

SelfKey by Danish Customs and Tax Administration

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Online Provision
of Public Services
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Background

Personal Income Tax in Denmark – The Fundamentals

- Amounts to more than 50% of total tax revenue, and more than 25% of GDP
- Paid by 90% of Danish Citizens (4.5 mio. out of 5 mio.)
- Complicated tax code (high progression, many different income concepts and deductions, difficult tax calculation)



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Objectives and Target Groups

How to Make Taxpaying Easy for all Danish Taxpayers?

- **From control to service: Tax return pre-completed by the tax administration from 1988**
- **“No touch”-philosophy: Tax filing by doing nothing**
- **Automatic tax statement with the return (1/4 of ordinary taxpayers in 1988, more than 2/3 today)**
- **SelfKey 1 generation: Filing additional information for the pre-completed return from 1995**
- **SelfKey 2 generation: Seeking information, making tax calculation etc. during 1990´es**
- **SelfKey 3 generation: Full access to and control over own data (personal tax file), interactive real time services (e.g. immediate on line statement)**



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euser

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User-orientation: Visibility

How to Brand the SelfKey Services?

Effort

- Direct mail with the pre-completed tax return
- TV spots, newspaper articles and advertisements, combined national and local campaigns, digital campaign with other local and national administrations

Result

- Few areas where Danes have seriously embraced government e-services: CustomsTax' popular e-services (SelfKey) an exception (from a survey by PLS Rambøll Management 2002)
- The digital CustomsTax is definitely the biggest success story of citizen directed digital administration in Denmark (from a scientific case study of digitalisation projects in Denmark 2004)



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User-orientation: Usefulness/utility

How to Make SelfKey Relevant?

Effort

- **Service (as opposed to technology) driven development!**

Result

- **SelfKey users extremely satisfied with CustomsTax´ e-services¹**
- **90% prefer SelfKey because it is easier and more efficient¹**
- **Many years focusing on data integration: SelfKey is easy because the systems play together and give users an experience of handiness and convenience²**
- **The product is desirable: There must be a gain for the user – only then will the number of users increase to successful heights²**
- **Keep it simple: Biggest strength of SelfKey is its simplicity²**
- **Continuous improvement: For 40 years CustomsTax have maintained an evolutionary development towards more digitalisation and less paper thereby avoiding often isolated and theoretical high flying projects²**

(Notes: ¹PLS Rambøll 2002, ²Scientific case study 2004)



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User-orientation: Access

How to Get Many SelfKey Users?

Effort

- Both simple pin-code and digital signature (for new, more advanced services)
- Both voice response and internet (for many more services)

Result

- Early popular break through in the market for simple services
- New, more advanced services being developed and attracting new customers



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Have we Succeeded with SelfKey ?

- 68% of taxpayers get a fully pre-completed return + tax statement without doing anything. 68% of those who file extra information use SelfKey. Only 10% use any paper
- 65% of all taxpayers agree that “Today the tax return is an easy task for people like me” (25% disagree). 75% trust that the tax administration calculate their tax correctly (17% do not). 65% have an overall favourable opinion of the tax administration (with only 8% unfavourable) (Poll 2004)
- *Special Danish e-Trade Prize 2004 awarded to SelfKey for being a frontrunner in the digital Denmark serving a big and loyal target group – Danish taxpayers – in a good and solid way, digital player since 1995 – and today a decisive factor in the digitalisation of the relationship of the Danish people to the public sector with flexible opportunities for reporting, tax calculation etc. which makes a visit to the tax office unnecessary*
- SelfKey selected for the final of the eEurope Awards for eGovernment 2005 competition (“Transforming public services”) to be held in Manchester in November



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Where are We Heading?

- It was possible to make taxpaying in Denmark easy for all taxpayers
- The *means* was a service-driven development of no-touch and SelfKey solutions
- Today taxpayers ask for more advanced services and we *will deliver*

But an important question to ask is:

- Have we made the necessary changes in our back office processes to gain the full economic benefits from digitalisation? And have we used digitalisation to break down barriers between different sectors of government and between government and private services?
- No! And the politicians are now waiting for us to deliver through administrative reform



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