TE WHARE WĀNANGA O TE ŪPOKO O TE IKA A MĀUI

VICTORIA
UNIVERSITY OF WELLINGTON

SCHOOL OF GOVERNMENT
Te Kura Kāwanatanga

Conditions for channel shift behaviours and simplification in business individuals' and small businesses' online interactions with government

Survey Research Report, March 2016

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Acknowledgements

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Key recommendations

- Although most small businesses participating in this research are willing to shift from traditional channels to online channels, the current way in which online channels are used in interactions with government is not sufficient to make it easier for these businesses: the administrative complexities experienced by the research participants are not so much a channel or technology issue, and need to be treated differently therefore.
- Government agencies need to design their (online) channel strategy and relationships more with the business customer in mind and, preferably, in close collaboration with the business community. The following requirements for online channels were identified as critical conditions for small businesses to prefer online channels over traditional channels:
  - *Having functionalities that meet the needs of business customers*, such as online access to an expert staff member (e.g. via online chat), quick online response times and creating more options for raising non-standard issues (with restrictions on automated responses);
  - *User-centric design and navigation of websites*, including more user-friendly online systems, step-by-step instructions and improved guidelines around changes in policy and regulations;
  - *Availability of end-to-end online services*, including solutions around online government responses, the use of digital signatures and better Internet access in rural areas; and
  - *Better integration of services and increased information-sharing*, including consistency across multiple channels and the re-use of non-sensitive information in integrated service provision.
- Social media channels targeting business clients were hardly used or not used at all by the research participants, which may point towards a low return-on-investment for government agencies needing to manage and maintain these channels for only a small proportion of their customers.

Key findings

Channel use in the last 12 months

- In the last 12 months, business individuals and small businesses participating in this research had used a range of online and traditional channels to interact with government agencies. The most popular channels were online channels: 86 percent of the research participants had used a website and 70 percent had used e-mail in their interactions with government agencies. One third of the participants (33%) had used RealMe in the past year.
- Traditional channels were also quite popular amongst the research participants: 65 percent had used the telephone, followed by the use of regular mail or fax by 42 percent of the respondents; 21 percent had used face-to-face interaction with government.
- Other existing online channels were much less popular in the last 12 months, with apps used by 6.1 percent of the respondents and SMS/texting by 4.9 percent.
- Only a very small proportion of the participants had used social media channels: Google+ (2.9%), Twitter (1.3%) and LinkedIn (1.3%) were the most popular social media channels amongst participants, followed by YouTube (0.8%) and Facebook (0.4%).

- The majority of participants had used between two and five different channels in their dealings with government, with the highest number of participants using three or four different channels.
- Participants had used a large variety in channel combinations to interact with government in the past 12 months. The large majority of these channel combinations involved both online and traditional channels.
- A significant trend can be observed amongst the survey participants of the larger the size of the small business, the more traditional channels like telephone, regular mail and face-to-face were used for interacting with government.
- There were no significant findings for channel use by age group in this research.
- More than one third of the research participants (37%) had used a third party, such as a tax agent, for interacting with government agencies during the past 12 months.
- The use of a third party was dependent on the size of the small business, with small businesses who had employees being significantly more likely to use a third party in their dealings with government.
- Participants based in a rural area were significantly more likely to use regular mail in their interactions with government in the past 12 months (49%), compared to those based in an urban area (38%).

Frequency of channel use during the past 12 months

- The larger the business size, the more frequently they had used various channels to interact with government. Significant differences were found amongst the research participants for the use of Internet website channels, telephone, RealMe, regular mail and e-mail.
- The larger the size of the business, the more frequent use participants had made of face-to-face channels, telephone, e-mail, Internet website, or a third party to interact with government during the past 12 months.
- The frequency of using other channels was not much different for participants who had also used a third party in their dealings with government in the past 12 months, compared to those who had not used a third party. In general, participants who had used a third party, had used face-to-face channels more frequently in government interactions, compared to those who had not used a third party.

Activities through selected channels during the past 12 months

- The Internet website channel (32%) and telephone (26%) were the most popular channels for getting information from government agencies.
- 31 percent of the respondents who obtained the service they want/need, did so by using the Internet website channel. Telephone (19%) and e-mail (17%) were also often used for this activity.
- 35 percent of the respondents used the Internet website channel to return a completed form, followed by 22 percent who used regular mail and 18 percent who used e-mail to do so.
- Most respondents used the telephone for asking a question (38%). 26 percent used e-mail to do so.
- Of those participants who made an appointment in the last 12 months, 26 percent used e-mail and 25 percent used the telephone channel to do so.
- 33 percent of the respondents used the Internet website channel to register for receiving information or a service, followed by 23 percent who used e-mail to do so.
- Just over half of the research participants had used the Internet website channel to make a payment in the last 12 months (52%).

- 33 percent of the respondents used the Internet website channel to provide sensitive information, followed by 18 percent who used a third party to do so.
- The Internet website channel (34%) was the most popular channel for updating business-related information, followed by e-mail (16%) and the telephone channel (13%).
- The Internet website channel (37%) and e-mail (20%) were the most popular channels amongst participants for keeping a record of the transaction.
- Telephone (37%) and e-mail (29%) were mostly used by participants to make a complaint.
- Of those who participated in a public consultation in the last 12 months, 27 percent had used e-mail, 25 percent had used the Internet website channel and 17 percent had done so face-to-face.

Activities undertaken per channel during the past 12 months

- Not only was the Internet website channel the most popular channel for dealing with government amongst the respondents, it was also used for a variety of activities. For instance, 15 percent of the respondents used the Internet website channel to try and get information, to return a completed form or to make a payment.
- 16 percent of participants who used e-mail to interact with government did so to ask a question, whereas 14 percent of the respondents tried to get information and 13 percent returned a completed form.
- Most participants who used the telephone channel to interact with government, did so to ask a question (27%). Almost a quarter of the participants used telephone to try and get information (24%) and 15 percent to obtain the service they wanted/needed.
- Most participants used regular mail to return a completed form (33%).
- Most participants using face-to-face interactions with government did so to try and get information (16%), closely followed by participants who used this channel for asking a question (15%) or to obtain the service they wanted/needed (14%).
- 16 percent of the respondents used RealMe to update business-related information, whereas 14 percent of RealMe users did so to return a completed form or provide sensitive information.
- A third party was mostly used by participants in order to provide sensitive information to government agencies (19%). 16 percent of respondents who used a third party did so to return a completed form and 15 percent to update business-related information.

Respondents' most important reason to use a particular channel

- Convenience was the most important reason for most of the participants who had used the Internet website channel (41%). For 15 percent, saving time was the most important reason to do so and for 14 percent it was to find the information or service they were looking for.
- The most important reason for participants to use e-mail in their interactions with government was convenience (40%). 17 percent of the respondents most importantly used e-mail because it saved them time, and 9 percent because the process of service delivery was easier via this channel.
- For those respondents who had used the telephone channel, the most important reason to do so was to be able to directly contact an expert to discuss their needs (26%). 23 percent of the respondents had used this channel most importantly because it is convenient for them and 10 percent in order to save time.
- Respondents who had used regular mail to interact with government in the last 12 months, most importantly had done so because it is convenient for them (32%). The second most important reason mentioned by participants is that it is the only channel they could use (31%).

- For 40 percent of the RealMe users, the most important reason to do so was that this was the only channel they could use.
- The most important reason for respondents to use face-to-face interaction with government agencies during the past 12 months, was to be able to directly contact an expert to discuss their needs (21%), followed by getting better quality of service (14%) and convenience (11%).
- Almost half of the app users indicated convenience as the most important reason for using this channel in government interactions (48%).
- The most important reason for participants to use SMS was to save time (34%), followed by convenience (23%).
- Convenience was the most important reason for 19 percent of those respondents who had used a third party in their interactions with government. 16 percent of these respondents indicated the need for assistance with completing the transaction as their most important reason.

One best solution to make it easier to deal with government

- The top-5 best rated solutions that would make it easier for their businesses to deal with government agencies are the following:
  1) If I could complete the whole service online..19%
  2) If I had immediate access to an expert who can help me with my needs 17%
  3) If there were clear step-by-step instructions about the process 13%
  4) If forms were prefilled with data government already has for my business 11%
  5) If information and services were easier to find..10%

Different experience between government agencies

- 43 percent of the participants had experienced a difference between government agencies, whereas 32 percent didn't know.
- Problem areas that are making it hard for small businesses to deal with government agencies are the following:
  - *experiences of government-centricity instead of customer-centricity;*
  - *the administrative complexity of processes, rules, procedures, language use and navigation;*
  - *the inconsistency of service provision across different staff and/or channels;*
  - *long waiting times;*
  - *the lack of information-sharing within and across agencies;*
  - *low service quality;*
  - *issues re availability and access to (online) services*
  - *technical design issues*

Conditions for using online channels instead of traditional channels

- The top-10 conditions under which small businesses prefer to use online channels instead of traditional channels are the following, with 50% already using online channels:
  1) If they could find information or services more easily online........................ 34%
  2) If they were able to complete the whole service online............................... 32%
  3) If it saved them more time... 32%
  4) If they were able to get a quick response to a question they have 27%
  5) If they could get in touch with a staff member at any time...........................25%
  6) If online channels were more customer-friendly 24%
  7) If there were clear step-by-step instructions available online.......................23%
  8) If it saved them money 22%

9) If it was easier to update or correct their information online 18%
10) If it was easier to save draft information online and come back later 17%

Conditions for only using online channels to deal with GST returns

- The top-5 conditions under which small businesses are willing to only use online channels for GST returns, with 77% already using online channels:
  1) If it saved them more time 13%
  2) If they could get in touch with a staff member online in real-time................11%
  3) If it saved them money 9.5%
  4) If they could find information more easily online 9.5%
  5) If there were clear step-by-step instructions available online.........................9.4%

Conditions for only using online channels to deal with PAYE deductions

- The top-5 conditions under which small businesses are willing to only use online channels for PAYE deductions, with 42% already using online channels:
  1) If they saved more time 10%
  2) If it saved them money 7.8%
  3) If there were clear step-by-step instructions available online.....................7.7%
  4) If they could find information more easily online 7.3%
  5) If they could get in touch with a staff member online in real-time.............7.0%

Anything else that would help small businesses in dealing with government agencies

- Suggested areas of what would further help small businesses in dealing with government agencies:
  - *increased cross-government information-sharing and a one-stop shop for business;*
  - *talking to a well-trained 'real person';*
  - *administrative simplification, clarity about the rules and consistency in service provision;*
  - *better navigation and communication;*
  - *better customer-centric service provision;*
  - *online availability of services;*
  - *using technology that works and doesn't cost much;*
  - *providing an incentive to use online services;*
  - *nothing – New Zealand online service provision works well!*

Introduction of the research design and methodology

Background

Current Government strategic programmes (e.g. Better Public Services Programme R9 and R10; Government ICT Strategy and Action Plan) and business transformation programmes are aimed at not only providing services digital by default, but also making it easier and more seamless for individuals and businesses to use digital channels in their interactions with government agencies. Thus far, research shows that many New Zealanders prefer using multi-channel behaviours in their interactions with government, instead of completing services or administrative compliance processes end-to-end online (Lips et al. 2010 and 2015). Identified opportunities for using digital channels more seamlessly in interactions with government include more efficient service provision and increased cost efficiencies, reduced effort and compliance costs, enhanced convenience and an increased proportion of customers who can serve themselves.

Simplification of interactions with government also seems to be desirable from the customer's point of view. For example, customer research undertaken by the Result 10 team shows that 51 percent of New Zealanders had experienced so-called 'pain points' in their interactions with government: moments in a customer's service journey when they experience difficulties (DIA 2014). The more interactions respondents had with government, the more pain points they were likely to have experienced. Furthermore, the more pain points respondents had experienced, the more these mattered. One of the most substantial pain points experienced by 44 percent of customers is a situation where people had to provide the same information to several government agencies over and over again. Another major pain point identified by 37 percent of the participants is a situation where customers wanted to complete a whole transaction online, but were unable to do so.

Thus far, there is some empirical knowledge available on individuals' attitudes and behaviours in online transactional relationships with government agencies, but not so much is known about the attitudes and behaviours of business individuals or businesses in online government transactions. Similar to other OECD countries, New Zealand has a relatively high number of Small and Medium Enterprises (SMEs), with 97 per cent of enterprises being small businesses in this country (MBIE 2014). Of these small businesses, the large majority (71 per cent) have no employees, 21 per cent have between one and five employees, and 8 per cent have between 6 and 19 employees. In 2014, New Zealand government agencies interacted with SMEs about three million times every four months.

In theory, small businesses up to 5 employees seem to be disproportionally affected by administrative compliance burdens in their transactional relationships with government, compared to medium-sized or larger enterprises. At the same time, the 2014 Small Business Sector Report findings (MBIE 2014) show that, compared to larger enterprises, small businesses between 6 and 19 employees are lagging behind in their uptake of online transactions with government agencies, such as completing and sending online forms (60% of small businesses vs c80% of large companies) and making online payments (75% of small businesses).

Research objectives

This research project aims to address these empirical knowledge gaps on how small businesses with up to 20 employees are interacting with government agencies in New Zealand, and the conditions under which these small businesses would find it easier to interact with government online. The research has explored what channels business individuals and small businesses have used for particular activities in their dealings with government in the last year, and under what conditions they would be willing to shift from traditional channels to online channels and use these channels

easily and more seamlessly in end-to-end service provision and compliance processes with government. A specific focus in the research has been to explore the conditions under which individuals and small businesses would be willing to adopt end-to-end online processing of tax compliance processes, in particular Pay-As-You-Earn (PAYE) deductions and Goods and Services Tax (GST).

