Local Service Delivery Working Group

Better government service delivery in regional Western Australia

June 2017

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30 June 2017

Hon Mark McGowan MLA
Premier and Minister for Public Sector Management

Dear Premier

This report responds to your request to me to chair a working group of Directors General to provide advice and recommendations on options to improve Local Service Delivery in Western Australia. It complements and informs the work of the Service Priority Review and with your agreement will be separately passed to the independent panel and may be made publically available.

The Working Group focussed on five key areas within its terms of reference and the report provides findings and recommendations against these as well as other relevant matters. The five key areas were chosen to:

- identify what regional Government office accommodation and operational facilities (e.g. depots) can be consolidated (co-location opportunities), realising savings for taxpayers;

- provide the opportunity for agencies to determine the level of cost-effective presence required to deliver services;

- identify opportunities for Government departments to share staff, digital platforms and other services in regional locations to reduce overall Government spending;

- establish a platform and framework for ongoing future service accommodation consolidation; and

- identify service delivery approaches that will yield efficiencies within a co-located agency model.

This work has occurred in parallel to activity undertaken by the Department of Finance through its proposed Government Office Accommodation Reform Program which will likely identify some savings for government if it proceeds. By comparison, any savings from regional office accommodation in regional areas will be modest as it forms only around 18% of the existing government spend on office accommodation.

In undertaking this work, the Working Group has been very mindful that office accommodation and digital technologies should be considered as enablers to effective service delivery rather than an outcome in and of themselves. Ultimately, effective public services depend much more on the quality, timeliness and accessibility of services that meet the needs of the various clients and customers of the Western Australian Government. This requires government agencies to adopt a customer-centric perspective towards service delivery, to be clear about the services they offer, the model of service delivery and the most effective means of delivering those services

and to keep these constantly under review to keep abreast of societal expectations, government policy, legislative and technological change.

The Working Group has developed 13 recommendations. Seven recommendations are directed to particular lead agencies for immediate adoption while six recommendations are referred to the Service Priority Review for further consideration.

Importantly, the Working Group has also recommended a phased approach to how Government agencies can approach improving local service delivery, starting first with the 'quick wins' that can be delivered following recent Machinery of Government changes, adopting pilot approaches at Bunbury and in the Kimberley and maintaining focus on ongoing improvements and enhancements to service delivery.

The pilots will allow agencies to establish models of collaboration and practice that suit the circumstances of individual regions and customer groups and fine tune arrangements before more comprehensive changes are implemented State-wide. The Working Group also recommends that the Government Chief Information Officer continue to drive the take up of enabling digital platforms and approaches that positively support better service outcomes.

The Working Group considers that this exercise has been very useful 'scene setting' and directional work and should ultimately be of significant benefit to the Government and its agencies in delivering better services to Western Australians. As a result of this work, Government now has an improved and more contemporary picture of the accommodation assets it leases and owns in regional Western Australia and outer metropolitan Perth, an understanding of the experiences with service delivery models and options in other jurisdictions and an appreciation of the opportunities that digital technology and access brings to improving customer and client service.

I express my sincere thanks and appreciation to the Working Group members and staff of their agencies that worked so well and quickly to prepare this report over the last two months.

On behalf of the Working Group, thank you for the opportunity to advise you and the Service Priority Review on this important enabling area for excellent customer service and opportunity for public sector reform. We would be pleased to assist further should that be required.

Yours sincerely

Mike Rowe
Chairperson, Local Service Delivery Working Group

EXECUTIVE SUMMARY

Delivery of government services to Western Australians presents a challenge in the context of its large land mass, equivalent to the size of Western Europe, with a small population and relatively low population density beyond the Perth metropolitan area. In order to service the State's regional centres, many government services are provided across multiple locations with infrastructure, business support services, and technology often duplicated and offices and other facilities not optimally used.

In May 2017, the Local Service Delivery Working Group was formed to recommend "*a framework for regional agency service delivery that supports the principles of a 'one government approach', effective collaboration and efficient resource allocation and identify regional office accommodation consolidation targets (multiagency) for implementation in 2017-18 and beyond*".

The Local Service Delivery Working Group Terms of Reference were set by the Premier and Minister for Public Sector Management. The Working Group then grouped the Terms of Reference under three broad headings to aid its analysis.

1) Regional office accommodation availability and need review (opportunities for co-location and consolidation);

2) Digital platforms and services review; and

3) Better government services delivery – options and approach.

Three sub projects were then established to look at each of these components of the overall project scope. These were then grouped into three key themes against the Terms of Reference (as described in the report following) with the following key findings:

Consolidating office accommodation and operational facilities

- Regional office accommodation comprises 17% of the Government's portfolio.

- Of the Government's regional office accommodation, 50% is owned by individual agencies.

- $19 million is the estimated annual cost of leased regional office accommodation, but the total portfolio cost (including owned buildings) is unknown as data is incomplete.

- 147 in-scope operational (depot) facilities in the regions were identified of which 18 are surplus and can be disposed of.

- 6000 work points exist in regional areas accommodating 4730 people indicating each person has 1.27 work points.

- Almost one in four work points are vacant across both leased and owned premises.

- $1.7 million alone could potentially be saved by giving up 350 vacant work points in leases due to expire by 30 June 2019.

- 23m^2 is the average space per work point, well above the current density standard of 13m^2 per work point and this varies significantly across the regions.

Digital platforms, sharing staff and other services

- A range of services could be shared across agencies in regional centres, including receptionist / customer service 'triage' duties; conference facilities; ICT Infrastructure; call centres; vehicle pooling; and storage facilities.

- The overall size and low population density across large parts of the state will make the cost of improving (or establishing, in some areas) traditional telecommunications infrastructure to enable digital technology and services challenging.

- The greatest efficiency improvements and cost savings are likely to come through digital transformation. However, face-to-face delivery channels will continue to be required as some customers are unable to access digital services due to cost, inadequate internet services, or lack of familiarity with digital devices.

- GovNext-ICT is enabling government sites to exist on a single shared network (including wireless access) and phone system, allowing for greater staff mobility. GovNext is designed for shared tenancy, multi-agency buildings, and for adoption on a site-by-site, rather than an agency-by-agency approach.

Approaches to effective service delivery

- There is no 'one size fits all' approach to achieve better government service delivery.

- A range of service delivery models might be applied.

- Service delivery models range from traditional single-agency face-to-face delivery through to networked delivery involving public, not-for-profit and private sector collaboration.

- Adopting a customer-centric approach, in which the needs of those accessing government services are determined and catered for, must drive selection of the most appropriate service delivery model.

- There has been little systematic collection of data across the public service in Western Australia to give an overall picture of Government service demand.

- Collecting such data is key to customer-centric service delivery planning, evaluation and continuous improvement cycles.

A more coordinated approach to government asset management is also clearly needed. Integrated asset management frameworks, developed in accordance with guidance from the International Standards Organisation, are the internationally accepted way in which this can be achieved.

Innovation is essential for driving public sector performance, achieving better outcomes for the community and building economic growth. This can be fostered by moving from prescriptive approaches to risk-based decision-making, coupled with accountability for actual results.

Phased approaches that build a sustainable momentum for change deliver superior outcomes for public sector reform programs.

Implementation Approach

A three-phased approach to Western Australian government service delivery reform is advocated, comprising:

> **Phase One – Consolidation of premises (agency co-location) – 2017-2018 financial year**
>
> This phase involves consolidating existing service agencies into fewer premises, driven by Machinery of Government Stage One amalgamations and pilot of co-locations (pilots to be at Bunbury and in the Kimberley region).
>
> **Phase Two – Consolidation of premises and service delivery personnel (agency co-location and services hub-type staffing 2018-2019 financial year through the medium term)**
>
> This is both shared counters (contact points) and digital transactions. This phase will build on initial co-locations to further consolidate agencies and implement service delivery improvements identified through the Phase One Pilot.
>
> **Phase Three – Service delivery optimisation: re-prioritisation and customer focus (long term)**
>
> This phase will involve an in depth review to understand what services are being delivered to customers, how and where, and whether this matches actual need.

Evaluation must be planned for from the outset, designed to provide data supporting continuous improvement (or changes in direction if outcomes are not being achieved and implemented.

RECOMMENDATIONS

On the basis of the more detailed findings in the following report, the Working Group makes the following specific recommendations:

Recommendation 1 (Section 3)

Department of Finance to:
  i. continue supporting newly established Machinery of Government agencies to identify further opportunities for co-location and/or consolidation during 2017-18 and beyond;
  ii. investigate an incentive arrangement for agencies to keep and reinvest a portion of realised savings arising from agency decisions that lead to outperforming density and work point to headcount ratio standards;

   iii.   expand the capability of its current data and systems to enable more dynamic information provision to Government and agencies to maximise office accommodation efficiency; and,

   iv.   conduct a comprehensive assessment of agency-owned office accommodation and sub-leasing arrangements by agencies to non-government organisations within government owned and leased premises to identify the true cost of vacant accommodation.

Recommendation 2 (Section 3)

The Department of Community Services to undertake in Phase One (financial year 2017-18), a service delivery reform pilot project in Bunbury and the Kimberley region. The Department of Community Services is to collaboratively lead and work with each Western Australian State Government agency that delivers services and/or with a presence in the pilot sites, to achieve the aim of providing better Government services. It is expected that lessons learned from the two pilots will be reported back to Cabinet, inform Government about further opportunities for better service delivery in regional Western Australia and shape related agency budget submissions for the 2019/20 financial year.

Recommendation 3 (Section 3)

The surplus operational assets (mainly depots) identified by agencies to the Department of Finance, to be made available for immediate release to the Land Asset Management Unit within the Department of Planning, Lands and Heritage for disposal, or repurposing, and reported through the Land Asset Sale portal.

Recommendation 4 (Section 3)

Service Priority Review to consider the merits of service delivery partnerships including with Local Government Authorities and Australian Government agencies to:

   i.   develop one-stop-shop customer service hubs to reduce the number of contact points for customers engaging with the three tiers of government; and

   ii.   identify State Government services that can be delivered by these other tiers of government and the arrangements under which this might occur.

Recommendation 5 (Section 4)

Office of the Government Chief Information Officer to:

   i.   drive the roll out of GovNext-ICT in regional areas;

   ii.   develop strategies and implementation approach on how agencies can better reduce the time and cost of adopting common corporate systems;

   iii.   leverage any existing capital works expenditure on digital service delivery in regional Western Australia by upgrading or expanding built or planned ICT networks to service all government facilities;

   iv.   develop and deploy an integrated digital services platform or program suite; and

    v.   by agreement with the Treasurer, allow for early adopters to re-invest a portion of recurrent or capital savings to improve technology or service delivery which derive future savings.

Recommendation 6 (Section 4)

Service Priority Review to consider the merits of expanding or realigning the myWA Program (currently digital service delivery only) into a *Service WA* omni-channel delivery program (physical and digital service delivery), including self-service kiosks and face-to-face customer service and also enable third party providers, such as local Government or Australia Post, to deliver transactional services where it is cost effective to do so.

