Increasing Taxpayers' Use of Self-service Channels

OECD

Increasing Taxpayers' Use of Self-service Channels

Please cite this publication as:
OECD (2014), *Increasing Taxpayers' Use of Self-service Channels*, OECD Publishing.
http://dx.doi.org/10.1787/9789264223288-en

ISBN 978-92-64-22326-4 (print)
ISBN 978-92-64-22328-8 (PDF)

Foreword

Revenue bodies around the world continue to seek opportunities to reduce the costs of tax administration as part of the broader effort to improve the efficiency of the public sector. Revenue bodies aim to do this while maintaining, or improving, high standards of service delivery to the community.

Improving the management of requests for support and advice from taxpayers is one of the essential elements of a strategy to improve the efficiency of tax administration. The Forum on Tax Administration (FTA) has already undertaken two studies designed to help revenue bodies improve the way they manage service demand. In 2013, following the publication of the second of those studies, the FTA asked the Taxpayer Services Sub-Group to examine how revenue bodies can increase the extent to which taxpayers self-serve. More and more self-service channels are becoming available but they are not always successful in reducing the demand for traditional and more expensive forms of taxpayer service.

This report is the result of work undertaken in response to the FTA's request. The work was led by the Australian Taxation Office (ATO) and supported by a task group including representatives from the revenue bodies of Canada, Chile, Denmark, France, Mexico, the Netherlands, New Zealand, Singapore, Sweden, Switzerland, Turkey and United Kingdom and the FTA Secretariat. Ireland also contributed to the task group's work at the information gathering phase.

The Forum on Tax Administration and the Taxpayer Services Sub-Group

The Forum on Tax Administration (FTA) was created by the Committee on Fiscal Affairs in July 2002. Since then the FTA has grown to become a unique forum for co-operation between revenue bodies at Commissioner-level with participation from 46 countries. Our vision is to create a forum through which tax administrators can identify, discuss and influence relevant global trends and develop new ideas to enhance tax administration around the world. The work programme of the Forum is decided and overseen by a Bureau comprised of commissioners from 12 revenue bodies.

The FTA is supported by a number of specialist sub-groups and networks to help carry out its mandate: The Taxpayer Services Sub-group, the SME Compliance Sub-group, the Large Business Network, and the High Net Worth Individuals Network, and the Offshore Compliance Network.

The work of the Taxpayer Services Sub-group focusses on sharing member experiences and knowledge of approaches to taxpayer service delivery, in particular through the use of modern technology. Discussions and presentations at its annual meetings, often including external speakers, along with related surveys, studies and reports have all served to provide a valuable means for keeping tax administrations abreast of emerging issues and country approaches to making more effective use of modern technology for service delivery purposes.

More information on the FTA, including details on products and publications, can be found at its dedicated website**:** www.oecd.org/tax/fta

Table of contents

Figures

Tables

Boxes

Abbreviations and acronyms

ABN	Australian Business Number
AS	Activity Statement
ATO	Australian Taxation Office
CFDI	Comprobante Fiscal Digital por Internet (Digital Invoicing via Internet)
CRA	Canada Revenue Agency
CSR	Customer Service Representative
DGFiP	La Direction Générale des Finances Publiques (France)
EC	European Commission
FAQ	Frequently Asked Questions
FTA	Forum on Tax Administration
GFC	Global Financial Crisis
GST	Goods and Services Tax
HMRC	Her Majesty Revenue and Customs (the United Kingdom)
IR	Inland Revenue (New Zealand)
IRAS	Inland Revenue Authority of Singapore
IRS	Internal Revenue Service (the United States)
IVR	Interactive Voice Response
IT	Income Tax
NFS	No Filing Service (Singapore)
OECD	Organisation for Economic Co-operation and Development
PAYE	Pay-As-You-Earn
PAYG	Pay-As-You-Go
POR	Progress of Return
SAT	Servicio de Administracion Tributaria (Mexico)
SBA	Small Business Assist
SFTA	Swiss Federal Tax Administration (Switzerland)
SII	Servicio de Impuestos Internos – Internal Revenue Service (Chile)
SKAT	Danish Tax and Customs Administration

TALC	Tax Advisory Liaison Committee
TCAN	Tax and Customs Administration of the Netherlands
TSG	Taxpayer Services Sub-group
UN	United Nations
US	United States
VAT	Value Added Tax

Glossary of terms

The definitions below explain how certain terms are to be interpreted in the context of this report.

Aggregate service demand	The total demand for a particular service, from all applicable channels and users.
Click to call	Refers to a form of web-based communication, in which a customer clicks a button (image or text) to request an immediate connection with a customer service representative in real time by phone call.
Click to chat	Refers to live "chat" support offered on a website. It allows the customer to click a button (image or text) to converse with a customer service representative in real-time via typing. It may also be referred to as a "live chat support".
Converging	The act of merging into one or coming together, for example combination of two or more technologies in a single device, i.e. taking pictures or web browsing with a smart device. *Service channel convergence* means blending of service channels, where voice, video and data networks come together.
Multi-channel	An approach perceiving multiple, specifically selected service channels that are not necessarily joined-up and do not have to provide a consistent customer experience.
Natural system	An environment within which individuals and businesses carry out their daily activities, also called their "ecosystem".
Nudge	Prod, push or gently encourage someone to do something. In behavioural science, *nudging r*efers to using positive reinforcement and indirect suggestions to achieve voluntary compliance. In service delivery, nudging techniques can be used to direct customers to the preferred channel.
Leveraging natural systems	The ability to draw from these daily activities and follow their flow. In the tax context, leveraging natural systems means connecting to this natural environment to enable the individual or business taxpayers to fulfill their tax obligations as part of their day-to-day activities (as opposed to having to engage in a specific interaction with the revenue body). For example, when businesses and individuals purchase goods or services that are subject to Value Added Tax ("VAT") or Good and Services Tax ("GST"), they pay VAT or GST at the point of purchase. The payment of VAT/GST is a by-product of the purchase transaction.

Self-service	The practice of serving oneself, for example when accessing information, completing a transaction or purchasing products or services. Self-service can be done over the phone, web or mobile application ("app").
Service	A product or activity that meets the needs of the user or can be applied by the user. It may also mean the action of helping or doing work for someone. For service to be effective, it needs to be available and timely, dependable and reliable, useful, credible and flexible to evolving user needs.
Service delivery	The act of providing service to customers. It refers to a continuous and cyclical process for developing and delivering user-centred services.
Surplus value	Additional benefits (to the taxpayer or revenue body) that are offered or derived as a result of using a particular function, service or channel.
User-centred design	A design process, in which the needs, wants, preferences, requirements and limitations of end users of a service or product (in the tax context: taxpayers) are given the priority at each stage of the design process. In user-centred design, the designers not only analyse and foresee how end users are likely to use a service or product but also test the validity of their assumptions with regard to user behaviour in real world tests with actual users.
Value chain	A string of suppliers who work together to deliver an outcome. The value chain typically consists of one or a few primary value suppliers of a product or service and secondary suppliers that add on to that value, which is ultimately presented to the end user. In the context of service delivery, primary suppliers may include software developers, who launch a new software product, secondary suppliers may include tax advisers who use the new product and promote it to their clients (taxpayers) and, finally, taxpayers who use the new product themselves but also benefit from better quality advice provided to them by their tax advisers, whose practices have been enhanced as a result of using the new product.

Preface

In today's dynamic and technology-savvy society, citizens demand improved government services that meet their expectations – easy to use and accessible anytime and anywhere. Many revenue bodies, including the Australian Taxation Office, are taking steps to transform taxpayer services by offering contemporary and tailored digital self-services that make it easier to comply with tax obligations. Our challenge is to do this while continuing to improve productivity and reduce costs across whole-of-government service delivery.

This report sets out an approach that revenue bodies can take to increase the use of self-service channels. It proposes a framework for the evolution of digital services – from static information on a website, to interactive and transactional services, through to seamless services where there is little or no need for the taxpayer to interact with the revenue body. To support the framework, examples are provided of initiatives designed to shift taxpayers' to digital self-services.

The report recognises that effective self-services, which are valued and used by taxpayers, cannot be delivered in isolation. Revenue bodies must articulate their vision for service delivery, utilising contemporary technology and aligned to the broader whole-of-government context for service delivery to citizens and businesses. The service experience must be co-designed with taxpayers so their needs are met, systems are intuitive to use and self-service becomes the channel of choice. Take up should be actively promoted and taxpayers consistently directed to self-service channels. Revenue bodies should also consider offering incentives and/or mandating usage, significantly reducing the use of costly traditional channels, as well as partnering with tax intermediaries and third party providers to help taxpayers make the shift to self-service channels.

This report highlights opportunities to make significant improvements to the way revenue bodies offer services in the future – supporting a seamless or "no need for service" experience for taxpayers.

I would like to thank everyone who has been involved in producing the report: the Australian Taxation Office team who led this work, the contribution made by the Task Group countries and Taxpayer Services Sub-group members and the OECD Secretariat.

Chris Jordan AO

Commissioner of Taxation

Executive summary

Two significant and contradictory forces influence the way today's tax administrations operate: fiscal tightening resulting in declining budgets and rising taxpayer expectations. As citizens increasingly use digital technologies in their everyday lives, revenue bodies are putting in place digital service delivery strategies to move taxpayers to digital channels and self-serve. Despite setting service objectives to make taxpayers more digitally self-sufficient, revenue bodies continue to experience high demand for services in their traditional, more expensive channels, such as in-person and inbound call channels.

The FTA commissioned the Taxpayer Services Sub-Group to develop a report on the work undertaken by revenue bodies to increase taxpayers' use of self-service channels. This report:

- proposes a framework for the evolution of digital self-service to assist revenue bodies in considering and prioritising opportunities for self-service in a wider, strategic context of the future taxpayer experience;
- provides an analysis of revenue bodies' initiatives to increase the use of self-service channels; and
- makes recommendations to drive successful take up and increase the use of self-services.

The analysis of the initiatives shows that there is no simple or single solution that can be universally applied by revenue bodies to ensure successful take up and sustained use of self-service channels. The report identifies four key elements that revenue bodies need to systematically work across to achieve a sustained change. The elements are: monitoring and understanding service demand, applying user-centred design to ensure services meet customers' needs, purposeful implementation and driving take up of self-service using "push" (mandating) or "pull" (incentives) approaches and, finally, effective channel management to direct taxpayers to self-service channels. The revenue bodies need to consider these elements irrespective of the maturity of their self-service channels.

The study also established that as revenue bodies' services mature, so should their approach to user-centred service design and focus on the following:

- In the static self-service: establishing an online presence and making services and information available online.
- In the obligation based self-service: enhancing the online offer by creating surplus value and adding features.
- In the integrated, personalised service: integrating and connecting existing online services into an end-to-end, holistic experience.
- In the seamless/invisible service: embedding services in natural systems of taxpayers, so self-servicing becomes a by-product of day-to-day activities.

The report brings these four stages together under the term of the "4E model" (establish, enhance, end to end and embed).

The report recommends that revenue bodies consider the following elements to drive the use of self-service channels:

- Element 1: Identify and target opportunities to offer self-services (by using effective monitoring and data analytics that support understanding of service demand).
- Element 2: Take a user-centred design approach in creating new services or shifting existing services to digital channels.
- Element 3: Promote take up, either by mandating or offering incentives and leveraging tax intermediaries and third party providers in assisting taxpayers to take up self-service channels.
- Element 4: Consistently direct taxpayers to the preferred channel through communication and education, eliminating channels or leveraging tax intermediaries and third party providers. To retain taxpayers in the preferred channels, consider providing a range of tailored in-channel support tools.

Finally, to ensure sustainable and progressive use of self-service channels, the report recommends that revenue bodies develop metrics for self-service channels to measure the impact of self-service offerings on service demand and identify and target further opportunities to increase taxpayers' self-service.

Chapter 1

Introduction

The project "Increasing taxpayers' use of self-service channels" continues the Forum of Administration ("FTA") series of studies focused on service delivery of revenue bodies from the OECD country members. It explores approaches and specific initiatives that the revenue bodies undertook to increase the use of self-service channels. The focus is also on the support provided to tax intermediaries to move to self-help and influence their clients to do the same.

This chapter provides the background and context for the study, it outlines the project objectives and explains the project methodology.

Context and background

The project "Increasing taxpayers' use of self-service channels" continues the Forum of Administration ("FTA") series of studies focused on service delivery of revenue bodies from the OECD country members.

In 2011, the FTA via the Taxpayer Services Sub-Group ("TSG") conducted a study "Working Smarter in Revenue Administration – Using demand management strategies to meet service delivery goals" (OECD, 2012). Among other findings, the study found that despite having implemented multi-channel service models and setting service objectives to move taxpayers to online channels and self-service, many revenue bodies continued to experience high demand for services in their more expensive channels, such as in person and inbound call channels. The study also established that while most revenue bodies were measuring service demand using a variety of methods which provided information on volumes, trends and demand topics, these methods were not effective in determining the root causes of the demand for services.

These findings led to the FTA commissioning further work in 2012, with the goal to provide practical guidance for revenue bodies to help them meet taxpayers' service expectations. The work led to developing "Managing Service Demand: a practical guide to help revenue bodies better meet taxpayers' service expectations" ("Managing Service Demand"). The guide, which was based on observed best practice, provided a whole-of-revenue-body approach to managing service demand and set out a possible model for governance arrangements and practical steps to support revenue bodies to identify, analyse and address root causes of service demand. Following publication of this guide, in acknowledgement of developments in technology, continuing pressures on reducing revenue administration costs and growing demand from taxpayers for service improvements, at the meeting in September 2012 the TSG discussed commissioning further work to support revenue bodies to manage the increased take up of cost effective channels.

In May 2013, the FTA agreed that the TSG conduct this work and requested that it should also focus on the support provided to tax intermediaries to move to self-help and influence their clients to do the same. The Australian Taxation Office ("ATO") was appointed as the lead agency for the project, supported by a task group including representatives of the revenue bodies of Canada, Chile, France, Denmark, Mexico, the Netherlands, New Zealand, Singapore, Sweden, Switzerland, Turkey and the United Kingdom. Ireland also contributed to the task group's work at the information gathering phase.

Project objectives

At the FTA TSG conference in Helsinki in September 2013, the following objectives for the "Increasing the use of self-service channels" project were established:

1. Consider the strategies that revenue bodies can use to increase the use of self-service channels in the context of a proposed future service experience for the key taxpayer segments; and
2. Collect practical examples of initiatives revenue bodies have undertaken to shift taxpayers and their representatives to self-service, including successes and challenges, as well as the effect on service demand.

More specifically, in line with the above objectives, this project seeks to:

- Develop a vision and framework that captures the future service experience for individuals, businesses and tax intermediaries;
- Consider and prioritise self-service opportunities in the context of the future customer experience;
- Identify strategies revenue bodies have used or are using to shift clients to self-service, including measures of effectiveness, challenges and lessons learned;
- Understand how legislation and effective service and process design can be used to enable the shift to self-service channels;
- Understand how demand is monitored and managed in self-service channels, including how revenue bodies are responding to feedback to increase take-up of self-service channels;
- Understand the role of "traditional", more expensive channels (for example, face-to-face and on call) in delivering the future service experience and shift clients to self-service channels; and
- Consider the role of tax intermediaries and third party providers in encouraging and supporting the shift to self-service channels.

Methodology

This report is based on an online survey conducted amongst the participating revenue bodies to explore approaches and specific initiatives that the revenue bodies undertook to increase the use of self-service channels, followed up by exploratory conversations with selected revenue bodies and, finally, desk-based research into best practice in driving self-service.

The online survey, which was the key data and information collection tool, was designed to capture both quantitative and qualitative information and consisted of two parts:

- Part A, which included context setting questions for the participating revenue bodies relating to their broader operating environments; and
- Part B, which asked questions about specific initiatives that the participating revenue bodies used to increase the use of self-service channels.

A total of 14 revenue bodies from 13 countries completed the survey: Australia, Canada, Chile, Denmark, France, Mexico, Netherlands, New Zealand, Singapore, Sweden, Switzerland, Turkey and United Kingdom. The survey instrument can be accessed here (link to be provided when the report is finally published).

Upon completing the initial analysis of survey responses, a series of exploratory conversations were held with selected revenue bodies. These built on survey responses and sought to gain a greater insight and understanding of the initiatives detailed within the survey. This process also helped identify areas that required exploration and a number of FTA member countries outside the initial task group were invited to assist with the project. Subsequently, Ireland also contributed to the project. Finally, desk-based research activities were completed to expand on findings from the online survey and exploratory conversations and to compare and validate them with identified best practice in driving self-service. These research activities focused on the subject of self-service both in the

public and private sector and included academic, government and professional body literature available publicly. The bibliography includes a list of the literature reviewed.

Report structure

The introductory chapter has provided the background and context for the study, outlined the project objectives and explained the project methodology. The remainder of the report is organised as follows:

- Chapter 2 introduces a framework for the evolution of digital self-service and describes the changing service experience of individuals, businesses and tax intermediaries. The framework, which was introduced to the FTA TSG meeting in September 2013 aims to provide a context for revenue bodies to consider and prioritise self-service opportunities;
- Chapter 3 explores the current service delivery environment of the participating revenue bodies based on survey responses and sets the scene for a detailed analysis of the survey results conducted in Chapter 4;
- Chapter 4 analyses the initiatives to drive self-service in greater detail and, based on this analysis, proposes four key elements to drive effective self-service; and
- Chapter 5 brings together the framework for the evolution of digital self-service and the four elements to drive effective self-service and explains how these fit together and provides final recommendations to support revenue bodies in driving effective take up of self-service options.

Bibliography

OECD (2012), *Working Smarter in Revenue Administration – Using demand management strategies to meet service delivery goals,* OECD, Paris, available at: www.oecd.org/site/ctpfta/49428187.pdf.

Chapter 2

Framework for evolution of digital self-service

This chapter introduces the proposed framework for the evolution of digital self-service. The framework was initially presented at the TSG conference in Helsinki in September 2013 to inform the scope, intent and objectives of the project on "Increasing taxpayers' use of self-service channels". Annex A shows the proposed framework.

The framework illustrates the evolution of digital self-service in the context of a maturing service experience: from static self-service limited to information services, through online interactions and transactions to moving to a new paradigm where self-service is seamless and a by-product of taxpayers' day-to-day activities. The framework further shows that as the service and taxpayer experiences mature, the demand for revenue body services within traditional (i.e. non-digital) channels should reduce, due to provision of integrated and end-to-end services which provide greater opportunities for taxpayers to self-serve. It also shows that as service and taxpayer experiences evolve, so does the overall channel profile: from a fragmented channel mix with a high proportion of traditional (non-digital) channels to the stage in which digital channels dominate and seamlessly converge with non-digital channels.

The framework draws from the five-staged model to analyse the maturity of e-government services developed by the European Commission ("EC") (OECD, 2009b),[1] however it modifies the stages proposed in the EC model to focus on the evolution of self-service. In identifying the final stage in self-service, the framework departs from the EC model and introduces a concept of seamless (invisible) self-service enabled by leveraging **natural systems** of taxpayers.[2]

The concept of a natural system itself is not new. It describes the environment within which individuals and businesses carry out their daily activities. Leveraging their natural systems refers to the ability to draw from these daily activities and follow their natural flow. It involves identifying and acting upon opportunities that elements of natural systems provide, for instance, as a source of data that can be extracted and shared or touchpoints for transactions and information exchange with third parties, such as suppliers, intermediaries or government agencies.

In the context of service delivery in tax administration, leveraging natural systems of taxpayers means connecting to their natural environment to enable individual or business taxpayers to fulfill their tax obligations as part of their day-to-day activities, rather than via a specific interaction with the revenue body. It means that it is taxpayers' natural system, rather than the taxpayers themselves, that drive the service and deliver their tax obligations. Leveraging natural systems means the elimination of specific services as taxpayers simply no longer need them.

Leveraging natural systems and provision of seamless (invisible) service also means entering a new paradigm in service delivery that requires an entirely new approach to how opportunities to invisibly self-serve are identified and delivered. To effectively leverage natural systems, revenue bodies need to critically examine their operating models and consider how service outcomes can be seamlessly achieved as opposed to how revenue bodies can support taxpayers.

There are early examples of initiatives where revenue bodies have successfully managed to leverage natural systems of their taxpayers. Some of the case studies submitted by the participating revenue bodies provide such examples and are explored in Chapter 4 of this report.

It is worth noting that, while the framework introduces the idea of leveraging natural systems in the context of evolving service delivery, the concept of natural systems is much broader and equally relevant to other aspects of tax administration, such as tax compliance. Recent OECD publications already acknowledged the impact of advancing payment and accounting technologies on the compliance environment and broader dynamics of the tax system (OECD, 2012a; OECD, 2014).

The framework is used in this study as a basis for positioning case studies from revenue bodies on increasing the use of self-service, as well as to assist the revenue bodies in prioritising opportunities for self-service.

Notes

1. The 2009 EC model for assessing maturity of e-government services includes the following five stages: *1)* information, *2)* one-way interaction, *3)* two-way interaction, *4)* transaction (full case handling); and *5)* personalisation.
2. In some jurisdictions natural systems of taxpayers may be referred to as "ecosystems".

Bibliography

OECD (2014), *Addressing the Tax Challenges of the Digital Economy*, OECD/G20 Base Erosion and Profit Shifting Project, OECD, Paris, available at: www.oecd.org/ctp/tax-challenges-digital-economy-discussion-draft-march-2014.pdf.

OECD (2012), *Right from the Start: Influencing the Compliance Environment for Small and Medium Enterprises*, OECD, Paris, available at: www.oecd.org/ctp/administration/rightfromthestartinfluencingthecomplianceenvironmentforsmallandmediumenterprises.htm.

OECD (2009a), *Rethinking e-Government Services: User-Centred Approaches*, OECD Publishing, available at: http://dx.doi.org/10.1787/9789264059412-en.

OECD (2009b), "E-Government service maturity", in *Government at a Glance 2009*, OECD Publishing, available at: http://dx.doi.org/10.1787/9789264061651-34-en.

Chapter 3

Service delivery environment

The purpose of Chapter 3 is to build an understanding of the broader service delivery environment in which revenue bodies operate and administer tax systems and identify trends, patterns and common characteristics in their approaches to service delivery. To do so, the chapter explores the aggregated survey responses submitted by the revenue bodies, together with additional information collected in the process of exploratory conversations.

