

STATE SERVICES COMMISSION
Te Komihana O Ngā Tari Kāwanatanga



Channel Strategy Scoping Study

June 2004

Commissioned by E-government Unit, State Services Commission

Executive Summary

The E-government Unit of the State Services Commission has commissioned this assignment to provide it with advice on whether a channel strategy for the delivery of government services is required. This is a *scoping* assignment, and does not extend to discussing the details of any potential future channel strategy.

Providing e-services as part of the service delivery channel mix

Government agencies currently deliver services to the public using a range of intermediary and/or traditional channels including voice (phone), face-to-face counter services, call centres and third party providers. Alternative electronic channels for the delivery of services are being developed rapidly. Electronic services offer opportunities to improve access to and interaction between government, citizens, and businesses.

However, to achieve optimal levels of efficiency State sector business managers need to make decisions about the appropriate mix of channel deployment to ensure the best value for both the organisation and customers. A consistent approach to such decisions across the State sector will contribute to more efficient management of government resources. Electronic channels need to be assessed alongside traditional forms of service delivery to determine their relative business value, and to identify limitations and barriers to success.

It is through the 'Managing for Outcomes' work programme that the broad, contextual issues of service delivery by government to the public are being addressed. The contribution of the e-government work programme to the reform of the public management system needs to be carefully managed. Any misalignment poses high risks to the success of both programmes. It is unlikely that any real transformation of government services can be achieved by the development of e-services in isolation from a broader public management reform programme.

Lessons from international channel initiatives

A review of international channel initiatives shows that where e-government is a relatively recent initiative in any given nation, the focus of e-government investment tends to be on providing e-service channels as a means of improving specific government services. The goal is to improve the credibility of government by the provision of more efficient, cost-effective and reliable services to the public [Greece, Lithuania, Malta, UK (via Channels Framework)]. This approach is primarily government-centric, rather than citizen-centric. The underlying principle is one of maximizing the efficiency gains available through new technologies.

Where e-government issues of this order have been worked through, either fully or partially, some nations are starting to look forward to explore the potentiality of government e-services, and how they might be managed more effectively to encourage citizen uptake. In some countries the first step towards transformational government is rethinking business and information processes and moving to shared and commonly understood business architectures without necessarily changing external structures

[Canada, Victoria (Australia)]. This is most easily done where governments have looked to cluster information services rather than transactional ones.

In-depth research would be required to make proper comparisons between New Zealand and other countries with respect to progress against e-service goals. Currently a range of State sector organisations in New Zealand is moving to provide some of their core services online. These services largely complement other channels of delivery, and are designed to provide customers with greater convenience and more efficient service.

The New Zealand e-government strategy

Over the past 5 years, the E-government Unit has built the policy and operational platform to facilitate online government transactions with the public. This includes web guidelines, an interoperability framework, metadata and e-gif standards, and the authentication framework. The primary driver for online development is currently the provision of quality services (Stage 2 maturity), but the e-government strategy provides a vision for the future transformation of government service delivery. The e-government strategy – June 2003 update – specifies clearly the future vision for the development of government e-services in New Zealand.

All of the features one could expect in a channel strategy are already present in the existing strategy (i.e. vision, mission, goals, and principles of operation, milestones, and timeframes). In this sense, while there may be some marginal benefit in unbundling the channel components of the existing strategy for the sake of greater clarity, it is not necessary to replicate it or supersede it with an alternative strategy focused only on channels.

Positioning the E-government Unit to support future e-service development

The material canvassed in this assignment provides a number of contextual indicators of how service delivery channel development may occur over the next few years in New Zealand. Having the vision and mission in place for future channel development, the E-government Unit has a choice about where to position itself to manage the achievement of the goals it has set in this area for the State sector.

To adopt a proactive, leadership approach to e-service development in the State sector the E-government Unit will need to undertake activities that:

- develop and promote a ‘Channel Strategy Framework’ to provide guidance for e-service investment decisions, including the use of intermediaries
- set the context for e-service development within the public management reform agenda and indicate the contribution the e-government strategy will make to the ‘Managing for Outcomes’ work programme
- define the role of the E-government Unit in leading and supporting agencies to develop citizen-centric e-service initiatives
- identify key resources available to support e-service development, and
- set measurable targets for progress towards achieving the E-government strategy.

Channel Strategy – Scoping Study

Introduction

1. The E-government Unit of the State Services Commission has commissioned this assignment to provide it with advice on whether a channel strategy for the delivery of government services is required. This is a *scoping* assignment, and does not extend to discussing the details of any potential future channel strategy.

