Networks for local governance:

A case study of the Kindergarten Cluster Management framework in Victoria

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Abstract

Because of the serious financial plight of local governments (Dollery et. al, 2012) and in response to the emergence of a neo-liberal regime (Geddes, 2005), the Victorian State Government has sought strategies for improving both economic efficiency and participatory democratic governance. Establishing a network form of local governance was one of the strategies, with various actors from non-government sectors joining in the public policy process (Considine and Lewis, 2003). Previous studies did not clearly address the following issues: why the Victorian Local Governments introduced a network structure for their governance, how the involved organizations were coordinated, what affected their collaborative relationships, and the impacts of networking. The purpose of this study was to answer those questions.

The Kindergarten Cluster Management policy framework is an example of a local government's network governance. A multiple-case study was conducted with twelve interviewees who were primary stakeholders of kindergarten service provision in four different local councils. The data collected from the interviews were analyzed by pattern matching following Yin's (2004) guidelines.

This study found that local governments sought to improve economic their efficiency by networking, and that the national and Victorian Governments' social policies and regulations significantly affected the operations of local governments and community organizations. This research found that three modes of governance - hierarchy, market and network - were utilised as coordinating mechanisms by the collaborating organizations. In contrast to the previous literature, this study found that a hierarchy mode of governance maintained stable and reliable working relationships. The relationships formed through contracts were fragile, which was characteristic of the market mode of governance. The network mode of governance existed in all collaborative relationships, and facilitated the smooth communication among network participants.

'The Rhodes model' of policy network (Rhodes 1992, p.13-14), identified in previous research, was not utilizable, but the concept of industrial networks (Johanson and Mattsson, 1991) can also be applied to the connection of organizations involved in the provision of kindergarten services. That said, the different positions held by stakeholders provided different perspectives, particularly in the assessment of networking outcomes.

II

Dedication

To my parents

Sanzo and Chieko,

and to

Timothy and Coco

Declaration

I, Hikaru Horiguchi, declare that the PhD thesis entitled "Networks for local governance: A Case study of the Kindergarten Cluster Management framework in Victoria" is no more than 100,000 words in length including quotations and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Signature ███████████ Date   19/06/2017

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Table of Contents

XIII

List of Tables

List of Figures

Chapter 1: Introduction

1.1 Motivation for the study

The Victorian State Government has sought various ways to increase both the efficiency and democratic processes of their governance, especially after 1999 when the Bracks Labor government took office and energetically explored strategies for involving citizens and communities in the public policy process (Wiseman, 2005). One of the strategies was to introduce a network form of public governance. It was hoped that a networking structure of governance would stimulate maximum effort to achieve the goals of collaborating entities, thereby improving the quality of local governance. This was the underlying motivation for this study.

Bureaucratic order, characterised by impartiality achieved through rules and procedures, and the acceptance of clear lines of accountability and supervision (Considine and Lewis, 2003), was superseded in the late 1970s and early 1980s by the New Public Management doctrine introduced into the public sector (Sorensen and Torfing, 2006 b; Considine and Lewis, 2003). Subsequently, since the 1980s, the 'privatization of public enterprises, construction of quasi-markets, contracting out of public services, competitive deregulation and commercialization of the remaining public sector' (Sorensen and Torfing, 2006 b, p.1) had become indicators of the application of market models of management in the public sector (Sorensen and Torfing, 2006 b; Considine and Lewis, 2003). Under these circumstances, different actors from the non-government sectors joined in the public policy process (Considine and Lewis, 2003). This reform, influenced by New Public Management (NPM) doctrine, sought to make public organizations more efficient and accountable (Considine and Lewis, 2003). However, the market mechanism was incapable of achieving 'less state more market' because of 'imperfect competition, unstable and insufficient market supply, unchecked externalities and growing inequality' (Sorensen and Torfing, 2006 b, p.1). Hence, criticism of the market mechanism increased (Sorensen and Torfing, 2006 b). In order to address those shortcomings and failures of both bureaucratic and market systems, a new form of governance was suggested in the public policy literature where 'multi –actor systems' (Considine and Lewis, 2003, p. 133) emerged that focused on management by negotiation and horizontal networks rather than traditional methods of hierarchical command and control, or market models (Sorensen and Torfing, 2006 b; Reddel, 2005; Considine, 2001). Considine and Lewis (2003) used the term 'network governance' to express this form of governance (p.131).

Meanwhile, various literatures (Shah, 2006; Dollery and Wallis, 2001; Hindmoor, 1998; Lowndes and Skelcher, 1998) introduced transaction cost into public policy and governance studies. When transactions are carried out, 'transaction-specific investments of money, time or energy' (Powell, 1991, p.265) are required unless the market is perfect where information is freely available, decision making is rational, alternative suppliers and buyers are available, and there are no carry-over effects (Johanson and Mattsson, 1991; Powell, 1991). In the real world, there is no perfect market; hence, transactions involve uncertainty about their outcome and require transaction costs (Powell, 1991). A transaction cost approach explains the distinct governance structures of hierarchy, market and networks, as those different structures are associated with the impacts of the particular transaction costs on actors (Lowndes and Skelcher, 1998; Johanson and Mattsson, 1991; Powell, 1991). This transaction cost approach is also used as an argument for either the vertical or horizontal integration of interdependent social activities (Johanson and Mattsson, 1991).

Hindmoor (1998) used this approach to explain that the development of trust enabled governmental and non-governmental actors to experience mutually satisfying and beneficial exchange. Hence, he argued that the 'network' is an alternative social-coordination of exchange for hierarchy and market, and defined the characteristic of a 'network' as 'a trust that does not depend on the presence of formal and exogenous safeguards' (Hindmoor, 1998, p.34). Lowndes and Skelcher (1998) also asserted 'the development of interdependent relationships based on trust, loyalty and reciprocity enables collaborative activity to be developed and maintained' (pp.318-319).

Additionally, the public policy studies by such as Lewis (2010) and Dollery and Wallis (2001) considered the notion of social capital. Social capital was defined as 'those features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated actions' (Putnam et al., 1993, p.167). Because of its 'potential economic efficiency, equity and civic or political benefits' (p.10), social capital has received huge attention from governments across the world (Lewis, 2010). In Australia, all levels of government have included in their policies ideas for generating social capital by involving various citizens, along with enhancing community-building, citizen engagement and joined-up government (Lewis, 2010; Reddel, 2005). The Victorian State Government launched its *Growing Victoria Together* policy framework in 2001 and energetically undertook the strategies of community development and of involving citizens and communities in the public policy process (Wiseman, 2005).

As Dollery and Wallis (2001) stated, social capital created by a collaborating society 'can lower the transactions costs associated with all three types of governance mechanisms: hierarchy, market and network' (p.150). However, these three mechanisms or modes of governance tended to overlap.

Hence, researchers writing about 'network' were wary of the concept. This situation required further examination in terms of a network form and a network mode of social coordination in order to have an accurate understanding of the collaborative activities accurately of governments and non-government organizations and citizens. Also, even though the Victorian Government introduced a community-building and citizen involvement policy framework that enhanced democratic governance, the local governments needed to improve their economic efficiency as they had been under serious financial pressure (Dollery et al., 2012). Economic efficiency and democratic governance are usually trade-off situations as democratic governance requires more resources such as time and staff (Sullivan and Skelcher, 2002).

Hence, there is a serious gap in the understanding of their relationships. This study makes a significant contribution to understanding how the Victorian local governments established relationships with non-government organizations and citizens, and collaborated with them to realize economic efficiency and democratic governance or other desirable outcomes. In addition, it is important to know and understand the social coordination mechanism that worked between governments and non-government organizations.

Confirming that three modes of governance: hierarchy, market and network were present, could show whether a network form of governance and network mode of governance are separate and distinctive concepts. (If only a network mode of social coordination worked in the network form of governance, it would confirm that the two concepts: a network form of governance and a network mode of social coordination were the same.) Also, it would confirm that social capital is not the only factor that will improve economic efficiency in collaborative relationships, but that there are other social coordination mechanisms that could enhance economic efficiency in an alliance. Moreover, given the important roles that local governments undertake to deliver public services to the community, it will provide a crucial insight into the Victorian Government's influence on local governments.

The research questions were:

- Research question 1: Why did Victorian local governments introduce the KCM framework?
- Research question 2: How are the networks described by the KCM stakeholders?
- Research question 3: Which mode of governance works in the KCM framework?
- Research question 4: What are the factors that affect networking in the KCM framework?
- Research question 5: What is the impact of the KCM framework?

1.2 Context of the study

This study focused on the Victorian local governments' networking activities through which local government, the Victorian Government, kindergarten staff members and community service organizations provided kindergarten services.

In 1994, the Victorian Government began to carry out reform programs that significantly affected the delivery of a preschool service. Local governments moved away from employing kindergarten staff directly and handed over their management responsibilities to parent committees. Consequently, the responsibilities of volunteer parent kindergarten committees increased. However, the increasing responsibilities which included financial, legal and staff recruitment activities were a burden on the kindergarten parent committees (KPV, 2011).

Then, in 2003, a KCM policy framework was introduced into the Victorian kindergarten industry. KCM was a Victorian government's policy framework that merged community-managed kindergartens together under a single management organization (kindergarten cluster manager), so as to encourage kindergarten teachers to focus their attention on teaching and to help parents participate in their children's kindergarten experience (MAV, 2011; DEECD, 2010; DEECD, 2009). Within this policy framework, Victorian local governments and non-profit organizations were eligible to be kindergarten cluster managers.

KCM had three purposes; they were to: 1) 'reduce the administrative and management burden on kindergarten parent committees, 2) strengthen the management and delivery of community-based kindergarten programs and 3) provide kindergarten staff with professional employment arrangements' (DEECD, 2010, p.3; DEECD, 2009, p.3).

In the KCM policy framework, the Victorian State Government provided the funding and the local governments provided kindergarten property, that is, the land and building, and kindergarten management services via KCM. Non-profit organizations were also KCMs in the community-managed kindergartens. Each kindergarten had teachers and ancillary staff members. The networks examined in this study consisted of the Victorian Government responsible for funding, the local government as a KCM and a property owner, a community service organization as a KCM, and kindergartens as providers of kindergarten services.

1.3 Significance of the study

This study contributed to knowledge mainly in two areas: local government and network studies, and focused on the following issues: Victorian Government's influence on the local governments, network models, coordination mechanisms (mode of governance), factors that affect collaboration, and economic efficiency and participatory decision-making.

Victorian Government's influence on the local governments

Local governments in Australia derive their powers from state legislation. Hence, their actions are determined and constrained by the state and central governments (Dollery and Wallis, 2001). Hence, it is inevitable that the Victorian Government will have an influence on local governments that can be either positive or negative. This study examined how the Victorian Government influences the local governments' networking activities for kindergarten service provision. The insights gained from this study contribute to the Victorian Government's policy development and to the local government's method of collaborating with the Victorian Government.

Network model and coordination mechanism (mode of governance)

As stated above, the definition of 'network governance' as an alliance of organizations and as a social coordination mechanism is unclear, and therefore prevents an in-depth study of networking that would produce meaningful insights.

There are various types of network forms of governance and it is important to develop network models in order to better analyze the collaborative activities and partnerships of organizations.

This study examined how the network mode of coordination works in organizations that use networking. It was found that the multiple coordination mechanism was operating in the alliances.

The knowledge of coordination mechanisms in the mode of governance is a foundation on which to establish a better understanding of the collaborations and partnerships of organizations.

Factors that affect collaboration

This study examined the factors that affect organizations' collaborative activities. They were: capacity of individual actors and organization, partnership lifecycle, stakeholder management and elements of successful partnerships as defined by Pope and Lewis (2008). In order to improve the collaborative activities and partnerships among governments and non-government organizations and citizens, this knowledge is important.

Economic efficiency and participatory decision making

According to the literatures, improvements to the economic efficiency and participatory decision-making are outcomes of networking for public governance. However, no previous research has examined how those outcomes have been achieved through networking, and whether both outcomes (economic efficiency and participatory decision-making) were truly achieved and mutually beneficial, especially in the local government context.

This study explored how economic efficiency was realized through networking and whether the level of participatory decision-making was improved without damaging the economic efficiency.

Research method

The methodology included the collection of relevant quantitative data from community kindergarten services, local councils operating in the sector, and interviews with several (12) stakeholders.

The data that addressed the research questions in the study were obtained from the interviews. Unlike other network studies, this study gathered qualitative data from stakeholders and combined these with quantitative data from four case studies. This study used a semi-structured questionnaire to collect survey data from interviews, enabling the researcher to collect data efficiently and organize those data effectively for analysis.

It was a challenge to find out through interviews which modes of governance were operating in the networked formed organizations. In order to develop a structured questionnaire to examine the mode of governance, the researcher carried out an extensive literature review and ascertained the features of the three modes of governance: hierarchy, market and network. Subsequently, the questionnaire was amended and refined following pilot interviews. The data collected via the interviews were analyzed by pattern matching following Yin's (2004) guidelines.

6

1.4 Structure of the thesis

This study is organized in nine chapters as follows:

Chapter 1: Introduction: this chapter presents the motivation for the study, and its significance and context, as well as the thesis structure.

Chapter 2: Literature Review: Local Government Reform and Networking for Local Governance: this chapter provides the results of literature search that includes the areas of local government study, governance study and network study.

Chapter 3: Context of Study: Victorian Local Government Reform: this chapter discusses the situation of Victorian local governments.

Chapter 4: Context of Study: Kindergarten Cluster Management: this study chose KCM framework as an example of networking by the local governments. This chapter explains the KCM framework and presents the background of early childhood education services.

Chapter 5: Conceptual Framework: this chapter develops the conceptual and theoretical frameworks. In the conceptual framework, all the information gathered from the literature review was integrated. In this chapter, all concepts are transformed into independent variables and dependent variables. Also, a theoretical framework, research questions and hypothesis are developed in this chapter.

Chapter 6: Research Methodology: this chapter justifies the multiple case study research design used in this study. In addition, the research strategies and data collection process including interview procedures and data analysis process are discussed.

Chapter 7: Results: this chapter presents the results of the collection and analysis of data from the multiple case study for which interviews were conducted in four local council areas with 12 interview subjects from 17th of September, 2013 to 16th of December, 2013.

Chapter 8: Discussion: this chapter addressed the findings from the data analysis and determined the answers to the research questions by integrating all results and comparing them with the previous theories and the original expectations of this study.

Chapter 9: Conclusion: this chapter provides a summary of the study, the original contributions made by the study, the limitations of the study and suggestions for future research.

Chapter 2: Literature Review: Local Government Reform and Networking for Local Governance

2.1 Introduction

In the 1980s and 1990s, public sector reforms were undertaken across the world. Widespread calls for evolving citizen-government relationships had increased (Geddes, 2005; Considine, 2005). How Victorian local governments changed the relationships with other sectors such as the non-profit sector and profit sector, and the impact of the relationships on local governance, is the general aim of this thesis.

In order to achieve its general aim, this study identified five general objectives:

>1) To identify the reason that the Victorian local governments attempted to improve their relationships with other sectors.

>2) To identify the networks developed by Victorian local governments.

>3) To identify the mechanism used to coordinate those relationships.

>4) To identify factors that influence the relationships.

>5) To identify the impacts of the relationships.

In order to discern existing knowledge and to obtain insightful view surrounding the concepts to be studied, a literature review was conducted.

As the primary concern of this thesis is local governments' adoption of networking as a strategy to improve the quality of their governance, this chapter first reviewed theories relevant to public sector and local government reform that explain the context of introducing 'network governance' in public sector (Considine and Lewis, 2003, p.131). This section also deepened the understanding of issues behind executing public sector reform and introducing NPM philosophy.

This is followed by examining the nature of governance incorporating both agency and stewardship theory and stakeholder theory. Section 2.3 Nature of Governance clarifies the appearance of the term of corporate governance and the introduction of the concept into the public sector as a NPM approach. The construct of stakeholder theory and the factors that affect network activities is discussed in Chapter 5.

Following that this thesis reviewed three models of social coordination: hierarchy mode of governance, market mode of governance and network mode of governance, and the theory of social capital. In order to investigate the networking activities by local governments this study utilizes this set of three modes of governance. These three modes of governance were identified through transaction cost study, which assume that the difference between modes of governance varied in economic efficiency depending on an organization's relationships. This section also identified the influence of social capital theory into the public policy development.

The last section of this chapter investigated the concepts of policy networks and industrial networks in order for this study to establish the fit of models with the research questions.

2.2 Theory behind Local Government Reform

2.2.1 Local government issues and relationships associated with public service provision

Source of financial pressure on local governments
Dollery et al. (2012) identified four issues that account for the current financial plight of Australian local governments: financial stress, structural change, expansion of service provision and growing intergovernmental complexity.

Financial pressure
Australian local governments have faced extreme financial pressure. Dollery et al. expressed this situation as 'existing arrangements have only been maintained at the cost of steadily depreciating physical infrastructure' (2012, p.18). According to a review conducted by the Commonwealth Grants Commission (1995 cited in Dollery et al., 2012, p.18) there were five reasons for the financial difficulties experienced by Australian local governments:

- Devolution – where a higher sphere of government gives local government responsibility for new functions;
- Raising the bar – where a higher tier of government, through legislative or other changes, raises the complexity and/or standard at which local government services must be provided, thereby

increasing the cost of service provision;

- Cost shifting – either where a municipal council agrees to provide a service on behalf of a federal or Victorian Government (with funding subsequently reduced or stopped) or where some other tire of government ceases to provide an essential service thus forcing a local authority to take over;
- Increased community expectations – where a given community demands improvements in existing municipal services or the provision of a new services; and
- Policy choice – where specific councils voluntarily expand and/or enhance their services.

Dollery et al. also mentioned the reluctance of local councils to raise their rates and other fees and charges to a sustainable level (2012) as a reason for the financial plight of local councils.

Structural change

Australian state and territory governments began to amalgamate councils in an attempt to improve cost-effective local services. During the 1990s, in South Australia, Tasmania and Victoria, municipal consolidation took place with different degrees of intensity. In the early 2000s, New South Wales, Queensland and the Northern Territory underwent consolidation (Dollery et al., 2012). As a result, the amalgamation projects heavily damaged the local councils in question by imposing unanticipated transaction costs, having a divisive impact on local communities, 'sharply negative economic, employment and social repercussions', and difficulties in addressing the problem of financial sustainability (Dollery et al., 2012, p.3).

Expansion of service provision

Following significant changes to Local Government Acts across Australian states and territories, local government systems expanded the legislative scope of local councils. Accordingly, the boundaries of local government service provision changed dramatically from a comparatively narrow range of local services traditionally provided to become a small part of whole local council services. Hence, their responsibilities encompassed human services and social issues including education, health, welfare and public safety (Dollery et al., 2012).

Growing intergovernmental complexity

The critical changes to Local Government Acts led to increasingly complex relationships between local councils and state and federal governments including the Local Government and Planning Ministers' Council that restricted local government activities (Dollery et al. 2012). The gap between the various State and Territory municipal systems widened over time and the oversight mechanisms used by the Victorian Governments were not the same, but differed from state to state. Consequently, this reduced 'the prospects of a uniform national approach to local governance' (Dollery et al., 2012, p.25). Moreover, the inconsistent devolution of functions to the local governments of different states and territories complicated the networks of intergovernmental relationships (Dollery et al., 2012).

In order to overcome the financial difficulties of the public sector, a partnership mechanism was proposed. This study reviewed public-private partnerships and the sharing of responsibility for service provision.

Public-private partnerships

In order to improve the efficiency of the public sector, the private provision of a public infrastructure was encouraged. One of the new arrangements between the public and private sectors was known as 'public-private partnerships' (PPP) (Dollery, Crase and Johnson, 2006, p.258).

The UK government was the first to use private sector financing for its infrastructure projects under the Private Finance Initiative (PFI) (Lambert and Lapsley, 2006). Later, in 1997, it was named the Public-Private Partnerships (PPP) by the UK's Labor government. The Bracks Victorian Government (Victoria) introduced PPPs in its 'Partnerships Victoria' policy in 2000, and Victoria has been the most active state in Australia supporting this mechanism (Sciulli, 2008).

A common finding in the literature is that there is no one clear definition of PPP; indeed, various definitions have been proposed such as 'a contract for a private party to deliver public infrastructure-based services' (Department Treasury and Finance, 2001, p.3) and 'an approach to delivering public services that involves the private sector, but one that provides for a more direct relationship between the public and private sector' (Broadbent and Laughlin, 2003, p.334). Most literature emphasizes the private sector provision of public infrastructure services or the application of private sector finance to design, construct, maintain and operate the public infrastructure, or the private sector supplying essential services directly to the public (Jacobson and Choi, 2008; Sciulli, 2008; Dollery, Crase and Johnson, 2006).

The concept of PPP is used worldwide (Jacobson and Choi, 2008, Sciulli, 2008); however, studies on PPP show that the partnership approach is not guaranteed to be more successful or efficient than the public sector alone providing the services (Jacobson and Choi, 2008).

Trafford and Proctor (2006, p.118) argue that

> '… the shift away from bureaucracy and the creation of numerous providers has itself produced problems for collaboration and co-ordination as well as making it harder to provide a unified approach to service delivery'.

They carried out a case study using a grounded theory approach, and identified five characteristics of successful partnerships between public sector organizations and private companies; they are: '1) communication, 2) openness and trust, 3) planning, 4) ethos and 5) direction' (Trafford and Proctor, 2006, p.120).

Shared service provision

While public-private partnerships is an arrangement whereby the private sector provides local services on behalf of local councils, 'shared service' is the 'collaborative inter-council service provision' (Dollery et al.,2012, p.3). Dollery et al. (2012, p.4) cite Tomkinson's definition which is 'the shared provision by more than one local council of a specified service in which service aims and objectives are mutually shared and for which local people are the end customers'. They mention the risk or weakness associated with service provision by the private sector; strong incentives to reduce service quality, possibility of bankruptcy and service termination and 'loss of local government control over service provision' (Dollery et al., 2012, p.5).

2.2.2 Public sector reform

In the last few decades, 'enterprise governance' and 'network governance' have become significant models for organizations in public programs (Considine and Lewis, 2003, p.131). This section briefly reviews the evolution of public organizations and attempts to address the reasons why traditional bureaucratic governance has been transformed into 'enterprise governance' and 'network governance'.

In the mid- and late-1970s, public organizations were designed so as to adopt 'tougher planning and budgeting systems' and 'to elevate the role of managers as agents of both efficiency and accountability' (Considine and Lewis, 2003 p.132). This planning and budgeting ideal led public organizations to introduce the strategies of large corporations (Considine and Lewis, 2003). In the 1980s, neo-liberal ideals put pressure on public organizations 'to cut the number of employees in the public service and to privatize parts of the public system' (Considine and Lewis, 2003, p.132). During the 1980s, the public sector was forced to cut costs and maximize output (Lewis, 2010). Meanwhile, many reports of the failure of hierarchical command and control by governments led the public sector make changes known as New Public Management which included 'privatization of public enterprise, construction of quasi-markets, contracting out of public services, competitive deregulation and commercialization' (Sorensen and Torfing, 2006 a, p.1). Public organizations were expected to introduce private business practices, and focus on competition, contracts and consumer choice (Lewis, 2010).

In the early 1990s, 'an incentive-based theory of internal organization' influenced the public sector reform and 'a single public services was replaced by a mix of several purchasers and providers that would act competitively to profit from increased efficiency' (Considine and Lewis, 2003, p.132).

However, the problems of imperfect competition, unstable and insufficient market supply, unchecked externalities and inequality emerged (Sorensen and Torfing, 2006 a). Moreover, the market mechanism introduced into public governance failed to reduce the need for state regulation. It also failed to facilitate connectivity and pro-active governance with joint objectives and mutual trust (Sorensen and Torfing, 2006 a). Yet, the limits and failures of the state and market governance mechanisms required new forms of governance (Sorensen and Torfing, 2006 a).

In the UK, governments addressed the challenges of coordinating actors from the many and varied sectors. They were required to coordinate interests of actors, rather than use legal powers to steer the society (Lewis, 2010).

More recently, the idea of network governance emerged. In this type of governance, the delineations between firms, non-profit sectors and governments are vague when forming strategic partnerships and collaboration between them.

 Network governance is supported by the idea that 'societal issues can be best addressed through multi-sector collaboration' (Blockson and Van Buren, 1999, p.64). This network governance ideal comprises 'the supposed virtue of markets', 'third-sector alternatives to the state' and 'the virtue of competition, choice, and multi-agency collaboration' (Considine and Lewis, 2003, p.132). This new

ideal emerged as practice in the Clinton-Blair 'Third Way' strategy which sought 'a synergy between public and private sectors, utilizing the dynamism of markets but with the public interest in mind' (Considine and Lewis, 2003, p.132; Giddens, 1998, p.78).

Considine and Lewis cite three models of governance as alternatives to traditional bureaucratic governance (procedural governance): 'corporate governance', 'market governance' and 'network governance' (2003, p.133).

'Procedural governance' is defined as 'the following of rules and protocols, high reliance on supervision, and an expectation that tasks and decisions will be well scripted, including by information technology systems used in the organization' (Considine and Lewis, 2003, p.133). This old bureaucratic type of governance was criticised and had become unpopular by the mid-1970s (Considine and Lewis, 2003).

In the 1980s, the 'corporate governance' model emerged. The ideal of this type of governance is that 'officials should respond to targets set by managers and should be guided by a comprehensive performance-measurement regime that made such targets the mainstay of the organization' (Considine and Lewis, 2003, p.133).

'Market governance' sometimes called 'contractualism' or 'entrepreneurial government' became the ideal governance model in the 1990s where 'contracting out, competitive tenders and principal-agent separation were employed, as it attempted to increase flexibility, reduced planning and less regulation (Considine and Lewis, 2003, p.133).

In addition to 'corporate governance' and 'market governance', networks and networking emerged as a governance model where 'government continues to rely on outside agencies, but in the form of a stronger strategic partnership'. In the 'network governance' motivation by rules and control by supervision are reduced, while seeking cooperation, building trust and joint action are increased (Considine and Lewis, 2003, p.134).

2.2.3 Local government reform

Australian local governments have been facing financial depression and been subjected to various and dynamic reforms over the past two decades (Dollery et al., 2012). This section reviews local government reform especially regarding: 1) the three main tools of reform adopted by the Australian

15

state and territory governments, 2) Motivation behind those reform programs and 3) reasons why some reforms such as council amalgamations failed.

According to Dollery et al. (2012, p.15-16), Australian state and territory governments employed three main engines of reform: 'modernising their local government acts', 'manipulating the behaviour of local councils through prescriptive legislation' and 'structural reform programs'.

In order to improve the operating efficiency of local governments, the state and territory governments granted their local governments 'greater legislative freedom' and flexibility to adapt to a 'rapidly changing environment' (Dollery et al., 2012, p.15). Conversely, the state and territory governments influenced their activities through 'prescriptive legislation' which specified local government functional responsibilities associated with the service standards of quality and quantity. This was followed by the 'cost-shifting' phenomenon 'where additional responsibilities placed on local government are either under-funded, fully funded for a limited period only, or not funded at all'. Also, Australian state and territory governments undertook 'structural reform programs' that included 'compulsory council amalgamation' especially in those municipalities that had a smaller population (Drew and Dollery, 2017, Dollery et al., 2012, p.16). Australian 'policy makers have relied most heavily on structural reform' especially council amalgamation as 'the chief remedial policy tool' to improve their efficiency (Dollery et al., 2012, p.3).

The NPM doctrine and British local government experiences influenced the legislative reform programs of local governments in Australia. As a result, the local governments' strategic community leadership roles were enhanced 'to promote the economic, social and environmental well-being of their communities' (Tan et al., 2016, Dollery et al., 2012, p.15). NPM also provided the foundation for a number of market mechanisms in local government service provision such as privatisation, competitive tendering and public-private partnerships (Dollery et al., 2012).

Council amalgamations were carried out on the premise that there are significant economies of scale and scope in combining local governments in Australia (Drew et al., 2017, Dollery et al. 2012). 'The term "economies of scale" refers to a decrease in average cost as the quantity of output rises' (Dollery et al., 2012, p.29). This is given as a rationale for larger council jurisdiction. Hence, it was anticipated that the bigger the jurisdiction unit, the lower would be the cost of service provision (Dollery et al., 2012). 'Economies of scope refer to the economic advantages which derive from providing a broad range of goods and services in a single organization' compared to the cost of services offered by a number of specialized organizations. This is because a single organization can reduce the cost of input

or overheads such as 'central administrative staff' and 'computing facilities' across many of its services (Dollery et al., 2012, p.31).

