GOVCOMMS PODCAST

**EP#148 CREATING IMPACT
THROUGH CUSTOMER-CENTRIC
DESIGN**

-    WITH SCOTT JOHNSTON

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Introduction:

Welcome to the GovComms Podcast, bringing you the latest insights and innovations from experts and thought leaders around the globe in government communication. Now here is your host, David Pembroke.

David Pembroke:

Hello everyone, and welcome once again to GovComms, the podcast that examines the practise of communication in government and the public sector. My name's David Pembroke. Thanks for joining me. Today my guest is Scott Johnston, who is an experienced senior leader with a career both in the Australian, the NSW and the United Kingdom public sectors. Scott began his career in the Australian Bureau of Statistics before moving across to the UK where he worked in the Office of National Statistics, working on projects that made an important contribution to both the OECD and the development of the European Union.

He then returned to the NSW Public Service Commission in June of 2014 where he held the roles of Director of Workforce Information and the Assistant Commissioner of Performance and Analytics. In April, 2020, Scott was appointed to his current role of Deputy Secretary of the Revenue NSW Office, where he is the Chief Commissioner of State Revenue and the Commissioner of Fines Administration.

Since joining Revenue NSW, Scott has focused on providing flexibility and an improved customer experience for revenues 3.5 million annual customers, and he also has a big focus on digital transformation and supporting the state's most vulnerable citizens. Over the past two years, Revenue NSW has become sought after for its leadership in the automation, collaboration, skills, innovation, and also customer centred design. He joins me now. Scott, welcome to GovComms.

Scott Johnston:

Hi, David. Thanks for having me.

David Pembroke:

Listen, it's a big thing and we've obviously been speaking over the last couple of years and a big focus on the NSW Government, Services NSW and this absolute relentless focus on customer experience. Through your journey in the public service, can you describe just exactly how you've seen that evolve and emerge over time and what are some of the big influences that have brought people to that need to be ruthlessly and relentlessly focused on the needs of citizens?

Scott Johnston:

That's such a big question to start with, David. I think when I started as a young public servant in the year 2000, the focus was very much on doing what you did yesterday and doing that well. And it was almost a sense of, "Can we provide clarity with the things that we do and hope citizens, customers, those that engage with us would learn how to interact?". Wonderful experiences for me, working at the Australian Bureau of Statistics

for nearly 14 years, having the opportunities to think about how information can make a difference to people's decisions in their life and might be their business. And actually that value that you get from data and translating data into useful information is really powerful. But a lot of the time, I often found we would provide really great meaningful pointed pieces of information, but you hoped people took it and ran with it.

And I think lots of parts of the public service for many years were like that in NSW, in the 12 years ago with the creation of Services NSW, it really put a big injection into NSW government public services to think differently. How do we start bringing customers their experiences together into one place? And I think what I saw and that evolution was how hard it is to get movement on some of this. We've got complex monolithic systems that say, "This is how for me you run the tax system or the fine system of NSW." That creates a bit of tension with actually thinking about what do people need to do there.

And really from a perspective of being in this role for the last three years, the tension of an organisation that's primary purpose through history has been about collecting revenue - 40% of NSW budget comes from us - to stepping back and thinking, "Well, if we can provide an exceptional service to three and a half million people..." As you mentioned David, "... the revenue will take care of itself." But actually the relationship we have with people, which is an ongoing one can thrive.

And that's made us fundamentally look at things differently. A lot of difficult discussions and decisions about actually how do we position ourselves and leverage great assets like Services NSW. We don't need to be front and centre for everything. We can use the really big capabilities we have now that we didn't have previously to make a difference. And you can see that word, customer, being embedded in an organisation such as Revenue NSW, where probably 5 or 10 years ago it never would've been able to, but now it's the words we use. We think about what problem are we solving, and it starts with a customer rather than that revenue point. It's amazing.

David Pembroke:

Well, it's such a big change and such a big behaviour change through the organisation. As you mentioned, these large monolithic, conservative, traditional organisations. How have you made the change stick?