Recommendation 7 (Section 5)

Service Priority Review to consider measures to strengthen, consolidate and empower senior executive leadership in regional Western Australia to ensure effective regional perspective informs relevant strategic decisions, and support the engagement of regional stakeholders and communities with key priorities of Government.

Recommendation 8 (Section 5)

Service Priority Review to consider how to maintain visibility of agencies' service delivery approaches over the long-term to ensure ongoing opportunities for improvement, synergies and efficiencies including:
- i. what, how, where and who is delivering government services;
- ii. the costs of delivering those services;
- iii. who is accessing those services, with what frequency and through which delivery channels;
- iv. the client/customer experience including which parts of the 'journey' matter most to them;
- v. which services will clients/customers only accept being delivered face-to-face and which have across-the-board high levels of digital acceptance; and
- vi. what feedback is being generated about each of these service delivery facets.

Recommendation 9 (Section 5)

Department of the Premier and Cabinet to work with other central agencies to encourage agencies to adopt risk-based decision-making in services delivery reform and to document experiences, successes and failures, to enable continuous improvement, sharing these through a centralised interagency analytics portal.

Recommendation 10 (Section 5)

Office of the Government Chief Information Officer to investigate the data collection and analytic systems required to support service delivery improvement and that this information is made available (subject to privacy, confidentiality and intellectual

property rights provisions) to inform agency service delivery decisions including what services:

i. are required and should continue to be delivered;
ii. are not required that should cease (if they are being delivered);
iii. are not being delivered but should by Government; and
iv. can and should be delivered by another tier of Government or a Non-Government Organisation, where and how these services should be delivered.

Recommendation 11 (Section 5)

Service Priority Review to consider ways for whole-of-cycle program evaluation to be implemented across Government based on the understanding that evaluation:

i. is a way to learn and improve;
ii. does not focus solely on compliance or audit-based approaches but instead employ continuous improvement techniques;
iii. explicitly informs changes to program delivery progression if the results suggest this is necessary to achieve or improve on intended outcomes; and
iv. is critical to enable program closure activity (evaluation and audit) cognisant of any progressive adjustments to program delivery and reward responsiveness to ongoing evaluation outcomes rather than absolute fidelity to initial plans.

Recommendation 12 (Section 5)

All Machinery of Government agencies to describe and document their existing customer service delivery approach or channel, in preparation for participation in the design of whole-of-government customer service delivery and to share with all other Directors General by 30 June 2018. This will assist in identifying opportunities for further collaboration and adoption of a more customer-centric service.

Recommendation 13 (Section 5)

Service Priority Review to consider recommending that all agencies be required to develop a Customer Service Delivery Plan that details which services could be delivered synergistically with other agencies on the principle of reducing the number of contact points a customer has with government. Machinery of Government agencies should do this in collaboration with other agencies operating from the same location and build on the findings and principles identified in the pilots and their own work on customer service channels. The plan should address both placed-based opportunities for collaboration and transactional business that can be sensibly grouped together (e.g. licensing and bill paying).

Better government services delivery for regional Western Australia

1 Purpose and Scope

1.1 Purpose

In accordance with its pre-election commitments and in response to the financial challenges faced by the State, the Western Australian Government is reviewing how its services are delivered to seek efficiencies and cost reductions. As part of this review, in May 2017, a Local Service Delivery Working Group was formed to recommend, in respect of regional Western Australia, *a framework for regional agency service delivery that supports the principles of a 'one government approach', effective collaboration and efficient resource allocation and identify regional office accommodation consolidation targets (multiagency) for implementation in 2017-18 and beyond*".

This report summarises the Working Group's findings, and sets out its recommendations, in response to the Premier and Minister for Public Sector Management's Terms of Reference.

This work is intended to complement and inform the broader body of work being undertaken as part of the Service Priority Review announced by the Government in early May 2017.

1.2 Scope

The Local Service Delivery Working Group Terms of Reference were framed to:

1) identify service delivery approaches that will yield efficiencies within a co-located agency model;
2) provide the opportunity for agencies to determine the level of cost-effective presence required to deliver services;
3) identify what regional Government office accommodation and operational facilities (e.g. depots) can be consolidated (co-location opportunities), realising savings for taxpayers;
4) establish a platform and framework for ongoing future service accommodation consolidation; and,
5) identify opportunities for Government departments to share staff, digital platforms and other services in regional locations to reduce overall Government spending.

In considering the best approach to addressing these Terms of Reference, the Working Group grouped them under three broad headings to aid the analysis of the main themes emerging from 1. the broad international and Australian literature review, 2. analysis of existing data held by government, and 3. input from subject matter experts within government.

1.3 Scope Limitations

Given the short timeframe for this project (two months), much of the background research was conducted through thematic internet searches focusing on service delivery, regions, continuous improvement methodologies and evaluation. It is important to note, notwithstanding the overall number of sources reviewed, that the project timeframe imposed severe limitations on the depth of this exercise. Accordingly, while comprehensive, this exercise cannot be considered exhaustive.

As a consequence, there are aspects of the Working Group's project brief that have not been fully satisfied. In particular, it is not possible to quantify savings on regional office accommodation beyond those identified through the Department of Finance's ongoing office accommodation management.

It is important to also note that significant parts of government service delivery such as hospitals and other facilities used to deliver clinical services, schools, police stations, correctional institutions, emergency services buildings and depots, museums and art galleries, electorate offices and facilities operated by Government Trading Enterprises were excluded from the project's scope.

2 Implementation Approach

This section addresses the Premier's requirement to provide an implementation plan for regional service delivery.

2.1 Literature Review

The Working Group undertook a scan of the readily accessible literature (encompassing primary, secondary and tertiary sources) with the aim of distilling:

1) approaches to government service delivery across Australian and other jurisdictions;

2) innovations and changes arising from these jurisdictions that might be applied to regional Western Australia; and

3) a preferred approach for government service delivery in regional Western Australia.

This revealed that over the past three decades a number of countries have undertaken reforms to improve the efficiency and effectiveness of government service delivery at the national, state, regional and local level. These include Australia, Canada, Finland, Ireland, the Netherlands, New Zealand, the United Kingdom and the United States[1].

A key message from the literature from these jurisdictions is that there is no 'one size fits all' approach, rather the experience of a number of jurisdictions over the past three decades is that a range of service delivery models can, and should, be applied to meet customer needs.

One of the clearest articulations of a 'multi-size' framework was produced by the Australian Government in 2006 in its *Delivering Australian Government Services: Access and Distribution Strategy*[2]. This suggests a range of service delivery models from direct agency to customer services to a networked approach utilising non-government organisations to deliver specific place-based services. Building such flexibility across the range of public sector service products and delivery channels responds to the various combinations of factors that will drive customer/service demand(s).

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[1] State Services Authority 2007, *Joined up government: A review of national and international experiences (Working Paper No. 1)*, Melbourne.;
Dollery, B and Akimov, A 2007, *Critical review of the empirical evidence on shared services in local government*, Centre for Local Government, School of Economics, University of New England, Armidale. *Golgan, A, Kennedy, LA and Doherty, N 2014, A primer on implementing whole of government approaches, Centre for Effective Services, Dublin.*
Golgan, A, Rochford, S & Burke, K 2016, Implementing Public Service Reform – Messages from the literature, Centre for Effective Services, Dublin.
Scott, R and Boyd, R 2017, *Interagency Performance Targets: A Case Study of New Zealand's Results Programme*, IBM Center for The Business of Government, Washington, D.C.

2 Department of Finance and Administration 2006a, Delivering Australian Government Services: Access and Distribution Strategy, Canberra.

Further, this Australian Government work suggests that as service delivery transitions from direct to networked, the Government's capacity to control service outcomes diminishes proportionately. Although this can be managed by:

1) adherence to minimum performance standards across Government;

2) ensuring contract performance and evaluation requirements are clear; and

3) enforcing evaluation schedules, mandating improvement/rectification or applying other contractual remedies where service delivery outcomes are not being met.

While wholesale public sector reform has been attempted, phased introduction of changes that build a sustainable momentum for change deliver superior outcomes to single phase (disruptive) change [3]. However, this does not mean that phased processes must be run at a leisurely pace. Indeed, management to tight, yet realistic, timeframes ensures that change momentum is created and maintained.

Taking this into consideration, the following Western Australian government service delivery reform 'phases' have been derived that take into account the experience of other jurisdictions and align with the Working Group's Terms of Reference:

Phase One – Consolidation of premises (agency co-location) – 2017-2018 financial year

In this phase, existing services are delivered out of fewer premises, assuming opportunities exist within the existing portfolio for more efficient utilisation through co-location or consolidation. While yielding potential savings to government, this is unlikely to markedly enhance service delivery from the customer perspective.

The Machinery of Government Stage One agency amalgamation process is a major driver of this consolidation. However, this must be with an appreciation of the overall reform pathway to ensure that opportunities for improved service delivery through staff groupings additional to Machinery of Government Stage One consolidation are not closed off.

Concurrently it is proposed to test how service delivery might sensibly be co-located to capitalise on Whole-of-Government service delivery synergies, through a pilot exercise for one regional centre, Bunbury and one region or sub-region, the East Kimberley. This location (rather than agency) based approach would be a proof-of-concept exercise designed to identify fatal flaws, develop treatments and rapidly deploy lessons across the sector to facilitate further co-locations and subsequent stages of the service delivery reform process.

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[3] Department of Finance and Administration 2006a, Delivering Australian Government Services: Access and Distribution Strategy, Canberra.
Wilson S, Davison N, Clarke, M and Casebourne, J 2015, Joining up public services around local, citizen needs: Perennial challenges and insights on how to tackle them, Institute for Government, London.

Phase Two – Consolidation of premises and service delivery personnel (agency co-location and services hub-type staffing through the 2018-2019 financial year, or medium term)

In this phase, agencies will be asked to identify clustering of service types and/or communities of practice between agencies as well as potential duplications in service delivery within these that can be removed. This may occur at a location-based level or at an agency-based level depending on the customer service delivery characteristics and the learnings from the pilots exercise in Phase One. Service delivery channels will be investigated based on clusters/communities of practice being assessed against the requirement for in-person contact versus transactional digital services (cognisant of telecommunications limitations) to determine the most efficient delivery channels.

These improvements will leverage off an expansion of digital services and capability across the sector, with high volume transactional services forming the vanguard of this transition. However, the drive for on-line delivery will take into account infrastructure limitations (e.g. existing variable internet connectivity and stability across regional Western Australia) and customer characteristics.

Agencies will develop Service Delivery Plans, covering both location-based and agency-based customer service delivery (where relevant), that respond to opportunities created by co-location and/or digital delivery that eliminate duplication and improve overall service delivery effectiveness. Demonstration of interagency collaboration in planning and implementation is to support any Service Priority Review performance reporting that may result from Machinery of Government Stage Two.

This consolidation of personnel may extend to staff employed by one agency being called upon to deliver the services of another agency. Additionally agencies may consider service delivery arrangements with other tiers of government; non-government organisations; and, private sector, where effective to do so in terms of standard of customer service and cost.