However, numerous studies argue that council amalgamations have largely failed to achieve their intended aims (Bell et al., 2016, Fahey et al., 2016, Dollery et al., 2012, and Vince, 1997). Why did council amalgamation, which was the main reform program undertaken by the Australian state and territory governments, fail to improve their efficiency and effectiveness? Dollery et al. (2012) argue that neither economies of scale nor economies of scope necessarily existed in Australian local governments. They pointed that Australian local governments provided a wide range of goods and services that require different technological means and different costs. Hence, the cost of providing goods and services would vary between local councils and services and would not 'exhibit the same cost characteristics' (Dollery et at., 2012, p.29). Dollery et al. also drew on Sancton's (2000, p.74) argument: 'There is no functionally optimal size for municipal governments because different municipal activities have quite different optimal areas'.

Regarding the lack of economies of scope, Dollery et al. mentioned that 'the fragmentation of existing large municipalities into several fully autonomous or privatised business units' (2012, p.31). They acknowledged that larger councils have better administrative and other expertise as their size permits the employment of personnel with specialist skills, which is difficult for smaller councils. Hence, they suggested the benefit of forming an umbrella organization in an attempt to capture economies of scope.

According to Andrews and Boyne (2009), there was empirical evidence supporting administrative scale economies in English local governments. Administrative scale economies indicate that larger amalgamated councils economize on their direct cost of administration. However, that there is no guarantee that administrative scale economies usually exist (Drew et al., 2017, Fahey et al. 2017, Bell et al., 2016 and Drew et al., 2016). Furthermore, they cite the public choice theory that 'greater difficulties are involved in monitoring large municipalities' (Dollery et al., 2012, p.33). Conversely, smaller councils are less complex operations with a high degree of transparency and scrutiny by ratepayers; hence, they would undergo greater public pressures to deliver public goods and services more efficiently. Consequently, a smaller local government system could be more efficient than a larger local government system (Dollery et al., 2012).

2.2.4 Seeking inclusive society

The development of local partnerships in the Australian public sector reflected the international trend (Reddel, 2005; Geddes, 2005). Geddes (2005) explored the relationships between the practice of local partnerships and welfare regimes as policy responses to poverty and social exclusion in the European countries. Global economy gave rise to 'new forms of unemployment, poverty, inequality and social exclusion' (p.17). Moreover, neo-liberal social policies of cutting down welfare services and reducing the roles and size of government (Geddes, 2005; Smyth et al., 2005) did not ameliorate the situation (Geddes, 2005).

Geddes cited Paugam's (1998) three types of poverty in the European context: integrated poverty, marginal poverty and disabling poverty (Geddes, 2005). These types of poverty and their characteristics are described in Table 2.2. Paugam (1998) associated 'disabling poverty' with the United Kingdom while integrated poverty related to southern European countries.

Table 2.1: Characteristics of poverty and relationship with local partnership

Type of poverty	Characteristics	Local partnership
Integrated poverty	Large section of the population are poor, hence poverty is not greatly stigmatised.	Limited
Marginal poverty	Deprivation is very restricted and causes stigmatisation of the poor as special social cases.	Limited
Disabling poverty	In diverse social contexts growing numbers are becoming poor or excluded.	Well developed

Source: Geddes 2005 pp.16-17

Geddes (2005) admitted that there were other factors such as historical and institutional specificities of countries that encourage local partnerships practices; however, he emphasised that the most important factors that relate to local partnerships are poverty and social exclusion. Geddes (2005) quoted Abrahamson's (2003) cross-national European research project as;

> … more than ever partnership is being promoted as the development approach of our time. Social development and social cohesion are no longer seen as the sole responsibility of governments;

increasingly actors from the business community and civil society are becoming actively involved as well (p.13).

The Blair Government in the UK addressed new ideas of 'devolution, partnerships and community in responding to social exclusion' (p.187) (Reddel, 2005). This broad international context influenced Australian governments that shifted their interests to 'social capital, community-building, citizen engagement and joined-up government' (p.187) (Reddel, 2005).

2.2.5 Local government roles and responsibilities

Shah (2006) described five models of local government explaining their nature, role, responsibilities and inter-relationships from different perspectives. Briefly, they are: 1) traditional fiscal federalism, 2) new public management, 3) public choice, 4) new institutional economics (NIE), and 5) network forms of local government.

Traditional fiscal federalism

In fiscal federalism literature, local government is recognised as a service deliverer. The delivery of public services can be done by public or private organizations. As an entity for service delivery, local government has to consider efficiency and equity such as economies of scale, economies of scope and cost-benefit, proximity to beneficiaries, consumer preference, and budget arrangement, when it decides the public or private service provider (Shah, 2006, p.6).

Local service is delivered not only by local government but also by community organizations and the private sector. Special-purpose agencies and bodies are established to deliver a wide range of public services such as education, health, planning, recreation, and environmental protection as they are able to deliver the services without concern for political jurisdiction boundaries, and are able to supply the services in better financial condition and seek better efficiency (Shah, 2006).

Private sector participation has a variety of forms such as contracting, franchise operations, grants, vouchers, volunteers, community self-help activities and private non-profit organizations (Shah, 2006, p.7).

Shah (2006) suggests that in those areas where local government has limited financial capacities, encouraging private sector participation in the delivery of local services is significant as such participation enhances accountabilities and choice in the local public sector.

New Public Management perspective

In NPM literature, citizens are treated as the principals having multiple roles 'as governors, activist-producers and consumers' (p.9) while the governments are treated as 'an agent of the people to serve the public interest and create public value' (p.9) (Shah, 2006). The useful definition of 'public value' is 'measurable improvements in social outcomes or quality of life' (Shah, 2006, p.9). In addition to using the investment from the private sector, local governments are supposed to draw free resources such as 'collective public action' (Shah, 2006, p.10) in order to improve social outcomes beyond what is possible with the limited local governments' resources. Therefore, managers of local governments are supposed to create value by organizing a network of service providers outside of local governments. Democratic accountability is crucial to ensure the consensus of the local residents. In NPM doctrine, managers are given flexibility in the use of resources and held accountable for the results. Accordingly, top-down controls are replaced by bottom-up accountability for the results (Shah, 2006).

Public Choice Approach

In the public choice theory, politicians, bureaucrats and interest groups are criticised for seeking their self-interest. Hence, various stakeholders are supposed to be involved in policy formulation and implementation to use their opportunities and resources to advance their self-interest (Shah, 2006). In order to promote citizens' choice and exit options, 'wider competition' for public services is important (Shah, 2006).

New Institutional Economics

New institutional economics (NIE) studies how institutions have an effect on organizational arrangement (Menard and Shirley, 2008) by analysing the structure of transactions and their governing institutions (Herath, 2005). NIE utilizes institutional characteristics for economic analysis (Dollery and Wallis, 2001). NIE recognizes that in the real world, individuals are 'boundary rational' that prevents them from describing hierarchical contracts and market mechanisms and the complexities of actual economic exchange (Dollery and Wallis, 2001, p.177). The limitation caused

by being 'boundary rational' means that agents and principals make incomplete contracts and, furthermore, results in 'opportunistic behaviour'. 'Boundary rational' and incomplete contracts lead to economic activities being conducted in an environment of 'asymmetric information and costly transactions'. 'These asymmetric information and costly transactions, are of crucial importance to institutions' (Dollery and Wallis, 2001, p.118).

There are many definitions of 'institution', such as 'institutions are the rules of game' (North, 2008), 'institutions are rules of a society that facilitate coordination among people' (Ruttan and Hayami, 1984), 'institutions are the human devised constrains that shape human interaction or simply the established pattern of cooperation / interaction in the society' (North, 1990, p.878), 'institutions are the mechanism which govern transaction and a transaction occurs when a good or service is transferred across technologically separable interfaces' (Williamson, 1985), 'institutions are a set of formal and informal rules of conduct that facilitate the coordination of relationships between individual and groups' (Williamson, 1985). These definitions are distinctly different from the other narrow definition that considers institutions to be synonymous with organizations (Herath, 2005).

The definition suggested by Menard and Shirley (2008) encompasses most of the literature. 'Institutions are the written and unwritten rules, norms and constraints that humans devise to reduce uncertainty and control their environment. These include 1) written rules and agreements that govern contractual relations and corporate governance, 2) constitutions, laws and rules that govern politics, government, finance, and society more broadly, and 3) unwritten codes of conduct, norms of behaviour, and beliefs' (2008). NIE assumes that in the real world, individuals have incomplete information and limited capacity to process information (bounded rationality); accordingly, incomplete contracts and opportunistic behaviour will be conducted by agents (Menard and Shirley, 2008; Dollery and Wallis, 2001). Because of this, individuals face uncertainty about future event and outcomes and incur transaction costs to acquire information. In order to reduce risk and transaction costs, humans create formal or informal institutions (Menard and Shirley, 2008, p.1). Institutions develop a mechanism or structure for organizations, and under their control, provide different incentives to motivate agents (Menard and Shirley, 2008, p.1). Organizational arrangements 'include 1) markets, firms, and the various combinations of forms that economic actors develop to facilitate transactions and 2) contractual agreements that provide a framework for organizing activities, as well as 3) the behavioural traits that underlie the arrangements chosen' (Menard and Shirley, 2008, p.1).

In the case of local government policy, 'bounded rationality' (p.118), 'opportunistic behaviour' (p.118) and 'asset specificity' (p.120) are considered to influence the decision for either making a contract for a particular service or providing it in its organization (Dollery and Wallis, 2001). The

concern of opportunism is that participants seek their preference and act in their own self-interest with guile; the concern of asset specificity is that assets such as sports and leisure facilities are specific and cannot be readily redeployed, and this influences the decision to contract out a particular service or provide it within an organization (Dollery and Wallis, 2001).

In NIE, various government organizations are created as agents to serve the interests of the citizens as principals. Agents should ensure minimize transaction costs for the principals when they provide public services. The principals (citizens) would be able to make the best choices on the basis of information, but they are not well-informed about government operations. Agents (various organizations of government) 'are better informed about government operations than principals are, but they have an incentive to withhold information and to indulge in opportunistic behaviours or 'self-interest seeking with guile' (Williamson, 1985, p.7 quoted in Shah, 2006, p.12). The principals have only incomplete contracts with their agents (Shah, 2006).

In Williamson's analysis of distinct governance structures associated with particular transaction costs, market and hierarchies were formed as different mechanisms of governance (Williamson, 1985). Following the debate in terms of transaction cost associated with different governance structures, a third category of governance mechanism was added: networks (Lowndes and Skelcher, 1998).

Network forms of local government

'In many countries, local authorities have been active in establishing collaborative relationships with business, voluntary organizations and community associations' (Dollery and Wallis, 2001, p.121) because the resources of local governments were constrained and they needed to develop new sources of finance (Dollery and Wallis, 2001). Those partnerships were developed particularly in the fields of urban and rural regeneration, 'where local authorities created working arrangements with a range of other agencies to promote the economic, social and political revitalization of communities' (Lowndes and Skelcher, 1998, p.314). Dollery and Wallis (2001) and Lowndes and Skelcher (1998) called these relationships 'multi-organizational partnerships'. They emphasise that this partnership is a structure for the implementation of government policy and distinguished it from 'network' as 'alternative governance mechanisms that can be deployed by these structures' (Dollery and Wallis, 2001, p.121).

The benefits of a network form of governance are 'the potential to increase resource efficiency, making better use of existing resources by reducing duplication and sharing overheads. It can add

value by bringing together complementary services and fostering innovation and synergy' (Lowndes and Skelcher, 1998, p.315).

Moreover, the inclusion of relevant and affected organizations in governance networks improves the ability to overcome social issues, thereby making the governing process more effective. Also, the participation of various stakeholders in the decision-making process enhances the quality of democratic governance (Sorensen and Torfing, 2006 b).

Dollery and Wallis (2001) introduced the notions of interest-based networks and hope-based networks. Interest-based networks can provide a stable form of governance if membership is limited to partners that can make significant resource contributions and if there is a balance of power among members. Hope-based networks are built on shared sentiments and emotions such as the hopes of the members. In hope-based networks, members look to one actor as a leader and networks are likely depend on leaderships skills (Dollery and Wallis, 2001). The informality of interest-based networks can make it difficult to hold them publicly accountable in the same way as hierarchical structures. Also, the importance of informality, personal relationships and trust make it hard for new actors to break into the networks (Dollery and Wallis, 2001). Hope-based networks may provoke strong opposition from those groups that are excluded from the multi-organizational partnerships (Dollery and Wallis, 2001).

In this model, local governments could play a catalytic role to facilitate and develop multi-organizational partnerships or networks in which actors are from various non-government organizations (Shah, 2006, Dollery and Wallis, 2001). Shah (2006) argued that local government required 'a new local public management paradigm' (p.13) in which the policy advice roles of local government should be separated from a public program implementation role. Local government may purchase the public services provided by those organizations collaborating through the partnerships, but not necessarily provide those services. Local governments are also required to develop their capacity for a mediating role among those organizations (Shah, 2006).

2.2.6 Citizen-centered governance

Through reviewing local government's roles and responsibilities under those five models, Shah (2006) suggested reforming local government practices to conform to three basic principles: 'responsive governance, responsible governance and accountable governance' (p.15).

- Responsive governance; in this principle local government deliver services consist with citizen preferences.
- Responsible governance; in this principle local government manage its fiscal resources prudently. Local government is supposed to manage fiscal and social risk for the community and to improve the quality, quantity and access to public services.
- Accountable governance; in this principle local government should be accountable to their community.

Shah (2006) calls the local governance that embodies these three principles 'citizen-centered governance' (p.15).

2.3 Nature of Governance

2.3.1 Public sector governance

As the result of globalisation, the increased importance of competition, the increased use and variety of information technologies, and changes in values and political beliefs, governments in many countries have attempted to redesign their roles and especially the way they can relate to the business and community sectors and to citizens (Edwards, 2002).

The public sector has been pushed to adopt private sector business processes and structures within their organizations and to use the phrase 'corporate governance' to describe those practices (Edwards, 2002, p.52). Edwards (2002) specified the key elements of good governance as: 'accountability, transparency, participation, relationship management and efficiency and/or equity' (p.52). She states that corporate governance is usually defined in terms of relationships (2002).

While *local government* refers to specific institutions or entities that deliver a range of specific services to a geographically delineated area (Shah, 2006), Shah (2006, p.2) defines *local governance* as follows:

> the direct and indirect roles of formal institutions of local government and government hierarchies, as well as the roles of informal norms, networks, community organizations, and neighborhood associations in pursuing collective action by defining the framework for citizen-citizen and citizen-state interactions, collective decision making, and delivery of local public services.

Shah insists that good local governance is not just about providing a range of local services, but about preserving residents' well-being, increasing the quality of democracy, supporting market-led, environmentally sustainable local development, and facilitating outcomes that enrich the quality of life of local residents (2006).

2.3.2 Corporate governance in public sector

Context of corporate governance appearance

Because of 'repeated fraud and financial abuse' (Matei and Drumasu, 2015, p.496) overseas in countries such as the USA, the UK and Italy, the term 'corporate governance' emerged and attracted serious attention internationally (Matei and Drumasu, 2015; Clark, 2007).

'Corporate governance' was first mentioned in the '70s following the Watergate scandal in the USA. In the '80s and '90s, companies in the UK, such as Guinness (1986), Polly Peck International (1989) and Maxwell (1991) went bankrupt within a short period of time. In the UK, the public sector also faced financial failure and fraud such as in the Metropolitan Police case (1995). Later, a significant number of members of the European Commission resigned following fraud allegations and inadequate financial management (Matei and Drumasu, 2015).

This worldwide phenomenon of fraud and financial failures brought pressure on national governments to change the Corporate Governance Laws and introduced sanctions 'to determine companies to adopt ethical and transparent policies' (Matei and Drumasu, 2015, p.496).

Definition of corporate governance

In 1992, Adrian Cadbury, a president of the Committee for Corporate Governance Financial Aspects in the UK, developed the Cadbury Code. In the Report of the Committee on the Financial Aspects of Corporate Governance, the concept of corporate governance was defined as 'corporate governance is the system by which companies are managed and controlled' (Cadbury, 1992, p.15 cited in Matei and Drumasu, 2015, p.497 and Clark, 2007, p.2). International bodies such as the World Bank and OECD (the Organization for Economic Cooperation and Development) became interested in examining the cause of financial failures in order to prevent future incidents. Following its elaboration of the 1999 Principals of Corporate Governance, in 2004, the OECD revised it and published the Principals of Corporate Governance in which the definition was developed as follows (OECD, 2004 cited in Clark, 2007, p.2):

- Corporate governance involves a set of relationships between a company's management, its board, its shareholders and other stakeholders.
- Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined.
- Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interests of the company and its shareholders and should facilitate effective monitoring.
- The presence of an effective corporate governance system, within an individual company and across an economy as a whole, helps to provide a degree of confidence that is necessary for the proper functioning of a market economy.
- As a result, the cost of capital is lower and firms are encouraged to use resources more efficiently, thereby underpinning growth.

The definition suggested by the Australian National Audit Office (2003) is as follows (cited in Matei and Drumasu, 2015, p.497):

- Corporate Governance refers to the process by which organization are managed, controlled and owned. This refers to authority, responsibility, administration, management, guidance and control within the organization.

Principals of corporate governance

The 1992 Cadbury Report developed three principals that companies were required to have: 'openness, integrity and accountability (Matei and Drumasu, 2015, p.497). These principals became a starting point for the further development of corporate governance laws, corporate governance codes

and other reports across the world. The 1999 Principal of Corporate Governance (OECD, 2003) established six principals (cited in Matei and Drumasu, 2015, p.497):

- Ensuring an adequate framework for the effective implementation of sound corporate leadership
- The shareholders' rights and key aspects related to ownership rights
- Equal treatment of all shareholders
- The stakeholders' role in corporate governance
- Information and transparency
- The board of directors' responsibilities

Corporate governance in public sector

Because of the benefits and effects of the concept of corporate governance, 'the corporate governance model was adopted and implemented in the public sector as a New Public Management approach' (p.501)by countries such as Australia, New Zealand and the UK (Matei and Drumasu, 2015).

In 2003, Standards Australia published the AS8000 series of Corporate Governance Standards (Armstrong, 2004). 'AS8000 Corporate governance – Good governance principles aims to "provide a blueprint for the development and implementation of a generic system of governance suitable for a wide range of entities' (Standard Australia, 2003)" and is intended for application in all public and private sector entities' (Armstrong, 2004, p.5). Johnstone (2004) applied the AS8000 to public sector governance. He stated the term of stakeholders in the corporate governance is equivalent to community in public sector. Hence, the government increased its awareness of the significance of community consultation, participation, engagement, or involvement as part of democratic leadership. Johnstone (2004) had this to say about corporate governance in the public sector (Johnstone, 2004, p.16):

- In the public sector, the corporate governance should ensure that all activities are performed in the best interests of the community,
- The highest standards of corporate governance must permeate all areas of the public sector to ensure that public resources are devoted to the achievement of best outcomes,
- Sound structure, clear roles, delegations and good process should be coordinated,
- Understanding and compliance with roles and processes, and development of appropriate structures, lay down a foundation for good governance,
- That a foundation must be supported by open and effective relationships as part of a culture based on sound and ethical values and a commitment to high performance.

PEAC (Public Accounts and Estimate Committee) elaborated on this and published a report titled 'Report on the inquiry into Corporate Governance in the Victorian public sector' (2005) in which the importance of the corporate governance regime was clearly stated:

> 'The Victorian Government is committed to improving and enhancing the corporate governance regimes both within specific bodies and at a whole of government level' (PEAC, 2005, p.33).

In this report, corporate governance is defined as:

> 'the process by which organizations are directed, controlled and held to account. This encompasses organizational authority, accountability, stewardship, leadership, direction, control and performance' (PEAC, 2005, p.33).

This report argues that the challenges associated with corporate governance faced by the public sector are greater than the challenges faced by the private sector 'because the public sector is more complex than the private sector for a number of reasons' (PEAC, 2005, p.33). The reasons mentioned in the report (PEAC, 2005, p.33) are:

- Agencies can have multiple objectives and responsibilities, in addition to program and financial considerations,
- Agencies can have different ownership arrangements,
- Different arrangements for boards of management, with some being mainly or solely advisory and others operating with a degree of autonomy with a number of different formal and informal arrangements for appointments,
- Agencies can have different accountability requirements
- Agencies can have different reporting requirements

In general, the characteristic of efficient governance is that it optimizes the relations 'between management, directors, investors and all other stakeholders' (Matei and Drumasu, 2015, p.498). Given the importance of the relationships, agency theory, stewardship theory and stakeholder theory could enhance insights regarding governance issues and benefits.

2.3.3 Agency theory, stewardship theory and stakeholder theory

2.3.3.1 Agency theory and stewardship theory

In agency theory, the owners are principals and the managers are agents (Donaldson and Davis, 1991). Principals need agents' specialized human capital to generate return on their investments. Hence, principals and agents make contracts to specify the manager's responsibilities and discretions, and

also the way in which the returns will be divided (Clark, 2007). However, 'as future contingencies cannot be anticipated, complete contacts are not feasible' (Clark, 2007, p.24).

Agency theory argues that each actor aims to maximise his/her own utility (Clark, 2007) and in the corporation, managerial actions are different from the performance required to maximize the owner's returns (Donaldson and Davis, 1991). Hence, the concern of corporate governance from the agency theory perspective is 'how the principal is able to prevent the agent from maximising his own utility' (Clark, 2007, p.24). Efficient markets in corporate control, management, and information are the means that militate against the agency problems (Clark, 2007).

According to stewardship theory, managers are motivated to act pro-organizationally in ways that serve the interests of stakeholders, including shareholders (Donaldson, 2008).

Donaldson identifies two types of managers' motivations. The first one is 'reward type motivations' whereby the manager receives satisfaction by acting pro-organizationally. This involves fulfilling psychological needs such as achievement and responsibility.

The second type of motivation is 'non-utilitarian' where the manager receives no reward for acting pro-organizationally. Also, managers act out of a sense of duty or obligation. In this situation, the manager is responsible for managing the affairs of his/her organization rather than being subject to close supervision or interference. This motivation is maximized by empowerment of managers to use their professional skills and values to act autonomously (Donaldson, 2008).

While agency theory holds that substantial financial incentives for managers are required to re-align their interests with those of the outside shareholders, stewardship theory holds that the job itself, if properly structured, is motivating enough because managers' interests are aligned with those of outside shareholders (Donaldson, 2008, p.308). Managers balance shareholders and stakeholders' objectives to make decisions in the best interests of all (Clark, 2007).

Both agency theory and stewardship theory have their limitations. The assumptions of agency theory are too narrow and this theory ignores the complexity of organizations. However, stewardship theory is largely untested (Zahra and Pearce, 1989; Stiles and Taylor, 2001 cited in Clark, 2007, pp.27-28). An alternative is stakeholder theory.

2.3.3.2 Stakeholder theory

The idea of the stakeholder has a long history. The word 'stakeholder' first appeared in management literature in 1963 in an internal memo at the Stanford Research Institute. It began with the purpose of filling the vacuum in business ethics or morals of a corporation (Friedman and Milds, 2006). Since then, the term has been expanded upon by various authors such as Freeman and Reed (1983) and Bowie (1988). Freeman's (1984, p.46) stakeholder definition is 'any group or individual who can affect or is affected by the achievement of the organization's objectives' (Clark, 2007).

Even though a large number of definitions of stakeholder have been established and different literatures adopt different definitions, Freeman's stakeholder definition has been popular and many scholars use this definition in their literature (Friedman and Miles, 2006; Donaldson and Preston, 1995).

Who are stakeholders?

Deciding who stakeholders are depends on the definition of what a stakeholder is. When deciding on what constitutes a stakeholder, the following should be considered: (Freidman and Miles, 2006)

1) Organization-centred definition
2) Outside individuals and groups who consider themselves stakeholders without the organization considering them to be stakeholders
3) Individuals and groups who think they would be affected by the achievement of the organization's objective
4) Wider definition such as non-living objects.

However, the most common way to determine the stakeholders is to consider group of people who have a distinguishable relationships with corporations (Friedman and Miles, 2006).

Most common groups of stakeholders to be considered are (Freidman and Miles, 2006, p.13):

- shareholders
- customers
- suppliers and distributors
- employees
- local communities

In addition to those groups, the following individuals and groups have been considered to be stakeholders. They are (Freidman and Miles, 2006, p.13-14):

- stakeholder representatives such as trade unions or trade associations of suppliers or of distributors
- NGO or 'activists' that have been considered individually or as stakeholder representatives
- competitors
- governments, regulators, and other policymakers
- financiers other than stockholders
- the media
- the public in general
- non-human aspects of the earth, the natural environment
- business partners
- academics
- future generations
- past generations
- archetypes

Analytic stakeholder theorising

Friedman and Miles' (2006) 'analytic stakeholder theory' covers all stakeholder types, but is not strictly normative theory. According to this theory, there are four models: 1) strategic/instrumental and organization-centric stakeholder model, 2) strategic/instrumental and relationship-focused stakeholder models, 3) descriptive/positive and relationship-focused stakeholder models and 4) strategic/instrumental and stakeholder-centric stakeholder models.

Strategic/instrumental and organization-centric by Freeman

Freeman changed his position (from instrumental to normative) over the years. His original instrumental position is that stakeholders are seen as a means by which the firm can achieve its assumed ends (maximising profit) (Friedman and Miles, 2006).

> Any framework which seeks to enhance an organization's stakeholder management capabilities must begin with an application of the basic definition. Who are those groups and individuals who can affect and are affected by the achievements of an organization's purpose? (Freeman, 1984, p.54)

Freeman (1984, p.242) suggests 'mapping' the stakeholders, providing a detailed list of the specific groups, organizations and companies related to each category of stakeholder, and a corresponding list of interests.

The following is a list of review questions to facilitate stakeholder mapping:

1) Who are our current and potential stakeholders?
2) What are their interest / rights?
3) How does each stakeholder affect us (challenges and opportunities)?
4) How do we affect each stakeholder?
5) What assumption does our current strategy make about each important stakeholder?
6) What are the current 'environmental variables' that affect us and our stakeholders?
7) How do we measure each of these variables and their impact on us and our stakeholders?
8) How do we keep score with our stakeholders?

The next step that Freeman recommends is to analyze stakeholder behaviour that involves an investigation of past and future stakeholder actions that could enhance or hinder an organization's goal. Next, he recommends that managers construct logical explanations as to why a stakeholder could act in the manner observed. Stakeholder perceptions of the organization should be elicited. Stakeholder coalitions should be mapped as well (Friedman and Miles, 2006; Freeman, 1984). Managers should scan the environment such as similar actions, interests, beliefs, or objects between stakeholder groups and then examine group stakes according to economic, technological, social, political and managerial effects (Svendsen, 1998; Frederick, Post, and Davis, 1988; Freeman, 1984).

Freeman suggested a four-way typology of generic stakeholder strategies: 1) offensive strategy, 2) defensive strategy, 3) swing strategy, and 4) hold strategy. Management can decide strategy by examining the relative competitive threat and relative cooperative potential of each stakeholder. The details of the four strategies are (Friedman and Miles, 2007, p.86-87):

1) Offensive strategies should be adopted if a stakeholder group has relatively high cooperative potential and relatively low competitive threat, in order to try to bring about the stakeholder's cooperative potential. Offensive strategies include attempts to change stakeholder objectives, or to link the programme to others that the stakeholder views more favourably.
2) Defensive strategies should be adopted if a stakeholder group has a relatively high competitive threat

and relatively low cooperative potential to prevent competitive threat on the part of these stakeholders. Examples include reinforcing current beliefs about the firm, maintaining existing programmes, linking the programmes to others that the stakeholder views more favourable, or letting the stakeholder drive the transaction process.

3) Swing strategies, which seek to influence the rules of the game that govern organization-stakeholder relations, should be adopted if a stakeholder group has a relatively high cooperative potential and competitive threat. Examples include changing one or more of the following; the rules, the decision forum, the kinds of decisions that are being made, or the transaction process.

4) Hold strategies should be adopted if a stakeholder group has a relatively low competitive threat and cooperative potential, in order to continue current strategic programmes and maintain the current stakeholder position. Examples include doing nothing and monitoring existing programmes or reinforcing current beliefs about the firm.

2.3.4 Stakeholder management and stakeholder engagement

2.3.4.1 Stakeholder management

There are many reasons why corporations have tackled stakeholder management. Employee relations are commonly recognised as the most important area as poor relations can decrease productivity, creativity and loyalty as well as recruitment and staff retention problems. A close stakeholder network can provide corporations with valuable information about external events, market conditions, technological advances, or consumer trends, which can help corporations to anticipate, understand, and respond to external changes more efficiently and effectively. Stakeholder engagement can lead to more effective solutions (Friedman and Miles, 2006).