Scott Johnston:

Yeah. Oh look, I think this is an ongoing effort as well because we're on a journey and we're not perfect, but I think there's a lot of courage leaders have to show, and we've tried to, in the Department of Customer Service and specifically in revenue, to say, "this is the North Star we are moving towards, to be completely customer centric", to make it easy for people to understand their obligations. So then we can think about digital innovation, we can think about where we need to be analogue and in communities to engage with people.

And then through success, for instance, one of our measures is being able to collect the revenue for the state, we've had more and more success through doing innovations that have actually made things easier for people. So that would be one thing. So success leads to more success, helps position ourselves well within government and budgets to say, "Well, if we're invested in to do things that actually are not just about collecting more money but changing people's experiences that doesn't provide a cost or a negative or a downside." We actually become really provocative in our arguments to others to support us. And I think that's been really important.

The other thing with customers sticking would be thinking about problems differently. How do we start collectively coming together with issues to say, "Well, this person or this business interacts with us so many times in ways."? It's highly inefficient, firstly, from an internal perspective to ask them the same information or it might be absolutely inappropriate to think about things in a way because we've got to maintain privacy, so we've got to really test ourselves on how far we can push it.

But actually stepping into that space where you are pushing things further and further so that customers get a better outcome. And for us as an organisation in the past couple of years because of the COVID, the pandemic, we stepped into an organisation that was giving a lot of money back through grants administration, and it's an incredibly powerful thing for our 1700 staff to talk to people about how they're suffering and talking to them about opportunities that they might get through receiving money.

So it gives a really different customer lens to the experience they have with us. And now that's helping us when we think about payroll tax compliance or some of the kind of more technical manual things that maybe in years gone by, we would've had a list of audits that we were running through and just worked through them. We've actually stepped into the shoes of people. But it's hard work and it's about language from the top, but it's also the case studies from staff talking about the things where they've made a difference to people and really championing them. And if you champion the right things, I think you make really good progress.

David Pembroke:

So just how important then is that internal communication where you are, I imagine, perpetually explaining, demonstrating, showing the benefits of this customer centred approach, that as you say, it's a bit like painting the Harbour Bridge, it's a job that's never done, but just how big a priority have you made internal communication so people are continuing to learn, continuing to understand and continuing to see the benefits of this customer-centred approach?

Scott Johnston:

So one of the main things that when I joined Revenue NSW, it was as we were in our first lockdown in April, 2020, and it's really... it wasn't the experience I'd had before leading a large organisation, when you couldn't actually see anyone face to face. So it's set a tone of using the tools that we had available. We've got locations around the state as well. So it's not easy to be in the one place with everyone at any point.

So I personally stepped into, "How can I convey a sense of what matters to me?" "How can I lead from a perspective of values?" Because one of the reasons I'm still in the public service is the values that underpin the things that we do and the difference we can make.

And then every week running a video for two years, the first two and a half years actually, I did a weekly video that would talk about our successes, share information, but it would be very much focused on the great stuff that we were doing and the achievements. And that starts becoming just part of what you do and part of what everyone does. And then you start seeing the mirroring behaviours is down through the chain, but also really trying to lift up those people that have done excellence in their customer facing work that probably haven't had that before, that revenue organisations doing the work that we are doing have been in existence since the colony was created. And so you think about...

David Pembroke:

Well, it's biblical almost, isn't it?

Scott Johnston:

It is.

David Pembroke:

It is, but never very popular.

Scott Johnston:

And without doubts, there was some tension for many people about providing great customer service at the... And there'd be consequences to the things that matter around collecting revenue and continually saying they're not mutually exclusive these things and this is an example of it. For many reasons, including a property boom, we've collected more and more money each year than in my time at the organisation and we're more effective and efficient in doing it. And people talk about the satisfaction they get from solving people's problems and that might not be forgiving a debt, but it might be about helping them resolve that. And that becomes pretty special when you start telling about those anecdotes that can be backed by the data that shows performance also follows through.

David Pembroke:

Well, it's interesting and I can tell you a story of my engagement, and this only happened last week. I live in Canberra, but I was up in Sydney and I must have been speeding of some sort with a camera whenever that was. It was probably a couple of months ago when it happened.

