

The Role of The Public Sector in Commercial Weather Services

Neil Gordon
Chief Meteorologist
Meteorological Service of New Zealand Ltd



Three Types of Services

Government Funded



Cost Recovered

Commercial



Government Funded Services

- Government funding essential for core infrastructure and services
- ▶ See Freebairn and Zillman (2002): "Funding Meteorological Services", Meteorological Applications, Vol. 9, p45-54.
- Clear definition important
- MetService example





Cost Recovered Services

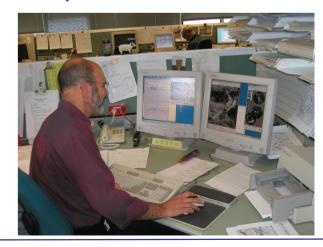
- Direct government funding cannot cover everything
- Private" and "mixed" goods where NMS is effectively sole provider
- No market mechanism for price
- Charge should be marginal, including correct overheads.





Cost Recovery Examples

- Access to government funded information
- One-on-one forecaster consultation
- One-on-one climate consultation
- Access to recorded telephone forecast
- Web site (if not government funded)
 - Targeted advertising?



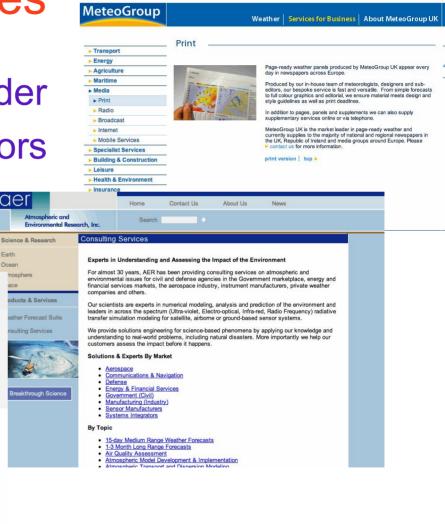


Commercial Services

- NMS not the only provider
- Private sector competitors

Price set by market







NMS Motivations for Commercial Services

- Money
- Customer Culture
- ▶ Innovative Culture
- Professional Ethos
- Unmet Needs

▶ But there are issues ...





Commercial Revenues by an NMS

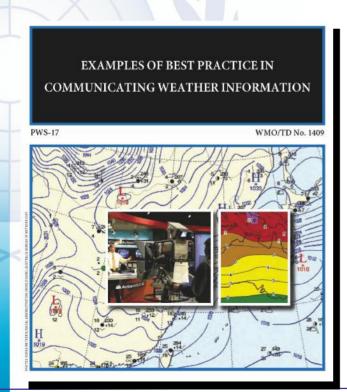
- Need for business acumen
- ▶ Investment up front
- Potential for cross-subsidisation
- Vulnerable to loss of business
- Potential conflicts of interest
- ▶ Transaction costs





Customer Culture and Innovation

- Customer .. or user .. orientation key for all PWS
- ► Innovation for government funded services



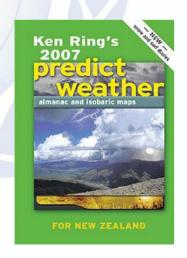




Professional Ethos

- Standards are essential for safety services
- We cringe at unscientific approaches





NEWS / SHOWBIZ

MOTHER OF ALL STORMS WILL BLAST BRITAIN AT CHRISTMAS



Tuesday November 20,2007

By Jo Macfarlane

Have your say(2)

TORNADOES and thunderstorms are set to batter Britain at Christmas.

The worst weather is forecast to hit on Christmas Eve and Christmas Day, leading to appalling road conditions for those travelling to be with family and friends.

MyEXPRESS Have your say on this story. Create your own MyEXPRESS profile &

Two inches of rain in a single day could see floods across Britain, and stormy seas could breach defences along the west coast, a forecaster said.

An earlier storm, on December 5 or 6, could also see flooding in coastal areas.

Piers Corbyn of independent forecaster Weather Action said: "The storms are serious – preparations should be made."



Customer Defines Quality

- Convenience may be more important than accuracy or "professionalism"
- Professionalism alone not a good reason for commercial services
- ▶ Education
- Make NMS information base more widely available, with attribution



World Weather Information Service

Official Observations, Official Forecasts.

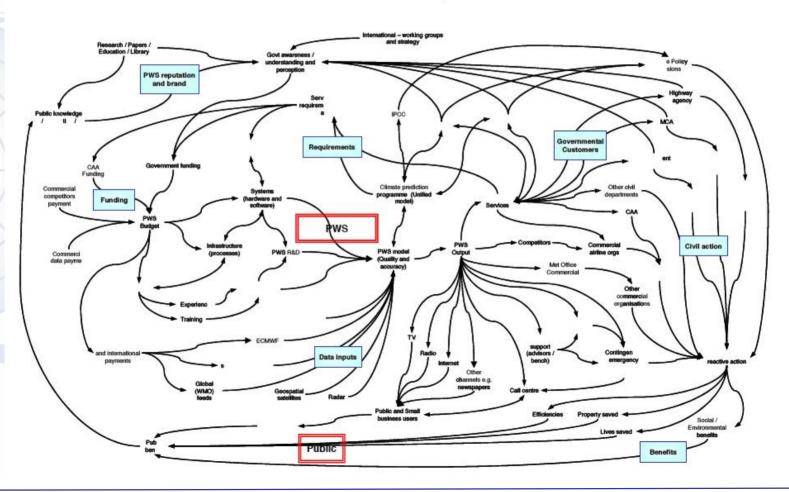




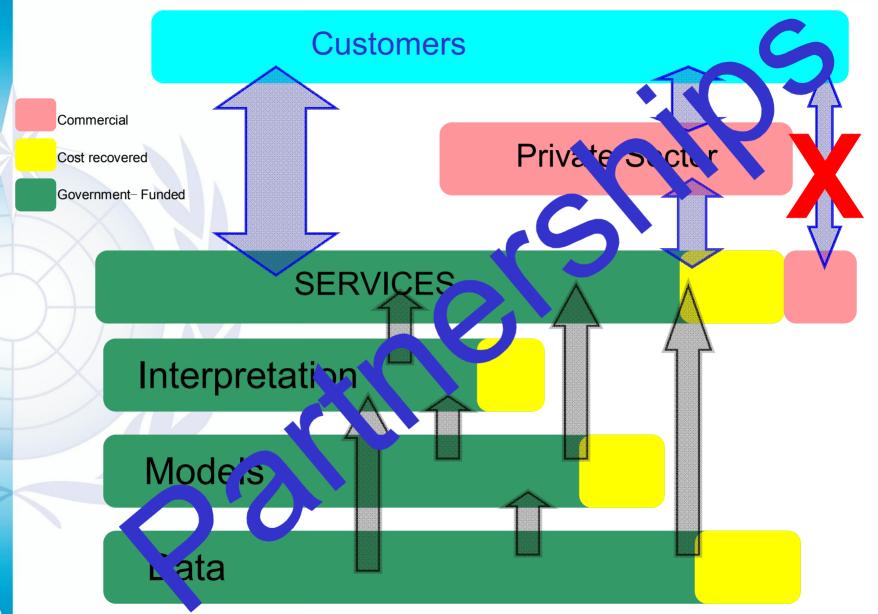


Putting It All Together

Met Office Causal Map









Take Home Messages

- Have a clear definition of government funded services
- Ensure ability to implement and benefit from cost recovery
- Exploit technology to deliver government funded services direct to public

Carefully consider whether commercial services should be

provided by an NMS, given all the issues

Partnerships.

