



# 2025 CUSTOMER EXPERIENCE REPORT

Public Sector: Australia & New Zealand

**AI's potential to transform  
public sector services.**



# Introduction

**For the past four years, ServiceNow has surveyed customers in Australia and New Zealand to understand their experiences with government services.**

This year's findings reveal both challenges and opportunities. Customers' expectations for seamless, efficient, and timely services are higher than ever – particularly in the wake of the cost-of-living crisis.

This report is based on an independent survey of both customers and customer service agents across Australia and New Zealand.

Customer Survey

**1,007 New Zealanders (18+)\***

**1,031 Australians (18+)\***

Employee Survey

**122 New Zealanders (18+)\***

**223 Australians (18+)\***

\*Data weighted to match latest population estimates from Stats NZ/Australian Bureau of Statistics.

More people than ever (56% in both countries) are attempting to contact government services – an increase of 9% for Australia and 10% for New Zealand in the last 24 months.

However, government services often fall short of customers' expectations, leaving many frustrated and underserved. Australians and New Zealanders rate their public sector customer service just 5.2/10.

The result is a clear 'service gap' between what customers need and what the public sector currently delivers. But there's good news: customers and governments alike are ready for change. By simplifying processes, unifying data and leveraging AI to amplify service capabilities, governments can close this gap.

This transformation has the potential to improve service experiences, rebuild trust, and deliver meaningful support when it's needed most.

In this report, we offer actionable insights drawn from ServiceNow's expertise in digital workflows and customer service delivery. Together, we can create equitable, efficient, and customer-focused experiences that empower people and set a new standard for public sector service delivery.

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# The state of public services

Government departments and agencies in Australia and New Zealand are working hard to meet customers' increasing expectations for faster, more accessible, and more efficient services.

While significant strides have been taken to bridge the gap between customers' expectations and service experience, some key challenges remain:

## Challenge

### Long wait times

Lengthy wait times are an ongoing source of frustration. Over half of consumers (**59% AU, 60% NZ**) view speed of service as a critical area for improvement, and 47% would like to see a reduction in the number of times they are transferred between departments before getting a resolution. The average customer service employee in Australia and New Zealand **only spends around one day per working week (22% in New Zealand and 19% in Australia) resolving customer issues** – distracted by 'busy work' and inefficient processes.

## Opportunity

Streamline digital service requests for customers by intelligently engaging the right resources (people, processes, and information) to deliver seamless and automated outcomes whenever possible.

Both Australians and New Zealanders rate their public sector service experience just

**5.2/10**

Time spent waiting for a resolution from public services (including federal, state, and local governments) has also increased to

**1.6 HRS** AU  
**1.7 HRS** NZ  
per person

\*Includes federal, state and local govt

### Challenge

#### Inefficient agents

Around half of consumers (**48% AU, 54% NZ**) recognise the importance of customer service agents being well educated and informed. Yet agents are often hindered by too many systems, departmental silos and a lack of visibility of customers' data.

As a result, customers are often transferred to agents in multiple departments before a resolution can be found. Close to half (47%) of Australians and New Zealanders say they would like to see a reduction in the number of people they speak to from different departments when dealing with government services.

### Opportunity

Empower agents to deliver seamless customer service by providing a single, intuitive interface with all the necessary information, tailored to the specific task, service, or customer at hand.

### Challenge

#### Expanding service hours

Many customers would like to see government services become more accessible and available, especially outside of traditional working hours. Over a third of Australians and New Zealanders (38%) value extended service hours or more responsive after-hours support.

### Opportunity

By identifying critical out-of-hours services and combining digital self-service, automation, and service transparency, government agencies can provide highly accessible services that customers can easily request and track independently.



### Challenge

#### Improving digital services

Governments have made significant advancements in digital services, but a third of Australians (35%) and nearly as many New Zealanders (32%) still find these services difficult to use, citing issues with accessibility and user-friendliness.

### Opportunity

The rise of trusted and feature-rich chat and messaging creates exciting possibilities for highly interactive service experiences. By leveraging real-time customer and operational data, these experiences can be both intuitive and efficient, predicting, interpreting, and resolving customer needs.



**Australian Government**  
**Digital Transformation Agency**

#### Example

**The Digital Transformation Agency (DTA)** modernised government digital procurement process with ServiceNow Customer Service Management to transform the experience for buyers and sellers.

95% of cases are resolved at level 1 support, and sellers can now submit quotes in minutes while buyers receive responses to complex quotes in just 1–2 days, instead of weeks.

[Read the full story](#)

The progress made by public sector departments and agencies in Australia and New Zealand is commendable. Addressing these remaining challenges provides an opportunity to build on the momentum, further strengthening trust and delivering seamless, customer-centric services.

# Impact on the community

**Australians and New Zealanders are clear in their expectations: they want public services that are reliable, empathetic, and efficient.**

When these expectations are not met, the consequences extend far beyond mere frustration. In the public sector, where people have no alternative service providers, the impact of poor service delivery is profound—affecting mental health, wellbeing, and even influencing voting preferences.

