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Ordnance Survey  
Romsey Road  
SOUTHAMPTON  
SO16 4GU  
United Kingdom

## **Understanding the Customer and the Business – an Australian Perspective**

P Holland  
General Manager, National Mapping Division  
Geoscience Australia

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P Holland  
General Manager, National Mapping Division  
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## Abstract

The national mapping agency (NMA) in Australia, now Geoscience Australia, has changed significantly in the last 15 years. Political, technological, customer and other influences have driven these changes. The agency has moved from being a quasi-commercial business, delivering both fee for service and public good outputs, to being a focal point for spatial information at the federal government level. Funding is now predominately from the federal budget. During the recent history of the NMA the impact of the customer has been profound. The impact has been particularly strong in: government policy and practice; business strategy and planning; management of customer and stakeholder relationships; product development and management; and, quality management and process improvement. The impact of the customer has been ubiquitous. In an era of massive global change that challenges the very concept and relevance of a NMA, there is at least one truism – keep the customer and the stakeholder happy and the battle is more easily won.

## Introduction

The national mapping agency (NMA) in Australia has changed significantly in the last 15 years. Political, technological, customer and other influences have driven these changes. Many of the changes can be seen in NMAs elsewhere. Some are peculiar to Australia. This paper briefly describes the recent history of the NMA and the influence of the customer on the organisation. The paper contains a list of internet references for further reading on the subject.

## The recent history of the NMA

Prior to 1987 two civilian agencies were responsible for surveying and mapping at the federal government level in Australia, the Division of National Mapping, and the Australian Survey Office. These agencies reported to different Ministers. In the years leading up to 1987 they became the focus of intense political and bureaucratic scrutiny (along with the defence mapping agency) because of real and perceived problems of coordination.

In 1987 the federal government created a new department of administrative services (DAS), bringing together so-called common government service providers in one place. The functions placed in DAS included construction, property, valuation, vehicles, distribution, assets, printing, and the like. Also placed in the department was a new civilian surveying and mapping agency, a merger of the two previously separate agencies, called the Australian Surveying and Land Information Group (AUSLIG). AUSLIG assumed the designation of the NMA of Australia.

Two operating policies of DAS significantly influenced the development of AUSLIG over the next nine years. Firstly DAS agencies were no longer appropriated funds directly from the federal budget. Wherever possible these funds were transferred to customers who were free to buy their services from the best value for money supplier. Secondly DAS agencies were allowed to operate in a quasi-commercial way in order to provide some of the flexibility

necessary to respond to customer demand. As a result AUSLIG lost half of its operating budget to customers. Of this amount half was never recovered because customers spent the money on other things or elsewhere. The remainder of the operating budget was retained because no single customer, or group of customers, were able to be identified. Funds in the former category supported surveying and consulting projects. Funds in the latter category supported national geodesy, mapping and remote sensing programs. From the first day of its existence AUSLIG was faced with the challenge of improving its customer focus and commercial financial management, and reducing costs.

In 1996 a new federal government was elected in Australia. The labour party was replaced by the (conservative) liberal party coalition. The coalition parties had not held government for 13 years. The policy platform of the new government included a 'yellow pages (phonebook) test' – a policy of privatisation and contracting out. That policy directed that where a government function was competing with the private sector then that function should be privatised; and, where a government requirement could be serviced by the private sector then it should be contracted out, not performed within government. Most DAS businesses (excluding AUSLIG) were able to put their quasi-commercial experience to the final test of full privatisation. Most of these businesses are still trading today (in one form or another).

AUSLIG immediately faced two challenges – privatising the surveying and consulting project arm of the business (which in 1995 traded in profit for the first time); and, contracting out large components of its geodesy, national mapping and remote sensing programs. These challenges were effectively met over the next two years.