Phase Three – Service Delivery Optimisation: re-prioritisation and customer focus (Long term)

This phase will involve an in-depth review to understand which services are being delivered to customers and how, where and whether they match actual need. This data will then be used to determine whether existing services should continue as is, be delivered in another way (e.g. on-line or by another agent), cease altogether or call for a new service to be delivered. This will result in services responding to location and customer need through a mosaic of service delivery outcomes: not 'one-size-fits-all'.

The results of this analysis will flow through to Service Delivery Plans that match services to need, respond to opportunities for targeted intervention and empower citizens such that overall demand for Government services is reduced. The approach also responds to and accommodates implementation of the Service Priority Review outcomes.

A high-level analysis of the risks and benefits of the phased approach are set out in Table 1 below.

	Risks	Benefits
Phase One	Continuation of existing services delivery models results in sub-optimal returns (financial and efficiency); Sub-optimal agency mix reduces efficient services delivery; Future non-MOG options lost.	Reduced property costs; Becomes a 'pioneering' stage for more comprehensive service delivery reform.
Phase Two	Sub-optimal service delivery if expectations are not realistic; Lack of acceptance by local community(ies).	Reduced property costs; Pioneers service delivery integration; Foundation for high levels of integrated local/case knowledge in the workforce.
Phase Three	Potential cost intensive (upfront expenditure); Government not adept at future scanning so mismatch between services and need may emerge over time; Significant change – may be difficult to manage and evaluate implementation effectiveness; Dis-economic effects likely to arise – including beyond immediately affected towns (i.e. regional and state-scale effects).	Services matched to need; Opportunities identified to manage long-term service demand and hence cost; Fundamental shifts in services delivery approaches - empowering citizens and reducing dependence on government services; Highest potential savings; Greatest driver for 'joined up' Government (along with NGO and for-profit private sectors).

Table 1: Phased Approach – risks and benefits.

A particular issue faced by service delivery reform identified in the literature[4], is the misalignment of service regions between agencies, which impedes the design of services for the 'whole person'. Given the vastness of regional Western Australia, this is a particular factor that must be addressed. In addition, whatever the eventual mosaic of service delivery models, substantial credible data will be required along with a program of stakeholder engagement.

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[4] See particularly Wilson S, Davison N, Clarke, M and Casebourne, J 2015, Joining up public services around local, citizen needs: Perennial challenges and insights on how to tackle them, Institute for Government, London.

3 CONSOLIDATING OFFICE ACCOMMODATION AND OPERATIONAL FACILITIES

This Section addresses the following Terms of Reference:

(2) Provide the opportunity for agencies to determine the level of cost-effective presence required to deliver services.

(3) Identify what regional Government office accommodation and operational facilities (e.g. depots) can be consolidated (co-location opportunities), realising savings for taxpayers.

(4) Establish a platform and framework for ongoing future service accommodation consolidation.

3.1 Background and Evidence

3.1.1 Regional Office Accommodation

Office accommodation in regional Western Australia has historically developed by individual agencies seeking accommodation based around their particular requirements, rather than around a full client perspective across all services a client may need to access.

As a result, office accommodation in the regions is very fragmented, largely delivered on an agency-by-agency basis, is inflexible when machinery of government changes occur and, on the whole, is not very efficient.

The Map at Attachment 1 summarises the government office accommodation across regional Western Australia, including the square metres of office space in each regional location and details around cost and utilisation. Extensive detail at town site and agency level has been collected by the Working Group and underlies this summary. Nonetheless, as noted below, a range of data deficiencies still exist.

The supply of office accommodation in regional centres is often limited, with tenancies usually in premises of a lesser quality (relative to the metropolitan area). As a consequence, floorplates often have constraints that are not conducive to good fit-out design that allow good density outcomes to be achieved.

Lease rental rates are also usually quite low, but this is a two edged sword.

On the one hand, this means overall regional office accommodation costs are relatively low, notwithstanding space utilisation inefficiencies, but it also means this may present a major barrier for change where any change needs to deliver a reduction in cost. The Department of Finance advised that:

- across regional Western Australia, there is approximately 150,000m^2 of office accommodation across around 400 separate tenancies;

- the regional property portfolio comprises 17% of the total government owned and leased portfolio, of which approximately 50% is owned by individual agencies;
- $19 million is the estimated annual cost of leased regional office accommodation, but the total portfolio cost (including owned buildings) is unknown as data is incomplete;

- the opportunity for significant dollar savings from the regional office accommodation portfolio is limited, relative to the total portfolio, with most savings opportunities in the metropolitan area;

- this accommodation amounts to around 6000 work points, with 1534 of those vacant;

- approximately 50% of the vacant work points (close to 800) are located in the government leased office accommodation;

- of the vacant work points, around 350 have an estimated annual cost of approximately $1.69 million and are located in 150 regional tenancy leases due to expire by 30 June 2019; and

- Government is aware that some of the vacant work points are being sub-leased to Non-Government Organisations but not consistently reported by agencies, meaning the true number of vacant work points is unclear.

Overall, the Department of Finance noted that a lack of accurate and up to date information about some of these properties (particular agency-owned and agency-leased) along with a lack of sharing of information between agencies has contributed to significant waste due to inefficient space planning and utilisation of government assets.

In undertaking its work, the Working Group considered that there are potential barriers to improving efficiencies in regional government office accommodation. These include legislative barriers to agencies sharing data, city centric models of service delivery inapplicable in regional and remote areas and disempowered local staff unable to make changes to meet local needs without reference to central bureaucracies.

3.1.2 Regional Operational Assets

Operational assets, classified as industrial infrastructure used by government in regional Western Australia, include such assets as depots, warehouses, sheds and workshops.

A small number of agencies which, by nature of their business, are responsible for the delivery of labour or equipment intensive services, own or lease the majority of operational facilities in the regions. These agencies include the:

- Department of Agriculture and Food Western Australia;

- Department of Fire and Emergency Services;

- Department of Parks and Wildlife; and

- Main Roads.

Evidence provided by agencies to the Department of Finance suggests an ongoing need for these operational facilities in the delivery of services in the regions. Further consultation with the agencies is required to establish if future consolidation of these facilities through co-location is viable.

3.1.3 *Office accommodation data used as an enabler*

Prior to identifying opportunities to improve office accommodation efficiency, there needs to be an appreciation of the:

- type and level of government services provided to regional customers, where customers are accustomed to more in-person services provided when compared to similar services delivered by the same agency in metropolitan Perth;

- real cost of vacant workstations in office accommodation owned by the government but for which the Department of Finance data reflects a nil cost – there remains a cost to government albeit captured directly within agency budgets and not by the Department of Finance (at this stage);

- lease break costs to government should agencies co-locate prior to office lease term end; and,

- financial impact on the local providers of office accommodation in small to medium regional centres and towns where government is often the only entity occupying such tenancies and there may not be a replacement tenant.

As a result of these limitations, available data supports only tentative indications of co-location opportunities and that further detailed investigation via proposed town site and regional pilots would be beneficial.

3.2 Immediate Opportunities for Consolidation or Co-location

Based on an initial analysis of the data, potential opportunities to consolidate office accommodation in regional centres lie in Bunbury, Kalgoorlie and Geraldton. Each of these centres contain a high number of leased vacant work points at the highest annual cost.

Table 2 below provides a summary based on available data of the situation in respect of work points and the cost of Government agency accommodation in these three regional centres:

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Regional Centre	Total Annual Cost	Net Lettable Area (m²)	Total Work Points	Vacant Work Points	Total Annual Cost of Vacant Work Points
Bunbury	$3,384,916	20,435	1,001	221	$943,296
Kalgoorlie	$1,605,400	9,395	320	89	$373,031
Geraldton	$2,386,968	12,432	518	94	$357,118

Table 2: Summary of Cost v Work Points in selected regional centres.

Bunbury is the location with the highest apparent number, and associated cost, of vacant work points in regional Western Australia where:

- vacant work points represent 28% of total Government spend on leasing work space in Bunbury; and

- Bunbury Tower alone contains 86 vacant work points of a total 309 leased work points.

This initial analysis suggests there is merit in investigating in detail the opportunities for co-location in the Bunbury Tower and indeed across the Government property portfolio more generally in Bunbury. Consequently, Bunbury makes an excellent target for a pilot project.

Across these selected regional town centres there are at least 24 leases due to expire by the end of June 2020. While this may appear to offer opportunities for further consolidation, sufficiently large accommodation is not readily available in most regional centres. Further, where government is the largest lessee of office space in a town, significant dis-economic impacts may result where there are no alternative tenants.

In addition, the Working Group highlighted that no reliable and comprehensive data exists answering:

1) what Government services are being delivered where;

2) how those services are being delivered;

3) what is the true cost of delivering those services and the breakdown of those costs;

4) who is accessing those services and with what frequency;

5) which delivery channels are being accessed most frequently where;

6) which part(s) of the service delivery 'journey' matter most to clients/customers;

7) what feedback is being generated about each of these service delivery facets;

8) the extent to which poor service delivery contributes to social problems that become complex and costly to remedy; and

9) what are the likely costs that can be saved by improving service delivery in such cases?

Data collection and quality assurance and quality control (data cleansing) efforts must be embedded as a regular part of Government business if data sets fundamental to inform the services reform process are to maintain currency.

Fine-grained financial data is essential to build robust financial models to enable cost-benefit analyses of various options for agency co-location, building selection (including whether to hold or dispose of existing premises or build anew) and evaluation of the financial outcomes.

Data must also be collected that will alert to the emergence of dis-economic impacts so that, to the financial extent possible, then can be mitigated. Further, as the reform process continues, analysing cost data against customer satisfaction measures will be critical to gauge when a balance between service delivery and cost reduction has been achieved.

A larger data pool would provide greater opportunities to meaningfully apply analytics to the interrelated areas of cost management, continuous improvement and risk-based decision making.

3.3 Findings

Finding 3.1 Agencies have identified operational (depot) facilities as surplus. These can be disposed or repurposed via the Land Asset Sales Program administered by the Department of Planning, Lands and Heritage.

Finding 3.2 Approximately 50% of the vacant work points (close to 800) are located in the government leased office accommodation, of which around 350 have an estimated annual cost of approximately $1.69 million and are located in 150 regional tenancy leases due to expire by 30 June 2019.

Finding 3.3 There are opportunities for savings to be made over time in a phased approach, particularly as leases expire and co-location opportunities are identified through the newly formed and amalgamated agencies.

Finding 3.4 There is a lack of accurate data across the portfolio reconciling numbers reported by agencies to those held by different data gathering organisations. As a consequence, irreconcilable discrepancies exist around work point, headcount and vacant work point numbers.

Finding 3.5 A high-level analysis of data reveals that there are a range of immediate opportunities for consolidation of government workers in regional centres. In particular, Bunbury contains the highest number of leased vacant work points, and consequently the highest annual cost of those vacant work points.