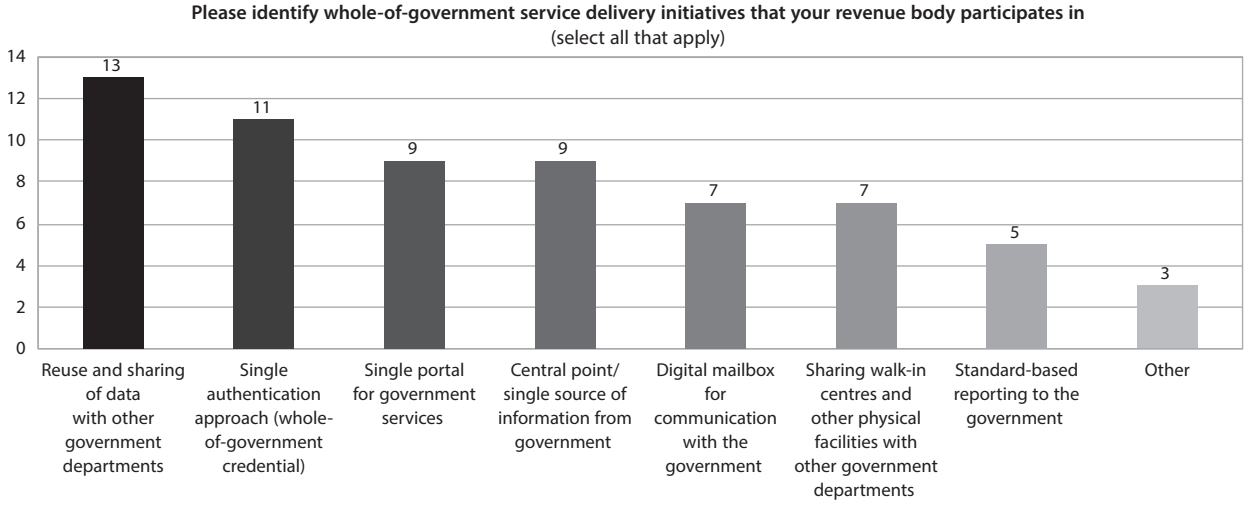
Chapter 3 draws from responses provided to Part A of the survey, which focused on the broader service delivery environment of the participating revenue bodies. Aggregated survey responses in relation to specific initiatives are discussed in Annex B. Chapter 3 provides the necessary context for a detailed analysis of the research findings that follows in Chapter 4.

Whole-of-government service delivery agenda

The survey responses show that **all** of the participating countries are currently progressing whole-of-government service delivery strategies. Most revenue bodies participate in **multiple** whole-of-government initiatives, including *1)* reuse and sharing of data with other government departments; *2)* a single authentication approach; *3)* a single portal for government services; and *4)* a single source of information from government.

The "other" whole-of-government initiatives identified by the respondents include: basic services such as e-forms, e-invoicing, e-billing, e-payment, sharing of premises, pursuing a digital by default approach and mandatory digitisation. Figure 3.1 provides a snapshot of the whole-of-government service delivery initiatives that participating revenue bodies are involved in.

Figure 3.1. **Participation in the whole-of-government service delivery initiatives**



The above findings indicate that many governments are currently pursuing broader objectives for greater co-ordination in service delivery across government portfolios, with the view to achieving an integrated government approach to the design and delivery of services for citizens.

The project established that numerous names have been adopted in different countries to describe this whole-of-government priority, such as all-of-government, joined-up government, connected government, horizontal management or networked government. In some instances, whole of government may also span multiple levels of government (for example federal, state, cantonal and local).

Survey responses indicate that the drivers of their involvement include: the continuing pressure on public sector budgets (reuse and sharing of data and reducing walk-in centres),

increasing demands from citizens for efficient/tailored services (single authentication solution, single source of information from government), opportunities that new information and communication technologies bring (standard-based reporting), and, to some extent, implementation of new approaches to delivering services (single portal for interactions with the government, single digital mailbox). It appears that globalisation may be another driver for the whole-of-government agenda across the OECD-member countries. Technological change is driving international competition and this means that productivity gains must also be achieved in public service delivery, for example through greater integration and shared infrastructure.

As observed in further sections of Chapter 3, many of the participating revenue bodies appear to follow the whole-of-government agenda with the focus to improve the efficiency of their operations and achieve budgetary savings. Nevertheless it is worth noting that, apart from opportunities to address fiscal pressures, the whole-of-government agendas provide unprecedented opportunities to drive the increase in the use of self-service, for example through better integration of service delivery arrangements and increased levels of interaction between citizens and the government that can drive greater familiarity with the service offer and a greater ability to self-serve. Chapter 4 explores this topic in greater detail.

Enterprise-wide service delivery and channel strategies

The survey results indicate that there is a strong focus on service delivery in all of the participating countries, as 13 out of 14 revenue bodies that completed the survey have an enterprise-wide service delivery strategy and/or channel strategy in place.[1] Of these, six revenue bodies have **both** a service delivery strategy **and** a channel strategy.

All of the strategic documents have a strong focus on delivery of services via digital (online) channels and either promote a "digital by default" approach, with the digital channel expected to be the primary channel for all interactions with taxpayers, or the provision of services through a mix of channels that reflect taxpayer preferences. It should be noted though that even the revenue bodies that adopted the second approach (mix of channels), recognise the growing importance of interacting with taxpayers via digital channels and often identify it as the preferred channel for delivering services.

In most instances, the "digital by default" approach appears to be driven by the whole-of-government agenda rather than the revenue body on its own. The main objective of "digital by default" strategies is the shift from traditional offline to digital (online) service channels and to facilitate this shift, the strategies identify specific measures, benchmarks and set defined timeframes. As for the drivers for the "digital by default" approach, these appear to focus on reducing costs of tax administration (cost efficiencies) and enhancing the user experience. A good example of a digital strategy pursued at the whole-of-government level comes from the UK, where in November 2012 the Cabinet Office published the Government Digital Strategy.[2]

The focus on driving cost efficiencies appears to be stronger among the revenue bodies in Europe and may reflect the European post-Global Financial Crisis ("GFC") landscape characterised by fiscal tightening that imposes pressures on governments to deliver more with less. The revenue bodies from non-European countries, while conscious of the cost efficiencies that can be generated from a shift to digital channels, appear to be predominantly driven by delivery of contemporary services to their taxpayers.

This almost universal trend of pursuing "digital by default" goals to achieve cost efficiencies and improved taxpayer experience, which has been observed amongst revenue bodies, may appear to be taking precedence over the more customary goals of revenue collection and tax compliance traditionally followed by revenue bodies. It should be noted though that this aspiration to interact digitally with the taxpayer community still needs to be balanced against the tax compliance outcomes that revenue bodies are expected to deliver.

In reviewing the strategic documents provided (service delivery and/or channel strategies) against the online service offer of the participating revenue bodies, no correlation has been observed between the number of strategic documents in place (i.e. service delivery and/or channel strategy) and the breadth or maturity of services provided online. It cannot therefore be concluded that revenue bodies that pursue multiple strategies focusing on their service delivery and service channels, provide more mature or diverse online services to their taxpayers. It is likely that the existence of multiple strategy documents is simply a result of the organisational structure or separate ownership of service channels within the revenue body.

The analysis of survey responses in relation to service delivery and/or channel strategies pursued by the revenue bodies identified that:

- each revenue body reported that their strategies include a component of moving service demand to self-service channels;
- 10 out of 13 revenue bodies are pursuing specific tactics or actions to facilitate the shift to self-service; however
- unlike the whole-of-government "digital by default" strategies, few revenue bodies' strategies set any specific benchmarks or targets to drive and monitor the shift to self-service.[3]

Examples of specific tactics that revenue bodies are pursuing to increase self-service include:

1. making rules, systems and processes simple and clear to understand, so taxpayers do not need service from the revenue body;
2. increasing the number of services available via self-service channels;
3. making self-service channels an attractive choice;
4. making less preferred service channels (face to face in particular) less readily available and less attractive; and
5. mandating the shift to self-service.

Many of the participating revenue bodies' initiatives to drive the use of self-service show strong alignment to these tactics in their service delivery/channel strategy documents.

Understanding service demand and channel preferences

The survey responses indicate that, overall, the participating revenue bodies appear to have a somewhat limited understanding of the reasons why taxpayers contact them using different service channels, ie. types of services sought through different channels.

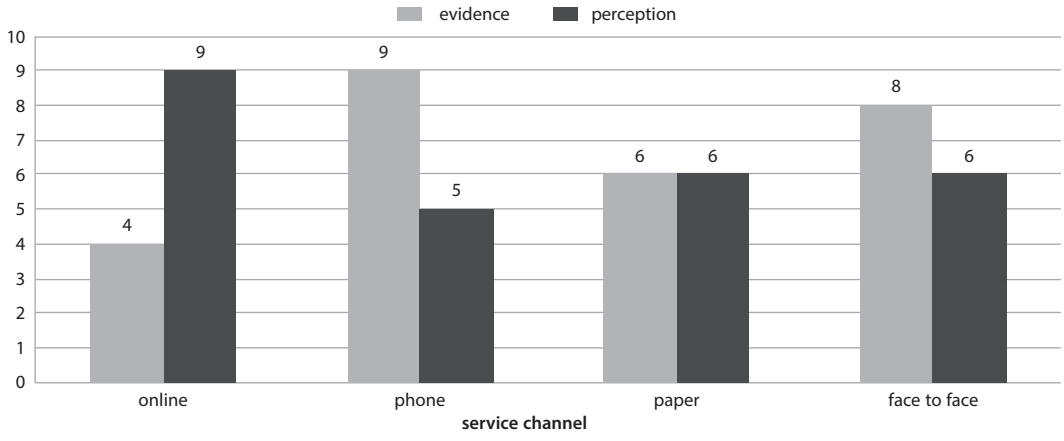
When asked about the most common services sought through various service channels, i.e. online, phone, paper and face to face, some revenue bodies were unable to provide any answers, particularly in relation to the paper channel, and approximately half of the revenue

bodies, while able to identify the most common services sought through different channels, advised that their responses were based on perceptions rather than evidence.

The analysis of responses provided in relation to **each service channel** indicates that the responding revenue bodies have limited evidence-based knowledge of the most common services sought via their **online** channels – only four out of 13 revenue bodies who responded to the question based their answers on evidence, and nine out of 13 respondents – on perceptions. Across all service channels, the online channel shows the lowest ratio of evidence-based knowledge of reasons to use it (Figure 3.2). This means that revenue bodies, while generally showing a great commitment to increasing the use of online channels, in most cases collect limited data to understand what services are sought via online channels and have limited understanding of the reasons why taxpayers actually choose to use online services.

Opposite results were received for the interactions occurring via the **phone** channel, in relation to which nine out of 14 responding revenue bodies based their answers on evidence, and five out of 14 on perceptions (Figure 3.2).

Figure 3.2. **Perceptions vs. evidence: what is the basis for revenue bodies' knowledge of what services are sought via different channels?**



Online channel

According to the revenue bodies' responses (predominantly based on perceptions), the key taxpayer segments, i.e. individuals, business taxpayers and tax intermediaries, use online channels to search for general information and/or download forms and booklets with information on taxes and benefits. The survey results indicate that one of the most searched for pieces of information online is the revenue bodies' contact details.

Phone channel

The survey results further show that the phone channel appears to be frequently used for enquiries and seeking advice on tax matters. The responses indicate that taxpayers are more likely to call the revenue body when they need to make a specific enquiry relating to their own situation, such as:

- for individual taxpayers – to find out about the status of an income tax return and the progress of a refund;

- for business taxpayers – to make payment arrangements or follow up on a tax refund; and
- for tax intermediaries – to find out about the status of tax returns lodged on behalf of their clients, follow up on refunds and seek an extension of time to file and pay.

The above findings appear to be based to some extent on evidence (validated by existing data).

Paper channel

The responding revenue bodies indicated that taxpayers will most likely use the paper channel in situations when they or their tax intermediary need to have evidence of a transaction or decision made by the revenue body. This is a consistent pattern, albeit to a great extent based on perceptions, observed across all key taxpayer segments. In addition:

- individual taxpayers tend to use the paper channel to update their account details, including changes to personal circumstances that impact their tax position, such as eligibility for tax relief and benefits;
- business taxpayers use the paper channel to file some of their tax reports, update accounts, submit an objection or deregister; and
- tax intermediaries tend to rely on paper when making formal enquiries and representations on behalf of their clients.

Face to face channel

According to the survey responses, face to face interactions are preferred in addressing complex matters, particularly by individual and business taxpayers. In addition, individual taxpayers visit walk-in centres to obtain and confirm their unique tax identifier, which may require face to face contact to confirm identity and to discuss their tax assessment with a tax officer. Business taxpayers and tax intermediaries tend to visit walk-in centres to pick up forms and brochures, stamp and drop off documents, with stamping used as proof of submitting documents, and to file tax returns.

Findings in relation to both the paper and face to face channels appear to be supported to some extent by data.

The analysis of survey results further established that revenue bodies that collect data about services sought by taxpayers via different service channels, appear to put that data to use to inform their initiatives to increase the use of self-service and target their service demand. For example, to address high volumes of phone enquiries from taxpayers, in 2009 New Zealand introduced "SPK2IR" Interactive Voice Response services allowing callers to self-serve on a number of topics, such as checking progress of tax returns. In 2011 voice ID biometric capability was introduced. In 2012 significant self-service enhancements were made to the IVR services. Subsequently, myIR, New Zealand's online services secure portal has been improved to provide taxpayers with a level "Progress of Return" capability giving them visibility on the status of their tax return (issued, received, finalised). IR is currently working on launching a new IR mobile app that will allow taxpayers check the progress of their return anytime, anywhere (small and medium enterprises)

The survey also included questions that aimed to test how aware the participating revenue bodies are of service channel preferences of their taxpayers. Specifically, the revenue bodies were asked to identify the most common reasons why taxpayers, including their tax intermediaries, prefer to use online over traditional service channels (i.e. phone,

paper and face to face) and vice versa. The purpose of these questions was to identify factors that may encourage taxpayers to use online channels, as well as barriers that prevent them from using online channels. It should be noted that the responses provided by the revenue bodies were predominantly based on perceptions and few revenue bodies appear to collect data on channel preferences of their taxpayers.

Figure 3.3, 3.4 and 3.5 show the service channel preferences for different segments of taxpayers based on perceptions of the responding revenue bodies.

- Figure 3.3 indicates that shorter turnaround time is perceived to be the key incentive to use online over traditional service channels. At the same time, having direct contact with a "real" person appears to be the most common reason why traditional service channels may be chosen.
- Figure 3.4 shows the equivalent service channel preferences for business taxpayers. Similar to individual taxpayers, a shorter turnaround time appears to be the primary incentive to use online over traditional service channels. A lack of or limited services provided in the online environment seem to be the key factor that prevents business taxpayers from taking up online channels, forcing them to interact via traditional service channels.
- Figure 3.5 shows the service channel preferences for tax intermediaries. Shorter turnaround times are again the perceived key factor that makes tax intermediaries choose to interact online rather than via traditional service channels. A lack of services online also seems to be the key inhibitor for the take up of online service channels by tax intermediaries, keeping them interacting with the revenue body via traditional service channels.

The information presented in Figures 3.3 to 3.5 predominantly represents the **perceptions** of revenue bodies about incentives and barriers in relation to the use of their online service channels.[4] Results indicate that all revenue bodies almost unanimously perceive the shorter turnaround times for online service channels as the key factor that encourages all key taxpayer segments to take up online channels.

Despite this shared conviction, only six out of 20 initiatives to drive the use of self-service reported in the survey instrument, aimed to shorten the turnaround times for service resolution.

Figure 3.3. **Why individual taxpayers choose online over traditional service channels and vice versa**

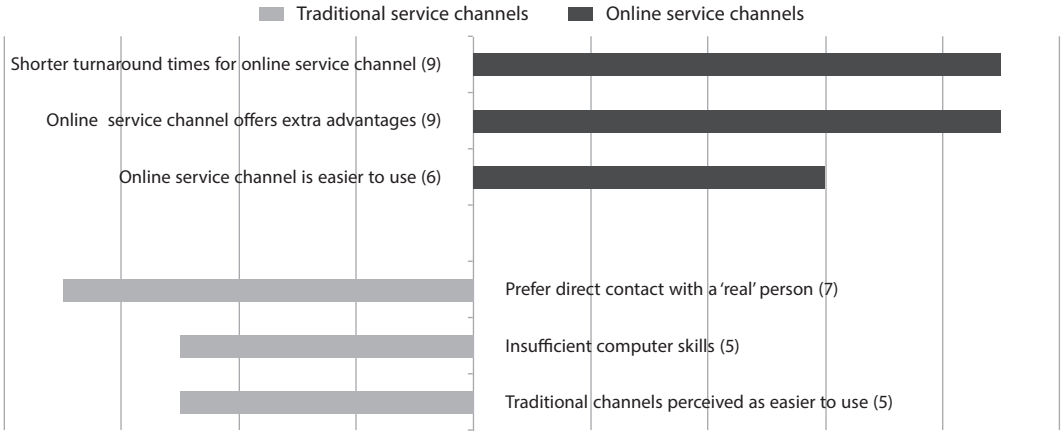


Figure 3.4. **Why business taxpayers choose online over traditional service channels and vice versa**

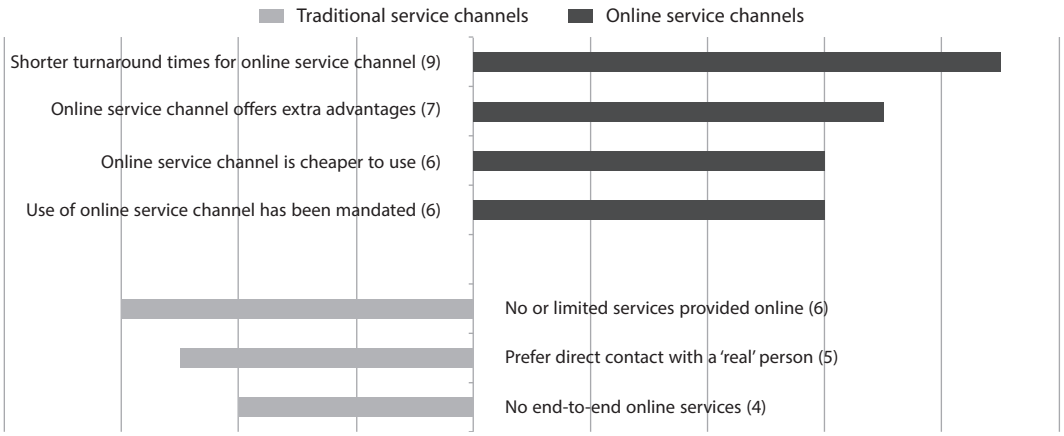
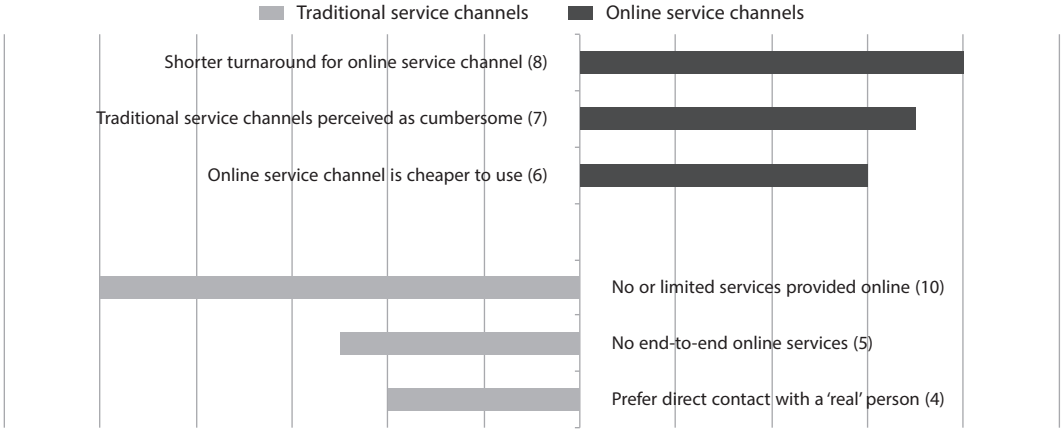


Figure 3.5. **Why tax intermediaries choose online over traditional service channels and vice versa**



The analysis of survey results indicated that while revenue bodies have some, albeit limited, evidence-based knowledge of the type of services that taxpayers seek via different service channels, few of them appear to collect data to support informed understanding of what shapes their taxpayers' channel preferences, particularly in relation to the online channel. In the context of an almost universal focus on digitisation of service delivery, an understanding of what encourages or prevents taxpayers from taking up online channels is critical in driving both a successful channel shift and increased use of self-service channels. The subject of managing service demand and understanding channel preferences is further explored in Chapter 4.

Online service offer

The survey instrument also included questions that aimed to establish the maturity of online services provided by the participating revenue bodies to the key taxpayer segments, i.e. individuals, businesses and tax intermediaries. The maturity of online services was assessed

against 20 services typically provided by a revenue body.[5] Services not relevant to a particular revenue body, due to different tax laws and policies, were excluded from the analysis.

To conduct the assessment, the following four stages have been identified: *1)* Stage 0: service not available online – not offered; *2)* Stage 1: information – find out about it; *3)* Stage 2: interaction – initiate it; and *4)* Stage 3: transaction – complete it.

Each of these stages/rates reflects an increasing level of maturity of online services.

In completing the survey, the revenue bodies were asked to self-rate the maturity of each of the 20 online services they provide, using the stages/rates above. For example, a revenue body that provides an individual taxpayer with a service where the taxpayer can complete their registration online without the need to interact with the revenue body, the service was rated as "complete it" (stage/rate 3). The next step was to derive an average rate for each online service for each key taxpayer segment. It is important to note that the purpose of this exercise was to establish and compare the relative maturity of online services provided to the key taxpayer segments, i.e. individuals, businesses and tax intermediaries, across the revenue bodies, rather than individually assess revenue bodies on the maturity of online services they offer to their taxpayers. Table 3.1 shows the results of the assessment, aggregated and averaged for each of the key taxpayer segments.

Table 3.1. **Average aggregated maturities of online services across participating revenue bodies (by key client segments)**

		Average aggregated maturity		
#	Online services	Individual	Business	Tax intermediary
1	Register	2.09	2.08	2.08
2	Update registration details	2.25	2.08	1.93
3	Update tax obligation details	2.00	1.69	1.38
4	Access account balances or details	2.00	2.00	1.79
5	Request statement of account	1.62	1.86	1.57
6	Request refund or transfer	1.67	1.92	1.62
7	Prepare and file an IT return	3.00	2.92	2.69
8	Prepare and file other tax return	2.27	2.92	2.69
9	Confirmation of receipt of an IT return	3.00	2.92	2.69
10	Confirmation of receipt of other tax returns	2.20	2.92	2.69
11	Apply and vary tax credits and entitlements in PAYE/G systems	1.25	1.29	0.86
12	Amend an IT return	2.62	2.29	2.07
13	Amend other tax returns	1.60	2.43	2.21
14	Request an extension of time to file an IT return	0.77	0.85	0.77
15	Request an extension of time to file other tax returns	0.77	1.00	0.93
16	File an objection	1.50	1.29	0.93
17	Request an arrangement to pay tax debts	2.00	1.83	1.58
18	Make payment	2.69	2.57	2.36
19	Make an enquiry	1.92	2.07	1.86
20	Review correspondence and/or view notices	2.00	1.86	1.64
	Average rate	1.96	2.05	1.83

Scale: 0) Service not available online: not offered; 1) Information: find out about it; 2) Interaction: initiate it; and 3) Transaction: complete it.

