



LGA SHARED SERVICES INITIATIVE

STAGE 1 REPORT

NOVEMBER 2003



Prepared by
SHARED SERVICES MANAGEMENT
Level 2, 182 Fullarton Road
Dulwich South Australia 5065
Telephone (+ 61 8) 8364 6006
Facsimile (+61 8) 8364 6311

List of Contents

1. Introduction	3
2. Executive Summary & Recommendations	4
3. Approach.....	9
4. Findings.....	12

Attachments

Shared Services Initiative Information Document

Draft Invitations

Shared Services Initiative PowerPoint Presentations

Questionnaire

Councils that responded to Questionnaire

Supplier Letters

List of Suppliers

DISCLAIMER

This report has been prepared by Shared Services Management on the basis of information provided by the Local Government Association (LGA) and individual Councils in South Australia. All analysis herein has been calculated on the basis of this information. Further, this information has been prepared at the request of the LGA and neither we nor any of our employees accept any responsibility on any ground whatsoever to any other party.

1. INTRODUCTION

The Local Government Association of South Australia (LGA), aware of the need for Local Government authorities to demonstrate that they are working together to continuously reduce the cost of administrative services and focus on delivery of core services, sponsored a project to investigate the feasibility of a shared services facility for Local Government.

In this context, this Shared Services initiative is described as the formation of a new LGA - sponsored operation that will facilitate:

- The delivery of technical support services to supplement existing facilities.
- Substantial benefits by providing a hosting service for business applications and centralising / regionalising the core components of a Council's computing infrastructure, where appropriate.
- A reduction in administrative costs by combining (and in some instances rationalising) the human resources of participating councils.
- The ability to share the cost of future developments, particularly R & D costs.

The initial business planning confirmed that by combining resources, substantial benefits could be realised, particularly over the longer term.

The LGA engaged Shared Services Management, Deloitte Touche Tohmatsu and Norman Waterhouse to undertake more detailed research and planning. The project was structured in two stages.

Stage 1

- Develop and implement a communications strategy to inform the local government sector and supplier community of the LGA's shared services initiative.
- Analyse and assess the level of support from within the sector for such an initiative.

Stage 2

- Meet with Councils who register interest in participating in this initiative.
- Develop "indicative" proposals for a limited number of Councils, including business case templates and service level agreements to test acceptability and assess the level of "seed" funding required to establish the initiative.
- Draft tender specification(s) for any commercial services envisaged.
- Determine a "practical" implementation program.
- Complete the final business plan and present the findings to the LGA Executive.

Stage 2 would only proceed if the outcome from Stage 1 was positive.

This report finalises Stage 1 of the LGA Shared Services Initiative project and provides the basis for the progression of the project to Stage 2.

2. EXECUTIVE SUMMARY & RECOMMENDATIONS

The objectives for Stage 1 of this project were to:

1. Develop and implement a communications strategy to inform the local government sector and supplier community of the LGA's plans for a shared services initiative.
2. Determine the level of support from within the sector for such an initiative.

To address these objectives, the project team:

- Prepared and published the *Shared Services Initiative Information Document*
- Delivered a number of presentations to local government technology suppliers
- Presented to the Local Government IT Managers group and met subsequently with most of their senior members
- Discussed in more detail the concepts of the LGA's Shared Services initiative with a number of Councils on a one-on-one basis
- Distributed a questionnaire to all Councils in South Australia and analysed the responses. The purpose of the questionnaire was to gather facts from the local government sector which would help to direct future activity.

This section of the report summarises the results from these activities. Further detail relating to the approach followed can be found in Section 3 and a comprehensive analysis of questionnaires is included in Section 4 (Findings).

Recommendations

1. The LGA should proceed with Stage 2 of this project immediately. This reflects:
 - The strong interest registered from within the local government sector and the supplier community
 - The demand from IT managers to share technical expertise and skills.
2. Given the high level of interest expressed in operating Library Management systems via Shared Services and the strong and urgent interest being expressed by Playford, West Torrens and SWAP, the LGA should seek to work with these organisations and encourage and support them in the establishment of an LGA Shared Services facility.
3. Given the significant interest from non-metropolitan Councils the LGA should investigate the possibility of establishing a regional pilot focussing on the need for cost-effective high-speed bandwidth within the chosen area.
4. In order to overcome some of the misunderstandings about this initiative it is recommended that the LGA expand Stage 2 to include additional communication with the local government sector, including a number of regional workshops. These workshops should concentrate on providing visibility of what can be achieved from a Local Government Shared Services model and the benefits of inter-linking of Councils to facilitate the sharing of resources and skills.