In 2001 the federal government adopted an agenda of sweeping changes to the spatial information industry in Australia<sup>i</sup>. These changes included the creation of a national association of spatial information businesses<sup>ii</sup>, the promulgation of a new federal government policy on access and pricing of spatial data<sup>iii</sup>, and the creation of a new spatial information agency at federal government level<sup>iv</sup>. The agenda has been a catalyst for dramatic changes elsewhere in the industry. Australia now has a single association representing the interests of spatial science professionals<sup>v</sup>, and a single association representing the interests of spatial information educators and researchers<sup>vi</sup>. A major cooperative research centre in spatial information, funded partly by the federal government, is now in operation<sup>vii</sup>. These new initiatives complement the activities of the peak national council for spatial information<sup>viii</sup>.

The new federal government spatial information agency, Geoscience Australia, brought together AUSLIG and the national geological survey organisation AGSO. Geoscience Australia is responsible for administering the access and pricing policy, and has assumed the designation of the NMA of Australia. Geoscience Australia has a broad mandate covering geoscientific knowledge and information relating to petroleum and mineral exploration; territorial sea boundaries; the maritime, coastal and continental environment; geohazards and urban risk; as well as the NMA functions of geodesy, mapping and remote sensing.

In parallel with these changes to the NMA at federal government level have been transformations in the way federal, state and territory government agencies are cooperating and collaborating in the national interest. Early in the 1990s these agencies formed a consortium – the public sector mapping agencies – to deliver a national topographic database to the federal statistical organisation for the census of population and housing in 1996. This project has evolved to the point where today the consortium is a wholly-owned government company, PSMA Australia Limited<sup>ix</sup>, whose business is the creation and dissemination of nationally consistent fundamental datasets from the holdings of its members, in partnership with the private sector.

## The impact of the customer on the NMA

During the recent history of the NMA of Australia the impact of the customer (for the purposes of this paper customers include important stakeholders) has been profound. The impact has been particularly strong in:

- government policy and practice;
- business strategy and planning;
- management of customer and stakeholder relationships;
- product development and management; and
- quality management and process improvement.

### Government policy and practice

The creation of DAS in 1987 was a result of two customer/stakeholder influences. Firstly, government customers were reliant on monopoly service providers. The control of funds by providers had created an environment of supplier choice rather than customer choice. This concern extended to the most senior levels of the bureaucracy and even at the political level. Secondly, the private sector was able to get its message of 'small government' to stick at the political level. The privatisation and contracting out decisions by the new government in 1996 were merely the end of the process that had begun in 1987.

An indirect, less obvious, but arguably more powerful, influence on the NMA in the 1987-1996 quasi-commercial period was the government focus on commercial practice, particularly customer focus, financial management and accountability. These influences have stood the test of time. They have helped change organisational culture and have bred a more resilient and flexible workforce, a workforce far better equipped to cope with organisational change.

The agenda for change in the spatial information industry announced in 2001 was a direct result of influence exerted at the political level initially by the private sector, and almost unanimously accepted by government (at all levels) and academia. The unanimity of view on this agenda was helped significantly by the awareness and acceptance of the pervasiveness and importance of spatial information at all levels of society. In particular major national issues like water quality, salinity, drought and national security provided a focal point for this unanimity of view. The adoption of a new federal government policy on spatial information access and pricing was a direct result of the calls for a more efficient and effective means of utilising this information by users. Finally, the creation of Geoscience Australia was a logical structural response by the federal government to these policy changes. It has helped immensely that the new NMA of Australia has been created through a merger of choice, rather than a merger by direction.

The creation of PSMA Australia Limited is a direct response to customer demand for an efficient way to access national datasets made up from the separate data holdings of the federation of governments of Australia.

### Business planning

Robust strategic and business planning processes are now a core part of the governance of the NMA of Australia. This has been the case for some time. These planning processes have been partly a response to the pressure to behave in a quasi-commercial manner, and partly a requirement to ensure customer and stakeholder needs are effectively and efficiently met. A regular review of the environment, the nature of the core business, the positioning of the organisation in the future, the strategies and actions to get there, and the indicators of success or failure, are accepted as commonplace by staff.

## Management of customer and stakeholder relationships

The management of customer and stakeholder relationships has been one of most important organisational responses to this group of influencers. Very early in the life of DAS the department introduced a customer focus program. This program introduced the concept of account management and established in the NMA for the first time a dedicated group of staff responsible for business development. Account plans and supporting systems were implemented. Post-1996 the manner of management of customer relationships has changed along with the shift in emphasis from service to product delivery. Customer surveys, trade shows and conferences, and consultative forums are now an important part of managing the relationship with customers.

