



# Choice and convenience drive 'digital first' success

Enterprise & government solutions

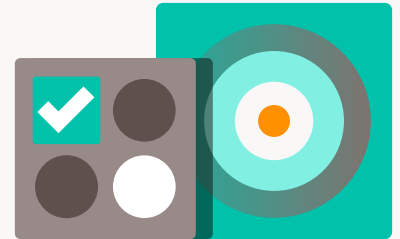
Insight paper

Nov 2016



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In 2015, Australia Post set out to understand more about the needs and preferences of citizens in the context of interacting with the government online.

Do consumers actually want digital services? What are some of the barriers when interacting online? What's going on around the globe? And just how important is choice and convenience when driving a multi-channel, 'digital first' engagement strategy?

Globally, people's expectations of how they can interact with government and access services have changed.

In Singapore, a single eCitizen portal provides access to more than 1,600 government transactions. And when an Australian job applicant needs a police certificate, they can complete the paperwork online and receive a digital certificate within minutes – rather than waiting days. And in Estonia, 30 per cent of the population votes online and 96 percent of 2015 tax returns were completed online.

Our research - conducted by an external research agency, is a result of a survey offered to over 1000 Australians. The survey respondents are representative of the wider Australian population who had all dealt with the government over the previous month.



## Consumer survey highlights a gap between eGov expectation and reality

Governments at every level around the world are investing in new technology platforms and capabilities to improve citizen experience and reduce the cost to serve these citizens. This level of transformation for millions of service users is not without its challenges – as the 2016 Australian Census highlighted.

However, achieving the full economic and social potential of digitising government services involves more than an investment in robust IT infrastructure. Putting the needs of citizens first is essential if governments are to take them on this journey.

Recent research has highlighted a significant gap between citizen expectations and the current state of play. The survey, (commissioned by Australia Post), identified the importance of choice: a 'digital first' approach may not suit every transaction or user, and a safety net is needed for those with limited internet access. It also revealed what citizens really want: an easy online experience, a 'tell me once' approach to password management, with assurance their data is secure and their privacy protected.

Unfortunately, this is not our current reality: while there have been some great eGov initiatives in Australia, this research indicates there's still work to be done. So, in this insight paper we explore what these results mean for government agencies and departments at all levels, and the insights that can be gained from best practice examples internationally.

### Consumer expectations



Importance of choice



Data protection



'Tell me once'  
password management

## A mandate to transform

There is no doubt that digitisation has transformed the way we live and work, and this has impacted our expectations of how easy it should be to deal with both government and business.

The business case for transformation is well documented. As well as meeting citizen needs and improving general levels of satisfaction, a 'digital first' approach is expected to result in significant administrative cost savings for government – and potential productivity gains for business.

Globally, improved operational performance and reduced costs could free up to \$1trillion annually – if the full potential of government digitisation is captured<sup>1</sup>. A Deloitte Access Economic study calculated potential productivity and efficiency savings of \$17.9billion over 10 years (if we reduce the

number of transactions completed via non-digital channels from 40 percent to 20 percent<sup>2</sup>).

These productivity gains also extend to business users of government services. In Estonia, it now takes just 18 minutes to start a business. Access to public data is fuelling business innovation – such as *AIRNOW* and *Bankrank* in the US. Giving private organisations access to the same ICT infrastructure is also driving new levels of collaboration.

Desktop research suggests that globally, governments are already seeing the benefits. In the UK, a 'digital by default' approach has saved more than £1.7billion per annum, and by going paperless the Danish government has saved €270million annually.

It's clear that by making everyday transactions simpler and more convenient, eGov can not only drive business innovation, it can focus public resources more effectively on policy priorities.

But as we've seen with any successful disruptor in the business sector, transformation will only be effective if it addresses real 'pain points' and citizens engage with it. You can build it, but they may not come.



