

Government service delivery in a digitising world

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By Lorraine Mackin, Global Sector Head – Government, KPMG International

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Key takeaways:

- *The COVID-19 pandemic has been a significant driver of accelerated digital adoption by governments. Changes that previously took years were implemented within weeks. Governments are now focusing on capturing these gains for the long term and embedding digital transformation into their DNA.*
- *Data security and governance are key to maintaining public support for digitalisation, as more services are placed in the cloud.*

COVID-19 has accelerated the push to digital, citizen-centric government

The last 18 months have been unprecedented for governments globally. While history is filled with significant shocks to government service delivery, the COVID-19 pandemic was the first to come at a time when technology provided genuine alternatives to the fundamental delivery of government services.

Almost overnight, many government agencies transformed their internal and external operations. Changes slated to take place over years were instead completed in a matter of weeks, as slower procedures for business cases, decision-making and risk management were streamlined. This rapid iteration and delivery spanned a diverse range of areas, matching the many challenges that the pandemic threw up. For example:

- Online delivery of application, assessment and disbursement of stimulus and support funding to individuals, small businesses and community organisations
- Shifting of centralised call centres for key services to distributed models, enabling staff to work from home
- Rapidly gaining a whole-of-supply chain view to address critical supply shortages and distribution requirements, in areas such as Personal Protective Equipment (PPE) and vaccines; and
- Rapidly scaling app-based platforms to assist in implementing public health requirements, such as contact tracing and location check-ins, immunisation certificates and business compliance with hygiene regulations.

Digital transformation is now the norm, not an aberration

Despite many of the public health orders starting to lift and the immediate critical health challenges subsiding, we expect that governments will retain their momentum for transformation. Several drivers will contribute to this dynamic.

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A **low growth environment** is likely to persist for some time, with many governments prioritising debt reduction from their stimulus measures and pressure to do more with less. Rather than cutting services, increased digitalisation can enable governments to serve citizens more effectively while focussing on intensive, face-to-face delivery on the vulnerable cohorts who need it most. For example, an aged care provider may choose to do daily procedural checks on in-home care residents via video link, freeing up limited nurses and doctors to focus in-person visits on more complex, high-need residents.

Customer expectations of digital service delivery are now higher than they have ever been. [KPMG's 2020 Global Customer Experience \(CX\) Excellence](#) survey of more than 100,000 consumers illustrates the pandemic's influence on customer loyalty, expectations, and experience. Respondents cited higher priority for convenience, reliability, authenticity, and transparency. Forty-five per cent saying digital channels will be their primary means of engaging future services.

Despite these expectations, government CX quality continues to trail the private sector. Forrester's Customer Experience Index (CX Index™) shows that government provides poorer CX than virtually every private-sector industry. More than half of government organisations themselves rate their customer-centric capabilities as average at best: 16 per cent call them 'less mature' and about 42 per cent rate their customer centricity as 'about average.'

Governments are moving to address this challenge. The Forrester research suggests that eight out of ten government organisations are addressing putting customer centricity front and centre. 29 per cent of government decision makers surveyed count their customer-centric strategy as a top priority, while 46 per cent are making it a high priority. Many are creating a Chief Customer or Experience Officer charged with overseeing improvement of the customer experience. Customer-centric standards for government services are being centralised, with stronger CX-related requirements and enhanced service standards, technology, monitoring, and reporting.

With increased convenience comes an increased need for trust

Governments have access to incredibly rich sources of data from their customers. These data pools exist across a multitude of agencies covering areas such as personal and business taxes, health, employment, benefits, education, immigration, licensing and permits, and beyond.

On the one hand, there is tremendous opportunity to break down data siloes by modernising the platforms used across government and connecting data to provide better targeted services for the citizens who most need them. Regulatory modernisation will be key to this process. For example, around 30 per cent¹ of governments surveyed by Forrester Consulting on behalf of KPMG International cited difficulty sharing customer data and analytics between channels, jurisdictions, and locations as a key barrier to progress on customer centricity.

On the other hand, trust will be key to maintaining public confidence in government digitisation. KPMG International's research in the U.S. shows that only 44 per cent of survey respondents say they trust government employees, while the number is 37 per cent in Australia.² To improve internal operations and encourage trusted data sharing governments will inevitably need to implement stringent data governance and cyber security protocols. These protocols must also extend across the entire supply chain - governments will ultimately be held accountable for the outcomes that they commission, as well as those that they directly deliver.

Digital transformation is now the 'new normal' for governments. They must take a comprehensive approach to modernising their services and ensuring that they meet the needs of those who need them most. Their

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citizens expect nothing less.

For more on this, read KPMG's publication [Modernizing Government: Global Trends](#).

¹ Modernizing government: global trends, a KPMG report, accessed on 20 November 2021

² CITIZEN EXPERIENCE SURVEY, Australian Government, Department of the Prime Minister and Cabinet, accessed on 25 November 2021

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