The disconnect between the current orthodoxy of local government and the promise and practice of information technology management: an illustrative case study

Mary Tate  
*Victoria University of Wellington*, Mary.tate@vuw.ac.nz

R. Hynson  
*Victoria University of Wellington*

J. Toland  
*Victoria University of Wellington*, janet.toland@vuw.ac.nz

Follow this and additional works at: [http://aisel.aisnet.org/ecis2006](http://aisel.aisnet.org/ecis2006)

Recommended Citation

Tate, Mary; Hynson, R.; and Toland, J., "The disconnect between the current orthodoxy of local government and the promise and practice of information technology management: an illustrative case study" (2006). ECIS 2006 Proceedings, 42.  
[http://aisel.aisnet.org/ecis2006/42](http://aisel.aisnet.org/ecis2006/42)

This material is brought to you by the European Conference on Information Systems (ECIS) at AIS Electronic Library (AISeL). It has been accepted for inclusion in ECIS 2006 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.
THE DISCONNECT BETWEEN THE CURRENT ORTHODOXY OF LOCAL GOVERNMENT AND THE PROMISE AND PRACTICE OF INFORMATION TECHNOLOGY MANAGEMENT: AN ILLUSTRATIVE CASE STUDY

Tate, Mary, Victoria University of Wellington, PO Box 600, Wellington, New Zealand. mary.tate@vuw.ac.nz

Hynson, Robert, c/o Victoria University of Wellington, PO Box 600, Wellington, New Zealand.

Toland, Janet, Victoria University of Wellington, PO Box 600, Wellington, New Zealand. janet.toland@vuw.ac.nz

Abstract

Information technology (IT) is often assumed to be a critical enabling factor for modern democratic processes. In this paper we examine some of the IT management issues that have arisen as a result of the changing nature of local government. We identify a disconnect between the current orthodoxy of local government, the expected benefits of information technology, and the actual experience of information technology management in public-sector organisations. Many public sector organisations suffer from multiple IT management problems that seriously affect their ability to deliver on the promise that information technology management will deliver the quality management information that is required by increased demands for public accountability. We illustrate this with a case study.

Keywords: IT Management, local government, public policy
1 INTRODUCTION

Information technology (IT) is often assumed to be a critical enabling factor for modern democratic processes. In this paper we examine some of the information technology management issues that have arisen as a result of the changing nature of local government. We suggest that rather than being a panacea, IT can become just another headache as the public sector struggles to do more with less.

We identify a disconnect between the current orthodoxy of local government, the expected benefits of information technology, and the actual experience of information technology management in small public-sector organisations. We illustrate this with a case study.

This paper is structured as follows. First we provide a background to the current orthodoxy of public policy for local government, and the promise and practice of information technology management in the public sector. Next, we describe the research method, the case context, and the data collection and analysis. This is followed by the findings from the case, a discussion, and some conclusions.

2 THE CURRENT ORTHODOXY OF PUBLIC POLICY AND THE PROMISE AND PRACTICE OF IT

2.1 Orthodoxy in public policy for local government

Public sector objectives are typically broader than those of the private sector and include social, political and economic factors rather than just having a narrow financial focus. The public sector is a law based system, which includes many different processes from those encountered in private sector settings such as retail or banking. Such processes include complex decision making; negotiations between stakeholders; policy formulation; and democratic participation (Heeks, 1999; Lenk, 2002). In western democracies, public agencies are increasingly viewed as value-neutral service providers (Bagby and Franke, 2001). Market models and their accompanying theory increasingly dominate conceptualisations of the terms on which those services are provided.

The current orthodoxy of public policy in many democracies can be summarised as “the three “D’s”: downsize, devolve and disperse” (Ott and Dicke, 2001). Downsizing involves reducing the cost and size of government. Devolution involves moving decision-making closer to the people that are affected by the decisions, often implemented as a transfer of responsibility from central to local government. Dispersing involves government agencies withdrawing from activities that the private sector can provide, and obtaining those services on a contract basis from private sector organisations. This is considered to deliver cost savings by allowing public sector managers to purchase services in a competitive marketplace.

