

to pursue business opportunities. Consultation with clients and stakeholders on performance standards should enable the ACA to develop 'industry-acceptable standards' and enable clients and stakeholders to be aware of the quality of service that they can expect.

39.   Management reporting could be simplified for executive management. At the time of the audit, executive management had to absorb each individual report with its mix of tables and narrative. Although management report preparation in the SMA was time-consuming, these reports were considered by the SMA to be valuable in reviewing area office activity. Streamlined, focussed information relevant to decision making, which is often based on reporting by exception, would help to provide a concise overview of performance, trends and developments.

40.   The SMA had commenced developmental work on a new quarterly performance monitoring report that combined operational performance and accrual-based financial indicators. However, many managers had reservations concerning performance measurement using the accrual approach because it included factors beyond their control. The use of accrual-based information can assist performance measurement by capturing the financial commitments of an operating and capital nature, provision for contingencies and all relevant costs of delivering the service. The ANAO endorses the action taken to date and considers that, with further consultation, explanation and negotiation, wider acceptance should be secured.
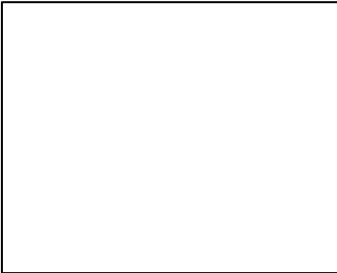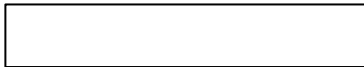
41. In both AUSTEL and SMA performance targets and reporting had been directed at general administrative performance and measuring outputs. Performance reporting could be improved by providing a better focus on measuring and reporting on the timeliness, cost and quality of the management of the spectrum (such as performance in band allocation and frequency assignment) as well as administrative performance.

42. At the time of audit, performance indicators did not relate to the core business (that is management of the spectrum). There is an opportunity for performance indicators to be expanded to include spectrum management and financial indicators.

43. Although both AUSTEL and SMA were committed to the concept of 'best practice', systems for identifying these practices (internal and external) were still being developed at the time of audit. However, in 1997, SMA had undertaken a joint study of its practices with communications authorities in New Zealand and Canada, and had participated in a customer service study by Price Waterhouse in 1994. The results of these studies had been mixed and had identified areas requiring improvement.

44. Overall, there is an opportunity for the ACA to benchmark specific processes to the best practices applied by other organisations (wherever they operate) and apply external quality assessment mechanisms, such as those applied by the Australian Quality Council and the Australian Customer Service Association, in assessing its delivery of services.

Recommendations

Set out below are the ANAO's recommendations with report references and the ACA's abbreviated responses. More detailed responses and any ANAO comments are shown in the body of the report. Fifteen recommendations have been formulated with the objective of assisting the ACA to further develop its approaches to delivering quality service in a cost effective manner. The ANAO considers that the ACA should give priority attention to Recommendation Nos. 2, 4, 6, 7 and 14.

Recommendation No.1 Para 2.10	The ANAO recommends that the ACA, in developing its corporate and business plans from those of AUSTEL and SMA, strengthens the organisational commitment to quality service delivery. **ACA response:** Agreed.
Recommendation No.2 Para 2.12	The ANAO recommends that the ACA implements a well structured process of consultation with its staff, clients and stakeholders in developing and implementing its Customer Service Charter. **ACA response:** Agreed
Recommendation No.3 Para 3.5	The ANAO recommends the ACA develops an integrated database which accurately records relevant information on all clients' together with details of ACA client contact. **ACA response:** Agreed

Recommendation No 4 Para 3.15	The ANAO recommends that, in order to improve client consultation and gain a greater understanding of client needs, the ACA:

- introduces a systematic approach to client research including continuous client feedback mechanisms (such as questionnaires, client focus groups and surveys) and communicates the results to all staff;
- reviews its use of consultative mechanisms to include both national and local consultative committees with service delivery as a standing item on any meeting agenda; and
- develops, in consultation with industry and consumer groups, appropriate time frames for consultation and decision-making.

ACA response: Agreed.

Recommendation No.5 Para 3.22	The ANAO recommends that the ACA:

- develops an effective communications strategy to include details of proposed publications and promotional activities; and
- reviews the content and distribution of its 'flagship' publications to clients.

ACA response: Agreed.

Recommendation No.6 Para 3.40	The ANAO recommends that, to enhance client feedback on service delivery performance, the ACA:

- develops and distributes to staff, policy and procedures for complaints handling;
- enhances mechanisms for obtaining complaints from its clients and stakeholders, and advises these processes to clients;
- improves standard management information systems to record and report on all complaints; and
- develops processes for monitoring performance on complaints handling such as

the introduction of response times, corporate undertakings on performance and public documents indicating performance standards.

ACA response: Agreed.

Recommendation No.7 Para 4.9	The ANAO recommends that the ACA introduces resource allocation processes that are based on workload and identified priority areas for service delivery. These processes can include the use of work analysis, using the previous SMA activity-based costing review as a starting point, and projections of demand for specific services. **ACA response:** Agreed with qualification.
Recommendation No.8 Para 4.17	The ANAO recommends the ACA reviews selection criteria where appropriate to ensure that appropriate emphasis is given to quality service delivery requirements. **ACA response:** Agreed with qualification.
Recommendation No.9 Para 4.26	The ANAO recommends that the ACA extends its staff development program to incorporate training needs analyses for individual staff members that focus on identified areas of priority for service delivery. **ACA response:** Agreed.

Recommendation No.10 Para 4.33	The ANAO recommends that the ACA examines opportunities to extend the formal and informal reward and recognition systems developed by SMA that are specifically directed at improving performance in the delivery of quality service.

ACA response: Agreed.

Recommendation No.11 Para 5.6	The ANAO recommends that the ACA undertakes a review of its service delivery practices with a view to:

- identifying and promulgating better (value-added) practices;
- introducing a quality improvement methodology based on the better practices identified above; and
- documenting the key steps in each process so that the ACA can assure itself that essential elements are covered consistently in the practices adopted by each office and group.

ACA response: Agreed

Recommendation No.12 Para 5.17	The ANAO recommends that the ACA considers the greater use of flexible organisational arrangements, such as the use of project management or multi-skilled, team-based structures, to reflect the dynamic nature of communications service delivery and administration.

ACA response: Agreed.

Recommendation No.13 Para 5.35	The ANAO recommends that the ACA takes action to:

- allocate resources to complete the data purification process and introduce data integrity checking in RADCOM at the time of entry; and
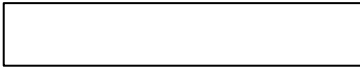
- introduce a standard suite of management reports that includes quantitative data for each area office.

ACA response: Agreed.

Recommendation No.14 Para 6.13	The ANAO recommends that the ACA reviews its performance management culture by:

- introducing, in consultation with its clients and stakeholders, performance indicators and standards that allow economy, efficiency or administrative effectiveness to be measured objectively where practicable;
- developing guidelines for performance and management reporting (including standard definitions and interpretative guidelines);
- setting clear priorities for core business activity and introducing cost/effectiveness and efficiency measures; and
- using quantitative analysis and graphical presentation as far as possible to enable performance projections to be made.

ACA response: Agreed.

Recommendation No.15 Para 6.15	The ANAO recommends that the ACA introduces:

- a system of monthly reports and a standard template report of a small number of key performance indicators; and
- a formalised system for following up management reports, particularly performance issues and remedial action, where appropriate.

ACA response: Agreed with qualification.

Part Two

Audit Findings and Conclusions

1   Introduction

This chapter sets out the background, objectives, scope and methodology for the audit. The changing environment of radio and telecommunications administration, and the challenges presented by the merger of AUSTEL and SMA to form the ACA are discussed. The opportunities that the merger provides for drawing together the better service practices of both organisations are also discussed

.

Background to the audit

1.1   In recent years the radio and telecommunications sectors have experienced significant change in their technical, economic and administrative environments. From the perspective of public sector service delivery the most significant changes include:

- transition from a regulatory framework to an environment of coordination and support;

- introduction of industry-developed voluntary codes of practice;

- introduction of spectrum auctioning; and

- rapid growth of communication technology (such as cellular

mobile telephone services, digital cordless services, and satellite systems).

1.2   Both AUSTEL and SMA have played a pivotal role in facilitating these changes with each organisation serving a different segment of the communications industry and developing its own distinctive style of administration and approach to client service. The ACA assumed the responsibilities of AUSTEL and SMA in their merger with effect from 1 July 1997. One of the challenges for the ACA will be to meld the different administrative styles into a single, cohesive and effective unit for the delivery of quality service.

AUSTEL

1.3   AUSTEL was established to be the regulator of the telecommunications industry by the *Telecommunications Act 1989*. Its responsibilities included promoting and protecting consumer interests, setting technical standards for equipment and cabling, promoting competition and fair market conduct, regulating and general monitoring of the telecommunications industry. The provision of information to consumers on a broad range of telecommunications issues was a key function of AUSTEL.

1.4   Significant developments affecting the delivery of services by AUSTEL include the introduction of full market competition to the telecommunications Industry, the widening of telecommunication
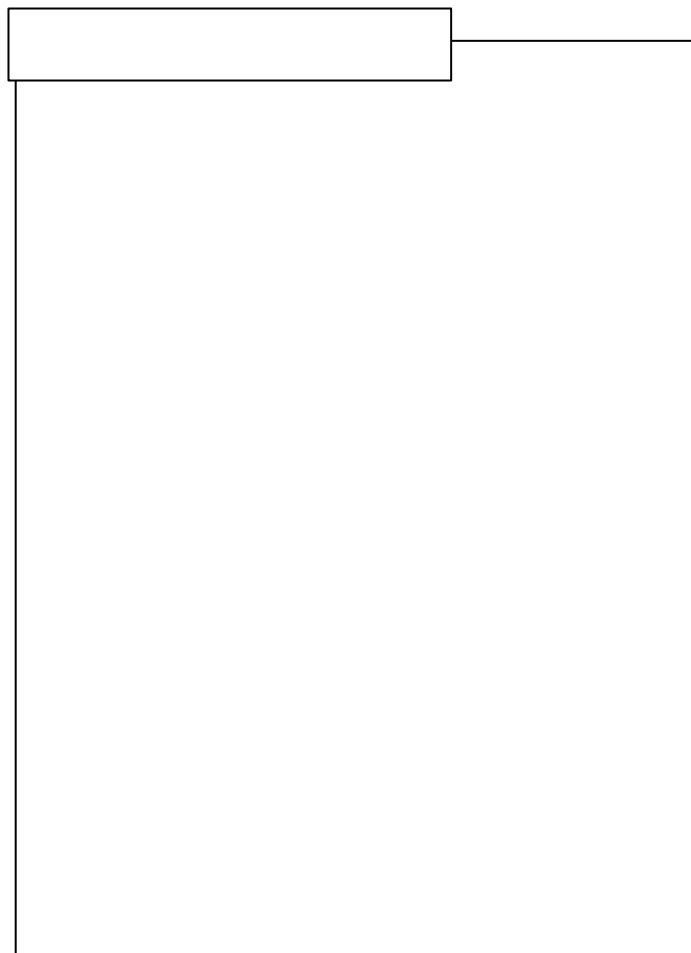
choices available to consumers and the establishment of new arrangements for industry self-regulation; all of which increased AUSTEL's workload.