Anyway, I got this notice the other day and I thought, "Oh, my God. It's a bill that I'm... I've got been caught speeding, I have to pay this thing." But it wasn't in fact a bill. It was basic... It was a warning to say, "Hey, you've gone over by a certain amount, wasn't a large amount, we're not going to find you, but listen, just when you're up driving on NSW roads, please be a little bit more careful." And I got this thing, I thought, "Wow, that's different." One, I don't have to pay, but my attitude then has changed. And it really, it was such a powerful engagement around that one particular note and obviously not getting the fine, but clearly you put a lot of thought into those types of interactions to change people's attitudes to, "Yeah, because again, next time if I get pinged, of course I'm going to pay because I got off last time."

Scott Johnston:

It's a great story David, and I'm delighted to hear it because the thing that we... If we go to a barbecue, any of our staff, if you've got a job title, Commissioner of Fines, it's a absolute conversation killer. Or people tell you this story of hard luck or misfortune and...

But fines administrations about behavioural change. How do we enable the right outcomes so people are safer? Follow the rules that are set to keep all of us as a community protected? And so then you start opening up ideas about actually how we engage with people and be innovative to divert them from further mischief and finings. So we do some really exceptional things through behavioural insights and nudging people to behave such as the intervention you talked to or other thing.

One of the great stories that last year was so proud of was a pilot study which we're now building into a statewide effort where people are pulled over without a car seat properly fitted. And the fine for that, I think it's $350 or $360. It's a significant fine. And typically so often people will have more than one child not correctly fitted in the back of a car, often focused on the most vulnerable people who don't have the capacity to pay it.

But we ran a pilot where people can, if they're pulled over by police, instead of actually getting a fine, they get an opportunity to go and get the car seat fitted and then the fine's withdrawn after that's been correctly done.

We had this story where we're talking to customers who had this and one gentleman who'd fairly new to Australia, he had two kids who weren't correctly fitted, went and got it fixed and then a week or two later had a serious car accident and they all walked away and he said, "This makes a difference." And for us to hear those stories that thinks about, "Well, it's not about necessarily the dollars that we've collected, it's the impact we have." And that goes a lot further because different people can pay money... Different people have different capacities to pay, but if we can start understanding actually what are the triggers or the motivations for people to act differently, we can do very special stuff.

David Pembroke:

Now, in an earlier answer, you referred to these new capabilities that you now have at your hands to be able to better enable you to do your work. And we referred around automation, collaboration, artificial intelligence, other technologies, just how are you going about managing the integration of those technologies into the work that your teams are doing such that they can get better access to data better inform some of those behavioural interventions that we were talking about just a moment ago, but just keeping up to speed with those changes such that they are useful and not a hindrance?

Scott Johnston:

So we maintain so much information. We are genuinely a data driven organisation. And for me, that was one of... With my background in statistics and maths, was one of the really exciting things about coming to Revenue NSW. So what that then enables is so many different opportunities, but the risk of doing it either too quickly or not consistently is significant.

And so we've had to, over a number of years, go slow to the point of saying, "Well, what are these technologies we want to embrace?". Robotic process automation, which I can talk to a little bit. And also the use of AI knowing particularly as one of, I would say one of the leaders in NSW government of these tools is, "How do we do it in a way that's ethically appropriate, values based, makes a difference to customers and puts us in a strong position to grow. And so people and our staff can work with these tools?"

And so we are like everything on an early part of the journey, considering automation, we've invested huge effort in mapping our processes and then working out what could we build bots to do that work. And I heard an estimate a couple of weeks ago that while our staff levels over the past couple of years has grown by about 500 due to... we've now got close to 100 FTE... An additional 100 FTE worth of work being done by robots. That's so powerful for us to then think about how do we enable further effort and interaction between humans and bots to provide better services and customer service to people to do great things.

But I think the key bit for us is, it's not about being more efficient, even though that's one of the benefits, is starting from what problem are we solving and trying to educate our staff on what those opportunities are because the staff on the front line are the ones that can see it. And then if you provide that capability and make it available, it really grows momentum.

David Pembroke:

And how then do you manage those ethical challenges by taking that values based approach? Because clearly we have some examples not in the NSW public service, but in the federal public service where similar sort of automation created huge amounts of trouble because it wasn't handled appropriately. And there's been a Royal Commission into that, very public Royal Commission into that. So how do you manage those things in such a way that you achieve the benefit but you limit the downside risk?