3.4 Recommendations:

Recommendation 1

Department of Finance to:

i.   continue supporting newly established Machinery of Government agencies to identify further opportunities for co-location and/or consolidation during 2017-18 and beyond;

ii.   investigate an incentive arrangement for agencies to keep and reinvest a portion of realised savings arising from agency decisions that lead to outperforming density and work point to headcount ratio standards;

iii. expand the capability of its current data and systems to enable more dynamic information provision to Government and agencies to maximise office accommodation efficiency; and,

iv.   conduct a comprehensive assessment of agency-owned office accommodation and sub-leasing arrangements by agencies to non-government organisations within government owned and leased premises to identify the true cost of vacant accommodation.

Recommendation 2

The Department of Community Services to undertake in Phase One (2017-18 financial year), a service delivery reform pilot project at Bunbury and in the Kimberley region. The Department of Community Services is to collaboratively lead and work with each Western Australia State Government agency that delivers services and/or with a presence in the pilot sites, to achieve the aim of providing better Government services. It is expected that lessons learned from the two pilots will be reported back to Cabinet, inform Government about further opportunities for better service delivery in regional Western Australia and shape related agency budget submissions for the 2019/20 financial year.

Recommendation 3

The surplus operational assets (mainly depots) identified by agencies to the Department of Finance, to be made available for immediate release to the Land Asset Management Unit within the Department of Planning Lands and Heritage for disposal, or repurposing and reported through the Land Asset Sale portal.

Recommendation 4

Service Priority Review to consider the merits of service delivery partnerships including with Local Government Authorities and Australian Government agencies to:

i.   develop one-stop-shop customer service hubs to reduce the number of contact points for customers engaging with the three tiers of government; and

ii.   identify State Government services that can be delivered by these other tiers of government and the arrangements under which this might occur.

4 SHARING STAFF, DIGITAL PLATFORMS AND OTHER SERVICES

This Section addresses the following Term of Reference:

(5) Identify opportunities for Government departments to share staff, digital platforms and other services in regional locations to reduce overall Government spending.

4.1 Background and Evidence

4.1.1 Information Technology – customer services delivery enabler

As noted previously, the annual estimated expenditure on leased regional Government office space is $19 million with the result that savings through Phase One co-locations are unlikely to materially impact on the State's budget position. Greater savings will only be realised through service-wide productivity increases.

Information Technology (IT) solutions have been identified by the Auditor General [5] as enablers of such productivity improvements.

However, not all customers are willing to access services digitally: for some, social interaction is as important as gaining access to the particular service. This is compounded by the fact that regional Western Australia (and even parts of metropolitan Perth) has poor telecommunications infrastructure that does not support consistent high data demands.

To better understand the opportunities information technology offers to improve government regional service delivery, the Working Group received advice from subject matter experts within government agencies including in particular, the Office of the Government Chief Information Officer.

Generally:

- Distance and isolation make it cost prohibitive to improve traditional telecommunications infrastructure to the point it fully enables digital service delivery.

- Purchasing computer equipment or a smart phone and maintaining data connections at acceptable user cost (or at all) can also be problematic, particularly in lower socio-economic status regional communities.

- Internet connectivity and stability, constrains customers in accessing latest software programs to utilise modern on-line Government digital services.

For all of these reasons, it will only be possible to incentivise rather than force customers to access services digitally, requiring traditional (face-to-face) delivery channels to be maintained at some level.

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[5] Office of the Auditor General Western Australia 2016, *Delivering Services Online (Report 8, May 2016)*, Perth.

4.1.2 Digital WA Strategy – government services delivery enabler

In order to provide improved government services in regional areas, the Office of the Government Chief Information Officer has identified a range of opportunities for implementation through the Digital WA Strategy and myWA.

For instance, GovNext-ICT is enabling government sites to exist on a single shared network (including wireless access) and phone system, regardless of which agency or agencies occupy the premises. This is ideal to support targeted pilot projects in regional areas, where co-location of multiple agency staff in the same building – and even on the same front counter – is desirable.

Assuming appropriate internet access across regional Western Australia, myWA will be an online access point for citizens and businesses, anytime and anywhere, to Government, providing the ability to:

1) search across 450 government web sites to find government information and government services;

2) transact on a government service without the need to attend a physical counter or ring a government agency;

3) pay for all government services using one payment gateway without the needs to re-enter data;

4) submit, file, check and advise on the current status of a matter currently being considered by government;

5) have one user experience via one government approach so it is not confusing to the user that they are dealing with multiple government entities; and

6) use a digital ID, allowing the attachment of relevant government information to your personal record i.e. health record, licences, payment records and certificates.

Meanwhile, transitioning from face-to-face service delivery to digital (online) is estimated to reduce transaction costs from $16.90 per transaction to $0.40[6] . This transition to digital service provision translates to savings of over $2.2 billion over 10 years if only half of current phone and mail transactions are moved to online channels[7] . The same report noted that Western Australia currently lags significantly behind other jurisdictions when it comes to delivering services online.

Jurisdictions that have created portals enabling digital service delivery include:

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[6] Deloitte Access Economics 2015, *Digital government transformation (Commissioned by Adobe)*, Melbourne (P:1)

[7] Office of the Auditor General Western Australia 2016, *Delivering Services Online (Report 8, May 2016)*, Perth.

International:

- United Kingdom (central and local government level);
- Norway;
- Hong Kong;
- Singapore;
- Canada;
- New Zealand; and
- United States (Federal level).

Australia:

- Queensland;
- New South Wales;
- Victoria (released June 2017).

In implementing the GovNext-ICT program, and the myWA Portal in particular, further efficiencies may be achieved by leveraging this work to give front-counter staff access to a dashboard containing information, guidance and process flows for services from multiple agencies. If a suitably effective and secure dashboard is developed, services might also be provided by third-party staff, such as Australia Post outlets, local government offices, and state government owned facilities like libraries (an approach Tasmania has taken) to further reduce costs.

Alongside utilisation of the myWA Portal, additional efficiencies may be achieved by moving to common digital systems across Government. For example, sharing email facilities will enable government officers to search and find other officers more efficiently. Similarly, implementing common email addresses (@wa.gov.au) across Government will simplify and reduce the cost of moving staff across agencies. It would also reinforce the cultural message of working for the public service, rather than for individual agencies.

4.1.3 Building off existing Government IT infrastructure

The Office of the Government Chief Information Officer has identified that there may be opportunities to enhance digital service delivery across Government building off the current health services capital works program currently being rolled out across regional Western Australia.

4.1.4 Enabling a multi-skilled mobile workforce

In the future, advances in telecommunications technology are likely to enable the provision of IT solutions to regional Western Australia at a lower cost, being less dependent upon 'hard' connections delivered via linear infrastructure builds.

Developing and rolling out digital solutions, training for these new systems and multi-skilling staff and expanding the mobility of regionally-based government staff, will require funding. Data is required to assess whether such costs outweigh the actual (rather than assumed) financial and other benefits accruing from these initiatives. For this reason, a further regional or sub-regional scale pilot is proposed.

To drive improvement, in May 2015 the Western Australian Government announced a program to improve the lives of Aboriginal people in regional and remote Western Australia. The Regional Services Reform Unit was established to lead this change to the delivery of housing, education, employment and human services.

This program has identified delivery reform initiatives to accelerate agreed regional outcomes; improve workforce capability; foster digital information-sharing and analytics; and integrated service commissioning to reduce duplication. The opportunity exists to build on this formative work by the Regional Services Reform Unit thus it is proposed that the Kimberley be a regional pilot area for Phase One in the 2017-18 financial year.

4.2 Findings

Finding 4.1 The unique geographical spread of communities across regional Western Australia means that delivering services presents unique operational and customer services delivery access challenges.

Finding 4.2 A range of services could be shared across agencies in regional centres, including receptionist/customer service 'triage' duties; conference facilities; ICT Infrastructure; call centres; vehicle pooling; and storage facilities.

Finding 4.3 The overall size and low population density across large parts of the state will make the cost of improving (or establishing, in some areas) traditional telecommunications infrastructure to enable digital technology and services prohibitive.

Finding 4.4 The greatest efficiency improvements and cost savings are likely to come through digital transformation. However, face-to-face delivery channels will continue to be required as some customers may be unable to access digital services due to cost, inadequate internet services, or lack of familiarity with digital devices.

Finding 4.5 GovNext-ICT is enabling government sites to exist on a single shared network (including wireless access) and phone system, allowing for greater mobility of staff. GovNext is designed for shared tenancy, multi-agency buildings, and for adoption on a site-by-site rather than agency-by-agency approach.

Finding 4.6 Providing all Western Australian public servants with an @wa.gov.au address, rather than an @agency.wa.gov.au address, will enable simplified movement of staff across agencies and cost less. This would also reinforce the cultural message of working for the public service, rather than for individual agencies.

4.3 Recommendations:

Recommendation 5

Office of the Government Chief Information Officer to:
  i.   drive the roll out of GovNext-ICT in regional areas;
  ii. develop strategies and implementation approach on how agencies can better reduce the time and cost of adopting common corporate systems;

   iii.   leverage any existing capital works expenditure on digital service delivery in regional Western Australia by upgrading or expanding built or planned ICT networks to service all government facilities;

   iv.   develop and deploy an integrated digital services platform or program suite; and

   v.   by agreement with the Treasurer, allow for early adopters to re-invest a portion of recurrent or capital savings to improve technology or service delivery which derive future savings.

Recommendation 6

Service Priority Review to consider the merits of expanding or realigning the myWA Program (currently digital service delivery only) into a *Service WA* omni-channel delivery program (physical and digital service delivery), including self-service kiosks and face-to-face customer service and also enable third party providers to deliver transactional services where it is cost effective to do so.

5 APPROACHES TO EFFECTIVE SERVICE DELIVERY

This Section addresses the following Term of Reference:

(1) Identify service delivery approaches that will yield efficiencies within a co-located agency model.

5.1 Background and Evidence

A key finding from the literature reviewed is that detailed understanding of and focus on customer needs and expectations must drive service delivery strategies. This will require harnessing the best aspects of public sector service culture with a more deliberate focus on the needs of the citizens accessing (and paying for) those services[8].

Across the public sector, improving service delivery increases trust in Government generally, reduces complaints (that take resources to address) and improves voluntary compliance. These, in turn, reduce the overall cost to Government of delivering services[9]. Paying fees and charges also becomes more palatable when services are both valued and offer value for the effort spent accessing them.

Focus on customer interactions is also a powerful driver of transformation from a process-centric (generally low outcome/poor customer satisfaction) environment to one driven by outcomes. Streamlining to limit the total number of interactions reduces the risk of bad customer experiences[10]. It also increases customer satisfaction by making the system easier to navigate. Further, simplified processes speed up finding and fixing points of negative customer experience.

Mapping the entire journey, a customer must take to secure particular services is critical to simplification. This should also highlight points at which the journey forces a jump between agencies, which can then be eliminated (if possible) or addressed through formal inter-agency strategies.

5.1.1 Risk-based decision-making

Although a customer focus and digital delivery will drive efficiencies, service delivery reform also requires increasing public service agility and mobility through innovation and faster decision-making. This, in turn, requires more deliberate attention to risk[11].