1.5 AUSTEL had a budget in 1995-96 of $14.3m and employed 150 staff with a small regional office presence of two or three people in each State capital. An organisation chart is presented in Figure 1.

SMA

1.6   The SMA was a Commonwealth statutory authority established by the *Radiocommunications Act 1992* and was responsible for managing the radio spectrum. The services delivered by SMA included licensing spectrum and radio apparatus use, assigning radio frequencies, investigating radio and television interference, and monitoring suppliers' compliance with technical standards.

1.7   The decreasing level of communications regulation has reduced the compliance burdens on industry and reduced the number of individual licences issued over the past three years from 880 000 (1993) to approximately 202 000 (1996). However, this reduction in volume was replaced by new demands on spectrum use and increasing complexity in the nature of licences and the assignment of spectrum. The introduction of market mechanisms for spectrum allocation and the creation of a form of property right over the use of the spectrum has provided flexibility to clients and has increased the pressures for performance on SMA.

1.8   SMA services were mainly delivered through the Customer Services Group (CSG) which consists of two Canberra-based teams and the thirteen area offices located in the capital cities and larger regional areas around Australia. (Figure 2 refers). In the financial year ended 30 June 1996 the SMA raised revenue of $145m and incurred expenditure of $35m. The SMA employed a total of 361 full-time equivalent staff.

Reasons for the audit

1.9   The audit was undertaken in response to the interest of the House of Representatives Standing Committee on Communications, Transport and Microeconomic Reform in the delivery of public sector communications services to industry and the community by AUSTEL and SMA. The topic of client service has also been endorsed by the ANAO as a priority theme for audit coverage.

Audit objectives, scope and focus

Audit objectives

1.10 The objective of the audit was to review AUSTEL and SMA's approaches to service delivery against recognised good practice methodology and to identify opportunities for the ACA to adopt the relevant features of both AUSTEL and SMA in service delivery. Briefly summarised, the audit sought to identify:

- the degree to which planning frameworks were specifically directed to the delivery of quality service;
- the extent of client communication and consultation processes that identified client needs and enabled service delivery to be focussed on meeting these needs;
- the degree to which resource management practices enabled skilled resources to be allocated to where they were most needed for efficient and effective service delivery;
- the use of technology and organisational arrangements to assist quality service delivery; and
- the existence of performance measurement and reporting arrangements that provided an effective evaluation of service delivery performance in terms of time, cost and quality.

1.11 The audit focussed on the Customer Services and Corporate Support Groups of SMA and the Carrier Monitoring Unit, Corporate Resources, Industry Affairs, Technical and Consumer Affairs Branches of AUSTEL.

Audit methodology

1.12 The audit methodology and criteria were developed from recent ANAO audits of customer service in the Department of Social Security[2] and the Australian Taxation Office[3], and a wide range of studies and publications on client service (Appendix 1 refers). A client perspective of service delivery was introduced into this audit model by incorporating the results of a major survey of clients by SMA and through ANAO consultation with a wide range of client groups in radio communications and telecommunications, including representatives from industry and consumer bodies. The audit approach also included discussions with senior management and staff of AUSTEL and the SMA at their area and state offices.

1.13 The audit model was augmented by the recent examination of quality service by the Department of Finance, the Australian Quality Council, and the Report from the Senate Finance and Public Administration Committee on Service Delivery by the Australian Public Sector.

1.14 The ANAO also engaged a consultant (the Ambidji Group) to review AUSTEL and SMA's approaches to performance reporting and measurement,

---

[2] Audit Report No.25 1996-97, Customer Service, Department of Social Security, AGPS 1996
[3] Audit Report No.22 1996-97, Client Service, Australian Taxation Office, AGPS 1996

particularly in terms of time, cost and quality of service delivery against international practices in New Zealand, United Kingdom, Canada, the United States of America, Japan and Hong Kong.

Audit conduct

1.15 The audit was conducted in accordance with the ANAO Auditing Standards. The audit commenced in January 1997 and the bulk of fieldwork was conducted between February 1997 and May 1997. The total cost of the audit was $290 000.

2 The framework for service delivery

In this chapter, the ANAO examines the corporate orientation of AUSTEL and the SMA to the delivery of quality services and the extent to which organisation arrangements were structured around key service delivery objectives. The ANAO concludes that there are opportunities for the ACA management to more clearly define and promote service delivery as a key corporate objective.

Introduction

2.1   The ANAO examined the service delivery frameworks of AUSTEL and the SMA against the criteria derived from studies of service delivery by the ANAO and experts in customer service (Appendix 1 refers).

The service delivery environment

2.2   Experts identify the following internal characteristics as being essential for creating an organisational environment that focuses on service delivery:

- a strong organisational commitment to key service delivery objectives - this is indicated by the agreement by managers and staff on the organisation's key objectives, organisational structures and practices that are clearly focussed on service delivery;

- a strong individual commitment by both managers and staff to provide quality customer service, balancing the needs of service delivery against internal needs for accountability and cost effectiveness; and

- a positive climate in which staff are encouraged to improve the processes adopted for service delivery.

2.3   Successful organisations have a strategic direction and organisational commitment to service delivery that is owned by every person in the organisation and which inspires everyone to direct their best efforts to the delivery of services. The strategic direction outlines the organisation's priorities, directions and operations, and lets clients and stakeholders know the level and quality of service they can expect to receive.

The organisational commitment to service delivery

2.4   The ANAO sought to establish the degree to which the strategic directions for service delivery (as set out by corporate objectives, business plans and service strategies) demonstrated a commitment to service delivery and established priorities for the delivery of services.

Although corporate planning strategies commit both organisations to client service, the nature and strength of this commitment could be made clearer to clients and staff

AUSTEL

2.5   Corporate planning documents, organisational structure and operations were focussed on the delivery of service and directly reflected AUSTEL's statutory responsibilities. AUSTEL was highly structured with specific branches for industry and technical affairs, consumer affairs, competition, carrier monitoring and corporate resources. ANAO discussions with industry representatives, management and staff indicated that there was a strong corporate commitment within AUSTEL to this role.

SMA

2.6   Corporate planning documents identified service delivery as a key result area and the Customer Services Group business plan had a strong emphasis on the delivery of services. There were clear links between the corporate plan and group business plans through defined key result areas, objectives and strategies for achieving objectives. The strength of this commitment was also reflected by SMA's structure which included a business unit dedicated to client service (the Customer Services Group) and the network of area offices within this group providing quality service accessible to clients across Australia. The area offices were an important vehicle for the delivery of quality service.

2.7   However, the ANAO found that there were different interpretations of corporate planning documents across the organisation and this had contributed to:

- inconsistent priorities and resources being applied to service delivery;

- area offices developing their own strategies and directions for service delivery purposes which were away from a clearly identifiable corporate approach and which caused

some ambiguities in servicing national clients; and

- uncertainty regarding the corporate priority attached to service delivery. This was reflected by a Central Office perspective that area offices were tending to over-service clients and an area office perspective of Central Office being more concerned with internal administration than service delivery.

2.8 The development of improved processes for communication and consultation between the ACA, its staff and its clients, as outlined further on in this report, can help the ACA to clarify any uncertainty regarding its orientation towards quality service delivery.

2.9 The ACA has an opportunity to strengthen organisational commitment by clearly specifying the priority to be given to service delivery. This step can be supported by introducing definitive plans of action, as outlined in this report, against identifiable, agreed and clearly specified service delivery objectives. The development of the Charter of Customer Service required by the Government should assist the ACA to strengthen its orientation to service delivery and provide staff ownership of the service delivery framework.

Recommendation No. 1

2.10 The ANAO recommends that the ACA, in developing its corporate and business plans from those of AUSTEL and SMA, strengthens the organisational commitment to quality service delivery.

ACA response:

2.11 Agreed. This recommendation is most useful and timely as the ACA is currently developing its Corporate Plan and Service Charter to establish itself as a distinctive organisation following the merger of AUSTEL and SMA.

Recommendation No. 2

2.12 The ANAO recommends that the ACA implements a well structured process of consultation with its staff, clients and stakeholders in developing and implementing its Customer Service Charter.

ACA response:

2.13 Agreed. The ACA's Service Charter is well developed and integrated with Corporate Plan development. Both documents are being prepared in consultation with staff as 'ownership' is considered fundamental to achieving the organisational values and directions encompassed within them. The comprehensive Customer Satisfaction Survey

conducted by the SMA provided valuable feedback on customer requirements that have been incorporated into the Service Charter. The next step is further consultation with industry and consumer peak bodies.

Individual commitment to quality service

2.14 The delivery of quality service requires management and staff to have a clear focus on the core business of the organisation and to strike a balance between the needs of its clients and the needs of its internal administration in terms of public accountability and cost effectiveness. Achieving this focus requires an individual commitment to client satisfaction that is clear and unequivocal. The ANAO sought to identify the degree to which management and staff in both organisations achieved this balance.

Individual managers and staff of both organisations demonstrated a strong commitment to client service

2.15 The ANAO found that in both AUSTEL and SMA there was a high level of personal motivation and commitment to service delivery by individual managers and staff. This

commitment was demonstrated by the general willingness of managers and staff to work beyond office hours and at weekends without additional payment in identifying sources of interference or in providing other services to clients.

2.16 ANAO discussions with industry and consumer groups confirmed that individual managers and staff were considered by these groups to be clearly committed and that this commitment had been demonstrated in their approaches to quality service delivery.

Providing a positive climate for staff

2.17 The delivery of quality service is facilitated by an environment where staff are encouraged to improve the processes adopted for service delivery. The ANAO sought to identify the degree to which such an environment existed in AUSTEL and SMA.

The degree to which staff were encouraged to improve the processes for service delivery varied significantly between AUSTEL and SMA

AUSTEL

2.18 In AUSTEL, the devolution of responsibilities and empowerment of staff was not strong and there was little evidence of organisational encouragement of staff initiatives in service delivery. Staff consultative processes, particularly for service delivery, could have been improved. AUSTEL tended to follow a more traditional public sector approach to management with designated lines of authority and control through its hierarchy. While this approach provided accountability and certainty, it had discouraged staff initiative aimed at improving service delivery.

SMA

2.19 SMA senior management placed a strong and visible emphasis on encouraging staff to identify how changes could be made to the organisation. SMA had a strategy of staff empowerment so staff had discretion in decision making, especially relating to customer service. The framework and structures used by the SMA to support this arrangement had placed particular emphasis on:

- service delivery through decentralised offices that were close to customers;

- maximum devolution of responsibility, authority and accountability to facilitate service delivery through a deliberate risk management strategy;

- use of teams as the fundamental organisational component; and

- use of terminology/language to facilitate a service/team approach.

2.20 Overall, SMA had a clear commitment to public sector management ideals and effective staff management practices, as reflected in the Institute of Public Administration of Australia national award of Excellence in Public Management for 1996.

3   Communicating with clients

In this chapter the ANAO assesses the processes used by AUSTEL and SMA to identify key clients, understand client needs and expectations, communicate with their clients and deal with client complaints. The ANAO found that communications with clients and stakeholders could be improved.