Methodology

2. The methodology followed in the development of this paper has included:
 - Desk-top research on overseas initiatives, relevant government policies, relevant legislative requirements, and user preferences
 - Focus group discussion with identified key informants from government agencies on issues relating to service delivery channels, and
 - Structured interviews with key informants from government agencies on incentives and business drivers for specific channel use and delivery.
3. All of the raw data collected and analysed for this assignment is provided in a separate document, *Channel Strategy – Summary of Information*. Similarly, the material on international initiatives has been produced as an independent reference document, *Channel Strategy – Summary of International Initiatives*. Both documents are attached as an addendum to this paper.

Background

4. Government agencies currently deliver services to the public using a range of intermediary and/or traditional channels including voice (phone), face-to-face counter services, call centres and third party providers. Alternative electronic channels for the delivery of services are being developed rapidly. Current examples in New Zealand include, but are not limited to, such diverse services as online applications for student loans and passports, small business tax assessments, company registration, lodgment of import and export entries, and the registration of land and property transactions.
5. Electronic services offer opportunities to improve access to and interaction between government, citizens, and businesses. However, to achieve optimal levels of efficiency State sector business managers need to make decisions about the appropriate mix of channel deployment to ensure the best value for both the organisation and customers. A consistent approach to such decisions across the State sector will contribute to more efficient management of government resources. The public management framework needs to be clear and transparent

about where electronic options can add value to those channels already available, or should replace some or all of them in any given instance.

6. An overarching strategy for the development and implementation of new electronic service delivery (e-services) initiatives may be useful to mitigate the potential for duplication and overlap of electronic channels resulting in fragmentation of government services and unacceptably high level of costs. Alternatively, there may be sufficient information already available in the State sector to drive such decisions in a consistent manner. The E-government Unit could perhaps more realistically support organisations to meet e-government strategic objectives by providing a set of guiding principles and a framework to assist in making investment decisions on service delivery channels.
7. To make a judgment about the most appropriate course of action for the E-government Unit at this time, the following foundation questions have been addressed in this assignment:
 - What is meant by the term ‘channels’? How is it defined? What is in scope, and what is not included? [p 4]
 - What are the existing frameworks that influence the current management of service delivery in the State sector? Consideration has been given to both legislative and policy frameworks. [pp 5-6]
 - What is known about the relative value of electronic services in relation to more traditional channels for delivering services to the public? [pp 7-9]
 - How is the development of electronic channels being managed in other countries? [pp 9-11]
 - How does the progress towards e-service development in the NZ State sector compare with that of other countries? [pp 11-13]
 - What does the current NZ e-government strategy say about channels? How does this fit with the direction of other world leading initiatives? [pp 13-15]
 - What does the E-government Unit need to do to ensure its strategic objectives for electronic service delivery are met? Is a strategy required? If so, what steps are required to develop an appropriate strategy? If not, what alternative action is required? [pp 15-18]

Definition of channels

8. The concept of 'channel' was used in three different and distinct ways in the literature reviewed for this assignment. For a large part the meaning is dependent on who is using the term, and for what purpose. Those writers who were discussing the means by which governments deliver services to the public tended to use the word 'channels' to describe the varying modes of service delivery such as face-to-face, written, telephone, and computers. Technical writers on the other hand regularly used the word to differentiate between different forms of electronic delivery (e.g. web, kiosk, video link and email) each of which was referred to as a 'channel'.

9. Thirdly, the term 'channel' was used to describe a set of packaged information and/or services. For example, the government of Victoria (Australia) defined channels as a particular way of arranging information and services within a web-based portal. In this sense the definition being used for 'channels' was:

“A logical collection of information or services that will:

- a. meet the majority of the needs of a specific group of customers (e.g. Business channel), or
- b. meet the needs of people interested in a specific subject area (e.g. Education channel)” [Victoria: Government On-line]¹.

10. The latter use of the word is based on a particular conceptual framework regarding the transformation of government services (refer pp 9-11). However, this paper has been commissioned by the E-government Unit to look at the need for a strategy to address the development of electronic service delivery in relation to other forms of delivering services to the public. The first definition of the term 'channels' described above, will therefore be adopted for use in this paper (i.e. to describe the varying modes of service delivery available across the State sector). It should be noted that consideration of the strengths and weaknesses of deploying different modes of electronic channels is outside of the scope of this assignment.

Existing channels include:

Mail (correspondence)

Face to face (contact centres; off-site visits)

Phone (call centres (0800); agency based; locally based)

Online (especially non-transactional information)

Other forms of electronic interaction (fax; text messages; email; video link; kiosk).