More specifically, the following research objectives were identified:

- To understand the conditions under which business individuals and small businesses are willing to shift from traditional channels to online channels and use online channels in end-to-end service provision or compliance processes with government;
- To understand the conditions under which business individuals and small businesses find it easier to interact with government online.

Research methods

The research methods used in this study are a literature review study and an online survey. The web survey made use of a randomised sample of 15,000 representatives of small businesses who had filed a GST return, with the sampling frame being provided by Inland Revenue (IR). Stratified Random Sampling Without Replacement (SRSWOR) was used to identify the sample members. Business size was used to define the following four strata within which a simple random sample was taken: 1) self-employed business individuals; 2) small businesses with 1-5 employees; 3) small businesses with 6-10 employees; and 4) small businesses with 11-20 employees. To calculate population estimates of proportions (percentages) or means from a stratified sample, weighted combinations of stratum-specific proportions or means are used.

Whilst the research has been undertaken independently from IR, the research team has met all necessary requirements and procedures relevant for IR-initiated surveys, including compliance with Tax Secrecy legislation. The research has been granted Human Ethics Approval from Victoria University's Human Ethics Committee.

The research project started in July 2015 with the literature review and the development and design of the survey instrument. A copy of the survey questionnaire can be found in Annex A of this report. The survey questionnaire was migrated to a survey software environment (Qualtrix) and tested multiple times to make sure that it would meet our accessibility and usability criteria. These criteria included that the web survey needed to be accessible via different online devices and for participants to be able to complete the questionnaire within a maximum of 15 minutes.

In the second half of October 2015, invitations to participate in the survey were sent out to 15,000 individuals. Acknowledging a busy time of the year for most businesses leading up to Christmas, these invitations were followed up with a few reminders. The web survey closed by the end of November 2015.

The survey received 686 total responses (a response rate of 4.6 percent). However, not all respondents completed the survey in full, leaving a total sample size of 538 responses and a response rate of 3.6 percent. This response rate is considered very low in comparison with what may be expected from online survey returns in New Zealand (15-20%), and may have caused the following two types of biases in the sample: 1) a non-contact bias: only business representatives with an email address were contacted, which leaves out those who do not have or use an email address; and 2) a non-response bias: business representatives who did not participate in the survey may have different views compared to those who did respond. Given the small sample and the low response rate in this study, the data presented here need to be treated as exploratory findings generating hypotheses rather than proving that there are certain general trends.

Survey findings

We first present the business background and other demographic details of the respondents.

Business background and demographic details of the respondents

Business location

The majority of the respondents ran their business from a North Island city, mostly from Auckland (33%).

Table 1 - Business location

Business location	%
Auckland	33%
Wellington	18%
Christchurch	9.0%
Hamilton	2.3%
Dunedin	2.4%
Northland region	4.5%
Gisborne region	0.5%
Other North Island city or region	15%
Other South Island city or region	8.5%
Other	6.7%

Age group of respondents

Most respondents belonged to the age group of 45-54 years (32%) and the group of 55 – 64 years of age (27%). Almost 10 percent of the respondents was younger than 35 years of age.

Table 2 – Age group distribution

Age group	%
18 – 24 years	1.4%
25 – 34 years	8.2%
35 – 44 years	18%
45 – 54 years	32%
55 – 64 years	27%
65 – 74 years	13%
75 years and over	1.7%

Gender of respondents

The majority of the respondents were male (63%).

Table 3 – Gender distribution

Gender	%
Female	37%
Male	63%

Business size

Most respondents were self-employed (73%) followed by respondents who represented a small business with 1-5 employees (19%).

Table 4 – Respondents' business size

Business size	%
Self-employed / no employees	73%
1-5 employees	19%
6-10 employees	4.9%
11-20 employees	3.1%

Years of business experience in dealing with government

The majority of the participants had 6 or more years of business experience in dealing with government.

Table 5 – Years of business experience

Number of years business experience	%
This is my first year	11%
1-3 years of experience	22%
4-5 years of experience	13%
6 or more years of experience	54%

Use of a third party (e.g. tax agent) in dealing with government

The large majority of participants used a third party, such as a tax agent, in their interactions with government.

Table 6 – Third party use

Use of third party (e.g. tax agent)	n %
Yes	74%
No	26%

The use of a third party was dependent on the size of the small business, with small businesses who had employees being significantly[1] more likely to use a third party in their dealings with government.

Table 7 - Third party use by business size

		Number of Employees			
		None	1-5	6-10	11-20
Use of third party	**Yes**	71%	80%	90%	89%
	No	29%	20%	11%	11%

However, the use of a third party was independent of the number of years of experience small businesses have in dealing with government agencies. Respondents who had more than 3 years of experience in dealing with government agencies were more likely to use a third party compared to research participants who had less experience.

Table 8 – Third party use by years of experience

		Experience			
		First Year	1-3 Years	4-5 Years	6 or more years
Use of third party	**Yes**	64%	69%	76%	78%
	No	36%	31%	24%	22%

Channel use in the last 12 months

In the last 12 months, business individuals and small businesses participating in this research had used a range of online and traditional channels to interact with government agencies (see Figure 1). *The most popular channels were online channels*: *86 percent of the research participants had used a website and 70 percent had used e-mail in their interactions with government agencies during the past 12 months. One third of the participants (33%) had used RealMe in the past year.*

Traditional channels were also quite popular amongst the research participants: *65 percent had used the telephone, followed by the use of regular mail or fax by 42 percent of the respondents; 21 percent had used face-to-face interaction with government.*

Other existing online channels were much less popular in the last 12 months, with apps used by 6.1 percent of the respondents, and SMS/texting by 4.9 percent. Only a very small proportion of the participants had used social media channels: Google+ (2.9%), Twitter (1.3%) and LinkedIn (1.3%) were the most popular social media channels amongst participants, followed by YouTube (0.8%) and Facebook (0.4%). These findings suggest that government investment in the use of social media channels in relationships with small businesses may need to be reconsidered.

More than one third of the research participants (37%) had used a third party, such as a tax agent, for interacting with government agencies during the past 12 months.

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[1] P=0.0033

Figure 1 – Channel use during the past 12 months
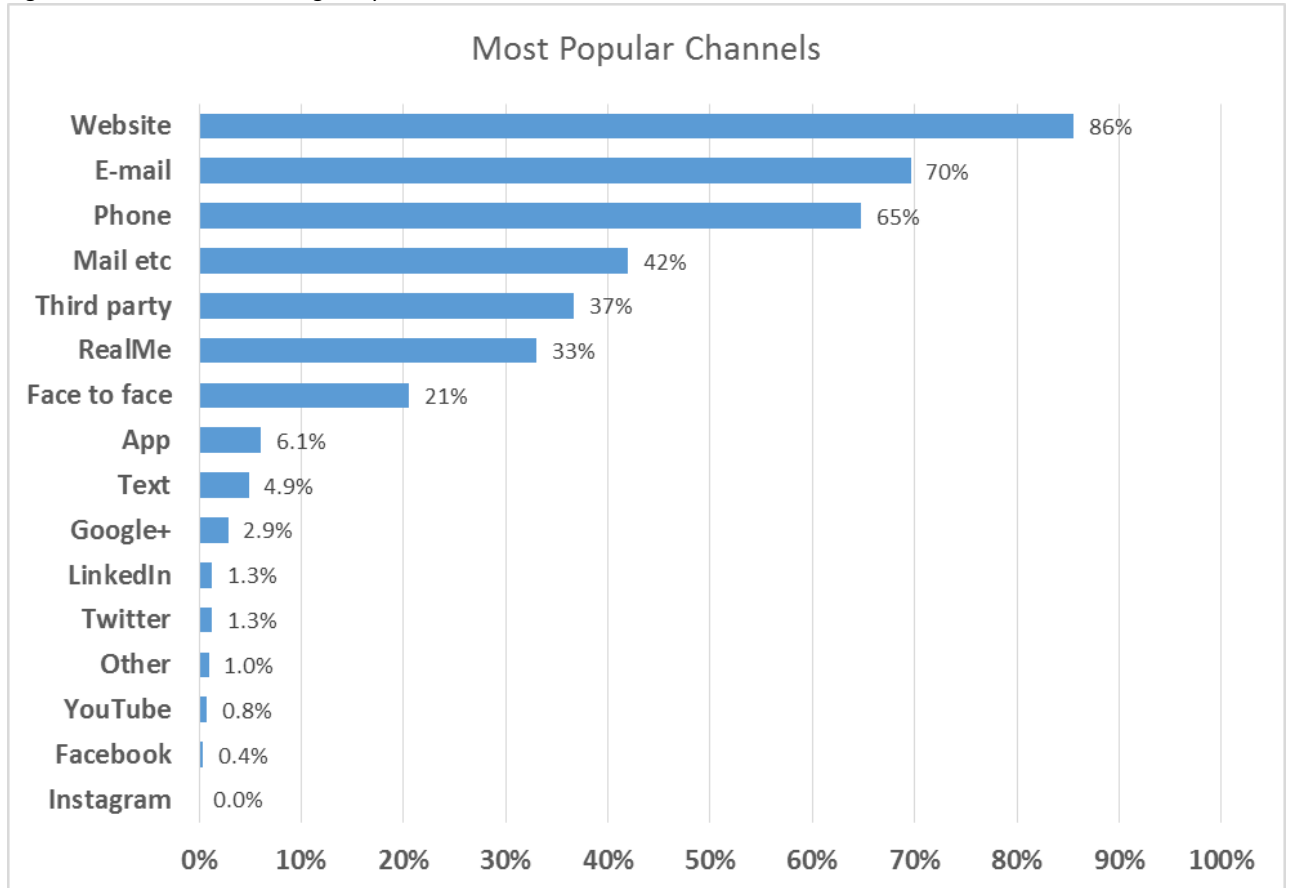
Number of channels used

The respondents had used up to ten different channels in order to interact with government in the past 12 months (see Figure 2). **The majority of participants had used between two and five different channels in their dealings with government, with the highest number of participants using three or four different channels (21% each**). 18 percent had used two different channels and 17 percent had used five different channels during the past 12 months.

Figure 2 – Number of channels used during the past 12 months

Numbers of Channels Used
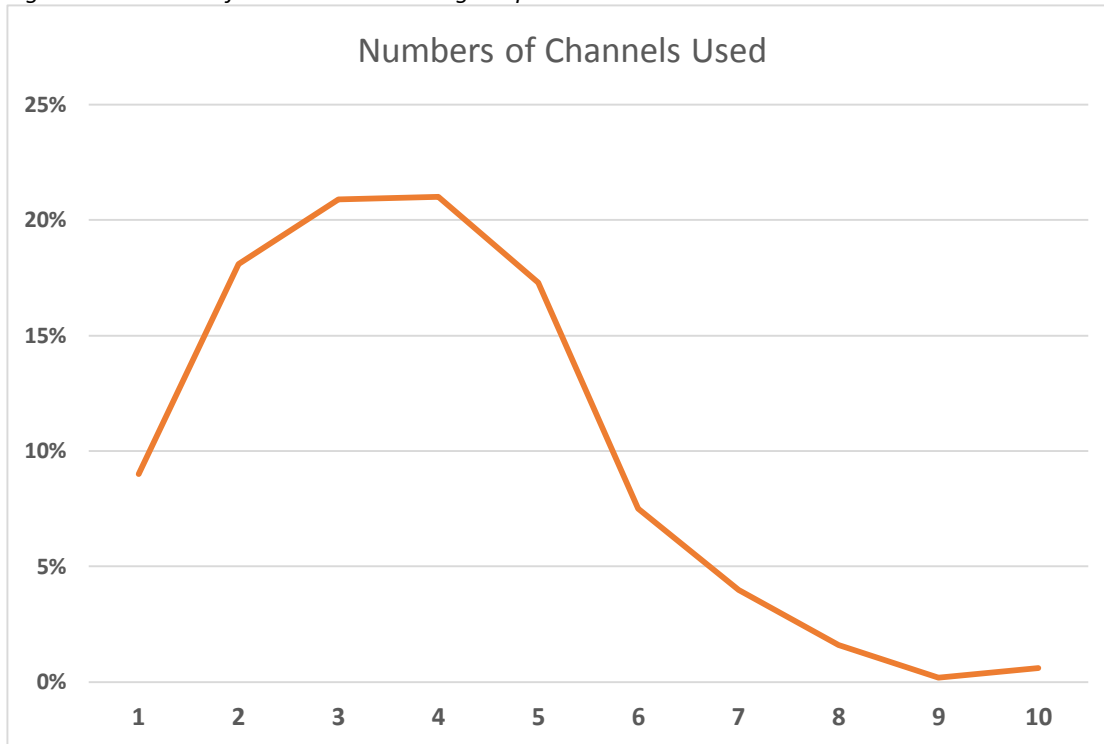
Combination of channels used

Participants had used a large variety in channel combinations to interact with government in the past 12 months: in total, 148 different combinations of channel uses were observed. The large majority of these channel combinations involved both online and traditional channels. The top five channel combinations used by all research participants in the past year, are the following:

1)	Telephone, email, Internet website	5.6% of all respondents
2)	Email, Internet website	5.3%
3)	Regular mail, telephone, email, Internet website, third party	4.1%
4)	Regular mail, telephone, email, Internet website	4.0%
5)	Telephone, Internet website	3.9%

Channel use by age group

There were no significant findings for channel use by age group.