Shared Services Initiative Information Document

Overall the feedback received in relation to the *Shared Services Initiative Information Document* was positive. An important outcome from the questionnaire process was that the LGA's Shared Services initiative has not been fully understood by everyone. This provides an opportunity to continue to address the areas of misconceptions during Stage 2.

The major misunderstandings relate to:

1. The initiative being perceived as merely the consolidation of computing infrastructure.

The establishment of communication links between Councils facilitates much greater benefits than technology sharing. When this capability is harnessed Councils can begin to effectively share business processes.

2. The initiative needing a large number of committed Councils before it can start.

It has always been envisaged that Shared Services would begin with only a few committed Councils and, based on demonstrable success, others can join progressively based on their business needs requirements.

3. The initiative being “all encompassing”.

A key objective of any Shared Services model should be to facilitate the delivery of services only where the business need exists and where greater benefit, either individually, as a group or as a sector, can be realised by implementing on a shared basis.

Local Government Technology Suppliers

Overall, there was very strong and enthusiastic support from local government technology suppliers and many provided letters supporting the LGA's initiative. Concerns were registered by two major application suppliers. Their concerns related mainly to preserving relationships with existing customers and protecting their advantage in an environment where there is the potential for multiple suppliers to be involved. Others expressed a level of cautiousness, (based on their experiences when EDS secured the contract with the State Government) about the impact of this initiative on their future viability.

Local Government IT Managers Group

The presentation to the Local Government IT Managers group (LGIT) was well received. Some members of this group were critical of the communication process (particularly when compared to the ESP project) and registered interest in being more involved. As a result, John Comrie (Chair, LGA Shared Services Project Steering Group) and Ludwig Kraayenbrink (Project Manager) subsequently met with a small group of IT Managers. The outcome was a greater appreciation of the LGA's approach to Shared Services and a recognition that a major benefit of a Local Government Shared Services model would be the possible access to specialised IT skills provided either through sharing in-house existing council skills and/or the use of external resources. Further dialogue with this group is encouraged.

Questionnaires Responses

Of the 68 Councils in South Australia, 28 (or 41.2%) responded to the questionnaire. A response was also received from the SWAP Library Network. This provided a satisfactory response for assessment.

More importantly the sample reflects Councils with varying demographics and is representative of the overall sector:

- An even number of responses from metropolitan and country Councils
- Responses received from Councils of all sizes
- Responding Councils use application software from all major suppliers.

The instructions provided with the questionnaire acknowledged that there were some questions relating to a Council's I.T. capability and requested that it be completed from a CEO and Corporate Management perspective ... not solely from an I.T. Management perspective. Over 72% of the responses received were completed by Executive Management.

Key Findings from Questionnaire Analysis

1. Almost 1/3rd of respondents registered a **HIGH** interest in Shared Services.

The table below identifies the organisations that expressed a **HIGH** level of interest in Shared Services and their **HIGH** priority common Business Processes / Services.

Council	Library	GIS	IT Support
Campbelltown	X		X
Mt Remarkable		X	X
Norwood, Payneham & St Peters	X		
Playford	X	X	X
Tatiara			X
Unley	X	X	X
West Torrens	X	X	
SWAP	X		X

2. More than 1/3rd registered interest in participating in an LGA Shared Services pilot project.

The table below identifies the organisations that expressed interest in being involved in a pilot project and the Business Processes / Services of most interest to them.

Council	Library	Procurement	GIS	IT Support	Other Business Process / Service
Gawler		X	X		EDALA
Grant					Health / Building / Planning
Kangaroo Island		X			Finance; Payroll
Mt Remarkable			X		
Playford				X	
Tatiara				X	Electoral Roll
Tea Tree Gully	X	X			Asset Management
Unley				X	
West Torrens	X				
SWAP	X			X	

The table below identifies the **HIGH** priority common Business Processes / Services for organisations that expressed a **MEDIUM** and **LOW** level of interest in Shared Services (shown as the number of councils).

Council	Library	GIS	IT Support	Security	Procurement	Core Apps
Metropolitan	1				1	
Regional	1	1	1	1		1

3. The following represent the Business Processes / Services favoured by individual Councils to be implemented via Shared Services:

- Library
- IT Technical Support
- GIS
- Electoral Roll

4. All of the above Business Processes / Services are required to be implemented within the next 2 years.

5. More than 2/3^{rds} believe the following services should be implemented at a local government sector level.

- GIS Layers
- Electoral Roll
- After Hours Call Centre
- Dog Database
- Telecommunications Network

6. The most common Advantages of a Shared Services model were seen as:

- Access to / strength of / greater availability of specialist knowledge / expertise / skills (eg SQL Server, Microsoft, Database support)
- Cost / efficiency savings

7. The most common Disadvantages of a Shared Services model were seen as:

- Communication link costs and response times
- Loss of control / personalisation / local autonomy / uniqueness / independence / priority setting

8. Approximately 89% of Councils claim they can achieve greater benefits from their current computer-based systems. The most common factors included:

- Better integration, particularly between disparate applications
- Need better understanding of the full potential of the software being used

9. Many small Councils indicated a lack of adequate staff training facilities.

10. Approximately 76% of Councils believe they have adequate resources to support the current computing environment. However, only 52% believe they have adequate resources to support their future computing environment ... many appreciating that this will be more complex.