¹ Victoria: Government On-line **The Channel Concept** Multimedia Victoria, November 1999

Service delivery channels²

11. Electronic channels need to be assessed alongside traditional forms of service delivery to determine their relative business value, and to identify limitations and barriers to success. Some government services are by their nature manual processes, and will not lend themselves to being provided electronically. This includes a number of social services such as some of those provided by health professionals, social workers, teachers, and Police. There is a case to say that many of these manual processes could be made more efficient by the development of supplementary, supporting e-services (e.g. an electronic case-note system for health and social workers). However, this debate lies outside of the scope of this assignment.
12. Decisions around the appropriate mix of service delivery channels are not only driven by considerations of cost efficiency. Other key issues include the nature of the transaction, the need to ensure that government services are available to a full range of the population, legislative requirements, whether the service is demand or entitlement based, and who bears the cost for the service.
13. There are a number of existing frameworks that influence the delivery of services by government to the public. Of particular importance is the legislative framework that specifies the range and nature of government services and in some cases, directs how they should be delivered. In addition, there are some existing government policies that provide guidance and boundaries around how services can and should be delivered to the public.

Legislation

14. The review of a sample of current legislation carried out for this assignment did not reveal general legislative barriers to the introduction and common usage of e-services. Under current legislation there remains a small number of services that require manual processing. Examples include witnessing marriages, and signing legal declarations for such things as setting up companies (refer Review of Legislation)³.
15. However, the Electronic Transaction Act, 2002 was enacted to ensure that in the majority of cases provisions under law can be interpreted to include electronic modes of interaction including recording, storing, retrieving, transmitting, and communicating by electronic means. More recent legislation (e.g. the Land Transfer Amendment Act, 2002) specifically enables electronic transactions. In the general case, however, there are few instances where services are specifically legislated to require manual processing. Most New Zealand legislation is drafted to be less prescriptive and therefore can be applied to include providing services electronically.

² The raw data supporting this section of text is supplied in *Channel Strategy – Summary of Information* provided as an addendum to this paper.

³ *Channel Strategy – Summary of Information*. Section 1, pp 6-15.

Policy frameworks

16. Since the Review of the Centre in 2001, a considerable amount of work has been done in the State sector to focus public services on being more citizen and community centred. For example, the ‘Integrated Service Delivery’ work stream driven by the State Services Commission sought to improve the integration of service delivery at the regional and local level through three discrete initiatives – family violence circuit breakers; addressing school absences in Rotorua; and the provision of migrant services in Auckland.
17. The development of government e-services may be a tool for effecting greater collaboration between agencies, but the evidence of the ‘Integrated Service Delivery’ work programme⁴ indicates that there is a range of practical issues involved in implementing cooperative policies at local and regional level that may inhibit success. If e-services are to be a mechanism for transforming the public management system, the practical realities of service delivery need to be taken into account early.
18. Similarly, the ‘Managing for Outcomes’ approach mandated within the State sector⁵ is about improving results for citizens including when they interact with individual government departments and agencies. There is a clear directive in this approach to ensure that “... Service delivery must be wrapped around the citizen” [CIAG⁶ Final Report, p 5]. The development of e-services is one of the means to achieving this outcome.
19. It is through the ‘Managing for Outcomes’ work programme that the broad, contextual issues of service delivery by government to the public are being addressed. The contribution of the e-government work programme to the reform of the public management system needs to be carefully managed. Any misalignment poses high risks to the success of both programmes. It is unlikely that any real transformation of government services can be achieved by the development of e-services in isolation from a broader public management reform programme.

⁴ **Progress Report on Integrated Service Delivery Programme** Joint SSC/ Ministry of Social Development report to the Minister of State Services, and Minister of Social Services and Employment, 02 April, 2003.

⁵ Refer Outcome 3, Statement of Intent, State Services Commission.

⁶ Refer **Review of the Centre – Going Forward** Report from the Change Implementation Advisory Group (CIAG) on the work undertaken to implement the Review of the Centre SSC, File Ref: POL-ROC-2

Users' channel preferences

20. Research both in New Zealand and internationally⁷ demonstrates that at the current time demand by the general public for transactional government services online is not yet high. Forty-five percent (45%) of people living in New Zealand have used the Internet to access government services (largely non-transactional) in the past 12 months.⁸ This is higher than in most countries, as the global average is 30%.