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[8] Bouvard, F, Carsouw, R, Labaye, E, Levy, A, Mendonca, L, Remes, J, Roxburgh, C and Test, S 2011, *Better for less: Improving public sector performance on a tight budget*, McKinsey Center for Government, Washington, D.C.

[9] D'Emidio, T, Malfara, D and Neher, K 2017, *Improving the customer experience to achieve government-agency goals*, McKinsey Center for Government, Washington, D.C.(P 4)

[10] Pulido, A, Stone, D and Strevel, J 2014, The three Cs of customer satisfaction: Consistency, consistency, consistency, McKinsey Center for Government, Washington, D.C.

[11] Organisation for Economic Co-operation and Development 2015, *Achieving Public Sector Agility at Times of Fiscal Consolidation*, Paris.(P 143)

Clearly articulated risk tolerance statements are not generally a feature of Government risk management systems. As a result, Government enterprises tend to default to highly risk averse settings given:

1) public money is involved;

2) Government is responsible to a wide range of stakeholders and failures are high profile; and

3) the political cycle creates uncertainty regarding long-term vision (a key element in fine-tuning risk appetite).

However, high levels of risk aversion do not support the agile and adaptive decision-making necessary to impact on complex societal problems that have "no inherently clear [or] correct solutions"[12] . Effective decision-making in this environment is more reactive; relying on identifying risks, opportunities and actions that can be built on to secure desired outcomes, rapid learning and constant adjustment. This, in turn, requires decision-making that does take risks appropriately reflecting Government's overall risk tolerance[13].

Consciously applying risk-based decision-making, ensuring this is learned from and making these lessons widely available will also be instrumental to reinforcing a culture of continuous improvement across the public sector.

5.1.2 Continuous Improvement – data-driven decision-making and whole of program evaluation

Continuous improvement is also served by use of the data generated through the planned pilots, data capture advocated in Section 3.2 and that generated automatically by customers accessing digital service delivery portals. Analysing all this data can give powerful insights into Government business as a whole; identifying areas of emerging demand, enabling more agile service delivery and facilitating planning, design and delivery. Data can also be used to analyse the mix of services required by particular communities to enable 'right sizing', cost savings, increases in efficiency and higher customer satisfaction.

The benefits to Government are not just in its outward facing functions. Use of pooled data generated from its properties through smart light sensors, entrance security, elevators and air-conditioning systems can be utilised to better plan office layouts and reduce costs. It can also inform the design criteria for new builds to ensure that they suit digital and service-hub style delivery.

However, citizens overwhelmingly report privacy concerns regarding the data already collected and used by Government, notwithstanding most give away even more personal data to private sector service providers. While safe-guarding privacy is clearly

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12 O*p cit* Organisation for Economic Co-operation and Development (P 147)

13 Corydon, B, Dobbs, R, Fine, D, Allas, T, Berchowitz, A, Daly, E, Dimson, J, Gupta, R, Woetzel, J and Higgins, R 2018

a, Government Productivity: Unlocking the $3.5 Trillion Opportunity, McKinsey Center for Government, Washington, D.C. (P 123)

important, the public's overwhelming focus on it is a proxy for the lack of monetary value the community sees in Government services. The private sector offers a clearer value proposition: the data given to the provider is in exchange for free (or minimal cost) service. In contrast, Government services are considered by citizens to have already been 'paid for' through taxes, fees and other charges. The alternative is to create value by showing how the data is being used make these services easier to access (i.e. giving a direct benefit by valuing the customer's time).

Taking this into account, the key principles for rolling out analytics across the public sector are to[14] :

- view data as a public asset that should only be used in pursuit of the public good;

- ensure protection for individual privacy, confidentiality and intellectual property rights;

- ensure data skew toward digital natives (who will generate the most direct data) is accounted for and does not unduly influence decision-making;

- embrace data-based decision-making for customer service delivery improvements; and

- ensure the use of data is explicit and transparent in those decision-making processes.

A further power of customer service delivery analytics lies in its ability to support accountability by providing an unbiased platform for assessing the design, implementation and outcomes of Government-funded activity. Such evaluation is essential to determine whether the policy, program or project has done what it was intended to do. Service delivery evaluation in this sense goes beyond an audit approach, which is at its most basic assessing whether funds were dispersed appropriately. It involves a root cause analysis for both successes and failures to drive continuous improvement and so should not only be a project closure activity.

It is essential that evaluation is planned for, built into program design and undertaken from the outset[15]. If not, data collection is likely to be ad hoc (if it occurs at all), miss critical metrics and not be of the quality necessary to support credible analysis or reporting. Data will also be missed that point to:

- identified risks materialising or new risks emerging;

- improvements that can better secure intended outcomes; and

- opportunities for new/better outcomes.

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[14] Tadjeddine, K and Lundqvist, M 2016, *Policy in the data age: Data enablement for the common good*, McKinsey Center for Government, Washington, D.C.
[15] Department of Treasury 2015, *Evaluation Guide*, Perth.

Adjustments should be made to service delivery programs in response to evaluations. This may require greater flexibility to be built into funding and audit mechanisms, which typically reward program expenditure and delivery strictly in accordance with initial plans. That is not to say there should not be appropriate controls and oversight: rather fidelity to an initial service delivery plan should not be prioritised over agile, efficient and effective service delivery.

Ongoing evaluation is also fundamental to transparent and unbiased performance management of those responsible for service delivery outcomes against specific performance indicators. This has been implemented for senior government personnel in other jurisdictions by moving away from prescriptive approaches to risk-based monitoring and accountability for actual results rather than process fidelity.

5.1.3 Applying improved service delivery approaches

Agencies will require new tools to embed risk-based decision-making and ongoing evaluation and Government will require a tool to monitor progress. One option is to implement Service Delivery Plans. These plans could be in a common form and address:

- government requirements;
- appropriate service delivery models (have regard to the Australian Government's Department of Finance and Administration Service Distribution Models);
- budget, policy and legislation bases;
- human resource asset capability;
- business practices;
- facilities and equipment;
- information technology capacity (and stability);
- knowledge;
- accountability and governance; and
- risk and evaluation.

In devising these Plans, agencies should keep in mind the following principles:

- Service delivery to be designed with the needs of the customer/client first and to minimise the touch points with government.
- Service outcomes to be measureable and evaluated to enable continuous innovation and improvement.
- Transactional services to be proactively pushed to digital channels where face-to-face interactions are not required.
- Agencies to work collaboratively to design services that are mutually supportive and not duplicative, contradictory or counterintuitive.

- Agencies to proactively explore partnerships with local government authorities to reduce the number of contact points for customers engaging with the three tiers of government and to identify services that can be delivered for State Government and the arrangements under which this might occur.

- Agencies to work to share administration and customer service staff and accommodation supporting mobility and shared access (e.g. hot-desk work environments, mobile service delivery technologies).

- Agencies to explore how staff can undertake multiple common transactional tasks across agencies where sensible to do so.

- Local staff to be empowered to collaborate and engage with other service providers (including all tiers of government and non-government organisations) in respect of local decision making and to use these broader service delivery arrangements, to best service clients and customers in their town or region.

Lastly, it is important to note that there are potentially competing policy objectives in achieving effective and efficient service delivery as significant reform may reduce the need for face-to-face services, and hence a public service presence, in some regional locations. In other settings, the Government has indicated it intends to retain and potentially increase the number of public servants in regional areas. However, regional public servants might simply be used differently as services go online such that regional presence is maintained or increased. These opportunities are likely to become apparent as service delivery reform progresses.

5.2 Findings

Finding 5.1 There is no 'one size fits all' government service delivery approach that can be applied universally to all public sector activities or to all circumstances. However, based on the experience of other jurisdictions, there are opportunities for Western Australian agencies to provide consolidated service points, following further work on customer centric service design.

Finding 5.2 There are potentially competing policy objectives in achieving effective and efficient service delivery in regional areas. Government has flagged moving transactional services online, which may reduce the need for face-to-face services. Meanwhile Government has also indicated it intends to retain and / or increase the number of public servants in the regions, requiring agencies to consider using regional public servants differently as services go online.

Finding 5.3 Reducing the number and variety of contact points for customers (triage service) will make it easier to interact with government.

Finding 5.4 Embedding risk-based decision-making aligned to defined Government risk tolerances, ongoing data collection and analysis and whole-of-cycle program evaluation is critical to cementing and continuously improving on public sector reform exercises.

5.3 Recommendations

Recommendation 7

The Service Priority Review to consider measures to strengthen, consolidate and empower senior executive leadership in regional Western Australia to ensure effective regional perspective informs relevant strategic decisions, and support the engagement of regional stakeholders and communities with key priorities of Government.

Recommendation 8

Service Priority Review to consider how to maintain visibility of agencies' service delivery approaches over the long-term to ensure ongoing opportunities for improvement, synergies and efficiencies including:

   i.   what, how, where and who is delivering government services;

   ii.   the costs of delivering those services;

   iii.   who is accessing those services, with what frequency and through which delivery channels;

   iv.   the client/customer experience including which parts of the 'journey' matter most to them;

   v.   which services will clients/customers only accept being delivered face-to-face and which have across-the-board high levels of digital acceptance; and

   vi.   what feedback is being generated about each of these service delivery facets.

Recommendation 9

Department of the Premier and Cabinet to work with other central agencies to encourage agencies to adopt risk-based decision-making in services delivery reform and to document experiences, successes and failures, to enable continuous improvement, sharing these through a centralised interagency analytics portal.

Recommendation 10

Office of the Government Chief Information Officer to investigate the data collection and analytic systems required to support service delivery improvement and that this information is made available (subject to privacy, confidentiality and intellectual property rights provisions) to inform agency service delivery decisions including what services:

   i.   are required and should continue to be delivered;

   ii.   are not required that should cease (if they are being delivered);

   iii.   are not being delivered but should by Government; and

   iv.   can and should be delivered by another tier of government or a non-government organisation, where and how these services should be delivered.

Recommendation 11

Service Priority Review to consider ways for whole-of-cycle program evaluation to be implemented across Government based on an understanding that evaluation:

i.   is a way to learn and improve.

ii. does not focus solely on compliance or audit-based approaches but instead employ continuous improvement techniques.

iii. explicitly informs changes to program delivery progression if the results suggest this is necessary to achieve or improve on intended outcomes.

iv. is critical to enable program closure activity (evaluation and audit) cognisant of any progressive adjustments to program delivery and reward responsiveness to ongoing evaluation outcomes rather than absolute fidelity to initial plans.

Recommendation 12

All Machinery of Government agencies to describe and document their existing customer service delivery approach or channel, in preparation for participation in the design of whole-of-government customer service delivery and to share with all other Directors General by 30 June 2018. This will to assist in identifying opportunities for further collaboration and adoption of a more customer-centric service.