The Clarkson Centre for Business Ethics (1999) developed seven principles as key features of stakeholder management (cited Friedman and Miles, 2006, p.151).

- Principle 1): Managers should acknowledge and actively monitor the concerns of all legitimate stakeholders and should take their interests appropriately into account in decision-making and operations.
- Principle 2): Managers should listen to and openly communicate with stakeholders about their respective concerns and contributions, and about the risks that they assume because of the involvement with the corporation.
- Principle 3): Managers should adopt processes and modes of behaviour that are sensitive to the concerns

and capabilities of each stakeholder constituency.

- Principle 4): Managers should recognize the interdependence of efforts and rewards among stakeholders, and should attempt to achieve a fair distribution of the benefit and burdens of corporate activity among them, taking into account their respective risks and vulnerabilities.
- Principle 5): Managers should work cooperatively with other entities, both public and private, to ensure that risks and harms arising from corporate activities are minimized and, where they cannot be avoided, appropriately compensated.
- Principle 6): Managers should avoid altogether activities that might jeopardize inalienable human rights (e.g. the right to life) or give rise to risks that, if clearly understood, would be patently unacceptable to relevant stakeholders.
- Principle 7): Managers should acknowledge the potential conflicts between (a) their own role as corporate stakeholders; and (b) their legal and moral responsibilities for the interests of stakeholders, and should address such conflicts through open communication, appropriate reporting, and incentive systems, and, where necessary, third party review.

2.3.4.2 Stakeholder engagement

Friedman and Miles (2006) defined stakeholder engagement as 'the process of effectively eliciting stakeholder views on their relationship with the organization' (p.152). Stakeholders are supposed to be able to actively and meaningfully participate in the decision-making process.

They developed a ladder of stakeholder engagement based on Arnstein (1969), who developed a ladder of public involvement in policy creation. Friedman and Miles' stakeholder engagement ladder is intended to show the degree of the quality of stakeholder management from the perspective of the stakeholders. Their model of stakeholder engagement has twelve distinct levels, and they do not advocate that all stakeholder relations be conducted at the highest level, stakeholder control, or at any particular level. The different stakeholder groups and the same stakeholder groups at different times will be treated at different levels. However, it is clear that at levels 1 and 2 stakeholder engagement is poor. The lower level rungs (manipulation, therapy, and informing) indicate that the organization merely informs stakeholders about decisions that have already been made.

Table 2.2: Stakeholder engagement ladder

Stakeholder management tool and nature of response	Intention of engagement	Style of dialogue and associated examples
12. stakeholder control	Majority representation of stakeholders in decision-making process	Multi-way dialogue, e.g. community projects
11. delegated power	Minority representation of stakeholders in decision-making process	Multi-way dialogue, e.g. board representation
10. partnership	Joint decision-making power over specific projects	Multi-way dialogue, e.g. joint ventures
9. collaboration	Some decision-making power afforded to stakeholders over specific projects	Multi-way dialogue, e.g. strategic alliances
8. involvement	Stakeholders provide conditional support; if conditions are not met support is removed	Multi-way dialogue, e.g. constructive dialogue
7. negotiation	The organization decides the extent of conformity	Multi-way dialogue, e.g. reactive; bargaining
6. consultation	Organization has the right to decide. Stakeholders can advise. Appease the stakeholder	Two-way dialogue, e.g. questionnaires, interviews, focus groups, task forces, advisory panels
5. placation	Stakeholders can hear and be heard, but have no assurance of being heeded by the organization	
4. explaining	Educate stakeholders	Two-way dialogue, e.g. workshops
3. informing	Educate stakeholders	One-way dialogue, e.g. verified corporate social reports
2. therapy	'Cure' stakeholders of their ignorance and preconceived beliefs	One-way dialogue, e.g. briefing sessions, leaflets, magazines, newsletters, green glossy social corporate reports, or other publications
1. manipulation	'Misleading' stakeholders, attempting to change stakeholder expectations	

A ladder of stakeholder management and engagement. Source: Friedman and Miles, 2006, p.162

2.4 Partnerships and Social Coordination

2.4.1 Three modes of governance

Organizations in a network need to be coordinated in order to achieve common goals (Johanson and Mattsson, 1991). Owing to Williamson's analysis, it was found that distinct coordination mechanisms were associated with particular transaction costs for actors: market, hierarchies and network modes of governance (Williamson, 1985). In this study, this coordination mechanism is a mode of governance.

2.4.1.1 Market mechanism

In a market mechanism, the resources are contributed by the various partners through a legally binding contract (Dollery and Wallis, 2001). Hence, a market mode of governance comprises contractual relationships over property rights (Lowndes and Skelcher, 1998). Markets provide a high degree of flexibility to actors in determining their willingness to form alliance. However, competitive nature may limit the degree of commitment to any collaborative actions. Also, actors prefer to be independent and will choose to collaborate only when they see advantages to themselves (Lowndes and Skelcher, 1998).

This mechanism increases particular transaction costs through four different sources identified by Hindmoor (1998): 1) 'complexity', 2) 'power asymmetries', 3) 'information asymmetries', and 4) 'thinness' (p.30).

- Complexity: when the transaction includes the large number of contingencies that request both parties consider before they make an agreement of satisfactory performance, a proposed exchange is more complex.
- Power asymmetries: Hindmoor (1998) implies power asymmetries between government agencies and non-government organizations. When one party reneges on a contract agreement, the other party can seek to enforce compliance or compensation through the court system. However, the government has unique power to 'overturn or ignore judgement against it' (p.31).

- Information asymmetries: 'information asymmetries occur and complicate exchange when the underlying circumstances relevant to a trade are known by one or more but not all the parties to that exchange' (Hindmoor, 1998, p.31).
- Thinness: 'a transaction is thin the smaller the number of trading partners an actor can deal with to achieve their desired objectives' (Hindmoor, 1998, p.31).

Given the high transaction cost caused by these factors, other mechanisms such as hierarchical and network mechanisms would be more efficient (Dollery and Wallis, 2001).

2.4.1.2 Hierarchical mechanism

In a hierarchical mechanism, participants are in 'authoritative, integrating and supervisory' (Lowndes and Skelcher, 1998, p.318) structure and perform through 'clear roles, responsibilities and reporting lines to coordinate the inputs of the different organizations' (Dollery and Wallis, 2001, p.127). 'Coordination can be undertaken by administrative fiat, and the employment relationships pertaining within the organization encourage at least a certain level of commitment by staff' (Lowndes and Skelcher, 1998, p.318). However, 'formulization and routinization' hinder an organization's 'flexibility and innovation' (Lowndes and Skelcher, 1998, p.318). Also, establishing a hierarchical structure and maintaining its authority could incur significant transaction costs (Dollery and Wallis, 2001). Lowndes and Skelcher (1998) cited the possibility of high transaction costs when establishing the structure: 'partnership creation involved negotiation and contest over who's in and who's out, a significant shift to hierarchical structure compared with the relatively fluid memberships and indistinct boundaries in pre-partnership collaborations' (p.325).

2.4.1.3 Network mechanism

As discussed above, the market mechanism and hierarchical mechanism are inadequate for a multi-organizational partnership structure for local governance because of the high transaction cost and infeasibility of building relationships. Hence, the network mechanism was proposed for local governance in multi-organizational partnership structure (Shah 2006, Dollery and Wallis, 2001, Hindmoor, 1998).

A network mechanism involves interdependent relationships 'based on trust, loyalty and reciprocity' that enable the participants to develop and maintain collaborative activities (Lowndes and Skelcher, 1998, p.318).

While market and hierarchical mechanisms generate trust by providing institutional safeguards such as legal contracts, the network mechanism contains trust that does not depend on the presence of formal and exogenous safeguards (Hindmoor, 1998). This trust is based on a confidence that the actors in the networks will not break the rules, and is tantamount to an unwritten constitution and addresses their cooperative behavior (Dollery and Wallis, 2001). The central organization has control of developing the 'network form' for governance, but it is not able to control 'network mode of governance' as trust, which is a main feature of a network mode of governance, does not depend on actors' actions but should be embedded among actors (Hindmoor, 1998).

The literature says that a network mode of governance is advanced to hierarchy and market modes of governance for efficiency (Hindmoor, 1998; Powell, 1995). However, as Dollery and Wallis (2001) argued, a network mode is not perfect for local governance in terms of 'openness' and 'accountability' (p.132). For example, access to the collaborative partnerships is limited to 'those partners who can make significant resource contribution' (Dollery and Wallis, 2001, p.130). Also, collaborative management needs more investment in time and resources than traditional forms of management because of challenges relating to diversity, complexity, culture, professionalism and accountability (Williams and Sullivan, 2010, p.9).

Meanwhile Lowndes and Skelcher (1998) assert that different modes of governance predominate in the relationships at different stages in the life cycle of networking from a 'pre-partnership collaboration stage' to a 'partnership termination or succession stage' (p.321). Moreover, Bradach and Eccles (1991, p.289) point out that 'price, authority and trust are combined with each other in assorted ways in the empirical world'. Lowndes and Skelcher (1998, p.332) acknowledged that 'sustaining collaboration seems to involve the underlying presence of a network mode of governance even when market or bureaucracy predominate' frameworks are initiated and funded by the Victorian Government, while local governments ought to be accountable and efficient and maintain a sustainable entity for public service delivery. Therefore, it may be inherent that local governments collaborate with other organizations in contracting or employment relationships. However, a network mode of governance may be able to enhance the collaborative relationship and lead to different outcomes for the community.

2.4.2 Social capital

2.4.2.1 What is Social Capital?

Robert D. Putnam popularized social capital as a focus for research and policy discussion (Lewis, 2010; Dollery and Wallis, 2001) though he introduced Coleman's (1988) work as the primary development of the 'social capital' theoretical framework (Putnam, 1995). Putnam (1993, p.35) defined social capital as:

> …social capital refers to features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit. Social capital enhances the benefits of investment in physical and human capital.

Although a few scholars including R. Putnam identified the key components of social capital as 'trust', 'norms' and 'networks', according to Putnam (1993), the most crucial and fundamental element of social capital is 'networks of civic engagement' (p.37). He presented the following argument to show how social capital ensured good government and economic progress (p.37):

> First, networks of civic engagement foster sturdy norms of generalized reciprocity. …A society that relies on generalized reciprocity is more efficient than a distrustful society.

> Networks of civic engagement also facilitate coordination and communication and amplify information about the trustworthiness of other individuals. … When economic and political dealing is embedded in dense networks of social interaction, incentives for opportunism and malfeasance are reduced.

> Finally, networks of civic engagement embody past success at collaboration, which can serve as a cultural template for future collaboration. The civic traditions of north-central Italy provide a historical repertoire of forms of cooperation that, having proved their worth in the past, are available to citizens for addressing new problems of collective action.

According to Putnam (1993), social capital is 'a vital ingredient in economic development' (p.38) and it 'enhances the effectiveness of government action' (p.41).

2.4.2.2 Social Capital and Public Policy

Putnam (1995) explained the direct relationship between local governance and social capital.

> …the quality of public life and the performance of social institutions (and not only in America) are indeed powerfully influenced by norms and networks of civic engagement. Researchers in such fields as education, urban poverty, unemployment, the control of crime and drug abuse, and even health have discovered that successful outcomes are more likely in civically engaged communities. Similarly, research on the varying economic attainments of different ethnic groups in the United States has demonstrated the importance of social bonds within each group (p.65).

> …the quality of governance was determined by longstanding traditions of civic engagement (or its absence). Voter turnout, newspaper readership, membership in choral societies and football clubs— these were the hallmarks of a successful region (p.66).

These phenomena of effective governance were related to 'networks of civic engagement' (Putnam, 1995, p.65; 1993, p.37) and could be understood by the concept of social capital (Putnam, 1995).

In general, social capital can decrease the transaction costs associated with all three governance mechanisms of hierarchies, markets and networks (Dollery and Wallis, 2001). Lewis (2010) discussed the benefits of social capital, focusing on its potential for improving citizen engagement, building community, and increasing social inclusion. However, very few studies in the literature mentions how public policy increases social capital and how social capital affects public policy (Lewis, 2010). Networking is supposed to produce different outcomes.

2.4.3 Factors that affect relationships

Why do some partnerships flourish while others fail? In order to answer this question, this section examines the factors that contribute to collaborative partnerships.

2.4.3.1 Capacity for collaboration

Collaborative action requires capacities of the organisations in question that are amongst individuals, within partner organizations and within the strategies and processes of the collaborative activities (Sullivan and Skelcher, 2002).

Those individuals who have the necessary skills and attributes are called 'boundary-spanners or reticulists' (Sullivan and Skelcher, 2002, p.100). They are skilled communicators and negotiators and have excellent networking skills (Sullivan and Skelcher, 2002).

Partnerships for collaboration require support and commitment from a wider range of organizations and groups. In other words, the success of collaboration depends upon the contribution to their common values which underpin a culture of operation and develop new activities, roles and relationships (Sullivan and Skelcher, 2002).

The practices and cultures of organizations and professional groups can be barriers to building collaborative capacity. The organizations are structured and managed through obvious rules and informal norms of behaviour that limit the role of collaboration in achieving their goals (Sullivan and Skelcher, 2002).

2.4.3.2 Partnerships lifecycle

Lowndes and Skelcher argued that partnerships are associated with a variety of modes of governance, giving examples such as the hierarchical nature of contract relationships, the market-like features found within modern bureaucracies, the importance of status hierarchies within networks and the significance of trust and personal networks in market transactions (1998). Through their study of UK urban regeneration partnerships, they developed a four-stage partnership life cycle: 1) 'pre-partnership collaboration', 2) 'partnership creation', 3) 'partnership program delivery' and 4) 'partnership termination' (Lowndes and Skelcher, 1998, p.320). They discuss that a different mode of governance such as network, market and hierarchy predominates at each stage (Lowndes and Skelcher, 1998). The four-stage partnership life cycle is given below (Lowndes and Skelcher, 1998, p.320):

- Pre-partnerships collaboration is characterized by a network mode of governance based upon informality, trust and a sense of common purpose.
- Partnership creation and consolidation is characterized by hierarchy based upon an assertion of status and authority differentials and the formalization of procedures.
- Partnership program delivery is characterized by market (or quasi-market) mechanisms of tendering and contract, with low levels of co-operation between providers.
- Partnership termination or succession is characterized by a re-assertion of a network governance mode as a means to maintain agency commitment, community involvement and staff employment.

These four-stages of the partnerships life cycle are characterized by different modes of governance that overlap and coexist in each stage. However, Lowndes and Skelcher argued that the sustaining of partnerships needs a network mode of governance even when market and hierarchy modes predominate, as relationships in network governance will endure where 'there is perceived need and collective will among participants' (1998, p.320).

2.4.3.3 Stakeholder management

As discussed in section 2.3.4, corporations place great emphasis on stakeholder management as it affects employee relationships, its productivities, creativities and loyalty (Friedman and Miles, 2006). Given the common elements of public sector governance and private sector governance, stakeholder management is also important for the inter-organizational relationships for public service provision.

Stakeholder engagement is the way to understand stakeholder views on their relationship with the organization in question. A committed stakeholder network can provide organizations with valuable information which can help organizations to adapt to external changes more efficiently and effectively. Stakeholder engagement can lead to more effective solutions (Friedman and Miles, 2006).

Friedman and Miles' (2006) twelve-level stakeholder engagement ladder shows the degree of stakeholder management from the perspective of the stakeholders.

2.4.3.4 Elements of successful partnerships

Through their analysis of a network, Pope and Lewis (2008) defined five elements of effective partnerships: 1) 'a good broker / facilitator to build relationships', 2) 'the right decision-makers at the table with a commitment to contribute', 3) 'a clear purpose', 4) 'good process' and 5) 'ongoing motivation through champions and evaluation' (p.448).

All partnerships need a broker or facilitator. In other words, partnerships need someone who has the skill to establish a relationship and to maintain trust among participants as they do not necessarily see themselves as interdependent. The absence of a good broker is the main thing that hinders their work (Pope and Lewis, 2008).

In their research, the critical roles of brokers are as follows (Pope and Lewis, 2008, p.449):

- Building relationships
- Fostering co-operation

- Keeping a bird-eye-view over work and make sure that everything is completed
- Providing participants with capacity that they otherwise lacked
- Assisting in navigating state bureaucracy
- Identifying opportunities and resources

According to Pope and Lewis (2008, p.449), the following skills are required by a broker:

- Communication, networking, facilitation and negotiation skills
- Project management skills
- Local knowledge and some standing in the community at a leadership level
- Knowledge of the workings of state and local government
- To be seen as independent by all partners
- To be highly personable and enthusiastic

Sullivan and Skelcher (2002) believed that a broker should: talk the right language and have networking skills, have organisational skills, show leadership, have entry into a variety of settings, be trusted, and see the big picture and how partners contribute to it.

In order for a network to be efficient, it needs the right decision makers and adequate resources (Skelcher, Lowndes and Nanton, 1996). In the research by Pope and Lewis (2008), the right decision makers are those who have 'a commitment to taking work and information away, and who are senior enough to have the authority to make decisions and contribute resources' (p.452). Having committees that are too large, having long meetings or changing participants each time, may hinder the partnerships (Pope and Lewis, 2008).

Shared goals, clarity of purpose, and clarifying the roles and responsibilities of participants are important for effective partnerships. They help participants focus on and prioritise their work in their partnerships. In order to clarify the roles and responsibilities of participants, formal criteria are necessary (Skelcher, Lowndes and Nanton, 1996).

Having good processes for running meetings, creating work plans and documenting activities are important for effective partnerships. Literature argues that the partnership should set terms of reference and set clear procedures for selecting a chair, setting a quorum, decision making, maintaining written records of meetings, clarifying the roles of members, contracting work and complaints (Smith, Mathur and Skelcher, 2006).

Most partnerships are involved in complex and long-term projects, and therefore it can be difficult to maintain a high level of motivation among participants. Pope and Lewis (2008) recommended using 'champions' and collecting evaluation data and giving regular feedback to the partnership and community (p.453).

They also mention the importance of network mapping to examine the interactions with others in order to discover both strong connections and gaps (Pope and Lewis, 2008).

2.5 Policy Networks and Industrial Networks

2.5.1 Policy network

Although there are various definitions and applications of the term 'policy network', Rhodes and Marsh (1992) used the policy network concept in order to capture government-interest group relations involved in the decision-making process in public policy. They quoted Benson's (1982) definition of a policy network as 'a cluster or complex of organizations connected to each other by resource dependencies and distinguished from other clusters or complexes by breaks in the structure of resource dependencies' (p.148). The 'resources' in the policy network that organizations in a cluster share or exchange are: 'money', 'authority', 'organization', 'expertise', and 'information' (Rhodes, 1988, pp.90-91). Saward (1992) argues the importance of 'rules of the game' like 'summit diplomacy, secrecy and consensus' (p.78) as resource. According to Saward (1992), 'the rules of the game' work systematically to the advantage of some groups of the network and to the detriment of others, so that the rules of the game distribute resources unevenly among network participants. Saward's (1992) argument relates to 'power dependency' (p.79) within networks that do not concern this study.

After analysing a series of case studies, Rhodes elaborated on Benson's definition of a policy network and developed 'the Rhodes model (p.14)' that distinguishes between five types of networks (Rhodes and Marsh, 1992). These five types networks are: 'policy community / territorial community, professional network, intergovernmental network, producer network and issue network' (Rhodes and Marsh, 1992, p.14). The characteristics of these five models are given below (Table 2.1).

Table 2.3: Policy Community and policy network: the Rhodes model

Type of network	Characteristics of network
Policy community / territorial community	Stability, highly restricted membership, vertical interdependence, limited horizontal articulation
Professional network	Stability, highly restricted membership, vertical interdependence, limited horizontal articulation, serves interest of profession
Intergovernmental network	Limited membership, limited vertical interdependence, extensive horizontal articulation
Producer network	Fluctuating membership, limited vertical interdependence, serves interest of producer
Issue network	Unstable, large number of members, limited vertical interdependence

Source: Rhodes and Marsh (1992, p.14)

Saward (1992) criticised 'the Rhodes model (Rhodes and Marsh, 1992, p.14)' in his 'The Civil Nuclear Network in Britain' as the typology of the model is far from straightforward and impractical to uncover the character of the British nuclear network. However, Smith (1992) in 'The Agricultural Policy Community' and Wistow (1992) in 'The Health Service Policy Community' supported the utility of Rhodes' model. Furthermore, Hindmoor (1998) admired the utility of the typology of the model when analysing the successful negotiations between the British Medical Association and the Ministry of Health to create the National Health Service using the transaction cost economics approach.

2.5.2 Industrial network

An industrial network is a system of inter-organizational relationships for firms' activities such as production, distribution and use of goods and services. In these networks, firms divide the tasks of production, distribution etc. and are dependent on each other (Johanson and Mattsson, 1991). These activities are coordinated through 'interaction among firms in the network' (p.256) but not through a central hierarchy, where price mechanism is also one of the conditions (Johanson and Mattsson, 1991).

In order for firms in networks to access external resources, they establish exchange relationships with other firms. Establishing and developing the relationships take time and effort; hence, firms are reluctant to change industry partners once they establish networks. The industrial market consists of 'cumulative processes in the sense that relationships are constantly being established, maintained, developed and broken' (p.257) in order to ensure the long-term survival and development of firms (Johanson and Mattsson, 1991).

Another feature of the industrial network is that each firm in the network has its own relationships with customers, distributors, suppliers and so on. Hence, a firm has indirect relationships as well as direct relationships. (Johanson and Mattsson, 1991).

2.6 Conclusion

This chapter reviewed the relevant literature in order for us to better understand the circumstances in which Australian local governments tended to establish local partnerships beyond their own entity extending to the for-profit private sector and community sector.

In section 2.2.1, the researcher examined local governments' financial issues and situations where the public sector was encouraged to establish partnerships for public policy development and implementation as a response to those financial issues.

Section 2.2.2 described the process of public sector reform where the old bureaucratic system was eschewed and the new governance concepts of 'enterprise governance' and 'network governance' became significant models (Considine and Lewis, 2003, p.131). Also, this study reviewed the international situation that influenced Australian governments to establish local partnerships to encourage a more engaged and inclusive society. In the section, the researcher discussed the Australian public sector's introduction of private sector mechanisms into its governance and focused on competition, contracts and consumer choice. Subsequently, a single public service provision was replaced by multi- organizational partnerships consisting of several entities. Nonetheless, the limits and failures of state and market mechanisms led the public sector to adopt a new form of governance: network governance, where actors are 'less motivated by rules and less defined by supervision. Instead, they are attentive to the means available to win cooperation from others, more interested in building trust, and more likely to see success as a result of joint action' (Considine and Lewis, 2003,

p.134). Accordingly, working through collaborative relationships became crucial for improving the quality of public governance.

In section 2.2.4, the researcher reviewed Shah's (2006) five models for analyzing the roles and responsibilities of local governments. Those five models are: traditional fiscal federalism, New Public Management perspective, public choice, New Institutional Economics, and network forms of local government. Shah (2006) concluded that, as local government is the closest to its constituents in the governance function of the whole public governance system in Australia, it should provide leadership to ensure citizen-centered governance, that is, where 'responsive governance', 'responsible governance' and 'accountable governance' should be realized (p.15).

Section 2.3 concerned the emergence of the concept of governance and the principals of corporate governance; the section also examined the application of corporate governance in Australia. Also discussed in this section are agency theory and stewardship theory which are directly opposing ideas. According to agency theory, the performance of managers is subject to close supervision and controlled through rewards and sanctions, while in the stewardship theory, managers are motivated to act pro-organizationally and serve the interests of stakeholders. These opposite management approaches affect an organization's structure and management system. This section also discussed the importance of maintaining invaluable relationships with stakeholders to ensure the longevity of the organization. A stakeholder engagement ladder is a useful tool for showing the quality of stakeholder management from the perspective of the stakeholders.

Section 2.4 described a *network mode of governance* and *network form for governance* that should be distinguished from one another in order to make the discussion clear. There are three modes of governance: hierarchy mode, market mode and network mode, that have been established through transaction cost studies. Some studies (such as Hindmoor 1998) maintain that, for efficiency, the network mode of governance is superior to the hierarchy and market modes of governance, while others (such as Dollery and Wallis, 2001) opine that the network mode is not perfect for local governance in terms of openness and accountability. Moreover, collaborative management in a network mode needs more investment of time and resources than do the traditional forms of management because of challenges relating to diversity, complexity, culture, professionalism and accountability (Williams and Sullivan, 2010).

The literature review revealed two possible explanations for the decision by Victorian local governments to adopt networking in their governance. Sorensen and Torfing (2006 a, b), Reddel (2005) and Considine and Lewis (2003) posited that the Victorian public sector's reform and

transformation was a response to a neo-liberal regime that the public sector adopted in order to develop partnerships with its community and develop a network for its governance. On the other hand, Dollery et al. (2012) and Lowndes and Skelcher (1998) cited the serious financial plight of the public sector as a motivation for developing networks for public governance.

Although these concepts of networking are different, in both, the network consists of partnerships between government and multiple non-government organizations. One type of network governance is that which seeks cooperation, builds trust and engages in joint actions through horizontal interaction (Sorensen and Torfing, 2006 a; Considine and Lewis, 2003). The other type of network for public governance is similar to multi-organizational partnerships which have all three modes of governance: hierarchy, market and network. Transaction cost studies were used to theorize these three modes of governance (Dollery et al., 2012; Shah, 2006; Hindmoor, 1998; Lowndes and Skelcher 1998; and Powell, 1995).

Moreover, researchers such as Hindmoor (1998) and Powell (1995) asserted that a network mode of governance is superior to the other two modes of governance, while Dollery and Wallis (2001) and Lowndes and Skelcher (1998) state that those three modes of governance are combined with each other in assorted ways in the empirical world.

This research was designed on the premise that only a network mode of governance existed in a network form and examined the features of coordination mechanisms. Accordingly, the utility of three modes of governance and transaction cost theory in order to explain the network form for local governance was addressed. The details of the research questions and prepositions are presented in Chapter 5 which describes the conceptual framework.

Section 2.4 discussed the significance of social capital that consists of trust, norms of reciprocity, and networks of civic engagement since these can reduce the transaction cost of all three modes of governance and is a crucial element for improving efficiency and higher performance in society.

At the end of section 2.4, the factors that affect collaborative relationships were described. These factors are: individual and organizational capacity for collaboration, partnership life cycle, stakeholder management and elements of successful partnerships developed by Pope and Lewis (2008). This study examined the influence of those factors on collaborative relationships, as this is a gap in the extant literature.

In section 2.5, two network models were examined: Rhodes' policy network and industrial network. This study examined the utility of these models in capturing a network of multiple organizations' partnerships.

Throughout this chapter, the values of networking for public governance emerged. According to Dollery et al. (2012), economically efficient governance should be the priority, while Reddel (2005) and Considine and Lewis (2003) maintained that participatory public policy process and democratic governance should be prioritised in public governance.

Furthermore, the review (section 2.2.5) of local governments' roles and responsibilities and the concept of the corporate governance in public sector (section 2.3.2) showed the requirements that local government constantly ensure. They are: responsive governance, responsible governance and accountable governance that Shah (2006) calls 'citizen-centred governance'.

This study assembled the aforementioned values and requirements and determined whether or not those impacts were the outcomes of networking.

The next two chapters discuss the context of this study.

Chapter 3: Context of Study: Victorian Local Government Reform

This chapter discusses the practical context of this study and justifies why this study investigated the Victorian state government's social policy, the Kindergarten Cluster Management framework, in order to achieve the general objectives addressed in Chapter 2.

In the first section, (3.1) Victorian Local Government, this chapter examined the roles of Victorian local governments defined through their legislation, and the influence over the local governments imposed by the Victorian state government. The significance of the community sector, that is a counterpart in providing public services, was also examined.

The second section, (3.2) Public Sector Reform, explored the local government reform programs executed by Victorian Government in the 1990s and 2000s in order for this study to articulate what the state government strove for through the means of reform programs, what were the impacts on the local governments and what followed by after the radical amalgamation programs.

Following the execution of the local government reform programs in the 1990s and the early 2000s the labour government engaged in building a sustainable community by integrating social, economic and environmental issues in local governance that aimed to reduce government expenditure and simultaneously to improve community satisfaction by involving non-government sector in decision-making processes, service delivery and monitoring of government activities. Drew and Dollery (2017) stated that although the Victorian Government in its search for economic efficiency carried out radical local government reform programs, the economic benefit of the amalgamation was doubtful.