The analysis of survey responses indicates that:

- The majority of services required by key taxpayer segments in order to satisfy their tax obligations are available online to some extent, mostly at the average aggregated level of interaction.
- Services related to the income tax return, particularly filing and confirmation of receipt, are more likely to be available for completion online when compared to services for other products. This is particularly evident in relation to individual taxpayers, who, compared to businesses and tax intermediaries, enjoy the most mature service offering for their income tax return needs. This can be explained by the relatively simpler processes involved in the preparation and completion of an individual income tax return, compared to a company tax return (hence easier to complete). This finding could also reflect the revenue bodies' well-targeted attempts to address their high volume service demands by offering income tax return-related online services that individual taxpayers can complete themselves without the need to interact with the revenue body.
- Services which are not readily available online are likely to require making a decision (often in relation to a different or exceptional circumstance) or a direct contact with a customer service representative in order to elicit necessary information. These include requesting extensions of time to file income and other tax returns, filing an objection and applying and/or varying tax credits and entitlements in the Pay-As-You-Earn/Pay-As-You-Go ("PAYGE"/"PAYG") systems. This pattern is consistent across all relevant taxpayer segments.
- Compared to individual taxpayers, businesses and tax intermediaries appear to have access to more mature online services in relation to non-IT returns and products. On average, they are more likely to be able to complete filing and receive confirmation of receipt of their other tax returns (other than income tax), than individual taxpayers. This could be explained by the fact that businesses (and that means acting on their behalf, tax intermediaries) are more likely to have other tax obligations, such as VAT/GST or employer obligations (PAYE/PAYG), which require more frequent reporting, therefore their demand for services relating to those obligations is higher than that of individual taxpayers. These other tax obligations often require more frequent reporting, which is another factor contributing to more mature online services being offered to businesses and tax intermediaries.
- With the exception of registration, which all key taxpayer segments can initiate online, the level of maturity of online services offered to tax intermediaries is consistently lower than that of businesses or individuals they represent.

In interpreting these statistical results, consideration needs to be given to the varying level of dependence on tax intermediaries across revenue bodies. The survey results show that in countries where tax intermediaries play a very prominent role in the tax system the level of maturity of online services provided to them by the relevant revenue body is significantly higher than for countries where there is low reliance on tax intermediaries. For example, Denmark has high reliance on tax intermediaries in managing tax affairs of business taxpayers (i.e. 90% of corporate income tax returns were completed by tax intermediaries in 2011 fiscal year) (OECD, 2013b) and provides very mature online services to tax intermediaries who complete almost all services online, except requesting an extension of time to file a tax return. At the same time Mexico, that appears not to rely on tax intermediaries in administering their tax system, while providing fairly mature online services to individual and business taxpayers, offers very few online services to tax intermediaries.[6]

Tax intermediaries and third party providers and their role in driving self-service

This section explores the role of tax intermediaries and third party providers in administering tax systems, with a particular focus on their ability to drive self-service amongst the key taxpayer segments. In doing so, the section draws from the survey responses, information shared during the exploratory interviews with some of the revenue bodies, supplemented with material gathered in the course of desktop research, such as the OECD comparative information series (OECD 2013b).

As already observed in the previous section, the role that tax intermediaries play in administering tax systems significantly varies across the revenue bodies. In countries like Australia, tax intermediaries play a very important role in achieving tax compliance and contributing to the smooth functioning of the tax system. They perform a range of activities on behalf of a significant proportion of the taxpayer population, such as preparation and filing of tax returns, provision of advice on application of tax laws and taxpayer representation while dealing with the revenue body. In Australia, approximately 70% of individual income tax returns and 90% of company income tax returns are prepared by tax intermediaries ever year (ATO, 2013). To reflect the prominent role that tax intermediaries play in administering the Australian tax system, the ATO established a Tax Practitioner Action Plan 2011-2015 that outlines actions the ATO has undertaken to support tax practitioners and ensure active engagement. In addition, tax intermediaries are regularly surveyed and consulted on a number of issues relating to tax administration.

Other countries, such as Turkey, indicate a much lower dependence on tax intermediaries who in 2011 prepared and filed income tax returns for no more than 1% of individual and business taxpayers (OECD, 2013b, p. 261). Sweden and Denmark who have a lower dependency on tax intermediaries in managing tax affairs of individual taxpayers, with no more than 10% of income tax returns being prepared and filed by tax intermediaries in 2011(OECD, 2013b, p. 261),[7] show a much higher level of dependency when it comes to the business taxpayer segment.[8]

While the level of dependency on tax intermediaries may vary, they can play an important role in influencing their clients' tax compliance behaviour (OECD, 2008) and ensuring that their clients are appropriately engaged in the tax system. As observed in "*Together for Better Outcomes: Engaging and Involving SME Taxpayers and Stakeholders*", tax intermediaries provide an opportunity to mobilise knowledge and resources residing outside the revenue body – an opportunity that may be of particular appeal in times of fiscal constraints when revenue bodies are increasingly expected to deliver more with less (OECD, 2013c, pp 16-18).

This influencing role is of greater significance in countries where tax intermediaries serve as leverage points through which revenue bodies can reach and influence a significant proportion of their taxpayer population. For example in Australia, there are 23 000 tax agents who collectively prepare and complete income tax returns for over 8 million individual taxpayers and 2 million business taxpayers (ATO, 2013).

The survey results indicate that revenue bodies increasingly recognise the influencing role of tax intermediaries, the positive contributions they can make to ensure effective functioning of the tax system and the opportunities they present as leverage points, through which revenue bodies can effectively reach large parts of the taxpayer population. The results show that in 7 out of 20 initiatives, representatives of tax intermediaries were actively engaged in the process of consultation over different aspects of the design, development and implementation of the initiative (in the UK, Canada, Denmark and

Sweden). These consultations varied from informal discussions through useability testing to involvement in formal reference groups.

An example of consultation and engagement with representative bodies of tax intermediaries has been reported by Ireland who advised that the Office of the Revenue Commissioners operates a Tax Advisory Liaison Committee ("TALC"), where representatives of the accounting, law and tax practitioner bodies meet with the revenue body officials on an ongoing and regular basis to discuss operational issues, service delivery, changes to working practices, and other issues. This consultative committee provides for timely communications on changes, and, as reported by Ireland, has proven successful in implementing change and the smooth introduction of new measures.

While there appears to be growing appreciation of tax intermediaries operating as conduits and contributing to achieving high levels of compliance, very few revenue bodies reported initiatives specifically targeting tax intermediaries and aiming to provide them with greater opportunities to self-serve. One of the few exceptions is Canada who, following deployment of MyAccount secure online services for individual taxpayers, launched a "Represent a Client" portal designed for tax intermediaries. Another example of an initiative targeting tax intermediaries was reported by Singapore, where the Inland Revenue Authority of Singapore ("IRAS") introduced bulk e-filing of individual income tax returns for tax agents. This initiative is currently used by large tax agents representing about 90% of the total population of individual taxpayers who engage tax agents to manage their income tax affairs.

The above findings indicate that further opportunities to actively engage and leverage tax intermediaries exist and should be pursued by revenue bodies interested in achieving high levels of compliance and effective and efficient functioning of the tax system. According to the survey of revenue bodies conducted by the OECD (OECD, 2013b, p. 254) there appear opportunities for at least 75% of surveyed revenue bodies to enhance the range of services offered to tax intermediaries, as a result of which many revenue bodies may be missing substantial opportunities for leveraging improved compliance and easing taxpayers' compliance burden with tax laws.

Finally, it should be noted that the objective of increased self-service by taxpayers, which revenue bodies are actively pursuing, is likely to have a significant impact on tax intermediaries and their operating and business models. Tax intermediaries may find that, as taxpayers increasingly self-serve, their reliance on tax intermediaries to facilitate simple tasks and interactions with the revenue body declines. It is anticipated that over time the demand for performance of high volume but low value processing tasks by tax intermediaries, such as updating contact details, entering payment arrangements or filing of returns, will decrease and shift towards provision of higher value advisory services. It is important to recognise that service digitisation and increased self-service have the potential to significantly change the relationship between the taxpayer and the tax intermediary. While not in the scope of this research, this subject is significant enough to warrant a separate study.

A different observation could be made in relation to other third parties, such as software developers. While traditionally not considered as key stakeholders who would have a role in ensuring the smooth operation of the tax system, with the increasing dependence on information and communication technology, exponential growth of data and increased connectivity and digitisation of services occurring across governments, software developers are quickly assuming a prominent role in driving and facilitating the delivery

of contemporary (i.e. digital, mobile, connected and delivered in real time) services that taxpayers expect of their revenue bodies.

This trend towards greater recognition of the role that software developers play in delivering services to taxpayers is supported by the survey results that show in 8 out of 20 initiatives software developers were consulted and actively involved in the design, delivery and implementation of the initiative. For example, the deployment of the preliminary online assessment initiative in Denmark was preceded by consultation with software developers. Similarly, the Swiss Tax Administration Canton of Basel-Stadt consulted software developers in the process of developing IT architecture and e-services that formed part of their canton-wide initiative promoting e-government services (eGov Impulsprogramm BS).

Good examples of collaboration with software developers were provided by Mexico. In the first example, while implementing digital signatures, the Mexican revenue body Servicio de Administracion Tributaria ("SAT") worked with software developers to establish the process of enrolment and verification of biometric data and ongoing management of information. In another example, SAT utilised Certified Service Providers to verify and stamp electronic documents (e-invoices) before having them issued to customers. Finally, Ireland's Office of the Revenue Commissioners advised that prior to mandating e-filing and e-pay, in recognition that the majority of their tax intermediaries use third party software solutions, they provided schemas of all returns to software developers to enable them to develop compatible software package solutions.

The survey results may signal the emergence of a new collaboration model in which revenue bodies and software developers work in partnership to co-design and co-deliver contemporary services to taxpayers. This may create unprecedented opportunities to use technology, know-how and the ability to access and process data in real time to self-serve. It is anticipated that in time, the dependence of revenue bodies on software developers and other third party providers will increase and is likely to evolve into a more dynamic approach in the context of a broader taxpayer ecosystem.

The subject of changing relationships between revenue bodies, tax intermediaries and third party providers caused by digitisation and the increasing shift to self-service may warrant a separate study. Nevertheless some of the opportunities to self-serve created by recent technology advancements, improved collaboration with tax intermediaries and software developers are further explored in Chapter 4.

Notes

1. Defined as a systematic approach for arriving at an optimal mix of channels for service delivery and/or provision of services (OECD 2007, p. 7).

2. The Government Digital Strategy available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/296336/Government_Digital_Stratetegy_-_November_2012.pdf. It should be noted that shortly after the Government Digital Strategy was published, in December 2012 Her Majesty Revenue and Customs ("HMRC") published their own Digital Strategy, available at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/89244/2012-digital-strategy.pdf. The HMRC Digital Strategy shows strong alignment to the strategic directions set in the Government Digital Strategy and as such provides a powerful

example of how revenue bodies can effectively embrace whole-of-government digital objectives and incorporate them in their own strategies.

3. For example Canada set targets for shifting to self-service for Netfile (80%).

4. The only country that declared that they had based their responses entirely on evidence was the United Kingdom.

5. Online service included in the assessment were register, update registration details, update tax obligation details, access account balances or details, request statement of account, request refund or transfer, prepare and file an income tax ("IT") return, prepare and file other tax returns, confirm receipt of the IT return, confirm receipt of other tax returns, apply and vary tax credits in Pay-As-You-Earn/Go ("PAYE"/"PAYG") systems, amend an IT return, amend other tax returns, request an extension of time to file an IT, request an extension of time to file other tax returns, file an objection, request an arrangement to pay tax debts, make payments, make an enquiry and receive correspondence and/or notices.

6. For example submission of financial statements of large business taxpayers by certified public accountants.

7. Specifically, in 2011, 5% of individual income tax returns were prepared by tax intermediaries in Denmark and 10% in Sweden (OECD 2013b, p. 261).

8. Specifically, in 2011, 90% of company income tax returns were prepared by tax intermediaries in Denmark and 82% in Sweden (OECD 2013a, p. 261).

Bibliography

Australian Taxation Office (2013), *Research and Statistics/Tax professionals*, available at: www.ato.gov.au/About-ATO/Research-and-statistics/In-detail/General-statistics/Compliance-in-focus-2013-14/?anchor=Tax_professionals#Tax_professionals.

OECD (2013a), *Managing Service Demand: A Practical Guide to Help Revenue Bodies Better Meet Taxpayers' Service Expectations*, OECD Publishing, available at: http://dx.doi.org/10.1787/9789264200821-en.

OECD (2013b), *Tax Administration 2013: Comparative Information on OECD and Other Advanced and Emerging Economies*, OECD Publishing, available at: http://dx.doi.org/10.1787/9789264200838-en.

OECD (2013c), *Together for Better Outcomes: Engaging and Involving SME Taxpayers and Stakeholders*, OECD Publishing, available at: http://dx.doi.org/10.1787/9789264200838-en.

OECD (2008), *Study into the Role of Tax Intermediaries*, OECD, Paris, available at: www.oecd.org/unitedkingdom/39882938.pdf.

OECD (2007), *Improving Taxpayer Service Delivery: Channel Strategy Development*, OECD, Paris, available at: www.oecd.org/tax/administration/38528306.pdf.

Chapter 4

Analysis and findings on revenue body initiatives

The purpose of Chapter 4 is to set out the findings of a detailed analysis of initiatives reported by the revenue bodies. The results of the analysis are grouped under the following elements: 1) *monitoring and understanding service demand,* 2) *user-centred service design,* 3) *purposeful implementation and driving take up of self-service, and* 4) *effective channel management.*

Chapter 4 demonstrates that working across these four elements will progress a ***sustained change*** *in driving self-service – within the current service delivery paradigm. It will also demonstrate that in order to drive effective self-service, revenue bodies are required to consider these elements in a systematic way as they progress through each stage of service maturity.*

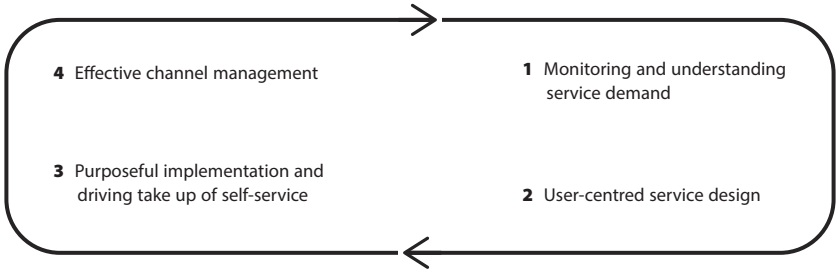
To facilitate understanding and drive key conclusions of the findings of a detailed analysis of initiatives reported by the revenue bodies, the results of the analysis are grouped under the following elements, which emerged in the process of analysing the initiatives:

- Element 1: Monitoring and understanding service demand;
- Element 2: User-centred service design;
- Element 3: Purposeful implementation and driving take up of self-service; and
- Element 4: Effective channel management.

Figure 4.1 brings these elements together and illustrates the order, in which they should be considered:

Examples of initiatives are used to describe how each element can be used in practice.

Figure 4.1. **Driving effective self-service through sustained change**



Monitoring and understanding service demand

Revenue bodies face different drivers of service demand that put pressure on their resource allocation strategies and operating costs. As observed in *Managing Service Demand* (OECD, 2013a, p. 9), managing this service demand in an effective manner can significantly reduce organisational workloads and costs, and improve taxpayer satisfaction.

The study *Working Smarter in Revenue Administration – Using demand management strategies to meet service delivery goals* (OECD, 2012b) established that, despite setting service objectives to move taxpayers to more cost efficient online channels and promote self-service, many revenue bodies continue to experience high service demand in their more expensive (traditional) channels and that their understanding of the root causes of the demand for services is extremely limited.

The survey responses confirm the above findings. They established that relatively few revenue bodies comprehensively monitor their service demand and most revenue bodies have a limited understanding of the reasons why taxpayers seek their services through different channels. Furthermore, the revenue bodies appear to have a particularly limited evidence-based knowledge of what services taxpayers use online, the reasons why they seek services online or the value online services provide to those who use them.

Box 4.1 provides a good example by the Canada Revenue Agency ("CRA") in monitoring, managing and shifting service demand in the lead up to its decision to close its payment and enquiry counters in Tax Services Offices and Tax Centres.

Box 4.1. **Canada – Closure of payment and enquiry counters**

CRA first stopped offering face-to-face advisory services on a "walk-in" basis and moved to an appointment based system where taxpayers would need to call and make an appointment for a face-to-face meeting in 2007. Over the period October 2012 to October 2013, the CRA closed all (49 in total) of its payment and enquiry counters. These closures aligned to the long-term goal of the agency's Service Strategy – that the majority of taxpayers and benefit recipients conduct their tax and benefit affairs with the agency on a self-service basis. Prior to their closure, the payment and enquiry counters offered cashier services, "drop boxes", date stamping machines (to confirm for taxpayers the dates documents were lodged with CRA), display of publications and guides, and appointments. In monitoring the service demand of the centres, CRA observed significant highs and lows in demand for services (to the extent that it was difficult to keep staff reasonably occupied during periods of low demand, in which staff were assigned to other workloads. Overall, demand for appointments was in decline, by approximately 10% a year, making the cost of maintaining the services an increasingly less desirable option, especially when faced with overall budget pressures.

As the services were discontinued, the CRA enhanced its call centre services, whereby callers who wanted to meet with the CRA in person were directed to a specialised team within CRA who would first try to resolve the issue over the phone and would only book the appointment if they were unable to resolve the matter. As a result, a significant drop in the demand for appointments was observed. CRA also facilitated online ordering of forms and publications and emailing web links to taxpayers. As the number of services available online increased, as did take up, the CRA experienced no difference in compliance levels in areas of Canada that did not have access to payment and enquiry counters. This indicated that taxpayers were able to operate and met their tax obligations without these services being offered face to face. Only 10 appointments were made since the services were discontinued (as opposed to 26 000 per annum prior to the closure).

Finally, prior to closing the centres to the public, the CRA took steps to strengthen the support tools available to their Customer Service Representatives ("CSR") (who could be faced with additional demand though the phone channel) and to tax agents who were known to be frequent users of the payment and enquiry counters. CRA also leveraged its existing partnership with Service Canada that already offered a range of whole-of-government services in most cities. Service Canada was able to provide access to telephone and internet kiosks and increase support to use online services available through their centres in order to meet the tax needs of Canadians.

This example also illustrates the importance of forward planning that can enable the revenue body to understand its budget and resource constraints in delivering services. In this context, the example demonstrates a practical application of the demand management framework described in *Managing Service Demand* (OECD, 2013a).[1]

The closure of payment and enquiry counters by CRA with the view to moving taxpayers to online channels and encourage self-service is not an isolated development. The closure of traditional channels, such as walk-in centres, is gaining momentum and has been observed in other OECD-member countries such as Denmark and the UK.

An important element in monitoring and developing an understanding of service demand is proper data and information management, which is necessary to build a comprehensive view of the taxpayer. When driving the shift to self-service channels, it is important to segment customer behaviour (not necessarily just demographics) and develop strategies or models to predict which taxpayers are more likely to use online self-service options and which are not, how to raise their awareness of available self-service options, address barriers, encourage take up and, finally, what support they would require to make a successful and sustainable shift.

There are several information sources available that identify metrics to monitor, measure, analyse and report on the effectiveness of web, mobile, social media and other digital channels, as well as offer practical guidance on how to evaluate the usage of digital channels, for example:

- United States ("US"): The Office of Citizen Services and Innovative Technologies: www.Howto.gov – a comprehensive website of practical guidance established to "help agencies deliver a great customer experience" and covers topics such as web content, social media, promoting customer experience and the use of mobile platforms, and
- US General Accounting Office Report of IRS's Use of Interactive Services: www.gao.gov/products/GAO-13-435 – which focuses on the nature of interactive services provided by the US Internal Revenue Service ("IRS") to assist taxpayers meet their tax obligations, describes a methodology and a range of metrics either fully or partially applied by the IRS to monitor website usage and gauge overall customer satisfaction with their website services.

The analysis of initiatives further showed that it is important to monitor and understand the ***aggregate*** service demand and the total impact of self-service channels on the demand experienced through other, traditional channels. Deployment of self-service options can drive an increase in aggregated service demand, especially when accessible via smart devices, due to high market penetration and convenience in use. This can give rise to "hidden costs" of self-service if not contained within the self-service channel. For example, cross-industry research conducted in 2010 in the UK, Australia and the US found that when customers are unable to complete or resolve an issue during their initial attempt to self-serve, they most often turn to the phone channel and as such can create increased workload on staff in contact centres (NICE Systems, 2011). It is therefore essential that service demand is kept within the self-service channel by providing support such as virtual assistants, tailored information and assisted self-service, such as web chat.

Box 4.2 provides an example of the importance of monitoring and managing service demand at the aggregated level by the Australian *Progress of Return* ('POR') self-service check available on ATO2013 mobile app.

In general, taxpayer behaviour across all channels can provide valuable insights and data about why and how taxpayers use each channel. Data analytics can assist in joining up this insight across all channels to develop a taxpayer view that in turn can help revenue bodies build a comprehensive understanding about why and how taxpayers use and interact with them using different channels. Using these insights revenue bodies can evolve their service offers to meet their service demand more effectively.

Overall, the progressing digitisation of services means that data analytics are playing an increasingly important role in helping revenue bodies identify and respond to service demand. Revenue bodies should consider investing in developing robust data analytics capabilities and data analytics strategies to ensure they are well positioned to harness opportunities presented by the increased volumes of digital data available. The subject of data analytics and its potential to inform and enhance services provided by revenue bodies, while being outside the scope of this project, is significant enough to warrant a separate study.

The use of social media and its role in monitoring and understanding service demand was also considered. According to the survey results, most revenue bodies have not yet made any significant inroads with social media. Some revenue bodies do not appear to see

any benefits in doing so and some appear to find it too complex or risky (OECD, 2011a). Whilst these perspectives are understandable to some degree, the benefits that can be gained by revenue bodies that are active on social media continue to increase. Recognising the potential of social media in driving effective engagement with the taxpayer community, the Tax and Customs Administration of the Netherlands ("TCAN") has been regularly interacting with taxpayers through social media such as Twitter, web blogs, discussion forums and Facebook and more recently, experimenting with *webcare* (systematic social monitoring).