11. Approximately 86% of Councils recognise that their IT department requires access to greater level of skill.

Key Outcomes

Conceptually, people have different interpretations of what is meant by Shared Services and continued education is necessary.

While some negative opinions have been expressed, the above findings indicate strong support for an LGA sponsored Shared Services initiative with a number of councils registering a business need to commence some shared services activity within the next 2 years. It is critical that momentum be maintained in order to build upon the current level of support as shown by:

- The questionnaire responses
- Two metropolitan Councils tendering for Data Centre services
- The interest expressed from a number of Councils (and SWAP) to implement library applications via a shared services arrangement
- Several Councils issuing a joint tender for replacement corporate application software.

The possibility exists to address sector-wide initiatives (such as electoral roll, incremental cadastral updates, telecommunications network, etc.) without jeopardising IT infrastructure and data ownership.

The development of “indicative” proposals and templates planned during Stage 2 should prove to individual Councils that Shared Services can deliver substantial benefits and this process will provide additional facts to further support and / or justify this initiative.

Access to cost-effective high-speed communications links is a critical ingredient to the success of this Shared Services initiative. The LGA may wish to consider, as part of Stage 2, issuing a tender for a “local government communications network”.

The original focus for Stage 2 was seen as:

- Meeting with Councils who registered interest in participating in a pilot project.
- Developing “indicative” proposals for a limited number of Councils, including cost models and service level agreements to test acceptability and assessing the level of “seed” funding required to establish the initiative.
- Drafting tender specification(s) for any commercial services envisaged.
- Determining a “practical” implementation program.
- Completing the final business plan and present findings to the LGA Executive.

3. APPROACH

This section outlines the approach taken for Stage 1.

The objectives for this stage were to:

1. Develop and implement a communications strategy to inform the local government sector and supplier community of their plans for a shared services initiative.
2. Determine the level of support from within the sector for such an initiative.

The majority of the work relating to this stage was performed by Shared Services Management in conjunction with the Project Manager, Ludwig Kraayenbrink. All documentation was approved by the LGA Steering Committee established to oversee this initiative, prior to it being published or presented.

Communications Strategy

The first task was to prepare the *Shared Services Initiative Information Document*. The purpose of this document was to inform the sector and other interested stakeholders of the LGA's reasons for sponsoring this initiative and advise the steps being taken to complete the business planning process. This document was issued to the sector via an LGA circular being published on the LGA web site. A copy is included in the Appendices.

A number of presentations were planned and invitations issued to interested stakeholders. A PowerPoint presentation summarising the information contained in the *Shared Services Initiative Information Document* was developed and tested. Copies of the invitation letters and the PowerPoint presentation are included in the Appendices.

Individual presentations were planned for each of the major technology suppliers and group sessions for all minor suppliers. Any supplier not identified but who registered interest was extended an invitation. A list of attendees is included in the Appendices. Individual sessions were provided for:

- Adelaide University
- Civica
- ETSA Telecoms
- Geac
- HP
- IT Vision
- Jigsaw Services
- Technology One
- Telstra

Some suppliers requested follow-up sessions and these requests were met in all instances.

Supplementary PowerPoint presentations were developed by Christina Repetti (Deloitte Touche Tohmatsu) and John Comrie to aid delivery to the Local Government IT Managers group (LGIT). These are also included in the Appendices. Following this presentation, John Comrie (Chair LGA Shared Services Project Steering Group) and Ludwig Kraayenbrink (Project Manager) met with senior IT Managers, including:

- Duncan Holt (Charles Sturt)
- Karen White (Marion)
- Richard Love (Mitcham)
- Paul Turner (Onkaparinga)
- Peter Kiley (Port Adelaide Enfield)
- Glen Vallen (Salisbury)
- Leonie Edwards (SWAP Library Network)

Status reports were prepared for the Metropolitan CEO's meeting and to inform State Government representatives of the progress being made.

Invitation was received to present and discuss the LGA Shared Services Initiative project at the November 2003 IT Vision User Conference.

The final presentation was delivered by the Project Manager to the IT Vision User Group meeting early November.

Determine Level of Support

The presentations outlined above provided excellent feedback from the supplier community and many senior people within the local government sector. Overall, there was very strong support from the supplier community and many have provided letters supporting the LGA's initiative. Copies of these letters are included in the Appendices.