This chapter then reviewed community building programs initiated by the Labour government in the 2000s with networked approaches (Wiseman 2006). Overall this chapter demonstrates that the Victorian Government's tactics guided local governments to adopt networking approaches to enhance their economic efficiency and to improve community satisfaction.

3.1 Victorian Local Government

Local government in Victoria comprises 79 municipal councils and represents almost 5 million people (MAV, 2011). Local government is the third level of government in the Australian Federal system and was established under state legislation. Section 74 of the Constitution Act 1975 states that 'local government is a distinct and essential tier of government' and has the functions and powers 'to ensure the peace, order and good governance of each municipal district'. The Act gives the Victorian Parliament the power to make laws for local government that include 'laws relating to the constitution of councils, council elections and the powers and duties of councillors and council staff' (DPCD, 2010 a).

The former Advisory Council for Intergovernmental Relations recommended that local government be recognised in the Commonwealth Constitution in order to enhance its status as a third tier of government in Australia; however, the attempt to make this change to the Constitution in 1988 was unsuccessful. Hence, Australian local government is not recognized in the national constitution (Dollery, Crase and Johnson, 2006).

3.1.1 Role of Victorian local government

3.1.1.1 Local Government Act 1989

Local governments in Australia derive their powers from state legislation. The primary powers and functions are specified in a local government act in each state. The State of Victoria enacted a new local government act in 1989 whereby local governments were given greater authority. The Local Government Act 1989 was amended significantly in 1993 and 1995 by the Kennett government (Dollery, Crase and Johnson, 2006).

The key purposes of the new local government act are to reform the essential elements of council's operations, to set out accountability mechanisms, and to reduce the number of prescriptions. In Victoria, boundary changes and amalgamations have been an important feature of its review. It also tended to encourage a 'whole of community' and 'whole of government' approach to the local governance. The crucial idea is that ' a council will decide to undertake an activity according to whether it has the community support and resource to do so, rather than whether or not it has the legal power to do so' (Dollery, Crase and Johnson, 2006).

The Local Government Act 1989, Section 1, Part 1 Preliminary, Preamble states:

1. Section 74A(1) of the Constitution Act 1975 provides that local government is a distinct and essential tier of government consisting of democratically elected Councils having the functions and powers that the Parliament considers are necessary to ensure the peace, order and good government of each municipal district.
2. It is the role of Councils in exercising those functions and powers to work in partnership with the Governments of Victoria and Australia.
3. It is necessary to ensure that the Councillors who comprise each Council are democratically elected by persons entitled to vote at municipal elections and that the Council is responsible and accountable to the local community.
4. It is the role of the Council to provide governance and leadership for the local community through advocacy, decision making and action.
5. It is essential that there is a legislative framework that provides for Councils to be accountable to their local communities in the performance of functions and the exercise of powers and the use of resources.
6. The purpose of this Act is to establish a legislative scheme that supports the system of local government in accordance with Part 2A of the Constitution Act 1975.

The Local Government Act 1989, Section 3D states that 'A Council is elected to provide leadership for the good governance of the municipal district and the local community'. Therefore, a clear responsibility of local governments is to provide leadership for realising good governance in their community. Section 3D of the Local government Act 1989 expresses the role of Councils as:

(a) Acting as a representative government by taking into account the diverse needs of the local community in decision making.
(b) Providing leadership by establishing strategic objectives and monitoring their achievement.
(c) Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner
(d) Advocating the interests of the local community to other communities and governments.
(e) Acting as a responsible partner in government by taking into account the needs of other communities.
(f) Fostering community cohesion and encouraging active participation in civic life.

3.1.1.2 Role of local government

There are various definitions of the role of local governments. Good Governance Advisory Group presents six roles which are: 1) planning and monitoring achievement, 2) lawmaking and enforcement, 3) policy development, 4) representation, 5) advocacy and 6) service delivery (Good Governance Advisory Group, 2004).

The Municipal Association of Victoria (MAV) states the roles of local governments as: 'it 1) provides for the peace, order and good government of its municipal area, 2) delivers services and facilities for the community and 3) manages the resources of the district' (MAV, 2011). MAV also mentions the local government's responsibilities for 'many diverse programs, policies and regulations set by State and Federal governments'. Local governments have to be responsive to the local community. They have 'powers to set their own regulations and by-laws and provide a range of discretionary services' (MAV, 2011).

3.1.1.3 Services by local government

The standard definition of the 3Rs - roads, rates and rubbish – no longer encompasses all the services provided by local governments, since they provide a wide range of services and facilities for their communities. Victorian local governments receive funding of $5.8 billion annually and provide more than 100 services (MAV, 2011). The MAV has five categories of services: 1) general public services such as emergency management and community information, 2) health, welfare and community services such as childcare and libraries, 3) planning and building services such as planning applications and zone and overlay controls, 4) environmental services such as landfills and kerbside recycling and 5) infrastructure and asset management services such as road and footpath construction and maintenance (2011).

3.1.1.4 Good Governance

The Code of Good Governance (Good Governance Advisory Group, 2004) states that good governance in local governments requires:

1) councils being elected by, representative of, and accountable to their community
2) policies and programs reflecting the mandate Councils have received from electors
3) policy enactment arising from the Council plan with appropriate performance management to assess the Council's progress

4) community participation in governance

5) mayor and councillors providing leadership to the community and reflecting the community's collective aspirations

6) a management structure which implements the Council's goals in accordance with Council's priorities and approved budget

7) provision of services which meet the community's needs (sometimes in partnerships with other levels of government, business or community organisations)

8) local government being well placed to facilitate coordination and integration at a local level

9) cooperation between local governments.

3.1.1.5 Local Government (Democratic Reform) Act 2003

The Local Government (Democratic Reform) Act 2003 required that all 79 local governments would have adopted their four-year council plans by June 2009. These council plans would include each council's strategic objectives, strategies to achieve them, indicators to monitor them and resources to implement them.

In Part 1A, section 3D (2) (b), the Act states that the role of a council includes acting as a representative government by taking into account the diverse needs of the local community in decision making (Local Government Victoria, 2007).

Local government community planning was not a new idea in the 2003 Local Government Act amendment. Public consultation, local decision-making and local government planning have been required and have evolved over many years. However, the Democratic Reform Act 2003 acknowledges the central role played by local governments and gave them a clear and strong mandate to undertake a broad range of local planning (Local Government Victoria, 2007).

3.1.2 Victorian State Government's control

In spite of recent progress on local government acts, the state still fully retains its absolute powers over its local governments. 'In some ways local governments could still be viewed as an extension of a state's administrative apparatus, in the same way as government departments and public authorities' (Dollery, Crase and Johnson, 2006).

3.1.2.1 Municipal Association of Victoria (MAV) and Victorian Local Government Association (VLGA)

The MAV and the VLGA are key bodies for local government in Victoria with different histories and different missions.

The MAV is an essential body for Victoria's 79 local governments. The MAV was formed in 1879 when, after reading a newspaper article about a local government lobby group in England, the then presidents of the Mount Rouse and Maffra Shire Councils were inspired to form an umbrella body that looks after the joint interests of councils and acts as a central body communicating with other spheres of government (MAV, 2011).

The Municipal Association Act 1907 established the MAV as the official entity to express local governments' interests. The role of the MAV is to represent the interests of local governments, lobby for a fairer deal for councils, raise the sector's profile, ensure its long-term security and provide policy advice, capacity building programs and insurance services to local governments (MAV, 2011).

The VLGA, an important body for local government, community organizations and individuals, empowers local governments by strengthening their capacity to engage with their communities.

The VLGA was established in August 1994 when the former Kennett Victorian Government carried out forced amalgamations inducing the community and local governments to claim that signified 'the removal of local democracy and the silencing of community voices'. Since its establishment, the VLGA has been promoting democracy and democratic governance through its programs, projects, training and presence in the sector (VLGA, 2011).

3.1.2.2 Conflict between state and local governments

According to articles for 'Municipality', an MAV publication, a few issues between the Victorian Government as a policy developing and resource funding entity and a local government as a service providing entity for collaborative activities, are apparent.

The president of the MAV cautions that an increasing cost is placed on local governments when implementing Victorian Government law and regulations: 'it's local government who deliver the services of behalf of other levels of government and that the real cost of implementation rises higher than the funding we receive. … (State) government's over-regulation has a negative impact on council budgets' (MAV, 2010 April, p.5). He also mentions the Essential Services Commission benchmarks

as another burden on local governments 'that will not deliver more services to communities, but it will load councils with even more financial pressures' (MAV, 2010 April, p.5).

Another example of the pressure placed on local governments when implementing promises made by another layer of government that is mentioned in the MAV's 'Municipality' is '15 hours universal kindergarten access per week in the year before children start school'. Though this is the Commonwealth government's promise, Victorian local governments struggle to meet the obligation due to a lack of infrastructure and resources to provide adequate services (MAV, 2010 December).

In the 'Local Democracy Forum' held in Hawthorn Town Hall, Boroondara Mayor Cr Wegman criticized the Victorian Government as it had damaged the quality of local governance especially in terms of the public planning scheme. Cr Wegman argued that the influence of private developers on the planning agenda had increased and the impact of giving the power to schools to build what they like had damaged the traditionally negotiated outcome between schools and their neighbours (MAV, 2010 December).

3.1.3 Community sector in the State of Victoria

3.1.3.1 Significance of community sector

The community service sector is recognized as an essential part of Australian life. The National, State and Territory Council of Social Service (COSS) gave the following reasons for the importance of this sector: 1) it offers citizens services effectively and inclusively, 2) it gives an identity and a voice to the marginalised, vulnerable and disadvantaged people, and 3) it strengthens the political system in Australia by analysing, commenting on and lobbying for social policy. COSS (2009) also mentioned the economic contribution made by the community sector that accounted for 8.6% of all Australian employment and provided 3.4% of Australia's GDP in the 2006/07 financial year.

The sector comprises charitable and welfare-based organizations that are intended to serve community needs, but are not based on market viability (Carson, Maher and King, 2007). Meanwhile the feature of the sector can be the weakness under the government's welfare service reform. COSS (2009) cited the Australian Service Union's statement: 'the sector faces increased responsibilities and regulation with less funding, competition for scarce resources' (p.1).

3.1.3.2 Circumstances surrounding community sector for collaboration with governments

The community sector has been funded by governments' grants and charitable fund raising (Carson, Maher and King, 2007). The 2008 Australian Community Sector Survey shows that in the 2006/07 financial year, 42.3% of the total funding provided to the community sector in Australia came from the Commonwealth government, and 32% from state and territory governments (COSS, 2009). Therefore, any change to governments' strategies for providing welfare services and funding mechanisms significantly affects the community service sector.

Australia followed international trends in terms of welfare reform through competitive tendering and outsourcing of welfare services, and changed government funding policies. Commonwealth and Victorian Governments have decreased their role in direct service delivery and service management in the provision of health and family services, although they maintain their role of giving strategic policy advice, establishing service standards and setting targets. This change has given the community service sector significant influence in terms of 'its role, structure, organization and composition, its relationship with government, its mandate and its independence' (Carson, Maher and King, 2007, p.1).

Mainly during the 1980s and 1990s, Australian governments introduced a competitive tendering funding mechanism and focused on 'needs-based planning and policy-led resource allocation'. Also, the governments contracted out welfare services with 'performance measurement based service agreements' and increased their expectations of the services provided by the funded organizations. This change by governments led to the entry of for-profit organizations into the welfare service market (Carson, Maher and King, 2007, p.2).

Carson et al. carried out research on the community service workforce and analyzed several critical issues that affected the workforce in non-government community services agencies (2007).

They discussed both negative and positive effects of governments' competitive funding mechanism. According to their research the, majority (85%) of respondents expressed that the competitive funding mechanism had negative effects on the community organisation such as instability in the sector, increased costs due to the cost of tendering, administration and compliance regimes (Carson, Maher and King, 2007).

However, 43% of respondents acknowledged that competitive funding provided opportunities for organizations to extend their range of services and to develop innovative services. Few comments were made regarding accountability, although there were comments about the extra workload

incurred by organizations in their efforts to meet the accountability and compliance requirements of current funding arrangements (Carson, Maher and King, 2007).

The COSS advocated community organizations and claimed that the major challenges faced by the community sector in meeting government demands could lead to its demise or inability to provide services to community adequately due to insufficient funding (2009).

3.2 Public sector reform

3.2.1 Local governance reform in 1990s

3.2.1.1 Amalgamation

In the 1980s and 1990s, the Australian public sector experienced an intensive period of reform. The pressure of reform in Victoria was caused by the perception that local governments had been operating inefficiently and needed external influence to improve their performance (Aulich, 1997). Following the *Bains Report* of 1979, Victoria Victorian Government started a program of state wide reform of local government. In late 1985 the Victorian Grants Commission predicted a financial crisis in smaller local authorities unless they amalgamated. Citing the report by the Victorian Grants Commission, the Victorian Local Government Commission announced a state-wide plan of restructuring to reduce the number of local government units that was to reduce the number of councils by at least half. In mid-1993 the Victorian Government set up the Local Government (General Amendment) Act to establish a Local Government Board that is to advise the minister on matters relating to the efficiency and effectiveness of the system of local government in Victoria (Aulich, 1997; Vince, 1997). The Victorian State Government embarked on amalgamation in 1993 and implemented it over two and a half years (Aulich, 1997; Vince, 1997). It was the most radical restructuring of Australian Victorian Governments with a 61.9% decrease in the number of councils. 'Victorian State Government claimed a saving about A$160 million a year or about A$1 billion over the four years since amalgamation in its 1993 structural reform package'; however, the financial outcomes of these programs have been disappointing. Also, most cost reduction was a result of competitive tendering and not consolidation (Dollery, Crase and O'Keefe, 2009, p.272). In 1995, the Institute of Municipal Management (IMM) published a Transition Procedures Manual that advised

councils on how to avoid long-term organizational problems such as 'loss of key staff due to taking redundancy packages' and 'confusion within and loss of faith by the community' (Vince, 1997, p.159).

The financial benefit of structural reform of local government has been contested. Moreover, the negative aspects of structural this reform were, among others, 'diminished communities of interest and voter representation', 'dominance of one area over another', and 'loss of identity' (Dollery, Crase and O'Keefe, 2009, p.272).

In 1994, Victoria adopted the UK's Blair government initiative and introduced compulsory competitive tendering (CCT) (Jones, 2002) through the Local Government Compliance Act 1994 (Aulich, 1997). Most Australian Victorian Governments facilitated competitive tendering for local government, but only Victoria made it compulsory (Aulich, 1997).

Aulich (1997) discussed the roles of local government in two respects, the local democracy model and structural efficiency model. The local democracy model values local differences and system diversity. In this model, traditional democratic notions of responsiveness, representativeness, accountability and access are admired. In the structural efficiency model, local government's role is as a public service provider, and fiscal and economic issues dominate other social and political concerns. In this environment, lower value is placed on the collaborative process of reform, giving opportunities for local voice, and on diversity of outcomes, and a greater emphasis is placed on the technocratic reform process.

The Victorian Government of Victoria's key value that drove structural reform in the 1990s was the structural efficiency model similar to those in South Australia and Tasmania. On the other hand, New South Wales, Queensland and Western Australia adopted the local democracy model (May, 2003, Aulich, 1997).

3.2.1.2 Best Value Victoria

In October 1999, the Bracks Labor government was elected and followed the UK government by replacing compulsory competitive tendering (CCT) for local government with the Victorian version of Best Value through Local Government (Best Value Principles) Act 1999 (Jones, 2002). The Best Value framework for local government 'is located at the intersection of new public management and advocacy for community and local governance' (Demediuk and Solli, 2007, p.2). Best Value Victoria emphasizes consultation as a means of encouraging citizens' participation in governments' activities, and the opportunity to realize governments' accountability to citizens (VLGA, 2003).

3.2.2 Local governance reform in the 2000s

3.2.2.1 Growing Victoria Together

The Bracks Labor government also initiated programs to strengthen the community by means of more engaged, joined-up and networked approaches (Wiseman, 2006). As the Labor government was given the impression by the media that the previous Cain and Kirner Labor governments (1982 – 1993) had been financially irresponsible, and therefore, economic management was an essential foundation for the Bracks Labor government to operate their programs.

The Bracks Labor government held the 'Growing Victoria Together Summit' in March 2000 (Wiseman, 2006).

The Summit recommendations noted the Victorian State Government's commitment to balancing and integrating social, environmental and economic objectives.

The vision outlined by the Premier in Growing Victoria Together was expressed as:

By 2010 Victoria will be a State where:

- Innovation leads to thriving industries generating high quality jobs.
- Protecting the environment for future generations is built into everything we do.
- We have caring, safe communities in which opportunities are fairly shared.
- All Victorians have access to the highest quality health and education services all through their lives.

Growing Victoria Together identified 'building cohesive communities and reducing inequalities' as important issues. Key progress measures for this community-strengthening issue were:

- The extent and diversity of participation in community, cultural and recreational organizations will increase.
- In a crisis, there will be more people Victorians can turn to for support.
- Inequalities in health, education and wellbeing between communities will be reduced.

Growing Victoria Together was the first step for the community strengthening strategies in Victoria by the Bracks government (Wiseman, 2006).

3.2.2.2 Community Building Initiates

In October 2001, Community Building Initiatives was launched under the support of the Office of Community Building in the Department of Premier and Cabinet. Community Building Initiatives addressed four important projects: 1) expanding the role and scope of the Community Support Fund; 2) developing 11 Community Building Demonstration Projects; 3) support the Community Capacity Building Initiative; and 4) support the Neighbourhood Renewal Program. Following the UK initiative, a Neighbourhood Renewal Program was established 'to improve social and economic outcomes in the State's most disadvantaged area' (Wiseman, 2006).

3.2.2.3 Department for Victorian Communities

In 2003, the Bracks government was re-elected and established the Department for Victorian Communities (the Department of Planning and Community Development succeeds the duty now) 'to provide an institutional mechanism for achieving the *Growing Victoria Together* objective of building cohesive communities through a more integrated approach to planning, funding and delivering services at the local level' (Wiseman, 2006, p.99).

3.2.2.4 Growing Victoria Together П and Fairer Victoria

In April 2005, Growing Victoria Together П (GVT П) was launched and reaffirmed that the Victorian government would be committed to 'building friendly, confident and safe communities' and 'a fairer society that reduces disadvantage and respects diversity' (Wiseman, 2006, p.100).

The aim of GVT П was to strengthen communities by strengthening local governance arrangements. This was done for four reasons: 1) a growing concern that governments were becoming distant from local communities; 2) the 'increasing interest in the role of social capital and networks in community development and the potential role of governments in building networks'; 3) a desire to community engagement; and 4) 'increasing interest in examining ways governments could better work in partnership with business and local communities in the planning and delivery of services' (Pope and Lewis, 2008, p.445).

The DVC arranged partnerships between government, non-government organizations, businesses and community members to identify issues in specific geographic areas. The partnerships developed by

the DVC were seen as one strategy to complement broader policy efforts outlined in A Fairer Victoria (Pope and Lewis, 2008).

3.2.2.5 A Fairer Victoria by Brumby Government

In May 2009, the Brumby Government published 'A Fairer Victoria: Standing together through tough times' that referred to the experiences of global financial crisis and 2009 summer bushfire. A Fairer Victoria 2009 reaffirmed the indisputable link between economic and social progress, since a strong economy produces a stronger and fairer society, and good social services promote economic prosperity and opportunity.

A Fairer Victoria 2009 addressed four key priorities and announced a further $925.6 million investment for the new initiatives.

The four key priorities of A Fairer Victoria were:

- Help all Victorian children get the best start in life
- Improve education opportunities and help people into work
- Improve health and wellbeing and reduce health inequalities
- Develop liveable communities where Victorians will want to live, work and raise families

It also mentions Victorian government's partnerships with the private sector, the community sector and local communities as well as working closely together with the Commonwealth government (Victorian Government of Victoria, 2009).

At the state election of 2010, the Brumby government promised further development of A Fairer Victoria. The government promised a social policy framework that would: 1) support Victorians with a disability, 2) support Victorian carers, 3) provide a package of services and supports for public housing, 4) address harmful behaviours (such as gambling, effect of alcohol and drugs), and 5) support Victorian community sector organisations and the workforce (Victorian Labor, 2010). Although the Labor lost the election, some of those social policies were pursued by the Baillieu government.

3.2.2.6 Councils Reform Business program

The Councils Reform Business (CRB) program was developed to assist councils to 'work with each other, Victorian Government and other stakeholders to reduce costs and improve services to the community in the local government sector. The CRB program is a partnerships initiative between the Department of Planning and Community Development (DPCD) and the Municipal Association of Victoria (MAV). It was allocated $4.7 million in the 2007-08 state budget.

The CRB program was allocated another $4.9 million in funding, and secured a new collaborative reform opportunity in the local government sector into 2011.

The program was informed by the Council of Australian Governments National Reform Agenda to improve services and lift the nation's productivity. The Victorian government set a target of a $500 million reduction in costs to business by July 2012.

The CRB program consists of five key priority project areas: 1) procurement, 2) better practice local laws, 3) easy biz, 4) shared services and 5) affordable housing (DPCD, 2010 b).

The procurement area was a significant target in this program as local governments in Victoria were spending around $3 billion on procuring the goods and services to support council operations and deliver services and infrastructure to the Victorian community. In September 2006, the Victorian Local Government Procurement Strategy was released. The strategy identified savings of between $180 million and $350 million per year that could be made through increased council collaboration and improvement in procurement practices (DPCD, 2010 c).

In December 2008, the Better Practice Local Laws Strategy was released with the aim of reducing council operating costs, improving community services and 'cutting red tape' for businesses working with local government (DPCD, 2010 d).

The Easy Biz project was an e-services initiative aimed at improving the ease of access and level of business take-up of government resources (DPCD, 2010 e).

The Shared Services programs were led by the MAV with core projects that encouraged shared service delivery among councils. This program developed the framework, infrastructure and processes to encourage collaboration among councils that deliver largely the same services (DPCD, 2010 f).

The Local Action on Affordable Housing (LAAH) project was a joint initiative of the Office of Housing and Local Government Victoria with a $500,000 budget. In October 2007, the LAAH project was released to help increase the supply of affordable housing across Victoria (DPCD, 2010 g).

3.3 Conclusion

As indicated in the previous discussion, the Victorian Liberal government sought efficiency in local governance and implemented radical amalgamation of local governments in the early 1990s. However, the financial benefit of the structural reform of local government was contested (Drew and Dollery, 2017, Drew et al., 2017, Fahey et al. 2017, Bell et al., 2016, Drew et al., 2016 and Dollery et al., 2012). Moreover, structural reforms had negative effects such as 'diminished communities of interest and voter representation', 'dominance of one area over another', and 'loss of identity' (Dollery, Crase and O'Keefe, 2009, p.272).

After 1999, the Labor government engaged in building a sustainable community by integrating social, economic and environmental issues in local governance. The Bracks and Brumby Labor government emphasised community-strengthening programs and partnerships with the community to address their apprehensions regarding the distance of communities from governments. This strategy aimed to reduce government expenditure and simultaneously to improve community satisfaction by involving communities in decision-making processes, service delivery and monitoring of government activities.

The theories of social capital and NIE (New Institutional Economics) support the idea that local governance could be more effective if local government engages collaborative practice with actors from private sector and community sector.

Meanwhile, the Labor Victorian Government highlighted local government's leadership and the role of advocacy in the environment of increased diversity of community needs by further amending the Local Government Act.

However, there is a shortage of research to determine how Victorian local governments have improved the relationships with their communities and the insight of those relationships.

This study considered the KCM framework (Early Years Management policy framework replaced in July 2016) as a sample of networking established by the Victorian state and local governments. The next chapter discusses the context of the KCM framework.

Chapter 4: Context of Study: Kindergarten Cluster Management

This study chose the KCM policy framework (Early Years Management replaced in July 2016) as a sample of networking for local governance in Victoria. The objectives of this chapter are 1) to address the background to the introduction of KCM, 2) to describe the KCM's capacity for governance and management, and 3) to examine the partnerships developed in their local area by kindergarten cluster managers.

KCM was a Victorian government's policy framework that merged community-managed kindergartens together under a single management organization (kindergarten cluster manager), so as to encourage kindergarten teachers to focus their attention on teaching and help parents to participate in their children's kindergarten experiences without management responsibilities (MAV, 2011 a; DEECD, 2010; DEECD, 2009). The Department of Education and Early Childhood Development (DEECD) intended to accelerate the early childhood reform agenda with the KCM arrangement (DEECD, 2010).

The KCM organization's responsibilities were staff employment, licensing requirements and financial management (MAV, 2011 b). There were four types of kindergarten cluster managers: local government cluster managers, community-based organization cluster managers, federated model cluster managers and amalgamated model cluster managers. Community-based organizations included churches and other non-government organizations (KPV, 2011; DEECD, 2009; KPMG, 2007). Kindergarten cluster managers were required to establish partnerships in their local area and to effect good governance. Meanwhile, the Review of Kindergarten Cluster Management (KPMG, 2007) found that the degree of achievement of those requirements relied on the type of kindergarten cluster managers.

4.1 Introducing Kindergarten Cluster Management

4.1.1 History of Kindergarten Cluster Management

The government reform programs that had been carried out in Victoria since 1994 impacted on preschool service delivery significantly. Local governments moved away from employing kindergarten staff directly and handed over their management responsibilities to parent committees. Consequently, the responsibilities of volunteer kindergarten parent committees increased. Those increasing responsibilities such as financial, legal and employment imposed a burden on these committees (KPV, 2011).

In 2001, the Kirby Review of Preschool Education that investigated issues facing the kindergarten sector, was released. The review provided recommendations for improving kindergarten services. Three core issues in the recommendation were: 1) funding a system for kindergarten education, 2) management by the kindergarten parent committees, and 3) employment arrangements and career structures for kindergarten staff. The review found that the legal, financial, management and administrative responsibilities were an overload for voluntary committees. In response to the Kirby Review, the Victorian Government developed KCM in 2001. In 2003, KCM was introduced (KPV, 2011; DEECD, 2009; KPMG, 2007).

4.1.2 Context of kindergarten service delivery

Historically, kindergarten programs were provided by local governments, volunteer parent committees, community-based groups or churches. The education programs offered two and a half hour sessions up to 10 hours per week for four-year-old children (KPV, 2011).

Following the Kirby Review (2001) and the report submitted by Premier's Children's Advisory Committee (2004), the Victorian State Government introduced KCM in 2003, and in 2007established the Department of Education and Early Childhood Development (DEECD) for the administration of kindergarten and early childhood education. At the same time, a Minister for Children and Early Childhood was appointed (KPV, 2011; DEECD, 2009; KPMG, 2007).

In 2007, the Victorian Government also released Victoria's Plan to Improve Outcomes in Early Childhood that related to the Council of Australian Government's (COAG) National Reform Agenda. The plan summarised the Victorian Government's purpose and commitment to improving the quality of early childhood education (KPMG, 2007).

In 2008, the Commonwealth government and the states and territories governments signed the National Partnerships Agreement on Early Childhood Education. The Victorian State Government made an agreement to ensure that by 2013 all children would have access to a quality early childhood education program in the year before they go to school. This early childhood education program was to be delivered by a four-year university trained early childhood teacher for 15 hours a week, 40 weeks a year (COAG, 2012).

In 2009, the Commonwealth government developed the Early Years Learning Framework as an essential component of its early childhood reforms. The framework specified the learning outcomes for all Australian children and the pedagogy required to support and enhance young children's learning (DEECD, 2009). The Victorian Early Years Learning and Development Framework links to both the national framework and to the Victorian Essential Learning Standards (DEECD, 2009).

In short, the state and the commonwealth governments gradually increased their concern with early childhood education service provision and have set out the frameworks that all kindergarten education service are expected to follow.

4.1.3 Social policy and legislation

Early childhood education has been receiving central attention in the Victoria Victorian Government's social policy and legislation. A range of documents relating to the policy framework for KCM are listed below (DEECD, 2009):

- A Fairer Victoria
- Blueprint for Education and Early Childhood Development
- Council of Australian Government's early childhood reform agenda
- The Victorian Charter of Human Rights and Responsibilities Act 2006
- Victorian State – Local Government Agreement
- The Victorian Government's Action Plan: Strengthening Community Organizations
- The Child Wellbeing and Safety Act 2005

- The Children's Services Act 1996 (the principal Act) and the Children's Legislation Amendment Act 2008

4.1.4 Key components of Kindergarten Cluster Management

KCM was introduced in the Victorian kindergarten industry with three purposes: 1) 'to reduce the administrative and management burden on kindergarten parent committees, 2) (to) strengthen the management and delivery of community-based kindergarten programs and 3) (to) provide kindergarten staff with professional employment arrangements' (DEECD, 2010, p.3; DEECD, 2009, p.3).