Channel use by business size

Small businesses of different sizes demonstrated slightly different preferences in using channels for interacting with government. A significant trend can be observed of the larger the size of the small business, the more traditional channels like telephone, regular mail and face-to-face were used for interacting with government (see Table 9). For each of the six most popular channels for dealing with government agencies[2], the following distributions of channel use across small businesses of different size were found in this research.

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[2] With the exception of the use of a third party

Table 9 – Use of the six most popular channels by business size

	Business size / number of employees			
	None	**1-5**	**6-10**	**11-20**
Internet website	86%	86%	82%	83%
Telephone*	61%	73%	77%	**94%**
E-mail	68%	73%	72%	77%
Mail, posted letter, fax*	38%	51%	51%	**74%**
In person, face-to-face**	18%	23%	**46%**	17%
RealMe	33%	31%	41%	34%

*significant: p<0.0005
**significant: p=0.0032

Channel use by region (urban/rural)

Participants based in a rural area were significantly[3] more likely to use regular mail in their interactions with government in the past 12 months (49%), compared to those based in an urban area (38%).

Frequency of channel use in the last 12 months

Frequency of channel use by business size

The larger the business size, the more frequently they use various channels to interact with government (see Figure 3): **significant differences were found for the use of Internet website channels[4], telephone[4], RealMe[5], regular mail[6] and e-mail[7].**

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[3] P=0.0239
[4] p<0.0001
[5] P=0.0089
[6] P=0.0359
[7] P=0.0362

Figure 3 – Mean frequency of channel use by business size
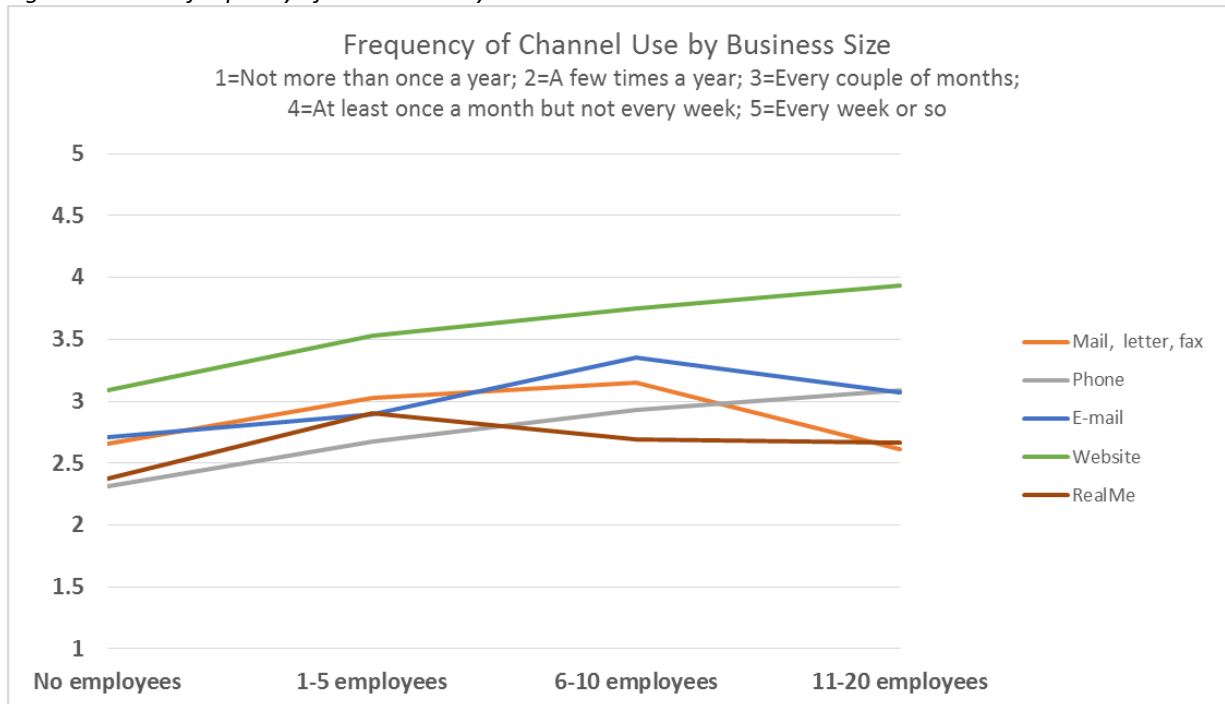
Frequency of Internet website channel use

34 percent of the participants who had used the Internet website channel in the last 12 months, had done so at least once a month, followed by those who had used the Internet website channel to interact with government every couple of months (31%), and those who had used this channel a few times a year (23%) (see Table 10).

Table 10 – Frequency of Internet website channel use

	Every week or almost every week	**At least once a month, but not every week**	**Every couple of months**	**A few times a year**	**Not more than once a year**
Internet website	9.0%	**34%**	31%	23%	3.5%

The following frequency of Internet website use was found for each small business group (see Table 11). **The findings show that, the larger the size of the business, the more frequent use is made of the Internet website channel**.

Table 11 – Frequency of Internet website channel use by business size

	Business Size	**Every week or almost every week**	**At least once a month, but not every week**	**Every couple of months**	**A few times a year**	**Not more than once a year**
Internet website*	**None**	6.7%	29%	**35%**	25%	4.5%
	1 – 5	12%	**48%**	22%	17%	1.1%
	6 – 10	22%	**50%**	9.4%	19%	0%
	11 – 20	24%	**52%**	17%	7%	0%

*p<0.0005

Frequency of e-mail channel use

Those participants who had used e-mail in their interactions with government in the last 12 months *(see* Table 12*), were most likely to do so a few times a year (39%).* 25 percent of the respondents who had used e-mail, had done so every couple of months, and 19 percent of participants at least once a month.

Table 12 – Frequency of e-mail channel use

	Every week or almost every week	**At least once a month, but not every week**	**Every couple of months**	**A few times a year**	**Not more than once a year**
E-mail	8.7%	19%	25%	**39%**	8.8%

Small businesses with more than 5 employees more frequently used e-mail in dealing with government during the past 12 months, compared to smaller businesses and business individuals (see Table 13). **Small businesses with 6 – 10 employees used e-mail most frequently in their interactions with government agencies.**

Table 13 – Frequency of e-mail channel use by business size

	Business Size	**Every week or almost every week**	**At least once a month, but not every week**	**Every couple of months**	**A few times a year**	**Not more than once a year**
E-mail*	**None**	6.7%	17%	25%	**42%**	9.0%
	1 – 5	11%	21%	23%	**36%**	8.7%
	6 – 10	21%	**36%**	11%	21%	11%
	11 – 20	15%	11%	**44%**	26%	3.7%

*p=0.0140

Frequency of telephone channel use

Just over half of the respondents (51%) who had used the telephone in their interactions with government during the past 12 months, had done so a few times a year *(see Table* 14*). 21 percent of the participants who had used the telephone, had contacted government via this channel every couple of months.*

Table 14 – Frequency of telephone channel use

	Every week or almost every week	**At least once a month, but not every week**	**Every couple of months**	**A few times a year**	**Not more than once a year**
Telephone (mobile or fixed)	5.3%	11%	21%	**51%**	12%

The larger the size of the business, the more frequently telephone was used to interact with government (see Table 15).

Table 15 – Frequency of telephone channel use by business size

	Business Size	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
Telephone (mobile or fixed)*	**None**	3.2%	8.9%	19%	**54%**	15%
	1 – 5	8.1%	15%	23%	**46%**	9%
	6 – 10	17%	17%	20%	**37%**	10%
	11 – 20	9.1%	24%	**33%**	**33%**	0%

*p=0.0020

Frequency of regular mail, posted letter or fax channel use

39 percent of respondents who had used regular mail or a fax in their interactions with government agencies in the last 12 months, had done so a few times a year *(see Table 16*). **However, 24 percent of the participants had done so at least once a month, and 23 percent every couple of months; 5.1 percent of the respondents had used this channel in interactions with government almost every week.**

Table 16 – Frequency of regular mail or fax channel use

	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
Regular mail, posted letter, fax	5.1%	24%	23%	**39%**	9.4%

95 percent of businesses with 6-10 employees and more than 91 percent of self-employed individuals and representatives of small businesses with 1-5 employees had used regular mail or a fax at least a few times a year in the last 12 months *(see Table* 17*)*. **15 percent of businesses with 6-10 employees had used regular mail every week.** Most businesses with 11-20 employees had used regular mail at least once a month, every couple of months or at least a few times a year.

Table 17 – Frequency of regular mail or fax channel use by business size

	Business Size	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
Mail, posted letter, fax	**None**	3.1%	20%	25%	**43%**	9.2%
	1 – 5	9.6%	**31%**	21%	30%	8.7%
	6 – 10	15%	30%	15%	**35%**	5.0%
	11 – 20	0.0%	**27%**	**27%**	**27%**	19%

Frequency of RealMe channel use

Most respondents who had used RealMe in interactions with government in the past year (45%), had done so a few times a year *(see*Table 18*)*. **19 percent of the participants had used RealMe every couple of months, whereas 16 percent had used this channel at least once a month.**

Table 18 – Frequency of RealMe channel use

	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
RealMe	5.1%	16%	19%	**45%**	16%

Most small businesses of up to 10 employees had used RealMe a few times a year in the last 12 months (see Table 19). The majority of small businesses with 11-20 employees had either used RealMe at least once a month or not more than once a year.

Table 19 – Frequency of RealMe channel use by business size

	Business Size	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
RealMe	**None**	5%	13%	16%	**48%**	19%
	1 – 5	8%	21%	30%	**37%**	5%
	6 – 10	0%	25%	25%	**44%**	6%
	11 – 20	8%	**33%**	8%	17%	**33%**

Frequency of face-to-face channel use

Just over half the respondents who had interacted with government agencies in-person in the past year (51%), had done so a few times a year (see Table 20). 23 percent of those who had used this channel, had done so not more than once, and 16 percent had used it every couple of months.

Table 20 – Frequency of face-to-face channel use

	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
In person, face-to-face	5.2%	4.8%	16%	**51%**	23%

The majority of small businesses of different sizes had interacted with government agencies in person a few times a year in the last 12 months (see Table 21).

Table 21 – Frequency of face-to-face channel use by business size

	Business Size	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
In-person, face-to-face*	**None**	4.2%	0%	17%	**56%**	23%
	1 – 5	8.7%	13%	15%	**41%**	22%
	6 – 10	5.6%	11%	17%	**39%**	28%
	11 – 20	0%	33%	17%	**50%**	0%

*p=0.0377

Frequency of third party use

More than half of the respondents who had used a third party to interact with government during the past 12 months (57%), had used this channel a few times a year (see Table 22). 21 percent had done so every couple of months, and 16 percent not more than once in the past year.

Table 22 – Frequency of third party use

	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
Third party use	1.9%	5.1%	21%	**57%**	16%

In general, the larger the size of the business the more frequent use participants had made of a third party to interact with government during the past 12 months (see Table 23).

Table 23 – Frequency of third party use by business size

	Business Size	Every week or almost every week	At least once a month, but not every week	Every couple of months	A few times a year	Not more than once a year
Third party use*	**None**	1.0%	3.1%	22%	**58%**	17%
	1 – 5	4.3%	8.7%	13%	**61%**	13%
	6 – 10	6.7%	6.7%	27%	**53%**	6.7%
	11 – 20	0%	**31%**	23%	23%	23%

*p=0.023

Channel use by business individuals

The most popular channel amongst business individuals to interact with government agencies had been the Internet website: 86 percent of business individuals had used this channel in the last 12 months (see Figure 4). The second most popular channel for this group of respondents had been e-mail (68%), followed by telephone (61%) and regular mail (38%). 33 percent of business individuals had used RealMe in the past year, and 18 percent had used face-to-face interactions with government. 5 percent of the participating business individuals had used apps to interact with government, and 4.2 percent had used SMS.

Only a very small group of business individuals had used social media channels, with Google+ (3.1%) being the most popular, followed by Twitter and LinkedIn (both 1.5%).

37 percent of business individuals had used a third party to interact with government during the past 12 months.