Recommendation 13

Service Priority Review to consider recommending that all agencies be required to develop a Customer Service Delivery Plan that details which services could be delivered synergistically with other agencies on the principle of reducing the number of contact points a customer has with government. Machinery of Government agencies should do this in collaboration with other agencies operating from the same location and build on the findings and principles identified in the pilots and their own work on customer service channels. The plan should address both placed-based opportunities for collaboration and transactional business that can be sensibly grouped together (e.g. licensing and bill paying).

Attachment 1

Government of **Western Australia**
Department of **Finance**
Building Management and Works

Western Australia Government Office Accommodation

Legend

Workspace Density
- > 33 sqm per workpoint
- 24
- < 15

Net Lettable Area (sqm)
- > 34,742
- 27,000
- 20,000
- 13,000
- < 5,622

Kimberley
Leased Area (sqm)	9,389
Annual Lease Costs	$3,439,743
Owned Area (sqm)	9,800
Workpoints	773
Vacant Workpoints	152
Annual Cost of Vacant Workpoints	$795,569

Pilbara
Leased Area (sqm)	6,829
Annual Lease Costs	$3,126,719
Owned Area (sqm)	9,493
Workpoints	706
Vacant Workpoints	289
Annual Cost of Vacant Workpoints	$1,435,626

(large red circle)
Leased Area (sqm)	446,792
Annual Lease Costs	$218,255,501
Owned Area (sqm)	254,999
Workpoints	33,112

Gascoyne
Leased Area (sqm)	2,118
Annual Lease Costs	$601,294
Owned Area (sqm)	2,994
Workpoints	219
Vacant Workpoints	42
Annual Cost of Vacant Workpoints	$133,759

(near Goldfields Esperance)
Leased Area (sqm)	4,933
Annual Lease Costs	$933,240
Owned Area (sqm)	17,374
Workpoints	818
Vacant Workpoints	233
Annual Cost of Vacant Workpoints	$209,719

Midwest
Leased Area (sqm)	7,096
Annual Lease Costs	$2,386,968
Owned Area (sqm)	6,443
Workpoints	561
Vacant Workpoints	107
Annual Cost of Vacant Workpoints	$357,118

(near Perth / Peel)
Leased Area (sqm)	3,771
Annual Lease Costs	$1,280,472
Owned Area (sqm)	480
Workpoints	274
Vacant Workpoints	50
Annual Cost of Vacant Workpoints	$172,026

Wheatbelt

Goldfields Esperance
Leased Area (sqm)	6,508
Annual Lease Costs	$1,883,268
Owned Area (sqm)	8,923
Workpoints	505
Vacant Workpoints	137
Annual Cost of Vacant Workpoints	$469,146

South West
Leased Area (sqm)	13,054
Annual Lease Costs	$4,176,291
Owned Area (sqm)	17,431
Workpoints	1,455
Vacant Workpoints	361
Annual Cost of Vacant Workpoints	$1,135,499

Great Southern
Leased Area (sqm)	6,085
Annual Lease Costs	$1,073,749
Owned Area (sqm)	16,475
Workpoints	682
Vacant Workpoints	163
Annual Cost of Vacant Workpoints	$183,973

0   200   400km

The above map represents the office accommodation portfolio across Western Australia known to the Department of Finance: that is, managed by the Department of Finance or directly by the agencies. This information has been collated from the agencies' 2016 10-Year Strategic Office Accommodation Plans and recent responses on regional properties for the Tasked Working Group on Local Service Delivery; information on agency owned and leased premises is limited at this time.

This information is current as at 26 June 2017 and is based on the data collected from agencies to date. All costs reported above relate to the Minister for Works leased portfolio only.

LITERATURE REVIEW

Australian Bureau of Statistics 2017, *Western Australia - Whole of Each State/Territory Statistics***, Canberra.**

URL: http://ow.ly/N73v30czuAI

This Australian Bureau of Statistics webpage contains a range of 2011-2016 statistics for the whole of Western Australia in the following categories: (1) Population and People (includes Population, Births and Deaths, Internal Migration); (2) Economy and Industry (includes Businesses, Building Approvals, Registered Motor Vehicles); (3) Income (includes Personal Income, Pensions); (4) Education and Employment (includes Pre-School Enrolments, Post-School Qualifications, Occupations); (5) Family and Community (includes Citizenship, Households, Internet Access); and (6) Land and Environment (includes Land Area, Water Use, Energy Supply and Generation).

Australian Bureau of Statistics 2017, *Western Australia - Rest of Each State/Territory Statistics***, Canberra.**

URL: http://ow.ly/qHHp30czuDT

This Australian Bureau of Statistics webpage contains a range of 2011-2016 statistics for regional Western Australia in the following categories: (1) Population and People (includes Population, Births and Deaths, Internal Migration); (2) Economy and Industry (includes Businesses, Building Approvals, Registered Motor Vehicles); (3) Income (includes Personal Income, Pensions); (4) Education and Employment (includes Pre-School Enrolments, Post-School Qualifications, Occupations); (5) Family and Community (includes Citizenship, Households, Internet Access); and (6) Land and Environment (includes Land Area, Water Use, Energy Supply and Generation).

Bouvard, F, Carsouw, R, Labaye, E, Levy, A, Mendonca, L, Remes, J, Roxburgh, C and Test, S 2011, *Better for less: Improving public sector performance on a tight budget***, McKinsey Center for Government, Washington, D.C.**

URL: http://ow.ly/zVtA30czvFF

This discussion paper demonstrates the potential fiscal impact of improving public sector performance and lays out the case for acting now. In addition, it offers eight principles and five priority actions for improving public sector performance. The eight principles are: (1) public sector performance can indeed be measured; (2) benchmarking against peers in the public and private sector helps drive performance; (3) improving performance depends on understanding what drives it; (4) increased quality and lower costs go hand-in-hand; (5) information technology is not a silver bullet; (6) radical change should focus on people, not just organisation charts; (7) sustained improvement requires a culture of performance; and (8) far-reaching improvement in public sector performance is possible. The five priority actions are: (1) set clear, long-range aspirations for public sector performance; (2) intensify efforts to

measure public sector performance; (3) put smart data at the heart of government decisions on trade-offs and priorities; (4) hold regular, collaborative dialogues on performance with those accountable for progress; and (5) establish comprehensive, sustained programs of change and lead them from the front.

Christensen, T and Laegreid, P 2007, *The Whole-of-Government Approach to Public Sector Reform, Public Administration Review*, Vol. 67, No. 6, p1059-66.

URL: http://ow.ly/6FUP30cnNrw

This article discusses whole of government initiatives as a reaction to the negative effects of 'New Public Management' reforms such as structural devolution, 'single-purpose organisations', and performance management and also as a reaction to a more insecure world. It examines what is meant by a whole of government approach, explores how this concept might be interpreted in analytical terms, and discusses the results, experiences and lessons learned from the whole of government movement.

Corydon, B, Dobbs, R, Fine, D, Allas, T, Berchowitz, A, Daly, E, Dimson, J, Gupta, R, Woetzel, J and Higgins, R 2017a, *Government Productivity: Unlocking the $3.5 Trillion Opportunity*, McKinsey Center for Government, Washington, D.C.

URL: http://ow.ly/HoEg30czvlW

This discussion paper sets out the findings of a major global study on government productivity which involved a range of countries at different stages of economic and institutional development, and the development of a database and analysis tool to benchmark the efficiency and effectiveness of government expenditure across seven sectors in 42 countries. The key findings set out in the paper are: (1) from 2005 to 2015 annual government spending per capita increased by more than one-third in real terms, amounting to $35 trillion in 2015, yet governments are struggling to meet citizens' rising expectations; (2) several countries have achieved dramatic productivity improvements in recent years (e.g. in the fields of health, public safety and education) while maintaining or even reducing spending per capita; and (3) governments need to deepen their functional capabilities in the key areas of finance, commercial, digital technology and data analytics, and talent management.

Corydon, B, Dobbs, R, Fine, D, Allas, T, Berchowitz, A, Daly, E, Dimson, J, Gupta, R, Woetzel, J and Higgins, R 2017b, *Government Productivity: Unlocking the $3.5 Trillion Opportunity (Technical Appendix)*, McKinsey Center for Government, Washington, D.C.

URL: http://ow.ly/t8BD30czvMJ

This technical appendix defines the terms used to explain the observations and findings set out in *Government Productivity: Unlocking the $3.5 Trillion Opportunity* as well as explaining how, and why, these metrics were chosen for the study.

Dash, R, Kremer, A, Nario, L and Waldron D 2017, *Risk analytics enters its prime*, McKinsey Center for Government, Washington, D.C.

URL: http://ow.ly/VwoN30cBsgW

This article looks at the increase in computing power and the emerging new analytical techniques being harnessed by the banking sector to identify, measure and mitigate risk. It observes that banks which are fully exploiting the capabilities of these tools are witnessing a radical improvement in their credit-risk models, resulting in higher profitability. It also notes that there are a number of factors keeping the broader banking sector from realising the potential promise of risk analytics. The article identifies six common behaviours of banking groups that have been able to successfully overcome these factors: (1) elevating risk analytics to the strategic agenda; (2) thinking big and applying analytics to every material decision; (3) using whatever data is available even if it is messy and incomplete; (4) accumulating skills quickly through either rapid hiring or acquisitions and partnerships; (5) adopting a practice of 'fail often to succeed' and iterate quickly through a series of 'minimum viable products' while also breaking down traditional organisational silos; and (6) using independent model-validation frameworks and moving beyond providing regulatory and statistical feedback on risk models every year to a more insightful and business-linked feedback loop.

Davison, N 2017, *Has New Zealand got all the answers to public service reform?*, Institute for Government, London.

URL: http://ow.ly/WZh230cDBu4

This article provides a broad overview of New Zealand's 2012 '10 Results' reform initiative to address a handful of persistent societal problems by creating cross-agency performance goals which include measurable targets and new governance approaches to address them, including collaboration. It suggests that New Zealand still has some way to go in embedding collaboration on a large scale. It observes, for example, that fundamentally the lead department model in which accountability for progress is transferred to a single minister and chief executive only really works in those areas that can be tackled by one agency alone, or in coordination with a few others. In areas that require the whole delivery system to transform their ways of working, the model can reduce by-in and commitment from other agencies. The article also identifies a number of learnings from the New Zealand experience including: (1) the sole focus at the top tier of government has yet to catalyse changes further down the chain which highlights the need to consider how to incentivise collaboration at all levels of the hierarchy, instead of relying on a 'trickle down' effect that may not materialise; (2) governance and implementation continues to be channelled through different silos which points to the need to consider implementation early in the process; and (3) there is currently no single, cross-agency team supporting the reform initiative although some central capacity is often useful to act as a much-needed spur for improvement particularly if all the incentives continually tug agencies back into their silos. Finally, the article concludes that New Zealand has clearly made significant progress in tackling the complex public service challenges that bedevil governments around the world. In this regard, the establishment of 10 challenging outcomes that cut across public service silos have certainly helped to focus minds on the 'customer',

while the strengthening of functional leadership roles, the Corporate Centre and performance expectations all serve to tackle the competing incentives at play. It suggests that the United Kingdom has much to learn from the New Zealand approach, but would benefit from a closer look behind the headlines to understand what has, and hasn't, worked so well.