The KCM policy framework established five key specifications that kindergarten cluster management organizations were required to meet: 1) 'geographically based clusters, 2) demonstration of robust governance and support infrastructure, 3) participation in local partnerships, 4) provision of professional development opportunities and career pathways for kindergarten staff, and 5) fostering a culture of continuous improvement' (DEECD, 2009, p.5). All kindergarten cluster managers were required to operate a geographically based business so that they could actively participate in Municipal Early Years Planning with the local council and maintain a strong local presence in their area. DEECD intended to have a small number of KCM organizations within each municipality so that KCM organizations could establish effective relationships with local councils and other place-based service organizations (DEECD, 2009).

DEECD required that KCM organizations establish a formal governance structure that could provide 'efficient and professional leadership and management systems' (DEECD, 2009, p.6).

The services provided by the KCM managers needed to be sustainable and with continuous quality improvement. For that purpose, DEECD suggested that kindergarten cluster managers diversify their programs and expand into other services as well as establish local partnerships with a range of key stakeholders including local government, local place-based activity groups, families, and other local cluster managers. KCM managers were also required to develop strategic and operational planning (DEECD, 2009).

4.1.5 Relationships between kindergarten cluster managers and Victorian State Government

In the KCM framework the Victorian Government provided fund to improve kindergarten education service. Meanwhile it prescribed the practices and procedures that funded kindergarten cluster managers had to complete.

Each kindergarten cluster manager received a one-off $5,000 grant to develop good governance practice when it started the service and also received an annual grant in addition to a per capita grant for funded kindergartens. When a kindergarten cluster manager added a new kindergarten location, the cluster manager received a one-off additional payment of 15% of the annual cluster manager grant. In July 2010, the annual kindergarten cluster management grant was $7,662 for each approved kindergarten location (DEECD, 2010).

The Deputy Secretary, Office for Children and Portfolio Coordination, DEECD, was the authority delegated to approve new kindergarten cluster managers. Organizations that sought to become an approved kindergarten cluster manager had to apply to the DEECD. On the application form, the organizations had to outline how they would meet the specifications set out in the KCM framework. The KCM framework had ten key components: strategic planning, links to local government including municipal early years plans, links to local early childhood services and schools, government model, regulatory and licensing administrative requirements, staff employment and support, budgetary and financial requirements, family participation, access and participation for local children and families, and quality assurance (DEECD, 2010).

The roles of the appointed kindergarten cluster managers were: 1) management and employment of staff, 2) compliance with licensing and funding requirements, 3) good governance arrangements, 4) financial management, and 5) strategic planning and implementation of key government initiatives such as the national reform agenda and Municipal Early Years Plans (DEECD, 2010).

Funded kindergarten cluster managers were monitored by the DEECD to review their compliance with service delivery requirements and performance along with kindergarten cluster management specifications (DEECD, 2010).

4.1.6 The role of local governments

The Victorian State-Local Agreement signed by the Victorian Government and Municipal Association of Victoria in 2008 strengthened state-local government relationships, enhancing respectful collaboration and mutual support (DEECD, 2009). Local councils were a key planner and a deliverer of early childhood service. The Municipal Early Years Plans developed by local councils outlined the strategies for the development and coordination of programs and activities relating to early education, care and health that impacted on children from birth to school entry (DEECD, 2009).

Local councils were expected to collaborate with kindergarten cluster managers to implement the Municipal Early Year Plans and the national early childhood reform agenda that included access to a 15-hours per week kindergarten program (DEECD, 2009). As the Victorian Government did not deliver kindergarten programs directly, each local government had to develop a foundational plan to implement universal access to a 15-hours per week, 40 weeks a year kindergarten program for the community (DEECD, 2010 report).

4.2 Essential capacity for governance and management by kindergarten cluster manager

The anticipated effect of KCM was that taking away administration functions from service delivery organizations would encourage the improvement of strong governance, efficient management and quality kindergarten service delivery. Therefore, robust governance and efficient management were primary missions imposed on kindergarten cluster managers.

This section analyzes the specifications explained in KCM policy framework, so as to clarify the essential capacity of kindergarten cluster managers for governance and management. Also, this section discusses the governance issues pointed out in the Review of KCM (KPMG, 2007).

4.2.1 Specifications

The KCM policy framework established the specifications that kindergarten cluster managers had to meet. In this framework, the DEECD stated the elements that would help with the successful management of the clusters, such as planning strategy and developing networks among community organizations. However, the implementation details were left to the discretion of each kindergarten cluster manager and, also, depended on his/her abilities.

Strategic planning

Kindergarten cluster managers were required to demonstrate the capacity for strategic and operational planning (DEECD, 2010).

The strategic planning pertained to the implementation of the early childhood reform agenda, including the National Quality Agenda, Universal Access to Early Childhood Education and the Victorian Early Years Learning and Development Framework. This included the strategy for the delivery of a kindergarten education service of 15 hours per week, 40 weeks a year 'through networking with cluster locations, local government and external services' (DEECD, 2010, p.7).

Kindergarten cluster managers were also required to plan for kindergarten service integration including infrastructure and workforce integration across the cluster (DEECD, 2010).

In order to meet this specification, the kindergarten cluster manager organizations needed to: 1) understand the early childhood reform agenda and related policies and frameworks; 2) have a knowledge of the kindergarten education service, and 3) be able to network with external organizations.

Links to local government

Kindergarten cluster managers were required to connect with local government and actively engage in the development of Municipal Early Years Kindergarten cluster managers needed to have an understanding of local needs in order to undertake future planning.

Links to local early childhood services and schools

Kindergarten cluster managers were required to 'contribute to an integrated system of early childhood services in local communities' (p.9) by establishing partnerships with a range of stakeholders within the local community (DEECD, 2010). Hence, the roles of kindergarten cluster managers were to: plan their services with local government, participate in local activities and form partnerships with families, and co-operate with other cluster managers. Kindergarten cluster managers were supposed to engage in other local childhood services including health, care and education services (DEECD, 2010).

Kindergarten cluster managers were required to understand their stakeholders and their relationship with them. This helped the KCM organizations to understand what other local services provided, and the contemporary social policy frameworks that affected early childhood services. Also, KCM organizations needed to be able to establish networks with their stakeholders.

Governance model

Kindergarten cluster managers were required to describe the governance structure of their organizations including the structure of the board and sub-committees. Those organizations were supposed to operate mechanisms and processes for management and accountability in order to provide efficient and professional leadership and management (DEECD, 2010).

In addition to this, kindergarten cluster managers needed comprehensive administrative skills including the ability to develop a service delivery model and a clear line of reporting for the service programs, knowledge of the lease agreement of kindergarten facilities, and of the accountability process. It was also necessary to document in detail the roles and responsibilities of kindergarten cluster managers, kindergartens themselves, and parents and volunteers (DEECD, 2010).

Regulatory and licensing administrative requirements

Kindergarten cluster managers had to undertake all processes stated in the Children's Service Act 1996, the Children's Legislation Amendment Act 2008 and the Children's Services Regulations (2009). They had to understand the details of their role, and their responsibility to meet regulatory and funding obligations for each kindergarten (DEECD, 2010).

Kindergarten cluster managers needed the knowledge and skills regarding the administration of regulatory and licensing requirements.

Staff employment and support

As an employer of early childhood service staff, a kindergarten cluster manager had to undertake workforce planning and staff development and to demonstrate a commitment to equal opportunity and occupational health and safety in human resource practices. Also, a kindergarten cluster manager had to understand the grievance process, and the record keeping and payroll management systems (DEECD, 2010), in addition to human resource management.

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Budgetary and financial requirements

Kindergarten cluster managers needed the knowledge and skills for carrying out budgetary tasks and fulfilling financial accountability responsibilities (DEECD, 2010).

Family participation

Kindergarten cluster managers had to engage and consult with families in relation to 'kindergarten policy development, kindergarten program development and activities, evaluation of service delivery, coordination of infrastructure and workforce across the cluster, and strategic planning for each cluster managed location' (DEECD, 2010, p.14).

For this specification, kindergarten cluster managers were to be facilitators of decision making and evaluation, in addition to coordinating the service delivery.

Access and participation for local children and families

Kindergarten cluster managers had to recognise and respond to diversity within the local community. Also, they had to 'promote equality of opportunity for all children including families and children who had additional need' (DEECD, 2010, p.15).

To meet this specification, kindergarten cluster managers needed a system that enabled them to recognize community needs and to be aware of disadvantaged children and families.

Quality assurance

Kindergarten cluster managers were required to set out a formal quality assurance system to monitor standards of service as described in the Kindergarten Cluster Management Specifications and Kindergarten Cluster Management Policy Framework. Also, the organizations had to carry out self-assessment and seek feedback from stakeholders (DEECD, 2010).

4.2.2 Capacity of kindergarten cluster managers

As a result of analysing those specifications outlined by DEECD, the capacities that kindergarten cluster managers were required to possess were clarified as follows:

1. knowledge of Early Childhood Reform Agenda and other social policy
2. comprehension of community needs, including disadvantage group's needs
3. transferring the knowledge of community needs to future planning
4. knowledge of kindergarten education services
5. networking skill
6. stakeholder management skill
7. comprehensive administration skill including developing service delivery model, reporting flow, facility lease agreement, and roles and responsibilities of staff, teachers, parents and volunteers
8. regulatory and licensing administration knowledge and skill
9. human resource management
10. knowledge and skill for responsibility of budget and financial accountability
11. skill as a facilitator for participatory decision-making and evaluation
12. skill as a coordinator for providing services
13. knowledge and skill for evaluating these services

In addition to these capacities, the Review of Kindergarten Cluster Management (KPMG, 2007) found a few elements that significantly affected the governance of kindergarten cluster managers.

It stated '(kindergarten cluster manager's) access to supporting organization infrastructure, such as existing corporate knowledge, good governance structures and practices, and documentary resources

to support good governance' (p.39) and it also mentioned that access to adequate resources enabling them to carry out their tasks was crucial (KPMG, 2007).

4.3 Relationships for governance by kindergarten cluster managers

Approved kindergarten cluster managers were the licensees of funded kindergarten services, the employers of kindergarten teachers and ancillary staff, and the funded entity (KPMG, 2007). In order to successfully fulfil those roles, kindergarten cluster managers had to establish relationships with key stakeholders.

Moreover, kindergarten cluster managers were supposed to establish networks in the community to improve their services and to maintain the stability of the organization. This section examines the networks that kindergarten cluster manager were required to develop.

4.3.1 Relationships with the kindergartens

Kindergarten cluster managers took over management and administrative responsibilities from the parent committee of management (DEECD, 2010). The arrangements between kindergarten cluster managers and kindergarten services had to suit the needs of local communities. Hence, kindergarten cluster managers had to engage and consult with families or parent committees regarding policy development, program development, evaluation of service, coordination of the infrastructure and workforce, and strategic planning (DEECD, 2010).

Also, kindergarten cluster managers were supposed to support families by establishing relationships with other early childhood services such as the Maternal and Child Health Service, Early Childhood Intervention Services, Settlement Support Services, Child FIRST and Child Protection (DEECD, 2009).

Kindergarten cluster managers were responsible for staff employment and support. Therefore, they were responsible for coordinating and planning in order to provide professional development opportunities such as formal training sessions and mentoring programs for staff and teachers, so that teachers could achieve the goals in their performance plan and staff could deliver clusters' strategic and operational business plans (DEECD, 2009). Also, kindergarten cluster managers were expected

to provide leadership as 'champion(s)' of strategies to ensure continuous improvement and to deliver high-quality early childhood programs for children and families (DEECD, 2009, p.17).

4.3.2 Relationships with local governments

Kindergarten cluster managers had to engage formally with local government and contribute to developing and implementing the Municipal Early Year Plans in their area (DEECD, 2009).

4.3.3 Relationships with the Victorian Government

The Deputy Secretary of DEECD, Office for Children and Early Childhood Development, was the authority to approve kindergarten cluster managers and funding new kindergarten locations (DEECD, 2010). In order to be funded, the kindergarten cluster managers of organizations needed approval from the DEECD. Also, kindergarten cluster managers needed approval from the DEECD in order to establish new kindergartens (DEECD, 2010; DEECD, 2009).

Once the organization had received approval to be a kindergarten cluster manager from DEECD, the organization was bound by the DEECD service Agreement for Early Childhood Services (DEECD, 2010). All kindergarten cluster managers were required to complete an annual Kindergarten Cluster Management Service Improvement Plan as part of their Service Agreement with DEECD (DEECD, 2009). Kindergarten cluster managers were monitored through DEECD regional offices (DEECD, 2010) and were required to submit an annual Financial Accountability Report for their funding obligations (KPMG, 2007).

Meanwhile, DEECD regional officers actively encouraged and promoted kindergarten cluster managers by providing local information to support the growth of KCM organizations (DEECD, 2009). The Victorian Government introduced the Victoria Early Years Learning and Development Framework and the Transition Plans in order to promote kindergarten cluster managers' leaderships (DEECD, 2009).

4.3.4 Relationships with other organizations providing early childhood services in the community

Kindergarten cluster managers were expected to establish strong connections with local early childhood and community services such as Maternal and Child Health Services, and to participate in local activities such as Best Start partnerships (DEECD, 2009).

Kindergarten cluster managers were required to cooperate and collaborate with other local cluster managers. Meanwhile, DEECD promoted a non-competitive environment with other cluster managers, which was intended to prevent kindergartens from changing cluster managers, thereby providing a more stable environment. Also, DEECD regional offices promoted appropriate options for independent kindergartens that were managed by parents committees as these were potential kindergartens that could join a KCM (DEECD, 2009).

Kindergarten cluster managers provided opportunities for their staff to participate in professional networks that were for 'early education and care workers, Best Start Partnerships, Maternal and Child Health Service staff, allied health professionals, early childhood intervention service workers, and preschool field officers' (DEECD, 2009, p.14). These networks gave professional staff the opportunity to promote the value of kindergartens and to position their career development within the broader field (DEECD, 2009).

The School Network Plans and Municipal Early Year Plans strengthened the community networking between early childhood and school staff to support the professional development of staff and the children's transition to school (DEECD, 2009).

4.4 Conclusion

This chapter reviewed Victorian State Government's policy framework, and KCM framework which is a sample of this study.

In summary, in order to improve the quality of kindergarten services, the DEECD of Victorian Government promoted the strong governance performance of KCMs by the means of developing quality networks among key stakeholders in their communities.

KCM framework required the managers to develop various networks in their communities in order to increase the quality of their services and also to be sustainable organisations.

This chapter clarified the capacities required of kindergarten cluster managers in order to meet the specifications defined by the DEECD. The elements of successful partnerships that emerged from the literature review presented in Chapter 2 - a good facilitator, right participants, clear purpose, good process and ongoing motivation - were congruent with the required specifications stated in the KCM framework. The researcher anticipated that these required capacities affected KCM managers' networking performance, and also influenced the modes of governance that coordinated the actors' relationships in the networks.

The intended outcomes were: 1) sustainability of kindergartens' service delivery, staff employment, and cluster management, 2) growth as a cluster, 3) improvement of parent's satisfaction, 4) providing 15 hours per week and 40 weeks a year, 5) efficient management and 6) participatory decision making. Those expected outcomes were congruent with the outcomes assumed to be derived from networking.

The next chapter presents the conceptual framework for this study.

Chapter 5: Conceptual Framework

5.1 Introduction

This chapter develops conceptual and theoretical frameworks. In the conceptual framework, all information gathered from the literature review was integrated and it guided the formulation of the research objectives. Also, the concepts derived from literature review were transferred into independent variables and dependent variables. Defining the variables allowed us to develop a theoretical framework, research questions and hypothesis (Cavana et al. 2001).

Those conceptual and theoretical frameworks display the interrelationships among the concepts and variables that are considered to be integral to the dynamics of the context being investigated (Cavana et al. 2001).

By the end of this chapter 1) the conceptual framework, 2) research objectives, 3) dependent and independent variables, 4) theoretical framework, 5) research questions and 6) hypotheses have been addressed.

5.2 Review of key theories

The activity of developing a conceptual framework is 'an attempt to integrate all the information in a logical manner' and provides the reason for the research (Cavana et al., 2001, p.39). Hence, the first phase of developing a conceptual framework should be reviewing the key theories and issues that emerged from the literature review.

Theory behind local government reform

Because of their resources, public sector organizations introduced a network form of governance whereby governments involved the business and community sector organizations in public policy development and delivery (Considine and Lewis, 2003; Dollery and Wallis, 2001). Meanwhile, as a response to a neo-liberal regime, an increasing demand to include community groups and interest

groups in decision-making encouraged public sector authorities to involve a range of local stakeholders in public policy-making (Reddel, 2005; Lowndes and Skelcher, 1998).

However, seeking economic efficiency of governance and encouraging citizen's participatory decision making are usually a trade-off as participatory decision-making requires more time and resources. Moreover, no research has been conducted to examine the Victorian local governments' motives for adopting a network form of governance. Accordingly, the first objective of this study was to determine the reason(s) why Victorian local governments developed a network form for their governance.

Mode of governance

Those organizations that work with collaborative relationships in a network are coordinated through certain mechanisms (Johanson and Mattsson, 1991). In this study, the coordination mechanism is called 'mode of governance'.

Owing to Williamson's (1985) study, three distinct modes of governance were developed: hierarchy, market and network. In a hierarchy mode of governance, participants in a network perform within an 'authoritative, integrating and supervisory' (Lowndes and Skelcher, 1998, p.318) structure according to 'clear roles, responsibilities and reporting lines'. The market mode of governance involves contractual relationships regarding property rights (Lowndes and Skelcher, 1998). In a network mode of governance, participants in a network are in interdependent relationships 'based on trust, loyalty and reciprocity' (Lowndes and Skelcher, 1998, p.318). While market and hierarchical mechanisms generate trust by providing institutional safeguards such as legal contracts, the network mechanism includes trust that does not depend on the presence of formal and exogenous safeguards (Hindmoor, 1998).

Sorensen and Torfing (2006 a, b) and Hindmoor (1998) state that the network mode of governance is superior to the hierarchy and market modes of governance in terms of economic efficiency. Moreover, the inclusion of relevant and affected organizations in governance networks helps to address social issues. Therefore, it makes the governing process more effective. Also, the participation of various stakeholders in the decision-making process enhances the quality of democratic governance (Sorensen and Torfing, 2006 a).

However, other literature (Dollery and Wallis, 2001) posits that the network mode is not perfect for local governance in terms of openness and accountability. Moreover, collaborative management

needs more investment in time and resources than do the traditional forms of management because of challenges relating to diversity, complexity, culture, professionalism and accountability. Lowndes and Skelcher (1998) maintained that the ideal-typical network mode of governance is not always appropriate for the variety of tasks required of a collaborative partnership.

Hence, the second objective of this study was to describe networks developed by local governments and to determine the institutional arrangement that worked within the network form of governance.

Social capital

Social capital consists of trust, norms of reciprocity, and networks of civic engagement that stimulate each another and is crucial for improving efficiency and producing better performance in society (Putnam, 1993).

Literatures discuss the positive relationships between social capital and local governance (Lewis, 2010; Dollery and Wallis, 2001; Knack and Keefer 1997; Putnam 1993) such as better economic performance, citizen engagement, community-building, and increased social inclusion.

Factors affecting networking

The literature review in Chapter 2 revealed several factors that affect collaborative relationships and networking. They are: individual and organizational capacity (Dollery and Wallis, 2001), partnerships lifecycle (Lowndes and Skelcher, 1998), stakeholder engagement strategy (Friedman and Miles 2006) and elements of successful partnerships (Pope and Lewis, 2008): good facilitator, right participants, clear purpose, good process and ongoing motivation.

Research has yet to examine the factors affecting collaborative relationships that also relate to the mode of governance. Hence, the third objective of this study was to determine the factors that affect those institutional arrangements.

Impact of networking

The previous chapter discussed local governance and its mission to pursue efficiency, democracy and citizen-centered operations in both decision-making and policy delivery. In order to achieve this, the Victorian State Government changed the regulations and gave more control to local governments. As

discussed in Chapter 3, the amalgamation and introduction of CCT (compulsory competitive tendering) by the Kennett government were intended to greatly improve efficiency. However, the result of the local government reform did not provide all the anticipated advantages. Subsequently, the Bracks government carried out local government reform programs with the purpose of enhancing democratic governance and citizen participation in governance, attempting a balance of efficiency and democracy.

Literature argues that democratic decision-making contributes to effective public policy implementation (Sorensen and Torfing, 2006 a). Nevertheless, previous researchers do not clearly explain whether a governance network increases the quality of local governance in terms of both efficiency and democracy. For this reason, the fourth objective of this study was to determine 1) whether economic efficiency of policy delivery was increased by networking, 2) whether democracy in policy-making was increased by networking, and 3) whether both efficiency and democracy of governance are increased by networking. The fifth objective of this study was to determine whether economically efficient and democratic governance increased the quality of local governance known as 'citizen-centered governance' which is responsive, responsible and accountable governance (Shah, 2006).

Hence, this study had five objectives: 1) to determine the reason why Victorian local governments developed network form for their governance, 2) to describe networks developed by local governments and to determine which mode of governance works within the network form of governance, 3) to determine the effects of networking, 4) to examine a) whether economic efficiency in terms of policy delivery was increased by networking, b) whether democracy in terms of policy making was increased by networking and c) whether both efficiency and democracy of governance are increased by networking, and 5) to determine whether economically efficient and democratic governance increased the quality of local governance known as 'citizen-centered governance'.

The conceptual framework depicted in Figure 5.1 below shows all the relevant concepts that emerged from the literature review, and the thick blue arrows show the objectives of this study.
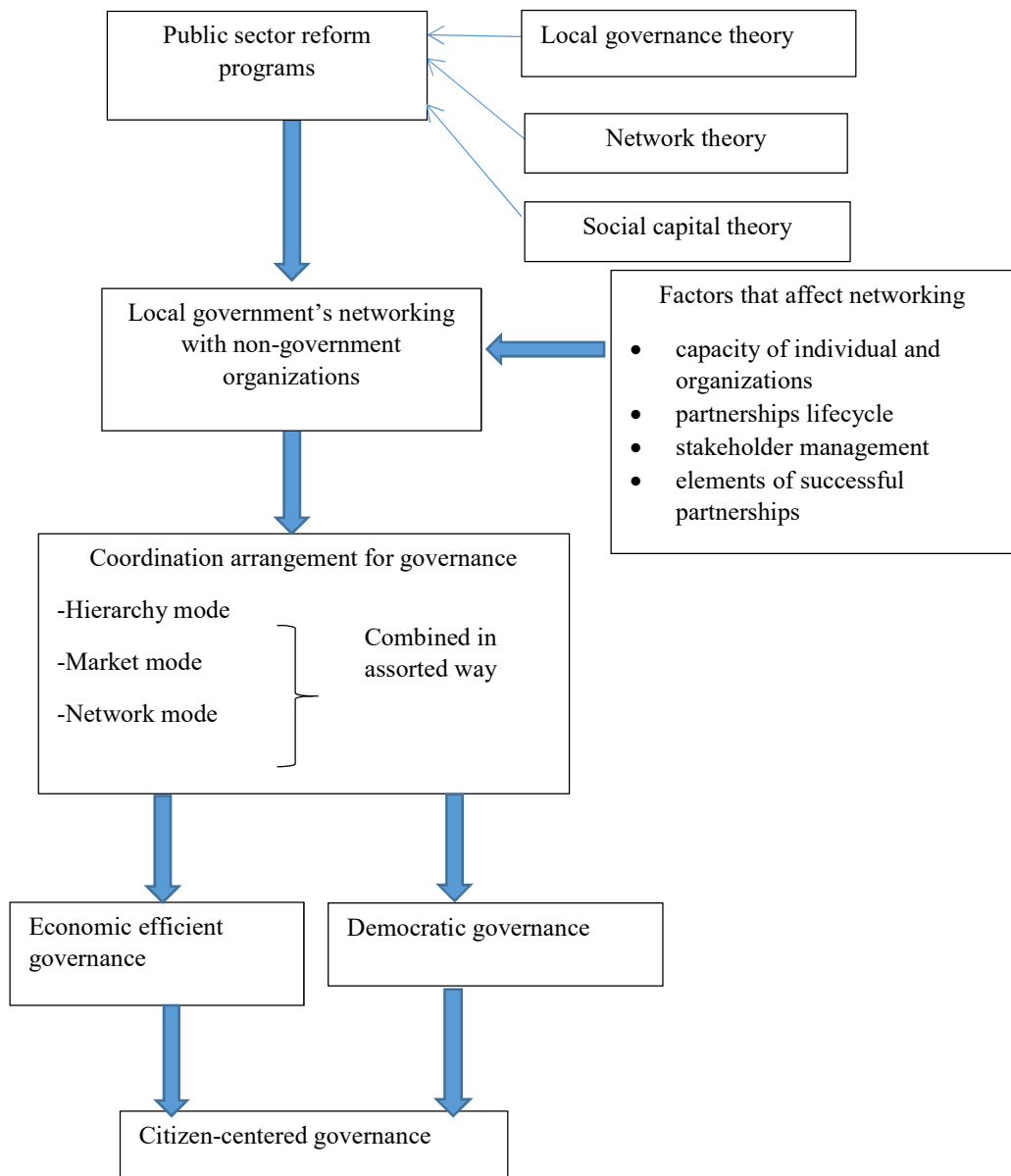
Figure 5.1: Conceptual framework

5.3 Definitions of concepts and variables to be studied (and for developing a theoretical framework)

This section defines the concepts and variables being studied. The notion of a concept is a relatively abstract idea and 'the basic building blocks of scientific investigation' (Cavana et al., 2001, p.33). The concept that the researcher operationalizes for the purposes of observation or measurement is called a variable. 'While concepts are the basic building blocks of scientific research, a special form of concept is a variable' (Cavana et al., 2001, p.33). 'Operationalizing the concepts' is a means of reducing abstract concepts such as the subjective feelings and perceptions of individuals and break down into observable behavior and characteristics, so that the concepts can be measured (Cavana et al., 2001, p.188). Hence, this section firstly explains each concept; this is followed by operationalizing and developing the variables. Once the variables were confirmed, this study was able to identify the relationships between them and establish a theoretical framework.

This study used independent variables, dependent variables and moderating variables. Dependent variables are influenced by independent variables in either a positive or negative way. Independent variables can account for the variance of dependent variables. The moderating variables have 'a strong contingent effect on the independent variable-dependent variable relationships' (Cavana et al., 2001, p.85).

5.3.1 Public sector reform program

As discussed in Chapter 2, the Victoria Victorian Government introduced public programs by means of more engaged, combined and networked approaches. This study took the KCM framework as a sample of networking established by the Victorian local governments. Since this study assumed that networking by local governments influenced the level of the quality of public governance such as the level of democracy and economic efficiency, introducing the KCM framework for public governance was an independent variable.

5.3.2 Local government's networking

Public sector authorities increased their interest in establishing collaborative partnerships with community organizations and business sector organizations for policy making and public service delivery. The established relationships between government and non-government organizations for the purpose of public governance were the governance networks considered this study. Skelcher et al. (2011) proposed this definition of network governance: 'public policy making and implementation through a web of relationships between government, business and civil society actors' (Klijin, 2008, p.511). The relationships are also known as 'multi-organizational partnerships' in the works of Dollery and Wallis (2001) and Lowndes and Skelcher (1998).

According to Pope and Lewis (2008), policy makers and public service providers consider the following information when evaluating partnerships: '1) whether a partnership is performing well as a governing entity; 2) whether better decision-making resulted than would have been possible through the actions of single organizations; and 3) whether desired outcomes were achieved' (p.443). This study adopted these three criteria to judge successful networking: 1) performance as a governing entity; 2) better decision-making; and 3) achieving economic efficiency.

This study focused on the networking between kindergarten cluster managers and their stakeholders: kindergarten staff members, local government staff members, DEECD regional officer and kindergarten parents' committees. The networking by KCM managers was an independent variable.

5.3.3 Institutional arrangement in assorted way

Hindmoor (1998, p.25) uses the term 'a form of governance structure' synonymously with 'institutional arrangement'. This study distinguishes 'form of governance' from 'institutional arrangement' and uses 'institutional arrangement' to correspond to 'mode of governance'.