The one element that is particularly difficult to argue is the value of social monitoring (or social listening) to stay ahead of service demand or be able to address it in a timely manner. Social media management tools such as Hootsuite, TweetDeck and Sprout Social provide search capability using keywords, such as income tax return or tax refund, to see what's being discussed about the revenue body or current tax topics. Revenue bodies may

Box 4.2. **Australia – Progress of Return (POR) self-service check**

Since 2011, individual taxpayers in Australia have had access to two self-service channels to check on the progress of their IT return: through an IVR call or online via ato.gov.au or ATO Online portal. In addition, the ATO launched a mobile app in 2013 ATO2013, which, among other services, included a POR check. Taxpayers who do not wish to use self-service options can check the progress of their IT return by contacting the ATO Contact Centre.

As shown in Table 4.1, the aggregated service demand level shows a significant increase in the number of POR checks that took place in 2013 and 2014 after the POR check became available online. However, this increase was contained within the provided self-service channels and did not "spill over" into traditional non self-service channels. The data also show a significant shift between self-service options: from IVR to online channels, indicating strong preference for online solutions.

Table 4.1. **POR checks by Australian individual taxpayers by channels**

	Channel					
	Non self-service	Self-service				
Year	Phone calls to CSR	Phone (IVR) successful	Phone (IVR) unsuccessful [b]	ato.gov.au/ ATO Online	Mobile app ATO2013	Totals
2011	122 010	864 875	420 480	n/a	n/a	1 407 365
2012	159 920	532 177	626 538	34 110	n/a	1 352 745
2013	122 877	460 479	183 632	1 266 331	n/a	2 033 319
2014 [a]	123 079	355 188	113 504	1 420 313	419 848	2 431 932

Notes: a. data as at 29 May 2014

b. where taxpayers were unable to self-serve and had to be transferred to a CSR.

It should be noted that the increase in the aggregated service demand does not indicate an increase in the number of taxpayers completing POR checks. An analysis of traffic statistics and behavioural patterns indicates that taxpayers who have downloaded the ATO2013 mobile app tend to access and complete POR checks multiple times (five on average). These results may indicate that the convenience of completing POR checks (i.e. "on the go", at any time) encourages a more frequent use of it.

set up a basic keyword monitoring process to check on a regular basis whether any relevant topics or tax-related issues are being raised and discussed on social media and use this intelligence to shape their response and address any potential peaks in service demand.

To conclude this Section, it can be stated that effective monitoring and understanding of service demand requires:

- Monitoring the volumes and patterns of taxpayers seeking services;
- Understanding the reasons why taxpayers seek the revenue body's services;
- Understanding the value these services provide to taxpayers;
- Monitoring the cost of delivering those services through different channels, as well as levels of demand that may fluctuate throughout the year. This is necessary to ensure effective use of resources and elimination of waste or oversupply;
- Being clear about service levels and expectations within the taxpayer community. This may include changing service standards and increasing response times for less preferred channels;
- Increasing taxpayers' awareness about the revenue body's services and preferred methods and channels of interaction; and finally
- While monitoring cost of delivering services and ensuring proper taxpayer experience – maintaining focus on the compliance outcomes for government.

Good practices in monitoring and understanding service demand can help develop knowledge of why taxpayers seek services and what they expect from them. This knowledge can be further applied to designing user-centric service solutions.

User-centred service design

The second element which revenue bodies can consider to drive effective self-service is the user-centred approach to designing self-service solutions. The concept of giving priority to needs, expectations and preferences of the user[2] at each stage of the design process featured strongly in many initiatives provided by the revenue bodies.

At its core, user-centred service design is a structured co-design process that involves the iterative design of interactions with taxpayers that are ongoing and include multiple connection points and interfaces. When informed by qualitative data and analytics, good service demand and usability practices, which provide insights into why taxpayers seek services and what they expect from them, properly executed user-centred service design can deliver customer experiences that demonstrate true understanding of taxpayers' needs, drive engagement and ultimately foster willing participation in the tax system and voluntary compliance. In the context of self-service, having a user-centred design mindset is even more critical, as the option of relying on a human agent (CSR) to guide the taxpayer through the experience, offer assistance if needed and mitigate any potential obstacles will not be available.[3]

Fundamental to user-centred design is direct and active involvement of the user. User-centred design is based on the premise that services will deliver a better experience when designed and delivered in co-operation with users (co-design). In this sense, services and the value they intend to deliver, are created not *for* users (in this context: taxpayers) but *with* users (Bason, 2010 cited in OECD, 2013b, p. 22). In the context of driving self-service

co-designing with taxpayers, as the future users of the self-service solutions is even more critical to ensure successful adoption of the services.

The other equally important element of effective user-centred service design is data analytics – effective mining and analysing of data that can gather valuable insights about taxpayers' experience, preferences and predicted behaviour. Effective data analytics can provide intelligence that should inform the user-centred design to optimise taxpayer experience.

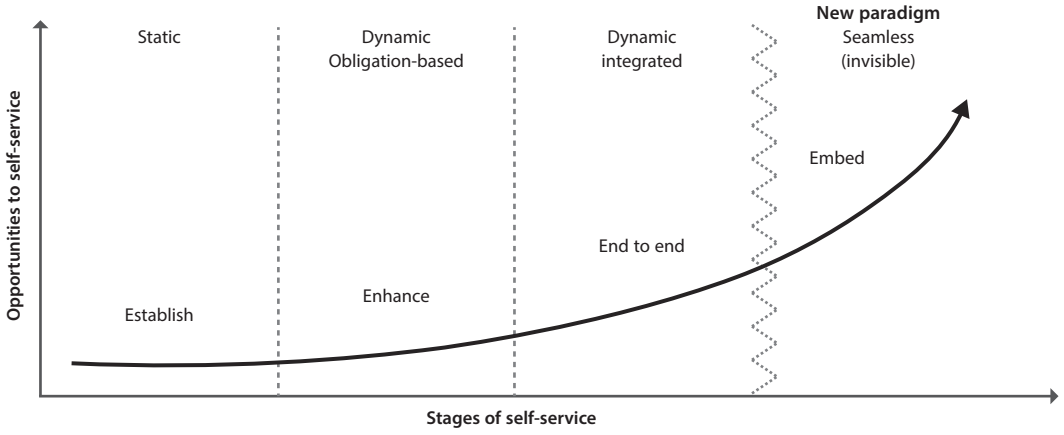
Analysis of the initiatives reported by revenue bodies shows that as revenue bodies move through different stages of service maturity, their focus on user-centred design also evolves. This evolution can be described as having four stages (i.e. establish, enhance, end to end and embed) and in this report has been termed the "4E model" – see Table 4.2.

Table 4.2. **4E model: Stages and description**

Stage	Description
ESTABLISH	In stage one of self-service (static service, often information only) the focus is on making services, particular information, available online. This means creating an online equivalent of existing services available through traditional service channels or an entire new online offer for new, emerging services.
ENHANCE	In the second stage (obligation-based self-service) the focus is on enhancing the online offer by creating surplus value and adding features to increase the attractiveness of the online service thus encouraging taxpayers to use it for the extra benefits delivered.
END-TO-END	In the third stage (integrated, personalised self-service) the focus is on integrating and connecting existing online services into end-to-end, holistic processes, so taxpayers can comprehensively satisfy all of their tax obligations.
EMBED	In the seamless (invisible) service stage the approach to user-centred design changes altogether to reflect the new paradigm. Instead of building services so taxpayers can access them, the focus is on embedding services in natural systems, processes and activities, so services become a by-product of day-to-day activities.

Figure 4.2 illustrates how the approach to user-centred service design evolves with the increasing maturity of services offered by revenue bodies.

Figure 4.2. **Evolution of user-centred service design: 4E model**



The above approach may not have always been observed in tax administration practice and examples can be found where revenue bodies did not adhere to the 4E model approach, rather they "fast forwarded" their progression through maturity stages and were effective in driving self-service. The 4E model is not meant to prescribe the only appropriate way to drive self-service; nevertheless the analysis of initiatives indicates that adopting the 4E model, in which the focus of the user-centred service design evolves in response to the increasing level of service maturity, provides a platform for the purposeful drive of self-service and may increase successful take up.

Over the next paragraphs, the 4E model is explored in greater detail and examples of initiatives that demonstrate an effective application of this approach are discussed. This is followed by examples of user-centred design methodologies adopted in Australia and the UK.

The final part of this section explains how the whole-of-government agenda can support user-centred service design approach at each stage of service maturity. It demonstrates how revenue bodies can harness opportunities created by the whole-of-government agendas to effectively drive the use of self-service.

4E Model – Stage 1 – Establish

As identified in the framework for evolution of digital self-service, in the initial stages of service maturity, opportunities to self-serve are extremely limited (static information only) and the need for human mediation to interact and transact to satisfy tax obligations continues to drive demand via traditional channels. Analysis of initiatives indicates that driving self-service at this initial stage should focus on ***establishing*** online solutions – creating online equivalents of existing services available through traditional service channels or an entire new online service.

In establishing these new online solutions, applying user-centred service design is important to ensure creation of a positive customer experience that will encourage take up. While moving services to online channels can drive cost efficiencies, too much focus on cost reduction and lack of attention to the taxpayer experience may result in "onlining" inefficiencies of offline processes and missing opportunities for service rationalisation.

Examples of static, "information only" self-service options available online, which are characteristic of the early stages of service maturity, may include provision of general information on the revenue body's website rather than through distribution of printed fact sheets or brochures, issuing of electronic newsletters in place of paper information products (such as magazines and bulletins) and provision of electronic forms in a PDF format online, which can be downloaded, printed and completed offline by the taxpayer with the purpose of submitting to the revenue body.

In the analysis of initiatives provided by the revenue bodies, no initiatives were found that focused on establishing an online, "information only" static self-service. All of the initiatives relate to implementation of more advanced, interactive or comprehensive online self-service options, which suggests that the participating revenue bodies are at more advanced stages of online service maturity. This conclusion is in line with the observation made in Section "Online service offer" that discussed the maturity of the participating revenue bodies' online services and established that, on average, the revenue bodies provide dynamic self-service experiences (interaction and transaction).

Given the increasing penetration of mobile devices, engaging taxpayers through these devices is an important consideration when designing digital services. Mobile devices

offer not only additional contact options that go far beyond the traditional touchpoints with taxpayers but, moreover, an increased flexibility and immediacy that creates unprecedented opportunities to drive familiarity with revenue bodies' service offer and convenience in self-serving. According to international research (Gartner Inc., 2013; Forrester, 2012b) mobile devices account for far greater internet usage than traditional desktop computers and laptops. As such, mobile devices should be considered as the primary touchpoint in creating online opportunities to establish new or make available existing self-service options. Box 4.3 provides an example of introducing a web mobile in Chile.

Box 4.3. **Chile SII web mobile**

According to the statistics shared by the Chilean Inland Revenue Office: *Servicio de Impuestos Internos* (SII) in June 2013 the population of Chile was approximately 17 million people. At the same time, the number of mobile devices on the Chilean market was 24.1 million and rapidly growing.

Recognising this trend towards increased use of mobile devices, in April 2012 SII launched their first web mobile for smartphones and tablet devices. The web mobile offers a wide range of self-service options, from "find about it" static information, such as Frequently Asked Questions ("FAQ"), a tax calendar and information about office hours and locations, to "complete it" transactional services, such as updating contact details, authorising third parties to represent taxpayers, filing of income tax returns, and issuing of electronic receipts for independent personal services. As of March 2014, the SII web mobile also allows individuals to carry out the registration process required for the performance of independent personal services.

According to data provided by SII, in 2014, SII web mobile received approximately 2.7 million visitors (comprising one or more interactions), than issued monthly, an average of 20 thousand electronic tax documents and file 4 thousand VAT declarations on line. In the last annual income tax process, 23 thousand income tax returns were filed using SII web mobile.

Many revenue bodies also reported that they were deploying their services on mobile devices. For example, the Swedish Tax Agency (Skatteverket) started using mobile technology in 2012 and is currently offering a range of authenticated services through their mobile app, such as checking and updating tax accounts and filing tax returns. In developing their mobile app, Skatteverket worked with Swedish banks to develop and implement a mobile digital ID that reflects best practice in authentication solutions.

4E Model – Stage 2 – Enhance

In the second stage of service maturity, taxpayers generally have greater opportunities to self-serve, these however are usually limited to a specific tax obligation (e.g. income tax), activity (e.g. filing of tax return) or enquiry (e.g. confirming account balance). While they can perform a range of services themselves, these services can still be fragmented, generic and not tailored to personal circumstances of taxpayers. Driving self-service at this stage should focus on ***enhancing*** online solutions and improving taxpayer experience to ensure that taxpayers who took up the online self-service continue to use it. Enhancing online solutions may involve creating and delivering surplus value to users, such as shorter resolution time for enquiries, instant visibility of the status or progress of an enquiry, prefilling, reuse of filed data that can eliminate downstream activities, such us requests for additional information.

Lack of user-centred service design focus can result in deployment of fragmented services that may prevent scaling up or reuse of core online functionalities, which may inhibit further evolution of self-service. In extreme circumstances, the lack of focus on the user in the service design process can lead to deploying poor quality solutions that may deter taxpayers from using the service altogether and negatively impact overall compliance, where compliant taxpayers disengage with the tax systems as a result of their negative experience.

Box 4.4 demonstrates a robust and effective user-centred service design process followed by New Zealand Internal Revenue ("IR") in developing their myIR GST filing service.

Box 4.4. **New Zealand – myIR GST filing service**

The myIR GST service was launched in August 2012. It is an authenticated online channel, through which business taxpayers can submit their GST returns. According to IR's statistics, there are approximately 640 000 GST registered businesses in New Zealand who file a total of 3.1 million GST returns annually, of which, prior to launching myIR GST filing service, around two thirds were filed in paper.

Before launching the new online service IR undertook a comprehensive user-centred design process to ensure that the new online authenticated service effectively addressed all identified "pain points" and met end-user needs. To do so, IR conducted research to understand opportunities and problems with their existing systems and processes, gathered insights from previous online initiatives, customer interviews and feedback. Quantitative data was used to scale the issues found. In addition, IR collaborated with software developers and allowed them to "reach" further into their systems to challenge the IR's traditional role of providing all elements of the service. This approach, while testing the boundaries of IR's organisational business model, resulted in designing and implementing a solution that provided a positive customer experience.

It should be noted that in 2012 IR's Service Design unit embedded into their design principles a comprehensive usability testing framework and training programme, encompassing global user testing standards and principles, accompanied by a defined process of execution and data analysis. Investing in building this in-house capability has enabled Service Design to successfully lead co-design methods and deliver services that users choose to interact with.

Upon developing a comprehensive understanding of issues that business taxpayers faced while filing in paper (or, in later stages, through unauthenticated online channels), in delivering the new GST filing service IR applied an iterative process to develop prototypes that aimed to alleviate the identified pain points. These prototypes were developed with customer input and extensively tested for usability: effort required and ease in use.

The expected take up of the new authenticated service was 170 000 filings in by October 2013 and, as reported by IR, the actual take up in that period reached 161 000. In June 2014 the take up reached over 200 000 filings (over 1.3 million GST returns), giving a clear indication of the effectiveness and robustness of the user-centred design and marketing strategy adopted by IR. One of the unexpected outcomes of launching the new initiative was the receipt of a high number of overdue GST returns, which indicated that there was a segment of business population who were non-compliant not by choice, but rather as a result of difficult filing processes or lack of awareness of having overdue GST returns.

Enhancing self-service online solutions may also involve adding new functions, which apart from expanding a range of services where taxpayers can self-serve, offer greater opportunities to scale up and reuse services. Adding new functionalities should be done in a systematic and logical way to increase the familiarity of the taxpayer with the solution.

In addition, online solutions that offer a wide range of functions are more likely to be frequently used and as such may help overcome the problem of complex authentication processes and not remembering passwords. To increase opportunities for scaling up and reuse of functions (thus ensure better return on investment) revenue bodies should consider starting with deployment of generic, reusable functions and services, such as viewing account details and balances, transactions and payment arrangements. Finally, building new functions should be co-ordinated with channel migration strategies and, where applicable elimination of redundant channels or solutions.

Box 4.5 provides a good illustration of an effective approach to user-centred service design by Canada to expand their MyAccount online portal for individual taxpayers.

Box 4.5. **Canada – Online portals for individuals and their representatives**

MyAccount is a secure online portal for individuals, which was launched by CRA in 2003. Initially it offered a limited number of generic services. However in the years since the CRA has continually expanded on the number of self-service options available via MyAccount, increasing new information or transactional features to over 30 services, such as those related to an individual's tax refund and balances owing, direct deposits of tax refunds, credits and benefits, instalments and Tax-Free Savings Account.

A significant enhancement to the online services offered was made in 2007, when CRA launched the "Represent a Client" portal, which allows authorised representatives, such as tax intermediaries or family members, to perform a variety of tasks on behalf of an individual.

In prioritising the deployment of services on MyAccount, CRA sought visibility on services frequently used by taxpayers, for example by monitoring call drivers to CRA contact centres. Having an understanding of service demand, CRA was able to prioritise frequently used services for deployment in the online channel. In 2004/05 there were 1.8 million successful logins to MyAccount. By 2012/13 this number had increased to 6.7 million logins to MyAccount and 5.5 million logins to the "Represent a Client" portal.

The success of MyAccount and Represent a Client portals and the range of services available within have also been key enablers allowing CRA to close its enquiries and payment counters. (For more information about CRA's closure of payment and enquiry counters in Tax Services Offices and Tax Centres see Box 4.1).

Similar approaches have also been undertaken by revenue bodies in the Netherlands and Australia that have launched secure online portals for individual and business taxpayers, through which taxpayers can access a wide range of services and self-serve.

The ATO (Australia) is continually expanding the range of services offered via ATO Online, a secure portal for individual taxpayers and the current plans are to develop it into a "one-stop-shop" for individual taxpayers to comprehensively manage their tax affairs and self-serve. In 2014, ATO Online was connected with myGov, an Australian whole-of-government portal, which acts as a single point of access to a number of government services and requires a single authentication solution. It is expected that using a single authentication solution to access a range of government services will drive frequency of use, which will help build familiarity with the portal and drive take up.

The final element of user-centred service design at the enhancement stage may involve using technology to mask the complexity of the tax system, tax laws or administrative

processes, so taxpayers are not required to become experts in tax laws or to have an extensive knowledge of how the tax system operates to be able to fulfill their tax obligations. Technology advancements provide opportunities to hide this complexity from taxpayers and provide simplified, streamlined or guided experience to taxpayers to assist them successfully self-serve.

Box 4.6. Masking legislative and administrative complexity

Masking legislative complexity

Some observed practices of applying technology to mask complexity of tax laws include provision of decision support tools, such as tax calculators and self-assessment tools that effectively guide taxpayers through complex aspects of tax laws to help derive the correct tax treatment of planned transactions, assess eligibility for concessions or help determine appropriate status for tax purposes.

In Australia, the ATO offers a range of decision support tools to guide taxpayers through tax laws. Some of the tools available on the ATO website and mobile app include:

For individual taxpayers:

- Whether they need to lodge an income tax return
  1. www.ato.gov.au/Calculators-and-tools/Do-I-need-to-lodge-a-tax-return/
- Whether they are a resident for tax purposes
  2. www.ato.gov.au/Calculators-and-tools/Are-you-a-resident/

For business:

- Whether to treat workers as employees or contractors
  3. www.ato.gov.au/Calculators-and-tools/Employee-or-contractor/

These online decision support tools guide the taxpayer through a short series of simple questions about their situation, analyse responses and explain their status or tax position and suggests actions the taxpayer may need to take.

Masking administrative complexity

Masking administrative complexity means reducing the effort required of taxpayers to fulfill their tax obligations by streamlining the process of collating information, data entry, automating tax calculations or removing the need to complete tax calculations altogether. Masking administrative complexity may involve provision of prefilled tax returns with data from third parties, such as employers and financial institutions.

Many revenue bodies provide fully pre-filled personal income tax returns (for example Denmark, Singapore, Norway and Chile). In addition, countries such as Ireland and Sweden also pre-fill some information within corporate income tax returns.

4E Model – Stage 3 – End to end

In the third stage of service maturity (dynamic – integrated), taxpayers can comprehensively satisfy their tax obligations and self-serve in the online channel. Services they can access are tailored to their personal circumstances, integrated and arranged (or bundled) around taxpayers' natural life or business events. Driving self-service at this stage should focus on delivery of ***end to end*** online solutions that can significantly limit or eliminate the need to

interact with the revenue body altogether. Provision of end to end solutions also means that taxpayers can self-serve within a single session, without the need for "channel hopping" and seeking assistance outside the online environment.

The analysis of initiatives provided shows that in designing effective end to end self-services, revenue bodies need to focus upon who will use the services, in what context and with what aim. They need to have an understanding of the taxpayer's life events and interactions with government, so solutions they provide adapt to the taxpayer and reflect their needs. Since at this stage of service maturity, the range of available online solutions and self-service options is typically broad, rather than launching new services, revenue bodies need to identify existing relevant services and connect them into an integrated solution. Convenience in self-service is increasingly important in this context.

Box 4.7 demonstrates a sound understanding of the principles of good user-centred service design by the Danish Tax and Customs Administration ("SKAT") when working towards providing an effective end to end online preliminary assessment process for individual taxpayers and their employers.

Box 4.7. **Denmark – Online preliminary income assessment**

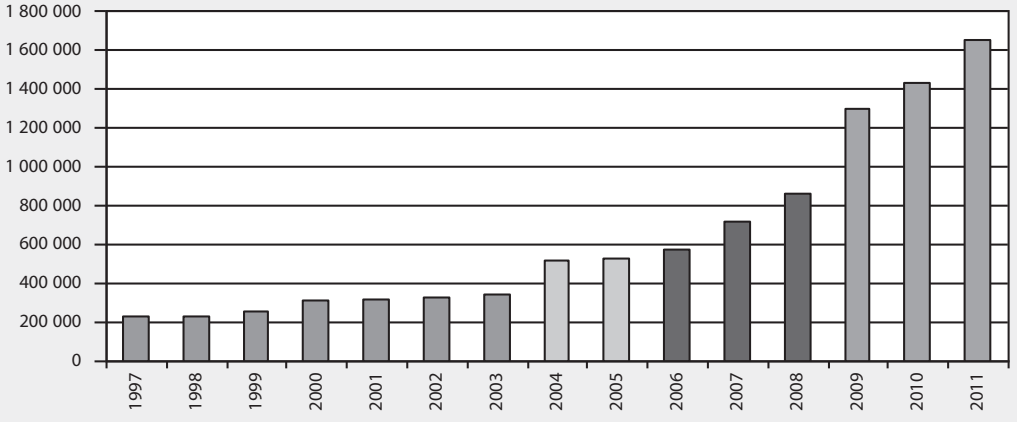
In Denmark, the administration of the individual income tax return involves two steps:

Step 1: Issuing a preliminary income tax assessment that forecasts the income and deductions for the following year and advising the employer about the amount of tax to withhold;

Step 2: Issuing the annual (final) assessment.