A questionnaire was developed and tested prior to being distributed to every Council and made available on the LGA's web site. A copy of the questionnaire is included in the Appendices.

The instructions provided with the questionnaire (whilst acknowledging that there were some questions relating to a Council's I.T. capability) requested that it be completed from a CEO and Corporate Management perspective ... not solely from an I.T. Management perspective. Over 72% of the responses received were completed by executive management. The response submitted by Tea Tree Gully was completed by a "team" comprising both executive and I.T. management.

41.2% of Councils in South Australia responded to the questionnaire. A response was also received from the SWAP Library Network. This is a satisfactory response given that Shared Services is seen by most as a future issue.

A detailed analysis of the responses to the questionnaire is provided in Section 4 of this report (Findings).

4. FINDINGS

This section provides a detailed analysis of the responses to the questionnaire.

The information provided under the headings **Reasons** and **Comments** reflects the opinions of the people who responded. The **Observations** are those of the project team.

Response Profile	Response Level = 100%
-------------------------	-----------------------

Of the 68 Councils in South Australia, 28 responded to the questionnaire. A response was also received from the SWAP Library Network.

Executive Management completed 72% of questionnaires; IT Managers completed 28%.

There was an even number of responses received from metropolitan and country Councils.

Ref	Region	Responses	%
1	Metropolitan	14	50.0
2	Eyre	1	3.6
3	Central	4	14.3
4	Murray & Mallee	2	7.1
5	Spencer Gulf Cities	2	7.1
6	Southern & Hills	1	3.6
7	South East	4	14.3
8	Outback	0	0.0
	TOTAL	28	100.0

Responses were received from Councils of all sizes.

Rate Revenue	Responses	%
< \$5 million	4	14.3
≥ \$5 million & < 12.5 million	9	32.1
≥ \$12.5 million & < \$25 million	7	25.0
≥ \$25 million & < \$50 million	5	17.9
≥ \$50 million	3	10.7
TOTAL	28	100.0

The Councils that responded use a cross-section of application software from all of the major suppliers.

Supplier	Responses	%
Civica	7	25.0
Geac / Jigsaw Services	8	28.6
IT Vision	8	28.6
LGS	2	7.1
Technology/1	3	10.7
TOTAL	28	100.0

Observation

- Some Councils use systems from more than one supplier.

Interest Level	Response Level = 100%
-----------------------	-----------------------

What is your Council's level of interest in Shared Services?

Interest Level	Responses	%
High	8	27.6
Medium	11	37.9
Low	10	34.5
TOTAL	29	100.0

Reasons

High

- Potential for substantial cost and efficiency savings (depends on the number of Councils committed to the initiative) – (2)
- Increasing complexity of the IT environment requires specialised skill sets to manage effectively and efficiently
- Increasing pressure on limited staff resources to deliver a high level of technical support to users. Unlikely that a single resource will have all the skills required
- Difficulties faced when staff leave. The knowledge drain is very high in a small Council
- Day to day management issues (eg virus protection, Microsoft patches) becoming more complex and time consuming
- Shared IT resources would reduce costs and enable staff to perform their normal duties
- We are not rich with IT resources and extensive re-training will be required as we move to new technology
- Potential for greater efficiencies and effectiveness by sharing
- Source code ownership could remove the profit element
- New arrangements may increase costs

Medium

- It is the ideal way that Local Government as an industry should be moving
- Potential cost savings and improved efficiencies
- Interested in exploring options to improve the delivery of services to ratepayers and the community
- Creates possibility of sharing information for cross Council referencing/reporting
- Remoteness means that it would be useful for software, but not hardware
- Geographical location (South East) presents some barriers
- Concerned about resource commitment ... some work presently done as an “add on” to normal duties
- New (Shared Services) arrangements may increase costs
- Emerging opportunities to share could evolve more quickly once bandwidth becomes more affordable
- A sound initiative to promote collaboration with neighbouring Councils
- Gain improvements not likely on an individual basis
- Councils are similar but not the same
- Most likely benefits relate to Library systems as functionality is likely to be more consistent
- Sceptical about the feasibility of sharing physical equipment due to bandwidth and redundancy issues

Low

- Concerned about data communications costs – (2)
- Existing business processes and systems are sound – (2)
- The concept of investigating shared services has merit
- Happy with current fully integrated system
- Council has a number of other key priorities ... Shared Services is not seen as a high priority item
- The integration between our software and core database means 90 – 95% of our solutions cannot be shared
- Loath to change to another supplier in the short term
- Current system fulfils Council’s existing needs very well ... why change?
- No evidence that it will improve service delivery to residents
- More interest will be generated if a sound business case is presented
- Interested in sharing specific services
- Previous Shared Services investigations with neighbouring Councils were frustrating, expensive and unsatisfactory
- Concern that some Councils may have more influence on decision-making than others
- The theory of shared IT services is sound but the practice is very different
- An internal IT department understands “the business” it is working in and can provide a better level of service than external IT support
- Already operating a library management system via a shared services model with other Councils in the area

- Relatively well resourced at present and satisfied that resourcing, capital costs, recurring costs and overheads are at appropriate, affordable and sustainable levels.