Introduction

3.1   Effective processes for identifying and communicating with clients and stakeholders are essential for successful quality service delivery. Client communication includes the capacity of the organisation to understand and respond to client needs and expectations. In terms of client communication, organisational characteristics that experts have identified as being linked to positive service delivery outcomes include:

- identifying key clients and stakeholders;
- understanding client needs, expectations and perceptions;
- providing clients and stakeholders with relevant information;
- meeting clients and receiving feedback from them; and
- establishing a mechanism for dealing with client complaints.

Identifying key clients and stakeholders

3.2   Corporate agreement on who are the key clients and stakeholders is the first step in the communication process. This information can help to set the fundamental corporate directions and priorities. The ANAO examined the processes employed by AUSTEL and SMA for identifying key clients.

Systems for identifying and obtaining corporate agreement on key clients and stakeholders were at a developmental stage

3.3   In both AUSTEL and SMA, at an organisational level, systems for identifying and obtaining corporate agreement on who were the key clients and stakeholders and their needs for service delivery, were not strongly developed. At the time of audit, some units had developed their own databases and methods for client identification. Individually these

systems had been effective but information on clients and client contact could have been better shared throughout both agencies.

3.4   Corporate identification and agreement on key clients and stakeholders could have reduced the duplication of client contact by individual branches and encouraged consistent approaches to service delivery. At the time of audit there was scope for better sharing of client information, particularly frequently contacted major clients.

Recommendation No. 3

3.5   The ANAO recommends the ACA develops an integrated database which accurately records relevant information on all clients' together with details of ACA client contact.

ACA response:

3.6   Agreed. The RADCOM computerised business system is the integrated data base for holding customer information for the ACA. At the time of audit the Field Activities Management System (FAMS) module of RADCOM was not operational and there were a range of data bases containing information on equipment suppliers, manufacturers and importers. The FAMS module became operational at the end of July and those data bases are now being migrated to RADCOM.

Client needs, expectations and perceptions

3.7   A continuous flow of information on client needs, expectations and perceptions about service delivery performance can help to ensure that service delivery is structured in a way that meets both the needs of the organisation and those of its clients and stakeholders.

3.8   The ANAO sought to ascertain the extent to which existing processes were able to provide a clear understanding of client needs, expectations and perceptions of the service they received.

Local processes for identifying client needs and expectations were good but could be improved at a corporate level - the SMA client survey provided an effective first step in this respect

AUSTEL

3.9   Strategies for client contact and consultation were strongly developed and took the form of advisory committees and peak forums such as the AUSTEL Consumer Consultative Forum (ACCF). These strategies related mainly to broader telecommunications issues and

were aimed at meeting the requirements of the *Telecommunications Acts (1989 and 1991)*. This consultation was mainly directed at technical issues and carrier performance, and there was scope to extend this consultation to AUSTEL's own service delivery performance.

SMA

3.10 Client consultation with industry took a variety of forms at Central Office and area offices. At a corporate level, consultation had largely been limited to formal peak fora, such as:

- the Radiocommunications Consultative Council (RCC) which was the main consultative mechanism that SMA had established with key industry, government and consumer groups;

- a range of Australian Radiocommunications Study Groups (ARSG) that report on questions relating to particular technical issues; and

- client consultation in the development of the continuous auction system.

3.11 These arrangements facilitated consultation with major industry and consumer groups and enabled clients to have a say in policy development. However, there was scope for these consultative arrangements to include service delivery performance.

3.12 Industry and consumer groups indicated to the ANAO that they were provided with opportunities for consultation on policy issues but that, on occasion:

- they were listened to but not heard - in some situations the consultation had appeared to have been undertaken as a matter of form not substance; and

- there was scope for SMA, in consultation with industry representatives, to develop and advise industry and the wider community of its time frames for decisions.

3.13 Area offices had direct contact with their clients and had developed a close understanding of the service requirements of individual clients. This consultation took various forms including contact with local colleges, community groups and business operators and was effective. There is scope for the ACA to build on this and share information across the organisation. Some mechanisms include:

- a continuous survey process at the time of delivering a service (for example, attaching a questionnaire to each licence form, certificate of

proficiency or interference investigation);

- the use of client focus groups, interviews and call backs to clients after a service has been delivered; and

- the use and recording of formal and informal national and local contact with peak industry and consumer councils, consultative committees and focus groups.

3.14 The 1997 client survey provided SMA with valuable feedback on various aspects of its services and the way services are delivered, including those aspects of service delivery that clients value from SMA. The ACA has an opportunity to build on this research by:

- communicating research findings to front line staff so they can understand client needs and expectations for service delivery and tailor services to meet these;

- conducting further annual research to gauge the success of strategies put into place and detect any changes in client needs and expectations; and

- using research data to improve performance standards for service delivery, as outlined in Chapter 6.

Recommendation No. 4

3.15 The ANAO recommends that, in order to improve client

consultation and gain a greater understanding of client needs, the ACA:

- introduces a systematic approach to client research including continuous client feedback mechanisms (such as questionnaires, client focus groups and surveys) and communicates the results to all staff;

- reviews its use of consultative mechanisms to include both national and local consultative committees with service delivery as a standing item on any meeting agenda; and

- develops, in consultation with industry and consumer groups, appropriate time frames for consultation and decision-making.

ACA response:

3.16 Agreed. The conclusions of the Customer Satisfaction Survey, which were similar to the ANAO findings, have been most valuable in shaping an organisational strategy for customer service. The ACA plans to conduct such surveys on a regular basis and is reviewing all its consultative mechanisms. The ACA Service Charter, which is being prepared in consultation with customers and industry/consumer peak bodies, contains time-frames covering consultation and decision-making.

The promotion of services

3.17 The ANAO examined the processes used for promotion, including the provision of information to clients and stakeholders on the organisations' roles and responsibilities and its products and services. Effective strategies for promotion can help to provide clients and stakeholders with realistic expectations of what can be delivered.

An effective communications strategy can help the ACA resolve client uncertainties regarding roles and responsibilities

3.18 Both AUSTEL and SMA had put considerable effort into providing clients with information on their respective roles and responsibilities, including through the publication of a wide range of material. However, the ANAO found that gaps have appeared in this promotional effort. For example:

- clients were uncertain about AUSTEL's role and frequently confused AUSTEL with Telstra. AUSTEL itself may have contributed to this uncertainty by not clearly describing a consistent role and responsibilities in its publications;

- 38 per cent of regular radio frequency licensing clients

responding to SMA's survey considered SMA's public profile to be low to very low;

- 31 per cent of regular clients indicated uncertainty about the role of SMA in resolving their complaints about radio interference;

- SMA's responsibilities in some areas were not easy to identify from the telephone index; and

- there were opportunities to better present the publications available in public access and counter areas in State offices to provide for consistency in presentation, variety, volume and currency of publications.

3.19 There was also scope for improving the content of publications and forms. For example, industry and consumer groups indicated to the ANAO there was scope for greater clarity of licence detail and SMA requirements in some forms and publications. Similarly, the results of the 1997 SMA client survey indicated that, although clients were satisfied overall:

- 25 per cent of respondents considered that additional information on developments, products and services would have been useful;

- 29 per cent of licence applicant respondents had sought assistance from the SMA to complete their application forms; and

- 35 per cent of respondents considered that the SMA guidance booklet on how to deal with interference problems could be improved.

3.20 The ANAO noted that the SMA had undertaken a review of its information management during the audit and had instituted a new strategy to:

- establish a process for the approval and production of all types of documents, including Intranet/Internet and hard copy publications;

- rationalise and restructure existing categories of business documentation to minimise duplication and facilitate access to information by users;

- take advantage of the economies and speed of access of Intranet/Internet publishing technologies; and

- establish consistent document presentation standards.

3.21 There is scope for the ACA to introduce a communications strategy, including a centralised distribution database, and an ongoing review of publications to better reflect the information needs of clients.

Recommendation No. 5

3.22 The ANAO recommends that the ACA:

- develops an effective communications strategy to include details of proposed publications and promotional activities; and

- reviews the content and distribution of its 'flagship' publications to clients.

ACA response:

3.23 Agreed. As part of the establishment of the ACA, a communications strategy is being developed to reflect its role as a regulator for telecommunications and radiocommunications in a new industry environment. The strategy includes the type, scope and distribution of publications.

Performance feedback and complaints handling

3.24 Performance feedback from clients and the measurement of client satisfaction can help organisations improve the relevance and quality of existing services, to make decisions on services and to make the best use of their available resources. The ANAO sought to identify and review the existence of mechanisms, both qualitative and quantitative, for gathering information on client satisfaction with service delivery performance. Effective systems

are part of good corporate governance.

> ***Systems for regularly obtaining client feedback on performance need to be developed - the SMA client survey is a good start***

AUSTEL

3.25 At the time of audit, there were limited forms of feedback from AUSTEL clients. Mechanisms for obtaining feedback from clients on AUSTEL's own performance had essentially been limited to:

- a survey of its advisory committees by Industry Affairs Branch;

- some occasional general feedback from forums such as the AUSTEL Consumer Consultative Forum (ACCF); and

- a questionnaire to readers of the Quality of Service Bulletin concerning the usefulness of the bulletin to its clients.

SMA

3.26 In SMA corporate mechanisms for obtaining client feedback were being developed and the 1997 client survey was the first step. Feedback had been obtained from a range of mechanisms, usually by area offices. Area managers indicated

that mechanisms for enabling feedback to be taken up in developing corporate service delivery arrangements and strategies could have been more systematic.

Complaints handling

3.27 Complaints are the ultimate form of performance measurement in service delivery. They are a source of valuable information and provide opportunities for correcting faults by:

- identifying areas where service can be improved;

- supplementing market information gained from other forms of client research; and

- monitoring the results of process improvements.

3.28 Within the Australian public sector all agencies that deal with the public are required to develop service charters in consultation with their clients. An articulated policy on obtaining feedback and handling client inquiries and complaints is an essential feature of the charter.

3.29 The ANAO looked at the way AUSTEL and SMA provided avenues for clients to complain, how they monitored complaints, how they acted on complaints and how service delivery practices were adjusted where necessary.

Effective systems for complaints handling (on service delivery) need to be developed at the corporate level as part of good corporate governance

3.30 AUSTEL and SMA received three basic types of complaint: Ministerial complaints (that is, complaints made to Ministers), technical complaints (such as complaints about carriers or complaints about radio interference), and complaints about service delivery.

3.31 Both organisations received few Ministerial complaints in comparison with their total client base (estimated by both organisations as less than 50 complaints per year). These complaints were handled expeditiously on individual administrative files maintained by action officers. There was no evidence of any systematic difficulties with these complaints.

3.32 There were some areas for improvement in the handling of technical complaints while systems for handling service delivery complaints were not well developed, as indicated below.

Service delivery complaints

3.33 Effective complaints handling mechanisms can lead to significant improvements in service delivery by providing feedback on the problems clients are experiencing and identifying gaps in service delivery. The ANAO looked for processes for dealing with client service complaints that were visible and accessible for clients and which were supported by management systems for data collection, reporting and review.