Deloitte Access Economics 2015, *Digital government transformation (Commissioned by Adobe),* **Melbourne.**

http://ow.ly/MxTm30cHc98

This report, which was commissioned by Adobe, examines the economic benefits of digitising customer transaction services for Australian federal and state government departments. It defines customer transaction services as being the substantial area of interaction between citizens and the public sector, covering activities such as the payment of taxes and bills, applying for government benefits, drivers' licences and the registration of names. The report finds that, of the estimated 811 million transactions at the federal and state levels each year, approximately 40 percent are still completed using traditional channels. It suggests that, if this figure could be reduced to 20 percent over a 10 year period, productivity efficiency and other benefits to government worth around $17.9 billion in real terms would be realised along with savings in time, convenience and out-of-pocket costs to citizens worth a further $8.7 billion — and all at a cost of $6.1 billion in new information and communications technology and transitional arrangements. Taking benefits to governments and citizens together. The report suggests that the next stages to digital transformation deliver benefits worth around four times as much as they cost.

D'Emidio, T, Malfara, D and Neher, K 2017, *Improving the customer experience to achieve government-agency goals,* **McKinsey Center for Government, Washington, D.C.**

URL: http://ow.ly/5mWF30czvQN

This article examines the customer-experience improvement approaches of a number of companies where systematically putting customers first has created inroads against competitors, built cultures that benefit employees as well as customers, and improved the bottom line from both the revenue and cost sides. It argues that the approaches offer lessons for public agencies and describes six 'hallmarks' of 'best-in-class customer-experience practitioners' to guide government customer service improvement efforts: (1) define clear customer-experience aspiration and common purpose; (2) develop deep understanding of what matters to customers to inform journey redesign; (3) use behavioural psychology to manage customer expectations; (4) innovate journeys, including digital and design thinking; (5) use customer journeys to empower front line; and (6) define journey metrics and governance system to continuously improve.

Department of Finance and Administration 2006a, *Delivering Australian Government Services: Access and Distribution Strategy,* **Canberra.**

URL: http://ow.ly/iOQt30bXpSm

This strategy describes a whole of government service delivery vision and provides the conceptual and practical tools to enable integrated, multi-channel, service delivery. The strategy is supported by resources and tools that describe in more detail the processes for putting it into practice. These include: (1) a conceptual service delivery framework; (2) a list of service delivery principles to guide the planning and management of service delivery mechanisms; (3) a suite of conceptual service distribution, service access, and service capability models to guide service delivery; (4) a conceptual interoperability framework to facilitate the seamless delivery of government services; and (5) a channel management strategy to guide the delivery of services to customers.

Department of Finance and Administration 2006b, *Delivering Australian Government Services: Service Delivery Capability Model***, Canberra.**

URL: http://ow.ly/h55q30cnMrC

This model provides a means of ensuring that all elements that comprise service delivery capability are considered during the design, development, deployment and evaluation of government services. Use of the model enables government agencies and other service delivery partners to describe their service delivery capability in the same way, thereby facilitating communication and collaboration, and enabling services across government to be delivered in a more efficient and effective manner.

Department of Regional Development 2015, *Regional Price Index 2015***, Perth.**

URL: http://ow.ly/mXCA30czxkf

This Index contrasts the cost of a common basket of goods and services at a number of regional locations with costs in the Perth metropolitan region to assist with the calculation of the Western Australian Government's regional district allowance and in policy decision-making. As was the case with previous Index results, the 2015 Index results reflect the increased prices of goods and services in regional and remote locations relative to Perth.

Department of Treasury 2015, *Evaluation Guide***, Perth.**

URL: http://ow.ly/YDlo30czvWO

This guide is designed to strengthen the way programs are evaluated in order to improve the performance and accountability of government functions and services provided to the community. It outlines: (1) evaluation as a key concept of the policy cycle and the role it plays as part of the budget and performance management process; (2) key principles of good evaluation practice; (3) a strategic approach to evaluation that prioritises evaluation, and scales evaluations based on the characteristics of different sizes and types of programs; (4) different types of evaluation and how they might be used; (5) how to conduct an evaluation; and (6) the use of evaluation findings for learning and better decision-making.

Dollery, B & Akimov A 2007, *Critical review of the empirical evidence on shared services in local government***, Centre for Local Government, School of Economics, University of New England, Armidale.**

URL: http://ow.ly/6xru30bXr8z

This paper provides a critical evaluation of available Australian and international empirical literature on the outcomes of shared local service arrangements. The paper observes that there is little 'hard-core' rigorous evidence in support of local shared service arrangements and no such evidence against this approach. However, and based on existing 'soft-core' evidence, the paper concludes that shared service arrangements can be beneficial for councils both in terms of cost savings and enhanced service quality although the success of particular arrangements seems to vary depending on the specific local circumstances.

Dudley, E, Lin, D, Mancini, M and Ng, J 2015, *Implementing a citizen-centric approach to delivering government services***, McKinsey Center for Government, Washington, D.C.**

URL: http://ow.ly/1w4t30czw28

This article draws on the experience of government agencies that have successfully implemented a customer-centric approach to service design and delivery, and illustrates the four elements of implementing transformation efforts that aim to increase citizen satisfaction and reduce costs. The elements are: (1) measuring citizen satisfaction; (2) getting a detailed understanding of the entire citizen journey; (3) translating improvement opportunities into front-end and back-end solutions; and (4) thinking long-term.

Eceiza, J, Piotr, K and Poppensieker, T 2017, *Nonfinancial risk today: Getting risk and the business aligned***, McKinsey&Company, Washington, D.C.**

URL: http://ow.ly/qsbk30cHbI9

This article explores the concept of nonfinancial risk which it broadly defines as 'all risk that is not balance-sheet related'. It observes that nonfinancial risk has typically been addressed by one-off showcase initiatives based on a specific regulation or requirement, left to experts in each field, and usually not embedded into the business but delegated to risk and compliance departments which have a limited understanding of how to manage rick and compliance within a business context. The article argues that a best-practice approach should revolve around: (1) getting everyone talking the same language about risk and controls; (2) mapping the risk; (3) understanding the controls; (4) reporting back and acting; and (5) running the process company-wide with ongoing monitoring.

Golgan, A, Kennedy, LA & Doherty, N 2014, *A primer on implementing whole of government approaches,* **Centre for Effective Services, Dublin.**

URL: http://ow.ly/oKyZ30bXpPg

This primer examines the potential of Implementation Science to support a whole of government approach in a practical way. Section 1 of the primer: (1) defines what a whole of government approach means; (2) identifies the likely areas of focus of a whole of government approach; (3) gives reasons why a whole of government approach should be adopted; and (4) describes how whole of government approaches have been evolving internationally citing the examples of Britain, Scotland, Canada, Australia, Finland, and Ireland. Section 2 of the primer: (1) looks at making and implementing whole of government policy; (2) the infrastructure required for whole of government work; (3) the challenges for whole of government approaches; and (4) the potential for applying systematic implementation approaches to whole of government policy development. Appendix 1 of the primer describes how whole of government initiatives have been applied in practice in Scotland and New Zealand. Appendix 2 sets out the types of structures that can be used for whole of government work, some of the features they display, and their uses.

Golgan, A, Rochford, S & Burke, K 2016, *Implementing Public Service Reform – Messages from the literature,* Centre for Effective Services, Dublin.

URL: http://ow.ly/bdPI30c8LQW

This review of the literature aims to provide useful guidance to leaders, managers and front-line staff on the factors they should pay attention to, and focus on, when implementing public service reforms. The review involved an analysis of research on public service reform from a number of sources including: (1) academic publications; (2) documentation and literature from government departments and agencies, think tanks and research centres; (3) documentation and websites outlining current reform developments in Ireland and Northern Ireland; and (4) international examples of public service reform. Chapter 1 sets the wider context for public service reform and outlines some of the different approaches to reform. Chapters 2 and 3 aim to set the scene in terms of public service reform in each jurisdiction. Chapter 4 identifies the supportive factors for effective implementation of public service reform that emerge from the literature. Chapter 5 provides some international examples of public service reform efforts. And Chapter 6 pulls together the learnings derived from the previous chapters.

Haslam-McKenzie, F 2011, *Attracting and retaining skilled and professional staff in remote locations of Australia,* Graduate School of Business, Curtin University, Perth.[16]

URL: http://ow.ly/GV9Q30czzQp

This paper examines a number of successful attraction and retention strategies developed to more effectively attract and retain staff to remote locations in Australia. The strategies range in scope from public policy investments in better training and ensuring standards are consistent across State borders, to local community programs that work to make newcomers feel welcome or grow and nurture the people already

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[16] This paper was subsequently published in *The Rangeland Journal* 33(4) 353-363.

living in remote locations. The paper concludes that lifestyle and a sense of community cannot be underestimated which, in turn, underscores the need to appreciate the interconnectedness of infrastructure, social functionality and economic efficacy to ensure a remote Australia that is liveable and productive.

Henke, N, Bughin, J, Chui, M, Manyika, J, Saleh, T, Wiseman, B and Sethupathy, G 2016, *The Age of Analytics: Competing in a Data-Driven World*, **McKinsey Global Institute, Washington, D.C.**

URL: http://ow.ly/ltJb30cBtLp

This report notes that the convergence of several technology trends is accelerating progress towards the 'transformational potential of big data'. The technology trends identified are: (1) the growing volume of data; (2) increasing storage capacity; (3) increasing computing power; and (4) the decreasing costs of computing. The report argues that the companies at the forefront of these trends are using their capabilities to tackle business problems with a whole new mindset which, in some cases, involves data-driven business models and the application of analytics to improve their core operations. It goes on to make a number of observations: (1) most companies are capturing only a fraction of the potential value of data and analytics; (2) legacy companies have to overcome hurdles to accelerate their analytics transformation including overcoming organisational barriers which prevent the incorporation of data-driven insights into day-to-day business operations; (3) there is a continuing shortage of analytics talent; (4) analytics leaders such as Amazon, Apple, Google and Facebook are changing the nature of competition and consolidating big advantages; and (5) the value of data depends on its ultimate use, and ecosystems are evolving to help companies capture that value.

Holzer, M, Sadeghi, L and Schwester R 2007, *State Shared Services and Regional Consolidation Efforts* **in Council of State Governments,** *The Book of the States 2007,* **Vol. 39, p451-456, Lexington.**

URL: http://ow.ly/63N030c1Gaf

This article: (1) provides an introduction to the possible array of state government shared services; (2) highlights best state practices; (3) discusses state funding mechanisms designed to encourage shared service agreements; and (4) provides recommendations to state and local government leaders seeking to develop, implement or improve existing shared service programs.

Local Government Association of South Australia 2015, *Service Delivery Framework & the Role of Shared Services (Financial Sustainability Information Paper 7),* **Adelaide.**

URL: http://ow.ly/6MoN30cd3UV

This information paper is one of a series of papers about financial sustainability and financial governance in local government. The paper examines the overall framework

within which local governments deliver services and the delivery models they use with a particular focus on the role of shared service delivery.