Observations

- There is a degree of misunderstanding about this initiative. Many still see this as sharing IT only ... and hence some negativity (particularly in responses prepared by IT Managers)
- Some still see this initiative as dictating which application software they will use. Further education is required
- The concept of regional Councils working together has not been fully grasped and needs further promotion
- A Council that already operates a shared services model for their library management system registered a LOW interest for their other Business Processes / Services
- "Profit" is a key ingredient to the achievement of high-quality, sustainable services

Pilot Project	Response Level = 100%
----------------------	-----------------------

Is your Council interested in participating in an LGA Shared Services pilot project?

YES = 34.5%

NO = 65.5%

If so, what Business Processes / Services are of most interest to your Council?

- Library - (3)
- Procurement - (3)
- GIS - (2)
- IT Infrastructure
- IT Technical Support
- Health / Building / Planning
- Finance
- Payroll
- Asset Management
- EDALA

Comments

- Don't have the financial or human resources to participate – (2)
- Currently sharing library management systems

The table below identifies the organisations that expressed interest in being involved in a pilot project and the Business Processes / Services of most interest to them.

Council	Library	Procurement	GIS	IT Support	Other Business Process / Service
Gawler		X	X		EDALA
Grant					Health / Building / Planning
Kangaroo Island		X			Finance; Payroll
Mt Remarkable			X		
Playford				X	
Tatiara				X	
Tea Tree Gully	X	X			Asset Management
Unley				X	
West Torrens	X				
SWAP	X			X	

Services Profile

Response Level = 83%

Which of the following Business Processes / Services would you consider implementing via Shared Services?

Business Process / Service	Response %	High %	Medium %	Low %
Library	54	62	31	7
GIS	50	17	50	33
Electoral Roll	50	25	33	42
Animal Control	42	10	30	60
IT Technical Support	38	56	22	22
• Database Management (eg SQL)	38	33	44	22
• Communications Network Management	29	28	44	28
• Application Systems Specialists	38	33	33	33
• Desktop Support	29	44	28	28
Financials	25	50	33	17
Rates / Property	29	28	28	44
Payroll	29	28	28	44
Procurement	33	25	25	50
Asset Management	29	28	28	44
Network Security	38	22	22	56
Researching Future Technologies	38	11	22	67
Electronic Document / Records Management	13	33	0	67
Health	38	0	44	56
Infringements	21	0	40	60
Data Cleansing (eg Names & Addresses)	21	0	20	80
Building & Planning	4	0	0	100

Observation

- A number of sub-headings were included in the Questionnaire under the service "IT Technical Support". Some responses were recorded against "IT Technical Support", some against the sub-headings and others against both.

The table below identifies the timing specified for the implementation of Business Processes / Services.

Please note that only 50% of respondents identified timeframes.

Business Process / Service	2003/2004	2004/2005	2005/2006
IT Technical Support	6		
• Application Systems Specialists	2	1	
• Communications Network Management	2	1	
• Database Management (eg SQL)	2	1	
• Desktop Support	2	1	
Library	4	2	
Electoral Roll	2	3	1
GIS	2	3	
Researching Future Technologies	2	1	
Financials	2		
Procurement	2		
Animal Control	1	3	
Health	1	2	1
Network Security	1		
Payroll	1		
Rates / Property	1		
Infringements			1

Can you identify other Business Process / services?

- Electronic Document Management System / Records Management
- EDALA
- Development / Building or Planning on a regional basis
- Information management
- End-to-end business process services

Do you believe that any of the following services should be implemented on an industry-wide basis?

Service	Responses	YES %	NO %
GIS Layers	22	81.8	18.2
Voters Roll Maintenance	26	80.7	19.3
After Hours Call Centre	25	72.0	28.0
Dog Database	23	69.5	30.5
Telecommunications Network	22	68.2	31.8
Rates Collection	20	35.0	65.0

Other Services Identified

- Network support services – (2)
- Equipment lease / rental agreements
- Hardware management
- Software back-up & disaster recovery
- Cemetery
- Infringements
- Health
- DA's / BA's
- Customer service requests

Comments

- Councils could be working together on projects such as incremental updates of their DCDB (not seen as a Shared Services project)
- The Shared Services model for metropolitan and country Councils may well be different (eg after hours call centre)

Advantages / Disadvantages

Response Level = 96.5%

What do you believe are the advantages and disadvantages of the proposed Shared services model?