Figure 4 – Channel use by business individuals

No Employees/ Self only

Channel	Percentage
Website	86%
E-mail	68%
Phone	61%
Mail etc	38%
Third party	37%
RealMe	33%
Face-to-face	18%
App	5.0%
Text	4.2%
Google+	3.1%
LinkedIn	1.5%
Twitter	1.5%
Other	1.1%
YouTube	1.1%
Facebook	0.4%
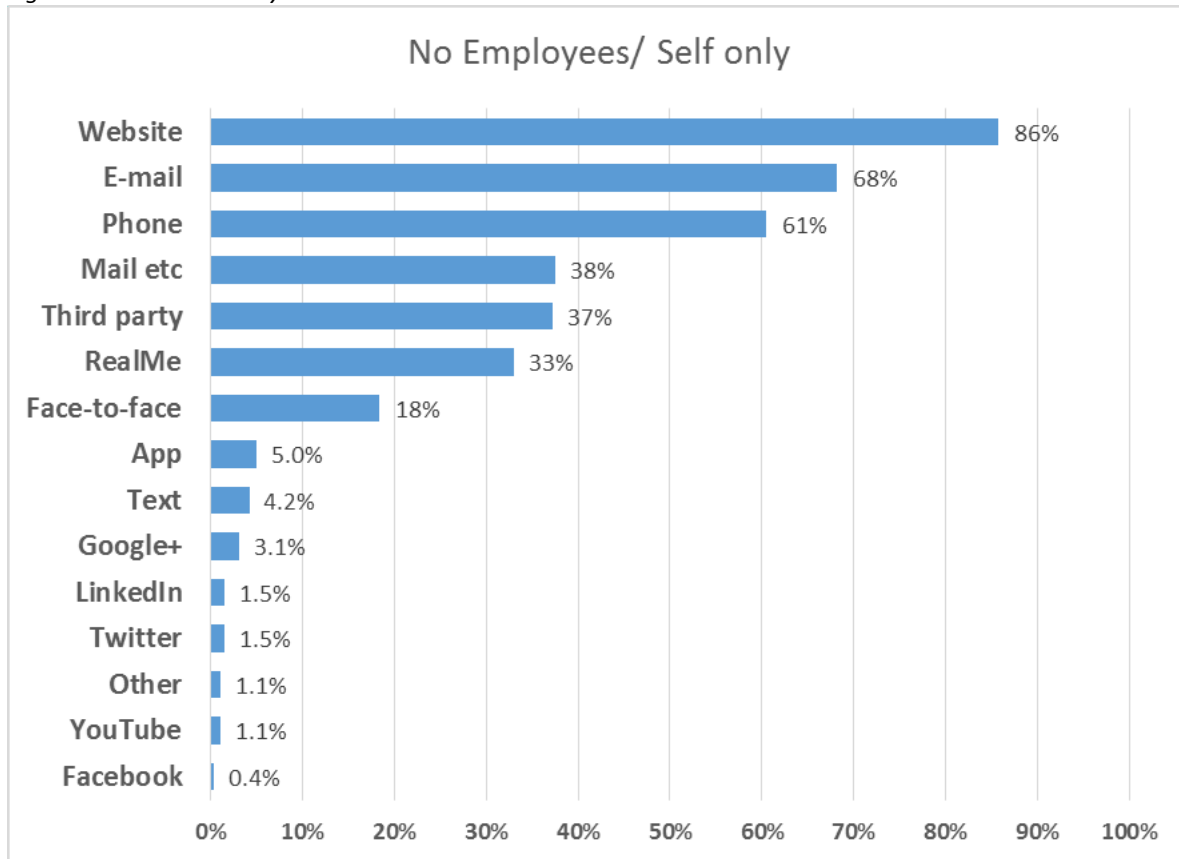
Channel use by small businesses with 1-5 employees

The Internet website channel had also been the most popular channel for small businesses with 1-5 employees to interact with government agencies during the past 12 months, with 86 percent of this research participant group having used this channel (see Table 5). E-mail and telephone had been equally popular channels with this group of small business representatives: for both channels, 73 percent responded that they had used them to interact with government in the last 12 months. Regular mail had been used by more than half the representatives of small businesses with 1-5 employees (51%), followed in popularity by the RealMe channel (31%) and face-to-face interactions (23%). 11 percent of the representatives of this small business group had used apps to interact with government, which makes them the highest business user group of this particular channel (see also Table 5), and 6.4 percent had used SMS.

Only a very small proportion of this respondent group had used social media channels in interacting with government in the last 12 months, with Google+ being the most popular of these channels (2%), followed by LinkedIn (1%), Twitter (0.5%) and Facebook (0.5%), and YouTube not being used at all (0%).

34 percent of respondents from this small business group had used a third party for government interaction in the last 12 months.

Figure 5 – Channel use by small businesses with 1-5 employees

1 - 5 Employees

Channel	Percentage
Website	86%
E-mail	73%
Phone	73%
Mail etc	51%
Third party	34%
RealMe	31%
Face-to-face	23%
App	11%
Text	6.4%
Google+	2.0%
LinkedIn	1.0%
Twitter	0.5%
Other	1.0%
YouTube	0.0%
Facebook	0.5%
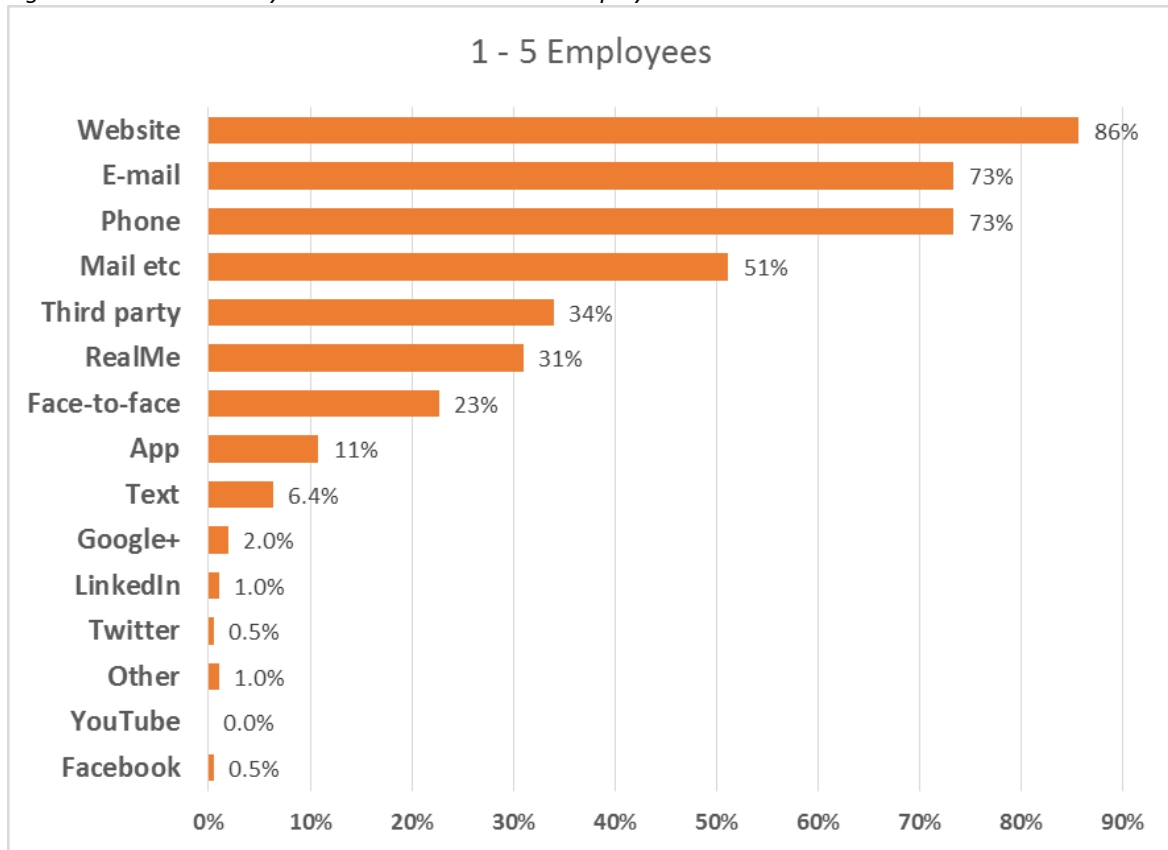
Channel use by small businesses with 6-10 employees

With 82 percent of respondents having used this channel during the past 12 months, the Internet website was the most popular channel amongst the group of small businesses with 6-10 employees (see Table 6). Close to the Internet website, telephone was the second most popular channel amongst this group (77%), followed by e-mail (72%). More than half of the respondents of this small business group had used regular mail (51%), followed closely by the use of face-to-face interactions (46%) and RealMe (41%).

This respondent group hardly made use of SMS or apps (both 5.1%), and did not use any of the social media channels with the exception of Google+ (2.6%).

Respondents from the group of small businesses with 6-10 employees were most likely of all business groups to have used a third party in interacting with government (39%).

Figure 6 - Channel use by small businesses with 6-10 employees

6 - 10 Employees

Channel	Percentage
Website	82%
E-mail	72%
Phone	77%
Mail etc	51%
Third party	39%
RealMe	41%
Face-to-face	46%
App	5.1%
Text	5.1%
Google+	2.6%
LinkedIn	0.0%
Twitter	0.0%
Other	0.0%
YouTube	0.0%
Facebook	0.0%
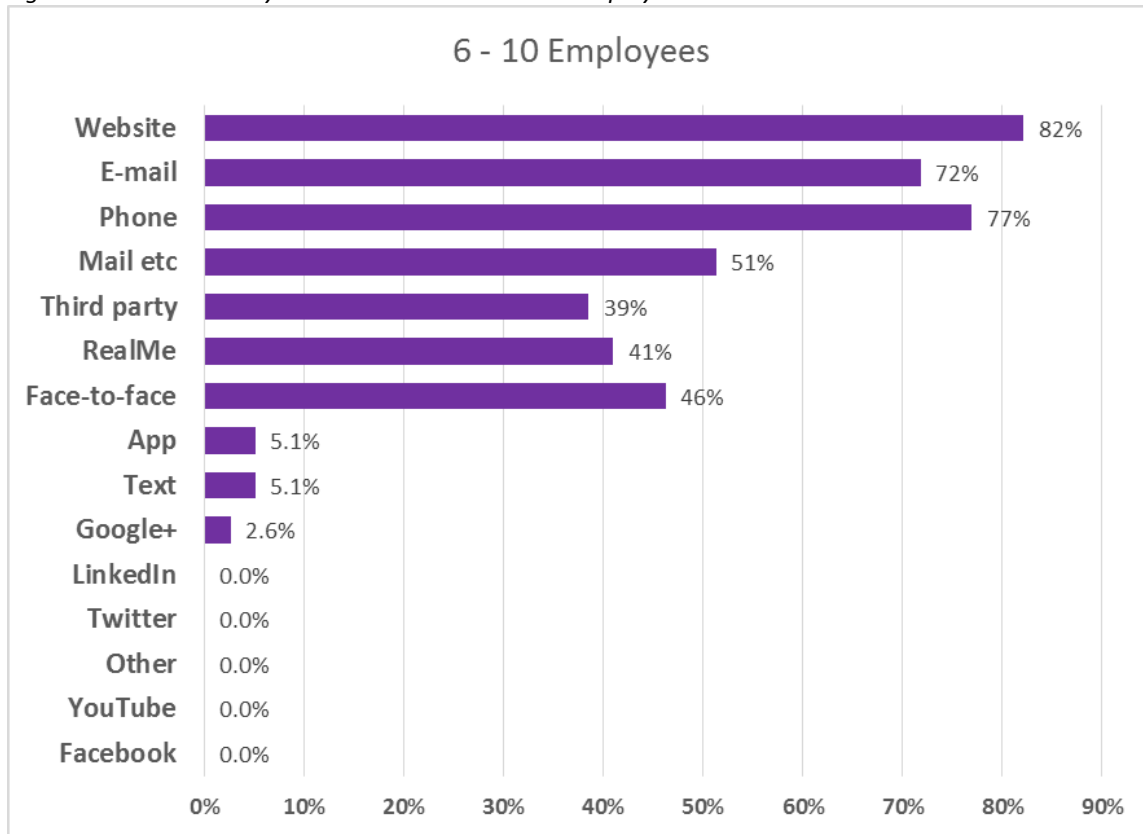
Channel use by small businesses with 11-20 employees

By far the most popular channel amongst respondents representing small businesses with 11-20 employees, had been the telephone, with 94 percent of this group having used this channel in interactions with government during the past 12 months (see Table 7). The second most popular channel was the Internet website channel (83%), followed closely by e-mail (77%) and regular mail (74%). RealMe had been used by 34 percent of the respondents from this business group, whilst 17 percent had used face-to-face interactions in dealing with government, and 11 percent had used SMS.

Only a very small proportion of this small business group had used apps (5.7%), Google+ (5.7%) or Twitter (2.9%). None of the other social media channels had been used by respondents from this small business group.

37 percent of respondents from small businesses with 11-20 employees had used a third party for interactions with government during the past 12 months.