New Zealand user preference research

21. The channel people in New Zealand most prefer to use to contact government varies with the purpose of the interaction. To find information the most preferred channel is either a website or email (48%). For other types of transactions, traditional manual processes seem to be preferred. For example, when dealing with a problem the most preferred form of contact is the phone (56%), with most people wanting non online contact (total 87%). Similarly 58% of people preferred to use a phone to book a facility or make an appointment (non online total 79%).

22. The most recent survey of New Zealand user preferences also shows that those people with the highest education levels combined with the highest income levels are more likely to prefer online transactions. Most government transactions that are available to individuals tend not to include this group of people. Face-to-face interactions are most preferred for applying for a grant/ benefit (48% - non online total 78%) and for paying for a service (53% - non online total 79%). Maori and older people are those groups most likely to prefer to contact, and interact with, government officials face-to-face (70%).

23. Although it seems apparent to government agencies that making their services available online may reap efficiency gains, these can be severely reduced if the uptake of the services remains low and agencies are forced to maintain traditional channels to ensure responsibilities of access and equity are met.

24. User surveys indicate that future demand in New Zealand for government services online is most likely to come from young people, well educated high income citizens, particular interest groups (such as genealogists), and the business sector. In some cases there is not a strong match between some of these groups and the delivery of government services. For example, government is more likely to deliver services to the socially disadvantaged than those with higher education and higher incomes, except where the latter operate businesses.

⁷ Erin Research Inc., **citizensfirst 3: Summary Report** The Institute for Citizen-Centred Service & The Institute of Public Administration of Canada, January, 2003.

⁸ Parr, Victoria & Yamine, M., **Government Online: A National Perspective 2003 (NZ)** tns consultants, GO_NZ, October 2003

International user preference research

25. Internationally, similar findings are emerging. In Canada for example, the telephone is the channel most widely used and the most preferred for dealing with government.⁹ The Internet, however, is increasingly proving popular when transactions are more complicated, or where many contacts are required to achieve the desired outcome. As with the New Zealand data, the preferred channel often depends on the nature of the service required. Where services are sensitive, or are of a personal nature, people prefer to interact with government officials face-to-face.
26. Similarly, Australia reports increasing use of the Internet for access to government services particularly for the purpose of gathering background information. Typically, however, when transactions are more complex people prefer face-to-face interactions.¹⁰ This pattern is one that appears to be common across nations.

Future demand

27. The scenario portrayed by user preference surveys suggests that any move to e-services needs to be carefully managed. Not only do potential services need to be rigorously assessed for cost efficiency, but the calculation of potential uptake needs to be conservative. For business benefits to be realised, new electronic channels need to be effectively targeted, and astutely marketed to potential users. This presents a strong case to support the Treasury position that e-services should not be developed of and for themselves, independent of the supply and demand context of the market.
28. At the same time, future demand is a difficult thing to gauge accurately. As people become more familiar with government e-services, more aware of their benefits, and more proficient in their usage, demand can increase rapidly. The demonstrable growth in the use of cell phones, laptop computers, and electronic banking services are examples of this in the private sector. The general principles equally apply in the State sector, and the demand for electronic transactions with government from business interests that some organisations are experiencing is evidence of this.
29. Similarly, feedback from consultation exercises carried out with the public regarding authentication issues showed clearly that New Zealand young people expected to have transactional government services available in the future, and were impatient with potential barriers to progress.¹¹ This supports the argument that in the future the greatest benefits to organisations may be to carefully target

⁹ Erin Research Inc., ***Ibid***, January, 2003.

¹⁰ National Office for the Information Economy, **E-government Benefits Study** April 2003
www.noie.gov.au [now www.agimo.gov.au]

¹¹ Refer: *Authentication: Summary Report from Consultation on Concepts* SSC doc: 314795 and *Authentication: Session with Youth Group at Auckland City Library*, 6 March 2003, SSC doc: 302369.

electronic transactional services to those people who are most likely to readily and confidently use them as a preferred channel option, rather than providing them as a general service to the public.

International service delivery channel initiatives

30. A review of international initiatives¹² shows there are several ways that other governments are dealing with e-service development. This largely depends on how advanced the e-government strategy is in any given nation. Most of the international literature accepts the general taxonomy that describes the maturity of e-government in four broad stages¹³ (often linear) whereby governments use new technologies to:

- provide citizens and businesses with convenient access to government information and services
- improve the quality of government services
- provide more opportunities to participate in democratic institutions and processes, and
- transform government.

31. The movement through these stages is more complex than it appears in this taxonomy. Development is rarely linear in practice. The first stage of development for most nations is usually one of placing government information online. This stage is often still in progress when governments move very quickly to attempt to move core government services online. In many countries this is currently only done in a partial way whereby citizens can complete part of a transaction with a government agency online, but still have to finish the transaction manually so that full authentication and verification of entitlement can be guaranteed.