Advantages

- Access to / strength of / greater availability of specialist knowledge / expertise / skills (eg SQL Server, Microsoft, Database support) - (9)
- Cost / efficiency savings - (7)
- Consolidating duplicated functions and facilities - (3)
- Greater infrastructure buying power (3)
- Economies of scale for licensing arrangements - (2)
- Standardisation / consistency across Local Government - (2)
- Best practice could be leveraged by combining skills / experiences - (2)
- Sharing staff knowledge, experience & resources (2)
- Potential to demonstrate “collective” action and influence developments that impact the sector
- Ability to attract and retain quality staff through specialisation in key areas
- Relieve the technology spiral
- Reduce the need to employ additional staff
- Improved customer satisfaction
- Allow Council staff to focus on delivering services to customers
- Better use / application of current investment levels
- The only way to achieve effective disaster recovery models
- Back-up of critical skills
- Reduced impact on Councils if staff leave
- Enhanced communication within Local Government
- Improved IT support / potential for co-operation between Councils
- Potential to provide improved services to small / medium Councils
- Better co-ordination of services
- Better ability to benchmark
- Building partnerships within Local Government that become centres of excellence
- Partnerships with commercial companies as required
- Storage pooling
- More secure data and server environment
- Productivity and efficiency

- Local Government ownership
- Industry-specific and designed software applications
- Potential to provide improved WEB / NET customer self services across Local Government
- Co-ordination of future planning for Local Government systems
- Sharing research & development costs
- Doing the job better
- Exposure to alternative methods
- Staff transferring between Councils will be better trained
- Better co-ordination with State Government
- Better management of testing integrity
- Can spread the cost to implement and operate specific systems (eg GIS)

Disadvantages

- Communication link costs and response times - (9)
- Loss of control / personalisation / local autonomy / uniqueness / independence / priority setting - (7)
- Savings may not be realised ... IT expenditure is only 3% of Council's total budget - (5)
- Loss of local expertise & knowledge (eg payroll) - (4)
- Potential for larger Councils to "bully" smaller Councils / advantage imbalance - (3)
- Different Councils have different needs / requirements - (2)
- Some Councils will always "do their own thing" ... reduced duplication advantages not realised - (2)
- Potential for a reduction in vendor competition - (2)
- Vendor influence / conflict / dominance
- Loss of continuity / timeliness of service delivery (for rural Councils)
- Greater risk of system downtime (for rural Councils) and delays in resumption of system availability
- Individual Council direction versus group direction
- May weaken the strong position held by well resourced Councils with well developed systems
- LGA shift of emphasis from representative mode to business mode
- Possible reduction in the level of support services
- Potential for service standards to drop to lowest common denominator
- Cost ... if Councils are pushed to a "fit all" solution
- Risk of a future push for all Councils to use one business system
- Requires reasonable take-up of each major vendor's application
- Cost disadvantages for remote Councils to attend joint training, development and workshop sessions
- Remote sites may not gain hardware support & maintenance advantages

- Local staff act more pro-actively. Contract staff focus more on “maintenance” rather than innovation and development
- Intellectual property resides with a few key resources
- Contractors are not as accountable / controllable or as flexible as one’s own staff
- Potential loss of local area employment
- Possible staff insecurity
- Slow response to help desk request
- Reduced “face to face” contact ... trust and rapport essential
- Potential for too many parties to be involved ... and its ability to impact the resolution of performance issues
- Managing the “human differences”
- Logistical difficulties

Comments

- Negative impact on Shared services vision if probity processes not followed rigorously - (2)
- Shared Services theory sound ... as Councils are engaged in similar activities
- Our shared services library management system works well (South East)
- Cost reductions should not be the sole determining factor in decision making
- Need for extensive consultation to avoid views of only a select few being considered
- Co-ordinating standardisation of processes and tasks may be unattainable
- Service Level Agreements would be required to manage priorities and ensure equitable distribution of services between Councils
- Doubt exists about arresting operational costs
- Must be trialled to measure results
- Full consultation is needed to gain a true indication of industry support
- Call centres may not be personalised or empathetic with our customers
- May be difficult to obtain agreement on the implementation of new technologies

Observations

- Many IT Managers are unaware of the LGA’s current activities (eg Workers Compensation Scheme)
- The concept of managing remote computing infrastructure from a central location has not been grasped
- The realities of managing third-party service delivery via practical Service Level Agreements (SLA’s) are not fully understood
- There is significant scepticism as to the cost advantages ... hence the need to develop “indicative” proposals and SLA’s
- There is a lack of understanding about the purpose of the “pilot” projects in Stage 2
- Any LGA Shared Services operation would need to incorporate a proactive account management service

Leveraging Greater Benefits

Response Level = 93.1%

Could your Council achieve greater benefits from your current computer related business systems?

