CHAPTER SEVEN
Service excellence in the public sector

7.1. Introduction

The preceding chapters have to a greater extent addressed consumer protection issues in the context of business behaviour and have as a result stressed the need to protect consumer interests in business to consumer transactions. This chapter turns it attention to the relationship between government and consumers in the provision of public goods and services. It is important to recognize that consumers are at the receiving end of government service delivery. In order to ensure that consumer needs are met and that consumers have a voice, it is important that government sets an example to business in terms of accountability and in terms of setting standards of service delivery that are linked to performance indicators.

The first step towards this direction has been accomplished through the White Paper on the Transformation of the Public Service or Batho Pele (People First). Batho Pele recognizes government as a service provider and as a seller of goods and services, and citizens as customers and therefore advocates for a public service delivery approach, which enables citizens to hold the delivery agents of government accountable for the services they receive.

7.2 Implementing the Batho Pele principles

The Batho Pele policy outlines certain government commitments to service delivery and also recognises the need for a customer service orientation in the delivery of public services. These commitments include:

- **Consultation:** Citizen consultation around the level of, and quality of public service to be provided, where possible to be given a choice about services that are offered.
- **Service Standards:** Citizens must be informed regarding the level and quality of service to expect.
- **Access:** All citizens must have access to public services that they are entitled to.
- **Courtesy:** Citizens must be treated with courtesy and consideration.
- **Information:** Citizens must be adequately and accurately informed regarding public services they are to receive.
- **Openness and transparency:** Citizens must be informed about the administrative processes of national and provincial government.
- **Redress**: Citizens must have access to redress mechanisms where the standard of service delivery has not been met, and effective remedies must be put in place.

- **Value for money**: Public services must be attained through efficient use of resources to ensure that citizens receive value for money.

It is however important to note that Batho Pele provides a broad policy framework intended to guide national and provincial government regarding how public services are to be delivered. Therefore it does not set standards for service delivery i.e. the volume, level, quality or even safety but leaves this responsibility to national and provincial governments themselves.

Service delivery occurs largely at municipal level, where consumers are confronted with for example water and electricity meters that do not work, bills that are incorrect or highly excessive, refuse dumps in residential areas and electricity and water cut-offs that are not always explained. When this happens, it is often difficult for the individual consumer to know whether the complaint must be directed to ESKOM or the municipality. Lack of competition in the provision of public goods further complicates matters as the consumer often cannot abandon the service provider in search of a better service.

The Batho Pele white paper provides guidance to all levels of government but does not give effect to realizable consumer rights at local government level. Given the impact of local government service delivery, it is therefore the position of this consumer policy framework that the Batho Pele principles should be extended as mandatory principles to local government sphere.

**The dti** acknowledges that the responsiveness of local government in particular to consumer needs has significantly increased over the last ten years. However, given the number of consumer complaints that are received about local government service delivery, it is important that clear performance measures and service delivery standards be developed and monitored, if government is serious about placing consumers and customers at the heart of government.

In addition, it is important that government put in place mechanisms to ensure the implementation of the Batho Pele principles. Measures should include the implementation of customer complaints systems, which allow customers to voice their dissatisfaction about services rendered and which also allow for the resolution of these complaints. **The dti** is planning to launch such a customer complaints line in the year 2004. Other measures could
also include corruption help lines, which a number of government departments have already implemented.

7.3 Service delivery and accountability

Batho Pele requires both national and provincial governments to set measurable standards for service delivery. Service delivery standards are aimed at informing the consumer / citizen about the quality at which the public service will be delivered and the time it will take for service to be provided. Furthermore, the Batho Pele principles require of government as a service provider to set general milestones for progressively increasing access to basic services. These service standards must be published and made available to the public.

The biggest challenge facing local government in particular is the absence of mechanisms for accountability and transparency. It is important that local government sets standards for service delivery and to put in place proper mechanisms to ensure accuracy in for example water and electricity billing.

The Association for Public Service Excellence in the UK, plays a key role in assisting local governments to implement best value performance indicators. However best value performance indicators need to be designed by local government itself and revised annually to ensure that indicators are current and relevant for that service area. This enables local governments to compare service delivery between themselves, across a basket of comparable indicators. Over time such an initiative will provide data for viewing trends in performance levels over an extended period of time and a quick identification of problem areas.

While it is acknowledged in this policy that SALGA and the Public Service Commission have a role in ensuring better standards of customer care in the public service, it is important that there are additional measures in place to encourage better performance and to assist in enhancing service delivery. It is therefore proposed that the Consumer Commission is actively involved in pursuing consumer protection in all areas including the public service in order to ensure that consistency in terms of policy and law and to ensure that such matters are accorded the necessary attention. It is further proposed that in order to ensure that consumer rights are realized at local government level, a mutual cooperation agreement between the Consumer Commission and SALGA may be pursued. Such an agreement would foster accountability, transparency and assist in balancing local government resources with the setting of standards for quality in service delivery.
7.4 Access to basic services at competitive prices

In a competitive market, different firms provide products to a whole range of consumers. The South African market, however, has been characterised by unequal access for consumers, with poor, historically disadvantaged consumers effectively excluded from significant participation in the economy. This applies to access to housing and enterprise finance, banking services, food and basic goods, as well as to basic services, such as water, sanitation, electricity and telecommunications.

In many areas, public enterprises and government institutions have made significant strides. Poorer households have already felt the positive impact of recent changes to the provision of water. The government has adopted a similarly progressive approach in the provision of housing and has achieved significant progress in providing access to housing in poor communities. However, in other areas of infrastructure provision, such as electricity and telecommunications, extension of basic services has lagged behind, and have, in part been assumed by the private sector, for example through the extension of cell phone coverage.

