22. Inland Revenue New Zealand: From hosting consultations to managing conversations

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What I am trying to convey in this chapter is that being a tax department, we in Inland Revenue in New Zealand are often bound by secrecy, legislation and risk-averse management, which makes our decision to seek feedback online a bold step for us.

To date, we have undertaken three online consultations, each with different audiences. In 2009 we worked closely with those to whom we give student loans. As we offer 627,000 student loans, currently totalling $NZ10.8 billion, this represents a significant part of our business. Consequently, we wanted to look at ways that might help to reform and simplify the administration of those student loans and ultimately to get some of that money back into the government coffers so that it could be used on other social programs. But, if we think about the students who receive student loans, it is not a group that is typically riveted by tax policy. Students do, however, embrace the latest technology. We thus ran a moderated online forum for this group over a six week period. As a result, our website received 5600 visits and 120 comments — a much higher usage than usual and clear evidence of our success in engaging the student demographic on this issue.

The second consultation we conducted aimed to investigate and simplify the general administration processes of the tax system. Again, we held an online forum. Our website received 10,000 visits and 1000 votes on different types of policy proposals. We also used short videos on our website to illustrate how life was before and how it would be after the policy changes. These videos were written, acted and filmed in-house, exposing some hidden talent in Inland Revenue.

We also used Facebook as a medium to give ongoing publicity to the forums and we portrayed, through specific examples, the impact that our proposed changes would have on businesses, individuals, software developers and not-for-profit organisations.

The third online consultation we undertook was our Child Support Online Survey. For this we received over 2000 submissions and tens of thousands of comments. Our respondents spent approximately three and a half minutes

reading and digesting each page of our consultation document. Given our child support customers generally have an emotional investment in the issues involved, it makes sense that they would take the time to give feedback on the changes that would affect them.

Overall, the comments that we received were positive. The central question for us, however, was whether this new form of consultation was more effective than our previous consultations, which used traditional techniques? Unfortunately, this question was difficult to answer because in every policy consultation we ask the public about different elements of a wide range of legislation. Some proposed legislation maybe straightforward and other legislation contentious. Often, then, the legislation itself influences the public's response, more than the medium of consultation. We will therefore have to assess different consultation methods on the same area of legislation in order to better understand the efficacy of our new consultation techniques.

What has become clear is that online consultations have given the public greater opportunity to comment on the tax policy issues that matter to them. Whereas our traditional consultations were characterised by our agency dominating the agenda, online consultations more closely resemble a conversation between two equal parties.

We believe this 'conversation' approach generates different types of outcomes. It has introduced to Inland Revenue a wider range of perspectives and shown us different ways of looking at things. Most importantly, this approach is more flexible insofar as it provides the public with a forum in which they feel comfortable providing comment on parts of the legislation rather than one in which they feel obligated to be aware of all of it.

So where are we at now? Well, we are considering extending our social media consultation to include Twitter, Facebook, YouTube and mobile technology. Going forward for us, however, the big question will be: what do people want from their tax administration and how much do they want to interact with us? Will individuals appreciate the engagement or resent the intrusion? We have opened up new channels of consultation to be managed into the future — so will the prevailing feeling be that wider voices are being heard or more annoyance for those that treasure their privacy. Do taxpayers, students and families want tax administrators popping up on their personal technology? Only time will tell how these new forms of consultation will play out with the public.