If the preliminary income tax assessment provided to individual taxpayers is incorrect, for example due to change of employment or personal circumstances, the taxpayer is required to advise the Danish Tax and Customs Administration (SKAT) of this change, so it is incorporated into tax calculations and the final assessment issued is correct. This system was first implemented in 1997 and initially, the information issued to employers was printed and provided on "tax cards". While the preliminary assessment was available online and individual taxpayers were able to make changes to it online, up until 2006 employers were still supplied with printed tax cards. In 2006, taxpayers were able to print their own tax cards and then in 2009 SKAT began to send relevant tax card information electronically to employers. As a result of having this end-to-end digital service, 2009 saw the biggest increase in users of the online preliminary assessment:

Take up of the online preliminary assessment



To further support this end to end integrated experience, online services, including self-serve options, need to be equipped by online support tools that enable on demand assistance to ensure that taxpayers "stay in the channel". The subject of online support tools and provision of on demand assistance is further explored in Section "Effective channel management" that focuses on effective channel management.

4E Model – Stage 4 – Embed

In the fourth and final stage of service maturity (seamless, invisible services), taxpayers are connected with the tax system through their natural ecosystems and digital capabilities. It is the taxpayers' ecosystems rather than taxpayers themselves that drive the service and fulfill tax obligations. As such, self-servicing happens seamlessly and by default as taxpayers complete their day-to-day activities.

In the seamless (invisible) self-service stage, rather than establishing, enhancing or integrating self-service channels, driving self-service involves ***embedding*** services in the natural systems, processes and activities of taxpayers, which can eliminate the need to interact with the revenue body altogether. The approach to service design in the final stage of service maturity, while primarily focused on the taxpayer, also needs to involve development of an in-depth understanding of the natural systems in which taxpayers function: the environment, processes, touchpoints, information and data flows, as well as other parties that taxpayers engage with in the course of their day-to-day activities. Development of a holistic understanding of the taxpayers' natural systems will allow revenue bodies to effectively leverage these systems and deliver seamless and invisible self-service to taxpayers.

This final stage of service maturity signals an emerging paradigm, in which services are eliminated and self-service becomes seamless, invisible and a by-product of day-to-day activities. Leveraging natural systems describes a "*disruptive" change* to service delivery that displaces the earlier, more traditional approach and may mark the emergence of a new, desired end state in service delivery, where the need for service is eliminated altogether. In this context, a "disruptive" change means a shift to an entirely new paradigm (rather than gradual evolution), which requires fundamental rethinking and re-designing of services and processes.

In relation to individual taxpayers, leveraging natural system means delivering a "no need for service" experience. Box 4.8 describes the No Filing Service offered to individual taxpayers in Singapore, which provides a good illustration of a "no need for service experience".

Box 4.8. **Singapore – No Filing Service**

The No Filing Service ("NFS") was introduced by the Inland Revenue Authority of Singapore ("IRAS") in 2007. Under the NFS, individual taxpayers do not need to file a tax return if they only have auto-included income and claim the same standard set of personal tax deductions each year. Eligible taxpayers receive information advising them they have been selected for inclusion in NFS and do not need to file a tax return unless they have additional income to declare or changes to their relief claims. Their tax assessments are sent directly to them.

IRAS started to engage with taxpayers on the NFS during the design phase to build awareness and acceptance of this new approach. To find out how receptive taxpayers were, IRAS sought feedback through various forums, including its Taxpayer Feedback Panel. A national publicity campaign was launched to create awareness and understanding of the NFS, including newspaper articles and mail campaigns to taxpayers. Taxpayers selected for NFS received information explaining the NFS. A dedicated helpline and email address were set up for NFS enquiries.

Box 4.8. **Singapore – No Filing Service** *(continued)*

The NFS began with a pilot group of 45 000 taxpayers in 2007 and by 2014 this number expanded to 1.26 million individual taxpayers – 64% of the total taxpayer population (more detailed statistics on the take up of the initiative are provided in Box C.1). The initiative proved to have a positive impact on public perception of IRAS, as well as levels of compliance, as the percentage of individual taxpayer returns filed on time, as reported by IRAS, rose from 89% in 2008 to 95% in 2014.

The above example is notable for the approach undertaken by IRAS to build awareness and acceptance of the initiative amongst impacted taxpayers. Whilst when appropriately executed, the service is seamless and invisible to taxpayers so that they meet their tax obligations by default, it does not mean that taxpayers should be unaware of the service and relevant processes that are happening in the background.

In relation to business taxpayers, leveraging natural systems means connecting to their own natural systems and processes to make meeting tax obligations a by-product of their day-to-day activities. The emergence of integrated e-commerce platforms, which in recent years has been observed across many OECD-member countries had led to the development of interconnected business systems that facilitate capturing data at source and enhance the seamless flow of data. This creates opportunities to leverage systems of business taxpayers enabling them to seamlessly satisfy their tax obligations as part of their day-to-day activities.

Box 4.9 describes the Electronic Invoicing System introduced in Chile, which provides a good illustration of how an e-commerce platform connected with natural systems of business taxpayers can be effectively leveraged. A few other revenue bodies have implemented systems similar to the Electronic Invoicing System in Chile. For example, businesses in Mexico are required to issue invoices electronically – as *Comprobante Fiscal Digital por Internet* "Digital Invoicing via Internet" (CFDI) files. When a CFDI file is generated in a system, it automatically records the time of generation. An e-invoicing service provider (approved by the Mexican government), then verifies that the file complies with established regulations and within 72 hours of generating the invoice, submits it to the buyer and the Mexican revenue body – SAT, where it is stored for checking against future tax returns. Businesses are required to report their revenue and costs to SAT every two months. While SAT notes that the main motivation behind this system is to address tax evasion, provided business taxpayers have the right technology, the system makes invoicing easier and reporting to SAT becomes a by-product of core business activities. In addition, e-invoicing is supported by "My Accounts", a free electronic tool to register income and expenses and issue electronic invoices, which is available on SAT's website. "My Accounts", which is designed to facilitate the shift of micro and small businesses into the regime, is also available as a mobile app.

These examples illustrate how e-commerce platforms can be used not only to drive effective leveraging of natural systems of businesses to reduce the effort required of them to fulfil tax obligations but also to increase levels of compliance.

To conclude the discussion about the user-centred design, Box 4.10 provides two examples of user-centred design methodologies adopted in Australia and the UK.

Box 4.9. **Chile – Electronic Invoicing System**

Launched as a pilot in 2002, the Electronic Invoicing System allows business taxpayers to issue and receive invoices and other tax documents, which are immediately available to the SII. The system is available to all business taxpayers, who can use the "SII electronic invoicing system" offered for free on the SII website, or use commercial software products or software developed by the taxpayers themselves.

The "SII electronic invoicing system" seeks to provide taxpayers with a basic application to issue tax documents, which is especially useful for micro, small and medium enterprises (around 90% of all business taxpayers). Business taxpayers that meet certain criteria and that issue electronic invoices using the SII platform, can also make use of an online simplified or complete accounting system available at the SII website.

The simplified accounting system is for businesses that choose to belong to a special simplified taxation category and have sales under USD 400 000 per annum. It enables businesses to:

- keep records of sales, purchases and other business expenses, such as salaries and wages;
- calculate taxable income;
- generate prefilled tax returns; and
- produce a standard financial report.

In addition, the complete accounting system enables small businesses to enter information related to their commercial transactions, which is further automatically captured in corresponding accounting journals. The software is equipped with a chart of accounts that facilitates generation of financial statements, such as trial balances, statements of earnings, as well as accounting reports that support calculations of net taxable income. The software automatically generates prefilled monthly and annual tax returns and other reports required by SII of small businesses with little effort or specialist knowledge required from the taxpayer.

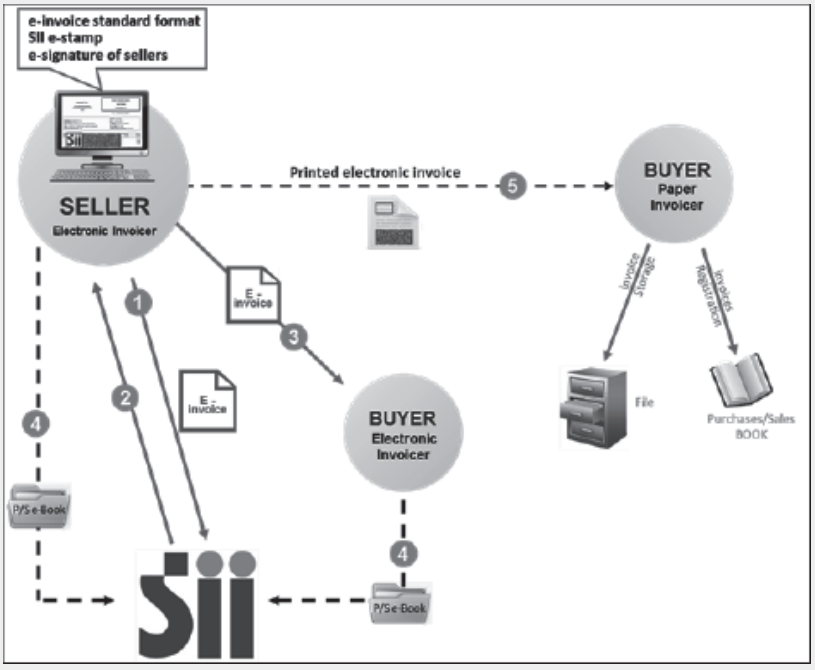
It has replaced the use of traditional sales documents (hard copies) and allows for real-time visibility of electronic invoices issued – to the supplier, purchaser and SII. In addition, for those using the SII's accounting systems, all entries are journalised on an ongoing basis with the tax treatment applied with no additional effort on behalf of the taxpayer.

In 2002 the pilot included eight businesses. By 2013, the Electronic Invoicing System was handling 247 million electronic tax documents issued by 80 000 enterprises (84% of all the electronic invoicer use the "SII electronic invoicing system", and the remaining 16% utilise commercial software or software developed by the taxpayers themselves), which accounted for 51% of all invoices issued in Chile.

In January 2014, the Chilean government approved legislation which mandated the use of Chile's Electronic Invoicing System by all businesses. A phased roll-out is underway, with all businesses scheduled to be using the system by 1 February 2017.

Box 4.9. **Chile – Electronic Invoicing System** *(continued)*

The diagram illustrates how the Electronic Invoicing System operates between B2B



1. Seller, electronic invoice, issues an electronic invoice.
2. Electronic invoice (xml format) is authorised online by the SII.
3. Buyer electronic invoice receives the electronic invoice in xml format.
4. Both seller and buyer send the Purchase and Sales e-book to the SII on a monthly basis.
5. If the buyer is not electronic invoice, the buyer receives the electronic invoice printed (in paper form), and after he has to register and store the document.

Source: Servicio de Impuestos Internos (the Chilean Revenue Authority).

Box 4.10. **User-centred design methodology (Australia and UK)**

Australia

The user-centred design methodology adopted in the ATO aims to guide the design and delivery of innovations and is underpinned by the following six design principles:

- Build a shared understanding of approach
- Take a user-centred approach
- Making the emerging design visible early
- Work collaboratively in interdisciplinary teams
- Follow a disciplined yet flexible approach
- Create a coherent blueprint for change.

Box 4.10. **User-centred design methodology (Australia and UK)** *(continued)*

The user-centred design process follows five stages captured in the "Design Wheel":

ATO Design Wheel

Source: Australian Taxation Office.

Stages:

1. Formulate intent: capturing the desired intent of the change.
2. Create high level design: creating a document that outlines the high-level design of the change from the outside-in and end to end perspectives.
3. Design products: designing and prototyping products described in the blueprint, including user testing.
4. Build products: developing prototypes into "real world" products, product testing and end to end system testing.
5. Implement change: handing over the developed products to owners (internal) and users (external), evaluation, feedback and further improvement.
6. The design process is often non-linear and the stages may overlap.

United Kingdom

The UK Government Service Design Manual describes the digital service design process, which aims to "*build services so good that people prefer to use them*". The process includes the following stages:

1. Discovery: undertaking research to understand user needs, establishing measurements of success and exploring constraints.
2. Alpha: prototyping, testing with small groups of users or stakeholders with a view to obtaining early feedback about the design of the service.
3. Beta: development for a live environment, understanding how to scale the product in a way that will meet user needs. The stage may involve releasing of a version to test in public.
4. Live: launch of service with iterative improvements as new needs arise.

Retirement: Retiring of digital service, similar level of diligence to apply, as in developing the service.

Opportunities to drive self-service created by the whole-of-government agenda

As observed in Chapter 3, while unquestionably challenging, whole-of-government agendas create unprecedented opportunities to digitise services and push citizens into more cost effective digital channels, drive better integration of service delivery arrangements and increase citizen participation and levels of interaction with government.

Boxes 4.11 and 4.12 describe initiatives, in which revenue bodies successfully harnessed opportunities created by the whole-of-government agendas and drove better integration of services, streamlined processes and better opportunities to engage with government.

Box 4.11. **New Zealand – Registration of tax numbers at birth**

As part of the New Zealand Government's drive for better public services, the Department of Internal Affairs and IR collaborated and delivered a service, where parents can apply and receive an IRD number for their newborn child in a single process when completing the Birth Registration Form. As a result, the parents are immediately able to apply for Working for Families Tax credits, KiwiSaver (a retirement savings initiative) or open a bank account for the child. This streamlined approach is in contrast to the previous process which involved the purchase of a birth certificate (which was required to obtain an IRD number) and completing multiple forms.

This initiative has seen an increase from approximately 50% of parents applying to IRD for their child within the first 12 months, to 94% of parents of newborns using Birth Registration Form.

Box 4.12. **United Kingdom – Single website for government: GOV.UK**

Driven by the whole-of-government agenda, in 2012 the UK government launched a single website for government – GOV.UK, which provides citizens with straightforward and convenient access to a single source of information across government. The website includes all ministerial departments and 331 other agencies and public bodies in the UK, including HMRC.

In developing the website, three distinct categories of needs that users usually have from government were identified: mainstream, democratic and specialist. Phase one (mainstream) went live in October 2012, and included the most commonly needed government services and information. Phrase two (democratic), currently underway, saw the transition of ministerial departments in April 2013 and by the end of July 2014, the site will become the home of services and information for the majority of central agencies and arms-length bodies who will meet specialist user needs (specialist).

GOV.UK is designed to house vast quantities of information in a way which makes it simple to find, access and understand. To achieve this end, the site underwent significant user-testing, including the public launch of a beta version inviting feedback. The site currently receives around 50 million visits per month and is observing a steady upward trend. It ranks within the top 40 sites most visited in the UK.

The New Zealand example shows how cross government agency collaboration, co-design and usability testing can lead to delivering a solution that significantly reduces the regulatory burden of taxpayers, provides a positive experience and drives willing engagement with government. The example also illustrates an effective way to drive take up of self-service using the "pull" approach that combines multiple government requirements: by allowing

its citizens to request tax numbers for new born children at the registration of the birth, IR has seen a dramatic fall in the volume of requests for IRD numbers, as taxpayers are able to receive the tax number for their child without the need to undertake a separate process. Different approaches to drive implementation and take up of self-service channels are explored in greater detail in the next section.

The UK example illustrates one of the key trends recently observed in public service delivery across many OECD-member countries, which involve sharing components and infrastructure and delivery of core elements of whole-of-government infrastructure: single sources of government information (such as GOV.UK), single portals, one set of log on credentials to access a range of government services online and a single digital mailbox for government communications.

The above are core elements (or key building blocks) of the whole-of-government digital citizen experience that provide improved opportunities for better integration of services, streamlined processes, consistency in experience and increased interactions with the government. The last two elements are of key importance in driving effective self-service amongst taxpayers, as they can lead to increased frequency of interactions with government, which, in turn, can improve familiarity with the whole-of-government online service offer. This improved familiarity can help overcome convoluted authentication processes (such as complex combinations of user names, passwords and shared secrets) that can inhibit the take up of self-service, particularly when it is not frequently used.

This brief discussion about the whole-of-government service delivery agenda and what it means for revenue bodies highlights some of the emerging trends and opportunities, which revenue bodies should consider in their endeavours to drive effective self-service. It also should be acknowledged that pursuing whole-of-government opportunities may require revenue bodies to change their criteria for evaluation of investment approaches and adopt a new approach to collaboration – on a much broader, cross- or whole-of-government level. The subject of whole-of-government service delivery and its implications on revenue bodies is significantly broader and may merit a separate study.

The key lessons from Section "User-centred service design", which explored how user-centred service design can contribute to driving effective self-service, include:

- It is essential to involve the taxpayer in the design process. It should go beyond communication and involve active iterative co-creation, usability best practices and collaboration that will ensure that the needs, expectations and preferences of the taxpayer are given the right priority;
- The approach described in the 4E model offers a possible but not the only way to drive self-service. Should the 4E model be adopted, as revenue bodies move through different stages of service maturity, their focus on user-centred design should evolve too. It is therefore important that revenue bodies are able to correctly assess their stage of self-service maturity in relation to the specific services under consideration;
- In the first stage of self-service (static, information) revenue bodies should consider establishing an online equivalent of existing information services available through traditional offline service channels or an entire new online service offer;[4]
- To reach the second stage (obligation-based self-service) the focus needs to shift to enhancing the available online information services, for example by creating surplus value, removing "pain points", masking complexity of tax laws and making

services more interactive, so taxpayers not only find them attractive but also have more opportunities to self-serve;

- In the third stage (integrated, personalised self-service) revenue bodies should consider focusing on integrating and connecting existing online services into an end-to-end, holistic process, so taxpayers can comprehensively satisfy all of their tax obligations with a limited need to interact with the revenue body; and
- In the final (seamless, invisible service) stage, instead of building services, revenue bodies should consider embedding services in the natural (existing) systems, processes and activities of taxpayers, so services become a by-product of day-to-day activities and the demand for service is eliminated altogether.

Section "Monitoring and understanding service demand" explained the importance of monitoring and understanding service demand, which should inform selection of services for self-service. Section "User-centred service design" then discussed principles and stages of effective user-centred service design and explained the opportunities to drive self-service at every stage of service maturity. Over the next pages, using examples of initiatives, Section "Purposeful implementation and driving the take up of self-service channels" will discuss how self-service solutions can be implemented to ensure effective take up.

Purposeful implementation and driving the take up of self-service channels

The analysis of initiatives identified two key approaches to implementing self-service options and driving successful take up:

- Mandating the use of self-service (push); or
- Creating surplus value or offering incentives that make the self-service option more attractive to use (pull).

Both approaches can be effectively applied and will generate positive results in increasing the use of self-service channels. The choice between these two methods should be driven by the political, economic and fiscal environment in which revenue bodies operate, their service delivery priorities and underlying philosophy about how they want to deliver future services outlined in their strategy documents and/or prescribed by the whole-of-government agenda.

Box 4.13 shows that implementation of law and policy changes and mandating the use of self-service channels requires a good understanding of the operating environments of taxpayers and the revenue body, comprehensive design and implementation of an end to end infrastructure, processes and support mechanisms that will facilitate compliance. Furthermore, since mandating involves imposition of penalties and consequences for those who do not comply, it is important that the system that is put in place caters for a variety of needs of taxpayers to enable them to meet their tax obligations without imposing unnecessary burden.

Box 4.13 provides a good example where a new initiative (in this case a new tax) was implemented with a "digital only" approach to design in relation to taxpayers who own more than one property. The "digital only" approach may be considered for initiatives targeting taxpayers who already are heavy users of digital services.

Apart from driving policy and legislative change to mandate the use of self-service channels, changes to policies and laws may be required to eliminate constraints or barriers for provision of self-service and create an environment that will enable and support the shift

and effective use of self-service. The analysis of initiatives identified several examples where revenue bodies pursued legislative changes to facilitate effective self-service by taxpayers. For example SKAT (Denmark), in making their online preliminary income assessment a digital end to end service, legislated changes to the process of notifying the employer about the amount of tax to withhold. While formerly employees were required to bring their tax cards to the employer, the law change instigated by SKAT allowed the revenue body to provide this information directly to the employer (see Box 4.6 for more detail).

Box 4.13. **Ireland – mandating e-filing for Local Property Tax**

In July 2012 the government in Ireland passed new legislation introducing a Local Property Tax ("LPT") – an annual self-assessed tax charged on the market value of all residential properties. Revenue – Irish Tax and Customs were assigned the role of administering the LPT. Implementation of the LPT meant the largest ever extension to the self-assessment system in Ireland and required the development of a comprehensive support structure for an audience unfamiliar with self-assessment. This included a residential property register, valuation guide and model, integration of information systems, staffing and administration and, finally, an online system for filing returns and payment of tax. While all property owners were encouraged to file online, mandatory e-filing was implemented for multiple property owners.

The tax went live in March 2013. The design and administration of the new tax was guided by the principle "easy to comply – difficult to avoid". To make it easy to comply, Revenue opened an LPT phone helpline, phone assisted filing (including online), offered a wide range of payment options and extended deadlines to file online. In addition, Revenue implemented communication and public relation strategies, provided regular press releases and proactively engaged with a range of stakeholders and representative bodies, such as taxpayers, third party providers, financial institutions, payroll software specialists and government departments. To ensure high levels of compliance, Revenue imposed mandatory deductions from wages or occupational pensions, offsetting of refunds against LPT debt, charges on property and referral of debt to the Sheriff. Failure to file a return and/or pay the tax led to imposition of surcharges, interest, penalties and inability to obtain tax clearance. By February 2014, Revenue reported 91% compliance with the new tax and 77% e-filing – an outstanding rate for its first year of operation.

Creating opportunities to self-serve through policy and legislative change is of even greater importance when considered at the whole-of-government level. Chapter 3 already identified the shift from traditional offline to digital (online) service channels currently pursued by most of the revenue bodies ("digital by default" approach) and driven by the whole-of-government agendas. As experienced by many governments (the UK, New Zealand, Australia), the first step towards digitisation of government services often involves a comprehensive review of the existing policy and legislative environment to remove barriers and constraints which may prevent digital interactions. It is therefore important that revenue bodies that consider a whole-of-government shift from traditional to digital service channels consider the broader policy and legislative environment when pursuing the goals of increased use of digital self-service.

The second method (pull, through provision of surplus value or incentives), while not involving law and policy changes, requires a good understanding of taxpayer behaviour and preferences. This needs to be reflected in the effective user-centred service design (see Section "User-centred service design") to create a service experience compelling enough that taxpayers will want to use it. Taxpayers value their time and expect a convenient,

easy to use and tailored to their circumstances service that fits in with their day-to-day activities. Yet, these factors, while necessary to ensure the use of self-service, may not be sufficient to drive take up.