Potential to save up to

**\$1trillion**  
per annum  
globally



If Australia reduces transactions completed via non-digital channels by 20% it can save

**\$17.9billion**  
over 10 years



Going paperless has saved the Danish government

**€270million**  
per annum

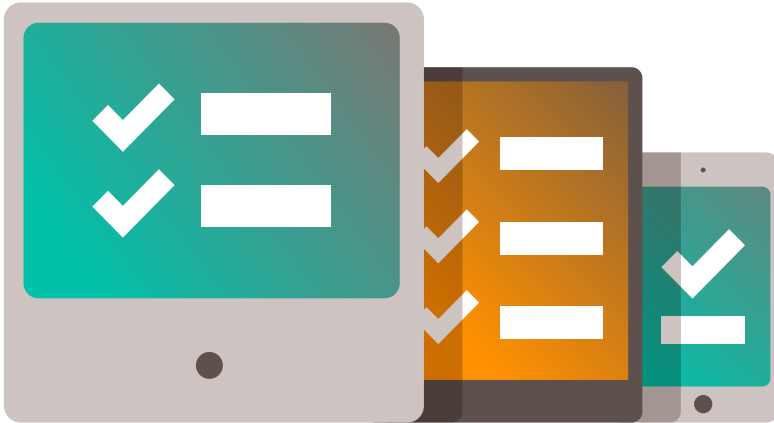


'Digital by default' saved the UK

**£1.7billion**  
per annum

<sup>1</sup> *Public-sector digitisation: The trillion-dollar challenge*, McKinsey & Company, March 2015

<sup>2</sup> *Digital Government Transformation*, Deloitte Access Economics 2015



**94%** of Australians want all government services to be available online

While

**70%**

still want the choice of an in-person experience.



## Australia's eGov experience

According to the survey of almost 1,200 Australian consumers, more than half (61 percent) had used the internet for their most recent dealings with local, state or federal government.

However, only 29 percent of these eGov users were satisfied with their experience, and 58 percent had encountered some problem with the online service.

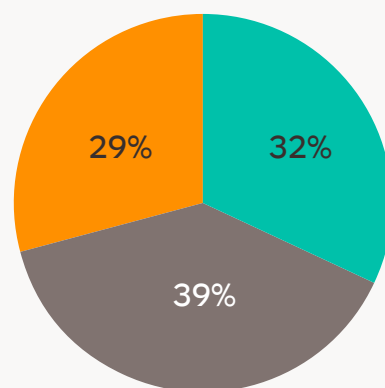
The most common issue was that the process was long or difficult (21 percent). 15 percent had technical difficulties and for 13 percent, the service they needed was not available online. 11 percent couldn't remember their user name or password.

Other frustrations indicate the need for personal assistance: they couldn't find the information they needed, instructions were unclear or they needed help but none was available.

And while an overwhelming majority of respondents (94 percent) want all government services to be available online, 70 percent want to be able to choose an in-person experience when it suits them.

### Only 29% of eGov users are satisfied with their last experience

Satisfaction last experience of government services online



- Not satisfied
- Neutral
- Satisfied

Note:

Questions: 1) Please consider on a scale of 0 to 10, how satisfied were you with your last interaction with a government department?

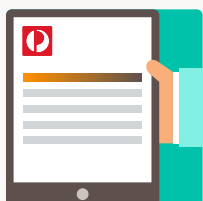
Potential responses: On a scale of 0 to 10 for satisfaction, 0-6 considered dissatisfied, 7-8 neutral and 9-10 satisfied  
n: 711 eGov users surveyed



3 Why Turnbull's Digital Transformation Office should sort out the backyard first, Ed Husic. AFR 15/04/2016

## Room for improvement

For those who had used eGov services, the most important improvements they would like to see were, (in order of priority) :



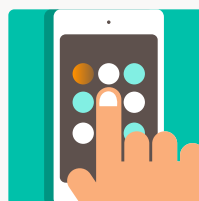
1

Simple, easy to use websites



2

Greater reassurance of information privacy



3

More personalised services



4

Single user name and password

Interestingly, most citizens don't mind sharing their personal data if it makes their lives easier: only 17 percent said they wanted none of their personal information stored, indicating a preference towards the 'tell me once' solution to password fatigue.

However, as recent privacy concerns over the 2016 Census data have revealed, citizens also want assurance their personal data will be kept secure, and used only for its intended purposes. Only 5 percent said they would be happy for the government to share their data with private companies, if it made life easier.