3.34 The ANAO found that in both AUSTEL and SMA:

- the processes for handling complaints about service delivery were not readily identifiable and clients were not advised how to raise complaints of this type; and

- there were no systems for collecting, reporting and analysing complaints about service delivery performance.

3.35 The development of processes for handling service delivery complaints should be addressed by the ACA as a matter of priority (Recommendation No.10 refers).

Technical complaints

AUSTEL

Carrier and service provider complaints

3.36 Complaints about carriers and service providers were well handled. AUSTEL's role in this area was generally limited to referring these complaints back to the relevant carrier or service provider, or to the Telecommunications Industry Ombudsman. These complaints were recorded, tracked and analysed in the Customer Record Information System (CRIS) which was an effective system with analytical and reporting capabilities.

SMA

Broadcast interference complaints

3.37 The SMA had direct responsibility for investigating technical complaints and an effective complaints-handling system was essential. Technical complaints were recorded on the RADCOM system. In area offices technical complaints were handled expeditiously. However, overall, there were opportunities for improving complaints handling by:

- promoting an organisation-wide commitment to resolving complaints and letting people know how to complain (for example, by having easy to read entries in telephone books and increasing the public profile of the SMA);

- developing guidelines and training for staff on complaints-handling (including developing clear policies on important complaints-handling issues, guidelines to cover complaints handling processes, definitional issues (such as complaints versus inquiries) and record maintenance;

- improving the reliability and consistent use of RADCOM data. Table 1 outlines examples of anomalies in data entry (such as complaints being answered before they were reported). Table 2 outlines examples of differences between data entered into RADCOM and data presented in area office management reports (such as the number of assistance booklets sent to clients);

- extending either AUSTEL's CRIS or SMA's RADCOM system to cover both technical and administrative complaints. An improved management reporting system (FAMS) based on RADCOM data was being developed to handle field activities and technical complaints for implementation late July 1997; and

- improving the quality of management reports on complaints. ANAO analysis indicated that the quality of reports varied between area offices, particularly in reporting performance against performance indicators and standards (Table 3 refers).

3.38 The need for improvement in complaints-handling is reflected in the 1997 SMA client survey which identified particular problems in dealing with technical complaints, for example:

- 20 per cent of 'interference' respondents to the survey were dissatisfied. The main source of this dissatisfaction was the persistence of the interference problem; and

- 51 per cent of respondents to the survey reported that their interference problem had been resolved; 49 per cent of the respondents reported that the problem had remained - further interviews with this group confirmed that clients were not adequately advised of the progress of their complaint or its resolution.

3.39 These results indicated that clients were uncertain about the role of SMA in resolving complaints. The development of a corporate communications strategy could help the ACA to resolve these uncertainties.

Recommendation No. 6

3.40 The ANAO recommends that, to enhance client feedback on service delivery performance, the ACA:

- develops and distributes to staff, policy and procedures for complaints handling;

- enhances mechanisms for obtaining complaints from its clients and stakeholders, and advise these processes to clients;

- improves standard management information systems to record and report on all complaints; and

- develops processes for monitoring performance on complaints handling such as the introduction of response times, corporate undertakings on performance and public documents indicating performance standards.

ACA response:

3.41 Agreed. The ACA is currently developing a Business Operational Procedure (BOP) to cover the handling of complaints. The BOP will be displayed electronically on the ACA Intranet that is accessible to all staff. A new electronic complaints management system is being developed as part of the FAMS module of the RADCOM business tool. The ACA Service Charter is the vehicle for customers to be aware of the ACA complaints handling arrangements and associated performance standards.

Table 1
ANAO analysis of interference complaints data for SMA

Radio-communications interference
- completeness of RADCOM broadcast records From 1 July 1996 to 13 June 1997

Area Office	Number of Complaints Logged on RADCOM	Number closed off	Number with negative response times (Note 1)
Central Office	0	0	0
Sydney	144	117	6
Melbourne	12	5	0
Brisbane	11	6	1
Adelaide	140	108	6
Perth	18	18	5
Hobart	16	4	2
Canberra	0	0	0
Darwin	18	10	2
Rockhampton	55	52	3
Townsville	35	27	7
Cairns	59	53	4
Newcastle	62	46	3
Coffs Harbour	32	22	6

Note 1: A 'negative' response time indicates that the complaint has been entered in RADCOM with a completed date earlier than the date the complaint was actually received by SMA.

Table 2
ANAO comparison of RADCOM data and area office management reports

Compares RADCOM records for broadcast interference with data from area office management reports on the number of interference booklets issued. Data is for the nine months 1 July 1996 to 31 March 1997.

Area Office	Number of complaints logged on RADCOM	Number of booklets issued (management reports)
Central Office	0	0
Sydney	927	1198
Melbourne	108	1507
Brisbane	13	635
Adelaide	1045	1022
Perth	14	885
Hobart	15	73
Darwin	5	19
Canberra	2	44
Cairns	96	70
Townsville	42	48
Rockhampton	130	127
Newcastle	199	299
Coffs Harbour	67	57

Note: The ANAO would expect to find that the minimum number entered into RADCOM to at least equal the number of booklets issued.

Table 3
SMA area offices reporting against performance targets
March Quarter 1996-97 (Examples only)

Result areas	Performance indicator or target	Number of area offices reporting results as		
		Quantified results	Results as comment	No results
Licensing and frequency assignment	90% of applications received, not requiring frequency assignment or other action by the applicant, are to be licensed within one week	9	4	1
	90% of applications received requiring frequency assignment, which do not require further action are to be completed within one month	8	5	1
	90% of licence renewal applications are to be processed within 3 working days	6	5	3
Frequency assignment	At least 99.5% of new frequency assignments will be completed without any claims for compensation	4	10	-
	At least 99% of new frequency assignments will not require correction after the service has been established	4	9	1
Licensing of frequencies submitted by accredited frequency assigners	90% of frequencies submitted for licensing by accredited frequency assigners are to be licensed within 5 working days following receipt of complete documentation	3	9	2
VHF Band restructuring	More than 90% of applicable services are to comply with implementation plan milestones.	-	2	12
	Timely and quality advice is to be provided to affected parties on band restructuring requirements.	-	3	11
	Produce regular progress reports on VHF Band Plan implementation and update the implementation plan when/where applicable.	-	-	14
Radiocommunications interference investigations	Instigate investigations of interference situations involving safety of life immediately, where possible, upon receipt of complaint.	1	3	6
	Instigate all investigations within 2 working days of receipt of complaint	2	3	9
	Resolve complaints in a timely manner based upon seriousness.	8	2	4

Table 3 (continued)
SMA area offices reporting against performance targets
March Quarter 1996-97

Result areas	Performance indicator or target	Number of area offices reporting results as		
		Quantified results	Results as comment	No results
Television and broadcasting interference investigations	Provide quality and timely advice to the viewer/listener.	7	3	4
Compliance	Undertake public education programs on legislative and Agency requirements aimed at increasing awareness of compliance requirements, within the context of the area office and the SMA publicity strategy.	-	3	11
	Establish benchmarks for the extent of conformity with legislative requirements through spectrum audit.	-	1	13
Customer relations	Provide within 2 working days a quality response to any telephone enquiry received.	2	4	6
	Provide within one month a quality response to any written enquiry received from both Central Office and area offices (interim replies to be sent if necessary).	2	1	11
	Provide friendly, helpful and efficient counter and field service.	-	8	6
	Provide a 'one stop shop' to customer/ enquiries by having the office initially contacted take responsibility for ensuring the required information is provided to the customer.	-	1	13
Ministerial responses	Provide within 2 weeks a quality response in the form of a final draft cleared by the area manager to any representation referred by Central Office for processing, from the date referred.	-	11	3

7

4 Managing resources for service delivery

In this chapter the ANAO examines the resource management processes of AUSTEL and the SMA for service delivery. The ANAO found there are opportunities for the Australian Communications Authority to introduce resource management processes that better allocate resources according to the priorities identified for quality service delivery.

Introduction

4.1 Flexibility to direct resources to where they are needed, when they are needed, is a key factor in successful service delivery. The ANAO assessed the degree to which resource management strategies helped to achieve quality service delivery against the following criteria:

- the degree to which resource allocation processes ensured that resources were allocated in accordance with the priorities and needs for service delivery;

- the identification of skills in service delivery as a key criterion in the recruitment and advancement of staff;

- the existence of formal and informal staff development programs in all aspects of service delivery; and

- the use of rewards and recognition to encourage staff to develop a service delivery ethic.

Resource allocation

4.2 The ANAO sought to identify the existence of processes for ensuring that resources were allocated to the priority areas for service delivery.

Resource management methods can better allocate resources to areas of identified need

AUSTEL

4.3 Within AUSTEL resources were allocated on an historical basis, with some adjustment for price variations and new policy proposals. In agreeing with the need for resource management approaches to be reviewed,

AUSTEL advised the ANAO that this had not been possible because of budget constraints, reduced staff levels and the developmental work necessary for the merger with SMA.

4.4   Corporate and business plans did not indicate the specific priorities for service delivery. The existence of clear priorities based on service delivery needs could have assisted the resource allocation process.

SMA

4.5   Efficient resource management and allocation is particularly pertinent to SMA which had, in recent years, experienced a reduction in staff levels from 401 at 30 June 1995 to 367 in April 1997; and in its area office network from 26 offices to 13 offices as a result of general budgetary constraints.

4.6   Within the SMA, although there had been staff reductions in some area offices and some area offices had been closed in recent years, a more analytical approach to matching resources to workloads, taking into account the achievement of performance standards, would have improved resource allocation. Resources were allocated on the basis of historical levels with adjustments for price variations and new policy proposals. This process had provided a stable base on

which to review staff levels and the need for area offices; but could mask inefficient processes and resource under-use, and did not encourage improvements in efficiency or operational effectiveness.

4.7   The SMA had undertaken an activity-based costing review for the purposes of setting its fees and charges. The results of this review indicated that there were significant variations in the costs per transaction, productivity rates and revenue-earning of individual area offices. At the time of audit, SMA was reviewing its resource allocation methods.

4.8   There are opportunities for the ACA to introduce internal benchmarking and activity-based costing to help it to identify more efficient service delivery practices. This approach will enable resource and workload allocation practices to be introduced using relative operational efficiencies and service delivery priorities as a basis.

Recommendation No.7

4.9   The ANAO recommends that the ACA introduces resource allocation processes that are based on workload and identified priority areas for service delivery. These processes can include the use of work analysis, using the

previous SMA activity-based costing review as a starting point, and projections of demand for specific services.

ACA response:

4.10 Agreed with qualification. Within the constraints of the public sector budgetary and personnel systems, the SMA proactively managed resources, developing a coherent strategy for enhancing staff performance and accountability. The bureaucratic processes to support this strategy were minimal as the leadership, close communications and cohesion within the SMA did not necessitate it. Hence, they were not transparent to the ANAO. As personnel resources were refocussed/reduced in a work area to enhance overall performance, financial resources were adjusted accordingly.

4.11 Nevertheless, the SMA agrees that there are a range of indicators which can collectively paint a picture of demand and performance. The Quarterly Performance Monitoring Reports combining accrual-based financial and operational performance indicators introduced by the SMA and being implemented throughout the ACA have this objective.