Encouraging taxpayers to try something new requires a change in their behaviour. To do so, taxpayers need a "nudge"[5] that will convince them to make that change. This "nudge" can take the form of surplus value or incentives. Surplus value may mean additional features or benefits that taxpayer derives as a result of taking up and using self-service channels. Examples may include: real-time confirmation that tax returns have been received by the revenue body for taxpayers filing returns via online portals (Canada, Australia), instant access to electronic copies of notices for those using a digital mailbox (Mexico) and prefilling of business tax returns for those filing online. As in the case of managing service demand and supporting user-centred service design, data analytics can play an important role in informing appropriate nudging techniques.

The other way to drive voluntary take up of self-service channels involves provision of incentives – both financial and non-financial. Financial incentives may involve rebates, lump sum payments or payments made to taxpayers over a period of time (Ireland: online filing of PAYE returns in 2004). Financial incentives, although effective in "nudging" taxpayers, appear not to be overly popular amongst revenue bodies. The analysis of initiatives shows that revenue bodies tend to lean towards offering non-financial incentives, such as free software, premium level service or extensions of time to file.

Box 4.14. **Driving take up of self-service using "pull" approach: Concessional filing dates for online filing**

United Kingdom

In driving the take up of their online income tax return filing system, HRMC incentivised taxpayers to self-serve by offering those willing to do so (i.e. file online), an additional three months to file their income tax returns. Whilst the rate cannot be interpreted as entirely relating to the extension of filing deadlines, approximately 83% of taxpayers in the UK are now self-serving via the online channel. In addition, HMRC also observed an increase in complying with filing dates.

Switzerland

In a similar fashion, in 2012 The Swiss Federal Tax Administration ("SFTA") offered extension of filing deadlines for online submission of VAT returns ("MOE II: MWST-Online-Einreichung II"). Prior to implementing this extension of time, the SFTA conducted a pilot with 200 business taxpayers and broadly consulted with various Swiss industry bodies and associations. To further encourage the take up of online channel, the SFTA offered shorter turnaround times for receiving refunds and addressing enquiries regarding filed VAT returns (surplus value).

The Swiss example highlights the importance of consultation and co-design with relevant stakeholders in driving voluntary take up of self-service. Tax intermediaries can play a key role in "nudging" taxpayers by promoting new self-service solutions, as quicker and easier, and encouraging take up through benefits such as allowing additional time to pay. If these solutions offer benefits to tax intermediaries, for example, better quality data or improved visibility of tax affairs of their clients, tax intermediaries can prove to be effective leverage points and powerful allies in driving voluntary take up of self-service solutions.

The growing dependence on technology, internet and digital devices also means that software developers continue to play an increasingly important role in creating and delivering surplus value to their clients through their products. This surplus value can be delivered through seamless interactions with the revenue body driven directly from their software, better integration with business natural processes and provision of additional features (such as calendars, reminders and calculators) that make their product more attractive to the user. Revenue bodies that intend to adopt the "pull" approach should be particularly aware of the role software developers can play in facilitating voluntary take up of self-service solutions and partner with them to ensure delivery of a solution that offers an enhanced self-service experience.

The above discussion shows that driving voluntary take up of self-service may require involvement of multiple users who together create a "participant value chain". The participants in the value chain may include software developers responsible for implementing the new solution, tax intermediaries who are likely to be not only the users but also promoters of the new self-service solution and, finally, the end users of the self-service: individual or business taxpayers.

Where participant value chains are involved, in order to drive successful take up, revenue bodies need to be able to create a value proposition for each of the participants in the value chain. This value proposition cascades down the value chain and may be different for each participant, based on what is most important to them. Revenue bodies may need to develop multiple value proposition statements and communicate them separately in proposals targeting each participant.

The final point to be made in relation to driving purposeful implementation and take up of self-service channels refers to the need of raising the awareness of the new self-service channel among its potential users. The intended taxpayers, whether individual, business or tax intermediaries need to know that the new self-service solution is available for them to use. Raising awareness is of equal relevance to the "push" and "pull" approaches and needs to be properly timed, tailored and designed to reach the intended audience. Revenue bodies may consider a broad range of communication and promotion activities and tools, from broadcasting, news feeds, video announcements and publishing multimedia information on the official website, through utilising social media networks and blogs to targeted communication, such as segment-specific electronic newsletters and electronic mail outs. Recent years show an increasing number of revenue bodies using video channels (predominantly YouTube and Vimeo) to promote their new services (Canada, New Zealand, UK, France, Sweden). Videos, apart from providing an effective way to promote a new service, are suitable for inclusion of instructional material that can assist taxpayers in learning how to use the new service and become self-sufficient.

The key conclusions to be drawn from Section "Purposeful implementation and driving the take up of self-service channels", which discussed the approaches to implementing and driving the take up of self-service, are as follows:

- Revenue bodies can adopt either "push" (mandate) or "pull" (drive voluntary take up through provision of surplus value and incentives) approaches to drive an increase in the use of self-service channels. Both approaches can be equally effective and lead to the desired result;
- However, in deciding which approach to adopt, revenue bodies need to be aware of the political, economic and fiscal environment in which they operate and consider their service delivery priorities and philosophy about how they want to deliver public value;

- Building awareness of this broader environment is of particular importance to revenue bodies that pursue the "digital by default" whole-of-government agendas. Their first step towards shifting from traditional offline to online service channels may require conducting a comprehensive review of the existing policy and legislative environment to identify and remove barriers imposed by legislation not designed to support digital interactions;
- Mandating the use of self-service channels can deliver results faster and lessen the importance of creating a compelling service experience. However, it requires a comprehensive understanding of the environment in which taxpayers and the revenue body operate and development of an end to end system that facilitates compliance without imposing unnecessary burdens on taxpayers. Mandating is hardly ever a popular decision, which may put the revenue body in the political, media and public spotlight. Combined with poor self-service design, it may result in increased aggregate service demand and create reputational challenges for the revenue body;
- In driving the use of self-service through encouraging voluntary take up, effective user-centred service design and "nudging" taxpayers through effective marketing strategies is of key importance. "Nudging" can be performed either through delivery of surplus value or offering incentives that will encourage behavioural change;
- To effectively drive voluntary take up of self-service channels, revenue bodies need to consider the entire value chain involved in developing a new self-service solution; and
- Fundamental to driving effective take up of self-service channels is raising the awareness of the new self-service channels among its potential users. Prior to launching new self-service solutions, revenue bodies may adopt a range of promotion and education strategies and tactics which, when properly timed, tailored and designed to reach the intended audience, can significantly increase the take up of the new self-service.

Effective channel management

Having discussed the approaches to driving purposeful implementation and take up of self-service channels, the final section of Chapter 4 explores effective channel management, which is the last of the four identified elements that revenue bodies need to work across to achieve a sustained increase in self-service.

It is important to understand that despite the general trend towards digitising services and adopting "digital by default" approaches, taxpayers will choose the channel that best satisfies their needs in a particular circumstance. Migration to preferred self-service digital channels therefore needs to be adequately communicated, promoted and supported. As already highlighted in the previous section, firstly, taxpayers need to be made aware that self-service digital channels are available for them to use. Taxpayers then need to be given appropriate, timely and tailored assistance to enable them to make the shift and learn to operate in the self-service environment. Revenue bodies may consider leveraging tax intermediaries and third party providers who can have an important role in directing taxpayers to preferred channels. Once migrated to the preferred self-service channels, revenue bodies need to provide sufficient support to ensure taxpayers can effectively self-serve and therefore stay in the preferred channel.

The analysis of initiatives identified several tactics that revenue bodies can use to direct taxpayers to the preferred digital self-service channels and ensure sustainable channel migration. Some of the identified tactics include:

- Offering positive (or negative) stimulus, such as shorter turnaround times for resolution of enquiries in online channels, greater certainty about the status of tax affairs when self-serving or, in terms of creating a negative stimulus, introduction of appointment systems to discourage from face to face interactions and closure of walk-in centres; and
- Provision of a "technology assistant" to increase taxpayers' awareness, acceptance and use of online self-service channels. This may involve staffing walk-in centres with concierges whose job it is to use self-service kiosks or portable smart devices to demonstrate online functionalities offered by the revenue body and help visiting taxpayers self-serve.

Box 4.15 provides a practical example of how the French revenue body engaged "technology assistants" to educate and direct taxpayers to self-service channels.

Box 4.15. **France – Promoting digital self-service in walk-in centres**

The French revenue body, Direction Générale des Finances Publiques ("DGFiP") is currently transforming their organisation to adopt a digital first approach. This approach is supported by a channel strategy with the objective of delivering *the right services via the right channels* (instead of all services in all channels) and represents a significant shift from the previous focus on optimising services available at the DGFiP walk-in centres.

In 2013 there were 1 500 DGFiP walk-in centres in France, receiving around 17 million visits per year. DGFiP identified the most heavily visited walk-in centres and used them as leverage points to migrate taxpayers to digital self-service. DGFiP equipped the selected walk-in centres with computer stations that are available for taxpayers to use and supported by staff who provide on-hand assistance. In addition, in walk-in centres that provide services to individual taxpayers only, DGFiP engaged dedicated "technology assistants" responsible for:

- Raising awareness among visiting taxpayers of the range of online services offered by DGFiP
- Promoting the use of self-service
- Demonstrating (in a face to face context) how these self-services can be used.

The "technology assistant" role involves moving along waiting queues and using tablet devices demonstrating to visiting taxpayers how to use "return" and "pay" applications. DGFiP observed a steadily rising number of taxpayers asking to use available computer workstations with self-service tools.

A similar approach has being adopted by IR in New Zealand that is remodelling their 18 walk-in centres, so their layouts facilitate self-service and use of online services. All self-service stations, which enable access to government and IR websites, are located at the front of the centre and staff, trained in provision of technology support, are based at the back. Visiting taxpayers are assisted to use their online accounts (including registration) and encouraged to self-serve. They are further supported by a wallet card listing services available online. Finally, visiting taxpayers who have smart devices can self-serve using

their IR mobile app and IR is currently trialling Wi-Fi. To date IR reported a 40% take up of online services at their site and received positive feedback from visiting taxpayers.

The final tactic that revenue bodies may consider when directing taxpayers to preferred digital self-service channels includes setting positive defaults. The concept comes from the field of behavioural economics (Camerer, 2002) and is based on premises that customers (or, in the context of tax systems, taxpayers) are more likely to engage in desired behaviour when they must "opt out" of a particular course of action rather than when they have to "opt in" (Yu and Fleming, 2013a). For example, automatically setting up the online channel as a preferred default method for interactions with the revenue body when taxpayers register or modify their tax accounts can effectively encourage them to try and embrace the online channel. It should be noted though that this approach will only work if it is complemented with targeted education and tailored support and assistance.

The analysis of initiatives identified that since 2011 the TCAN (Netherlands) has been applying the principles of behavioural economics to drive compliant behaviour[6] and more recently started using this approach to influence channel choices of their taxpayers and steer them towards self-service. This approach is based on the premise that positive attitude towards self-service may not necessarily drive a sustainable level of use and situational (behavioural) influences are important and may greatly support the move to self-service options.

Deloitte (Deloitte, 2013, p. 12) observes that it is not uncommon that organisations that invest heavily in digital service solutions typically experience initial high first-registration volumes, however as the time passes, their customers stop using the digital channels and switch back to traditional channels or stop interacting with them altogether. This observation also holds true to revenue bodies, whose taxpayers, while required by legislation to satisfy their tax obligations (therefore interact with revenue bodies), if not appropriately supported when using digital self-service channels, will revert to traditional, more costly channels such as phone or paper. Providing taxpayers with in-channel help is therefore essential to retain taxpayers in digital self-service channels. This in-channel help should include simple and intuitive online support options that will allow taxpayers to find answers to their enquiries within the channel they are using or move seamlessly between channels without disrupting their activities. Examples of online support tools include virtual assistants, click to call or click to chat (or live chat) options.

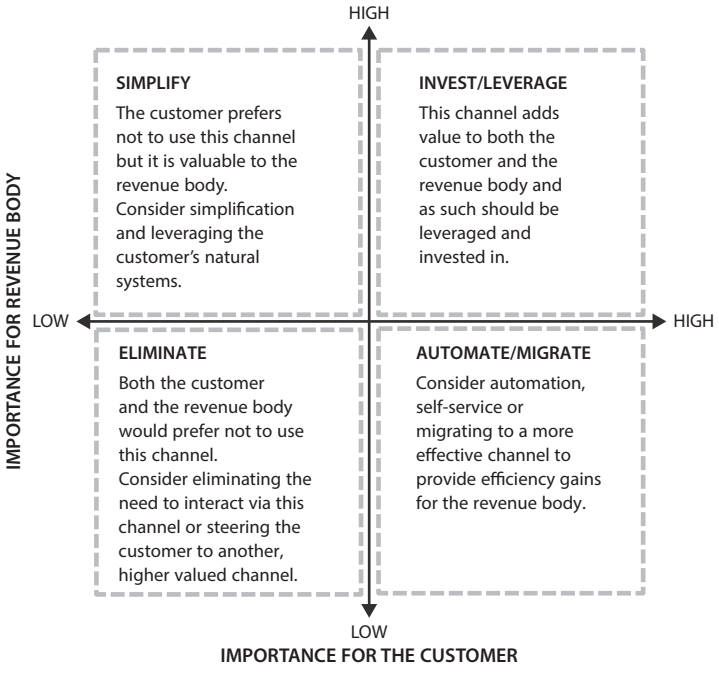
While relatively few revenue bodies reported to be making inroads into online support tools, the benefits they can offer are substantial and worth highlighting. They have the ability to provide taxpayers with immediate access to help and offer convenient answers that taxpayers want. Virtual assistants, supported with online knowledge base enable taxpayers to find information they need immediately, without having to switch channels or wait for a response from support staff. Click to call options remove the trouble of having to dial numbers and navigate through a maze of numeric options. While they involve transition of the taxpayer from digital to live customer engagement environment, this transition is faster, seamless and as such can mitigate self-service abandonment and the risk of taxpayers switching back to traditional channels. Finally, click to chat options offer similar benefits and in addition, as observed in the existing body of commercial research (Forrester, 2013b; Deloitte, 2013), they can greatly reduce operational costs associated with provision of customer support.

The above online support tools also allow for personalising the level of help provided to taxpayers, so those less digital-savvy can receive more detailed or one-on-one assistance (via click to call or click to chat options) and more regular users of self-service options who look to resolve a particular issue can help themselves (using virtual assistant).

While retaining taxpayers in the preferred online channels is the key and final element of driving effective self-service, focusing on online channels without considering the role of other, traditional channels may not generate optimal results. Effective channel management should not be limited to managing channels in silos but consider them as a broader channel mix, in which the shift to channels perceived as of high value and importance to taxpayers and revenue bodies is supported with closure and elimination of channels perceived to be of low value and importance.

Figure 4.3 proposes a channel value matrix that suggests different strategies to managing channels depending on their perceived importance both to the revenue body and taxpayers.

Figure 4.3. **Channel value matrix**



Notes

1. The framework can be found on: http://www.keepeek.com/Digital-Asset-Management/oecd/taxation/managing-service-demand_9789264200821-en#page.
2. The term "user" incorporates all taxpayers (ie. individuals, business and tax intermediaries) who are expected to use the self-service solution.
3. The lack of assistance by a CSR may be mitigated to some extent by virtual assistants and other online support tools.
4. It should be acknowledged that most revenue bodies are beyond this stage of self-service maturity.
5. The Glossary of Terms provides definitions of a "nudge" and "nudging".
6. The TCAN has been applying Robert Cialdini's six principles of influence that include: reciprocity, commitment and consistency, social proof, liking, authority and scarcity (TCAN 2013).

Bibliography

Camerer, C. F. (2002), *Behavioural Economics: Past, Present, Future*, Caltech Pasadena, available at: www.usapr.org/papers/paper.aspx?PaperID=30.

Deloitte (2013), *Customer service in the digital age: Responding to digital disruption and rising customer expectations,* available at: www.deloitte.com/assets/Dcom-UnitedKingdom/Local%20Assets/Images/Services/Consulting/uk-con-customer-service-in-the-digital-age.pdf.

Forrester (2013a), *Service Design: The Most Important Design Discipline You've Never Heard Of*, Forrester Blog, available at: http://blogs.forrester.com/kerry_bodine/13-10-01-service_design_the_most_important_design_discipline_youve_never_heard_of,.

Forrester (2013b) *Understanding Communication Channel Needs to Craft Your Customer Service Strategy*, available at: www.vocalcom.com/images/Resources/files/Understand_Communication_.pdf.

Forrester (2013c), *Why Should You Co-Create Your Customer Experience?,* Forrester Blog. Available at: http://blogs.forrester.com/kerry_bodine/13-02-01-why_should_you_co_create_your_customer_experience.

Forrester (2012a), *Design: Because Great Customer Experiences Don't Happen By Accident*, Forrester Blog, available at: http://blogs.forrester.com/kerry_bodine/12-07-30-design_because_great_customer_experiences_dont_happen_by_accident.

Forrester (2012b), *Harnessing the Mobile Revolution – End to End*, Forrester Blog, available at: http://blogs.forrester.com/patti_freeman_evans/12-07-23-harnessing_the_mobile_revolution_end_to_end.

Gartner Inc. (2013), *Gartner Identifies the Top 10 Strategic Technology Trends for 2014*, Press release, available at: www.gartner.com/newsroom/id/2603623.

NICE Systems (2011), *When Self-Service via the Web Fails, Majority of Customers Call the Contact Center, Which Must Evolve to Handle More Complex Demand*, NICE Global Consumer Survey Reveals, available at: www.nice.com/when-self-service-web-fails-majority-customers-call-contact-center-which-must-evolve-handle-more-com.

Netherlands Tax and Customs Administration (2013)*, Integration, Innovation and Digitalisation as Tool to Compliance*, IOTA Workshop Skopje, October 2013.

OECD (2013a), *Managing Service Demand: A Practical Guide to Help Revenue Bodies Better Meet Taxpayers' Service Expectations*, OECD Publishing, available at: http://dx.doi.org/10.1787/9789264200821-en.

OECD (2013b), *Tax Administration 2013: Comparative Information on OECD and Other Advanced and Emerging Economies*, OECD Publishing, available at: http://dx.doi.org/10.1787/9789264200814-en.

OECD (2012), *Working Smarter in Revenue Administration – Using demand management strategies to meet service delivery goals*, OECD, Paris, available at: www.oecd.org/site/ctpfta/49428187.pdf.

Yu, D. and J.H. Fleming (2013a), *Banks: Get your customer to go Digital*, Gallup Business Journal, available at: www.gallup.com/businessjournal/162383/banks-customers-digital.aspx.

Yu, D. and J.H. Fleming (2013b), *How Customers Interact with their Banks*, Gallup Business Journal, available at: www.gallup.com/businessjournal/162107/customers-interact-banks.aspx.

Chapter 5

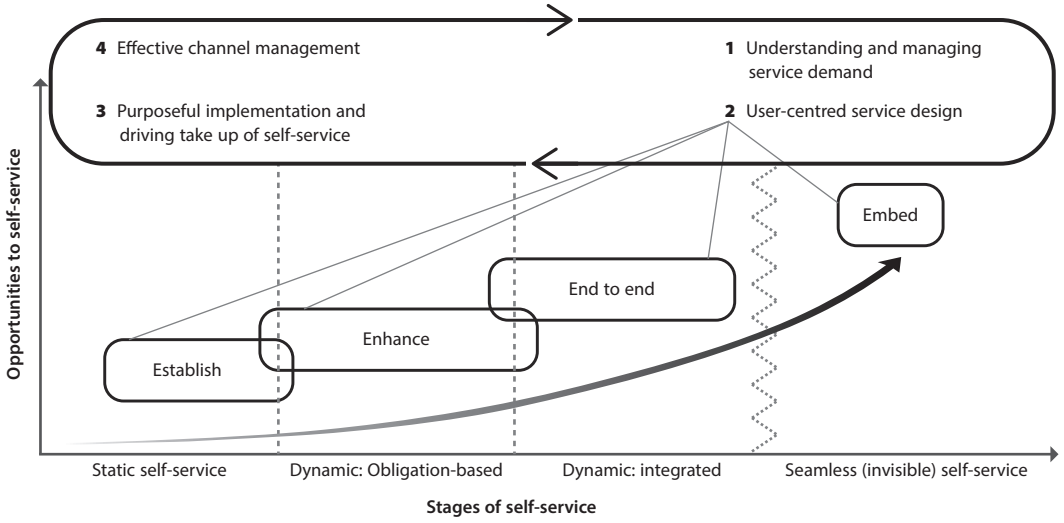
Conclusions and recommendations

The framework for the evolution of self-service was introduced in Chapter 2 and it has been used throughout the report to position key findings and case studies relative to the stages in self-service and the corresponding service experience. In this chapter, the framework has been updated to bring together the key findings discussed in Chapter 4 and, in particular, position the 4E model in the context of the stages of self-service.

Bringing it together

The four elements – monitoring and understanding service demand, user-centred service design, purposeful implementation and driving take up of self-service and effective channel management – are relevant to all stages in self-service. There is no single solution when it comes to increasing the use of self-service channels and revenue bodies need to work across all elements to achieve a sustained change, irrespective of the maturity of their self-service channels. What is specifically relevant to the stages in self-service, is the intent and focus of user-centred design. As discussed in Chapter 4, the 4E model connects the stage in self-service and the desired self-service experience with the relevant user-centred design considerations. This is reflected in Figure 5.1.

Figure 5.1. **Revised framework for evolution of digital self-service (June 2014)**



Updating the framework for the evolution of digital self-service to reflect the key findings from the analysis of initiatives to increase the taxpayers' use of self-service channels brings this study to conclusion. As the analysis of the initiatives showed, there is no simple or single solution that could be universally applied by revenue bodies to ensure successful take up and sustained use of self-service channels. Revenue bodies need to be aware of factors characterising both their external and internal environments and be able to leverage these factors appropriately.

Externally, revenue bodies need to consider the notion of pursuing greater co-ordination in service delivery across government portfolios to achieve a whole-of-government approach to the design and delivery of services for citizens. This whole-of-government approach, together with the "digital by default" mindset may have significant implications on revenue bodies in terms of their ability to make independent investment decisions, design their services and collaboration with other government agencies and third parties. However, it can provide unprecedented opportunities to drive taxpayers towards self-service thus reducing the cost of operating the tax administration system.

As revenue bodies embrace the whole-of-government and "digital by default" trends, collaboration with third parties, such as tax intermediaries and software developers, becomes increasingly important. In countries where tax intermediaries play a significant

role in supporting taxpayers participation in the tax system, revenue bodies need to ensure they effectively use them as leverage points to drive the use of self-service channels amongst their clients. At the same time, revenue bodies need to be aware of the potential impact that the increased self-service may have on the demand for services provided by tax intermediaries and deploy appropriate strategies for tax intermediaries to ensure they remain engaged in the tax system.