Institutions are 'the humanly devised constraints that structure political, economic, and social interactions. They consist of informal constraints and formal rules' (North, 1991, p.97). 'Institutions evolve to economize on transaction costs and different level of transaction costs lead to the development of different types of institutions' (Hindmoor, 1998, p.25) and 'institutions are the mechanism of governance' (Williamson, 1996, p.5).

Owing to Williamson's transaction cost analysis, three different modes or mechanisms of governance emerged. They are: market mode, hierarchy mode and network mode. In the network mode, interdependent relationships that are based on trust, loyalty and reciprocity enable collaborative activity to be further development and maintained. In the hierarchical mode, administrative command undertakes coordination. Because of the tendency towards formalization and routine, flexibility and innovation is low-level in this mode. The market mode is concerned with contractual relationships. It gives actors a high degree of flexibility to form alliances (Lowndes and Skelcher, 1998).

A number of literatures (such as Klijn et al, 2010; Sorensen and Torfing, 2006 a, b; Sullivan and Skelcher, 2002; Hindmoor, 1998) discuss the superiority of the network mode of governance in terms of effectiveness and efficiency as a result of reducing transaction costs.

However, collaborative working needs more investment in time and resources (Williams and Sullivan, 2010) because of a significant barrier presented by 'differences in organizational interests, professional agendas and ways of working, the political agendas…, and the tradition of … budgeting' (Sullivan and Skelcher, 2002, p.35). Lowndes and Skelcher (1998) argued that in the real world 'different modes of governance overlap and coexist throughout a partnerships life cycle' (p.320). In other words, according to Williams and Sullivan (2010) and Lowndes and Skelcher (1998), network mode of governance is not necessarily superior to hierarchy and market modes of governance for local governance.

Although individual actors and partner organizations possess certain skills and resources, this does not necessarily mean that collaborative working will undergo further development. In order to understand successful collaborative activities, it is important to analyze the 'institutional factors in creating a normative environment for collaboration' (Sullivan and Skelcher, 2002, p.53). This study assumed that institutional factors such as history, culture and the capacities of an organization have produced an institutional arrangement, that is, the 'mode of governance' and a 'coordination mechanism'. In other word, the institutional arrangement (mode of governance) would alter the collaborative activities. Hence, the institutional arrangement is a moderating variable.

5.3.4 Factors that affect networking

Capacity for collaboration

In order for a collaboration to be successful, both individual capacity and organizational capacity are necessary. Individual capacity refers to the specific skills and attributes such as communication skill, networking skill, negotiation skill and ability to understand the guidelines that show how different organizations can collaborate to achieve shared goals (Sullivan and Skelcher, 2002). Organizations require a culture that 'engenders the development of new activities, roles and relationships'. Also, a host organization needs 'to resource and support the development of a collaborative culture' (Sullivan and Skelcher, 2002, p.105).

These individual and organizational capacities were the independent variables.

Partnership life cycle

Lowndes and Skelcher argued that 'different modes of governance overlap and coexist throughout a partnership's life cycle' (1998, p.320). According to them, the partnership life cycle has four stages: 'pre-partnership collaboration, partnership creation and consolidation, partnership program delivery and partnership termination or succession' (Lowndes and Skelcher, 1998, p.320). Each stage has key features which indicate the predominant mode of governance (Lowndes and Skelcher, 1998).

- Pre-partnership collaboration is characterized by a network mode of governance based upon informality, trust and a sense of common purpose.

- Partnership creation and consolidation is characterized by hierarchy based upon an assertion of status and authority differentials and the formalization of procedures.

- Partnership program delivery is characterized by market (or quasi-market) mechanisms of tendering and contract, with low levels of cooperation between providers.

- Partnership termination or succession is characterized by a re-assertion of a network governance mode as a means to maintain agency commitment, community involvement and staff employment.

This study assumed that at different stages of the lifecycle, different modes of governance were predominant in the collaboration process. Therefore, the different modes of governance that predominated at different stages of the partnership cycle were independent variables.

Stakeholder management

Private sector corporations commit to stakeholder management for many reasons such as receiving valuable information 'about external events, market conditions, technological advances, or consumer trends' (Friedman and Miles, 2006, p.150). The business of public sector organizations is not conducted in the same environment as that of the private sector; however, they do have some features in common.

Literatures dealing with stakeholder management consider stakeholder management as a stakeholder relationship management (Friedman and Miles, 2006). This study focused on the relationships between kindergarten cluster managers and stakeholders who were affected by KCM activities and who collaborated with the KCM managers.

Stakeholder management can be analyzed from two different perspectives: from the view of organization's perspective and from stakeholder's perspective. To conduct an analysis from the organization perspective, this study adopted the 'instrumental stakeholder' concept by means of which a central organization defines stakeholders according to their management needs (Friedman and Miles, 2006). In order to analyze stakeholder management, this study considered the stakeholder engagement ladder developed by Friedman and Miles (2006).

Freidman and Miles (2006) summarize Freeman's suggestions (1984) to formulate stakeholder strategy. The first step is stakeholder mapping. Freeman suggests eight questions to facilitate stakeholder mapping (1984, p.242 cited in Freidman and Miles, 2006).

- Who are our current and potential stakeholders?

- What are their interests / rights?

- How does each stakeholder affect us (challenges and opportunities)?

- How do we affect each stakeholder?

- What assumption does our current strategy make about each important stakeholder?

- What are the current 'environmental variables' that affect us and our stakeholders?

- How do we measure each of these variables and their impact on us and our stakeholder?

- How do we keep score with our stakeholders?

The next step is stakeholder behavior analysis. This is 'an investigation of past and future stakeholder actions that could enhance or hinder corporate goals' (Friedman and Miles, 2006, p.85). The third step is to construct a logical explanation for stakeholder behavior. Freidman and Miles (2006) recommend analyzing stakeholder coalitions that 'may develop when lobbyists join forces against a common enemy or less formally around issues or interests' (p.85). By analyzing stakeholders' potential to either cooperate with or threaten the organization, management can develop generic stakeholder strategies: offensive, defensive, changing the rules, or maintaining the status quo (Friedman and Miles, 2006). Analyzing the stakeholder's potential for cooperation or threat is important so that an organization can develop an appropriate strategy to ensure partners' cooperation and reduce the possibility of threat.

This study assumed that the way in which KCM managers managed stakeholders would impact on the mode of governance. Therefore, the activities of stakeholder management strategy were the independent variable.

Friedman and Miles (2006) developed a stakeholder engagement ladder with twelve distinct levels. They cite manipulation, therapy and informing as the lowest levels of engagement in which the organization informs stakeholders about decisions that have already taken place. The fourth level is explanation whereby the organization educates and informs stakeholders through a two-way process such as in a workshop situation. The fifth level of engagement is placation where the organization gives a direct response to unsatisfied stakeholders. Consultation is the sixth level and negotiation is the seventh level of engagement. The eighth level is involvement where, for example, the organization involves special interest groups in order to seek expert opinion. The ninth level is collaboration and the tenth level is partnerships. In Friedman and Miles' category of stakeholder engagement, collaboration is focused on joint outcomes, while partnerships involve joint process as well as joint outcomes. The highest level of stakeholder engagement is delegated power and stakeholder control.

This study assumed that the level of stakeholder engagement by the kindergarten cluster managers affected collaborative activities between the managers and the stakeholders. Therefore, level of stakeholder engagement was an independent variable.

Elements of successful partnerships

Pope and Lewis recognized five characteristics of effective partnerships: 1) 'a good broker / facilitator to build relationships, 2) the right decision-makers at the table with a commitment to contribute, 3) a clear purpose, 4) good process, and 5) ongoing motivation through champions and evaluation' (2008 p.448). The summary of these characteristics is given below.

Table 5.1: Summary of elements of successful partnerships

Characteristics	Description
Good broker / facilitator to build relationships	A facilitator in successful partnerships is someone who is skilled at establishing relationships and maintaining trust among participants.
Right decision-makers at the table	Right people in successful partnerships are those who have a commitment to taking work and information away, and who are senior enough to have the authority to make decisions and contribute resources.
Clear purpose	Effective partnerships need shared goals, clear purpose and clearly-defined roles and responsibilities of participants.
Good process	Good process in successful partnerships involves a series of actions such as running meetings, creating work plans and documenting activities.
Ongoing motivation through champions and evaluation	In order to keep participants' motivation high, 'using champions' and setting up systems to collect evaluation data are good strategies.

Source: Pope and Lewis, 2008, p448

This study focused on institutional arrangement of governance that created normative environment for collaboration (Sullivan and Skelcher, 2002, p.53).

'A good broker / facilitator' and 'right decision-makers' relate to individual and organization capacity that provide for network mode of governance, while, 'a clear purpose' and 'good process' can be deemed introducing formality into networking relationships.

As these five elements for successful partnerships could influence the quality of networking, these elements were independent variables.

5.3.5 Efficient governance

There are three principal measures of economic efficiency; 1) productive or technical efficiency; 2) allocative efficiency; and 3) dynamic or intertemporal efficiency (Dollery et al., 2003; Dollery and Wallis, 2001). Technical efficiency 'refers to the use of scare resources in the most technologically efficient manner' (Dollery et al., 2003, p.179; Dollery and Wallis, 2001, p.5). Although Dollery and Wallis (2001) commended this for being useful means of evaluating economic activity, they called

attention to the inadequacy of measuring technical efficiency without taking into account the consumption wishes of society. Allocative efficiency refers to 'the efficient allocation of productive resources amongst alternative uses' (p.5) that produces a given quantity of output at minimum cost (Dollery et al., 2003; Dollery and Wallis, 2001). In order to realize allocative efficiency, there are choices between the different ways in which goods or services are produced with technical efficiency (Dollery et al., 2003). Dynamic efficiency refers to 'the economically efficient use of scare resources through time' (Dollery and Wallis, 2001, p.6). It is important to recognize that efficiency have both short-run and long-run analysis. Nevertheless, the third measure of economic efficiency, dynamic efficiency, is 'a much less precise concept with no universally agreed formal definition' (Dollery and Wallis, 2001, p.6) and usually local governments measure allocative efficiency or technical efficiency or both. This study considered technical efficiency as it sought to determine whether the cluster management system produced more output with fewer resources.

This study assumed that the efficiency of the kindergarten service provision was influenced by the networking of kindergarten cluster management. Hence, efficient governance was a dependent variable.

5.3.6 Democratic governance

While classic liberal democracy is defined as 'a political system in which the members of a …political community … govern themselves through direct citizen participation or through the election of representatives' (p.234), post-liberal democracy theory explores a new way to understand democracy (Sorensen and Torfing, 2006 a). The neo-liberal democracy theory 'renounce(s) the traditional institutions of representative democracy' and 'challenge(s) the idea that democracy is confined to decision making within a given polity' (Sorensen and Torfing, 2006 a, p.236). Also, one group of post-liberal democracy theorists, referred to outcome democracy, that focuses on the ability of democratic institutions 'to produce desired outcomes through various forms of coordination' (Sorensen and Torfing, 2006 a, p.239). Fung and Wright argued that a democratic institution is for solving policy problems (2003). Young insisted that democratic institutions are for 'procedures capable of producing just outcomes that is outcomes, which are to an equal extend in the interest, not of all citizens but of the affected by the decision being made' (Sorensen and Torfing, 2006 a, p.240).

According to democratic theory, governance networks 'contribute to effective policy making and policy outcomes' (p.240). Therefore, this study adopts the definition from the outcome democratic

theory and defines democratic governance as those decision-making procedures that involve stakeholders whom those outcomes would affect.

This study examined whether a kindergarten cluster management system increases the level of participatory decision-making; hence, democratic governance was a dependent variable.

5.3.7 Citizen-centered governance

Shah (2006) argued that in order to realize citizen-centered governance that are characterized by: citizen empowerment through a right-based approach, bottom-up accountability for results and evaluation of government performance as the facilitator of a network of providers by citizens as governors, taxpayers and consumers of public services (p.16), local governments are required to follow three basic principles: responsive governance, responsible governance and accountable governance. Responsive governance aims to deliver services accordant with citizen preference and interests. Responsible governance should seek to manage its fiscal resources and social risks for community in an appropriate way. Accountable governance is able to address local government's accountability to its community.

This study assumed that two initial impacts of the network form of governance - democratic decision-making and efficient public service delivery - influenced those three basic principles of governance in the long term.

This study took Kindergarten Cluster Management framework as a sample for the study and examined: 1) whether the kindergarten cluster management system increases knowledge for better early childhood services, 2) whether the kindergarten cluster management system increases the level of responsiveness to the needs of parents and staff, and 3) whether the kindergarten cluster management system increases the level of accountability of kindergarten cluster managers and local governments. These three variables were dependent variables.

The theoretical framework presented in Figure 5.2 shows independent and dependent variables and their relationship.
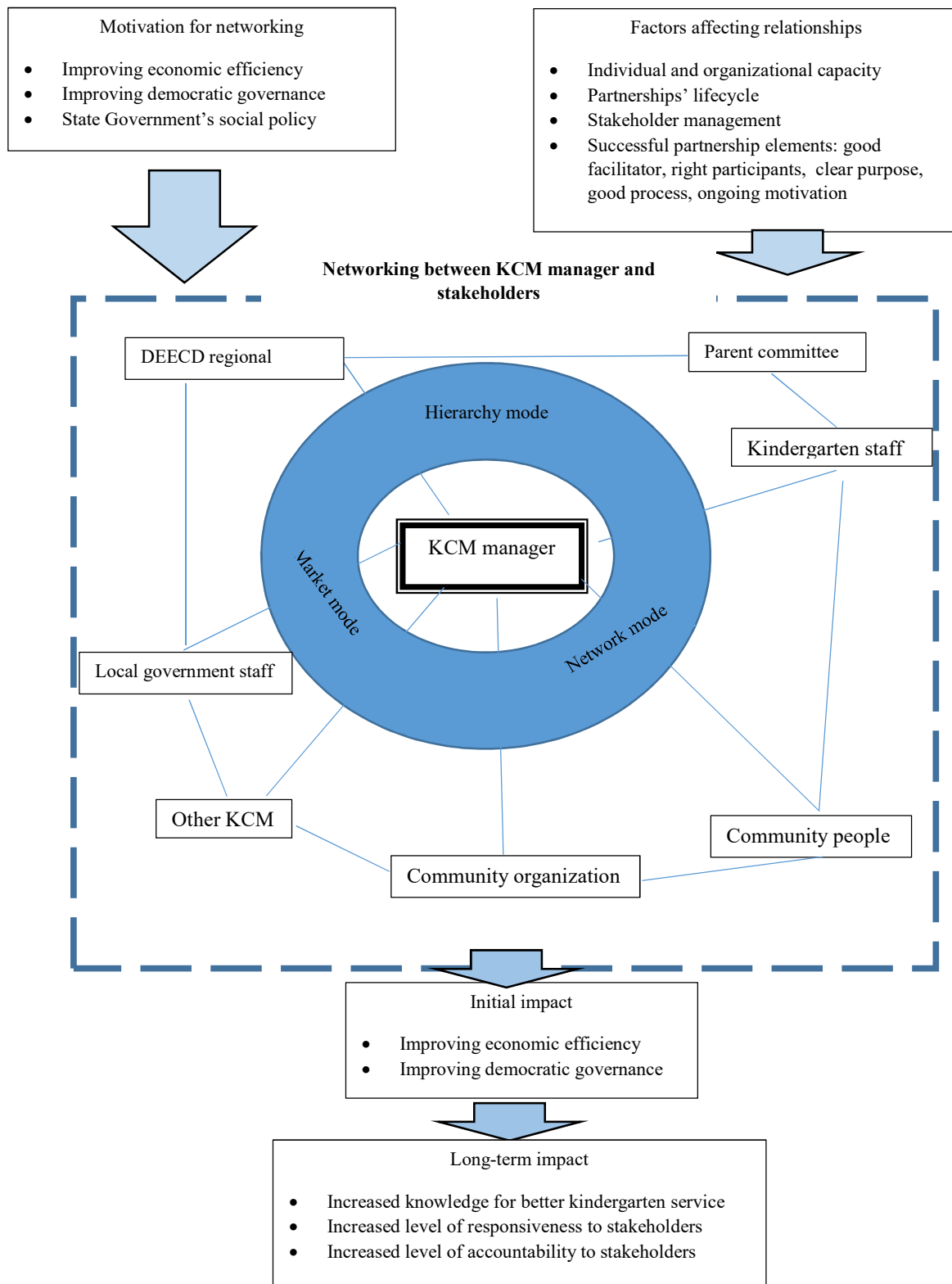
Figure 5.2: Theoretical framework

5.4 Research questions

The primary interest of this study was to determine the way that Victorian local governments changed their relationships with other organizations from different sectors such as non-profit sector and profit sector, and the impact of those relationships on local governance.

Following the literature research in Chapter 2, five research objectives were identified as follows:

1) To determine why Victorian local governments developed networks for their governance

2) To describe networks by local governments and to determine which institutional arrangement works within the network form of governance

3) To determine what affects those institutional arrangements

4) To examine a) whether efficiency in terms of policy delivery was increased by networking and b) if democracy in terms of policy making was increased by networking, and

5) To determine whether the economically efficient and democratic governance will increase the quality of local governance that is called citizen-centered governance.

These research objectives were formulated as research questions. As this study took the KCM framework as an example of network governance, the research questions needed to be adjusted. There were five main questions and twenty-three supportive questions.

1. Why did Victorian local governments introduce Kindergarten Cluster Management (KCM) framework?

1-1 Did the Victorian local government introduce the KCM framework to improve the efficiency of its governance?

1-2 Did the Victorian local government introduce the KCM framework to improve democracy of its governance?

1-3 Did the Victorian State Government's social policy encourage local governments to introduce the KCM framework?

2. How are the networks described by the Kindergarten Cluster Management stakeholders?

2-1 Is the network described as collaboration?

2-2 Is the network described as connection?

2-3 Are there other ways to describe the network?

3. Which mode of governance works in the Kindergarten Cluster Management framework?

3-1 Is the network mode of governance predominant in the KCM framework?

3-2 Is the hierarchy mode of governance predominant in the KCM framework?

3-3 Is the market mode of governance predominant in the KCM framework?

4. What are the factors that affect networking in the Kindergarten Cluster Management framework?

Capacity

4-1 Does individual capacity affect networking in the KCM?

4-2 Does organizational capacity affect networking in the KCM?

Partnership lifecycle

4-3 Are different modes of governance dominant at different levels of the KCM?

Stakeholder management

4-4 Does the kindergarten cluster managers' stakeholder management strategy affect networking?

Successful partnership elements

4-5 When management is successful, is this due to the cluster manager being a good facilitator?

4-6 When cluster management is successful, is this because the right people are included in the network?

4-7 When cluster management is successful, is this because the purpose of collaboration is clear?

4-8 When cluster management is successful, is this because the process of collaboration is clear?

4-9 When cluster management is successful, is this because all staff member keep high motivation?

5. What is the impact of the Kindergarten Cluster Management framework?

5-1 If the KCM is performing well, does this produce a better participatory decision making result than would the actions of a single organization?

5-2 If the KCM is performing well, will more services be provided than would have been possible through the actions of a single organization?

5-3 If the KCM is performing well, will better knowledge of early childhood services be acquired than would have been possible through the actions of a single organization?

5-4 If the KCM is performing well, will the management services be more responsive to the stakeholders than would have been possible through the actions of a single organization?

5-5 If the KCM is performing well, will the management services be more accountable than would have been possible through the actions of a single organization?

5.5 Proposition development

In the course of developing a theoretical framework, this research established dependent and independent variables, and inferred the relationships between those variables. These conjectured relationships were theoretical propositions. In order to answer the research questions, the researcher analyzed the data as 'a direct reflection of the initial study propositions' (Yin 2014 p.36) and the study confirmed whether or not the inferred relationships existed (Cavana et al. 2001).

The first research question and supportive three questions relate to the motivation why the Victorian local government introduced network form of governance. The literature indicated that the Victorian local governments were under the pressure of economic efficiency and of quality of democracy. Accordingly, the first set of the propositions were formulated as follows:

P1: that Victorian local governments introduced the network form (Kindergarten Cluster Management framework) for local governance in order to improve their economic efficiency and the quality of democracy. Also, those decisions were affected by the Victorian Government's social policies.

P1-1 Victorian local governments introduced the KCM framework to improve the economic efficiency of its governance.

P1-2 Victorian local governments introduced the KCM framework to improve the quality of democracy in its governance.

P1-3 The Victorian State Government's social policy encouraged local governments to introduce the KCM framework.

The second and third questions are related to the description of networking and modes of governance.

P2: that the stakeholders in the Kindergarten Cluster Management, comprising a kindergarten cluster manager, local government staff member and kindergarten staff member, describe the networks as a collaboration.

P2-1 The network is described as a collaboration by the stakeholders.

P2-2 The network is described as a connection by the stakeholders.

P2-3 Stakeholders describe the networks in other ways.

P3: That the network mode of governance is dominant in the Kindergarten Cluster Management framework.

P3-1 The network mode of governance is predominant in the Kindergarten Cluster Management framework.

P3-2 The hierarchy mode of governance is predominant in the Kindergarten Cluster Management framework.

P3-3 The market mode of governance is predominant in the Kindergarten Cluster Management framework.

The fourth question is related to the factors that affect networking in the KCM framework. The literature mentions four factors: 1) individual and organization's capacity; 2) partnership lifecycle; 3) stakeholder management; and 4) successful partnership elements.

P4: that individual and organizational capacity, partnership lifecycle, stakeholder management and successful partnership elements affect networking in the Kindergarten Cluster Management framework.

P4-1 Individual capacity affects networking in the KCM framework.

P4-2 Organizational capacity affects networking in the KCM framework.

P4-3 Different modes of governance predominate at different period of KCM phase.

P4-4 Kindergarten cluster managers' stakeholder management strategy affects networking.

P4-5 The kindergarten cluster manager is a good facilitator when the management is successful.

P4-6 The right people are involved in the network when the management is successful.

P4-7 The purpose is clear when the management is successful.

P4-8 The process of collaboration is clear when the management is successful.

P4-9 All staff members keep high motivation when the management is successful.

The last question concerned the impact of the KCM framework.

P5: That the impacts of the Kindergarten Cluster Management framework were: 1) better participatory decision making, 2) economic efficient service delivery, 3) gaining the better knowledge, 4) responsive management services and, 5) accountable management service.

P5-1 If the kindergarten cluster management is performing well, better participatory decision making resulted than would have been possible through the actions of single organization.

P5-2 If the kindergarten cluster management performs well, more services are provided than would have been possible through the actions of a single organization.

P5-3 If the kindergarten cluster management performs well, better knowledge of early childhood services is acquired than would have been possible through the actions of a single organization.

P5-4 If the kindergarten cluster management performs well, the management services are more responsive to the stakeholders than would have been possible through the actions of a single organization.

P5-5 If the kindergarten cluster management performs well, the management services are more accountable than would have been possible through the actions of a single organization.

5.6 Summary

This chapter established a conceptual and a theoretical framework for this study. In order to establish the conceptual framework, this study firstly reviewed key theories. Those concepts were derived from the literature study and transformed into dependent and independent variables. The relationships between those variables are displayed in the theoretical framework. During the process of developing the variables, the key theories were applied to the Kindergarten Cluster Management context that is the focus of this study.

After reviewing the key theories, the research objectives and questions were formulated. Hypotheses were developed in order to test the validity of the theoretical framework.

The next chapter presents the details of the research methodology adopted in this study.

Chapter 6: Research Methodology

6.1 Introduction

This chapter describes the principles underlying the selection of the methodology used in this study. The philosophy and theory are discussed in Section 6.1. Section 6.2 describes the application of the principles to the current study.

All research needs a philosophical foundation, in other words 'a basic set of philosophical beliefs' (Ticehurst and Veal, 1999 p.25), since the foundation guides how the research should be designed and conducted. The term 'paradigm' is used to express this basic set of philosophical beliefs (Creswell and Plano Clark, 2007; Cavana et al., 2001). Cavana et al. (2001) categorized the various beliefs under three paradigms: 'positivist, interpretivist and critical research' (p.8).

Positivist research has its origin in natural science, therefore, the human world of social science has several features in common with the former. Positivist research usually involves quantitative data collection followed by a rigorous validation and analysis of data by means of statistical applications. Positivist research is conduced 'to identify a set of universal laws that can be used to predict general systems of human activity' (Cavana, Delahaye and Sekaran, 2001, p.8).

While positivist research assumes that all people share a set of universal laws, interpretivist research assumes that 'the world is largely what people perceive it to be' and reality is 'socially constructed' (Cavana, Delahaye and Sekaran, 2001, p.9). Hence, the purpose of interpretivist research is to identify 'what is meaningful to each individual being investigated and becomes fully involved with these individual subjects' (Cavana, Delahaye and Sekaran, 2001, p.9). This study adopted the interpretivist research paradigm as it applied a case study research method that involved the collection of qualitative data.

Research design is 'a logical plan for getting' (p.28) from the initial research questions to their conclusions. Certain steps are taken to derive the answers to the research questions: collecting, analyzing and interpreting the relevant data (Yin, 2014). In order to develop 'a logical plan' (Yin, 2014, p.28) for the research, the researcher is required to choose rational decision-making including the purpose of study, the study setting, the extent of researcher interference, the time horizon and the unit of analysis. Other considerations when designing and conducting research are sampling design, data collection methods, measurement of variables and data analysis methods (Cavana, Delahaye and Sekaran, 2001). These are discussed in the following sections.

6.2 Research design and planning

Ahead of selecting the research method to be used, the researcher has to consider the purpose of the study and the type of investigation (Cavana et al., 2001).

This study attempted to describe the characteristics of variables and the nature of the relationships between them so as to determine: 1) the main reason that Victorian local governments developed networks, 2) how those networks work for local governance, 3) the main factors that affect network development, 4) initial impact of networking and 5) long-term impact of networking on the quality of local governance. In view of this, the study adopted a 'descriptive study' approach (Canava et al., 2001, p.109). Meanwhile, this study followed the path of 'clarification investigation', 'correlational investigation' and 'causal investigation' (Cavana et al., 2001, p.113). This study was conducted in a natural and normal environment and the researcher's interference was minimal; hence, this research was conducted in 'non-contrived setting' (p.117) and was a cross-sectional study (Cavana et al., 2001, p.121).

6.3 Case study

As discussed above, this study was descriptive and included 'why' and 'how' questions; also the researcher focused on a contemporary event without control. Hence, this study chose a case study as the research method (Yin, 2014).

6.3.1 Definition of Case study

This study adopted the definition of a case study suggested by Yin (2014; 2003), who introduced several applications of a case study to empirical research that were appropriate for this case study. They are: 'to explain the presumed causal links in real-life interventions' and 'to describe an intervention and the real-life context in which it occurred' (2003, p.15).

The definition of a case study developed by Yin (2014) is given below:

A case study is an empirical inquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident (p.16).

A case study inquiry copes with the technically distinctive situation in which there will be many more variables of interest than data points, and as one result relies on multiple sources of evidence, with data needing to converge in a triangulating fashion, and as another result benefits from the prior development of theoretical propositions to guide data collection and analysis (p.17).

A case study approach was selected since it can elicit richness and depth in detail and context that provides the reader with meaning and facilitates understanding (Patton 2001).

6.3.1.1 Components of research design

Yin (2014) refers to five components of research design in order to avoid a situation where the research data does not address the initial research questions. They are: 'case study questions', 'propositions', 'units of analysis', 'logic linking the data to the propositions' and 'criteria for interpreting the findings' (Yin, 2014, p.29).

The research questions and propositions are addressed in Chapter 5 which presents the conceptual framework.

The third component, 'units of analysis' is 'the case' chosen for a study such as an individual person, small group, organization or a particular event (Yin, 2014, p.31). Deciding the case requires two different steps: 'defining the case and bounding the case' (Yin, 2014, p.31). The initial research questions and study propositions help with defining the case and the relevant data to be collected (Yin, 2014).

The research questions for this study were:

1. Why did Victorian local governments introduce the Kindergarten Cluster Management framework?

2. How are the networks described by the Kindergarten Cluster Management stakeholders?

3. Which mode of governance works in the Kindergarten Cluster Management framework?

4. What are the factors that affect networking in the Kindergarten Cluster Management framework?

5. What is the impact of the Kindergarten Cluster Management framework?

The propositions of this study were:

P1: Victorian local governments introduced a network form of local governance in order to improve their efficiency and the quality of democracy. Also, those decisions were affected by the Victorian Government's social policy: the Kindergarten Cluster Management framework.