Office of the Auditor General Western Australia 2016, *Delivering Services Online (Report 8, May 2016)***, Perth.**

URL: http://ow.ly/KRgd30cJ8mM

This audit involves a snapshot of how five government agencies in Western Australia are dealing with the growing demand for services to be online. The agencies audited were the Department of Commerce, Landgate, Synergy, Western Australia Police and the Department of Training and Workforce Development. The audit concludes that: (1) Western Australia lags behind best practice in making government services available and easy to use online; (2) in the absence of centralised leadership agencies have generally not seen the move to online delivery as a priority despite increasing customer demand and available efficiencies; (3) although all five agencies sampled have made progress, all five have significant opportunities to move more services online; and (5) while agencies identify various barriers to moving services online including the cost of changing systems, resistance to change from staff, uncertainty about legislative requirements, and the needs of specific customer groups poor analysis of the results of moving other government services online has left agencies without good information to make well-informed decisions.

Office of the Comptroller of the Currency 2016, *Enterprise Risk Appetite Statement***, Washington, D.C.**

URL: http://ow.ly/mBO430czw4Y

The Office of the Comptroller of the Currency is an independent agency entrusted with unique powers and authorities to administer the United States' federal banking system. The agency established its Enterprise Risk Management framework in 2015 to identify and assess mission-critical risks, and support it in managing those risks. The framework is designed to identify, assess and manage risk to enable the agency to continuously improve its governance, increase accountability, and enhance overall performance. As part of the framework, the Risk Appetite Statement articulates the level and type of risk the agency will accept in the following nine categories: (1) supervision risk; (2) human capital risk; (3) strategic risk; (4) reputation risk; (5) technology risk; (6) operational risk; (7) legal risk; (8) external risk; and (9) financial risk.

Organisation for Economic Co-operation and Development 2015, *Achieving Public Sector Agility at Times of Fiscal Consolidation***, Paris.**

URL: http://ow.ly/CO4J30cBvlC

This report puts forward the private sector concept of 'strategic agility' as a useful framework for reforming public sector organisations to 'think' and act differently and to better prepare for the future. It suggests that strategic agility has three main dimensions: (1) 'strategic sensitivity' or the ability of institutions to anticipate continuously evolving trends and spot new opportunities as they emerge; (2) 'resource

fluidity' or the ability to redeploy and reallocate resources across institutions to where they are most needed; and (3) 'leadership unity' or the ability to make collective commitments, including aligning institutions and their behaviour and engaging with the public. The report acknowledges that the public sector is not the private sector and has certain features that must be taken into account when applying strategic agility. These include: (1) politics; (2) the heterogeneous, networked nature of large public sector organisations; (3) the institutional context, rules and procedures; (4) the need to manage multiple risks, including some from the private sector; and (5) the fact that governments are ultimately accountable to the public and require support from within the public sector and the broader community. The report identifies several 'tools' that can be used to introduce greater flexibility and responsiveness into the reform process: (1) the budget; (2) human resources; and (3) information and communication technologies. It concludes by observing that governments recognise that they need to become more strategically sensitive to emerging issues, and it suggests that new approaches to budget and human resources can help bring about such change while information and communication technologies have the potential to radically transform the way government works and interacts with citizens.

Public Accounts Committee 2016, *Doing ICT Better: Improving Outcomes from the Western Australian Government's Investment in Information and Communications Technology (ICT)*, Report Number 15, September 2016, Legislative Assembly, Parliament of Western Australia, Perth.

URL: http://ow.ly/1aRQ30cJcoo

This report examines, and makes recommendations on, how government agencies can improve on the outcomes that arise from the Government of Western Australia's current annual expenditure of between $1-$2 billion on information and communications technology. After a brief introduction, Chapter 2 provides a detailed summary of the changing nature of government attitudes towards information and communications technology investment across multiple Australian and international jurisdictions. Chapter 3 focuses on the importance of establishing whole-of-government strategic information and communications technology leadership roles to guide agencies in a collaborative and coordinated program of reform. Chapter 4 moves on to look at the need to have Ministers and agency heads invested in any whole-of-government reform programs that are developed. Chapter 5 considers how outcomes can be improved by ensuring that information and communications technology investments are overseen by robust government structures, both at an agency and a whole-of-government level. Chapter 6 focuses on the innovative procurement approach to acquiring information and communications technology needs under as-a-service pricing models (also known as consumption-based pricing). Chapter 7 is dedicated to exploring cloud computing in greater detail. Chapter 8 reports on how governments are using information and communications technology solutions to develop 'one stop shop' approaches to service delivery. Chapter 9 addresses an increasingly popular concept known as 'open data' which involves the opening of access to public sector data together with approaches to removing restrictions surrounding its use. The report observes that the next step in the evolution of open data is data analytics where governments establish or fund dedicated expert bodies to use open data to identify and solve policy problems using evidence-based solutions.

Public Sector Commission 2016, *State of the Sectors 2016,* **Perth.**

URL: http://ow.ly/pfnP30czwjr

This report describes the state of public sector administration and management in Western Australia in accordance with the *Public Sector Management Act 1994*, and reports on the extent of compliance by public sector agencies with public sector standards and ethical codes. It is underpinned by data from a number of sources including: (1) two annual surveys conducted by the Public Sector Commission; (2) a public sector employee perception survey; and (3) quarterly Human Resource Minimum Obligatory Information Requirement collection reports on workforce characteristics across public sector entities. The report provides a useful snapshot of the current state of the public sector workforce, public sector services, and the governance framework the public sector operates within.

Pulido, A, Stone, D and Strevel, J 2014, *The three Cs of customer satisfaction: Consistency, consistency, consistency,* **McKinsey Center for Government, Washington, D.C.**

URL: http://ow.ly/J8YD30czw8m

This article discusses a customer-experience survey of 27,000 American consumers across 14 different industries, and focuses on the survey finding that 'consistency is the secret ingredient to making customers happy'. It identifies three keys to consistency: (1) consistency on the most common customer journeys is an important predictor of overall customer experience and loyalty; (2) consistency is particularly important in so far as forging a relationship of trust with customers; and (3) brands generate a reservoir of goodwill and remain resilient on the basis of their consistency over time in fulfilling promises, and their strong, ongoing marketing communications to reinforce those experiences.

Scott R & Boyd R 2017, *Interagency Performance Targets: A Case Study of New Zealand's Results Programme,* **IBM Center for The Business of Government, Washington, D.C.**

URL: http://ow.ly/KHYw30bZC34

This report assesses the progress of New Zealand's 2012 '10 Results' reform initiative to address a handful of persistent societal problems by creating cross-agency performance goals which include measurable targets and new governance approaches to address them. The report: (1) describes the evolution of public management reforms in New Zealand since the 1990s; (2) describes each of the '10 Results', why they were chosen and how agencies have organised to address them; (3) describes 13 practice insights derived from New Zealand's implementation efforts; and (4) concludes that the initiative has been a remarkable success which has not come easily.

State Services Authority 2007a, *Joined up government: A review of national and international experiences (Working Paper No. 1),* **Melbourne.**

URL: http://ow.ly/mj3B30bXqcj

This working paper looks at: (1) the academic literature and relevant government reports dealing with joined up government; (2) the meanings, context and benefits of joined up government; and (3) the experiences of the United Kingdom, Australia, Canada and Finland in applying joined up government in practice.

State Services Authority 2007b, *Victorian approaches to joined-up government: An overview,* **Melbourne.**

URL: http://ow.ly/vkkc30bXqeT

This report provides an overview of joined up government approaches within Victoria and explores the issues, barriers, strengths and lessons learned. The report focuses on interactions across departments and levels of government, but does not consider the ways government works with other sectors. The report also addresses itself to the question as to whether there are opportunities to further develop the Victorian Government's institutional capacity to support a joined up approach.

Tadjeddine, K and Lundqvist, M 2016, *Policy in the data age: Data enablement for the common good,* **McKinsey Center for Government, Washington, D.C.**

URL: http://ow.ly/UR7K30cBsxW

This article suggests that the coming 'data revolution' will produce a radical shift in the public sector's quality of service, and empower governments to deliver better constituent service, better policy outcomes, and more productive outcomes. It argues that the 'data revolution' will be fuelled by the exponential growth in data and the decreasing cost of computing. The article goes on to suggest that governments need to deliver on four key imperatives to capture the full benefit of data: (1) gain the confidence and 'buy-in' of citizens and public leaders through the articulation of a set of principles formalised in a data vision, a data strategy, and regulatory frameworks; (2) identify and attract talent into data-specific jobs and positions such as data scientists, data architects, and data analysts; (3) develop a dedicated data-governance model, led by a senior civil servant; and (4) deploy enabling technologies to consolidate, make secure, and distribute interoperable data from public and private operators in reusable formats.

U.S. General Services Administration 2017, *GSA Announces Cloud Email Services for Federal Government,* **Washington, D.C.**

URL: http://ow.ly/8kP130cJ96q.

This United States Government General Services Administration webpage announces the Administration's offer of cloud based email services to federal, state, local and tribal governments to support the Obama Administration's mandates and initiatives to bring cloud services into the federal government and reduce federal data centres

which save taxpayer dollars. The announcement adds that the General Services Administration was the first federal agency to move to a cloud based email system, saving $2 million to date and an additional 50 percent savings over the next five years with an estimated $15 million reduction in information technology costs.

Wilson S, Davison N, Clarke M and Casebourne J *2015, Joining up public services around local, citizen needs: Perennial challenges and insights on how to tackle them*, **Institute for Government, London.**

URL: http://ow.ly/FvnU30bZiX0

This discussion paper is part of a major research project being undertaken by the Institute for Government on public service delivery at the local level in England. The paper: (1) synthesises the existing literature on the barriers to joining up; (2) identifies several case studies where joining up has been successful; and (3) provides insights on how to overcome these barriers. Questions raised and answered in the paper include: (1) Why does joining up matter?; (2) What does joining up actually mean?; (3) Why is joining up so difficult to do in practice?; (4) What lies behind the most successful approaches to joining up?; and (5) Where next for joining up around local, citizen needs?

Wittenberg, A, Pellerin, M and Smith-Bingham, R 2012, *Defining Your Risk Appetite: The Importance of Taking a Quantitative and Qualitative Approach*, **Oliver Wyman, New York.**

URL: http://ow.ly/BQzp30czwgb

This article sets out why companies should develop a risk appetite framework that can support risk governance, performance management, and major decisions on a continual basis, and suggests strategies for how the framework can be developed and used. It describes a risk appetite framework as consisting of two parts: (1) a crisp statement with clear tolerance thresholds, and (2) a financial model that supports the analysis of risk-bearing capacity. The article argues that a risk appetite framework should possess three characteristics to be effective in a rapidly shifting environment: (1) a quantitative and qualitative foundation; (2) relevance to a broad swath of stakeholders; and (3) connection to key decision-making processes across the firm.