The final external factor that revenue bodies need to consider involves software developers. The advancements in digital technology and "digital disruption" of the traditional service models requires revenue bodies to fundamentally rethink how they engage with software developers. The increasingly sophisticated software solutions and proliferation of smart devices provide greater opportunities to integrate tax into natural activities of taxpayers. Revenue bodies may consider forming partnerships with software developers to work towards developing digital solutions that incorporate tax into the natural environment (or natural systems) of taxpayers.

Internally, as already indicated above, to drive effective self-service revenue bodies need to effectively work across the following four elements: *1)* they need to develop effective service demand monitoring techniques to ensure they understand why taxpayers interact with them; *2)* revenue bodies need to understand how taxpayers want to interact with them and need to apply the user-centred approach to service design; *3)* revenue bodies further need to be purposeful in deciding how to implement and drive take up of new self-service solutions that can effectively address service demand, and; *4)* having implemented self-service solutions, revenue bodies need to consistently drive taxpayers towards them. The above elements are of equal relevance to revenue bodies, irrespective of the maturity of their self-service channels.

Potential new areas of study

In the course of this study a number of issues relevant to the subject of service delivery in tax administration have been identified. Some of these, while outside the scope of this study, may have significant implications for revenue bodies' future service delivery models and may therefore warrant further study. These are:

- What the whole-of-government notion means for revenue bodies' individual endeavours to shape their service delivery models and drive effective digital self-service: individual revenue body vs whole-of-government approaches;
- How digitisation of services and whole-of-government approaches to service delivery impact the traditional relationships between revenue bodies and tax intermediaries, the opportunities to use tax intermediaries as leverage points to drive voluntary take up of self-service solutions among taxpayers, and the impact of increased self-service on taxpayers' demand for services provided by tax intermediaries;
- The use of data analytics to develop insights into taxpayers, their behaviour and preferences to respond to service demand, inform user-centred service design, drive take up of self-service solutions and influence channel choices; and finally
- The implications of emerging technologies, new players in the market and greater integration of software solutions and services for the broader design of the tax system.[1]

Recommendations

Drawing on the conclusions set out in the report, the following recommendations aim to assist revenue bodies deliver the objectives set out in this study:

- Identify and target opportunities to offer self-services (using effective monitoring and data analytics that support understanding of service demand – element 1).
- Take a user-centred design approach in creating new services or shifting existing services to digital channels (element 2).
- Promote take up (element 3) either by mandating or offering incentives and leveraging tax intermediaries and third party providers in assisting taxpayers to take up self-service channels.
- Consistently direct taxpayers to the preferred channel (element 4) through communication and education, eliminating channels or leveraging tax intermediaries and third party providers. To retain taxpayers in the preferred channels, consider providing a range of tailored in-channel support tools.
- Develop metrics for self-service channels to measure the impact of self-service offerings on service demand and identify and target further opportunities to increase taxpayers' self-service.

Note

1. It should be noted that a project led by Skatteverket (Swedish Tax Agency) is underway that aims to address some of these considerations.

Annex A

Draft framework for evolution of digital self-service (September 2013)

Context: The draft scoping document for the "Increasing taxpayers' use of self-service channels» work proposed that the strategies revenue bodies can undertake to shift clients to self-service channels be considered in the context of a proposed future service experience. This framework presents different service experiences in the context of the different stages in self-service and corresponding customer experiences and service channel profiles.

The framework will provide a basis for positioning case studies from revenue bodies on both successful and unsuccessful self-service strategies. In particular, the case studies will consider the importance of effective service and process design, the role of "traditional" channels in supporting the shift to self-service and the role of tax intermediaries and third party providers in enabling the shift to self-service.

The benefits expected to arise from increasing taxpayers' use of self- service channels include improved compliance outcomes, lower compliance costs for taxpayers, reduced revenue body costs and increased trust and confidence from government.

Stages in self service	**Static self service** Information is available online for taxpayers to search and download paper-based publications.	**Dynamic: Obligation-based self service** Self service applications include interactions and transactions that relate to core tax obligations, e.g. income tax return enquiries or lodgments. Likely to be obligation-based and enquiry specific.	**Dynamic: Integrated and personalised self service** Self service applications (both interactions and transactions) are "bundled" from the citizen and/or business perspective. Likely to be based more on life events and involve more services from across government agencies.	**Seamless (invisible) self service** Revenue bodies leverage taxpayers' ecosystems to enable citizens and businesses to satisfy their tax obligations as a by-product of their day-to-day activities.
Desired customer experience	Relevant, current and comprehensive information tailored to individual circumstances is readily available anytime, from anywhere and on any device, allowing taxpayers to satisfy their needs for information without human mediation. Navigation through content is intuitive.	Taxpayers can satisfy their service needs relating to a specific obligation or enquiry without the need to switch channels, e.g. transactions initiated in an online channel (such as lodgment of return) are completed online (receipt of electronic Notice of Assessment).	Taxpayers are naturally connected with the tax system via digital capabilities, through which they can comprehensively satisfy all of their tax obligations.	The taxpayers' ecosystems, rather than the taxpayers themselves, are driving the service and fulfilment of tax obligations. Leveraging these natural ecosystems leads to elimination of entire services.
Impact on service demand	Limited opportunities to reduce service demand, as the need for human mediation to interact and transact to satisfy tax obligations continue to drive demand via non-digital channels. Services are duplicated across channels, however are likely to be channel and/or product specific, which may result in disjointed and different experiences for the taxpayer dependent on the service channel they use.	Some reduction in service demand, as the availability of self service interactions and transactions starts to reduce the effort required of taxpayers to satisfy their tax obligations. Services, including self service interactions and transactions, continue to be obligation-based and enquiry specific, resulting in taxpayers often having to navigate multiple channels to satisfy their obligations.	Significant reduction in service demand due to integrated, end to end experience for the taxpayer. Services are designed for digital and from the taxpayer's perspective. Service channel navigation is directed by the revenue body as services are not duplicated across channels and only specific services are offered face to face.	The tax system is "in the background" as taxpayers are naturally connected with the tax system through their natural ecosystems (such as business software) and digital capabilities.
Overall service channel profile **Legend** Face-to-face Paper Phone Digital	*Availability of information and publications online reduces some face-to-face and phone service volumes, however all interaction and transaction type services are provided via traditional (e.g. non-digital) channels. The relative share of the digital channel in the channel mix is low.* 	*The introduction of self service interactions and transactions starts to reduce paper service volumes. Phone service volumes however increase, as taxpayers need assistance with self service interactions and transactions.* 	*The digital and phone channels start to converge, particularly as a result of the mobile optimisation of digital services. Face to face is only available for specific services and paper volumes have essentially been eliminated.*  *Digital and phone converge*	*Digital is dominant*  *Digital and phone converge*

Annex B

Initiatives to drive the use of self-service: Submitted examples

The participating revenue bodies were asked to contribute examples of initiatives they undertook with the view to increase the use of self-service channels. In total, 29 examples of initiatives were provided by 15 different revenue bodies from 14 different countries.[1] Of these, 20 examples of initiatives were submitted via the survey instrument in the first round of information gathering. The remaining 9 examples were submitted following a series of exploratory conversations and feedback sessions with revenue bodies from the task group countries.

Table B.1. **Summary of the initiatives to increase the use of self-service channel: Received via survey**

No	Country	Name of the initiative	Description of the initiative
Examples of initiatives submitted via survey instrument			
1	Australia	Small Business Assist ("SBA")	An online product that provides access to tailored information and support for small businesses on a range of topics typical for small business, such as registering for an Australian Business Number ("ABN"), understanding and registering for GST, employer obligations, lodging Activity Statements ("AS").
2	Australia	ATO Online services for individual taxpayers	A secure online portal for individual taxpayers to access certain information and complete services (transactions) within an authenticated online environment, such as updating contact details, checking the progress of income tax return, tracking contributions to pension funds.
3	Canada	Discontinuation of counter services	Closure of payment and enquiry counter services ("walk in") in all CRA Tax Services Offices and Tax Centres. This was part of broader modernisation of the Canada Revenue Agency's ("CRA") service delivery offering.
4	Canada	My Account and Represent a Client: online portals for individuals and their representatives	Secure online portals for individual taxpayers and tax intermediaries to access information and manage a range of issues pertaining to personal tax income and benefits.
5	Chile	SII web mobile	Launch of a web mobile for individual taxpayers to access services in an online authenticated and non-authenticated environment.
6	Denmark	Online preliminary assessment	Improvement to the process of issuing individual income tax assessment including replacement of printed documentation (tax card) with web services and issuing an online assessment with forecast of income and deductions to individual taxpayers.
7	France	Promotion and assistance in the take up of self-service – offered in local offices	Promoting the use of self-service channels and raising awareness of online services provided by La Direction Generale des Finances Publiques ("DGFIP") while interacting with taxpayers in the face-to-face channel (local offices).
8	Mexico	Digital signature	One identification system to support secure electronic transactions.
9	Netherlands	Online services available via portals	Provision of online services in an authenticated environment, for example filing of income tax return.
10	Netherlands	Using communication to influence behaviour and channel preferences	Influencing channel choices towards self-service channels using principles of behavioural science.

No	Country	Name of the initiative	Description of the initiative
11	New Zealand	MyIR GST filing service	Online filing of GST returns, previously filed in paper.
12	Singapore	No-Filing Service	No-Filing Service ("NFS") for taxpayers with simple tax affairs (auto-included income and standard tax relief items) so they no longer need to lodge a return.
13	Singapore	Pre-filled e-filing screen for individuals to view employment and deduction information	Enabling taxpayers to view their employment income and deduction information on the e-filing screen and make adjustments, if necessary, so they do not need to fill in the information on the annual tax return.
14	Sweden	A mobile application with a mobile electronic ID to facilitate interactions via mobile devices	An electronic identification solution for using authenticated services on mobile devices.
15	Switzerland (federal)	MOE II: online submission of the VAT form	Online filing of VAT returns and requests for an extension of time.
16	Switzerland (cantonal)	eGov Impulsprogramm BS: promotion of e-government services	Cross-government promotion of e-government services and development of architecture for a whole-of-government strategy.
17	Turkey	E-filing	Electronic filing of returns.
18	Turkey	Debt Reminder Service	Electronic and phone messages to individual taxpayers with tax debt reminding them to pay.
19	United Kingdom	Preferable filing dates for Income Tax Returns	Provision of preferable filing dates (extension of time) for self-assessing taxpayers who file income tax returns online.
20	United Kingdom	Single Website for Government – GOV.UK	Provision of a single source of information across government.
Examples of initiatives submitted in the course of exploratory conversations/feedback sessions			
21	Chile	Electronic invoicing system	Real-time reporting of business transactions and their tax implications to the Internal Revenue Service, removes annual reconciliation.
22	Chile	Complete Accounting System	A free IT software solution that simplifies accounting management for small business taxpayers by allowing them to automatically capture information related to commercial transactions in the respective accounting journals (and apply tax treatments) thus complying with their tax obligations "on the go".
23	Ireland	E-filing for Local Property tax	Mandating electronic filing for taxpayers who are subject to the local property tax (self-assessment).
24	Mexico	Individual online taxpayer ID	Online (initiated on website) application process for applying for a taxpayer registration ID.
25	Mexico	My Accounts: accounting and e-invoicing for small business and individuals	Mandated registration of income and expenses and issuing of e-invoices for the purpose of integration and presentation on the tax return.
26	Mexico	Tax mailbox	An online mailbox for the tax office allowing for two-way communication with the taxpayer.
27	New Zealand	Registration of IRD numbers at birth	Simplified process of applying for IRD number as part of the birth registration process.
28	Singapore	Bulk e-filing of individual IT forms by tax intermediaries	Bulk e-filing for large tax agents (with client-base constituting about 90% of the total individual taxpayers represented by agents).
29	Singapore	E-filing of simplified corporate tax returns	Companies with annual revenue of SGD 1 million or below can file a shortened three-page Income Tax Return for reporting of income to IRAS.

Note

1. Chapter 1 provides a complete list of countries that made contributions to this project.

Annex C

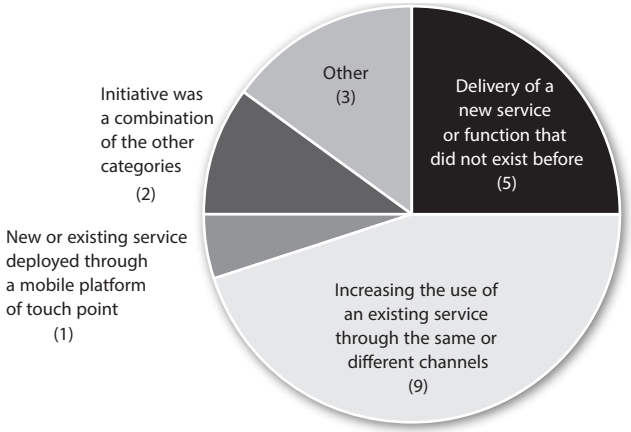
Initiatives to drive the use of self-service: Aggregated survey results

Annex C provides a summary of aggregated survey responses submitted by the revenue bodies about the initiatives they undertook to drive the use of self-service channels. In doing so, it draws from responses provided to Part B of the survey.

What the initiatives involved

The survey results show that nine out of 20 submitted examples of initiatives involved increasing the use of an existing service through either the same or different channels (Figure C.1).

Figure C.1. **Increasing the use of existing services vs. implementing a new service: What the initiative to drive the use of self-service channels involved**



Examples of initiatives in that category include replacement of services offered in traditional channels with online alternatives, such as e-filing in place of paper filing, provision of incentives to increase the take up of existing online services, such us preferential filing dates, and improvements and removing irritants from online processes to enhance user experience.

Five out of 20 initiatives submitted via the survey involved deployment of services or functions that did not exist before, such as online portals for individual and business taxpayers allowing them to access a range of services from one spot, provision of a single source of information across government and a single identification system to support electronic interactions.

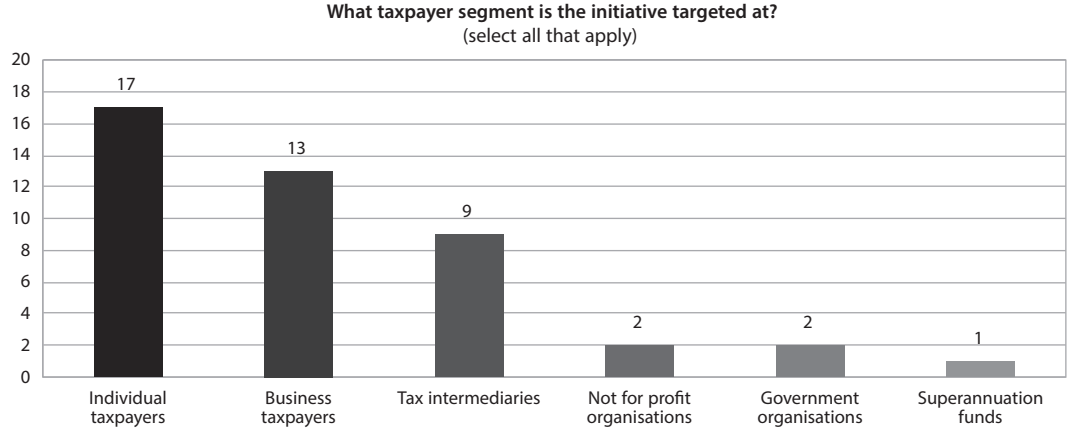
The initiatives classified as "Other" include:

- Discontinuing of a channel or established service and channel migration; and
- Removing the need for the service entirely.

Whom the initiatives targeted

The survey results show that of all taxpayer segments, individual taxpayers were the most frequently targeted segment by the initiatives provided (Figure C.2). However, the analysis of survey responses shows that most of the initiatives targeted a range of taxpayer segments (14 out of 20) rather than just one segment. Many of the initiatives involved provision of a service or function catering for a range of taxpayers, such as online portals, or involved channel shifts that impacted all segments, such as closure of walk-in centres. Two exceptions here were the initiatives implemented by Switzerland (federal level) and New Zealand that specifically targeted business taxpayers registered for VAT/GST.

Figure C.2. **Taxpayer segments targeted by the initiatives**



What service channels the initiatives utilised

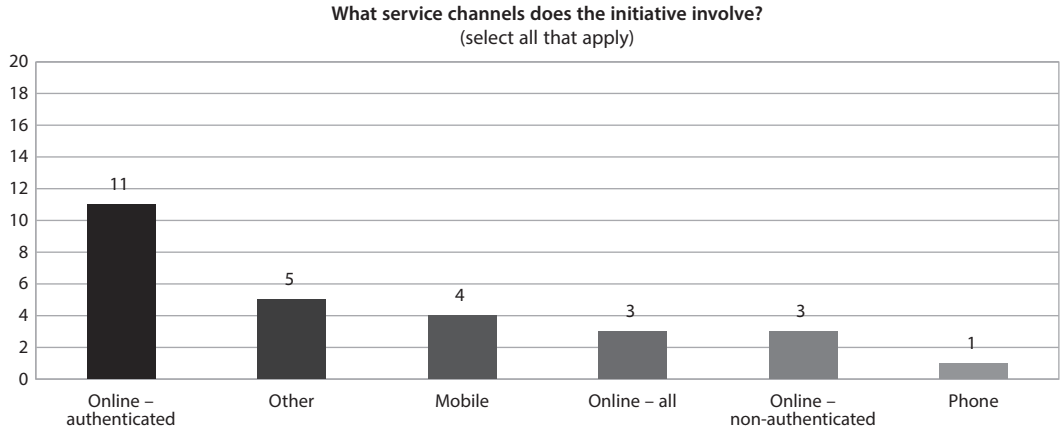
While the online authenticated channel proved to be the most frequently targeted for deployment of initiatives to drive the use of self-service (11 out of 20), many of the initiatives were deployed across multiple service channels (Figure C.3).

The initiatives classified as targeting "other" channels included:

- Face to face (two responses)
- Paper (one response)
- Tablets (one response); and
- Removal of the need for service altogether (one response).

The survey result showing the online-authenticated channel as the most frequently targeted by the initiatives, supports the observations made in Chapter 3 in relation to the overall maturity of online services provided by the revenue bodies. As Chapter 3 established, the participating revenue bodies provide relatively mature online services to their taxpayers, who in most cases can interact or transact online. In many interactions and all transactions, taxpayers are required to authenticate themselves.

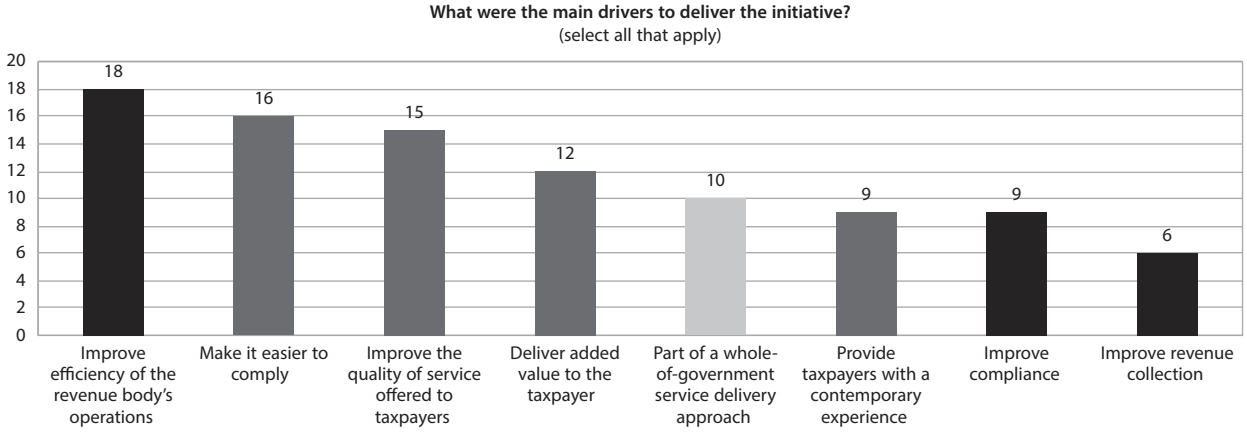
Figure C.3. **Service channels targeted by the initiatives**



What drove the initiatives and what benefits they aimed to deliver

The survey results identified, at a minimum, two key drivers behind the delivery of each of the initiatives. As Figure C.4 shows, the most frequently identified drivers included improving efficiency of the revenue body's operations (reduction of administration costs) and making it easier to comply in the context of reducing taxpayer burden:

Figure C.4. **The main drivers behind the initiatives**



This survey finding reflects observations made in Chapter 3 that noted that whole-of-government trends pursued in many of the OECD-member countries appear to focus on delivering savings and cost efficiencies to governments, dictated by pressures on public sector budgets.

Figures C.5 to C.7 present the survey findings in relation to benefits that the initiatives intended to deliver to the key stakeholder groups participating and/or targeted by the initiatives:

- key taxpayer segments
- the revenue body
- the government

In identifying the benefits the initiatives aimed to deliver to each key stakeholder group, the revenue bodies were provided a list of potential benefits and asked to select (but not rank) benefits relevant to the initiative.

Figure C.5 shows that the top two benefits the initiatives aimed to deliver to the targeted taxpayer segments were reduction of effort and easier compliance with tax obligations. Interestingly, only six out of 20 initiatives identified shorter resolution timeframes as the key benefit the initiatives aimed to deliver to taxpayers – the benefit that, based on responses provided by the revenue bodies on the subject of channel preferences was the highest valued by all taxpayers feature of online channel.