Being left on hold, the most cited source of stress, negatively impacts the wellbeing of over half of consumers (52% AU, 52% NZ). This stress is compounded by unresolved issues (44% AU, 47% NZ), complicated processes (37% AU, 38% NZ), and a lack of access to empathetic staff (31% AU, 38% NZ).

For people already facing cost-of-living pressures, these interactions can feel like an additional burden rather than a solution.

The stakes are high. Governments that fail to meet customer expectations risk losing trust, as evidenced by the majority of Australians (57%) and New Zealanders (54%) who say they are more likely to vote for a party committed to improving public service experience.

## Wait time

Australians spent

**123m hours**

and New Zealanders

**24m hours**

waiting to make a customer service complaint or resolve an issue in 2024. Approximately a third of this time is with government services (versus private sector).

## Impact on wellbeing

**10,304m**

Australians and

**1,868m**

New Zealanders say being left on hold impacts their wellbeing.

● AU / ● NZ





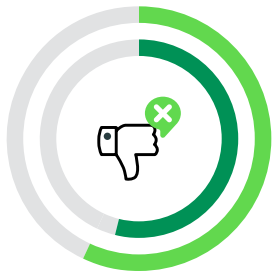
### Desire for human interaction

Nearly half of consumers (42% AU, 41% NZ) report frustration when they cannot speak to a human representative.



### Complex processes

Complicated systems (37% AU, 38% NZ) and forms (33% AU, 32% NZ) also contribute to the negative experience.



### Voter influence

Improved access and faster service delivery would sway 57% of Australians and 54% of New Zealanders to vote for a party driving these changes.



### Empathy matters

Over a third of consumers (31% AU, 38% NZ) feel interactions with unempathetic staff exacerbate their frustration.



### Stress drivers

Prolonged hold times (52% AU, 52% NZ) and slow issue resolution (44% AU, 47% NZ) are the top stressors.



### Time impact

Taking time away from work or other commitments is a source of stress for 30% of Australians and 32% of New Zealanders.

Governments have a unique opportunity to address these challenges. By delivering services that are empathetic, efficient, and accessible, they can go beyond simply meeting expectations to building trust and strengthening the connection with the communities they serve.

● AU / ● NZ

# Impact on governments

**The challenges faced by people and businesses interacting with public services are mirrored by the struggles within the public sector itself.**

Productivity levels within government agencies suffer when timely service delivery is not achieved, impacting both the efficiency of operations and the morale of public servants. The mantra of 'doing more with less' is familiar territory for governments. However, turning this aspiration into a reality requires more than simply placing additional demands on already stretched departments and agencies.

Public sector organisations must embrace innovative approaches to address workforce shortages, enhance service delivery, and prioritise the wellbeing of their teams. This need for innovation is particularly urgent during times of crisis. Natural disasters or unexpected surges in demand strain government services, exposing the limitations of fixed staffing levels.





The increasing frequency of 'black swan' events highlights the importance of scalable solutions. Technologies such as digital workflows and AI can rise to the challenge, enabling governments to scale services almost instantly to meet surges in demand.

Workforce challenges are acute across Australia and New Zealand. In Australia, there is a projected demand for 585,000 new roles in health and public services over the next decade.<sup>1</sup>

In New Zealand, it's estimated the public sector will need an additional 70,000 workers by 2035<sup>2</sup> (Ministry of Business, Innovation, and Employment).

This demand for skilled workers puts immense strain on existing teams, as they balance increasing workloads with the expectation to deliver high-quality service.

By adopting solutions that improve employee productivity, enable rapid scalability during crises, and support workforce wellbeing, governments can close service gaps while building a more resilient public sector.



Predicted labour shortages in health & public services:

By 2035:

**500,000+**  
in Australia

**70,000+**  
in New Zealand



Employment challenges for public sector:

- **Growing and ageing population<sup>3</sup>**
- **Increased demand for services<sup>4</sup>**
- **Recruitment challenges<sup>5</sup>**

1. Australian Government Jobs and Skills Australia, [Employment Projections](#)

2. Ministry of Business, Innovation and Employment, [Where will we find our future workforce?](#)

3. Australian Treasury, [Australia to 2050 – Future Challenges](#)

4. ABC, [Census data on workforce, education and moving](#)

5. APSC, [State of Service Report](#)

# Closing the customer service gap in the public sector

**As the demand for efficient and effective public sector services grows, governments across Australia and New Zealand face the challenge of meeting rising customer expectations.**

Fragmented systems, siloed data, and outdated service delivery models simply can't keep up.

The days of simply adding more staff to meet increasing demand are over. Governments need a smarter, more efficient way to enhance service experience and improve employee productivity.

AI's potential is only fully realised when it operates on a unified platform. Disconnected, siloed tools often fragment the customer experience and limit visibility.

The ServiceNow platform provides a unified layer that seamlessly integrates systems, offering a 'single pane of glass' for operations. This ensures AI works across the organisation, delivering consistent, connected, and efficient experiences.