Figure 7 – channel use by small businesses with 11-20 employees
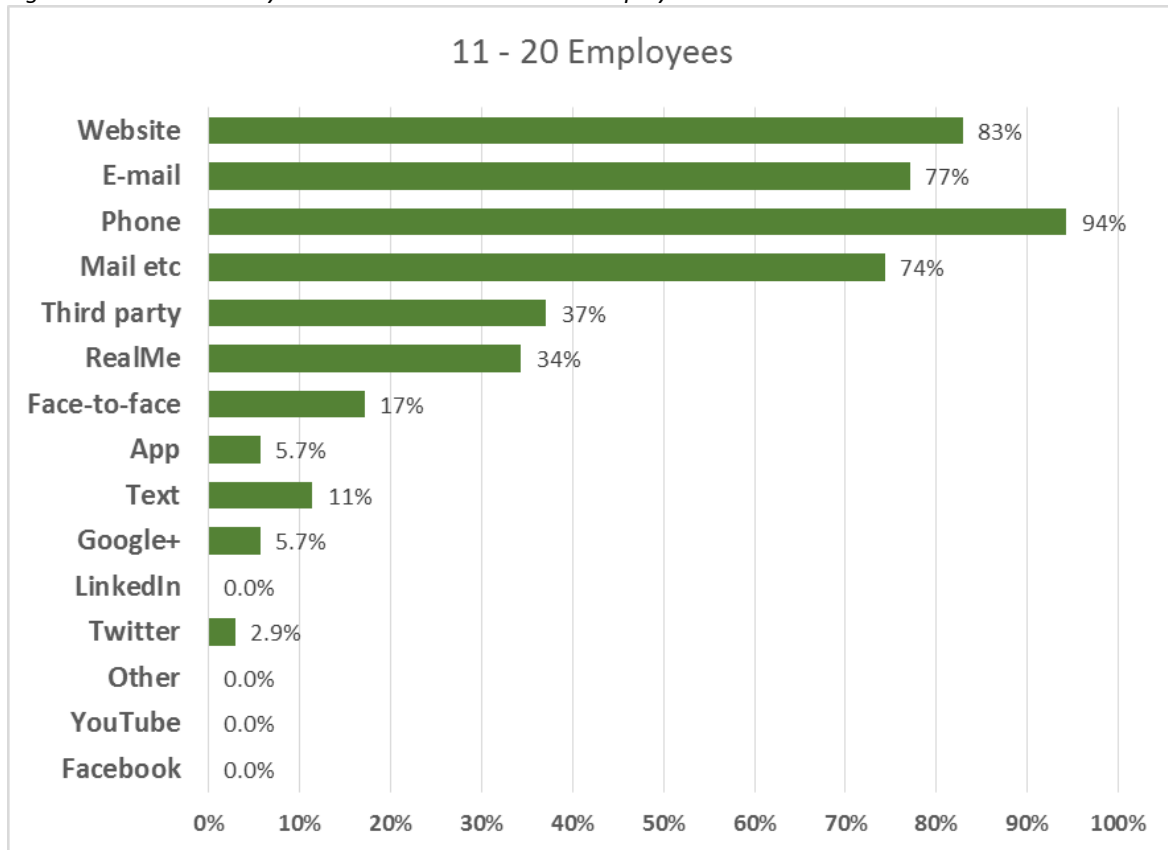
Frequency of channel use by participants who also use a third party

The frequency of using other channels was not much different for participants who had also used a third party in their dealings with government in the past 12 months, compared to those who had not used a third party. In general, participants who had used a third party, had used face-to-face channels[8] more frequently in government interactions, compared to those who had not used a third party.

Table 24 - Frequency of channel use by participants who also use a third party

Channel use	Use of third party tax agent	Every week or almost every week %	At least once a month, but not every week %	Every couple of months %	A few times a year %	Not more than once a year %
Face-to-face*	Yes	6.9%	5.7%	22%	**42%**	23%
	No	1.5%	2.9%	4%	**72%**	19%
Mail, posted letter, fax	Yes	4.7%	25%	23%	**37%**	10%
	No	6.9%	21%	22%	**43%**	6.5%
Phone	Yes	5.4%	11%	20%	**49%**	14%
	No	5.1%	12%	20%	**55%**	7.1%
E-mail	Yes	11%	17%	25%	**39%**	8.5%
	No	3.0%	25%	23%	**39%**	10%

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[8] *p=0.0096

Channel use	Use of third party tax agent	Every week or almost every week %	At least once a month, but not every week %	Every couple of months %	A few times a year %	Not more than once a year %
Internet website	Yes	9.7%	**36%**	31%	19%	4.3%
	No	6.6%	**30%**	32%	30%	1.6%

Activities through selected channels during the past 12 months

Getting information

The Internet website channel (32%) and telephone (26%) were the most popular channels for getting information from government agencies (see Table 25).

Table 25 – Channel use for getting information

Channel use for getting information	n=793 %
In-person, face-to-face	6.9%
Mail, posted letter, fax	3.9%
Telephone (mobile or fixed)	**26%**
SMS (texting)	0.8%
E-mail	17%
Internet website	**32%**
Tablet / smartphone app	2.7%
RealMe	4.6%
Twitter	0.7%
YouTube	0.4%
Facebook	0.3%
LinkedIn	0.5%
Google+	1.3%
I used a third party to interact with government (e.g. a tax agent)	2.9%
Other	0.1%

Obtaining a service

31 percent of the respondents who obtained the service they want/need, did so by using the Internet website channel. Telephone (19%) and e-mail (17%) were also often used for this activity. Social media channels were rarely used for this activity.

Table 26 – Channel use for obtaining a service

Channel use for obtaining a service	n=657 %
In-person, face-to-face	7.4%
Mail, posted letter, fax	5.3%
Phone (mobile or fixed)	**19%**
SMS (texting)	1.0%
E-mail	**15%**
Internet website	**31%**
Tablet / smartphone app	2.2%
RealMe	8.6%
Twitter	0%
YouTube	0%
Facebook	0%
LinkedIn	0.6%
Google+	1.1%
I used a third party to interact with government (e.g. a tax agent)	8.6%

Returning a completed form

35 percent of the respondents used the Internet website channel to return a completed form, followed by 22 percent who used regular mail and 18 percent who used e-mail to do so.

Table 27 – Channel use for returning a completed form

Channel use for returning a completed form	n=732 %
In-person, face-to-face	4.2%
Mail, posted letter, fax	**22%**
Phone (mobile or fixed)	1.2%
SMS (texting)	0.1%
E-mail	**18%**
Internet website	**35%**
Tablet / smartphone app	0.3%
RealMe	8.5%
Twitter	0%
YouTube	0%
Facebook	0%
LinkedIn	0%

Google+	0.2%
I used a third party to interact with government (e.g. a tax agent)	11%

Asking a question

Most respondents used the telephone for asking a question (38%). 26 percent used e-mail to do so.

Table 28 – Channel use for asking a question

Channel use for asking a question	n=612 %
In-person, face-to-face	8.6%
Mail, posted letter, fax	3.3%
Phone (mobile or fixed)	**38%**
SMS (texting)	0.6%
E-mail	**26%**
Internet website	14%
Tablet / smartphone app	0.5%
RealMe	2.3%
Twitter	0.5%
YouTube	0%
Facebook	0.1%
LinkedIn	0.5%
Google+	0.8%
I used a third party to interact with government (e.g. a tax agent)	5.1%

Making an appointment

Of those participants who made an appointment in the last 12 months, 26 percent used e-mail and 25 percent used the telephone channel to do so.

Table 29 – Channel use for making an appointment

Channel use for making an appointment	n=132 %
In-person, face-to-face	18%
Mail, posted letter, fax	5.3%
Phone (mobile or fixed)	**25%**
SMS (texting)	1.7%
E-mail	**26%**

Internet website	11%
Tablet / smartphone app	1.2%
RealMe	5%
Twitter	0%
YouTube	0%
Facebook	0%
LinkedIn	0%
Google+	1.2%
I used a third party to interact with government (e.g. a tax agent)	6.5%

Registering to receive information or a service

33 percent of the respondents used the Internet website channel to register for receiving information or a service, followed by 23 percent who used e-mail to do so.

Table 30 – Channel use to receive information or a service

Channel use to register for receiving information or a service	n=337 %
In-person, face-to-face	4.9%
Mail, posted letter, fax	6.3%
Phone (mobile or fixed)	11%
SMS (texting)	1.0%
E-mail	**23%**
Internet website	**33%**
Tablet / smartphone app	2.2%
RealMe	14%
Twitter	0%
YouTube	0%
Facebook	0%
LinkedIn	0.9%
Google+	0.5%
I used a third party to interact with government (e.g. a tax agent)	3.2%

Making a payment

Just over half of the research participants had used the Internet website channel to make a payment in the last 12 months (52%).

Table 31 – Channel use for making a payment

Channel use for making a payment	n=509 %
In-person, face-to-face	4.1%
Mail, posted letter, fax	11%
Phone (mobile or fixed)	4%
SMS (texting)	0.0%
E-mail	8%
Internet website	**52%**
Tablet / smartphone app	0.8%
RealMe	8.3%
Twitter	0%
YouTube	0%
Facebook	0%
LinkedIn	0%
Google+	0.5%
I used a third party to interact with government (e.g. a tax agent)	12%
Other. Please specify:	0.6%

Providing sensitive information

33 percent of the respondents used the Internet website channel to provide sensitive information, followed by 18 percent who used a third party to do so.

Table 32 – Channel use to provide sensitive information

Channel use for providing sensitive information	n=507 %
In-person, face-to-face	6%
Mail, posted letter, fax	9.5%
Phone (mobile or fixed)	12%
SMS (texting)	0%
E-mail	11%
Internet website	**33%**
Tablet / smartphone app	0.3%
RealMe	11%
Twitter	0%
YouTube	0%
Facebook	0%

LinkedIn	0%
Google+	0.1%
I used a third party to interact with government (e.g. a tax agent)	**18%**

Updating business-related information

The Internet website channel (34%) was the most popular channel for updating business-related information, followed by e-mail (16%) and the telephone channel (13%).

Table 33 – Channel use to update business-related information

Channel use to update business-related information	n=605 %
In-person, face-to-face	3.8%
Mail, posted letter, fax	7.5%
Phone (mobile or fixed)	**13%**
SMS (texting)	0.3%
E-mail	**16%**
Internet website	**34%**
Tablet / smartphone app	0.7%
RealMe	12%
Twitter	0%
YouTube	0%
Facebook	0%
LinkedIn	0.5%
Google+	0%
I used a third party to interact with government (e.g. a tax agent)	12%

Keeping a record of the transaction

The Internet website channel (37%) and e-mail (20%) were the most popular channels amongst participants for keeping a record of the transaction.

Table 34 – Channel use to keep a record of the transaction

Channel use to keep a record of the transaction	n=417 %
In-person, face-to-face	3.4%
Mail, posted letter, fax	13%
Phone (mobile or fixed)	5%
SMS (texting)	0%

E-mail	**20%**
Internet website	**37%**
Tablet / smartphone app	0.4%
RealMe	8.8%
Twitter	0%
YouTube	0%
Facebook	0%
LinkedIn	0%
Google+	0.7%
I used a third party to interact with government (e.g. a tax agent)	11%
Other	0.4%

Making a complaint

Telephone (37%) and e-mail (29%) were mostly used by participants to make a complaint.

Table 35 – Channel use to make a complaint

Channel use to make a complaint	n=74 %
In-person, face-to-face	7.7%
Mail, posted letter, fax	9.4%
Phone (mobile or fixed)	**37%**
SMS (texting)	0%
E-mail	**29%**
Internet website	6.6%
Tablet / smartphone app	0%
RealMe	4.4%
Twitter	0.7%
YouTube	0%
Facebook	0%
LinkedIn	0%
Google+	2.2%
I used a third party to interact with government (e.g. a tax agent)	3.0%

Participating in a public consultation

Of those who participated in a public consultation in the last 12 months, 27 percent had used e-mail, 25 percent had used the Internet website channel and 17 percent had done so face-to-face.

Table 36 – Channel use to participate in a public consultation

Channel use to participate in a public consultation	n=90
	%
In-person, face-to-face	**17%**
Mail, posted letter, fax	15%
Phone (mobile or fixed)	6.9%
SMS (texting)	0%
E-mail	**27%**
Internet website	**25%**
Tablet / smartphone app	0%
RealMe	4.1%
Twitter	4.1%
YouTube	0%
Facebook	0%
LinkedIn	0%
Google+	0%
I used a third party to interact with government (e.g. a tax agent)	1.7%

Activities undertaken per channel

Activities undertaken through the Internet website channel

Not only was the Internet website channel the most popular channel for dealing with government amongst the respondents (86% had used this channel in the past 12 months), it was also used by most participants for a variety of activities (see Table 37). **For instance, 15 percent of the respondents used the Internet website channel to try and get information, to return a completed form or to make a payment.**

Table 37 – Activities undertaken via Internet website

	n=1685
Activities undertaken via Internet website	**%**
I tried to get information	**15%**
I obtained the service I wanted/needed	12%
I returned a completed form	**15%**
I asked a question	4.9%
I made an appointment	0.8%

I registered to receive information or a service	6.4%
I made a payment	**15%**
I provided sensitive information (e.g. personal information; financial information)	9.9%
I updated business-related information	12%
I kept a record of the transaction	9.3%
I made a complaint	0.3%
I participated in a public consultation	1.3%

Activities undertaken via e-mail

16 percent of participants who used e-mail to interact with government (see Table 38), **did so to ask a question, whereas 14 percent of the respondents tried to get information via e-mail and 13 percent returned a completed form.**

Table 38 – Activities undertaken via e-mail

Activities undertaken via e-mail	n=974 %
I tried to get information	**14%**
I obtained the service I wanted/needed	10%
I returned a completed form	**13%**
I asked a question	**16%**
I made an appointment	3.7%
I registered to receive information or a service	8.1%
I made a payment	4.0%
I provided sensitive information (e.g. personal information; financial information)	6.2%
I updated business-related information	10%
I kept a record of the transaction	9.1%
I made a complaint	2.1%
I participated in a public consultation	2.5%

Activities undertaken via telephone

Most participants who used the telephone channel to interact with government *(see* Table 39), ***did so to ask a question (27%). Almost a quarter of the participants used telephone to try and get information (24%) and 15 percent to obtain the service they wanted/needed.***

Table 39 - Activities undertaken via telephone

Activities undertaken via telephone	n=881 %
I tried to get information	**24%**
I obtained the service I wanted/needed	**15%**
I returned a completed form	1.0%
I asked a question	**27%**
I made an appointment	4.0%
I registered to receive information or a service	4.4%
I made a payment	2.5%
I provided sensitive information (e.g. personal information; financial information)	7.2%
I updated business-related information	9.3%
I kept a record of the transaction	2.8%
I made a complaint	3.1%
I participated in a public consultation	0.7%