Figure C.5. **Benefits of the initiatives to the targeted taxpayer segments**

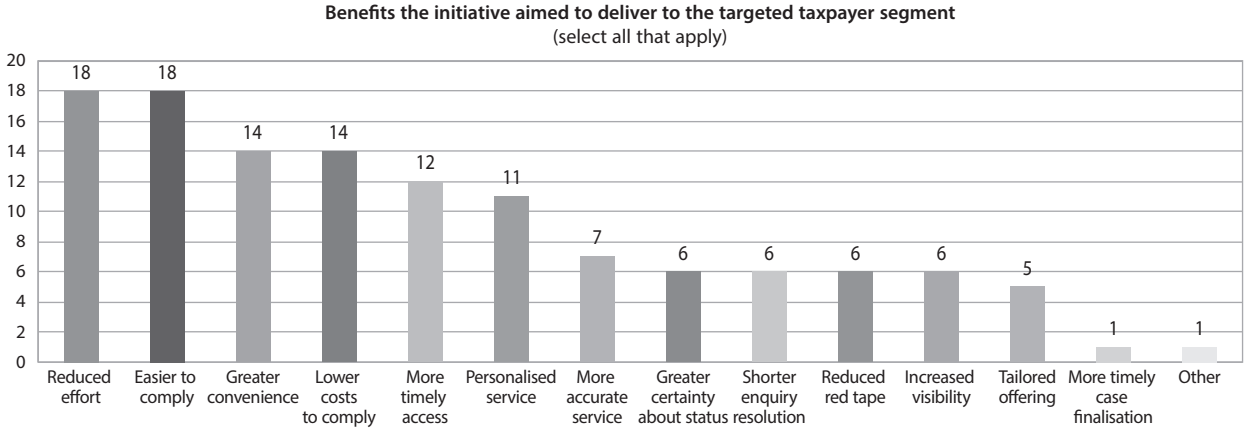
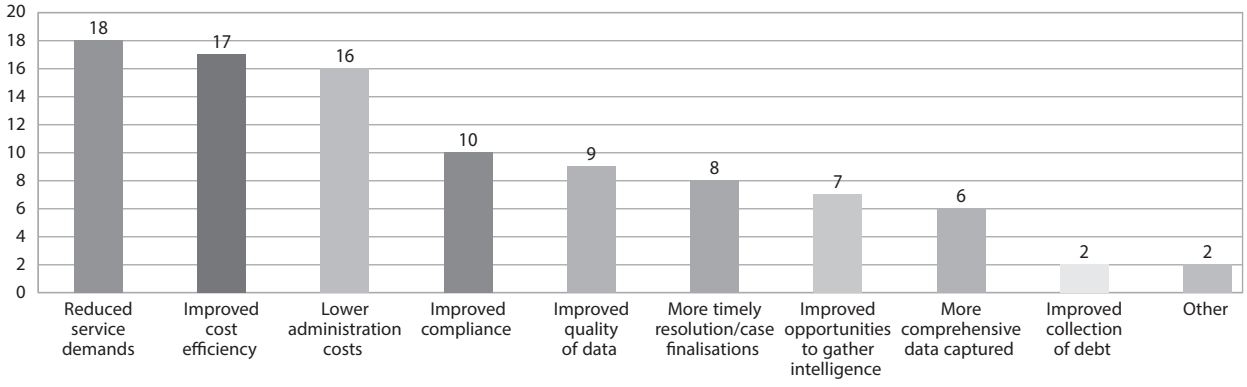


Figure C.6 shows the key benefits that the initiatives aimed to deliver to the revenue bodies. Not surprisingly, these predominantly focus on reduced service demand (hence costs of operations), improved cost efficiency and lower administration costs of the revenue bodies.

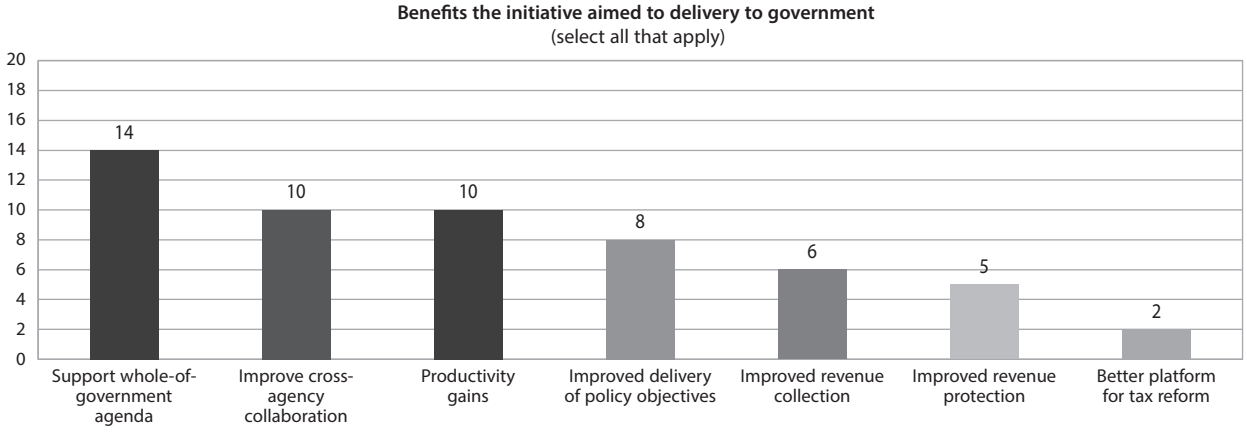
Figure C.6. **Benefits of the initiatives to the revenue body**



The "Other" benefits included enhancing the image of the revenue body and meeting commitment to government.

As shown in Figure C.7, the key benefit that the initiatives aimed to deliver to government focused on supporting the whole-of-government agenda and aligns to the observations made in relation to the prevailing notion of whole-of-government that appears to drive service delivery and channel strategies of the majority of revenue bodies.

Figure C.7. **Benefits of the initiatives to government**

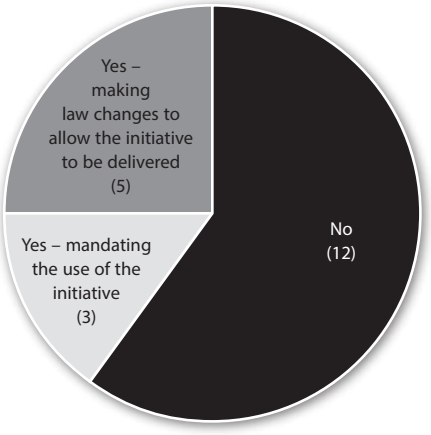


How the initiatives were implemented

The survey established that in 12 out of 20 initiatives, legislative and/or policy change was not required. Examples of initiatives in this category include deployment of new functions online or smart devices (such as the SBA online tool in Australia, SII web mobile in Chile, mobile application with an electronic ID in Sweden).

Eight out of 20 initiatives involved some sort of legislative change (Figure C.8). Three of these initiatives involved mandating the use of the new or improved service, such as mandating of e-filing (Turkey, the Netherlands). In five initiatives, law changes were made to allow the initiative to be delivered as intended. While these law changes did not impose the use of any of the services or solutions driven by the initiative on the relevant taxpayer segments, they involved legislative changes that were necessary for the service or solution to be effectively used.

Figure C.8. **Did the initiative require legislative or policy change?**



Examples of initiatives falling into this category include legislative changes allowing taxpayers to sign electronic documents with legal recognition of the legitimate author (Mexico), amendments to the Income Tax Act imposing a statutory obligation on taxpayers excluded from filing returns to verify the accuracy of information and tax assessed reflected in their notices of assessment (Singapore) and making it compulsory for some employers to participate in the Auto-Inclusion Scheme for employment income in order to facilitate prefilling of information relating to individual income tax (Singapore).

Consultation, user testing and third party involvement

The survey results show that consultation with relevant stakeholders was undertaken in 16 out of 20 initiatives. In most of them, the consultation included representatives of the targeted taxpayer segment, other government agencies (likely due to the existence the whole-of-government agenda), software developers and, finally, tax intermediaries representing the targeted taxpayer segments. In some instances, revenue bodies approached third parties considered as best practice leaders, such as financial institutions or leaders in delivering specific technology solutions with the purpose of leveraging their expertise (Mexico, Sweden).

According to the survey responses, the most common way of engaging stakeholders in the consultation process involved focus groups (Singapore), strategic discussions (the Netherlands), regular meetings with reference groups to address identified issues (Sweden, Turkey), including "think aloud" and "talk-things-out" sessions with the impacted taxpayer groups (Switzerland and Denmark). It appears that consultations had a more formal approach where the initiative involved a legislative or policy change. For example, prior to mandating changes to self-assessment filing dates, the UK conducted broad formal consultations with representatives of the targeted taxpayer segments, their tax intermediaries and software developers.

Furthermore, 18 out of 20 initiatives involved user testing or pilots conducted as part of the development phase. In general, the user testing and pilots involved representatives of the targeted taxpayer segments. For example, Australia, prior to launching the SBA online tool, tested the efficacy and useability of the online tool with a range of small businesses identified through industry bodies and various business association forums. Deployment of MyAccount online services in Canada was preceded with comprehensive end user testing of the new online functionalities and MyAccount pages. As reported by Canada, a total of 72 interviews were conducted with various end users with the purpose of testing the ease of understanding, navigation, user-friendliness and the ability to self-serve using MyAccount.

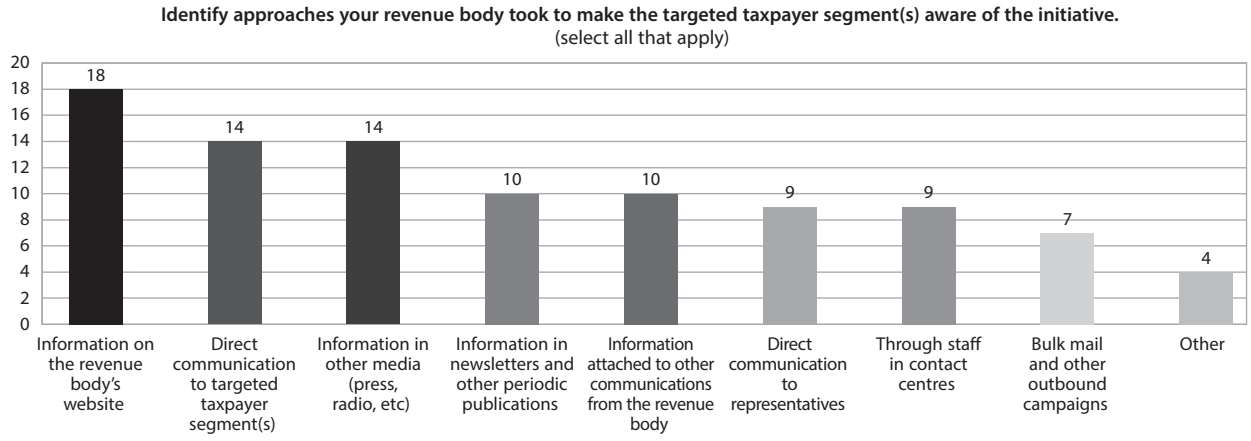
While the majority of initiatives, as indicated by the survey results and illustrated by the above examples, involved comprehensive stakeholder engagement in the design and/or development stages, in only four out of 20 initiatives, revenue bodies identified that a dependence on a third party existed. For example, Sweden, in equipping their mobile application with an electronic ID, relied on the banks' solution.

The responses provided by the revenue bodies in relation to questions about stakeholder engagement in the design and development of their initiatives suggest that, generally, revenue bodies appear to recognise the importance of understanding the taxpayer and stakeholder needs and bringing their perspective to the processes of design and delivery of self-service channels. The variety of engagement approaches demonstrated by the revenue bodies in their survey responses also suggests that the revenue bodies have proven skills in applying a spectrum of approaches, from informal and formal consultation mechanisms, through to more active collaboration, testing and, to some extent, co-design.

How the revenue bodies promoted the initiatives

All participating revenue bodies identified a wide range of approaches that were used to make the targeted taxpayer segments aware of the initiative (Figure C.9). The most commonly adopted approaches included provision of relevant information on the revenue body's website, direct communication to targeted taxpayer segments and information in other media, such as press, radio.

Figure C.9. **Promoting the initiatives – approaches adopted by the revenue bodies**



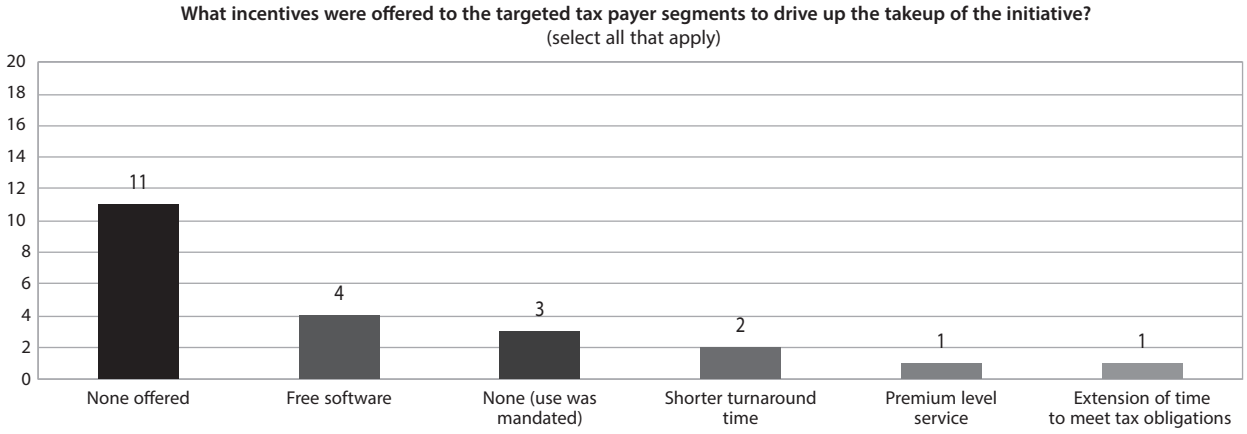
The "Other" identified approaches focused on promotion in walk-in centers, such as advertising posters, signs and providing promotional/educational information on closed-circuit television.

Use of incentives

While most of the revenue bodies applied a variety of communication tools and techniques to build awareness of the initiatives amongst the impacted taxpayer segments, the participating revenue bodies used incentives only in six out of 20 initiatives. 14 out of 20 initiatives did not involve provision of any incentives (Figure C.10). The take up of three of those 14 initiatives was mandated, which could explain the reason why the revenue bodies behind those initiatives in most instances did not see any need to offer incentives to encourage the take up.

Chapter 3, which discussed channel preferences, identified that the revenue bodies perceived shorter turnaround times for resolution of enquiries as the key factor encouraging taxpayers to take up online channels. Despite this unanimous perception, only two out of 20 initiatives actually involved provision of shorter turnaround times to taxpayers who were willing to take up the new service. These included the online preliminary assessment in Denmark, where individual taxpayers who are willing to self-review and correct their preliminary income tax assessments are rewarded with shorter turnaround times for receiving their final assessment. The other example is Switzerland, where business taxpayers, who use online channels to file their VAT returns, enjoy shorter turnaround times for processing refunds or other enquiries submitted online.

Figure C.10. **What incentives were offered to the targeted taxpayer segments to drive the take up?**

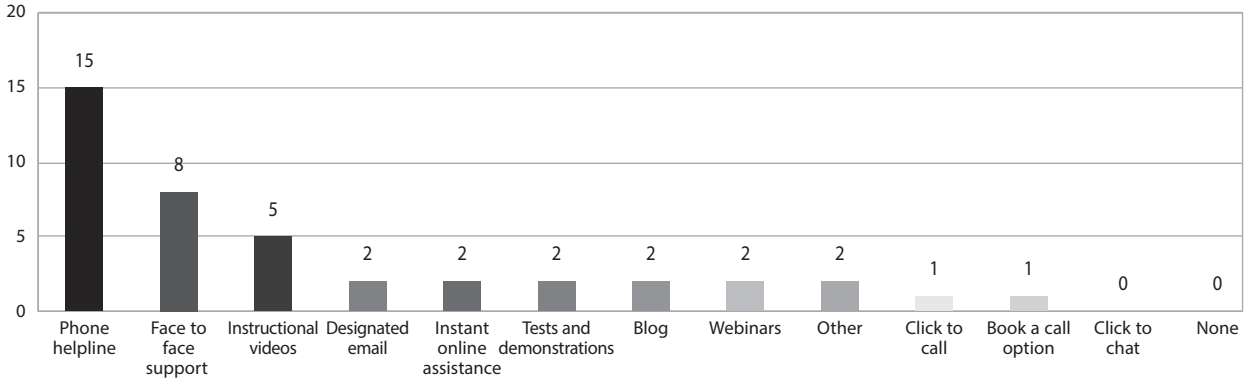


What support was offered to encourage take up

All of the participating revenue bodies provided some form of initial support to taxpayers to encourage take up of the new initiative. In 15 out of 20 initiatives, this involved provision of a designated phone helpline to assist taxpayers in making transition and learn to self-serve. The second most common form of support offered involved face to face support. For example, to make taxpayers familiar with online services offered by the revenue body and encourage self-service, France installed computer stations connected to online services in their local walk-in centers for use by visitors. In addition, staff working in the walk-in centers have been equipped with smart devices and trained to "move along waiting queues of visitors" to introduce services available online and offer assistance in using them.

Figure C.11 shows all types of initial support offered by the revenue bodies to the key taxpayer segment to encourage the take up of self-service channels.

Figure C.11. **Initial support offered to taxpayers to encourage take up of the new initiative**



The survey responses provided by the participating revenue bodies show that in most cases, the support offered to taxpayers extended beyond the initial phase, i.e. after launching the new initiative, and that most of the revenue bodies provide an ongoing support to taxpayers who use their self-service channels.

Figure C.11 highlights that, while all revenue bodies offer some sort of support to encourage the use of self-service, very few revenue bodies offer assistance in real time. Canada provides a "click to call" option to taxpayers who choose to self-serve on MyAccount and Australia indicated that future releases of the SBA online tool would involve a "click to chat" solution.

Provision of real-time assistance to taxpayers who self-serve (or attempt to self-serve) is of critical importance in driving effective self-service. Lack or inadequate support offered to taxpayers who choose to self-serve can have a discouraging effect and drive them back to traditional service channels. Greater deployment of self-service options without proper support may give rise to hidden costs of self-service, create a chasm and pressures on service demand via traditional channels, such as phone or email.

Measures of take up

The survey results indicate that revenue bodies measured the take up of 13 out of 20 initiatives. Examples of methodologies used include: count of online filing/no filing to total population (for example preferable filing dates for online income tax returns in the UK, online filing of GST returns in New Zealand, No Filing Service in Singapore), counts of instances when new service/option was used (online preliminary assessment in Denmark, services offered via ATO Online in Australia), counts of successful logins to online portals (for example MyAccount in Canada), volumes of interactions via specific channels and smart devices (SII web mobile in Chile, SBA online tool in Australia).

Box C.1 highlights some of the reported statistics and adopted methodologies to measuring the take up included by the revenue bodies in survey responses.

Box C.1. **Statistics on take up of initiatives to increase the use of self-service and adopted methodologies from selected revenue bodies**

Canada's MyAccount online services for individuals and tax intermediaries

Secure MyAccount services for individual taxpayers were launched in 2003 and in 2007 the service was expanded to representatives (tax intermediaries) through a portal "Represent a Client".

2003-13 statistics on **successful logins** to MyAccount

Year	Individual accounts	Increase rate	Individual accounts accessed in "Represent a Client"	Increase rate
2004-05	1.8 million	-	n/a	-
2005-06	1.6 million	-11%	n/a	-
2006-07	2.6 million	62%	n/a	-
2007-08	3.3 million	27%	417 000	-
2008-09	3.8 million	15%	1 million	139%
2009-10	4.6 million	21%	2.2 million	120%
2010-11	4.7 million	2%	3.2 million	45%
2011-12	5.8 million	23%	4.5 million	41%
2012-13	6.7 million	16%	5.5 million	22%

Box C.1. **Statistics on take up of initiatives to increase the use of self-service and adopted methodologies from selected revenue bodies** *(continued)*

Singapore's No-Filing Service: participation in the NFS scheme by eligible taxpayers

Yearly NFS statistics from 2007 to 2014

Year of Assessment	NFS base	Total taxpayer base	% of taxpayers on NFS	NFS taxpayers who did not make changes to their assessment	% of NFS taxpayers who did not make changes
2007	45 493	1 472 533	3.09%	35 024	76.99%
2008	332 633	1 528 607	21.76%	247 313	74.35%
2009	493 504	1 552 047	31.80%	344 124	69.73%
2010	652 754	1 633 952	39.95%	532 924	81.64%
2011	787 682	1 687 697	46.67%	664 062	84.31%
2012	962 774	1 802 583	53.41%	739 739	76.83%
2013	1 131 377	1 923 912	58.81%	901 573	79.69%
2014	1 262 578	1 963 254	64.31%	1 043 683	82.66%

Based on the examples provided by the revenue bodies, web analytics appear to be increasingly used to monitor, track and assess customer experience and journeys in exploring more complex or multi-service online tools (Canada, the UK, Chile, New Zealand and Australia). In addition, countries like France and Sweden use taxpayer feedback to obtain intelligence on take up of their initiatives and qualitative information on user experience that is further used to drive improvement in online services thus encourage greater take up.

Annex D

Additional resources

Beatson, A., L.V. Coote and J.M. Rudd (2006), *Determining Consumer Satisfaction and Commitment Through Self-Service Technology and Personal Service Usage*, *Journal of Marketing Management 22 (7/8),* pp. 853-882.

Convergys (2012), *Cross-Channel Experiences: What Really Matters*, retrieved 18 June 2014.

Forrester (2010), *Do Your Customer Self-Service Metrics Measure What Matter to Your Customers?*, Forrester Research Blog, available at: http://blogs.forrester.com/diane_clarkson/10-04-26-do_your_customer_self_service_metrics_measure_what_matters_your_customers, accessed 2 June 2014.

Harris, K.E., L.A. Mohr and K.L. Bernhardt (2006), *Online Service Failure, Consumer Attributions and Expectations*, *Journal of Service Marketing* 20(7), pp. 453-458.

LimeBridge Australia (2012), *Self-Service Effectiveness Survey Report*, available at: www.limebridge.com.au/icms_docs/120533_Self_Service_Effectiveness_Survey_Full_Report.pdf, accessed 29 October 2013.

OECD (2005), *OECD e-Government Studies: e-Government for Better Government*, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264018341-en.

OECD (2011a), *Social Media Technologies and Tax Administration*, Information Note, OECD, Paris, www.oecd.org/ctp/administration/socialmediatechnologiesandtaxadministration.htm.

OECD (2011b), *Together For Better Public Services: Partnering with Citizens and Civil Society*, OECD Governance Reviews, OECD Publishing, Paris, http://dx.doi.org/10.1787/9789264118843-en.

OECD (2013d), *Understanding Internet Usage*, background paper presented at the FTA TSG meeting on 18-20 September 2013 in Helsinki.

United Nations (2008), *UN E-Government Survey 2008 – From E-government to Connected Governance*, UN, New York.

Wang, C., J.Harris, and P. Patterson (2009), *Situational Influences in the Choice of Self-Service in a Multi-Channel Retail Context*, available at: www.duplication.net.au/ANZMAC09/papers/ANZMAC2009-261.pdf, accessed 3 June 2014.

Wejiters, B., et al. (2007), *Determinants and Outcomes of Customers' Use of Self-Service Technology in a Retail Setting*, Journal of Service Research 10(1), pp. 3-21.

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, Chile, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The European Union takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

OECD PUBLISHING, 2, rue André-Pascal, 75775 PARIS CEDEX 16
(23 2014 46 1 P) ISBN 978-92-64-22326-4 – 2014

Increasing Taxpayers' Use of Self-service Channels

Contents

Consult this publication on line at ***http://dx.doi.org/10.1787/9789264223288-en.***

This work is published on the OECD iLibrary, which gathers all OECD books, periodicals and statistical databases.
Visit ***www.oecd-ilibrary.org*** for more information.

OECD*publishing*
www.oecd.org/publishing

ISBN 978-92-64-22326-4
23 2014 46 1 P