32. In most of the literature reviewed for this assignment it was also apparent that the use of e-government for increasing participation of citizens in democratic processes is on a separate and quite different development track.

33. While transactional processes between the public and government are not yet fully developed, some countries have already moved through to attempts to cluster government services, both informational and transactional, together so that they are more accessible to members of the public. This is a process that is happening at the same time as the first two, and it is very difficult to access where any given nation is within the taxonomy.

¹² Refer to *Channel Strategy – Summary of International Initiatives* provided as an addendum to this paper.

¹³ Windley, Phillip J. **eGovernment Maturity** Office of the Governor, State of Utah, 2002.

34. For example, in 2003, the UK has issued a ‘*Channels Framework*’¹⁴ for use by government agencies in making investment decisions when accessing service delivery efficiencies (i.e. in what circumstances would e-services replace, or support, traditional service channels). The primary purpose of this initiative is to support government agencies in making channel investment decisions to provide more efficient services to the public. Just over 12 months later, the UK government has launched *DirectGov*,¹⁵ which is an online, citizen-centric portal for accessing government services. Similar examples of dual approaches to e-service development can be seen in Canada, Ireland, and the USA.

The development cycle of government e-services

35. Where e-government is a relatively recent initiative in any given nation, the focus of discussions tends to be more on e-service channels as a means of improving specific government services. The goal is to improve the credibility of government by the provision of more efficient, cost-effective and reliable services to the public [Greece, Lithuania, Malta, UK (via Channels Framework)]. This approach is primarily government-centric, rather than citizen-centric. The underlying principle is one of maximizing the efficiency gains available through new technologies.

36. Critical success factors for this approach include the resolution of issues such as data protection (especially personal data), authentication, data integrity, and the maintenance of civil liberties. Other challenges include overcoming the digital divide to ensure the availability of services to the public, and addressing general issues of technological skills so that service uptake justifies the investment.

37. Trust in government so that people are willing to conduct transactions online is also a critical issue. Online services provide greater transparency of process. On one hand, this is beneficial to the public. On the other, it can at times lead to increased scrutiny and criticism of government that erodes public confidence. Exaggeration of failures by media sources often obscures success with a subsequent negative impact on uptake of online services.

38. Where e-government issues of this order have been worked through, either fully or partially, some nations are starting to look forward to explore the potentiality of government e-services, and how they might be managed more effectively to encourage citizen uptake. In some countries the first step towards transformational government is rethinking business and information processes and moving to shared and commonly understood business architectures without necessarily changing external structures [Canada, Victoria (Australia)]. This is most easily done where governments have looked to cluster information services rather than transactional ones.

¹⁴ Office of the E-Envoy **Channels Framework: Delivering government services in the new economy** Cabinet Office, 2003.

¹⁵ www.direct.gov.uk

39. The UK (DirectGov), Ireland and Canada are examples of where governments have started to work through the process of providing citizen-centric transactional services, i.e. where services are organised around the needs of the citizens (e.g. students, businesses, seniors, or travelers) as opposed to the needs of the government agency providing the service. This not only requires the reorganisation of front-end processes to allow citizens to access cross-agency services, but the management of back-end processes to be increasingly collaborative to enable these services to be seamless.
40. This approach constitutes a new way of thinking about the provision of government services, and requires new modes of governance, funding, business architectures and interoperable technologies. The movement to this approach also requires rethinking the public management system, and as such is far more momentous in its outcome. Although the literature of some nations is clearly in this mode of development it would require much more in-depth research to ascertain how far this conceptual model has translated into wide-spread practice.

Current New Zealand government e-service initiatives

41. In-depth research would be required to make proper comparisons between New Zealand and other countries with respect to progress against e-service goals. Currently a range of State sector organisations in New Zealand are moving to provide some of their core services online. These services largely complement other channels of delivery, and are designed to provide customers with greater convenience and more efficient service. The range of services available online includes, but is not restricted to, such services as:

- LINZ *Landonline* – online registration of land transfers
- IRD – business tax assessments and online payments
- LTSA – motor vehicle register
- Customs – lodgment of import and export entries
- Immigration – application for a visitor's permit
- MED – registration of a company; personal property security register.

This is not an exhaustive list, but provides examples of some of the emerging government e-services.

42. However, e-service development across the State sector does not appear to be guided by a consistent whole-of-government approach to service delivery investment decisions, or a set of principles or framework for assessing service delivery options. The development of government e-services appears at this time to be piecemeal, and subject to the varying levels of commitment that senior management teams may have to the e-government programme.