83%

of Australians don't mind sharing personal data if it makes their lives easier



## Who's using eGov services?

When we look at the demographic differences in eGov service usage, the two ends of the age spectrum – youth and retirees – are least likely to interact with government online.

For youth, this is due to lack of availability; the services they use are not available online. For retirees (and also for those on home duties), it's because they prefer human interaction. And this is important, as both youth and retirees tend to be higher users of government services.

70 percent of retirees and 64 percent of those on home duties would like the choice of in-person or online services, compared with a higher proportion of young families, older professionals and younger professionals who are happy with 'online only' channels.

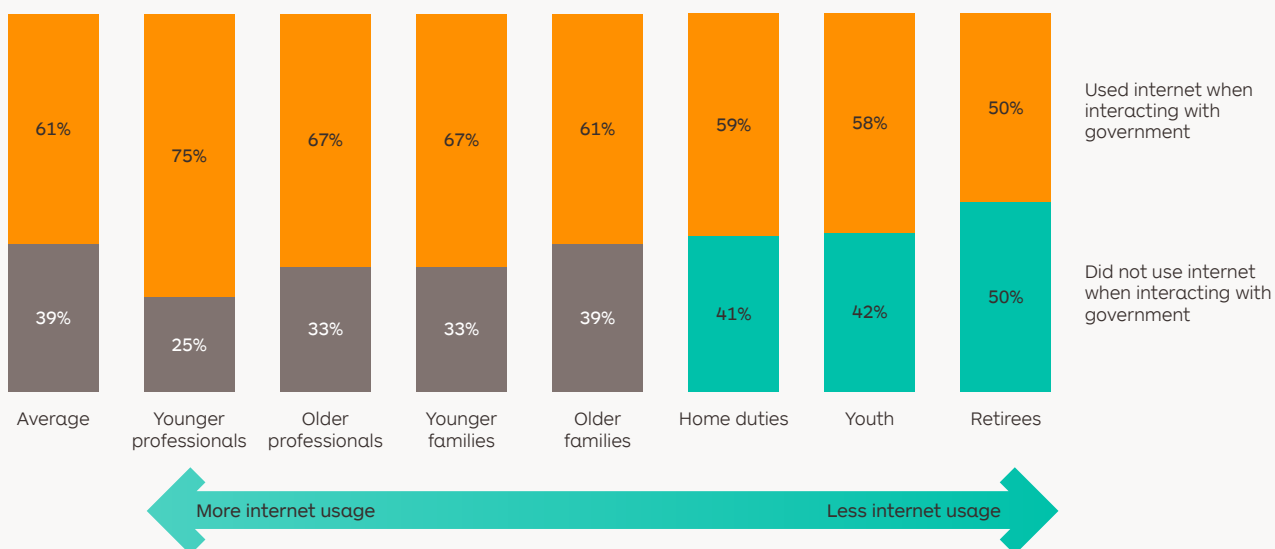
## Closing the digital divide

It's important to ensure these groups, as well as more vulnerable citizens, those in rural and regional areas, and those with limited internet access, have equitable access to government services. Again, choice is the key.

In Australia, 14 percent of people do not have access to the internet at home,<sup>4</sup> and indigenous households are 76 percent less likely to have internet access.<sup>5</sup> Just over two-thirds of those earning less than \$40,000 per year use the internet, compared with 97 percent of those earning over \$120,000.

To be inclusive, in-person support will still be needed in the short term. Helping more people get online may also involve partnerships with private organisations focused on digital inclusion, such as Infoexchange and Hitnet in Australia.

**Usage of the Internet when interacting with government varies from 75% to 50% depending on demographics**



Citizens using the Internet for government services recently <sup>1,2</sup>

1 n: 1,172 total users surveyed

2 Question: Thinking about your most recent dealings with federal, state or local government which of the following did you use to contact them?

4 ABS: Household Use of Information Technology, Australia, 2014-15

5 Home Internet for Remote Indigenous Communities, ACCAN 2011

## Reducing friction while addressing fraud

Australians undertake more than 800 million transactions with government every year, but we don't have a unique 'citizen identifier' – which makes establishing a digital identity an important starting point for many services ripe for transformation.