In the last 15 years the NMA has moved from a position of problematic relationships with agencies at other levels of government and the private sector, to a position of mutual support (within the bounds of federal government policy). This change has worked to the benefit of the NMA particularly through the actions of these stakeholders in exerting positive influence at the political level. The recent federal budget, which resulted in a significant funding boost to Geoscience Australia (not directly related to national mapping activities), was partly a result of the influence of industry stakeholders with whom the organisation has a strong relationship. Another example is the tightly coordinated approach to mapping the continent for civilian and defence purposes. The NMA is now the supplier of maps to defence users. Defence can concentrate its efforts offshore<sup>x</sup>.

## Product development and management

The NMA now follows a rigorous process for developing and managing new products. This is a response to better meeting the needs of customers. Major product streams have a designated product manager. Product managers develop and manage product plans. These plans describe the market need, the product response, and the measures of performance (for example revenue and volume targets). Product plans drive production processes. Product managers are accountable for the outcomes under their control.

## Quality management and process improvement

The final area of influence of customers has been on the approach taken by the NMA to quality management and process improvement. The NMA is accredited to ISO 9001:2000. Business processes are fully documented. Customer feedback flows directly into the quality system and results in changes to product and process. The decision to become quality accredited was taken early in the life of AUSLIG. The decision was based in part on a requirement to be accredited in order to be able to bid for certain commercial work. However, the benefit to the organisation has been far broader than initially envisaged. It has helped inculcate a culture of customer focus, project management and continuous improvement.

## Conclusions

It is the view of the author, based on personal experience of the last 15 years in the life of the NMA of Australia, half of that time working at senior executive level, that the impact of the customer (including stakeholders) is ubiquitous. It is ubiquitous at many levels – in shaping political thinking and policy direction, in shaping strategy and operational plans, in shaping product and service offerings. This conclusion is hardly revolutionary; some might even argue it is rather trite. The point is, NMAs who lose touch with the customer and stakeholder - their business, their needs, their view of you as an NMA – do so at their peril. In an era of massive global change that challenges the very concept and relevance of a NMA, there is at least one truism – keep the customer and the stakeholder happy and the battle is more easily won.

## Disclaimer

The views expressed in this paper are those of the author alone and do not necessarily represent the position of Geoscience Australia in every case.

## Footnotes

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<sup>i</sup> Details of the Spatial Information Industry Action Agenda can be found at [www.industry.gov.au](http://www.industry.gov.au)

<sup>ii</sup> Details of the Australian Spatial Information Business Association can be found at [www.asiba.com.au](http://www.asiba.com.au)

<sup>iii</sup> Details of the federal government policy on access and pricing of spatial data can be found at the Office of Spatial Data Management website [www.osdm.gov.au](http://www.osdm.gov.au)

<sup>iv</sup> Details of the new agency, Geoscience Australia, can be found at [www.ga.gov.au](http://www.ga.gov.au)

<sup>v</sup> Details of the new professional association, the Spatial Science Institute, can be found at [www.spatialscience.org](http://www.spatialscience.org)

<sup>vi</sup> The Australian Spatial Information Education and Research Association.

<sup>vii</sup> Details of the Cooperative Research centre for Spatial Information can be found at [www.spatialinfocrc.org](http://www.spatialinfocrc.org)

<sup>viii</sup> Detail of the Australia New Zealand Land Information Council can be found at [www.anzlic.org.au](http://www.anzlic.org.au). Relevant information can also be found at the website of a partner organization of ANZLIC, the Intergovernmental Committee on Surveying and Mapping, at [www.icsm.gov.au](http://www.icsm.gov.au)

<sup>ix</sup> Details of PSMA Australia limited can be found at [www.pasma.com.au](http://www.pasma.com.au)

<sup>x</sup> Details of the Defence Imagery and Geospatial Organisation can be found at [www.defence.gov.au/digo](http://www.defence.gov.au/digo)