Activities undertaken via regular mail, posted letter or fax

Most participants used regular mail (see Table 40) **to return a completed form (33%).**

Table 40 – Activities undertaken via regular mail

Activity undertaken via regular mail	n=543 %
I tried to get information	6.1%
I obtained the service I wanted/needed	6.9%
I returned a completed form	**33%**
I asked a question	3.9%
I made an appointment	1.5%
I registered to receive information or a service	4.2%
I made a payment	11%
I provided sensitive information (e.g. personal information; financial information)	10%
I updated business-related information	9.0%
I kept a record of the transaction	11%
I made a complaint	1.3%
I participated in a public consultation	2.6%

Activities undertaken via RealMe

16 percent of the respondents used RealMe to update business-related information, whereas 14 percent of RealMe users did so to return a completed form or provide sensitive information (see Table 41)**.**

Table 41 – Activities undertaken via RealMe

	n=416
Activities undertaken via RealMe	**%**
I tried to get information	8.3%
I obtained the service I wanted/needed	13%
I returned a completed form	**14%**
I asked a question	3.1%
I made an appointment	1.6%
I registered to receive information or a service	11%
I made a payment	9.7%
I provided sensitive information (e.g. personal information; financial information)	**14%**
I updated business-related information	**16%**
I kept a record of the transaction	8.8%
I made a complaint	0.7%
I participated in a public consultation	0.8%

Activities undertaken in face-to-face interactions with government agencies

Most participants using face-to-face interactions with government *(see Table 42)* ***did so to try and get information (16%), closely followed by participants who used this channel for asking a question (15%) or to obtain the service they wanted/needed (14%).***

Table 42 – Activities undertaken through face-to-face interactions with government

	n=353
Activity undertaken via face-to-face	**%**
I tried to get information	**16%**
I obtained the service I wanted/needed	**14%**
I returned a completed form	9.2%
I asked a question	**15%**
I made an appointment	7.2%
I registered to receive information or a service	4.5%
I made a payment	6.3%
I provided sensitive information (e.g. personal information; financial information)	9.5%

I updated business-related information	6.8%
I kept a record of the transaction	4.4%
I made a complaint	1.6%
I participated in a public consultation	4.6%

Activities undertaken through a tablet/smartphone app

Most participants who used a tablet/smartphone app to interact with government (see Table 43), did so to try and get information (35%), whereas 23 percent of the respondents used an app to obtain the service they wanted/needed.

Table 43 - Activities undertaken through a tablet/smartphone app

	n=69
Activities undertaken through a tablet/smartphone app	**%**
I tried to get information	**35%**
I obtained the service I wanted/needed	**23%**
I returned a completed form	3.4%
I asked a question	5.1%
I made an appointment	2.6%
I registered to receive information or a service	12%
I made a payment	6.8%
I provided sensitive information (e.g. personal information; financial information)	2.5%
I updated business-related information	6.8%
I kept a record of the transaction	2.5%
I made a complaint	0%
I participated in a public consultation	0%

Activities undertaken via SMS (texting)

Participants who used SMS in their dealings with government (see Table 44), mostly did so to obtain the service they wanted/needed (27%), closely followed by 26 percent of the respondents who used SMS to try and get information.

Table 44 – Activities undertaken via SMS (texting)

Activities undertaken via SMS (texting)	n=28 **%**
I tried to get information	**26%**
I obtained the service I wanted/needed	**27%**
I returned a completed form	2.2%
I asked a question	14%
I made an appointment	9.7%

I registered to receive information or a service	14%
I made a payment	0%
I provided sensitive information (e.g. personal information; financial information)	0%
I updated business-related information	6.4%
I kept a record of the transaction	0%
I made a complaint	0%
I participated in a public consultation	0%

Activities undertaken via a third party (e.g. a tax agent)

A third party was mostly used by participants (see Table 45) **in order to provide sensitive information to government agencies (19%). 16 percent of respondents who used a third party did so to return a completed form and 15 percent to update business-related information.**

Table 45 – Activities via a third party

Activities undertaken via a third party (e.g. a tax agent)	n=454 %
I tried to get information	4.7%
I obtained the service I wanted/needed	11%
I returned a completed form	**16%**
I asked a question	6.2%
I made an appointment	1.8%
I registered to receive information or a service	2.2%
I made a payment	13%
I provided sensitive information (e.g. personal information; financial information)	**19%**
I updated business-related information	**15%**
I kept a record of the transaction	10%
I made a complaint	0.4%
I participated in a public consultation	0.3%

Respondents' most important reason to use a particular channel

Participants were asked about their most important reason to use a particular channel in dealing with government agencies in the past 12 months.

Internet website

Convenience was the most important reason for most of the participants who had used this channel (41%). For 15 percent, saving time was the most important reason to do so and for 14 percent to find the information or service they were looking for.

E-mail

The most important reason for participants to use e-mail in their interactions with government was convenience (40%). 17 percent of the respondents most importantly used e-mail because it saved them time, and 9 percent because the process of service delivery was easier via this channel.

Phone (mobile or fixed)

For those respondents who had used the telephone channel, the most important reason to do so was to be able to directly contact an expert to discuss their needs (26%). 23 percent of the respondents had used this channel most importantly because it is convenient for them and 9.6 percent in order to save time.

Regular mail, posted letter, fax

Respondents who had used regular mail to interact with government in the last 12 months, most importantly had done so because it is convenient for them (32%). The second most important reason mentioned by participants is that it is the only channel they could use (31%). Thirdly, 5.6 percent of the respondents indicated being able to receive notifications advising them of their obligations as the most important reason for them.

RealMe

For 40 percent of the RealMe users, the most important reason to do so was that this was the only channel they could use. 20 percent indicated that convenience was the most important reason for them, and 9.4 percent that the process of service delivery was easier via this channel.

In-person, face-to-face channel

The most important reason for respondents to use face-to-face interaction with government agencies during the past 12 months, was to be able to directly contact an expert to discuss their needs (21%), followed by getting better quality of service (14%) and convenience (11%).

Tablet/smartphone app

Almost half of the app users indicated convenience as the most important reason for using this channel in government interactions (48%).

SMS (texting)

The most important reason for participants to use SMS was to save time (34%), followed by convenience (23%). 17 percent indicated being able to receive notifications advising them of their obligations as the most important reason for them.

Third party use

Convenience was the most important reason for 19 percent of those respondents who had used a third party in their interactions with government. 16 percent of these respondents indicated the need for assistance with completing the transaction as their most important reason. For 14 percent of these respondents either saving time or getting better quality of service was their most important reason for using this channel in dealing with government.

One best solution to make it easier to deal with government

Participants were asked to select what they consider to be the one best solution for their business to make it easier to deal with government agencies. The top-5 best rated solutions by all respondents are the following:

1) *If I could complete the whole service online* *19%*
2) *If I had immediate access to an expert who can help me with my needs* *17%*

3) *If there were clear step-by-step instructions about the process 13%*
4) *If forms were prefilled with data government already has for my business 11%*
5) *If information and services were easier to find 10%*

These findings suggest that the participants' desire is there to use end-to-end online services, but the desirable online functionalities, such as immediate access to an expert, clear instructions, increased cross-government information-sharing to reduce duplication efforts in data collection, and easier site navigation, are usually not offered by government agencies at the moment.

Different experience between government agencies

The respondents were asked if they have experienced any differences between government agencies in dealing with them. **43 percent of the participants had experienced a difference between government agencies**, whereas 32 percent didn't know.

Table 46 – Different experience between government agencies

Response	Respondents %
Yes	**43%**
No	26%
Don't know	32%

Of those participants who had experienced a difference between government agencies, 39 percent found Inland Revenue the hardest government department to deal with. 12 percent of the participants indicated ACC as the hardest government department to deal with, closely followed by Work and Income NZ (11%). 2.7% of respondents found the Ministry of Business, Innovation & Employment the hardest to deal with, followed by the Ministry of Social Development (2.5%) and the Department of Internal Affairs, (2.4%). 2.9 percent of the respondents found all government agencies the hardest to deal with. Other government agencies that were mentioned several times by respondents are Immigration, the NZ Transport Agency, NZ Police, local councils, Earthquake Commission and IPONZ.

Reasons for different experience

Participants indicated different reasons why they found government agencies hard to deal with. The following clusters of problem areas were mentioned:

- *Government-centricity instead of customer-centricity*

    Participants felt that they needed to follow lengthy bureaucratic procedures before being served on the basis of their customer needs:

    "*I have to go through 50 questions every time I ring before they will even discuss client issues or give me information*"

    Many pointed out that the requirements are too cumbersome and that they need to 'manage' the bureaucracy:

    "*Too many steps to negotiate before getting to subject matter*"

    "*The process you go through just to talk to a human is so long winded and frustrating*"

    This situation of needing to manage the bureaucracy not only applied to traditional channels, but also to online environments:

"Processes are unnecessarily cumbersome, non-intuitive and with no useful online help-function for simple tasks."

Several participants felt that the bureaucracy is not serving the customer:

"very difficult to correct errors made by them [agency]"

"Not enough support or communication before being billed for late fees."

Quite a few participants explained that their customer needs or circumstances are 'outside the box'. For this reason, participants didn't like getting automated responses or questions, but preferred a 'real person' to talk to. But then they also struggle to get definite, repeatable answers to their questions and often feel that their specific customer needs are not being met:

"They will only answer in generalisations and never seem able to give a directional answer"

Some participants indicated that government agencies are not taking into account their circumstances and related customer needs:

"Because internet access is poor where I reside in rural NZ I have to deal with this agency via phone which is very frustrating as they don't return calls to a mobile phone, so I can only call them when I am at a landline and waiting time can often be at the very least 7-10 minutes."

Several participants found it hard needing to deal with (too) many government departments, all having different bureaucratic processes, systems and requirements.

A few respondents felt that government agencies do not tailor their channels to different client groups well enough.

As a result of this need to navigate and manage the bureaucracy, several respondents felt that staff were not customer-focused:

"It gives me a feeling that I'm dealing with moody people: not with people working there to help me with my application"

- ### *Administrative complexity, navigation and understanding*

  Participants complained about the complexity of the processes, rules and procedures they needed to meet as part of a service or compliance activity (e.g. invoicing). Many had difficulty understanding these processes, rules, regulations and requirements:

  "the process and requirements are very difficult to understand and achieve"

  Many participants had difficulty with the agency's use of 'in-house' terminology and other difficult language on, for them, complex matters:

  "they use language on their website which is hard to comprehend"

  "I usually have to call to ask what the information means. A simple code of explanations would be very helpful"

  Participants often had difficulty with navigating the agency's website to find the relevant information:

  "Their site contains a lot of information but it is often difficult to navigate and work out which area/forms are right for you."

  Also, law changes made it hard for people to find relevant but complex information.

  Several respondents had difficulty with 'navigating' government and government departments:

  "They are confusing, so many fragmented departments."

Many participants felt that the Internet could not replace well-trained staff and preferred to talk to a 'real person':

> "*It is really important that when we need help from Government it is accessible. Wading through websites that are built by techies for techies, wastes time. The same applies to phone systems designed to cut down on humane contact. Being self-employed I only get paid for productive time so these wastes cost me money. A humane interface is still the best Information Technology and will remain so. Government agencies that don't value and train their staff, damage the business community*."

- ***Timeliness of service provision***

Many respondents complained that services, information provision or expert advice had not been timely, and that they often need to wait for a very long time to get a response to their question. These long waiting times applied to answering the phone, but also to replying to emails or getting hold of the right staff member to talk to.

However, some participants reported a positive experience after a long waiting time:

> "*You wait too long for calls to be answered and for emails to be responded but I have to say that when you do get them, they are very helpful*."

- ***Inconsistency of service provision across different staff members and/or channels***

Many participants explained how they are receiving different responses from different staff members, which makes it difficult for them to obtain the correct information for their particular issue:

> "*Three different people, three different answers, three different days – same question!*"

Several participants had also experienced inconsistency of service provision across different channels:

> "*Each time you speak to a different person and then you get something in the post that contradicts or is irrelevant to your phone conversation*."

> "*The information received over a telephone has proven to be incorrect so many times.*"

> "*Disjointed process, staff seem inexperienced and inconsistent, items get lost at their end because there needs to be a combination of online and posted items and they struggle to put them together, very inefficient and slow.*"

These inconsistent service experiences made participants worry that they are not able to comply:

> "*get a different answer at different times and getting their advice still doesn't mean you are doing it 'correctly'.*"

- ***Information-sharing***

Several participants found it hard that they need to provide the same information over and over again:

> "*Having to provide the same information all over again. Providing data that the different agencies should be able to share (income etc)*."

Some indicated that information they had provided previously, had not been on their file, or that they had difficulty reviewing information they had already submitted.

Some participants pointed out that they need to have multiple logins in order to manage various company compliances, which is time consuming for them:

> "*One login to manage them all in one place would be far more efficient*"

> "*they haven't adopted RealMe so there is a duplicated login to remember for a small number of transactions.*"

A few respondents indicated that staff had refused to give them requested information, such as direct contact phone numbers or email addresses:

> "*they hide behind the telephone and the privacy act.*"

One participant expressed a general mistrust of what information is required and used for, due to their experience of adversarial attitudes and penalty regimes.