2.2 Principle-agent theory in local government policy and assumptions about the role of public officials

The prevailing orthodoxy of how the relationships between the various agencies involved in local government are conducted is principle-agent theory. This theory views organisational interactions as a series of contractual relationships between individuals, a principle who has a job to be done, and an agent who agrees to carry out the job in return for agreed compensation (Kettl, 1995). This tends to result in public-sector relationships that can be conceived as a network of contracts. Only elected officials are responsible to the voting public to deliver on their campaign pledges (which acts as a contract with voters) or risk being voted out. However, the elected officials are “decoupled” from day-to-day management, which is carried out via a contract with the agency head (the chief executive) to provide agreed outcomes. In a devolved environment “agency heads have been given more power to
make procedural, spending and recruitment decisions.” (Hunter, 2000, pg 44). The agency head employs all other public officials, and engages contractors for dispersed activities. In each case, the parties to the employment or business contract are assumed to be acting to maximise their own self-interest. The assumption of self-interest on the behalf of public sector officials and contractors, leads to demands for a high level of public sector accountability.

2.3 Accountability

Ensuring accountability has become central to the operation of public sector organisations. Requirements for accountability operate at all levels. As well as setting expectations for the extensive information that is provided to the public concerning the management of public funds and assets, accountability also includes reporting provided by the Chief Executive to the elected representatives, and reporting provided by contractors to the person managing the contract. The basic outline of the public accountability process is largely determined by legislation, and public sector officials are potentially accountable to the public for not only their actions but also the processes and decisions that lead to those actions. Accountability…can prevent the misuse of power and other forms of inappropriate behaviour” (our emphasis) (Cameron 2004, pg 59). Despite this focus on accountability, the jig-saw effect of a series of networked contracts can make lines of accountability difficult to follow, or result in weak governance and monitoring (Hynson, Tate and Johnstone, 2005).

2.4 Outsourcing and contractors

The autonomy frequently granted to public sector agency heads, combined with a prevailing policy of dispersion of non-core activities, means that agency heads can and do exercise considerable discretion over which activities are carried out in-house, and which are outsourced to contractors. Information technology is a frequent candidate for outsourcing. (Ott and Dicke, 2001; Smith, 2002; Peled, 2001b).

2.5 The promise of information technology in supporting public sector reform

Information technology is widely considered to be an essential enabler for implementing public sector reform (Beynon-Davies&Martin,2001; Ott and Dicke, 2001). The traditional bureaucratic model of public sector delivery has highlighted specialisation and departmentalisation resulting in individual departments adopting a “silo” mentality, where they become insular and information is not shared with the rest of the organisation. A 2004 study (Weill) found distinct differences between the public and private sector when it came to the management of information technology, government had a much more a top down approach that tended to be driven by the needs of the organisation rather than the capabilities of the technology. Recent developments have seen the public sector adopting a more citizen-centered approach, which emphasises both internal and external collaboration (Ho, 2002). New technologies such as XBRL (eXtensible business reporting language) provide the potential for organisation wide data sharing. It is widely expected that such information technologies will support these increased demands for accountability by delivering performance management information to both internal and external stakeholders (Ott and Dicke, 2001). Local bodies are typically required to produce extensive management information for the public about their asset management, financial management, and other performance indicators. As well as this, monitoring the “network of contracts” that governs internal organisation structures and the various functions that are outsourced, also requires management information delivered by information technology (Ott and Dicke, 2001).

While there are undoubtedly instances where these promises have been fulfilled, there is a growing body of research that suggests that the practice of information technology in the public sector does not always match the promise.
2.6 The practice of information technology management in the public sector

Public sector organisations have frequently been found to suffer from recruitment and retention problems with IT staff, lack of computer expertise and a corresponding dependence on contractors and consultants (Smith, 2002; Peled, 2001b). This trend is particularly marked in local government. A shortage of appropriately skilled internal staff can lead to weak governance and poor accountability (Hynson, Tate and Johnstone, 2005). This trend is exacerbated by current public policy trends towards devolution and dispersement.

We have established that chief executives of public agencies have considerable discretion over in/outourcing decisions, and that it is increasingly commonplace for contractors to be engaged to undertake work for public agencies. This is particularly prevalent with regard to information technology, which is very commonly considered to be non-core, and therefore fully or partly outsourced. In many cases, IT consultants are now the dominant “glue binding together all the actors involved in producing and maintaining public IT”. This has caused degradation of technical skills amongst bureaucrats (Peled 2001, pg 495).