YES = 88.8% NO = 11.2%

If YES, identify how this could be achieved

- Better integration, particularly between disparate applications (2)
- Need better understanding of the full potential of the software being used (2)
- Sharing of knowledge between Councils (2)
- Require easier access to information
- Implement additional functions (available within the existing application software)
- Better use of available functions – requires training (resource availability an issue)
- Concerns about the cost of training
- Establishing a network between Councils in the same area (South East)
- Sharing common server hardware and IT specialist by linking Councils via communications. Potential to link Mid Murray, Loxton Waikerie and Berri Barmera
- Greater commitment to research and development
- Increase knowledge through training
- Retaining knowledgeable staff
- Smaller Councils would like greater access to IT specialists
- Significant time being spent on maintaining existing systems, insufficient time available to focus on new developments / technologies
- B2B Internet services
- Customer self service – extended transactional functions

Comments

- Achieving better use of existing systems would deliver substantial industry-wide benefits
- Planning to replace some ageing systems with modern applications

Do you have adequate internal training facilities for your staff?

Rate Revenue	Responses	YES %	NO %
< \$5 million	4	75	25
≥ \$5 million & < 12.5 million	9	33	67
≥ \$12.5 million & < \$25 million	7	57	43
≥ \$25 million & < \$50 million	5	80	20
≥ \$50 million	3	100	0

Observation

- It is the smaller Councils that do not appear to have adequate staff training facilities

Resources & Skills	Response Level = 96.5%
-------------------------------	------------------------

Are you confident that you have adequate IT resources (albeit a combination of internal and external resources) to effectively support Council's current computing environment?

YES = 76%

NO = 24%

If NO, how many additional resources do you believe are required?

- 1 FTE for network support / application support / development (3)
- ½ - 1 FTE for support + GIS
- 1 IT specialist for the region (South East)

Comments

- Need greater access to skills, not resources
- Staff turnover remains an issue ... it isn't always easy to get good IT people
- Presently rely on external contractors (who are very expensive and not always available) ... need qualified internal support staff

Are you confident that you have adequate IT resources (albeit a combination of internal and external resources) to effectively support Council's computing environment in the foreseeable future?

YES = 51.7%

NO = 48.3%

If NO, how many additional resources do you believe could be required?

- 1 FTE for network support / application support / development (5)
- 1.5 FTE – 50% support & GIS; 50% database administration
- At least 1 + external expertise on an ad hoc basis
- Additional resources required to enable early diagnosis of problems and speedy resolution
- Will need to double the current IT unit (4 staff) to support new systems ... this is not sustainable long-term. Seeking "partnership" with external provider.

Comments

- Unsure of the demands that a new corporate platform will require in terms of staff
- Providing our external consultants are available to provide support
- Need to address:
 - The demand for 24 X 7 availability of systems
 - Communication network monitoring and statistical reporting

- Management and installation of new application software version and release upgrades
- Proactively monitored operations

Observations

- There is an increasing awareness of the need for more staff to support a more complex computing infrastructure and more sophisticated business systems
- 40% of **NO** responses did not project the level of additional resource

Does your IT department have any skills deficiencies?

YES = 85.7% **NO** = 14.3%

If YES, please specify

- No dedicated IT staff – support provided by external specialists - (8)
- MS SQL Server / database management - (4)
- Internal staff are adequately supported by external specialists - (2)
- Web site maintenance / development - (2)
- Local Government applications knowledge (2)
- Firewall and web security (2)
- Lack of internal IT support staff
- Project management
- Windows 2000
- Staff training
- Lotus Notes development
- PDA development
- GIS programming
- HP UX
- Redhat Linux
- Crystal report writing
- Router configuration and maintenance
- Network administration / security
- Software support (anti virus, MS office products, etc.)
- Increasing complexity of applications requires higher qualified staff, improved protection, back-up and recovery processes for mission critical systems

Comments

- Its not just skill deficiency ... time, effort and dollars are required to keep skills up-to-date
- Most IT staff are good technically, but there are always a few issues with people skills and managerial ability

Do you have adequate back-up (using either internal or external resources) for all critical skills required to support your computing environment?

YES = 74.1% NO = 25.9%

If NO, specify the skills that should have back-up?

