

Community Perceptions of Customer Focus in Infrastructure

This research was commissioned to coincide with the release of the John Grill Centre's Policy Outlook Paper No. 2 in September 2016.

The research, an online survey of more than 1000 people across Australia, conducted in early September 2016, explored the extent to which the operators of different types of infrastructure and services across 18 industry categories are seen as customer focused.

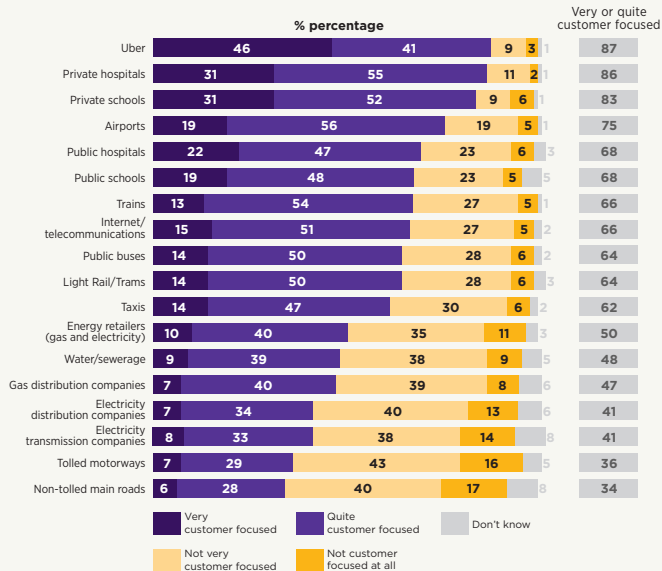
Perceptions About Shifts in Customer Focus

A further question asked people to rate the extent to which they felt operators were increasing their level of customer focus.

There was a strong correlation between the existing level of customer focus and a movement to becoming more customer focused. The most important thing to note however is clear momentum towards improving customer service across the sector.

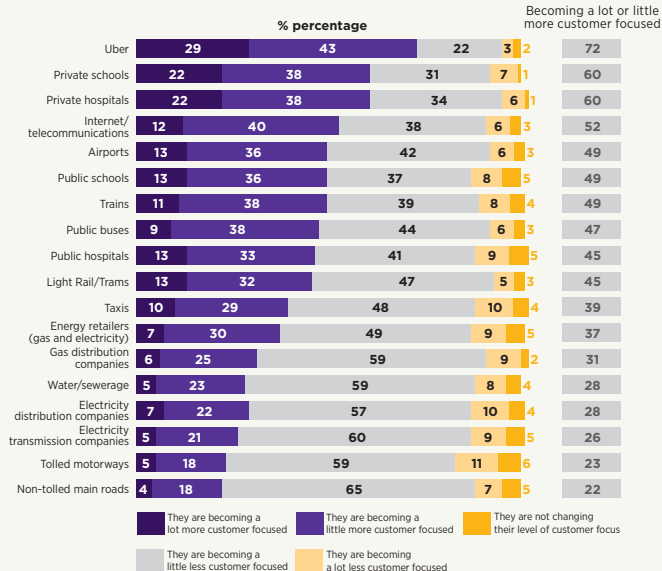
CURRENT CUSTOMER FOCUS OF OPERATORS

Q: How customer focused are the operators of the following types?



BECOMING MORE CUSTOMER ORIENTED

Q: Do you feel the following infrastructure and transport operators are changing when it comes to their level of customer focus?



Most Customer Focused Sectors

Uber was rated as being very or quite customer focused by 87% of its customers, followed by private hospitals (86%), private schools (83%), airports (75%), public hospitals (68%) and public schools (68%).

Tolled motorways (36%), non-tolled main roads (34%), electricity distributors and transmission companies (both 41%), gas distributors (47%) and water and sewerage companies (48%) were perceived to have the lowest customer focus among the sectors tested.

Customer Suggestions for Improvements

People who had not noticed any change or felt that organisations were becoming less customer focused were asked to suggest improvements. Nearly half (48%) said they wanted to pay less and the other key theme (42%) was improved customer service from friendly, helpful staff.

The things which people identified as giving a sense of improved customer service were a focus on their needs, new and modern services, quality of staff, a competitive environment and good communication.



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Shifting Australia's Infrastructure Mindset to the long game

Policy Outlook Paper No. 2. Sept 2016

Australia needs to recapture its reform zeal in the infrastructure space the John Grill Centre has concluded in its new policy outlook paper developed to provoke debate and discussion at its Infrastructure Dialogue 2016 event.

The need for customer focus

Customer-led infrastructure can be a catalyst for purposeful and disciplined investment in new assets and networks. Existing assets can be improved with greater focus on customer service.

Australia is experiencing one of the highest levels of population growth in the world. This and demographic changes highlight the need for reform to some infrastructure governance arrangements.

Much of the energy and utilities sectors and airports were corporatised more than 20 years ago. Australia has good foundations on which to make further reforms.

Land transport infrastructure governance reform

Land transport infrastructure governance is a particular focus of this critique.

When commissioning projects, policy makers in Australia are too focused on short-term technical efficiencies while overlooking the bigger issue of long-term performance as experienced by customers.

Reform may involve governments offering shorter contract terms so contracts can be reset to account for new circumstances. It could include the use of technology to enhance innovation and contestability in customer service provision.

City, state and national network arrangement need to work together coherently to meet the changing needs and expectations of customers and community.



Key recommendations

Shifting the mindset – Policymakers adopt an active approach to planning and managing infrastructure.

Highways England Model for Australia -

The Australian Government should prioritise the reform of federal and state financial arrangements to allow for a customer-focused, corporatised public road agency for each state and territory.

Getting more from PPPs - being more demanding to achieve customer outcomes. Governments need to ensure future PPP land transport contracts give sufficient incentive to concession holders to adequately develop and adapt assets and services to the changing requirements of customers and adjoining networks.

Patronage Risk – In future contracts governments stop assigning demand risk to concession holders that do not have the power to manage it.

Privatisation remains an important reform option – Policymakers must understand and propagate the lessons and successes from past privatisations so the community understand the benefits to be gained from future privatisations.

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