It can be difficult to ensure that the same levels of public accountability that apply to public servants can also be applied to these contractors (Cameron 2004). Frequently there is no-one in the organisation with enough knowledge or expertise to challenge the consultant’s view. Consultants often contribute a large proportion of the project management and guidance, subject-matter expertise, [and] performance of project activities. (Smith, 2002; Peled, 2001b).

In central government information system development projects (ISD) in New Zealand it has been estimated that 30% of projects succeed based on ‘tight’ project management performance criteria (where the project was on time, within budget and to scope). On ‘broader’ project management performance criteria measurement (where the project achieved organisational goals and was completed in an acceptable timeframe and at acceptable cost), the success rate has been assessed at 82%.

Information systems failure is not a problem restricted to the public sector. One survey conducted in the US private sector points to success rates of only 27% for software projects; another indicated failure rates of around 80%. However the private sector does not have to answer to public audit agencies and has been better at keeping their failures quiet (Heeks, 1999).

2.7 Cautionary tales

Despite the largely upbeat expectations of the role of IT in facilitating accountability and delivering agreed service levels, some cautionary tales exist. The adoption of IT is often driven by national governments, which have access to more resources and are more aware of international trends. A study in the United States found that smaller and rural authorities could not muster the same level of financial resources as larger metropolitan authorities, although they were required to provide the same service levels (Moore, 2004). Though on a positive note smaller local authorities are closer to their communities, and are more likely to communicate effectively with individual citizens. A Canadian study expressed concern about the impact of devolution and dispersement on IT management, suggesting that a series of localised, autonomous decisions about IT investment are likely to lead to individual agencies reinventing the wheel, having difficulties in sharing knowledge, and responding appropriately to technology changes (Hunter, 2000).

In summary, our literature review suggests there is a significant disconnect between the current orthodoxy of public policy for local government, and the associated high expectations of information technology for supporting devolution and accountability; and the actual experience managing information technology in local bodies. We suggest that organisational models based on principle-agent theory, in a climate of devolution of responsibility and dispersement of non-core services, are likely to result in significant problems with information technology management. These arise because
of reliance on contractors, and therefore a reduced ability to successfully deploy information technology to meet public expectations for accountability and transparency. Also, current policies of devolution and down-sizing mean that many public sector organisations suffer from a lack of financial resources for IT, IT staff recruitment difficulties, and weak governance of IT projects. A significant degree of individual autonomy in information technology investment decisions can lead to a situation where individual local authorities reinvent the wheel and have difficulty sharing knowledge and expertise. In combination, these factors significantly constrain the ability of local authorities to effectively deploy information technology.

3  METHODOLOGY

This research uses a case study methodology in which theoretical propositions are compared with empirical materials collected from the field. This creates a link between theory and empirical data “providing a template against which to compare the results of the study” [pg 50] (Yin 1993). This is important given that there is a significant body of existing literature supporting the existence of the individual contributing factors in the “disconnect” that we posit, but relatively few empirical studies that demonstrate the effects of these factors in practice. This case acts as an exploratory study, illustrating our theoretical propositions with a running example of information systems management decision-making within a small- to medium sized local authority in a small democracy. In particular, we examine the issues associated with information technology investment in a key infrastructure application. Our choice of a single case study of is consistent with research that suggests that the single-case design is justified when the case is [used] for a revelatory or exploratory purpose. (Yin, 1994)

4  DATA COLLECTION AND ANALYSIS

Data collection was carried out in two phases. The first phase involved an environmental analysis of the local body environment in New Zealand based on previous reports and publicly available information, to position the New Zealand public policy environment with respect to international trends. The second phase involved in depth interviews with public officials at a medium sized local authority in New Zealand (which we will call Northwest District council) who were engaged in aspects of information technology management and decision-making. Semi-structured interviews were held with four key roles within the district council: Gordon McLeod, a senior Council executive; Steve Watson, the Council’s Information Manager; Barry Little, the Council’s Asset Management Engineer; and Raewyn Hume, a staff member within the Council’s Engineering Unit. These four positions were chosen because they represent differing levels of interest in information technology management (senior management, specialist information management, and users). Interviews sought to gain insight into the participants’ understanding and views of the IT management environment. Interviewing four stakeholders contributed to reliability by acting as verification on organisational memory and establishing a common understanding (Earl 1993). Interviews were transcribed in full and analysed using pattern matching with a list of categories based on the issues identified from the literature. Additional categories, not identified from literature, were created as required.