When asked which channels they'd prefer to use for specific types of government transactions, 66 percent stated 'internet' for changing address details, enrolling to vote or voting.

Online access for car and pet registrations, ATO transactions, property tax payments, parking permits and Medicare registrations or updates were also preferred.

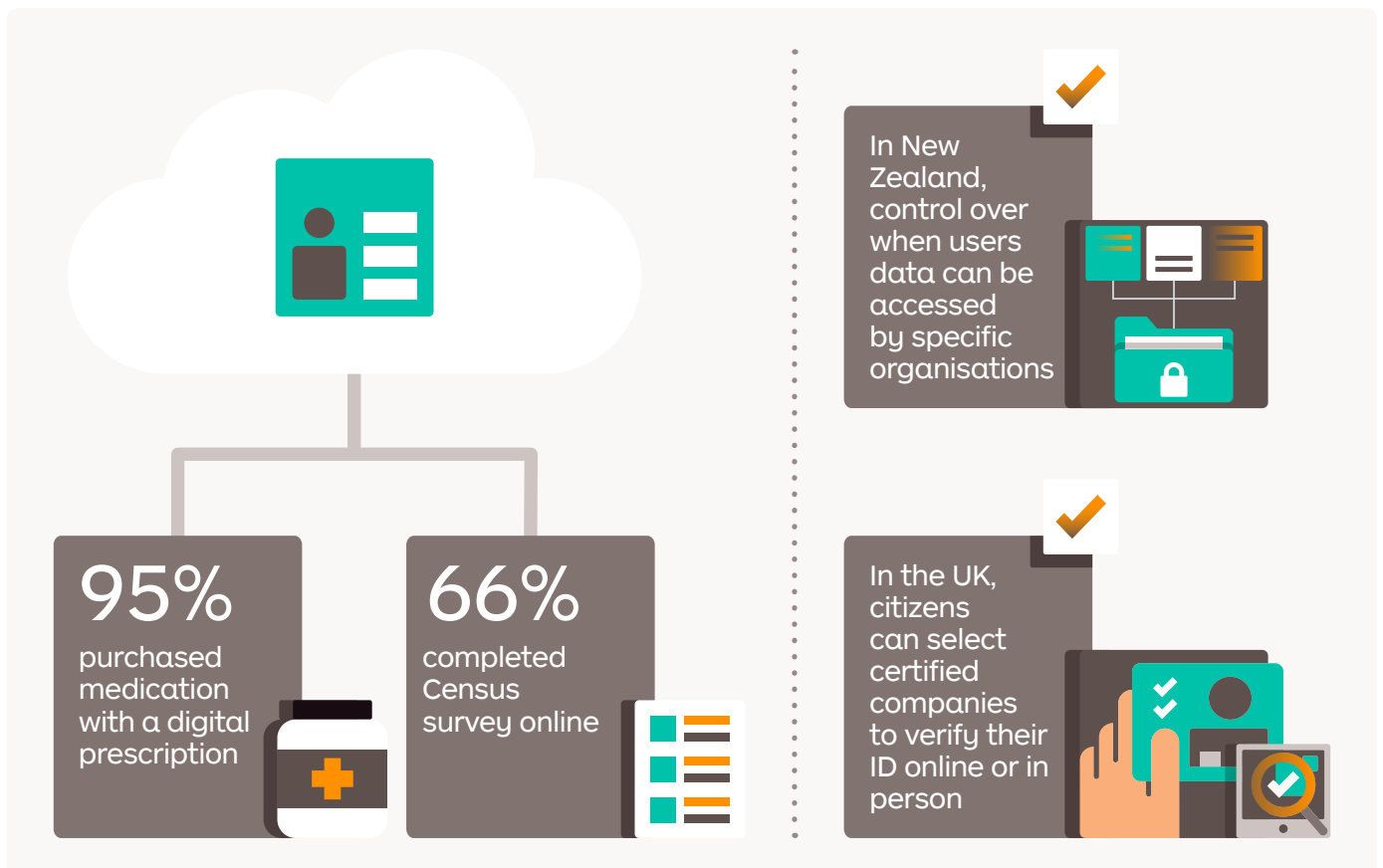
Secure identity verification underpins the provision of many of these services, and several governments have also partnered with private or third party organisations to develop a trusted framework that mitigates the risk of fraud and critical data loss and alleviates privacy concerns.