43. Discussion with representatives of a range of government agencies (refer: Key Informants' Workshop summary)¹⁶ suggests that individual organisations are considering e-services alongside traditional channels as part of overall business plans driven by pressure for organisational efficiency. This is consistent with the current approach advocated by Treasury whereby e-services are seen as only one option open to agencies that must be accounted for in a business case according to the relative cost benefit value proposition to the organisation.
44. Where government agencies primarily work with business interests there are clear, strong, supply and demand efficiency drivers that support e-service investment decisions. Businesses are largely technically competent and there are real time and cost benefits to be realised by dealing with government agencies online. Where agencies provide services to individual members of the public, such business drivers are not so strong.
45. The feedback from the Key Informants' Workshop held for this assignment brought out a number of important considerations:
- There is a core group of State sector organisations that are very committed to e-government initiatives, and have secured a considerable amount of baseline funding to invest in e-service development
 - The benefits of e-services to both customers and organisations are proving themselves in practice
 - A number of organisations are looking to develop business 'channel' strategies, but these are largely being compiled independently without reference to any existing framework that may act as a guide for consistent service delivery investment decisions across the State sector
 - Agency officials indicated that they saw significant benefits to be gained from inter-agency discussions on channel issues that might provide context for the efforts of their agencies, and
 - The current 'leaders' of e-government initiatives will to some extent dictate the scope and nature of future collaborative efforts to develop e-services in the absence of any whole-of-government approach. The business efficiency priorities of these organisations will drive future development in the absence of any alternative guiding public management framework for the provision of citizen-centric services.
46. It would appear that the development of e-services in New Zealand can still be regarded as a fledgling proposition. Most, if not all, State sector agencies have websites that provide the public with core sets of information. However, the provision of e-services is less well developed. Some agencies enable the public to download forms only; others enable applications to be lodged online (e.g. student loans, company registration), but the transaction has to be completed manually. A small number of agencies enable transactions to be completed online (e.g. paying GST, registering changes in land titles, lodging import and export entries).

¹⁶ *Channel Strategy – Summary of Information*, Section 4, p 29

47. In the past, issues of authentication, technical interoperability, varying technical standards, data integrity, and access acted as inhibitors to the development of online transactions. These have largely been resolved and the fundamental platform for reliable and secure transactions has been put in place across the State sector.
48. What is less clear is in what circumstances government agencies would replace traditional modes of service delivery to the public (other than businesses) with electronic channels, how much real demand there is for e-services, and whether they can be a cost efficient option if they have to co-exist alongside traditional channels for reasons of access and equity.

New Zealand E-government strategy

49. Over the past 5 years, the E-government Unit has successfully built the policy and operational platform to facilitate online government transactions with the public. This includes web guidelines, an interoperability framework, metadata and e-GIF standards, and the authentication framework. The primary driver for online development is currently the provision of quality services (Stage 2 maturity), but the e-government strategy provides a vision for the future transformation of government service delivery.
50. The e-government strategy – June 2003 update¹⁷ specifies clearly the future vision for the development of government e-services in New Zealand. The Mission statement for the strategy sets goals that explicitly indicate that services to the public will include electronic channels:

“... By June 2007, networks and Internet technologies will be integral to the delivery of government information, *services*¹⁸ and processes.

By June 2010, the operation of government will have been transformed through its use of the Internet.” [p 9]

51. Two of the three outcomes identified as being characteristic of successful e-government relate to the availability of e-services as a means for more efficient and effective government.

¹⁷ www.e-government.govt.nz

¹⁸ Italics and bolding added for emphasis.

<p>Convenience and Satisfaction <i>Services provided anytime, anyhow, anywhere</i></p>	<p>People will have a choice of channels to government information and services that are convenient, easy to use and deliver what is wanted.</p>
<p>Integration and Efficiency <i>Services that are integrated, customer-centric and efficient</i></p>	<p>Information and services will be integrated, packaged, and presented to minimise cost and improve results for people, businesses, and providers.</p>

52. The strategy sets out in considerable detail milestones for the movement to e-services by 2007 and 2010 that indicate clearly the vision for e-government (p 10):

Delivery (by 2007)

- Many services will be fully or partially delivered electronically (where appropriate)
- Traditional service delivery channels (counter, postal, telephone etc) will continue to exist but will be enhanced by the use of technology
- Front-office integration will be well developed – many services will have been redesigned and bundled together in ways that meet customers’ needs better
- Back-office integration will be advancing through adoption of the interoperability framework, and progressive build of components of the service delivery architecture.