- ***Service quality***

  Several participants found staff to be unhelpful and did not know answers to questions in their area of expertise:

  > "*They didn't have the correct information and didn't offer any help. They did not seem to know the correct answer*"

  Some participants reported that they have had problems with staff not having been trained properly or not having a good product knowledge or understanding.

  A few respondents indicated that they find the quality of online services of a lesser standard compared to the quality of services delivered through traditional channels.

- ***Availability and access to (online) services***

  Several participants pointed out that not all required services are available online:

  > "*There is still a lot of things we do that require phone calls and posted letters.*"

  Some agencies were perceived as lagging behind in terms of online service provision:

  > "*[agency] have not yet come into the 21st century with technology.*"

  > "*They have no on-line presence that I am aware of. Everything by mail.*"

  > "*They write letters; then are difficult to contact or the letter content is already out of date.*"

A few respondents indicated that, in some cases, online service provision was not available for particular groups of business clients.

One participant who lives rurally, found it hard not only to work with an agency website he described as clunky, but also to reach the agency by phone or visit their offices in-person.

- ***Technical design issues***

  Many participants indicated that online services or systems are not user friendly. For example:

  > "*Their website is not user friendly for filling in forms*"

"They have tried to provide a lot of information through their website without considering usability and the user interface."

"Systems are over complicated and not user friendly - hard to understand"

Several respondents pointed out that the agency's website is not intuitive. Some indicated that online standardized forms are very long and repetitive, and do not cater for unique or different circumstances.

One participant reported the experience of trying to visit a website and finding that the site is not compatible with modern browsers.

Conditions for using online channels instead of traditional channels

Participants were asked under which conditions they would prefer using online channels instead of traditional channels in dealing with government agencies. **50 percent of the respondents indicated that they are already using online channels,** *and could not provide a further answer to this question therefore.* Interestingly, just 1.7 percent of the respondents answered that they only prefer using traditional channels.

The remaining respondents pointed to the following conditions:

1) *If they could find information or services more easily online* **34%**
2) *If they were able to complete the whole service online*............................ **32%**
3) *If it saved them more time* **32%**
4) *If they were able to get a quick response to a question they have* **27%**
5) *If they could get in touch with a staff member at any time*......................**25%**
6) *If online channels were more customer-friendly* **24%**
7) *If there were clear step-by-step instructions available online* **23%**
8) *If it saved them money*...**22%**
9) *If it was easier to update or correct their information online*...................**18%**
10) *If it was easier to save draft information online and come back later* **17%**
11) If they could create and keep online records of the transaction 17%
12) If they could be notified about their obligations.......................................16%
13) If plain English was used online...15%
14) If it was easier for them to log-on to online services 14%
15) If online channels were more reliable 11%
16) If they were better informed about the availability of online channels.......11%
17) If online channels were more secure...9.4%
18) If they had more knowledge on how to use online channels 7.4%
19) If they had better Internet access 3.9%

Conditions for only using online channels to deal with GST returns

Participants were asked under what conditions they are willing to only use online channels for dealing with GST returns. **77 percent of the respondents answered that they are already using online channels for GST returns.** 3.2 percent only preferred using other channels and would not be willing to shift towards only using online channels. The following top-ten conditions were reported by the remaining respondents:

1) If it saved them more time 13%
2) If they could get in touch with a staff member online in real-time................11%
3) If it saved them money 9.5%
   If they could find information more easily online 9.5%

4) If there were clear step-by-step instructions available online 9.4%
5) If they could get an immediate response to a question at any time 8.9%
6) If I could create and keep online records of the transaction 8.0%
7) If it was easier to save draft information online and come back later 7.7%
8) If online channels were more customer-friendly 7.5%
9) If they could get quick access to refunds ……………………………………......7.3%

Online privacy (5.5%), the reliability of online channels (4.6%) and online security (3.7%) were considered critical conditions by only a small group of the participants. Also, a small proportion of the participants reported needing more knowledge on how to use online channels (4.7%) or better Internet access (2.2%).

Conditions for only using online channels to deal with PAYE deductions

The respondents were asked under what conditions they are willing to only use online channels for dealing with Pay-As-You-Earn (PAYE) deductions. *42 percent of the participants answered that they are already using online channels for PAYE deductions*. Only 2.0 percent preferred using other channels and would not be willing to shift towards online channels only. The remaining participants indicated the following top-ten conditions:

1) If they saved more time 10%
2) If it saved them money 7.8%
3) If there were clear step-by-step instructions available online....................7.7%
4) If they could find information more easily online 7.3%
5) If they could get in touch with a staff member online in real-time.............7.0%
6) If they could create and keep online records of the transaction 6.4%
7) If it was easier to save draft information online and come back later 6.2%
8) If they could get an immediate response to a question at any time 5.9%
9) If online channels were more customer-friendly 5.8%
10) If there was an easy-to-use online calculator..5.6%

Only 1.1 percent of the participants required better Internet access in order to only use online channels for dealing with PAYE deductions, and 3.8 percent needed more knowledge on how to use online channels.

Anything else that would help their business

Participants were asked if there is anything else that would help their business in dealing with government agencies. The following suggestions were made.

- ***Increased cross-government information-sharing and a one-stop shop for business***

  Quite a few participants preferred to see more cross-agency information-sharing and better integrated services:

  "Better inter-agency information exchange. And have things like postal address update through the whole agency with only one notification."

  "I would like a website where I can update my details for ALL government agencies, local and central. RealMe I think is an attempt, not sure if it covers everyone. If I change addresses, the trouble involved with changing my address for every government agency is a complete nightmare and has caused huge issues in the past."

"Digital Information-sharing between departments and agencies so that upon registering (say with MBIE and IRD) the information required self-populates for confirmation or updating and updates ALL records."

"Single portal for all government interactions."

Some participants also would like to have more transparency on the information government agencies have on their business:

"Understanding which organisations have information about me and using the same information across all agencies."

Many participants pointed to the benefits of having better integrated services:

"All services need to be better integrated. Business information should be shared where there are no privacy or security issues. Less red tape is better."

"A clear mandate of responsibilities that goes across all government agencies. For example, a website where you can register and define your business, the activities it is involved in and where it operates. Then given this information, a listing of all of the requirements your business needs to perform. For example, if I open a food business, what certifications I need and from where, what tax requirements, what ACC requirements, what HSNO requirements, what worksafe requirements etc etc. All in one place. This could be provided by the separate agencies and aggregated to a particular website."

"If government staff were able to easily access all relevant information. Often it depends who you talk to as to whether they know where we're up to in process."

"Using Realme as an option single authentication across all government services would be useful. Keeping track of all the different account details can be hard."

Some also preferred improved and consent-based online access to more comprehensive personal and business records:

"[Online] Access to fuller personal records and history to be more extensive."

"Fewer logins to manage and more consent based access to my information and ability to delegate to others."

"Having a single reference number across agencies would be helpful. Not least if there was a single place I could go to see all the information about my business drawn from across the government. And if I could carry out transactions there, that would be the Holy Grail."

- ***Talking to a well-trained 'real person'***

Many participants preferred to talk to a 'real person' when interacting with government agencies, both in online environments and via traditional channels:

"still keep a real person to help when you get stuck, also for older people who are not comfortable online, they need to have a person to help them."

"A real person to chat to online, like travel companies have."

"Access to an exceptionally well trained, intelligent and responsive call centre real person who had great systems at their fingertips to help them provide a fantastic service. Having this person reside in New Zealand, and not have such a thick foreign accent I can't understand them, or vice versa that they not have to struggle to understand my New Zild accent would be great!"

"Ensure highly intelligent experts answer phone calls and/or emailed requests. Ensure operators do not follow scripts or recite 'policy' in lieu of fully engaging with questions."

Several respondents would like to interact with a designated relationship or case manager:

"The ideal would be to have a designated person that we could contact easily and who would also keep in contact with us from time to time."

"Being able to receive emails from the department and to email back to the person I am communicating with."

As a result, a few participants would prefer to have online access to contacts of people in charge.

Several participants pointed to the benefits of having easy access to staff instead of an online solution:

"Easy access to people (i.e. not an online solution) for information that is adequate and appropriate would enable easier engagement with online communications."

"Employ more people so you can speak to someone without being on hold for ages. The time spent listening to computer generated questions that are either redundant or don't apply to you is time wasted and it's taking time out of your business where you aren't earning."

"Get rid of all automated questions and answers. Talk directly with a person."

- **_Administrative simplification, clarity about the rules and consistency in service provision_**

  Many participants would like to see administrative simplification and clarity about the rules:

  "Simpler tax laws and regulatory compliance."

  "make it simple for small business and reduce the compliance costs/ admin time for doing everything."

  In some cases, the rules are getting in the way from more efficient online service completion:

  "Stop insisting that documents require a hand written signature because it means printing the document, signing it, scanning it, then attaching it to an email. Issue everyone with digital identity certificates in conjunction with birth certificates and passports."

In general, participants wanted to have a better understanding of obligations and clear and simple guidelines on how to fulfil those obligations: many pointed towards the time and cost efficiencies for them of having clear, precise, correct and workable information and information updates. Training and education were seen as useful support mechanisms, and also knowing what support is available.

Consistency in service provision and communication about changes was seen as critically important by many participants:

"Consistent relationship where possible - we understand turnover occurs in any agency/sectors but it is difficult to re-establish relationships with agencies that are key to an organisation due to key agency personnel leaving - finding a way in which that relationship can be maintained would be good instead of starting again."

Several participants would like to have forms easier to fill out without a multitude of steps:

"If the processes were less complex and the forms personalised."

Also, several participants preferred to have consistency across channels, so that online and paper-based forms are the same. In general, administrative simplification and easier use of

online channels were seen as two complementary areas in which government agencies need to invest:

> "*Simplify things as much as possible and invest in better online technology that can be used across departments. Make your online services user friendly for android and apple phones as I don't use a computer anymore - everything I do from my phone.*"

- ***Better customer-centric service provision***

Many participants indicated that they would like to see better customer-centric instead of government-centric service provision:

> "*If some that work there could accept that, as a small business that is on small staff, we don't expect them to know how we work, so they shouldn't expect us to know how they work. There are only so many hours in a day and I don't always have the time to sit in front of a computer reading everything that IRD put out.*"

> "*If government had a better understanding of the needs of small businesses and showed willing to assist and empower them to be successful rather than focusing on compliance. I have noticed that the IRD has made shift in its focus that is a lot more customer oriented than when I dealt with them when running a business 8 years ago. This is positive.*"

> "*If government agencies had more discretionary flexibility in dealing with businesses located in rural regions that permitted them to make decisions based on the fact that NZ Law is written for urban-dwelling New Zealanders and those laws are sometimes illogical, impractical, difficult to comply with and frustrating when applied to the rural sector. I appreciate that this is difficult, but operating a business in rural New Zealand and being subjected to legal obligations that are much easier to comply with in urban areas can be maddeningly frustrating.*"

Several respondents indicated that the same user experience across government agencies, including their websites, would help:

> "*Same user experience and navigation between all government portals, easy to get from one department to another.*"

- ***Better navigation and communication***

Many participants found it difficult to navigate government websites, especially when they regularly change:

> "*At the moment I am finding it difficult to locate PAYE online forms that can be lodged online. If I use the IRD website I seem only to be able to locate forms that need to be printed and mailed by post.*"

> "*The only challenge I get is when government websites change or update and new password systems are required with unfamiliar site layouts.*"

> "*I find that the online IRD website changes from time to time, and it appears that I can now see less information than I used to. I would like lots of information saved for (say) 24 months, or between Financial Year to Financial Year.*"

Participants preferred a more customer-centric structuring of government information and customer-centric navigation on government websites:

> "*Government departments need to make information easier to find. Government websites are so loaded up with information with no logical way of finding what you need to know.*"

"Knowing where information is, i.e. easier access. Process maps on websites, i.e. easy to understand and follow. Especially if one agency's requirements relate to another's or if there is support available to small businesses and sole traders - access to that information would be great."

"Have a helpdesk or portal where you could describe your enquiry or problem and then directed to the government agency that deals with it."

Several participants preferred having all relevant information for businesses available in one place:

"In setting up a business, it has been difficult to find all the information in one place. There are so many requirements, it is hard to know if there have been any missed. A flow chart/checklist would be good."

Some felt they need to have easy access to staff as a fall-back for all sorts of questions to help them navigate the system:

"I need to be able to talk to someone when I need to - there should be an overall call centre set up for government departments (a bit like the citizens advice bureau) that can listen to an explanation of what you want and then direct your call to where it is best to go. I hear of some people taking complaints to various commissions - I wouldn't even know where to start."

Several participants would like to receive (more) email notifications of due dates of compliance activities, information updates and general support information. One participant suggested receiving helpful hints about due dates etc. in a pop-up panel.

- ***Online availability of services***

  Participants pointed out that certain services or compliance activities could not be completed online, or only parts of them:

  "Completion of Surveys from Statistics (i.e. Business Operations Survey). These are very time consuming and are still posted out. It would be great if these were emailed and completed on-line."

  "Some processes can only be partially completed online which can be very frustrating."

  Some participants indicated that, although they did everything online, government departments were still sending them letters:

  "I have a tax agent, do everything online yet I get 3 letters per business per quarter."

  "Emailed confirmations/replies instead of posted letters, but copies kept WITHIN my login, as email can get lost! I could acknowledge receipt of email via a hyperlink, which is easily tracked by the sender."

  However, several participants expressed a strong preference for online service provision and completing all services online:

  "I love the idea of being able to complete everything online."

