
**Public-private relationships:
an exploration of strategic
collaboration**

Public-private relationships: an exploration of strategic collaboration

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Abstract

The normative meaning of collaboration implies all things good, and many organisations claim that they are working collaboratively with others to achieve the attendant benefits. This thesis assesses ‘strategic’ collaboration in the Australian Government’s ICT outsourcing programme to explore the wider research topic on whether the public sector is seeking beneficial outcomes in its relationship with the private sector, above those obtained through traditional government procurement practices. Based on the limited study, the thesis concluded that strategic collaboration was being sought, at least as portrayed in the Australian Government ICT outsourcing environment, and on this basis, the findings support the wider position that the public sector is seeking benefits above those achieved through government procurement practices.

In this thesis, ‘organisational relationships’ are distinguished from the underlying ‘structural (contractual) arrangement’, and it is argued that all outcomes from organisational relationships are collaborative, varying in their achievement of ‘tactical’ through to ‘strategic’ outcomes. Traditional government procurement practices and principles such as competitive tendering and value for money, are only regarded as achieving tactical outcomes since they are procedurally based, and their scope and benefits are one-sided. The thesis analyses relationship outcomes using an empirically developed public-private relationship model, and against a benchmark of strategic collaboration, defined as a voluntary amalgamation of organisations for mutual opportunity creation.

The findings have implications for researchers on collaboration, and for the public and private sector practitioners who manage these relationships on a daily basis. Of most significance to both groups are the contributions of:

- a differentiation between an ‘organisational relationship’ and the underlying ‘structural arrangement’;
 - a description of the collaborative outcomes of organisational relationships, ranging from tactical to strategic;
 - an empirically developed public-private relationship model; and
-

-
- a generic relationship framework.

Researchers on collaboration will particularly benefit from the generic relationship framework developed in the thesis, as it provides a robust foundation from which to base research on collaboration in specific sectors—as this thesis did into collaboration in public-private ICT outsourcing. The framework departs from the traditional view of describing a relationship only at a high level, and instead, explores the detail of the ‘constructs of the relationship’. This is a more robust approach since the impact of individual elements of the relationship can be investigated, which leads to a more thorough understanding of the interaction between the organisations. The framework also establishes the notion of a two-dimensional model encompassing the relationship constructs, but also the relationship outcomes—recognising that collaboration is not a single outcome.

For those practitioners who manage the day-to-day public-private relationships in the Australian Government ICT outsourcing environment, this thesis provides practical guidance on an approach to progressing and managing the relationships. It informs the practitioners on seven specific areas of a relationship where focus is best directed. Furthermore, it also describes what the performance characteristics of the participating organisations would need to be, to meet particular levels of collaborative outcome.

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Last but not least, I am indebted to Doctor John Laver for the editorial advice that he provided. John’s tireless efforts and his thought-provoking approach were very much appreciated, particularly during the final stage of developing this thesis.

Certificate of Authorship of Thesis

Except where clearly acknowledged in footnotes, quotations and the bibliography, I certify that I am the sole author of the thesis submitted today titled:

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I further certify that to the best of my knowledge the thesis contains no material previously published or written by another person except where due reference is made in the text of the thesis.

The material in the thesis has not been the basis of an award of any other degree or diploma except where due reference is made in the text of the thesis.

The thesis complies with University requirements for a thesis as set out in:

<http://www.canberra.edu.au/secretariat/goldbook/forms/thesisrqmt.pdf>

.....

(John) Rowan Macdonald

.....

Professor John Halligan

Date:

Dedication

This thesis is dedicated to my wife Joan, and our children Robert and Amy. Without their understanding, love, and support, this study would not have been possible.

... He either fears his fate too much,
Or his deserts are small,
That dares not put it to the touch,
To gain or lose it all.

excerpt from Montrose's Love Song
James Graham, 1st Marquis of Montrose, Scotland

Abbreviations and acronyms

| | |
|-------|--|
| ABC | Australian Broadcasting Corporation |
| AGIMO | Australian Government Information Management Office |
| ANAO | Australian National Audit Office |
| ASG | ASG IT services company |
| CCT | Compulsory Competitive Tendering |
| CTC | Competitive Tendering and Contracting |
| CPFR | Collaborative Planning, Forecasting and Replenishment |
| CSC | Computer Sciences Corporation |
| DOFD | Australian Department of Finance and Deregulation |
| EDI | electronic data interchange |
| EDS | Electronic Data Systems (now HP Enterprise Services) |
| HP | Hewlett Packard |
| HM | Her/His Majesty |
| IBM | International Business Machines Corporation |
| ICT | Information and Communications Technology |
| IOEs | Inter-organisational Entities |
| IORs | Inter-organisational Relationships |
| IMP | Industrial Marketing and Purchasing |
| IS | Information Systems |
| IT | Information Technology |
| ITMU | IT Management Unit |
| KAM | Key Account Management |
| KAZ | KAZ Computer Services (later acquired by Fujitsu Australia Ltd) |
| OECD | Organisation for Economic Co-operation and Development |
| OGIT | Australian Office of Government Information Technology (now AGIMO) |
| PFI | Public Finance Initiative |
| PPPs | Public Private Partnerships |
| NHS | National Health Service |
| NPM | New Public Management |
| R&D | Research and Development |
| ROI | Return on Investment |
| SCM | Supply Chain Management |
| SLAs | Service Level Agreements |
| TCE | Transaction Cost Economics |
| TPA | Traditional Public Administration |
| UK | United Kingdom |
| US | United States viz. USA |
| USA | United States of America |
| WIP | work in progress |

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