Scott Johnston:

So I would say there wouldn't be a public servant who's not aware and concerned and troubled by what we saw in that Royal Commission and the Robodebt and our decisions by were made and such. So we are fortunate, part of the Department of Customer Service has the chief data scientist who's built AI frameworks and settings for us to test our ideas against firstly. But I think the critical piece for us is deciding where we employ artificial intelligence and robotics and what it's intersection with customers and people.

So what we can do... The opportunities for us are limitless in many respects, but that doesn't mean we want to do all those things. The first big area of AI that we've used I think is a great example of this is where... So we now fines legislation. If people don't engage with us after many, many contacts attempts by us, we have to get to the point where we have to enforce that fine, which could mean garnishing money from your bank account,

which is a really difficult thing for us to do. And it's at the last step of that. And there's rules about how people are left with more than $500 in their account and there's processes to protect vulnerable people.

But what we knew is we know a lot about people and we can effectively predict vulnerability and take people out of that process so we don't cause greater suffering. So over a number of years, three or four years, we've been refining a model that's now shifting people outside of a process that would've probably caused some great duress. About 15,000 people each year benefit from this process. That puts them back into the mix of us trying to contact and other methods to get in to reach out to people.

And so these are people who have identified as likely vulnerable, that's AI used for good. It's not about actually pointing people to, here's a debt that you could AI predicting a debt or predicting an activity or a more severe consequence to someone. And so being really deliberate about the things that we're able to do and then being very conscious of what that impact would be.

So there might be decisions where there might be the opportunity because of AI and machine learning, but we'll step back and think that doesn't really fit with our value set and not pursue it. We know that while we do a really difficult job, we can actually utilise the data that we have and the sophisticated tools that are available to us to actually improve that circumstance.

David Pembroke:

So in terms then of the types of skills and types of people that Services NSW and your team at Revenue NSW, what's that mix starting to look like? And how is it changing as technology becomes a more important driver of the ultimate decisions that you make in terms of being able to gather the various information to help you with the insights that you need to make decisions?

Scott Johnston:

So we've got a much bigger, stronger, and evolved digital team. We are looking for skills around software engineering to think about how can we create the platforms and the tools for the future in the cloud that are safer for us to manage risk around privacy and cyber.

Similarly, thinking about what are the data capabilities that we need and really pumping up that area of our work. We have great access to information through our legislation and data sharing across governments as well, but there's really tight rules around how we use them. So we do need a really strong core within revenue to guide that.

And so that's saying, when we talk about people who work with data, it's less about processing reports and building dashboards for people to operationally make decisions, which is still important for us, but how can we think about some complex problems? And then stepping back into what the design of those solutions might mean? Which means we want customer experience people, we want people who can think about agile delivery so that we're iterating as we go rather than spending years to build something for someone and it doesn't hit the mark.

I think the other point I would make is it really has made me think a lot about what leadership is and what kinds of leaders do we need. We're also working in hybrid environments where we don't necessarily come together as often. The leaders have to be better coaches, they have to be better motivators, they need to push from behind rather than be on the hill telling everyone to catch up to them. And people need to be quite flexible to think about solutions might mean I'm not delivering it, I'm doing it in partnership with someone else.

And one of the biggest successes revenues had in the past couple of years is our partnership with Services NSW. We're cousin organisations, we sit together, sit near each other, the CEO of Services NSW and I are on the same leadership team in the Department of Customer Service. But the opportunities of us understanding our capabilities, I mean, we can partner together better, that gives a better outcome for the customers

regardless of the front door being Services NSW and we're in the back room doing some work or what that looks like. And I think that takes a more humble leader who doesn't necessarily need to be beating their chest saying, "Look at what I've done or we've done." But actually plays the long game and thinks about that kind of profound impact we have.

David Pembroke:

Is that the secret, that humility drives effective collaboration?

Scott Johnston:

I think so. I think where you are humble, you will have a good appreciation of what you are capable of, but you're willing to listen and be curious about what others can do. And you need an element, I guess, of courage to step into spaces maybe others haven't in the past. But knowing what your weaknesses in your limits are as well is really important. Which I think for a group like us, as I said, we've grown and a lot of that's been about how do we now support opportunities where we give money out to people and businesses as opposed to just collecting it, it's made us think about what capabilities have we got and what haven't we, and where do we actually either try and build them ourselves or work closer with other parts of government.