7.4.1 Utilities and basic services

Utilities provide services that are essential to consumer welfare such as water and sanitation, communication, energy, postal services, transport etc. therefore they are subject to regulation. Due to the fact that utility services are basic services, consumption of which is guaranteed, it is important that the supply of these services is secured, the quality is monitored and prices are reasonable.

The restructuring process in many of these sectors has sought to introduce competition. There are however still areas where there is little or no competition. The extent to which consumer protection is introduced in each utility sector must be consistent with the extent of competition in that industry and must be particularly pronounced in sectors where monopolies exist and where consumers have no effective choice. The regulatory mechanisms that are eventually chosen must be designed to secure efficient and fair outcomes for consumers.

It is important that government recasts and extend the role of utility regulators to include consumer protection, in particular to consider issues such as access and affordability options for low-income consumers. There is a need to integrate consumer interests as an integral
part of sector regulation. This is more so because, as mentioned above utilities deliver basic services to communities. Generally, rural communities have less access to utility services than their urban counter parts. Sometimes lack of rural access is a function of local geography e.g. in the information communication and technology sector, but other times service providers simply find it uneconomic to service rural communities. As a result remote areas are often left without the infrastructure to provide basic services. Similar problems arise in informal and peri-urban settlements. The inhabitants usually do not have a formal title to the land. Lack of freehold presents certain problems for utilities e.g. they may be many families co-habiting, liability for utility bills becomes uncertain thereby decreasing security against non-payment.

Physical conditions, economic capabilities social patterns, land tenure etc. mean that regulators and utilities cannot have a one-size fits all approach to service provision and charging. Poor communities need non-standard service delivery mechanisms, mechanisms that are tailored to the type of consumers to be serviced.

It is therefore important that the new consumer law will requires sector and utility regulators to exercise their powers and conduct their duties in a manner that is best calculated to protect the interests of poor consumers. The interests of consumers include prices, conditions of supply, the degree of competition, continuity of service etc. Furthermore, regulators must ensure that service providers are in a position to finance and extend service provision to consumers efficiently and effectively.

It is therefore important that standards for equitable access to basic goods and services are developed, especially in cases where the restructuring and partial privatization of state owned enterprises is considered. It is equally important that safeguards are built into processes of restructuring of state owned enterprises to ensure that consumers have fair and equal access to efficient services that are competitively priced. Any privatization initiatives must include the participation of the competition and consumer authorities.

Privatized monopolies have strong incentives to raise the cost of services, which may make them inaccessible to the poor people. These issues range from the provision of transport infrastructure to telecommunications services. Thus, the efficiency of state owned enterprises, whether partially privatized or not, should not be achieved at the cost of access to basic services and infrastructure for the poor, nor at the cost of monopolistic pricing
behaviour. Sector regulators, established to regulated utilities, should therefore also have an explicit mandate to monitor prices and access requirements.

In addition it is necessary that utilities create mechanisms for consumers to lodge complaints for non-provision of equitable, efficient and competitively priced goods.

7.5 Customer satisfaction in government
In April 2003, the Public Service Commission commissioned a survey on citizen satisfaction with public services. Areas surveyed included Health, Education, Housing and Social Development in provinces. The survey revealed that there is a gap between the expectations of citizens and government’s actual delivery. The majority of citizens cited that they were unaware of any complaints handling mechanisms that exist within government. Of those aware of such systems, an insignificant percentage had actually lodged a complaint. Those who complained were dissatisfied with the manner in which the complaint was handled.

It is important that government implement complaints handling systems across the board and ensures that those complaints handling systems meet the same requirements as those expected of the private sector. Furthermore, it is imperative that information about these complaints handling systems reaches consumers. It is important that surveys, such as the one conducted by the Public Service Commission in 2003 be conducted annually. This should not preclude the Consumer Commission from investigating consumer abuses of any nature with regard to the provision of public goods and services.

In order to ensure the implementation of proper complaints handling systems, it is important that government departments receive guidance and assistance in their establishment and that significant achievements are recognized publicly. The Office of the Public Protector currently investigates complaints against government departments, where the actions of or the inability to act by government departments violates the democratic rights of citizens. In addition, the office of the Public Protector can recommend remedial steps if the outcome of its investigation reveals that the citizen has been prejudiced. These powers are however limited to the recommendation of remedial action. It is important that the role of the public protector is expanded to include redress in public service delivery, such a responsibility must be accompanied by enforcement powers.
7.6 Encouraging learning and recognising achievement

Working in the public sector in the new millennium poses many challenges for both employers and employees in the public service. New skills and learning is necessary to ensure that the public service rises to the challenges and exploits opportunities presented by global markets and modernization.

There is a need for collaboration between the National Consumer Commission, SALGA and the Public Service Commission to entrench a culture of lifelong learning and development, through international benchmarking of other governments and disseminating information to national, provincial and local government. The impact of benchmarking and setting performance indicators cannot be maximized if it does not go hand in hand with recognition of good practice. The National Consumer Commission should further promote service excellence and good customer care through recognition awards and competitions. Local authorities that promote a safe environment through good environmental policies and good practices in for example waste management or promoting clean air can be recognised for good practice.

7.7 Conclusion

Service excellence is important not only in the private sector, but as this chapter has shown, equally so in the public sector. The public sector has a significant impact on the lives of poor consumers, who often do not have the time or the luxury of ensuring that their complaints are addressed. The burden of bad service thus falls disproportionately on them. As a result, non-payment is often the only defense that these consumers have. In order to address issues relating to the payment of services, it is therefore critical that government takes very seriously the effective implementation of the Batho Pele principles in all spheres of government.