4.1  Case Description

The Northwest District Council is a medium-sized local body in New Zealand. New Zealand is a small democratic country (population approximately 4 million), which has largely followed international trends towards an increased focus on market models in public administration and public policy.
The purpose and role of local government in New Zealand is defined in legislation as “to enable democratic local decision-making and action by, and on behalf of, communities; and to promote the social, economic, environmental, and cultural well-being of communities, in the present and for the future”. Local Government Act 2002, Section 10. There are currently 86 local authorities in New Zealand – 12 regional councils and 74 territorial authorities.

Many services, such as education, health, and policing are carried out by central government. The core business of local bodies is management of assets and provision of services, including land used for public amenities, roading, and water, wastewater and stormwater networks (Scott 1999). One estimate some years ago put the value of local authority assets in New Zealand at $35 billion (Scott 1999). The provision, upgrading and maintenance of these assets accounts for a significant proportion of local authority annual expenditure (up to 80% in some cases). Information about asset management also forms a large component of the management information that local bodies provide to the public. Many of these requirements are statutory requirements imposed by central government.

Northwest District Council has a core (non-contract) staff of about 100 people, and an annual budget of around $54 million. This makes it a medium-sized local authority in New Zealand terms. The population base of individual territorial authorities varies widely. In 2002, New Zealand’s largest city local authority was estimated to have in excess of 400,000 residents, while the smallest were estimated to have less than 4,000 residents.

Local authority budgets are closely scrutinised and tightly controlled. The Local Government Act (section 100) requires a local authority to maintain a balanced budget. Furthermore, section 101 of the Act requires a local authority to “manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community”.

The main sources of revenue for councils are rates charged to residents (about 56%), user charges (20%) and central government (10%). The number of residents served by a territorial authority naturally affects the demand for services. But it also affects the rating base, which is the major source of local authority revenue.

During the period of the study, a large proportion of the information technology budget and effort had been devoted to a major infrastructure project to implement an asset management information system. As we have established, asset management is one of the most important functions carried out by local authorities. Management of assets frequently consumes the largest percentage of the annual budget, and is therefore subject to extensive management information reporting requirements to meet public and statutory requirements for accountability.

This environment creates high expectations of sophisticated management information supported by information technology. At the time of this study, local authorities, including Northwest District council, were under pressure to respond to central government requirements for improved accountability and transparency in the council’s management of assets.

5 RESULTS

In this section we illustrate current trends and concepts in public policy, the expectations for information technology and the experience of trying to deliver to those expectations, using illustrations from the New Zealand local body environment, exemplified by Northwest District Council. In particular, we focus on the core asset management function.

5.1 Orthodoxy in public policy for local government

In the last 15 years, New Zealand has undergone extensive local body reform generally aimed at introducing management models based on the current orthodoxy. Changes following the introduction
of the *Local Government Amendment Act (No 2) 1989* constituted a radical restructuring of local government. This legislation aimed to deliver efficiency based on market contestability (dispersement and downsizing), along with other market-oriented principles such as the separation of politics from management, the separation of commercial and non-commercial operations and more rigorous performance measurement and reporting requirements. (Pallot, 2005; Rouse and Putteril, 2005). In this respect the New Zealand local body environment is a good example of current orthodoxy.

### 5.2 Principle-agent theory and the role of public officials

Although specific organisation structures vary from council to council, the principles of principle-agent theory have generally been adopted in determining the organisation structures of local bodies. The organisation structure of Northwest District Council is an excellent example of the model which involves an agency head (the Chief Executive) responsible to elected representatives (the Council), who is responsible for employing all the other staff

“The elected Council employs the Chief Executive, who in turn employs all Council staff” *(from the website, reference suppressed to protect identity)*

The Northwest District Council organisational structure also embodies theory of downsizing through removing layers of management and “empowering” remaining staff

“[the Council has] a very flat management structure and a learning organisation culture. All Council staff are grouped in...self-managing teams” *(from the website, reference suppressed to protect identity)*

### 5.3 Accountability

In our case description, we noted that an increased focus on transparency and accountability was a core principle of local government reform in New Zealand. This is exemplified in one of the council’s biggest budget items, asset management. A clear expectation of improved accountability for this core function was set by the audit function of central government,

“...while most local authorities have a reasonable standard of base information [about asset management], many need to invest further effort... through using robust asset information for these purposes.” *(NZ Controller and Auditor-General 2004)*.

and adopted as a strategic objective by the council’s management:

“[Better reporting about asset management] was aligned particularly with issues like growth planning over the next 10-20 years”, as Gordon McLeod said “It was very clearly tied to Council objectives.”