- Provided by external support contractors - (3)
- Need an internal qualified IT staff member
- Network problem resolution
- Microsoft
- Novell
- Internet access

Comments

- Adelaide-based IT specialists not always readily available
- Our back-up and recovery processes never tested

Observations

- A high number of respondents already depend on external support contractors

Capability	Response Level = 93.1%
-------------------	------------------------

How would you rate your IT Department's ability to:

(1 = Poor → 5 = Excellent)

Question	Responses	1 %	2 %	3 %	4 %	5 %
Provide technical support outside of 9 am – 5 pm Monday – Friday?	27	15	8	37	22	18
Deliver a <u>pro-active</u> help desk support service?	27	8	11	22	41	18
Quickly re-instate the entire computing environment if it was destroyed?	27	19	15	26	22	18

Comments

- External IT consultants support is generally excellent. Very little internal IT capability

Observations

- There is a wide degree of variance as to the understanding and interpretation of these questions
- Some responded measuring only internal IT staff

What application support capability does Council have?

The objective of this question was to gain an indication of how Councils support their systems.

The table below reflects the number of Councils that responded in each support category.

Responses	None	Help Desk with Vendor	Internal resource	External Resource
28	3	25	24	21

Observation

- Most Councils use a combination of support methods

The following table illustrates the number of responses against each Application & Support Category recording its capability to support the applications internal, external, or a combination.

Application & Support Category	None	Help Desk with Vendor	Internal Resource	External Resource
Financials		22	18	10
Payroll / HR		23	15	8
Asset Management	2	13	12	8
Rates / Property		22	18	8
GIS	2	14	14	8
Library	1	20	14	8
Office Applications		7	21	15
Lotus Notes			1	1
Firewall				1
Communications			1	
e-Services		2	1	
Web site				1
Child Care Centre Mgmt		1	1	
Customer Service		1	1	
Document / Records Mgmt		4	2	1
Pavement Mgmt				1
Bookings				1

Software Upgrades	Response Level = 89.6%
--------------------------	------------------------

Do you experience difficulties introducing new application software versions?

YES = 23% NO = 77%

If YES, please specify?

- External support contractor required to create new desktop operating environment
- Little direct experience
- New software or new versions will often result in some issues. Many of these can be avoided or minimised through better communications and good training
- Internal staff no longer capable of contributing to the support of a more complex technical environment ... dependency on external consultant has increased
- Identification of a suitable time
- Training of staff in new features

Comments

- All software is loaded by an Adelaide-based specialist who has dial in access
- New software implementations follow protocols and are planned and tested before going live
- Envisage problems in the future do to more complex software environment
- Problems do arise at times ... usually these are vendor related
- Not beyond the expected ones!

Observations

- There is recognition of the ever-decreasing “window of opportunity” to implement software upgrades

Risk Profile	Response Level = 96.6%
---------------------	------------------------

What back-up / Recovery capability does Council have?

Responses	None	Daily	Weekly	Monthly	Offsite Storage	Hot Site/ Fault Tolerant
28	0	27	13	13	24	5

Observations

- One response indicated that no daily back-up is performed – probable error
- It is likely that the question relating to Hot Site / Fault Tolerant was not fully understood by some respondents.

What Database Management support capability does Council have?

Responses	None	Internal Resource	External Resource
27	1	17	21

Observation

- Some Councils use a combination of internal and external expertise

On-going Communication	Response Level = 100%
-------------------------------	-----------------------

What mechanism(s) do you think we should use to best keep you continuously informed of progress with this initiative?

Comments

- Email - (17)
- LGA Circulars - (9)
- Information forums / workshops - (4)
- Newsletters - (4)
- Section on LGA web site - (4)
- Email to LGIT list - (4)
- 1 – 2 hour regional workshop (South East) – (2)
- Periodic briefings on major developments / issues to obtain industry views, prior to major decisions being made
- Targeted consultation with IT leaders in Local Government
- Reports at key milestones
- Inform our supplier (IT Vision)

Appendix ...

Councils that responded to Questionnaire

Council	Level of Interest	Pilot Project
Barossa	M	
Campbelltown	H	
Charles Sturt	L	
Gawler	L	Y
Grant	M	Y
Holdfast Bay	M	
Kangaroo Island	M	Y
Kimba	M	
Mid Murray	L	
Mitcham	L	
Mount Gambier	M	
Mt Remarkable	H	Y
Norwood, Payneham & St Peters	H	
Onkaparinga	L	
Playford	H	Y
Port Adelaide Enfield	L	
Port Augusta	M	
Port Pirie	M	
Salisbury	M	
Southern Mallee	L	
Tatiara	H	Y
Tea Tree Gully	M	Y
Unley	H	Y
Wakefield	M	
Walkerville	L	
Wattle Range	L	
West Torrens	H	Y
Yorke Peninsula	L	
SWAP Library Network	H	Y

Total = 28 Councils + SWAP