  "I would far prefer receiving communication via email rather than postal mail."

  "I'd love to see an NZ government 'app store' so my phone or tablet can use those channels from a trusted source and then receive notifications for key dates (e.g. GST and PAYE due) plus facilities to fill out paperwork in those apps."

  Many participants made suggestions on what would help them whilst using online services:

"The ability to seek clarification while online."

"Make it easier to ask questions online, e.g. through online chat."

"The response time in answering the queries online needs to be improved."

"The more online facilities for dealing with business obligations the better. But these need to be backed up by a readily available staff member who can answer questions that may not fit into the standard templates often offered online. Sometimes a human is needed!"

"If clients could file their GST returns with IRD directly from within Xero."

But a few participants admitted that they prefer to do particular transactions via traditional channels:

"in some circumstances I would choose to transact offline."

"I like doing online GST and PAYE but at times we do need to talk to a real person."

- ### *Using technology that works, is user-friendly and doesn't cost much*

  Some participants had experiences where the technology solution didn't work:

  "Being able to actually use the voice recognition software - never works for me so I go through a barrage of Q&A with the voice recognition and then always have to do the same again with a real person as it didn't recognise me."

  "Webpages need to be checked regularly for broken links (which I come across far too often)."

  "E-file solutions should be for free and browser based."

  A few participants pointed out some mismatches in the design of government service provision, with some additional costs attached for businesses:

  "If I am calling about a question and they're too busy to take my call. For them to being able to call back to my cell phone. At the moment there is only an option for a landline which in my type of work I don't have access to and don't have a landline at home."

  "Internet access in regional NZ needs improving. I am tired of getting advice that I should be using internet to file returns like GST, when my internet connectivity is so poor and it takes longer therefore to complete on line."

  Several participants preferred more user-friendly online services:

  "making log-ins more user friendly especially for the small operator."

  Some made specific suggestions on what would help them in using online services:

  "Printing and saving the lodged online information in draft and final mode."

- ### *Providing an incentive to use online services*

  Some participants felt that there was no real incentive to use online services:

  "I don't feel that we are encouraged to do tax, GST or PAYE online. It seems that it would be easier for all if this were the case."

  Some had preferred an incentive instead of punishment in shifting to online services:

  "I have felt a bit bullied into taking on online processing: the progressive cutting out of postage paid envelopes for PAYE and GST for instance. It is for a good cause reduced

paperwork and money on labour I am sure, and generally I like online processing. I think however I would have preferred an incentive to change rather than punishment for 'not changing' and more support to take on something new/different - I am not an early adapter and self-employed, so I have appreciated being able to speak to real people occasionally the first couple of times I have used an online service before gaining the confidence/experience to comfortable shift to online processing."

A few participants suggested receiving a financial incentive for using online services, particularly self-service options:

"*Considering we generate, collect and process the GST (at our expense) could there be some rebate for accountancy fees involved in this process? A detail that would be a small but helpful gesture.*"

"*For there to be some acknowledgement of the service I provide by providing data. We keep hearing about how important it is that we provide data, so if it is so valuable why should we provide it free of charge? Small businesses bear a disproportionate burden in this respect. Some examples could be subsidised membership of payroll services (as this way IRD knows it is getting its PAYE on time) or tax credits for payments/information provided on time.*"

- ***Nothing – New Zealand government's online service provision works well***

Quite a few participants commented that they didn't have any suggestions for improvements, as their service experience had been good:

"*Electronic services provided recently have been very efficient, accurate and easy to use.*"

"*I would like to commend the agencies I've worked with for their willingness to improve online services. They seem to be getting better with time.*"

A few also made favourable comparisons with overseas experience:

"*Generally, the New Zealand Government is very easy to deal with online.*"

"*I actually believe that government agencies such as business.govt.nz and ird.govt.nz are doing an amazing job. Every interaction I have with them is fantastic - staff are knowledgeable, pleasant to deal with and always have the answer I need. They work hard at customer service and being highly effective, non-judgmental and helpful to small businesses. I've had businesses in other countries and have found New Zealand's government agencies to be outstanding by comparison. Well done New Zealand!*"

Conclusions and recommendations

These research findings demonstrate that, although the majority of self-employed individuals and small businesses are certainly willing to shift from traditional channels to online channels, using online channels in the way that they are currently used in interactions with government is not sufficient to make it easier for businesses. In other words, what has become clear is that the administrative complexities identified by the research participants, and possible solutions towards administrative simplification and more efficient interactions with government, are not so much a channel or technology issue and need to be treated differently therefore.

In this respect, particularly revealing are empirical findings from this study that the larger the size of the business, the more traditional channels, including third parties, were used by participants. At the same time, the use of third parties didn't impact much on the channel behaviours of these

businesses: they were equally likely to use combinations of traditional and online channels in their dealings with government as their counterparts who didn't use third parties.

Moreover, problem areas that were identified by research participants as making it particularly hard for them to deal with government, such as experiences of government-centricity instead of customer-centricity, the complexity of processes, rules, procedures, language use and navigation, the inconsistency and long waiting times in service provision, and the lack of information-sharing within and across agencies, didn't have much to do either with businesses shifting towards online channels. In fact, a few participants indicated that they find the quality of online service provision of a lesser standard compared to the quality of services delivered through traditional channels. Also, pain points identified by individual customers in their interactions with government (DIA 2014), such as providing the same information over and over again, and wanting to complete the whole transaction online but not being able to do so, turned out to be similar pain points for the small business representatives participating in this study. Another interesting observation from this research is that social media channels targeting business clients were hardly used or not used at all by the research participants, which may point towards a low return-on-investment for government agencies needing to manage and maintain these channels for only a small proportion of their customers.

As mentioned, small businesses are certainly willing to shift more towards online channels, provided that these online channels meet certain requirements. These requirements can be distilled from the conditions respondents indicated as critical for them to prefer online channels over traditional channels (see page 46) and include the following:

- *Having functionalities that meet the needs of business customers*, such as online access to an expert staff member (e.g. via online chat), quick online response times and creating more options for raising non-standard issues (restrictions on automated responses);
- *User-centric design and navigation of websites*, including more user-friendly online systems, step-by-step instructions, and improved guidelines around changes in policy and regulations;
- *Availability of end-to-end online services*, including solutions around online government responses, the use of digital signatures and Internet access in rural areas; and
- *Better integration of services and increased information-sharing*, including consistency across multiple channels and the re-use of non-sensitive information in integrated service provision.

In general, government agencies will need to design their (online) channel strategy and relationships more with the business customer in mind and, preferably, in close collaboration with the business community. Quite a few participants in this research commented that New Zealand government agencies are doing a good job in this respect and that online services are improving over time. However, this research points out that not only more, but particularly different things need to be done to make it easier for small businesses to interact with government in the digital age.

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Annex 1 – Survey Questionnaire

Q1 A - During the past 12 months, which of the following channels did you use to interact with government agencies? Please tick all that apply

- In-person, face-to-face
- Mail, posted letter, fax
- Phone (mobile or fixed)
- SMS (texting)
- E-mail
- Internet website
- Tablet / smartphone app
- RealMe
- Twitter
- YouTube
- Facebook
- LinkedIn
- Instagram
- Google+
- I used a third party to interact with government (e.g. a tax agent)
- Other. Please specify:

Q1 B – How often, during the past 12 months, did you use each of the selected channels to interact with government agencies? (*filter and list only ticked channels vertically, frequency horizontally*)

- Every week or almost every week
- At least once a month, but not every week
- Every couple of months
- A few times a year
- Not more than once

Q1 C – During the past 12 months, when you came into contact with a government agency via each of the channels you have selected, what exactly did you do? Please tick all that apply for eac channel. (*filter and list only ticked channels*)

- I tried to get information
- I obtained the service I wanted/needed
- I returned a completed form
- I asked a question
- I made an appointment
- I registered to receive information or a service
- I made a payment
- I provided sensitive information (e.g. personal information; financial information)
- I updated business-related information
- I kept a record of the transaction
- I made a complaint
- I participated in a public consultation

Q1 D –During the past 12 months, what was the <u>most important reason</u> you used a particular channel in dealing with government agencies? Please choose <u>one</u> answer from the drop-down list for each channel you have used. (*filter and list only ticked channels*)

- I saved time
- I saved money
- It was convenient for me
- I got better quality of service
- The process of service delivery was easier
- I found the information or service I was looking for
- I could receive notifications advising me of my obligations
- I was able to directly contact an expert to discuss my needs
- I was able to correct the information I provide
- I needed assistance with completing the transaction
- I had contacted them before but did not get the answer I needed
- I trusted this channel
- I did not have Internet access
- It was the only channel I could use
- I wasn't aware of any alternative channel for contacting the government
- Other. Please specify

Q2   <u>In general</u>, what would make it easier for you to deal with government agencies and meet your obligations? Please select what you consider to be the <u>one best solution</u> for your business.

- If information and services were easier to find
- If provided information was always up-to-date
- If plain English was used
- If there were clear step-by-step instructions about the process
- If I had immediate access to an expert who can help me with my needs
- If I could get an immediate response to a question I have
- If I could contact a help desk for assistance with completing the service
- If I did not need to provide the same information again
- If I could complete the whole service online
- If forms were prefilled with data government already has for my business
- If I had low-cost Internet access
- Other: please specify

Q3 Are there any differences between government agencies when you are dealing with them?

- Yes
- No
- Don't know

Q3B <u>If you answered YES to Q3 above</u>, which government agency do you find the hardest to deal with?

Textbox for answering the question

Q3C Optional) <u>If you answered Q3A above.</u> would you explain why this agency is the hardest to deal with?

Textbox for answering the question

Q4   Under what conditions would you prefer using <u>online channels instead of traditional (not online) channels</u> in dealing with government agencies? Please tick all that apply

- None: I am already using online channels
- If I saved more time
- If it saved me money
- If I could find information or services more easily online
- If I was able to complete the whole service online
- If online channels were more secure
- If online channels were more reliable
- If online channels were more customer-friendly
- If it was easier for me to log-on to online services
- If I could be notified about my obligations
- If there were clear step-by-step instructions available online
- If I could get in touch with a staff member at anytime
- If plain English was be used online
- If I was able to get a quick response to a question I have
- If it was easier to save draft information online and come back later
- If it was easier to update or correct my information online
- If I could create and keep online records of the transaction
- If I was better informed about the availability of online channels
- If I had more knowledge on how to use online channels
- If I had better Internet access
- Under no condition: I prefer using traditional channels
- Other. Please specify:

Q5A Under what conditions would you be willing to <u>only use online channels</u> for dealing with GST returns? Please tick all that apply (*questions 5A and 5B will feature in one table with two columns*)

- None: I am already using online channels only
- If I saved more time
- If it saved me money
- If I could get quick access to refunds
- If I could find information more easily online
- If there was an easy-to-use online calculator
- If online channels were more secure
- If online channels were more reliable
- If my private information was better protected online
- If there were clear step-by-step instructions available online
- If I could get in touch with a staff member online in real-time
- If plain English was used online
- If I could get an immediate response to a question I have at anytime
- If it was easier to save draft information online and come back later
- If it was easier to update or correct my information online
- If I could create and keep online records of the transaction
- If online channels were more customer-friendly
- If I could be notified about my obligations

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- If it was easier for me to log-on
- If I had more knowledge on how to use online channels
- If I had better Internet access
- Under no condition: I prefer using other channels
- Other. Please specify:

Q5B Under what conditions would you be willing to only use online channels for dealing with Pay-As-You-Earn (PAYE) deductions? Please tick all that apply

- Nothing: I am already using online channels only
- If I saved more time
- If it saved me money
- If I would get quick access to refunds
- If I could find information more easily online
- If there was an easy-to-use online calculator
- If online channels were more secure
- If online channels were more reliable
- If my private information was better protected online
- If there were clear step-by-step instructions available online
- If I could get in touch with a staff member online in real-time
- If plain English would be used online
- If I would get an immediate response to a question I have at anytime
- If it was easier to save draft information online and come back later
- If it was easier to update or correct my information online
- If I could create and keep online records of the transaction
- If online channels were more customer-friendly
- If I could be notified about my obligations
- If it was easier for me to log-on
- If I would have more knowledge on how to use online channels
- If I would have better Internet access
- Under no condition: I prefer using other channels
- Other. Please specify:

Q6 (Optional) Is there anything else that would help your business in dealing with government?

Textbox for answering the question

These next questions will give us a little more information about the business you are involved with and you.

Q7 What is the current size of the business you work in?

- Single individual (no employees)
- 1-5 employees
- 6-10 employees
- 11-20 employees

Q8 How many years of experience do you have in dealing with government agencies for this business?

- This is my first year
- 1-3 years of experience

- 4-5 years of experience
- 6 or more years of experience

Q9. Do you use or this business use a Tax Agent at all?

- Yes
- No

Q10 What is your age?

- Under 18 years
- 18 – 24 years
- 25 – 34 years
- 35 – 44 years
- 45 – 54 years
- 55 – 64 years
- 65 – 74 years
- 75 years and over

Q11. What is your gender?

- Female
- Male

Q12   From where do you run your business?

- Auckland
- Wellington
- Christchurch
- Hamilton
- Dunedin
- Northland region
- Gisborne region
- Other North Island city or region
- Other South Island city or region
- Other, Please specify (with text)

Q13 If you would like to be contact for further participation in the research (e.g. for an interview), please enter your email address in the space below.