Transformation (by 2010)

- Service delivery will be more proactive. People will allow agencies to use information they hold to ‘push’ services out to them (e.g. reminding people to meet an obligation, or advising of an entitlement)
- Agencies will have redesigned the way they deliver services – traditional channels may be used less, in favour of the Internet which will reach most New Zealanders, and often be more convenient for them
- People will have more choice about who delivers them a service – they might select from a range of agencies, intermediaries, or even private sector providers
- Cross-agency service integration will be the norm in government – standalone services will exist only where there are strong reasons for not integrating them
- Services will be increasingly targeted at individuals (people or business), based on their personal circumstances. The range and design of services that agencies provide will be more flexible, and more valuable to customers
- The back-office of government will be widely shared – there will be much less investment in agency or service-specific technical, information, and business process infrastructures. Better value for money will be achieved.

53. Strategic assumptions, risks and mitigations as well as the role of the E-government Unit and general principles that guide the development of electronic service delivery are all included in the content of the general E-government strategy. There is a clear vision of transformed government with the provision of electronic channels as one of the key mechanisms for enabling this to occur.

Future support for e-service development

Is a channel strategy required?

54. The vision for e-government (2003) is clearly a strategy for the increased provision of government services online. All of the features one could expect in a channel strategy are already present (i.e. vision, mission, goals, principles of operation, milestones, and timeframes). In this sense, while there may be some marginal benefit in unbundling the channel components of the existing strategy for the sake of greater clarity, it is not necessary to replicate it or supercede it with an alternative strategy focused only on channels.

Alternative options for guiding future channels development

55. The material canvassed in this assignment provides a number of contextual indicators of how service delivery channel development may occur over the next few years in New Zealand. Having the vision and mission in place for future channel development, the E-government Unit has a choice about where to position itself to manage the achievement of the goals it has set in this area for the State sector.

Option 1: Passive management of channel development

56. Some government agencies are responding to the e-government strategy by moving to increase the efficiency and convenience of their services by providing them online. In the majority of cases these complement, rather than replace, existing traditional manual channels of service delivery. Agencies are looking to develop their own business 'channel' strategies. The primary driver for change is business efficiency, rather than the provision of citizen-centric services.
57. However, as agencies start to develop services online, it is becoming obvious that there are logical linkages to the work of other departments, and collaboration is starting to take place. For example, MED is looking at integrating business processes associated with company registration, and providing online links to IRD where businesses can complete set-up processes by applying for company IRD numbers and registering for GST. The outcome would be a one-stop process for the customer, hosted by MED on behalf of IRD.

58. Similar types of examples are starting to emerge from other sector groups, and even across sectors (Refer Key Informants' Workshop).¹⁹ Agencies are looking to involve intermediaries where appropriate (e.g. Immigration is working with universities to act on their behalf with foreign students). Over the past five years, the foundation has been set for common technologies, standards and policies to enable government transactions to take place online. Where joint initiatives for e-services are emerging, governance frameworks are being put in place to ensure the development meets the needs of all parties involved. The process of developing the Internet as a viable alternative service delivery option now has a momentum of its own.
59. Over time, without any further intervention by the E-government Unit, it is likely that the channel development goals of the e-government strategy will be successfully achieved to a reasonable level of satisfaction (the current goals are generic therefore a required level of completion can be devised in the future). The front-end of government service may be transformed by the addition of Internet services that provide customers greater convenience and are more efficient. To this extent, the focus of the Unit's work programme could be on other priorities.

Option 2: Active, strategic management of channel development

60. Allowing the current momentum to carry the development of e-services does carry the inherent risk of ad hoc, piecemeal (as opposed to incremental) development and duplication of effort across the State sector. As stewards of the e-government strategy, the E-government Unit may wish to adopt a proactive role in facilitating agencies to move towards a citizen-centric, collaborative approach to delivering services online. Appropriate services the E-government Unit could provide State sector organisations in relation to channel development could include:
- a. Leadership
 - b. Brokerage, and
 - c. Acting as a 'Centre of Expertise'.

Leadership

61. To provide strong leadership to the State sector in assessing the feasibility of e-services and managing their development, the E-government Unit needs to assess the support required by agencies, examine the contribution the Unit could make to provide that support, and evaluate the range and types of resources required.
62. The development of e-services in the State sector contributes to the broader public management reform agenda that has as its central focus the intention of providing more integrated, collaborative services to the public of New Zealand. The 'Managing for Outcomes' work stream provides a useful strategic policy platform for moving the future development of government e-services to a more citizen-centric model. A close alignment between the e-government strategy work

¹⁹ *Channel Strategy – Summary of Information*, Section 4, p 29.

programme and the broader policy development work relating to State sector service delivery will enable the E-government Unit to leverage opportunities to give fresh impetus to its strategic objectives. This alignment needs to take place (and be seen to have taken place) across all levels including governance, management, and advisory functions.