# CONNECT EVERY CORNER OF GOVERNMENT WITH AI

The ServiceNow Protected Platform is iRAP-assessed for PROTECTED-level data and built with safety, responsibility, and security at its core. By hosting data within Australia and supporting sovereign capabilities, the platform provides the trusted foundation agencies

need to reduce risk and maintain public confidence, allowing governments to confidently harness AI across their operations.

**ServiceNow takes a 'Human in the Loop' approach to AI**, empowering public

sector teams to maintain oversight and control. This ensures AI-driven decisions are transparent, ethical, and aligned with agency objectives. By combining scalable AI with robust human oversight, ServiceNow helps governments deliver trusted and resilient services.



# Who is doing it well?

Gold Coast  
Health

## Gold Coast Health Redefines Patient Care with ServiceNow

Gold Coast Health partnered with ServiceNow to enhance patient care through digital transformation.

With the use of ServiceNow's Healthcare and Life Sciences Service Management (HCLS-SM) solution, they streamlined non-clinical and clinical workflows, enabling staff to focus on patient care instead of paperwork.

In the digital age, ServiceNow provides Gold Coast Health with the platform needed for true transformation.

[Read the full story](#)

### Results

**100%** of patient  
intake process  
digitalised

**100k** hours of  
productivity  
gained



Enhanced  
real-time access  
to patient  
information

**~30%** increase  
in efficiency





# Getting started

This 2025 Customer Experience Report highlights a critical issue:

**Public sector organisations in Australia and New Zealand must address the growing gap between customer expectations and service experience.**

With rising customer demands, relying on outdated strategies like adding more staff is no longer effective. Success now lies in adopting AI solutions that empower customers and employees, enhance service quality, and boost efficiency.

To ensure AI delivers real value in 2025, governments must focus on:



**Equipping public sector employees with AI-driven features** that streamline workflows, enabling quicker issue resolution and better service.



**Educating employees and customers** to maximise the potential of AI and self-service options, reducing frustration and improving interactions.



**Transforming customer experiences** with self-service options like virtual agents and real-time case tracking, allowing customers to resolve issues independently.



# CLOSING THE SERVICE GAP



ServiceNow (NYSE: NOW) is putting AI to work for people. We move with the pace of innovation to help customers transform organisations across every industry while upholding a trustworthy, human-centred approach to deploying our products and services at scale. Our AI platform for business transformation connects people, processes, data, and devices to increase productivity and maximise business outcomes.

For more information, visit: [www.servicenow.com](https://www.servicenow.com).

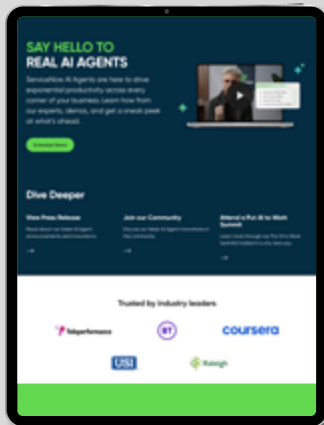
ServiceNow is the AI platform for public sector transformation, bringing data + AI + workflow automation to every corner of your organisation.

Discover how ServiceNow can help you take the next step.

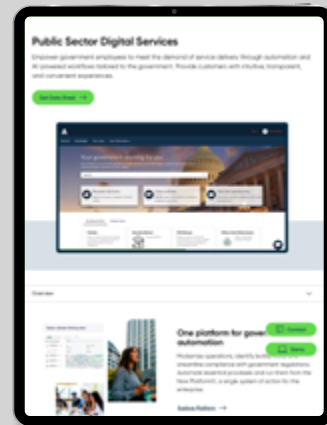
[Get in touch](#) with our ServiceNow experts today.

# For a deeper exploration of ServiceNow solutions, we recommend the following resources:

Explore AI Agents



Explore Services



Read the Guide



Read the Guide



# Report methodology

This research was commissioned by ServiceNow and conducted by an independent research agency.

## NEW ZEALAND

### Customer Survey

Involved a 30-question online survey of 1,007 New Zealanders aged 18+.

The survey was distributed throughout New Zealand, including both capital city and non-capital city areas. The data collected was then weighted to match the latest population estimates from Stats NZ.

The fieldwork for this study took place from 1 November to 11 November, 2024.

### Employee Survey

Involved a survey of 122 New Zealander customer service agents aged 18+, who were members of a permission-based panel.

The survey was distributed throughout New Zealand including both capital city and non-capital city areas. The data collected was weighted to match the latest population estimates sourced from Stats NZ.

The fieldwork for this study took place from 1 November to 19 November 2024.

## AUSTRALIA

### Customer Survey

Involved a 30-question online survey of 1,031 Australians aged 18+.

The survey was distributed throughout Australia, including both capital city and non-capital city areas. The data collected was then weighted to match the latest population estimates from the Australian Bureau of Statistics.

The fieldwork for this study took place from 1 November to 11 November, 2024.

### Employee Survey

Involved a survey of 223 Australian customer service agents aged 18+, who were members of a permission-based panel.

The survey was distributed throughout Australia including both capital city and non-capital city areas. The data collected was then weighted to match the latest population estimates from the Australian Bureau of Statistics.

The fieldwork for this study took place from 1 November to 19 November 2024.