David Pembroke:

So five years time, if you were thinking about this high performing organisation as it continues to evolve, continues to change, continues to improve both its soft and hard skills as an organisation in with that very strong mission of developing and delivering high quality customer service, what changes or what continues to change or what does that five-year-time horizon look like?

Scott Johnston:

So I think there's a couple of a aspects that would be... In five years time we absolutely need to... We remain critical to providing a large part of the state's revenue to fund schools, hospitals, roads, prisons and everything else. We'll be... There's a greater need for us to be better at doing that. So not better, necessarily, just more efficient, but the future, and hopefully it's sooner than five years because we're working on hours. How can we provide for anyone a really clear sense of what their obligations are when they engage with us? That might mean if you are a conveyancer that's helping support the payment of... Or a lawyer paying multiple customers land tax bills for them, that you can navigate your way through working with us from multiple customers, your own personal requirements and a view that debt and your obligations to NSW government can come together in a way that actually really what matters is what is your overall obligation and how do you best navigate that and us providing better support to that.

So that's about deep personalization. And I think the other part in five years, which we are doing really amazing things from my view, is about how do we engage with all people in NSW, particularly in our fines work. It is really the most vulnerable or overrepresented in their interactions with us. They're the, they're often people who don't want to talk to us or engage with us so we can provide support to them. How do we build that trust? How do we provide, again, personal and flexible interactions? Which is not necessarily about digitization of services, but connection through either partnership, community partnership offices based across the state so that trusted people can kind of work with people to resolve their debts. And I think that when we step back to how I talked around values being integral to what we do, really speak strongly about providing a great customer experience for everyone.

And then the last bit, I think what I would love is... My background... I worked at the Public Service Commission where thinking about workforce strategies and evolution and the future of work was really important. Is how do we... We're really at a point of transition for lots of roles and organisations from doing fairly repetitive work into other types of jobs. And I know we're doing much more than many others in this space. And that career

pathway and engagement that our workforce has to learn new things, be a curious learning organisation would be right at the heart of everything we do, which means we'll attract more great people, we'll have meaning from our work. And people can, for however long they work for Revenue NSW, they can think that this was a special part of their career.

David Pembroke:

Well, Scott Johnston, congratulations on everything that you have achieved there. And it certainly sounds... Again, I think through leadership where you can be as clear as you have been through today's discussion, I think that articulation of that pathway, that roadmap certainly will attract people as they seek to deliver, and greater meaning in their working lives. And certainly sounds like an interesting place to work at Revenue NSW. Never a dull moment.

Scott Johnston:

That's very true. It's a wonderful organisation to be part of.

David Pembroke:

Excellent. Well congratulations to you. Congratulations to the team and again, congratulations to the NSW government too for continuing to lead in this customer centricity and baking it into so many parts of its organisation. It's certainly delivering great value to the people of NSW and one resident of Canberra who got off the hook from a fight. So congratulations very... And a big thanks for that too. So yeah, really look-

Scott Johnston:

Thanks, David.

David Pembroke:

And to you, the audience, thank you for listening once again. What a great discussion there with Scott Johnston. And again, to hear not just the wisdom and the experience of someone clearly who knows a lot about data and about people, but leading an organisation in that way, but really looking a lot like that idea of having to go slowly. Yes, there was that opportunity to go and use the wonderful computing capabilities to be able to move faster and perhaps collect more revenue, but wiser minds realise that, "Hang on, we've got to work through this." And building those frameworks that are in place, those ethical frameworks, the standards, the processes, the structures to be able to make better decisions. Clearly good things happening there.

But a great conversation and thanks to you for coming back once again. If you do have time for a rating or a review of the program on your favourite podcast catcher always helps the program to be found. So we'd be very grateful if you'd be able to do that. Another great conversation. We'll be back at the same time in two weeks with another conversation with another leader from another part of the wonderful world of government and the public sector. But for the moment, my name is David Pembroke and it's bye for now.

Outro:

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