P2: The stakeholders in the Kindergarten Cluster Management framework - a kindergarten cluster manager, local government staff member and kindergarten staff member - describe the networks as collaboration.

P3: The network mode of governance predominated in the Kindergarten Cluster Management framework.

P4: Individual and organizational capacity, partnership lifecycle, stakeholder management and successful partnership affect networking in the Kindergarten Cluster Management framework.

P5: The impacts of the Kindergarten Cluster Management framework are: 1) better participatory decision-making, 2) economic and efficient service delivery, 3) acquiring better knowledge, 4) responsive management services and 5) accountable management service.

The fourth component, 'logic linking the data to the propositions', is related to the data analysis. The researcher is required to analyze, combine and assemble the case study data 'as a direct reflection of the initial study propositions' (p.36) (Yin, 2014). Hence the data analytic strategy corresponded to ways of 'logic linking the data to the propositions'. The data analysis technique is discussed in section of 6.7: Data analysis strategy.

The fifth component is 'criteria for interpreting the findings'. Yin (2014) introduced the role of rival explanations, stating that in case studies, identifying and addressing diverse explanations for the study findings will 'become a criterion for interpreting the findings' (Yin, 2014, p.36). 'Rival explanation'

is 'a plausible alternative – different from a study's originally stipulated propositions – for interpreting the data or findings in a case study' (Yin, 2014, p.240). By means of addressing and rejecting the rival explanations, the findings from the study are validated. This is discussed section 6.7: Data analysis strategy.

6.3.1.2 Role of theoretical propositions

Yin (2014) strongly recommended developing theoretical propositions prior to undertaking the fieldwork for the data collection. The development of a theoretical proposition, or a 'preliminary theory' (p.37), differentiates a case study from other qualitative research based on ethnography and grounded theory. A theoretical proposition is a 'hypothetical theory' that is a 'story about why acts, events, structure, and thoughts occur' (p.38) and represents key issues or practical matters in the planned study (Yin, 2014). Hence, the role of a theoretical proposition is to address what is being studied and to help determine the data to be collected. A theoretical proposition must be simple and clear and 'a sufficient blue print for the study' (Yin, 2014, p.38).

The theoretical propositions developed in Chapter 5, and also mentioned in section 6.3.1 of this chapter, met the criteria recommended by Yin.

6.3.2 Multiple-case design

Yin (2014) separates multiple-case design that has two or more cases in the same study from single-case design that has a single case in the whole study. The single-case design is appropriate for situations that are 'a critical, unusual, common, revelatory and longitudinal' (Yin, 2014, p.51).

Multiple-case design has a 'distinct advantage' (p.57) in that the evidence from multiple-case design is considered stronger, and the overall study is regarded as more vigorous. Meanwhile, the disadvantage of the multiple-case design in comparison to the single-case design is that it required extensive resources and time. The case study which involves more than one unit of analysis in a single case is called an embedded case study (Yin, 2014).

Replication logic is applicable to multiple-case design as well as to multiple experiments (Yin, 2014). Replication logic is explained as: 'upon uncovering a significant finding from a single experiment, an ensuing and pressing priority would be to replicate this finding by conducting a second, third, and even more experiments' (Yin, 2014, p.57). In order to apply replication logic, the researcher selected

a certain numbers of cases that, it was anticipated, would show similar results (literal replications) and cases that were supposed to show contrasting results for anticipatable reasons (theoretical replication) (Yin, 2014).

For this research, an embedded multiple-case study approach was chosen, taking replication logic into consideration when selecting the research samples. The section discusses the replication approach to the multiple-case study.

6.3.3 Multiple-case study procedure

This study followed the 'replication approach' (p.59) to conduct a multiple-case study whereby the researcher collected data from each participant, and wrote individual reports for each case with the purpose of comparing the results(Yin, 2014). The cases was carefully selected so that some of them were predicted to show similar results known as 'literal replication' (p.57) while the remainder were predicted to show contrasting results termed 'theoretical replication' (p.57). Following the analysis of the literal replications and theoretical replications, the researcher drew cross-case conclusions and wrote the cross-case report.

The next section explains each phase of the replication approach adopted in this study.

6.3.3.1 Literature search

As was discussed in section of 6.3.1.1 concerning the research design, developing research questions and theoretical propositions is crucial to a successful case study.

For this reason, the first phase was the literature review or literature search. The literature review is an important step for several reasons: not only for defining research questions and establishing theoretical propositions, but also for developing a theoretical framework and establishing the variables for the study. This process is also essential as a preliminary data-gathering tool (Cavana et al., 2001). This study used various resources to collect information including books, academic journals, periodicals published by Municipal Association of Victoria and Kindergarten Cluster Management organizations, government publications such as annual reports in both electronic and printed forms, and government census records.

These materials referred to public governance, corporate governance, public-private partnerships, governance theory, resource dependency theory, public choice theory, new public management philosophy, New Institutional Economics, stakeholder theory and Victorian State Government's social policy frameworks such as Fairer Victoria and the KCM framework.

Following the literature review, five main research questions and five theoretical propositions were developed.

6.3.3.2 Select cases

The second phase of this study was case selection. The primary objective of this study was to understand the networks established for kindergarten management services in the local council that consist of various relationships among primary service stakeholders. For that reason, the cases chosen for this study were those councils that had adopted the kindergarten cluster management framework. As this study applied a multiple-case approach, several cases were selected.

This study took a five-phase approach to screen the candidate cases. The first phase involved the collection of relevant data for an entire pool of possible candidates – the Victorian local councils eligible to be a KCM organization. The units of analysis were the managers and primary stakeholders of the kindergarten management service: kindergarten cluster managers, local council members and kindergarten teachers and ancillary staff. The researcher collected information from central sources such as Victorian Government publications and any materials regarding KCM from the Victorian DEECD. In the second phase, the collected information was examined and interpreted. The criteria for screening the candidate cases were established in the third phase. The fourth phase involved screening and reducing the number of candidates. In the final phase, four cases were chosen. In order for the researcher to select the cases, individual subjects - managers, local council members and kindergarten staff members, who worked for the selected local councils - were contacted in order to ascertain their interest and invite them to participate in the study.

The process of case selection is explained in more detail in section 6.5: Selection of cases.

6.3.3.3 Design of data collection strategy

The third phase concerned the data collection strategy. There are multiple options available for the collection of data in a case study research, such as 'documentation, archival records, interviews, direct

observations, participant-observation, and physical artifacts' (p.105) each of which has strengths and weaknesses (Yin, 2014).

The documentary information that includes administrative documents, news clippings or formal studies related to the study is relevant to every case study topic (Yin, 2014). The documentary information is not always accurate and can be biased. Therefore, when selecting documents, the researcher should carefully consider their reliability. Moreover, and most importantly, document information is used to corroborate and increase the value of evidence from other data sources. Yin (2014) mentions three functions and strengths of documentary data: 1) verifying the correct spellings, titles and names mentioned in an interview; 2) corroborating information from other sources; and 3) inspiring inferences for further investigation. This study collected documentary information prior to and after the field work was conducted.

The interview is one of the most important sources of case study evidence (Yin, 2014). The interviews can be either structured or unstructured. In an unstructured interview, the researcher starts the interview without a planned sequence of questions for the interviewee, but rather, with an initial open-ended question. The purpose of the unstructured interview is to discover some preliminary issues so that the researcher can decide what variables need further investigation (Cavana et al., 2001). A structured interview is conducted when the researcher knows what information is needed. In a structured interview the researcher is with a list of predetermined questions which are carefully ordered and worded. Those questions are asked in exactly the same way and in the same order at each interview. A structured interview enables the researcher to compare and note the differences in the interviewees' responses to the questions being measured (Cavana et al., 2001).

When the interview is planned, the researcher considers whether 'prolonged case study interviews', 'shorter case study interview' or 'survey interviews' is the most advantageous (Yin, 2014, p.110). The prolonged interviews take place over two or more hours in a single or multiple settings, while the shorter case study interviews last about one hour or so. The aim of this shorter case study interview is to corroborate certain findings that the researcher has already discovered; for this reason, the researcher does not divert to other broad open-ended topics. Another type of case study interview is the survey interview in which the research uses a structured questionnaire (Yin, 2014).

Since this study established theoretical propositions by conducting the literature search, the purpose of the data collection was to indicate whether or not the propositions were supported. Hence, short, structured interviews were conducted for the purpose of data collection.

Surveys

Yin (2014) stated that a survey interview uses a structured questionnaire. However, De Vaus (2002) argues that in a survey research, the data can be collected not only by a structured questionnaire but also through interviews or by examining each case. Indeed, De Vaus (2002) emphasized that 'there is no necessary connection between questionnaires and survey research' (p.4). This study adopted the De Vaus definition of a survey research.

The features of survey research proposed by De Vaus (2002) are related to the form of data and the methods used for data analysis. The data collected for a survey research is systematically placed in a data grid that allows the data to be compared at a glance. A survey systematically records the responses (or characteristics in De Vaus, 2002) of case study participants. The researcher meticulously compares the various responses from the individual cases regarding the variables. In other words, the researcher determines whether the responses from participant A systematically differ from those of participant B (De Vaus, (2002). De Vaus (2002) states that the distinguishing feature of the survey research analysis is that it fundamentally relies on comparing cases. This study conducted structured interviews using a questionnaire and question sheets.

6.3.3.4 Conduct interviews

The fourth case study phase is the data collection process. This study conducted interviews with twelve interviewees who were the most important source of data for this study.

Since, in a case study, the data are collected by people or institutions in their everyday situations and in the real-world context, the researcher has no control over the data collection environment. Hence, Yin (2014) suggests the inclusion of the following five major tasks when planning the data collection. They are (Yin, 2014, p.89):

- gaining access to key organizations or interviewees;
- having sufficient resources to conduct comprehensive fieldwork;
- developing a procedure for calling for assistance and guidance;
- creating a clear and feasible schedule for the data collection activities; and
- providing for unanticipated events, including changes in the availability of interviewees.

Prior to conducting the interviews, the researcher prepared a list of cases, a questionnaire and an interview sheet.

Firstly, the researcher contacted appropriate interviewees who were considered as key persons to develop a network in KCM policy frameworks in which there were three different stakeholder groups: local government employee, kindergarten cluster manager and kindergarten teacher. The researcher made sure that the selected respondents consented to participate in this research project. After receiving their consent, the researcher arranged for either a face-to-face or a telephone interview.

Secondly, the data collection was carried out. This study conducted semi-structured interviews using a questionnaire and question sheets.

The first step in an interview is the 'entrance time' (p.138) during which the researcher encourages the interviewee to lower any natural barriers that would prevent them from disclosing information (Cavana et al., 2001). Once the interviewee has reached 'the rapport zone' (p.138), the actual interview can begin (Cavana et al., 2001). The sequence of the interviews for this study was the 'inverted funnel sequence (p.143) that 'started with a closed question and the questions then became broader' (p.143) (Cavana et al., 2001). During the closed questions stage, the interviewee recorded the answer on a measurement scale questionnaire. During this stage, the researcher reminded the interviewee of the significance of each questionnaire item.

The interview consisted of four parts: 1) the subject of networking by local government, 2) follow-up questions regarding the subject of networking, 3) information about the interviewee and his/her organization's governance structure and 4) information about the organization that can possibly be found through a search of documents and archives. Because the interview time was limited and the interview could not last more than one hour, questions had to be prioritized. The questions regarding the subject of networking by local government were the most important and significant for this study; hence, the interview began with those questions. The first part of the interview consisted of 165 questions categorized under twelve sections. All questions had measurement scales. Once the first part of the interview was over, the researcher moved to the second part of the interview to confirm the responses and determine the reasons for the interviewees' selection of particular responses. An example of a question in the second part is given below:

The section 2 asks about the relationships between actors. I would like to confirm your answer is 'collaboration'. Could you please explain how those actors collaborate?

Following the second part of the interview, the researcher moved to the third part of the interview and captured the personal information of the interviewee and the governance structure of the organization. Two examples of questions in the third part are:

Could you please state your position?

How long have you been working in this section?

For the final part of the interview, participants were asked questions regarding the organization's situation working with Kindergarten Cluster Management framework. An example of a question in the final part is:

Which DEECD (Department Education and Early Childhood Development) region does your organization belong?

With their permission, the interviewees' responses were recorded using an audio device. During the second, third and final parts of the interview, the researcher took notes and confirmed what the interviewee had said, and also ensured that the researcher understood those interviewees' responses correctly.

Appreciative inquiry

This study used the appreciative inquiry (AI) approach for the data collection. Appreciative Inquiry (AI) has evolved as an organizational development approach (Patton, 2002) that focuses on 'affirming past and present strengths, successes and potential' (Cooperrider and Whitney, 2005, p.7). Patton stated that 'AI is grounded in qualitative understandings and prescribes a particular process of qualitative inquiry' (2002, p.181).

AI consists of a cycle of activities known as a 4-D cycle: discovery, dream, design and destiny. The first stage concerns the discovery that emerges from an appreciative interview. The researcher's intervention throughout the appreciative interview is to ask unconditionally positive questions (Cooperrider and Whitney, 2005). This activity was used in this study.

6.3.3.5 Creating a case study database and synthesis of individual cases

Both close ended questions and open ended questions were used for the interviews, enabling the study to develop convergent evidence that strengthened the construct validity of the study (Yin, 2014).

In the fifth phase, the interview data were organized in a Microsoft Excel Worksheet and documented using Microsoft Word so that the researcher could use them later as a case study database.

The organized and documented data were synthesized in word tables for cross-case analysis.

This study had twelve interviewees comprising local government employee, kindergarten cluster managers and kindergarten teachers from four different local council areas. Hence, there were two ways for grouping those interviewees for cross-case analysis: according to local areas and according to roles of the interviewees.

6.3.3.6 Analysis of multiple cases and conclusion

This study had four cases with two to four interview subjects for each case. Before comparing answers and relating them to the research questions, the researcher analyzed and reported on the results.

The last phase of the case study involved cross-case analysis enabling conclusions to be drawn before the writing of the final report.

In order to draw conclusions from this multiple-case study, the researcher used 'multi-case synthesis' (p.164) and 'pattern matching' (p.143) as an analysis technique (Yin, 2014). Pattern matching is the most appropriate technique for case study analysis in which an empirical-based pattern is compared with a predicted pattern that is established before the data collection (Yin, 2014).

Rival independent variables as a pattern

In order to answer research questions 1: 'Why did Victorian local governments introduce KCM framework?' and 4: 'What were the factors that affect networking in kindergarten cluster management?' the researcher developed rival theoretical propositions that included independent variables.

The rival independent variables and predicted independent variables are mutually exclusive so that if the description of one is to be valid, the other one cannot be.

114

Nonequivalent dependent variables as a pattern

The researcher developed nonequivalent propositions that included a dependent variable in order to answer research question 55: What is the impact of the Kindergarten Cluster Management framework?

This study predicted five outcomes of networking for local governance: 1) improved efficiency of governance, 2) better democratic governance, 3) increased knowledge for better provision of services, 4) better responsiveness to the stakeholders and 5) increased level of accountability. These five outcomes are discussed in section 5.5: Proposition development.

SPSS (Statistical Package for the Social Science)

SPSS is a statistical package for the analysis of quantitative data. SPSS is used for 'frequencies analysis' (p.405) and 'chi-square test' (p.422) (Cavana et al., 2001).

The frequencies show the number of respondents in each category against the total number of respondents. Also, the frequencies indicate how the respondents answered each question (Cavana et al., 2001).

The chi-square test shows whether the various nominal variables are related or whether they are independent of each other. SPSS was used to analyze the questions in part one of the interview.

Content analysis

Content analysis is the technique used to identify the themes that emerge from the raw data. In other words, this technique classifies the patterns that have emerged from the research data by means of coding and categorizing (Cavana et al., 2001).

There are two ways by which the themes are identified: 'in an inductive' or a 'deductive way' (p.83). With induction, the process of coding the data is not 'trying to fit into a preexisting coding frame' (p.83); hence, the identified themes are linked to the data themselves (Braun and Clarke, 2006).

On the other hand, with deduction, the researcher's theoretical interest guides the data analysis and the researcher 'code(s) for a quite specific research question' (Braun and Clarke, 2006, p.84).

In this study, content analysis was used for analyzing qualitative data from part two of the interview. The researcher developed a thematic framework relating to the research questions and analyzed the

data from the interview deductively where each sentence or clause was placed into one of the categories of predetermined themes.

6.4 Quality of case study

The quality of a case study can be judged by determining whether the measuring instruments such as a set of questions indeed measure the variables as they are supposed to, and whether the measurement is accurate (Cavana et al., 2001). This section firstly discusses the reliability and validity of a study and then discusses the tactics this study applied to improve the reliability and validity. Following Yin (2014), this study deals with 'construct validity', 'internal validity', 'external validity' and 'reliability' (p.45) that include trustworthiness, credibility, confirmability, and data dependability.

6.4.1 Reliability

Reliability concerns the stability and consistency of measurement. Hence, 'reliability tests how consistently a measuring instrument measures a particular concept' (Cavana et al., 2001, p.210). Where the measurement is reliable, the researcher will 'obtain the same result on repeated occasions' (De Vaus, 2002, p.52). Cavana et al. (2001) argued that the researcher's bias and error decrease the reliability of a study. Additionally, De Vaus (2002) stated that badly worded questions and poor selection of interviewees produce unreliable measurements.

Conversely, the reliability of a study will improve if researcher bias and error is reduced, the questionnaire items are worded well, and the interviewees are carefully chosen. As mentioned previously, this case study followed Yin's (2014) case study protocol and developed a case study database during the data analysis phase.

6.4.2 Validity

Validity means that the measuring instrument measures the right concept, and not something else. This study used 'construct validity' 'internal validity' and 'external validity (Yin, 2014, p.45; Cavana et al., 2001, pp.212-213).

Construct validity ensures that the results obtained from operating the measuring instruments accurately correspond to the theories being studied (Yin, 2014; Cavana et al., 2001). With the purpose of confirming the construct validity this study used multiple sources of evidence as the data were collected from a questionnaire with closed questions and from conducting interviews with open questions. Also, the review of a draft report by the key informants was arranged (Yin, 2014).

Internal validity is concerned with establishing the cause and effect relationships in which certain conditions lead to other conditions (Yin, 2014; Cavana et al., 2001). In order to improve internal validity, this study conducted pattern matching and addressed rival explanations during the data analysis phase (Yin, 2014).

External validity applies the generalizability of the measurement to the external environment beyond the immediate study (Yin, 2014; Cavana et al., 2001). This study was multiple-case study and used replication logic to ensure the external validity (Yin, 2014).

6.5 Selection of cases

The interest of this study is local governments' networking for governance. Hence, the selected cases were local councils which had a networking policy framework. Given that a network is a collection of relationships, the unit of analysis for the embedded case study was each actor in those relationships that formed the networks.

The KCM policy framework was chosen as an example of local governments' networking governance. KCM was a Victorian government's policy framework that merged community-managed kindergartens under a single management organization (kindergarten cluster manager).

In August 2009, 52 kindergarten cluster managers were in operation with 591 funded kindergarten programs. Those KCM organizations could be classified into four types: 1) local government, 2) community service organization, 3) amalgamated model and 4) federated model. According to a 2009 report by Department of Education and Early Childhood Development (DEECD), 25 local council cluster managers (16 rural and 9 metropolitan) operated with 253 kindergarten programs, 10 community-based organization cluster managers (3 rural and 7 metropolitan) operated with140 kindergarten programs, 4 amalgamated-model cluster managers (3 rural and 1 metropolitan) operated with 18 kindergarten programs and 13 federated model cluster managers (11 rural and 2 metropolitan) operated with 180 kindergarten programs (2009).

The State of Victoria has nine regional areas and each region has a regional DEECD office. The nine regional areas are: Eastern metropolitan region, Northern metropolitan region, Southern metropolitan region, Barwon south western, Grampians region, Gippsland region, Hume region, Western metropolitan region and Loddon Mallee region.

Specifications established by the DEECD require kindergarten cluster managers to develop relationships with different stakeholders: 1) Victorian Government regional office, 2) families and parent committee of kindergarten location, 3) staff members and teachers of kindergarten locations, 4) local government, 5) other local organizations providing early childhood services, 6) other kindergarten cluster managers and 7) community people and local schools. This study considered: 1) local government employees, 2) Victorian Government regional officer, 3) families and parents committee of kindergarten location, and 4) staff members and teachers of kindergartens as primary stakeholders, although this study collected the data from kindergarten cluster managers, local government staff members and kindergarten teachers or ancillary staff.

Since this study was investigating the networking activities of local governments, the population sample used for the purpose of data collection comprised local council kindergarten cluster managers and their primary stakeholders who were local government employees and kindergarten teachers. Purposive sampling was used for this study as the researcher investigated specific target groups that were in the best position to provide the relevant information (Cavana et al., 2001).

In order to choose appropriate interview subjects, the researcher contacted the Office of Children and Portfolio Coordination of the DEECD and requested and received a list of KCM organizations in the State of Victoria in March, 2013. The information given by the DEECD included: 1) name of the local council area, 2) number of eligible kindergartens that were not in KCM, 3) number of the kindergartens that were not in KCM and provided services in council-owned facilities, 4) number of kindergartens that were managed by a KCM organization, 5) type of KCM organizations, 6) name of KCM organizations in the local council area, 7) number of eligible kindergartens that were managed by KCM organizations and 8) number of kindergartens that were managed by KCM organizations and provided services in council-owned facilities. The KCM organizations in this list were divided into four categories: 1) Community Service Organization (CSO) type, 2) Local government (LG) type, 3) KCM only type and 4) school type.

There were 72 KCM organizations providing kindergarten services in 2013. Details of KCM organizations are shown in Table 6.1: 26 LG-type KCM organizations, 31 CSO-type KCM

organizations (*the CSO that had four branches was counted as four CSOs), 13 KCM only type and two school type KCM organizations.

Table 6.1: Number of KCM organizations in 2009 and in 2013

KCM organizations in 2009

Type of KCM organizations	No. of KCM organizations	Ratio to whole
Local Government	25	48.1%
Community Service Organization	10	19.2%
Amalgamated	14	7.7%
Federated	13	25%
Total number	52	

KCM organizations in 2013

Type of KCM organizations	No. of KCM organizations	Ratio to whole
Local Government	26	36%
Community Service Organization	31	43%
KCM only	13	18%
School	2	3%
Total number	72	

Source: Data from DEECD; Developed by the researcher

As the table shows, the growth of the CSO-type KCM organization is apparent. In contrast, the ratio of LG-type KCM organizations decreased. Moreover, while LG-type KCM organizations provided services in 28 local council areas, CSO-type KCM organizations provided the services in 59 local council areas. Accordingly the researcher could assume that CSO-type KCM organization's role had been expanding across the state of Victoria and possibly CSO-type KCM organizations took over the responsibilities from LG-type KCM organizations. Thus this research paid attention on CSO-type KCM organizations' performance as well as LG-type KCM organizations.

There were 79 local councils in 2013 when the data was collected (that is the same as in 2016). Four (5%) of the 79 councils did not have any KCM organization in their local council areas. The structures of the KCM organizations in 75 councils varied. Hence, the researcher created an excel file and classified the structures of KCM organizations and counted the number of local councils that consisted of different types of structures. Ten different types of structures emerged, seven of which were comprised of a combination of entities: 1) school type, 2) CSO-type, 3) LG- type, 4) KCM only

type, 5) School type and CSO type, 6) CSO-type and LG- type, 7) CSO-type and KCM only type, 8) LG-type and KCM only type, 9) LG- type, KCM only type and CSO-type and 10) LG- type, CSO-type and school type. The number of local councils and the patterns of the combination of KCM organizations are shown in Table 6.2.

Table 6.2: Various KCM structures and number of local councils

	Structures of KCMs	Number of local councils		Pattern of assorted KCMs	Number of local councils
1	School	2	6	CSO and local government	14
2	CSO	23	7	CSO and KCM only	16
3	Local government	7	8	Local government and KCM only	2
4	KCM only	5	9	Local government, KCM only and CSO	4
5	School and CSO	1	10	Local government, CSO and school	1

Source: Data from DEECD; Developed by the researcher

Because this study focused on local governments' networking activities and examined the CSO's performance, during the search for potential respondents, the researcher selected the councils from the pattern numbers 6, 8, 9 and 10 that included both LG-type KCM organizations and CSO-type KCM organizations. Also, given that this study would carry out face-to-face interviews, the cases were selected from councils in the local metropolitan area. Hence, the four councils selected for the case study were: Banyule City Council, Moonee Valley City Council, Port Phillip City Council and Wyndham City Council.

Yin (1994, p. 36) argues that case studies rely on an "analytical" approach (rather than statistical generalisation) and so the findings may be generalised to the domain of a theory or model rather

than to the population. Here the ideas, concepts or patterns that have come from a comprehensive understanding of cases studied in a particular environment can be applied in other situations (Collis & Hussey 2003). This study is about gathering, analysing, and interpreting data in order to inform debate, practice, theory and further research, so it is compatible with the concept of analytic generalisation in which ideas are generated. The four cases studied (and multiple objects within those) is an appropriate number where that richness and depth in detail is sought rather than generalisation to a population.

The respondents for the interview were: a local council member, 5 local council members who served as kindergarten cluster managers as well, 2 community service organization type kindergarten cluster managers and 4 kindergarten staff members. One of the kindergarten teachers could not be interviewed face-to-face, but answered only the questionnaire. In all, twelve respondents were interviewed.

The number of respondents was appropriate considering that qualitative research tends to collect a large amount of rich information from relatively few participants (Cavana et al., 2001).

Potential respondents received a letter explaining the purpose, significance and the procedure of this research. After confirming the interest of the potential respondents, the researcher asked them to consent to an interview. The individual was considered to be a representative of his/her organization.

6.6 Questionnaire design

When designing the data collection strategy, the researcher decided to carry out structured interviews which took less time. Hence, the interview was conducted strategically according to four parts: 1) the subject of networking by local government, 2) follow-up questions regarding the subject of networking, 3) information about the interviewee and the governance structure of his/her organization, and 4) information about the organization, as was mentioned in section 6.3.3.4 on the conducting of interviews.

This section discusses the design of the questionnaire which was the chosen measurement instrument. In this research, there were three different groups of interviewee respondents: kindergarten cluster manager, kindergarten staff members, and local government employees. In this research, they were called the primary stakeholders. In order to analyze the different opinions elicited from the various

respondent groups regarding dyadic activities between primary stakeholders, three different types of questionnaires were used that all had the same structures.

6.6.1 Part 1: The study of networking by local government

The instrument used for part one of the interview was a questionnaire that consisted of 12 sections with 165 close-ended questions. This part was the largest and was intended to collect the most significant information from the interviewees.

Section 1 was designed to answer research questions 2 and 3 that were stated in Chapter 5, 5.4. There were 17 questions that asked who was responsible for a particular task such as 'maintaining staff's wellbeing and work conditions' with the purpose of understanding the task-sharing among the primary stakeholders. Section 1 mentioned 17 tasks that were derived from the online resource published by several Victorian kindergartens.

Section 2 was designed to answer research question 2: *How are the networks described by the Kindergarten Cluster Management stakeholders?* This question examined the collaboration between the stakeholders and kindergarten cluster managers. The stakeholders were: kindergarten cluster manager, kindergarten staff members, parents' committee, parents, community, local government preschool coordinator, local government Municipal Early Year Plan (MEYP), Victorian Government, other kindergarten cluster managers, community organizations, for-profit organizations, Early Learning Association Australia (ELAA), Municipal Association Victoria (MAV), community people and schools. Each question asked whether the bilateral relation was 'collaboration', 'connection', 'other relation', 'no relation' or 'unknown'.

A 'checklist response format' (p.104) was adopted for sections 1 and 2 that offered a list of answers from which the interviewee could select a response (De Vaus, 2001).

Section 3 was designed to answer research question 1: (*Why did Victorian local governments introduce the Kindergarten Cluster Management framework?*) and was intended to determine whether the kindergarten cluster management framework was introduced into the respondent's organization in order to improve economic efficiency or to increase the level of participatory decision making. Also, the statements in this section examined whether the Victorian Government had influenced the decision to adopt Victorian Government a network form of governance. These

statements were derived from the theory proposed by Shah (2006) based on the idea of the traditional fiscal federalism approach regarding roles and responsibilities of local governments.