Staff recruitment and advancement

4.12 The ANAO reviewed the allocation and use of human resources and sought to find out how skills and abilities in service delivery were considered in staff recruitment and advancement.

Skills and abilities in service delivery were rated highly by management and clients but could have been specified more clearly in staff selection documents.

AUSTEL

4.13 Service delivery was an essential element of AUSTEL's operations at all levels and management rated skills in service delivery highly. However, apart from positions in the Consumer Affairs Branch, there were only occasional references to these skills in job descriptions and position profiles. Relevant skills could have been more clearly specified in recruitment or promotion documents.

SMA

4.14 The SMA also placed considerable emphasis on the service delivery capabilities of its staff and indicated that service delivery abilities were sought after in its staff. SMA clients and stakeholders confirmed that this

is an area that they consider important, for example:

- the 1997 client survey indicated that clients rated the availability of skilled and knowledgeable staff highly (with a rating of 8.9 out of 10). SMA had a good rating (with an achievement of 7.9 out of 10) but there was room for some improvement; and

- industry, managers and staff indicated to the ANAO that service delivery skills were essential.

4.15 The ANAO found that:

- there were references to team and inter-personal skills in position profiles but specific skills in service delivery were not designated as essential in most first point-of-contact positions; and

- these skills could have been more strongly recognised in position profiles such as, job descriptions and selection criteria for recruitment and promotion purposes, particularly for first point-of-contact positions.

4.16 The ANAO recognises that team and inter-personal skills are important components for the effective delivery of quality service. Specifying that skills and abilities in service delivery are essential criteria for appointment and advancement will complement the requirement

for team and inter-personal skills and help the ACA to move towards the achievement of quality service delivery.

Recommendation No.8

4.17 The ANAO recommends the ACA reviews selection criteria where appropriate to ensure that appropriate emphasis is given to quality service delivery requirements.

ACA response:

4.18 Agreed with qualification. The SMA emphasised business knowledge, team and communications skills in recruiting new staff as it saw these skills as being the substance of service delivery skills. However, with the establishment of the ACA and changes to business practices stabilising, selection criteria will now contain a specific service delivery focus as well as knowledge, team and communication skills.

Staff development and training

4.19 The ANAO reviewed staff development and training programs to identify the extent to which these programs were based on specified organisational and individual

requirements for service delivery.

The ACA has an opportunity to develop staff training programs that focus more strongly on identified needs for personal and organisational development, particularly in client service

AUSTEL

4.20 As noted above, skills in client service were considered by AUSTEL management and staff to be essential. However, discussions with a wide range of people in AUSTEL indicated that skills in client service generally had been acquired by experience rather than through formal training. This had the potential to affect the consistent delivery of quality service because of the possible lack of such skills by some staff.

4.21 The ANAO found that:

- there was scope for a more structured approach to staff development based on the identified needs of staff to assist AUSTEL service delivery. There had been little training in service delivery for staff at all levels and locations (although the Human Resource Development Committee (HRDC) had endorsed client

service as one of its priorities); and

- the general approach to training and development had tended to be fragmented across individual branches: branch heads were responsible for arranging staff training. There was scope for improving the focus and structure of training to ensure that HRDC proposals were taken up.

SMA

4.22 SMA was committed to staff development and training, and staff were encouraged to participate in the SMA's Strategic Human Resource Development Plan. Staff had a good understanding and appreciation of SMA's general service delivery requirements but their approach to service delivery tended to be highly individualistic. In the smaller offices, staff knowledge of service delivery requirements was augmented with specific technical knowledge of radio-communications services, again achieved mainly through on-the-job experience. There was strong support for service delivery training, particularly for technical officers who had to interact with a variety of clients when dealing with interference problems.

4.23 However, the ANAO found that:

- the staff development plan and associated program could have better reflected the commitment of SMA to service delivery by articulating specific service delivery objectives for staff development. The staff development objectives for 1995 through to 1998 made no mention of the need to work towards providing staff with skills in all aspects of service delivery;

- the staff development program could have been more specifically directed towards meeting SMA requirements for service delivery. This type of training had been limited, although some area office staff had attended a seminar on providing customer service and in dealing with customer aggression; and

- training staff in a variety of organisation functions can provide a relatively inexpensive and effective way of providing organisational flexibility, job enrichment and diverse skills. Two of the smaller SMA offices visited used team-based structures in which staff performed a range of clerical and quasi-technical tasks. For service delivery purposes these

arrangements enhanced staff skills, improved service response times and provided staff with more variety in their work.

4.24 Staff rotation and cross training in a variety of positions and tasks are other methods of personal and organisational development that are available to the ACA. In one of the larger offices, the SMA had introduced a staff rotation scheme which involved people moving between different jobs and teams. Staff reaction had been generally positive (after initial reservations) and the rotation had provided staff with a variety of opportunities to enhance their skills, operational flexibility and productivity.

4.25 During the audit the SMA introduced a program of training needs analysis for work groups. This program involved individual work groups identifying the particular skills needed for the work they were doing, and the form of training necessary to acquire these skills. The ANAO endorses these steps taken by SMA. The ACA can build on this effort by targeting the specific elements of service delivery that it considers to be essential for the delivery of programs.

Recommendation No.9

4.26 The ANAO recommends that the ACA extends its staff development program to

incorporate training needs analyses for individual staff members that focus on identified areas of priority for service delivery.

ACA response:

4.27 Agreed. Although the Strategic HRD Plan for the SMA identified customer focus as its prime staff development principle and customer service training as a training type, the ACA Staff Development Strategy will be structured to better reflect and deliver training in customer service for officers working in priority areas of service delivery.

Rewards and recognition

4.28 The ANAO sought to identify the extent to which tangible and intangible rewards and recognition were applied to reinforce management expectations of staff delivering quality services.

There is scope for alternative forms of recognition and reward to be introduced

AUSTEL

4.29 In AUSTEL, recognition of staff contributions to service delivery took various forms, such as endorsement by the General Manager at branch meetings, and recognition through the annual staff appraisal processes. However, managers and staff were not aware of any specific encouragement, reward or recognition of staff contributions in service delivery.

SMA

4.30 The SMA encouraged staff at all levels to participate in decision-making processes. Its general administrative framework had been recognised by several external organisations (such as the Australian Institute of Public Administration). The SMA framework provided a system of national awards, including the Public Service and Australia Day Awards and a Spectrum Manager Team Award that was awarded for the best team performance, with customer service performance part of the award criteria.

4.31 The ANAO found that:

- the basis and criteria for the existing awards and recognition schemes could be better promulgated, particularly in area offices;

- knowledge of staff perceptions of the value of the present award system could have helped SMA to develop more relevant approaches; and

- there was an opportunity for specific awards for effort and initiative to recognise staff achievements in client service.

4.32 There are opportunities for the ACA to extend its recognition of contributions to quality service. The introduction of incentives for individual and team performance, and encouragement of staff to go 'above and beyond' the norm in service delivery, provide some forms of alternative recognition and reward. These incentives can include financial rewards, management and peer awards, advancement within grades and extending responsibility for specific activities.

Recommendation No.10

4.33 The ANAO recommends that the ACA examines opportunities to extend the formal and informal reward and recognition systems developed by SMA that are specifically directed at improving performance in the delivery of quality service.

ACA response:

4.34 Agreed. Although the system of individual Australia Day Achievement Awards and Spectrum Manager Team Awards worked well for the SMA, the ACA believes that the Workplace Relations Act and the proposed Public Service Bill give it far more scope to develop innovative forms of recognition than was previously possible.

5   Mechanisms for service delivery

This chapter examines the extent to which the use of organisational arrangements and technology had assisted in the delivery of services. The ANAO found that there were many examples of good practice but they were not found in all offices. The variety of procedures and practices across both organisations did not provide assurance that a consistent level of client service was being achieved. The ANAO concludes that methods of identifying and disseminating better practices need to be developed.

Introduction

5.1   Infrastructure that is clearly directed to the support of client service is essential for the delivery of high quality service. Studies have found that the following features of infrastructure provide this level of support:

- a structured, planned and coordinated approach to the organisation of work and people that is specifically directed to service delivery;

- systems and technology which make it easy for clients and the organisation to do business, and which meet the needs of the organisation, its clients and stakeholders in the most efficient manner; and

- the use of publications, forms and advice that provide relevant information and make it as easy as possible for clients and staff to understand technical and administrative requirements.

The processes used for service delivery

5.2   The processes used for service delivery should provide, in an efficient and effective manner, consistent and equitable outcomes no matter where services are delivered to individual clients. The ANAO sought to find the ways in which internal processes and systems ensured consistency, added value to service delivery and

made business arrangements easy for clients, management and staff.

Effective processes for ensuring consistent outcomes and better practices need to be developed

AUSTEL

5.3 The ANAO found:

- although each branch sought to achieve consistent and equitable results, there were no specific mechanisms for identifying the better practices of each branch and applying these across the whole organisation;

- each branch had developed its own form of service delivery to match its functions and responsibilities. Although these arrangements generally were successful, they could have been improved by an overall corporate approach to service delivery; and

- no reviews of administrative or operational efficiency had been undertaken.

SMA

5.4 SMA had attempted to balance operational flexibility in area offices against the need for consistency and control to ensure that all of its clients received the same quality and level of service wherever they were located.

5.5 The ANAO found that:

- many area offices had developed their own processes and approaches for delivering services to suit their local environment. Most of these processes had evolved gradually over time and had been effective at the area office level. However, mechanisms for identifying better practices and applying them across the organisation could be more strongly developed;

- industry groups had concerns that their members could not be assured that they would receive the same standard of service or advice wherever they were located. On some occasions their members had received conflicting advice from different offices; and

- although there had been several individual reviews on different aspects of service delivery, there had been no full scale internal organisation-wide review of all aspects of service delivery administration and operations.

Recommendation No.11

5.6 The ANAO recommends that the ACA undertakes a review of its service delivery practices with a view to:

- identifying and promulgating better (value-added) practices;

- introducing a quality improvement methodology based on the better practices identified above; and

- documenting the key steps in each process so that the ACA can assure itself that essential elements are covered consistently in the practices adopted by each office and group.

ACA response:

5.7 Agreed. The ACA recognises that business practice inconsistencies developed following reforms to spectrum management, the introduction of the RADCOM computer system for spectrum management and the development of an organisational culture encouraging staff initiatives. The ACA is implementing the SMA's business practice codification strategy through its Policy Information Papers and Business Operational Procedures that are available on its Internet/Intranet to every officer. In addition, the ACA is holding a Business Practices Workshop in October 1997 to identify, adopt and then codify best practice in a range of applications.

Organisational arrangements for service delivery

5.8 Organisations should have a clear understanding of the processes which deliver services to their clients and ensure that their processes are customer friendly by:

- analysing and changing their operations, including client contact, to ensure that interactions are as smooth and as flexible as possible, and exclude steps which do not benefit the client; and

- ensuring that operational areas are focussed on the key aim of service delivery rather than competing with one another in service delivery.

5.9 The ANAO sought to ascertain the degree to which the organisation arrangements provided an environment that made doing business easy from the clients' perspective.

