



RESEARCH NOTE

Number 32, 2000–01
ISSN 1328-8016

Commonwealth Government Service Charters

Background

The requirement that service charters be developed by Commonwealth organisations engaged in service delivery was announced in March 1997 in the Prime Minister's *More Time for Business* statement.¹ Prior to this, some agencies had initiated their own charters. The initiative followed similar approaches in the United Kingdom and the United States.² The introduction of service charters was welcomed by the then Commonwealth Ombudsman, Ms Philippa Smith, who noted that even the process of developing a charter could result in a realignment of priorities.³ Overall responsibility for service charters is held by the Special Minister of State, supported by the Department of Finance and Administration.⁴

What are Service Charters?

A service charter is a public document that sets out the standards of service that clients can expect from an organisation, as well as avenues for taking up complaints.⁵ It should be developed in consultation with clients, staff and other stakeholders. Service charters are intended to ensure that organisations:

- focus on service delivery
- measure and assess performance, and
- initiate performance improvement.

These goals are reflected in the categories for the Service Charter Awards for excellence, which are discussed in the next section.

The service charter of the Department of Transport and Regional Services is an example of a relatively detailed charter. It includes:

- the goals of the organisation
- the services provided
- broad service quality commitments (e.g. courtesy)

- specific standards of service (e.g. phone calls to be returned within one working day)
- a request for courtesy, honesty and accuracy from the client
- opportunities to provide feedback to the agency, and information about how to complain to the Ombudsman, and
- a commitment to assess the organisation's performance against the standards set out in the service charter.

The charter of the Child Support Agency is briefer. It emphasises the Agency's desire to treat clients fairly, and facilitates feedback. This charter has won an award for both its content and its integration into the agency's operations.

Organisations are required to consider the Government's Client Service Charter Principles⁶ when developing or reviewing service charters. These provide guidance on the content, development, maintenance and review of charters, as well as reporting requirements.

Scrutiny of Service Charters

Service charters are open to public scrutiny. They have been subject to monitoring by the Department of Finance and Administration (which publishes a whole-of-government report)⁷ and the Public Service and Merit Protection Commission (which reports on charters in its *State of the Service* report)⁸.

The annual service charter awards for excellence have been managed by the Department of Finance and Administration in conjunction with the Australian Quality Council. The categories in 2000 were:

- demonstrated excellence in integrating service charters into core service delivery outcomes and organisational culture
- demonstrated excellence in service charters driving online service delivery
- demonstrated excellence in service charters driving service

- delivery to rural, remote and regional Australians, and
- demonstrated excellence in service charters driving service delivery to clients with additional needs (this includes people with disabilities or English as a second language).

Service charters are also a component of the annual awards for annual reports, which are overseen by the Institute of Public Administration Australia.

Significance of Service Charters

Service charters are an important development for several reasons.

- they provide a clear and accessible commitment to standards, which can assist the client to form reasonable expectations and, if necessary, seek redress
- by publicly committing to particular standards, they may facilitate the process of public accountability, and encourage improved performance in public sector organisations
- they may be indicative of a changing client profile. For example, the general level of education in the community is rising, and it could be argued that deference to authorities is giving way to assertiveness and a stronger sense of entitlement, and
- they symbolise the changing public service. As the public service increasingly emulates the private sector, it is not surprising that it has adopted a market-oriented mechanism for performance improvement and client communication.

Issues

This section discusses three issues arising from the introduction of service charters—the need for greater client awareness of charters, the unequal relationship between the client and the Commonwealth agency, and the importance of maintaining a broad and robust range of accountability mechanisms.

Service charters have the potential to empower clients. The extent to which they assist clients to voice concerns and seek redress depends partly on the level of awareness of service charters among clients. Preliminary evidence suggests that clients may be

unaware of the existence of service charters, and this problem needs to be addressed if charters are to be an effective instrument of empowerment.⁹

Similarly, the potential for service charters to empower clients should not obscure the fact that the overall relationship between the client and the bureaucracy is likely to be an unequal one. Factors such as weak English language skills, lack of self-confidence and lack of time may impair a client's ability to secure what they believe to be a fair outcome. In many cases, the organisation is also a monopoly supplier of a service, meaning that the client does not have that ultimate power of transferring their 'custom'. These points lead to the third issue. Service charters are a new component of the Commonwealth's large and complex framework of redress and accountability. As well as being important in protecting the rights of clients, this framework is essential to ensuring that the Government remains accountable to the public, on whose behalf it delivers services.¹⁰ All citizens (not

The British Experience

John Major's Conservative Government introduced the *Citizens' Charter* in 1991. In 1997, the incoming Blair Labour Government reviewed the Charter program, revamping it in 1998 as *Service First*. The new program emphasised effective consultation, meaningful standards, closer relationships between related service providers, updated principles and a re-invigorated awards scheme.

One of *Service First's* initiatives is the *People's Panel*. The panel consists of 5 000 representative citizens, who are surveyed and consulted about service delivery improvement. Members have been consulted about a range of issues, including electronic service delivery, the ministerial public appointments process and country-of-origin labelling for food. (www.servicefirst.gov.uk)

just direct clients) have a stake in the quality of public services—both because they may pay for these services through taxation, and because these services generally contribute to the public good (e.g. through the education of a new generation of workers or through public health initiatives).

Within this framework, service charters have the potential to complement such measures as the Ombudsman, the Administrative Appeals Tribunal, judicial review, internal complaint procedures and parliamentary oversight. Service charters are at the 'soft' or persuasive end of the spectrum, with judicial review at the 'hard' or coercive end. Service charters can complement these other aspects of the framework. For example they provide information on how to complain to the Ombudsman. Also, to the extent that they result in better service delivery, service charters could reduce the demand for remedies. However, it would be unfortunate if they were promoted at the expense of these other measures.

Conclusion

The comprehensive implementation of service charters symbolises the changing service delivery environment. Charters reflect the increasing emphasis on individual client-provider relationships and the trend of modelling public sector

arrangements on those that operate in the private sector. If service charters empower clients and enhance agency responsiveness, they will be a welcome addition to the broader, and more traditional, accountability framework.

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22 May 2001

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1. Policy making bodies are encouraged, but not required, to have a service charter.
2. See www.servicefirst.gov.uk and www.customerservice.gov for further information. According to the Department of Finance and Administration, countries that have statements of service standards include New Zealand, France, Portugal, Denmark, Spain, Italy, Ireland, Hong Kong, Canada, South Africa, Namibia, and Costa Rica.
3. Philippa Smith, 'Service Charters: The Latest Fad or Last Hope?', *Admin Review*, May 1997, p. 30.
4. Information is available at: www.finance.gov.au/online/charters/.
5. Service charters should not be confused with service level agreements, which specify the agreed level of service within an agency or between agencies.
6. These principles note that 'A charter in itself is not intended to confer legally enforceable rights on clients of Commonwealth agencies.' *Client Service Charter Principles* is available at: www.finance.gov.au/online/docs/principles.pdf.
7. *Service Charters in the Commonwealth Government: Second whole-of-government report by the Special Minister of State, Senator the Hon. Chris Ellison* is available at: www.finance.gov.au/online/charters/#w.o.g.report.
8. See www.psmpc.gov.au for the most recent report.
9. For example, Centrelink's *Annual Report 1999–2000* acknowledges that in May 2000 12 per cent of clients were aware of its charter.
10. For discussion of this issue, see Linda McGuire, *Service Charters—Global Convergence or National Divergence? A Comparison of Initiatives in Australia, the United Kingdom and the United States*, Working Paper 71/00, Department of Management, Monash University, November 2000.