To further situate the trends in reporting to the local body reporting to public regarding their management of public assets, we carried out a sample of the information made available to the public by local bodies in New Zealand in annual reports or on websites. On average, reporting on asset management formed 30% of all the content provided.

### 5.4 Outsourcing and contractors

Reflecting local and international trends towards dispersing non-core functions such as information technology responsibility for developing an asset management information system was outsourced to a software development company.

Consistent with the current orthodoxy about the role of the Chief Executive, the contractor’s primary relationship and accountability was to the Chief executive, rather than the elected representatives or other staff; Steve Watson:
"The Council had no real say in what was going on... There was little or no guidance, appreciation, understanding or management of the project from within the Council, and that’s a glaring hole."

5.5 The promise of IT

It was assumed that by Northwest District Council that investment in information technology would be required in order to meet asset management reporting and accountability requirements; Barry Little:

"During 1999 in the lead up to Y2K, Council conducted a review of its risk profile. The review identified Council’s lack of IT support in the area of asset management and valuation, and management of asset-related requests for service."

5.6 The practice of information technology management in the public sector

At Northwest District Council, there was a significant disconnect between the orthodoxy of public policy and expectations for information technology, and the actual practice of information technology management. The project initiated to meet the accountability requirements for asset management ran into multiple difficulties that were consistent with previous cautionary tales.

A decision was made to develop a system rather than purchasing a package. The main reason for the decision is that existing third party packages were not affordable or available. A previous vendor had gone bankrupt; Steve Watson:

"Unfortunately the software company went broke during the implementation phase. It wasn’t exactly the sort of company that you would have expected to have fallen over overnight."

And Northwest District Council was having trouble attracting other vendors; Steve Watson:

"We just don’t attract enough vendors, and when the vendors do come, they don’t attract a large enough market to be really sustainable."

A significant contributing factor to this problem is the fragmentation of a market that is small anyway. Policies of devolution and dispersement result in individual requirements that are broadly similar, but can vary from council to council, resulting in requests for customisation that further decrease the appeal to vendors; Steve Watson:

"The vendor has flatly refused to develop the product any further. They just won’t do it because there’s not enough return on it."

The trend towards withdrawal of vendors from the New Zealand market has been confirmed by independant commentators (Hind, 2004). While private organisations can frequently be serviced by software written for international markets, public organisations tend to have unique requirements.

However, in a devolved environment, public expectations for accountability are similar regardless of the size of the authority. It is expected that these requirements will be met by deploying information technology. However, quality information technology is not readily affordable for individual local authorities like Northwest District.

A survey of New Zealand local authority websites showed that for the 2005/2006 financial year, some large city councils proposed to spend close to 4 percent of their budget on IT/IM, whereas some small predominantly rural councils proposed to spend less than 1 percent of their budget in this area. Smaller councils have smaller budgets overall; tend to spend a higher percentage of their budgets on infrastructural asset provision and maintenance, so they have a smaller percentage of a smaller budget to spend on IT. This was the case at Northwest District; Gordon McLeod:

"Councils of our size find themselves between a rock and a hard place with the need for affordable software. Large councils can afford to spend big money and the little councils can often get away with makeshift or make-do approaches...Mid-sized councils like us...have a real dilemma as to what to do
in relation to information technology because the choices just aren’t there. They’re just not available unless you’ve got very, very deep pockets.”

Due to difficulties with affordability of third party software, Northwest District Council opted to carry out a major information systems development project. That project ran into serious difficulties, similar to those identified in previous studies in public sector IT management.

The Council had recruitment and retention problems for IT staff, and an over-reliance on contractors. Key IT positions were vacant at the time of the study; Steve Watson:

"For an organisation our size to attract good people is very difficult, which leaves us very often at the mercy of the technical competence and integrity of consultants...The Business Systems Team had recently been disestablished and the position of Information Services Team Leader was still vacant.”

This left an information technology management and governance vacuum, with a contract project manager reporting directly to the CEO, who later resigned; Steve Watson:

”[This left the] contract Project Manager as the one key resource with responsibility for sponsorship representation, product development, sales, software architecture, project implementation - this person took over all those roles, and pretty much had no direction other than what he was offering himself...But I emphasise this point - it wasn’t all the contractor’s fault. The Council has a lot of blame to shoulder – there were some big gaps in the governance of the project that allowed this to happen.”