There is scope for greater flexibility in the organisational arrangements for service delivery

AUSTEL

5.10 As mentioned in Chapter 2, AUSTEL's general organisational arrangements for service delivery reflected AUSTEL's statutory responsibilities and provided a clear functional separation between organisation units. This approach helped internal control and provided technical expertise for specific issues, but it had

tended to be inflexible and stifle staff initiative. Flexible organisational arrangements (including organisational structures and operations) can ensure resources are available when they are needed for service delivery purposes.

SMA

5.11 The SMA had a more flexible approach to service delivery than AUSTEL. Each area office was able to adapt its processes to suit the needs of its local environment and to match its available staff skills against the perceived needs for local service delivery. This approach had been largely successful in enabling services to be delivered with a minimum of fuss - staff were comfortable with this approach.

5.12 The SMA operated under organisational arrangements that devolved responsibility and authority to the lowest possible levels for operational purposes. This devolution was supported by flexible approaches to service delivery that enabled essential organisational changes, such as the closure of area offices and reductions in staff, to be made while essential services were maintained.

5.13 Within SMA, services had been delivered through a variety of structures and service delivery mechanisms, ranging from team

or matrix approaches to formal hierarchal structures, with mixed results. For example:

- the team-based approaches of the smaller area offices provided more flexibility in using staff than the larger offices, both in delivering on-site services to individual clients and in responding to client requests;

- the larger area offices were more formally structured with clear lines of authority that facilitated control and coordination but were less flexible;

- in one large area office a system of staff rotation had been introduced for some sections and was to be expanded following an internal review. In another large office the organisational structure was being reviewed with a view to introducing a flexible, team-based structure based on the requirements of service delivery. The ANAO endorses these initiatives; and

- in some areas, operational flexibility had resulted in some isolated instances of competition between offices for clients and some uncertainty from clients regarding the standards of service they could expect at different locations.

5.14 The importance of organisational flexibility in the delivery of services was confirmed in:

- the 1997 client survey undertaken by the SMA in which respondents indicated that they considered greater flexibility was needed to respond effectively to urgent or unusual requests; and

- the 1996-97 international benchmarking study involving SMA which found that some of the structures, while reflecting modern design, were influenced by 'outdated union type thinking'[4].

5.15 In general, SMA managers and staff considered that the team-based approach for service delivery and customer service encouraged cooperation and communication, and improved communication between area offices and Central Office.

5.16 Although strict comparisons are difficult to make, the ANAO found that the flexible, team-based structure inherent in the smaller area offices had been more successful overall than the larger, less flexible bureaucratic structures. In generally endorsing the approaches adopted by the SMA, the ANAO considers that, in ensuring that clients receive access to a

consistent level of service, a balance needs to be struck between control and standardisation and operational flexibility. There is an opportunity for the individual organisational arrangements, including staffing structures and technical arrangements, to be reviewed with a view to identifying those processes that worked well and those which could be further improved.

Recommendation No.12

5.17 The ANAO recommends that the ACA considers the greater use of flexible organisational arrangements, such as the use of project management or multi-skilled, team-based structures, to reflect the dynamic nature of communications service delivery and administration.

ACA response:

5.18 Agreed. The SMA's team based organisational structure was a significant factor in achieving a customer focussed organisational culture. Generally, smaller teams with an innovative focus were more effective than larger teams with a more traditional mind-set. The team approach has been carried forward to the ACA.

Clients are rated highly by AUSTEL and SMA but service

---

[4] Ministry of Commerce, New Zealand, *Benchmarking Partner Visits*, 26 May 1997, p10

delivery mechanisms could be improved

5.19 Both AUSTEL and SMA had tried to make service delivery as smooth as possible by identifying areas where service can be improved to eliminate the cause of client concerns. However, there was scope for the significant individual effort of some staff in both AUSTEL and SMA to be consolidated into an organisation-wide approach.

Corresponding with clients

5.20 Both AUSTEL and SMA are aware that there are significant commercial and legal ramifications in advising clients of their rights and obligations. Clients often determine the shape of their commercial directions based on the advice provided to them. Both AUSTEL and SMA had developed a suite of standard correspondence designed for their particular purposes.

5.21 Several SMA area managers indicated to the ANAO that their clients considered the standard correspondence could sometimes be overly legalistic and was not user-friendly for their particular environments. Clearly, a balance needs to be drawn between being 'user-friendly' and in ensuring that key elements of

the law are covered. This balance could be achieved by using legal checkpoints in certain types of correspondence but allowing local managers to develop their own styles to suit their individual operating environments.

Location of offices

5.22 As a general guide, services should be located where they are physically accessible to all clients. In addition, to ease of public access, additional factors to be considered in the location of AUSTEL and SMA offices include budget constraints and technical requirements, such as clarity of radio transmission and signal reception. AUSTEL State offices and SMA area offices had been co-located to facilitate their integration and improve their general accessibility by clients.

5.23 The ANAO found that access to at least three area offices was not easy for those clients who were aged, infirm or physically handicapped. This difficulty was acknowledged by SMA which advised the ANAO that shop-front contact was minimal and that most client contact was by mail or telephone. The SMA indicated that, if clients had bona fide reasons for not being able to attend their premises (such as for medical reasons) alternative arrangements could be made. The ANAO endorses this approach to service delivery and suggests that the facility be more widely advised to each of its groups and area offices, and to representatives of disadvantaged groups.

Use of technology in service delivery

5.24 The ANAO sought to identify the role of information technology in the service delivery process, including its use for external and internal purposes.

AUSTEL and SMA had been innovative in using information technology in service delivery but there is scope for improvement

AUSTEL

5.25 Information technology played a major role in the delivery of AUSTEL's services. The main uses included the Internet to provide clients with basic information, electronic mail, and locally developed databases which were used for various purposes in different branches. The ANAO found that the use of information technology by AUSTEL generally had been effective. However, further improvements could have been made by a more coordinated approach to the development of information technology (such as through the introduction of an information management strategic plan based on the identified needs for client service) and developing an intranet facility for better sharing of information across units.

SMA

5.26 Information technology is essential to the delivery of SMA services and the SMA had made a more extensive and sophisticated investment in information technology than AUSTEL. This technology had been aimed at helping service delivery for its clients, managers and staff. The types of technology included:

- an Internet facility to provide external clients with information (including regulatory and licensing information);

- an intranet facility to provide SMA staff with ready access to technical information, policies and processes;

- an internal electronic mail system used for immediate and general communication purposes; and

- the RADCOM system for frequency assignment, licence management, management of interference complaints and financial operations.

5.27 The SMA had been able to take advantage of the interest and initiatives of its staff through a flexible approach to IT development. This approach provided staff with the opportunity to contribute to the development of information technology across a number of areas. Examples of SMA initiatives include:

- the development of the Field Activities Management System (FAMS) to improve the reporting of field activities and to provide information to managers and field staff for planning and integrating a range of field activities;

- the development of management reports from RADCOM and a centralised spectrum auditing mechanism by the Brisbane Area Office;

- the development of internal management reporting systems by the Perth Area Office and Central Office (through the Business Information System (BIS) for executive reporting); and

- the development of the JOBREG database for local task management and management reporting in the Sydney Area Office.

5.28 Although these examples indicate staff interest and initiative, there is an opportunity for the ACA to identify the individual initiatives of area offices with a view to assessing their applicability across the ACA to minimise cost and maximise effectiveness. This can be done through such mechanisms as a central register or the use of an intranet bulletin board to share this information.

5.29 RADCOM contains details of all radiocommunications licences and provides engineering tools to support technical services for SMA, the Australian Broadcasting Authority and the National Transmission Agency. The system also provides the main database and processing capacity to introduce market-based reforms to spectrum management. There are two broad components within the RADCOM system, namely, the Relational Database Management System (RDBMS) and the Geographic Information System (GIS). These components cover:

- client management;

- licence management;

- spectrum access management;

- location management;

- inwards correspondence;

- licence administration;

- engineering tools; and

- payments processing - this is linked to the SMA's financial management system.

5.30 The RADCOM system is an essential element of the SMA service delivery framework. SMA indicated that RADCOM was a world leader in automated spectrum management systems and that there had been considerable overseas interest in the system.

5.31 The ANAO found that

- the management reporting capabilities of RADCOM need to be significantly improved; this was acknowledged by SMA which advised the ANAO that RADCOM was not designed as a management reporting system and that work was proceeding to develop a management reporting capability using RADCOM data; and

- although the SMA was committed to improving the accuracy of RADCOM, at the time of audit the integrity of RADCOM data could not be guaranteed. This was confirmed by area office quarterly reports. The ANAO attempts to analyse a range of SMA operations were inhibited by deficiencies in the quality of data.

5.32 The SMA, in acknowledging the importance of having accurate data on RADCOM, advised the ANAO that many of the errors had been migrated into RADCOM in the transfer of data from a previous data base.

5.33 The ANAO also noted that many of the anomalies in RADCOM data could have been readily prevented by corporate

guidance on data entry. For example, in the case of broadcast interference complaints, many offices did not follow up with clients after they had issued the self-help brochure. Consequently, the number of outstanding or unresolved complaints tended to increase as more records were added to the database. In addition, different offices used different criteria and definitions when entering data into RADCOM. The SMA advised the ANAO that a data purification program had been introduced and further guidance on the entry of data had been issued.

9.34 Discussions with industry, client groups, and SMA staff confirmed the potential for improvements in the management of SMA's information technology. As indicated in this section, the SMA had taken action to introduce an information management strategy. The ANAO endorses this approach and considers that this strategy should include data entry guidance and corporate guidance on definitional issues for data entry purposes.

Recommendation No.13

5.35 The ANAO recommends that the ACA takes action to:

- allocate resources to check the accuracy of the data base and introduce data integrity

checking in RADCOM at the time of entry; and

- introduce a systems-generated suite of management reports that includes quantitative data for each area office.

ACA response:

5.36 Agreed. The ACA fully appreciates that an accurate data base is fundamental to effective spectrum management. Although there are some concerns about data accuracy, almost no frequency assignments fail quality checks with local knowledge tending to compensate for any data errors. Site data quality assurance is one of the objectives of the spectrum audit program and the newly implemented FAMS module of RADCOM makes it easier to plan, manage, record and report data errors as part of spectrum audit. Consequently, the ACA expects the effectiveness of spectrum audit to increase significantly.

6   Performance measurement, evaluation and review

This chapter examines the performance measurement and reporting framework. The ANAO found that performance reporting could be improved through introducing greater consistency in presentation and developing performance indicators that focus on all aspects of time, cost and quality of service delivery. Closer consultation with clients and stakeholders can help to ensure that performance standards reflect their needs and expectations.

Introduction

6.1   The quality of service that clients can expect to be provided by service delivery agencies should be reflected in service standards. The measurement of performance should identify the time taken, the cost of providing services and the quality of the services provided. Ideally, performance standards should be limited to a few key measures that link to corporate objectives and provide challenge in their achievement. These standards should be developed in consultation with clients and staff, and should be clearly communicated to them.

6.2   Performance measurement in service delivery is multi-dimensional, particularly in the communications area. The types of performance criteria that can be applied to the communications area can be drawn from cost/benefit analysis, processing efficiency, responsiveness to complaints, reliability of performance, accessibility to facilities, staff attitudes to service delivery, client satisfaction, technical performance and financial information.