Brokerage

63. The final CIAG report on the Review of the Centre advocated a “... Relentless focus on both outcomes and effectiveness”.²⁰ The E-government Unit has a role in encouraging and facilitating collaboration in developing e-services as part of central agency leadership advocated in the Review of the Centre. It may be an opportune time to leverage off the central agency focus on governance of shared outcomes to promote and gain support for collaborative, citizen-centric e-service initiatives.
64. Indicators are that agencies are looking to the E-government Unit to provide guidance and support for their efforts, without removing the autonomy of business development from agencies by imposing prescriptive controls on their endeavours. Agencies have indicated that they would find more discussion workshops²¹ on service delivery channels helpful to enable them to clarify the context of e-services development and work through specific issues relating to service delivery investment decisions.
65. It is possible that there may be an additional role for the E-government Unit in brokering cross-agency e-service development at the senior management level. The leverage of a central government agency may be valuable in identifying and promoting e-service opportunities with chief-executives and business managers. Some assistance with governance arrangements and the production of compelling business cases may also be valued by State sector agencies.
66. Key informants also indicated that they saw a role for the E-government Unit in sharing ‘successful change stories’. Officials saw benefit in gaining information on how, and where, other agencies had been successful in developing e-services. Such information provides agencies with practical advice and supports the culture of innovative service development:

“Change stories need to be told as a learning tool – people need to continually hear talk about outcomes and effectiveness and need to be given practical examples of success”. [CIAG final report, p 4]

Centre of Expertise

67. Part of the role of the E-government Unit might also be to be a conduit for providing government organisations with information on relevant research on e-service development. Similarly, the Unit could package and distribute information to agencies on how issues of governance, funding, interoperability,

²⁰ Final report by CIAG on the work undertaken to implement the Review of the Centre, p 3.

²¹ A set of suggested readings is attached to the Bibliography.

web-design, authentication and other relevant considerations can be managed and resolved. The UK government provided government departments with a 'Channel Strategy Framework'²² to provide guidance for e-service investment decisions, including the use of intermediaries. Such an instrument may also be useful for New Zealand government agencies.

Next steps

68. To adopt a proactive, leadership approach to e-service development in the State sector the E-government Unit will need to develop a Business Plan for achieving the strategic goals of the e-government strategy that:

- sets the context for e-service development within the public management reform agenda and indicates the contribution the e-government strategy will make to the 'Managing for Outcomes' work programme
- defines the role of the E-government Unit in leading and supporting agencies to develop citizen-centric e-service initiatives
- identifies key resources available to support e-service development, and
- sets measurable targets for progress towards achieving the E-government strategy.

²² Office of the E-Envoy, **Ibid**, Cabinet Office, 2003

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O'Neill, Rose *Channel Strategy – Summary of Information*, Commissioned by E-government Unit, State Services Commission, 30 June 2004 (Unpublished)

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State Services Commission, Statement of Intent 2003, Presented to the House of Representatives

Victoria: Government On-line **The Channel Concept** Multimedia Victoria, November 1999

Windley, Phillip J. **eGovernment Maturity** Office of the Governor, State of Utah, 2002.

www.e-government.govt.nz; www.direct.gov.uk

Attachment 1: Suggested workshop resources

Any one of the following resources could be used as background material for a cross-agency workshop on channels of service delivery.

Resources
Bentley, Tom and Wilsdon, James The Adaptive State: Strategies for personalising the public realm A Demos work programme, Dec 2003
Cisco Systems Inc., The Connected Republic , Corporate Headquarters, April 2004 (www.cisco.com)
Curthoys Noah & Crabtree James, SmartGov: Renewing Electronic Government for Improved Service Delivery in iSociety, July 03 (www.theworkfoundation.com)
Kost, John Re-engineering the Face of Government Asia-Pacific Symposium/ITxpo 2003, Sydney, Australia, 11 – 14 November, 2003
Office of the e-Envoy Customer Focused Services - Measuring the Expected Benefits of E-government , Part 2 First-Class Public Services, 2004
National Office for the Information Economy (NOIE), E-Government Benefits Study - Managing e-government , Australian Government, April 2003 (www.noie.gov.au)
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