Principle-agent theory, with a high degree of control vested in the agency head, resulted in weak cost controls that were not easily identifiable by the elected representatives; Gordon McLeod:

"It was an operational decision of the Chief Executive to use this money to hire a consultant rather than hire staff, so this disguised that cost. Because there was no overall effect on the total budget, there was no flag to Councillors to say, hey, something different is happening”.

Eventually, a new Chief Information Officer was appointed. Close to the end of the period covered by this study, a review of Information Technology investment at Northwest District Council was underway. It will remain to be seen whether the situation will improve significantly.

6 DISCUSSION

Our case suggests that the current orthodoxy of public policy creates an environment, especially in smaller local authorities, that is very challenging for information systems management. At the same time, public expectations for accountability and transparency increase expectations of the level of management information that will be provided. Information technology is considered to be essential to meeting these requirements.

This means that many local authorities are experiencing a disconnect between increased expectations of information technology and decreased ability to meet these expectations.

Local authorities utilise public money to undertake information system development projects. These development projects represent significant commitments of financial and other resources by the councils concerned.

The basic administrative structure of local authorities is replicated regardless of the size of the authority. There are considerable disparities in the funding and staffing resources that various councils are able to allocate to information technology and information management. Despite this, all local authorities are required to deliver much the same level of service.

The specialist nature and specific and fragmented requirements for local government management information, coupled with the small size of the New Zealand market, meant that the councils are not
very well served by third party vendors. In a market model, which assumes that non-core activities such as information technology can be provided more efficiently by the private sector, lack of interest from vendors should raise warning signals. If the private sector is not interested in the business, the market model suggests the activity or service may not be viable from a business perspective, yet Councils have very little choice about their involvement in information technology management.

Unable to attract vendors, but required to produce extensive management information to meet public accountability requirements, some councils engage in information systems development, often carried out by contract staff.

Local government organisations, particularly those outside of the main metropolitan areas, often have difficulty attracting qualified staff into specialised positions. In a competitive labour market, they cannot outbid private sector and larger government organisations, which are likely to offer higher remuneration and also better career prospects.

Further, organisation structures based on principle-agent theory, a focus on outputs, and a large amount of authority vested in the Chief Executive, do not always provide an environment that fosters effective information technology management and governance. Infrastructure activities such as information technology management are frequently not specifically reported on to elected representatives or the public. This means that although information technology drives the culture of accountability, there is frequently weak accountability for the management of information technology itself!

Undoubtedly, many local authorities can and do find innovative solutions to these problems. There is a tension between the economies of scale that can be achieved by adopting a "one size fits all" approach to developing information technology systems for local authorities, and the desire to produce individual information technology solutions that truly meet local needs. One alternative approach would be for local authorities to co-operate at a regional level, sharing information technology services across a number of small local authorities. Regional co-operation has already been utilised local authorities to install broadband networks, and the same approach could used to develop information technology systems, achieving some economies without losing touch with local citizens.

We suggest that the current orthodoxy of public policy is creating an environment for smaller public organisations that is hostile to effective information technology management and highly likely to result in information technology failures and breakdowns. This in turn affects the ability of local authorities to meet management reporting and public accountability requirements. Further research is required to confirm the extent of the disconnect, and to identify innovative and effective solutions.

7 CONCLUSION

In conclusion, our research suggests that current local government orthodoxy is not creating a climate that is conducive to the efficient and effective deployment of information technology to meet public and central government expectations for management information, transparency and accountability. The current local government orthodoxy of downsize, devolve and disperse creates a significant disconnect between the expectations that information technology will deliver increased transparency and accountability, and the ability of local body CIO’s to deliver. Devolution tends to create a fragmented market that is unattractive to third party vendors. Disperse, and organisation structures based on principle-agent theory tend to erode the IT skills of internal staff, and create a heavily outsourced IT environment with an excessive dependance on contractors in key positions. This often results in a governance vacuum, high risk projects, and project failure.. A fresh approach is required, we suggest that regional co-operation is the way forward.
References


Hunter, David, R (2000). Bridges to Better E-Government Globally: Strides in Information Technology Are Putting Pressure on Governments to Deliver a Raft of New Services While Keeping the Lid on Costs. CIO Canada, 8 (2), 42.