Performance measurement and reporting

6.3   The ANAO sought to establish:

- the existence of performance reporting and measurement processes based on specific targets and measurement criteria for key aspects of service delivery that were linked to corporate and business objectives;

- the extent to which clients had been consulted in the

development of performance indicators; and

- the existence of performance criteria based on the time, cost and quality of service delivery linked to established priorities for client service.

Performance measurement was at an evolutionary stage and could better link qualitative and quantitative performance indicators to corporate and business planning

AUSTEL

6.4   Performance measurement processes in AUSTEL were still evolving at the time of the audit and could be significantly improved. Performance measurement took the form of exception reporting against key success factors for each branch. Management reporting involved reporting against performance indicators for each success factor. However, performance indicators were not in a form that enabled quantitative measurement to be undertaken.

SMA had a strong commitment to performance measurement and reporting but there was scope for further development

SMA

6.5   At the time of audit performance measurement and

reporting in SMA were at a developmental stage. SMA management were strongly committed to performance reporting as a means of accountability and as a tool for management. Managerial effort in this area had been affected by significant change in radio-communications administration which had meant a higher priority had been given to developing the general personnel management and administrative frameworks.

6.6   Performance criteria included a mix of qualitative and quantitative criteria to measure both operational and financial performance. However, performance reporting reported against a mix of time, cost and quality, but not all three criteria (Table 4 refers). There is an opportunity for the ACA to develop performance standards and management reports that incorporate time, cost and quality.

6.7   The ANAO also found that:

- performance measurement and reporting had been directed at general administrative performance and measuring outputs. The performance standards provided suitable indicators of administrative performance, such as license output;

- the performance targets were easily met and did not provide

an incentive to achieve improved levels of performance. In addition, they did not provide an analysis of backlogs or report on exceptions that failed to meet performance targets;

- spectrum planning information had not been included in the RADCOM system although there was provision in the system for doing so. The inclusion of this information could have enabled actual performance to be compared against planned performance; and

- during the audit the reporting framework had occasionally confused performance criteria with strategies for achievement with the effect that in some areas performance could not be measured adequately.

6.8   The overall standard of quarterly reporting improved during the audit and action was in progress to address many of the anomalies identified in the audit. The ANAO considers that, overall, the performance standards applied by SMA were at least equal to, and in some cases more demanding than, those of comparable overseas agencies (Table 5 refers).

Performance measurement can be made more relevant to clients and stakeholders

6.9   There is an opportunity for performance standards to reflect the requirements of industry and stakeholders. Industry groups indicated to the ANAO that, at the time of audit, performance standards were too generous and that SMA might not appreciate that delays in processing could, and had, affected their ability to quickly pursue business opportunities. Nonetheless, respondents to the client survey generally were satisfied with processing times although a large minority (27 per cent) considered improvements could be made.

6.10 The ANAO considers that consultation with clients and stakeholders on performance standards should enable the ACA to develop 'industry-acceptable standards' and enable clients and stakeholders to know the quality of service that they can expect (Recommendation No.14 refers).

Table 4
Analysis of SMA performance targets against time cost and quality of service criteria

SMA performance targets	Time	Cost	Quality
Licensing and frequency assignment	✓	✗	✗
Corrections to and compensation arising from frequency assignment	✗	✗	✓
Licensing of frequencies submitted by accredited frequency assigners	✓	✗	✗
VHF band restructuring	✗	✗	✗
Radiocommunications interference investigations	✓	✗	✓
Television and broadcasting interference investigations	✗	✗	✓
Examinations	✓	✗	✗
Compliance	✗	✗	✓
Customer relations	✓	✗	✓
Ministerial responses	✓	✗	✗

Note: Similar data was not available for AUSTEL

Table 5
Comparison of performance targets set by selected countries

Performance targets	USA	UK	NZ	Hong Kong	Australia
Licensing					
Assignment with no action	5 days	5 days	2 days	10 days	1 week
Assignment with action	60 days	25 days	25 days	10 days	1 month
Renewals	5 days	5 days	2 days	10 days	3 days
Assignment via accredited assigners	n.a.	5 days	n.a.	n.a.	5 days
Interference Investigations					
Investigations (safety of life)	n.a.	24 hours	Immediate	n.a.	Immediate
Investigations (business)	10 days	5 days	1 day	7 days	2 days
Investigations (domestic)	10 days	1 month	1 day	10 days	2 days
Resolution	30 days	n.a.	n.a.	n.a.	Timely
Examinations					
Inspections and certificates	n.a.	n.a.	2 hours	n.a.	n.a.
Restricted radio operator's certificates of proficiency (ROCP)	n.a.	n.a.	n.a.	n.a.	4 weeks
Issue of certificates	n.a.	n.a.	n.a.	n.a.	21 days
Customer Relations					
Enquiry point	n.a.	30 seconds	n.a.	n.a.	n.a.
Telephone enquiry response	1 day	n.a.	n.a.	n.a.	2 days
Written enquiry response	10 days	n.a.	n.a.	n.a.	1 month
Ministerial response	n.a.	2 weeks	n.a.	n.a.	2 weeks
Regulatory					
Spectrum rights allocation	n.a.	n.a.	Yes	n.a.	Yes
Quality of service	n.a.	n.a.	n.a.	n.a.	No

There were significant variations in performance but the data was unreliable

6.11 The ANAO undertook an indicative analysis of area office performance using RADCOM data. Full year data was unavailable and the analysis was limited to data for the March 1997 quarter (Table 6 refers). Taking into consideration the limitations of single period data and inaccuracies in the data base, the results were variable but the type of analysis itself could assist the ACA in reviewing its business performance. For example:

- the number of assigned licences per staff member ranged from 23 in Cairns (with 100 per cent of licences being issued inside the performance target of allocation within 30 days of application) to 3.4 in Coffs Harbour (with 71 per cent meeting the performance target);

- the number of non-assigned licences per staff member ranged from 66.5 in Cairns (with 100 per cent meeting the performance target) to 7.8 in Sydney (with almost 100 per cent meeting the performance target); and

- renewals per staff member ranged from 103.3 in Melbourne (with 99.9 per cent meeting the target) to 8.1 in Coffs Harbour (with 100 per cent meeting the performance target).

Table 6
Comparison of workload and results against targets - March quarter 1996-97

Area Office	Staff at 1 April 1997	Assigned Licences				Non-Assigned Licences				Renewals			
		Licences Issued	Licences Outside Target	Licences per staff member[1]	Percent Licences Meeting Target	Licences Issued	Licences Outside Target	Licences per staff member	Percent Licences Meeting Target	Licence Renewals	Licences Outside Target	Renewals per staff member	Percent Licences Meeting Target
Central Office	29	470	31	16.21	93.40	0	0	0.00	0.00	3	0	0.03	0.00
Sydney	36	367	25	10.19	93.19	282	1	7.83	99.65	5467	3	58.67	99.95
Melbourne	39	604	1	15.49	99.83	523	1	13.41	99.81	10315	2	103.32	99.98
Brisbane	31	214	1	6.90	99.53	404	3	13.03	99.26	4941	10	49.64	99.80
Adelaide	27	150	9	5.56	94.00	380	0	14.07	100.00	3559	2	37.86	99.94
Perth	22	224	18	10.18	91.96	460	20	20.91	95.65	4919	70	53.49	98.58
Hobart	9	41	4	4.56	90.24	119	2	13.22	98.32	1437	4	15.92	99.72
Darwin	6	37	12	6.17	67.57	74	1	12.33	98.65	1081	17	16.00	98.43
Canberra	6	88	8	14.67	90.91	104	4	17.33	96.15	1119	37	12.31	96.69
Cairns	4	92	0	23.00	100.00	266	0	66.50	100.00	940	0	9.40	100.00
Townsville	5	35	3	7.00	91.43	116	4	23.20	96.55	1142	26	12.49	97.72
Rockhampton	6	61	8	10.17	86.89	86	0	14.33	100.00	1123	1	12.93	99.91
Newcastle	6	36	0	6.00	100.00	47	0	7.83	100.00	1348	1	13.48	99.93
Coffs Harbour	5	17	5	3.40	70.59	45	0	9.00	100.00	569	0	8.06	100.00

Management reporting was at an evolutionary stage and reports were produced in a variety of formats and styles; an executive summary could help management

6.12 At the time of the audit, management reporting arrangements were still being developed and there were variations in the standard of reporting achievement against performance targets. Many area offices provided commentaries and subjective assessments rather than quantifiable information. Although both qualitative and quantitative information is important, the current balance is heavily skewed. Many performance indicators required a subjective assessment by local management and were not verifiable by objective means. However, the standard of reporting had improved over the last 18 months or so. In addition, the ANAO found that:

- there were significant differences between the information reported in management reports and that reported in RADCOM. The SMA acknowledged that RADCOM data was unreliable for reporting purposes and used this data for indicative purposes only;

- management report preparation in the SMA was time-consuming and considerable effort was required to extract, verity and present data from RADCOM and various other sources. Under the quarterly reporting regime many of the events reported were not current at the time they were reported and there was scope for monthly reporting to be introduced. Nonetheless, area office reports provided SMA management with valuable information on area office activity; and

- management reporting could be simplified for executive management. At the time of the audit, executive management had to absorb each individual report with its mix of tables and narrative. Although management report preparation in the SMA was time-consuming, these reports were considered by the SMA to be valuable in reviewing area office activity. Streamlined, focussed information relevant to decision making, which is often based on reporting by exception, such as a summary of key events and area office performance, would help to provide a concise overview of performance, trends and developments. The use of summary tables and charts

would also assist readability and interpretation.

Recommendation No.14

6.13 The ANAO recommends that the ACA reviews its performance management culture by:

- introducing, in consultation with its clients and stakeholders, performance indicators and standards that allow economy, efficiency or administrative effectiveness to be measured objectively where practicable;

- developing guidelines for performance and management reporting (including standard definitions and interpretative guidelines);

- setting clear priorities for core business activity and introducing cost/effectiveness and efficiency measures; and

- using quantitative analysis and graphical presentation as far as possible to enable performance projections to be made.

ACA response:

6.14 Agreed. The SMA introduced a system of management reporting for area offices as a framework for accountability and as a management tool. This system is being refined by enhancing RADCOM's management

reporting capabilities and business practice codification. The Customer Satisfaction Survey identified areas where customers wanted better performance from the SMA. The time taken to allocate radio frequencies was of particular concern. Accordingly, the ACA has set the performance standard at two weeks for 1997-98 reducing it from four weeks in 1996-97 and eight weeks in 1995-96. The ACA is currently revising its priorities, processes and structures in area offices to achieve this standard. The Performance Monitoring Reports, prepared by the ACA's Finance Team, complement area office quarterly reporting and integrate accrual-based financial and operational performance indicators.

Recommendation No.15

6.15 The ANAO recommends that the ACA introduces:

- a system of monthly reports and a standard template report of a small number of key performance indicators; and

- a formalised system for following up management reports, particularly performance issues and remedial action where appropriate.