"There are many great examples of other agencies taking a customer first approach to this," says Cameron Gough, Australia Post's General Manager – Digital ID and DDC.

He says one example is the Australian Tax Office (ATO), which is making customer calls easier through the use of voice biometrics.

"We can also learn a lot from the experience in other nations" comments Gough. "For example, Uno Vallner, a former eGovernment Director from Estonia, spoke about their identity and I realised just how much friction that has taken out of their economy. With one ID card (and no driver's license) they now have two-thirds of their Census surveys done over the internet, and 95 percent of their medication purchased with a digital prescription."

In New Zealand, *RealMe*, a partnership between New Zealand Post and the Department of Internal Affairs, gives the user control over when data can be accessed by specific organisations. UK citizens can choose a preferred certified company to verify their ID online or in person – including Barclays Bank, Experian and Royal Mail – with second factor authentication options including SMS, landline call or email code. Danish citizens can also use their *NEM ID* for online banking, meeting user desire for a single sign-on.



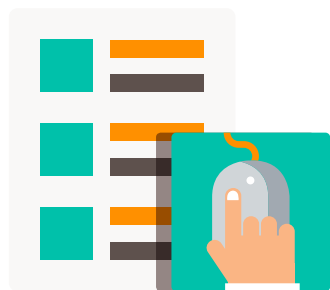
## Balancing choice, convenience and cost savings

To realise the true economic value of digital government services but also provide a safety net for the most vulnerable or least connected users, we still need to provide a choice of channels for engagement.

We also need to ensure the services are truly convenient: everyday transactions made easy, putting the user at the forefront of the digital experience. That includes a simple, 'tell me once' approach to passwords and identity protection, and fast, intuitive access to many layers of information.

And finally, we need to reassure Australians that their information is safe online and their privacy is protected.

With these three ingredients in place, we can encourage more Australians to use the government services already available online and realise the promise of significant cost and time savings for government, for business and for the economy as a whole.



# 83%

of Australians would like to be able to enrol to vote and vote online

## Co-creation with Australia Post

As part of our own evolution, we've invested in digital capabilities to make it easier for our customers to access everyday services and also help government and business with digital identity, payment processing and information management services.

This includes:



1

Digital Delivery Centre with 300 digital technologists



2

UX / CX design team, test labs and in-house tools

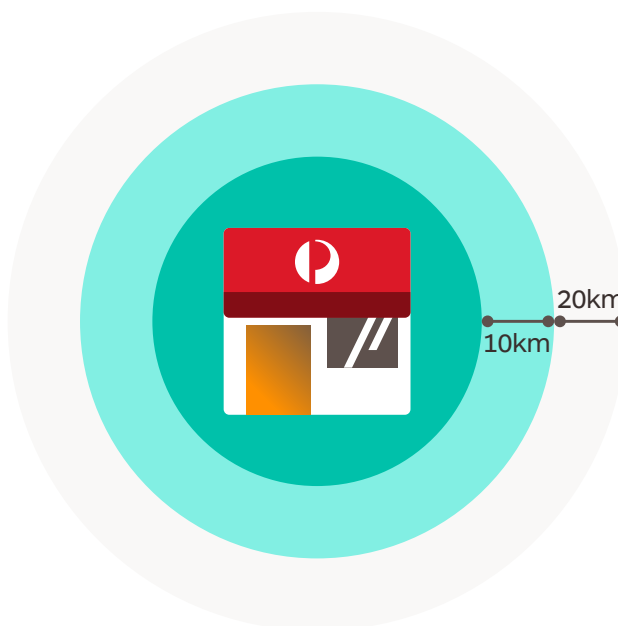


3

DevOps focused, ISM ready Trusted Services Cloud

# 98%

of Australians live within 20km of a Post Office, which means we can provide the choice of an in-person experience.



To find out more about our enterprise and government solutions, please visit [auspostenterprise.com.au](https://auspostenterprise.com.au)