ACA response:

6.16 Agreed with qualification. The ACA is developing a standard template for area office reporting to facilitate report preparation and analysis. The ongoing implementation of BOPs to ensure business practice consistency and better RADCOM reporting in light of system enhancements and business practice consistency allows this. However, the ACA believes that, on balance, its overall needs are better served by formal quarterly rather than monthly reporting. Systems reports can be produced at any time if thought necessary. Issues emanating from performance reporting are followed up by normal management action. Area office Quarterly Reports and ACA Performance Monitoring Reports are assessed by the ACA Executive.

ANAO comment:

The ANAO appreciates that the changes being implemented by the ACA will significantly improve its reporting environment. However, more frequent reporting can enable the ACA to develop more timely responses to emerging issues for client service.

Accrual information could help the measurement of administrative performance

6.17 As part of its approach to continuous improvement, the SMA had commenced developmental work on a new Quarterly Performance Monitoring Report that combines key accrual-based financial and operational performance indicators. The performance indicators had been developed with a focus on quantitative data drawn from SMA's Prophecy, Perspect and RADCOM systems. The initial SMA reports confirm significant variations in operational and financial performance. For example, the average cost per license activity ranged from $29 in Melbourne to $122 in Adelaide (Table 7 refers).

Table 7
SMA area office results against recently introduced performance indicators
- June quarter, 1996-97

Performance indicator	Net cost of service as a percentage of total administered revenues	Net cost of services per ASL	Number of licensing activities in the quarter	Licensing activity per staff member	Non assigned issues as a percentage of licensing activities	Average cost per licensing activity	Spectrum management responsibility per ASL	Ageing of amounts on client accounts	
Description	Total expenses as a percentage of total revenue (%)	Net cost of services divided by ASL ($)	-	Number of licensing activities divided by ASL	- (%)	Total costs divided by the number of licensing activities ($)	Total licences and spectrum accesses on issue divided by ASL	Total value outs-tanding ($)	Percent non-current
Sydney	20	22 845	10 467	299	2.9	76.39	1 163	598 886	37
Melbourne	38	23 795	26 044	614	1.5	29.24	1 817	195 956	70
Brisbane	47	20 656	8 187	282	4.8	73.17	1 280	85 385	78
Adelaide	117	20 031	4 253	164	8.4	122.45	1 292	65 317	27
Perth	65	21 255	9 560	416	3.8	51.14	2 296	80 048	60
Darwin	98	27 687	1 785	357	8.0	77.55	3 696	9 958	55
Cairns	105	25 812	1 475	369	13.2	70.00	2 913	2 530	78
Townsville	93	23 001	1 841	368	6.3	62.47	3 279	6 895	41
Rockhampton	96	27 523	2 693	539	25.3	51.10	3 361	0	0
Coffs Harbour	160	24 893	1 211	242	4.9	102.78	2 162	7 729	67
Newcastle	70	18 740	1 577	225	3.2	83.19	2 111	1 973	39
Canberra	21	18 676	1 742	290	6.1	64.32	3 287	523 492	19
Hobart	82	21 897	1 700	213	4.1	103.04	1 475	3 249	89
Average	78	22 832	5 680	352	7.1	74.37	2 318	121 494	58

6.18 At the time of audit, although there was general organisational agreement on the need for performance indicators to drive and measure performance, there was some difficulty obtaining local management and staff support for the concept. Many managers considered that the use of accrual-based financial information might include factors beyond the control of local management and may not actually match revenues to costs, particularly where work was undertaken on behalf of another area office. The challenge for the ACA is to measure for both performance improvement and accountability purposes:

- the operational performance of area offices in a way that is meaningful to both local managers, staff and clients; and

- the financial implications of providing particular services in particular locations.

6.19 The ANAO considers that the use of accrual-based information can assist in this measurement by capturing the financial commitments of an operating and capital nature, provision for contingencies and all relevant costs of delivering the service. The ANAO endorses the actions taken to date and considers that, with further consultation, explanation and negotiation, wider acceptance should be secured across the ACA.

Performance measurement should include both spectrum management and administrative performance

6.20 In both AUSTEL and SMA performance targets and reporting had been directed at general administrative performance and measuring outputs. Performance reporting could be improved by providing a better focus on measuring and reporting on the timeliness, cost and quality of the management of the spectrum as well as administrative performance.

6.21 At the time of audit, performance indicators did not relate to the core business (that is management of the spectrum). There is an opportunity for performance indicators to be expanded to include spectrum management and financial indicators.

6.22 The ANAO endorses the development of financial and operational performance indicators to assist administration. There is an opportunity for performance indicators to be expanded to include spectrum management and financial indicators such as:

- licence revenue per MHz of bandwidth for each frequency band;

- unused licence revenue per MHz of bandwidth for each frequency band;

- revenue achieved in auctioned bands compared with revenue under apparatus licensing arrangements;

- variance analysis - actual costs and revenues against budgeted costs and revenues;

- band utilisation factors, that is the number of licences per band; and

- unutilised licence capacity per frequency per bandwidth.

Benchmarking and standard setting

6.23 The ANAO sought to identify the extent to which AUSTEL and SMA had developed processes that enabled them to identify the better practices within their organisations and those of external organisations. There were few universally accepted measures of best practice or performance for the communications industry as a whole.

Internal and external benchmarking had been limited

but they offer opportunity to the ACA to improve service delivery

AUSTEL

6.24 The functions of AUSTEL were unique and did not readily identify with other organisations in the telecommunications industry either within Australia or overseas. However, there were opportunities to undertake internal benchmarking and to benchmark against general frameworks for service delivery such as those applied by the Australian Quality Council and the Australian Customer Service Association. (In this regard AUSTEL had participated in several awards including the Australian Marketing Institute, Government Advertising Effectiveness and Radio for the Print Handicapped Awards).

SMA

6.25 The devolution of responsibility and the open management style of SMA had encouraged local initiative and a variety of local administrative and operational processes across area offices. On the whole this approach had been successful but with varying degrees of operational effectiveness. To obtain maximum benefit from these arrangements, the better practices and initiatives of area offices should be identified and assessed for their applicability

across the ACA's service delivery network.

6.26 The SMA had participated in two benchmarking studies, namely,

- the 1994 Price Waterhouse Urwick benchmarking study of service delivery by private and public sector organisations; and

- the joint benchmarking study of service delivery by radio communications agencies in Canada, New Zealand and Australia, (coordinated by the New Zealand Department of Commerce).

6.27 These studies had identified opportunities for the ACA to develop its service delivery framework. The ANAO also found that there is scope for the ACA to:

- benchmark specific processes to the best practices applied by other organisations, wherever they operate; and

- apply external quality assessment mechanisms, such as those applied by the Australian Quality Council and the Australian Customer Service Association, in assessing its delivery of services.

Cost/benefit analyses for each major service delivery activity

can help to identify better practices

6.28 The SMA had applied significant effort and initiative in developing its financial management framework and had developed a suite of reports that link financial performance with technical performance. The SMA had also undertaken a major activity-based costing review which identified significant differences in processing times and costs. The information that SMA had obtained from these initiatives and the links that had been established between the various systems (that is Prophecy, Perspect and RADCOM) provide an opportunity for the ACA to include cost/benefit or cost/revenue benchmarks to assist in identifying better practices and in management decision-making. The ANAO endorses this approach.

Continuous improvement and quality assurance

6.29 The ANAO sought to identify the existence of systems for:

- identifying improvement opportunities based on client information, obtained through research and consultation with

clients and staff, and analysis of client complaints;

- implementing continuous improvement plans covering service delivery priorities, infrastructure to support service delivery, internal and external communication, and performance measurement; and

- participation in internal and external quality and performance assessments.

Management was committed to continuous improvement but specific approaches had not been developed

6.30 Management in both organisations were committed to continuous improvement. AUSTEL advised the ANAO that because of the combination of additional workload arising from changes in legislation, the creation of the ACA and a reduction in the level of its resources, AUSTEL had not been in a position to develop systems for its introduction and approaches were largely individualistic across the branches.

6.31 The SMA had a strong commitment to continuous improvement, particularly in service delivery. Various mechanisms had been employed, including the use of teams, working parties, section meetings, visits to other offices to examine specific issues and sharing ideas over the intranet. Other examples include the identification of new opportunities for business development (such as the continuous auction system for spectrum auctioning and proposals for electronic commerce).

6.32 The ACA has an opportunity to facilitate continuous improvement by such mechanisms as an intranet bulletin board on various topics (such as on technical information and in problem solving) to provide a simple way of sharing technical and other information, and individual approaches to problem solving. This facility can be incorporated into the review of practices proposed in Chapter 5 (Recommendation No.11 refers).

Canberra   ACT

17 October 1997

P. J. Barrett

Auditor-General

Part Three

Appendices

Appendix 1

Studies and Publications used as references for this Audit

AustIndustry 1993, Key Performance Indicators Manual: A Practical Guide for the Best Practice, Development, Implementation and Use of Key Performance Indicators, AGPS, Canberra.

Blanchard, K. & Bowles, M. 1993, Raving Fans, William Morrow and Company, New York.

Burke, W. & Litwing, H. 1992, 'A Causal Model of Organisational Performance' in Journal of Southern Management, 18 (3).

Commonwealth Ombudsman 1997, 'A Good Practice Guide for Effective Complaint Handling'; AGPS, Canberra.

Conger, J. 1992, Learning to Lead: The Art of Transforming Managers into Leaders, Jossey-Bass Management Services, San Francisco.

Department of Finance 1995, Quality for Our Clients: Improvements for the Future, AGPS, Canberra.

Joint Council of the Australian Public Service 1993 , 'A Model for Best Practice in the Public Sector' in Canberra Bulletin of Public Administration, No. 72, April.

Joint Committee of Public Accounts 1993, Report 326, An Assessment of Tax, AGPS, Canberra.

Management Advisory Board 1993, Building a Better Public Service, MAB, Canberra.

Management Advisory Board 1996, Innovative Ways of Organising People in the Australian Public Service, MAB, Canberra.

Senate Finance and Public Administration References Committee 1995, Service Delivery by the Australian Public Service, AGPS, Canberra.

The Forum Corporation 1992, Achieving Results with Customer-Focused Quality Teams: An Implementation Guide.

Walker, D. 1994, Customer First: A Strategy for Quality Service, Gower Publishing, England.

Whiteley, R (The Forum Corporation) 1991, The Customer Driven Company: Moving from talk to Action, Century Business, London.

Vallerie, A. & Zeithaml et al 1990, Delivering Quality Service, Balancing Customer Perceptions and Expectations, New York.

Appendix 2
Performance Audits in the

Communications and the Arts Portfolio

Set out below are the titles of the reports of the main performance audits by the ANAO in the Communications and the Arts Portfolio tabled in the Parliament in the past three years.

Audit Report No.31 1995-96
Environmental Management of Commonwealth Land
- Site Contamination and Pollution Prevention

Audit Report No.33 1995-96
Joint Commercial Arrangements

Audit Report No.6 1996-97
Commonwealth Guarantees, Indemnities and Letters of Comfort

Audit Report No.7 1996-97
IT Acquisition Councils

Audit Report No.16 1996-97
Payment of Accounts

Audit Report No.29 1996-97
Preliminary Study
Management of Corporate Sponsorship

Audit Report No.32 1996-97
Administration of Grants in the Australian Public Service