Also, section 3 sought the respondents' opinions regarding an ideal network size. This information addressed research question 3: *Which mode of governance works in the Kindergarten Cluster Management framework?* Dollery and Wallis (2001) mention two types of network for governance: 'policy community' and 'issue network' (pp.130 -131) that were proposed by Marsh and Rhodes (1992). These networks are distinguished by characteristics such as number of participants, frequency of interaction and distribution of resources (Dollery and Willis, 2001). In the literatures, the difference between those two types of networks relates to and impacts on the mode of governance; for instance, the hierarchy mode of governance emerges in the form of 'policy community' (Marsh and Rhodes, 1992, p.130).

The last statement of section 3 asked whether the MEYP affected kindergarten services. This information also addressed research question 3. Kindergarten Cluster Management policy framework (DEECD, 2009) organized by the Victorian State Government required that the managers link to MEYP.

From section 3 to section 12, the Likert scale was used to examine all statements in these sections.

Section 4 addressed research questions 1 (*Why did Victorian local governments introduce Kindergarten Cluster Management framework?*) And 5 (*What was the impact of the Kindergarten Cluster Management framework?*). This section examined whether the kindergarten management services and kindergarten services were provided through participatory decision-making and whether the process of developing the Municipal Early Year Planning included the kindergarten stakeholders.

Section 5 was designed to answer research question 4: *What are the factors that affect networking in the Kindergarten Cluster Management framework?* This section examined the factors, such as individual capacity, that affected networking activities. Section 5 statements 1, 2, 3 and 4 asked whether individual capacity affected collaborative working and statement 5 asked whether an organization's capacity affected their collaboration. These statement s were based on the theory proposed by Sullivan and Skelcher (2002) whereby successful collaborating activities require individual and organizational capacity. Section 5 was intended to determine whether the relationships had been changed among the stakeholders for kindergarten cluster management. Lowndes and Skelcher (1998) maintained that partnerships go through a four-stage partnership lifecycle: 1) pre-partnership collaboration, 2) partnership creation, 3) partnership program delivery, and 4) partnership termination. At different stages of the partnership, different governance mechanisms such as

hierarchy, market, network or a combination are operating, and different types of trust are created; hence, the partnership lifecycle affects collaborative activities. Statements 7 to 16 in Section examined stakeholder management strategy by a KCM manager. In order to determine whether the KCM managers undertook the stakeholder management strategy, this research adopted the principles of stakeholder management developed by the Clarkson Center for Business Ethics (1999). There were seven principles in the list that summarized the key features of stakeholder management. However, those seven principals could not be easily transferred to the questionnaire as one principle included two or more key features. The seven principles were broken down into ten measurable features: 1) recognizing legitimate stakeholders, 2) recognizing stakeholders' interests, 3) considering stakeholders' interests when making decisions, 4) communicating openly, 5) information delivery, 6) understanding stakeholders' limited capacity, 7) balancing the needs of various stakeholders, 8) collaborating with various organizations to minimize risks, 9) being honest about potential risk and 10) communicating openly about conflicts. Section 5 included statement s that examined the existence of elements for successful partnership found by Pope and Lewis (2008) that were: a good facilitator, right people, a clear purpose, a good process and high motivation. These five elements were arranged into a cluster manager's activities such as '*The cluster manager encourages collaboration'.*

Section 6 examined the value that interviewees placed on collaborative working, economic efficiency and stakeholder's participatory decision making.

Sections 7 to 10 were designed to answer research question 3 and examined which mode of governance - hierarchy, market or network - operated in the collaborative activities of three key actors: kindergarten cluster manager, kindergarten staff members and local government employees. In order to determine the mode of governance, the researcher examined the key actors' dyadic interactions.

The features of the three governance modes - hierarchy, market and network - were derived from the literature of W. G. Ouchi (1991), Water W. Powell (1991), Lowndes and Skelcher (1998) and Dollery and Wallis (2001). The researcher extracted the features of these three modes of governance and briefly summarized them. Following that, the researcher developed a word table for contrasting, comparing and integrating those summarized features. This process was repeated several times. As a result, eight features were established along with each governance mode. The researcher selected four features for each mode of governance, giving a total of twelve features as there were three modes of governance. The selected features were appropriate for examining the relationships in public sector governance and in the kindergarten service setting. These features were abridged and operationalized

to establish statements for each mode of governance. 'Operationalizing' is a technique whereby the research constructs are broken down into observable characteristics (Cavana et al., 2001, p.188).

Section 11 was designed to answer research question 2 (*How is the network described by the Kindergarten Cluster Management stakeholders?*) and 5 (*What is the impact of the Kindergarten Cluster Management framework?*). This section was intended to examine the relationships between the kindergarten cluster manager and the local community.

Section 12, the last section of this part, was designed to answer research question 5: *What is the impact of the Kindergarten Cluster Management framework?* This section asked about the impact of collaborative relationships among the stakeholders of kindergarten cluster management in terms of: 1) increased knowledge for better service provision, 2) increased level of stakeholder participation for decision making, 3)increased responsiveness to stakeholders' needs, 4) increased level of accountability, and 5)more services with less resources.

The relationship between the section of the questionnaire and the research questions is summarized in Table 6.3 below.

Table 6.3: Relationship between the questionnaire and the research questions

Questionnaire	Relationship with the research questions	Source
Section 1	Addresses research questions 2 and 3	Online information of kindergarten parent's committees
Section 2	Directly answers research question 2	KCM policy framework
Section 3 q1-5 q6-7	Directly answers research question 1 Addressed research question 3	Local governance theory: Chapter 2, Section 2.2.1
Section 4	Addresses research questions 1 and 5	Local governance theory: Chapter 2, Section 2.2.1
Section 5	Directly answer research question 4	Network study: Chapter 2, Section 2.4.3
Section 6	Addressed research questions 1 and 5	Network study: Chapter 2, Section 2.4.1
Section 7-10	Directly answers research question 3	Local governance theory: Chapter 2, Section 2.2.1
Section 11	Addresses research questions 2 and 5	Local governance theory: Chapter 2, Section 2.2.1
Section 12	Directly answers research question 5	Local governance theory: Chapter 2, Section 2.2.1

Source: Developed by the researcher

6.6.2 Part 2: Follow-up questions

In part 2, the researcher gave the interviewee structured open-ended questions that followed up the answers given by the interviewees in part 1. These questions pertained to sections 2, 3, 4, 6 and 12. Section 2 of the questionnaire asked about the relationships between stakeholders. In the follow-up questions, the researcher asked whether the relationship could be described as collaboration, and how the actors collaborated. Also, were asked to state in their own words whether the relationship was neither a collaboration nor connection.

Section 3 of the questionnaire asked whether the Victorian Government had influenced the decision to adopt a KCM framework. In the follow-up questions, the researcher asked how the Victorian Government's social policy had affected the decision made by the interviewee's organization.

Section 4 of the questionnaire asked about participatory decision-making by the stakeholders. In the follow-up questions, the researcher asked whether the participatory decision making was important, and why the interviewee thought so.

Section 6 of the questionnaire asked about stakeholder's collaboration. In the follow-up questions, the researcher asked whether the actor's collaboration was important and the reason why the interviewee thought so.

Section 12 of the questionnaire sought to discover the advantages of collaborative relationships. Then, follow-up questions were asked to determine whether the KCM framework improved those advantages.

6.6.3 Part 3: Information of the interviewee and organization's governance structure

Part 3 and part 4 of the interview contained demographic questions and organizational information in order to confirm that the respondents had met the interview selection criteria.

Because of interview time constraints, the researcher divided these questions into two, with the questions in part 3 being given priority.

Part 3 of the interview consisted of eight questions. The first question asked the interview respondent's position. The second question asked about the internal governance structure and the third question related to the external governance structure. The fourth question concerned the infrastructure support given by the council to the kindergarten and managers. The fifth question asked how long the interviewee had been in his/her current position. The sixth question ascertained the highest education level the interviewee had achieved. The seventh question determined the interviewee's age group and the eighth question established the interviewee's gender.

6.6.4 Part 4: Information of the organization

Part 4 of the interview consisted of eight questions. The first question asked the region to which the interviewee's organization belonged as established by the Department of Education and Early Childhood Development (DEECD). The second question asked when the interviewee's organization had adopted KCM. The third question asked the reason(s) for the interviewee's organization chose KCM. The fourth question asked why the interviewee's organization had selected the particular KCM organization that was operating at the time when the interview was being conducted. The fifth question required information about the licensee of the interviewee's kindergarten. The sixth question asked about the type of kindergarten; for example, was it owned by a local government, or by a community organization? The seventh question asked the interviewee about the number of children, groups and classrooms that comprised his/her kindergarten in 2012. The last question asked about the number of kindergarten teachers and ancillary staff in 2012.

6.7 Data analysis strategies

This study adopted 'cross-case synthesis' (p.164) and 'pattern matching' (p.143) techniques in order to analyze data and answer the research questions (Yin, 2014). Demographic data was summarized in the report format that strengthened the analysis in terms of the research questions. This section discusses these techniques and the data to which they were applied.

6.7.1 Cross-case synthesis

Cross-case synthesis is appropriate for the analysis of a multi-case study. This study had four cases, so the findings would be more robust than those from a single case (Yin, 2014). This technique aggregates the data across a series of individual cases into a word table for ease of comparison.

In this study, cross-case synthesis was used to analyze the data collected from section 2 and from 7 to 10 of part 1of the interview.

The researcher established a word table for each interview section, with each row representing an interview respondent and each column representing a variable and data collected from the interview.

In the word table, the researcher grouped interview respondents according to their role in order to capture the features of the data.

The data obtained from section 2 of part 1 of the interview are displayed in Chapter 7 in Table 7.40-7.42; the data obtained from sections 7 to 10 in part 1 of the interview are shown in Table 7.43-7.47.

6.7.2 Pattern matching

As was discussed in 6.3.3.6 which presented the analysis of multiple cases and conclusions, this study used 'rival independent variables' and 'nonequivalent dependent variables' as a pattern. In order to analyze the data from sections 3 to 6 and 11 of part 1 of the interview, 'rival independent variables' were used as a pattern while 'nonequivalent dependent variables' were used as a pattern in section 12.

In order to use 'rival independent variables' for pattern matching the researcher developed word tables for each section of the questionnaire. The researcher also established rival independent variables for each proposition and included these in the word table in order to compare the interviewees' answers. For example, section 3 was designed to answer research question 1 that asked the purpose of introducing the KCM framework and the influence of the Victorian Government on KCM organizations and on kindergartens. Section 3 had five statements that addressed research question 1: 1) the influence of the Victorian Government on the local council, 2) the influence of the Victorian Government on the community organizations, 3) the influence of the Victorian Government on the kindergarten parent's committee, 4) economic efficiency as the reason for adopting the KCM framework, and 5) participatory decision making as a reason for adopting KCM.

In the table, rows contained case numbers and columns contained variables. The first row contained rival independent variables. Case numbers were placed in the second row and the columns contained the answers given by interviewees. An example of pattern matching with rival independent variables is given below.

Apropos of the first theoretical proposition stated in section 5.5 of Chapter 5, the researcher developed a rival preposition to address research question 1.

Rival theoretical proposition: the reason why Victorian local governments introduced the KCM framework was not related to improving their efficiency nor to the quality of democracy. Also, the decisions made by local governments, the community organizations and kindergartens were independent from the Victorian Government's social policy: Kindergarten Cluster Management framework.

This rival theoretical proposition included five components:

1) Improving economic efficiency for local governance was not the reason that Victorian local governments introduced the KCM framework.

2) Improving the quality of democracy was not the reason that Victorian local governments introduced the KCM framework.

3) The Victorian State Government's social policy did not encourage local governments to introduce the KCM framework.

4) The Victorian State Government's social policy did not encourage community service organizations to introduce the KCM framework.

5) The Victorian State Government's social policy did not encourage kindergartens to introduce the KCM framework.

These components were included in part 1 section 3 of the questionnaire, statements 1 to 5. A Likert scale was used to examine the extent to which the interview subjects agreed or disagreed with statements given in the questionnaire. The scale ranged from 1 for 'strongly disagree' to 5 for 'strongly agree'. Number 6 was included for those interviewees who were not in a position to make a response. If interview subjects chose 1 or 2 on the scale, the answer was transferred to the 'No' cell in the word table; if 4 or 5 was chosen, the answer was transferred to the 'Yes' cell. If the answer was 3, this was transferred to the word table as 'neither Yes nor No'. If 6 was chosen, this was recorded as 'N/A'. Table 6.4 shows a sample of the word table for pattern matching with rival independent variables as a pattern.

Table 6.4: Sample of pattern matching with rival theoretical propositions

Case no.	ID no.	Improving economic efficiency was not the reason.	Improving the quality of democracy was not the reason.	The Victorian Government's social policy did not encourage local governments to introduce KCM.	The Victorian Government's social policy did not encourage CSOs to introduce KCM.	The Victorian Government's social policy did not encourage kindergartens to introduce KCM.
1	03001909	No	No	neither Yes nor No	neither Yes nor No	neither Yes nor No
1	12002611	No	No	N/A	N/A	No
1	09302711	No	No	neither Yes nor No	N/A	N/A
		The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is not denied; therefore the proposition is **not supported**.	The rival proposition is not denied; therefore the proposition is **not supported**.	The rival proposition is not denied; therefore the proposition is **not supported**.

Source: Interviews with interview subjects; Developed by the researcher

In order to analyze the data in section 12, the researcher established 'nonequivalent dependent variables' as patterns. Section 12 had five statements; two of them asked about the initial impact of the networking and the other three asked about the long-term impact of the networking. The elements of the two statements were assembled and the researcher developed four patterns of nonequivalent dependent variables; for the other three statements, the researcher developed eight patterns of nonequivalent dependent variables. The researcher developed a word table where the rows showed nonequivalent patterns and the ID number of the interview subjects. In the columns nonequivalent dependent variables were addressed. A sample of pattern matching with nonequivalent dependent variables is given below.

Statements 1 to 5 in Section 12 asked about the impact of networking on the KCM framework. The researcher identified five components of the theoretical proposition addressed in Section 5.5 of Chapter 5: Proposition development:

Component 1: the research shows that the KCM framework has led to better participatory decision making.

Component 2: the research shows that the KCM framework has increased the level of efficiency in the service provision.

Component 3: the research shows that the KCM framework has increased the level of knowledge of early childhood services.

Component 4: the research shows that the KCM framework has increased the level of responsiveness to the stakeholders of the kindergarten services.

Component 5: the research shows that the KCM framework has increased the level of accountability in the kindergarten service management.

After combining components one and two, the researcher developed four patterns of nonequivalent variables and placed these in the word table. A sample of the word table (Table 6.5) is given below.

Table 6.5: Sample of pattern matching with nonequivalent dependent variables

Case no.	ID no.	The impact of KCM is better participatory decision-making.	The impact of KCM is the increased level of efficiency.	Pattern no.
	Pattern 1	Yes	Yes	
	Pattern 2	Yes	No	
	Pattern 3	No	Yes	
	Pattern 4	No	No	
1	03001909	Yes	Yes	**Pattern 1**
1	12002611	Yes	Yes	**Pattern 1**
1	09302711	Yes	Yes	**Pattern 1**

Source: Interviews with interview subjects; Developed by the researcher

The same table was developed for components 3 to 5, but 8 patterns of nonequivalent independent variables were developed.

Table 6.6 below presents the summary of the strategies.

Table 6.6: Summary of the strategies for the data analysis

No. of the part	No. of the section	Strategy	No. of the part	No. of the section	Strategy
1	1	Cross-case synthesis	2	2	Cross-case synthesis
1	2	Cross-case synthesis	2	3	Cross-case synthesis
1	3	Pattern matching with rival independent variables	2	4	Cross-case synthesis
1	4	Pattern matching rival independent variables	2	6	Cross-case synthesis
1	5	Pattern matching with rival independent variables	2	12	Cross-case synthesis
1	6	Pattern matching with rival independent variables	3		Report each case
1	7-10	Cross-case synthesis	4		Report each case
1	11	Pattern matching with rival independent variables			
1	12	Pattern matching with nonequivalent dependent variables			

Source: Developed by the researcher

6.8 Ethical approval

As all case studies deal with human affairs in 'a contemporary phenomenon in its real-world context' (p.78), this type of research obligates the researcher to strive for the highest ethical standards when undertaking research (Yin, 2014). This section discusses the ethical issues associated with a case study that are the researcher's responsibility, and the way to protect human subjects of a study.

Yin (2014) argues that researchers are supposed to conduct their case study with the special care and sensitivity that include following activities:

- Gaining informed consent from all participants of the study who should be informed the nature of the study and be formally solicited their spontaneous participation.
- Protecting the participants of the study from any harm and avoiding the use of any deception in the study.
- Protecting the privacy and confidentiality of the participants and protecting them from any undesirable position in the future.
- Taking special precautions to protect vulnerable groups.
- Selecting participants equitably.

Additionally, Cavana et al. (2001) mentioned that the researcher should not ask participants for personal or intrusive information. Moreover, the self-esteem and self-respect of the subjects should be protected.

The participants in this study received a letter titled 'Information to participants involved in research' before the data collection commenced. The letter explained the nature of the study including what the participants would be asked and how the information from the interviews would be used. Also, the letter stated that participation in this study was voluntary. Before commencing each interview, the researcher asked the interviewees for their informed consent. Interviewees were informed that they could withdraw from the study at any time without any disadvantage to themselves.

Regarding confidentiality, all documents pertaining to the collected data would be kept in a locked filing cabinet and the data transcribed into the digital form would be stored in a password-secured computer.

Prior to commencing the research, formal approval of the research plan was sought from an institutional review board responsible for reviewing and approving research involving human subjects

(Yin, 2014). This approval was granted by the Victoria University Human Research Ethics Committee on 6th of May 2013.

De Vaus (2002) warns that both technical failure and the lack of ethical responsibility on the part of the researcher who is supposed to analyze the data properly and report it fairly could lead to a fabrication of research results that mislead the reader. Ensuring the reliability and validity of a study will prevent unethical conduct related to data collection, analysis and reporting.

6.9 Conclusion

This chapter justified the research methodology adopted for this study. Firstly, the philosophy and theory were discussed. Following that, the justification for carrying a multiple-case study as defined by Yin (2014) was explained.

In section 6.3: Case study, the details of the approach used for designing this study were discussed. Section 6.4: Quality of study, explained the quality of this study and in section 6.8: Ethical approval, the ethical approval for this study was presented. Section 6.5: Selection of cases, 6.6: Questionnaire design, and 6.7: Data analysis, described the research process undertaken for this study.

The next chapter presents the results for the collected data and its analysis.

Chapter 7: Results

7.1 Introduction

This section provides the results of data collection and analysis for the multiple case studies. The interviews for data collection were conducted in four local council areas with 12 interview subjects, from 17th of September, 2013 to 16th of December, 2013. The details of the four councils and interview subjects are provided below in section 7.2 Profile of cases and interview subjects.

This study developed five research questions following the literature review. In order to answer those research questions, this chapter is structured as follows:

7.1 Introduction

7.2 Profile of cases and interview subjects

7.3 Research Question 1: Why did Victorian local governments introduce the Kindergarten Cluster Management framework?

7.4 Research Question 2: How are the networks described by the Kindergarten Cluster Management stakeholders?

7.5 Research Question 3: Which mode of governance works in the Kindergarten Cluster Management framework?

7.6 Research Question 4: What are the factors that affect networking in the Kindergarten Cluster Management framework?

7.7 Research Question 5: What is the impact of the Kindergarten Cluster Management framework?

7.8 Summary

Miles et al. (2014) argued that in the final reporting stage, the study has to deliver what it has analyzed clearly and concisely. They also argued that 'showing rather than telling can make a more effective and memorable impact on our audiences' (Miles et al., 2014, p.108). Therefore, this study created and presented matrices and network displays of the collected data instead of including lengthy text and of referring the readers to Appendix.

There are two approaches available to display data and findings: plural separate tables or single consolidated table. In this study separate tables have been used to assist in understanding of individual components of the research. This study conducted a multiple-case study instructed by Yin (2014). Following 'Multiple-Case Study Procedure (p.60)', individual case reports were compiled for each case before drawing cross-case conclusion. Hence, presenting separate tables for each council is essential process for this study.

7.2 Profile of cases and interview subjects

This study carried out a multiple-case study involving four local councils as the chosen cases: Case1 - Banyule City Council, Case 2 - Moonee Valley City Council, Case 3 - Port Phillip City Council and Case 4 - Wyndham City Council. As the purpose of this study was to analyze networking activities in the kindergarten management services, the appropriate interview subjects were the primary stakeholders of kindergarten cluster management who were local government employees, a kindergarten cluster manager, a kindergarten teacher or staff members. The intended target of the KCM service was kindergartens that provided programs for children aged 4-5 years.

The LG-type KCM organizations were staffed by local government personnel. Therefore, when a LG-type KCM organization was asked about the relationships between a KCM manager and a local government staff member, she described the relationships between herself and other local government staff members working in the same section such as 'Early Childhood Services'.

There were 12 interview subjects in this study, the details of whom are shown in Table 7.1 below. For the Banyule City Council, the interview subjects were one local government staff member who was a KCM manager, a CSO-type KCM manager, and a kindergarten teacher – a total of three interviewees. For the Moonee Valley City Council, the interview subjects were one local government staff member and two kindergarten teachers – totaling 3 interviewees. For the Port Phillip City Council case study, there were two participants - one LG-type KCM manager and a kindergarten teacher. For the Wyndham City Council, the interview subjects were one local government staff member who was not a KCM manager, two local government employees who were KCM managers and a CSO-type KCM manager, making a total of four interviewees.

Table 7.1: Cases and numbers of interview subjects

Position / Name of case	LG employee not LG-type KCM manager	LG employee and LG-type KCM manager	CSO-type KCM manager	Kindergarten teacher	Total no.
City of Banyule	-	1	1	1	3
City of Moonee Valley	-	1	-	2	3
City of Port Phillip	-	1	-	1	2
City of Wyndham	1	2	1	-	4
Total number	1	5	2	4	12

Source: Developed by the researcher

Given that the aim of collecting the data was to analyze networking for local governance and the focus was the kindergarten management system, the councils' profile information provided here is: population, educational status and ethnic background.

The results of the archive research are presented in sections 7.2.1, 7.2.2, 7.2.3 and 7.2.4. The archival source was the Australian Bureau of Statistics (2007 a, b, c and d, 2013 a, b, c and d) and the online information was sourced from "The population experts' (2016 a, b, c and d). The information about the KCM of each case was collected through the interviews.

7.2.1 Case 1: Profile of City of Banyule

Banyule City Council is located in Melbourne's north-east. The settlement history of Banyule began in 1837 when the area was surveyed. The population of the city was stable between 1991 and 2006 at 114,868 people and then it increased to 118,305 in 2011. 104,569 people were Australian citizens comprising 88.4% of the whole population in 2011. The population in 2015 was 126,232 people living within an area of 6,251m2 (population density is 20.20 persons per hectare). Between 2011 and 2006, the population increased by 3,437 of whom 1,801 people were Australian citizens.

In 2011, the Australian-born population was 87,378, accounting for 73.9% of the whole population. The number of people who spoke a language other than English at home was 23,232, which was 19.6 % of the whole population in 2011. The population forecast for 2016 was 128,201, anticipated

to increase to 148,095 by 2036. It has been forecast that from 2016 to 2036 there will be a population increase of 15.52%.

Table 7.2: Population of the City of Banyule

Population and ethnicity	2011		2006	
Population	118,305		114,868	
Australian citizens	104,569	88.4%	102,768	89.5%
Australian-born	87,378	73.9%	86,177	75.0%
Speaks a language other than English	23,232	19.6%	19,510	17.0%

Source: .id, the population experts (2016 a), ABS (2007 a, 2013 a)

Table 7.3: Population changes in the City of Banyule

Year	Population size	Population increase	Percentage
2006	114,868	----	----
2011	118,305	3,437	3.0%
2015	126,232	7,927	6.7%

Source: .id, the population experts (2016 a), ABS (2007 a, 2013 a)

Table 7.4: Population forecast for the City of Banyule

Forecast year	Size	Population increase	Percentage
2016	128,201	----	----
2021	136,126	7,925	6.2%
2026	140,652	4,526	3.3%
2031	144,231	3,579	2.5%
2036	148,095	3,864	2.7%

Source: .id, the population experts (2016 a)

In terms of proficiency in English, the data for 2011 shows that 91,064 people (77.0%) speak English only at home and 20,168 people (17.0%) speak another language and English well or very well. Meanwhile, 3,156 people (2.7%) speak another language and do not speak English well or at all.

Table 7.5: English language proficiency of residents of the City of Banyule

	2011		2006	
Speaking English only	91,064	77.0%	91,005	79.2%
Speaking another language and English well or very well	20,168	17.0%	16,835	14.7%
Speaking another language and English not well or not at all	3,156	2.7%	2,637	2.3%
Not stated	3,918	3.3%	4,393	3.8%
Total population	118,306	100.0%	114,870	100.0%

Source: .id, the population experts (2016 a), ABS (2007 a, 2013 a)

The data for the highest level of education achieved shows that in 2011, 26,494 people (27.2%) had a Bachelor or higher degree, 8,800 people (9.1%) had advanced diplomas or diplomas, 14,873 people (15.3%) achieved vocational level qualifications, 38,258 people (39.3%) had no formal qualifications and 8,807 people (9.1%) did not state their qualification(s). Between 2006 and 2011, the number of people with a Bachelor or higher degree significantly increased by 5,656, and the number who had an advanced diploma or diploma increased by 909. For the same period, the number of people with no qualification decreased by 2,833.

Table 7.6: Highest Educational Qualification of residents of the City of Banyule

	2011		2006	
Bachelor or higher degree	26,494	27.2%	20,838	22.1%
Advanced diploma or Diploma	8,800	9.1%	7,891	8.4%
Vocational	14,873	15.3%	14,184	15.0%
Not qualified	38,258	39.3%	41,091	43.5%
Not stated	8,807	9.1%	10,435	11.0%
Total persons aged 15+	97,232	100.0%	94,439	100.0%

Source: .id, the population experts (2016 a), ABS (2007 a, 2013 a)

The school completion data for 2011 shows that 5,960 people (6.1%) completed year 8 or below, 5,465 (5.6%) completed year 9 or equivalent, 12,456 (12.8%) completed year 10 or equivalent, 11,779 (12.1%) completed year 11 or equivalent, 54,485 (56.0%) completed year 12 or equivalent, 674

(0.7%) had not gone to school and 6,412 (6.6%) did not reveal the level they had reached in secondary school. The number of people who completed year 12 or equivalent increased by 7,828 between 2006 and 2011, while the number of the other levels of schooling and the number of people who did not go to school decreased.

Table 7.7: Highest level of secondary schooling of residents of the City of Banyule

Level of schooling	2011		2006	
Year 8 or below	5,960	6.1%	7,119	7.5%
Year 9 or equivalent	5,465	5.6%	6,277	6.6%
Year 10 or equivalent	12,456	12.8%	13,597	14.4%
Year 11 or equivalent	11,779	12.1%	12,480	13.2%
Year 12 or equivalent	54,485	56.0%	46,657	49.4%
Did not go to school	674	0.7%	749	0.8%
Not stated	6,412	6.6%	7,545	8.0%
Total persons aged 15+	97,231	100.0%	94,424	100.0%

Source: .id, the population experts (2016 a), ABS (2007 a, 2013 a)

The data for 2011 shows that 83,378 people (73.95%) were born in Australia out of a total population of 118,306, while 26,137 people (22.1%) were born overseas. Of those born overseas, 19,246 people (16.3%) were from non-English speaking backgrounds and 6,891 people (5.8%) were from mainly English-speaking countries.

The top ten birth place countries of those who were not born in Australia were: United Kingdom (3.5%), Italy (2.1%), China (2.0%), India (1.4%), New Zealand (1.1%), Greece (0.9%), Malaysia (0.7%), Sri Lanka (0.6%), Germany (0.5%) and Vietnam (0.4%).

Between 2006 and 2011, the number of people born overseas increased by 3,482 (15.4%) and the number of people with non-English speaking backgrounds increased by 3,168 (19.7%). The largest changes in birthplace countries were seen in China (+951 people), India (+904 people), New Zealand (+203 people) and Malaysia (+182 people).

Table 7.8: Birthplace of residents of the City of Banyule

Birth place status	2011		2006	
Total born overseas	26,137	22.1%	22,655	19.7%
Non-English speaking background	19,246	16.3%	16,078	14.0%
Mainly English speaking countries	6,891	5.8%	6,577	5.7%
Australia	87,378	73.9%	86,177	75.0%
Not stated	4,791	4.0%	6,039	5.3%
Total population	118,306	100.0%	114,871	100.0%

Source: .id, the population experts (2016 a), ABS (2007 a, 2013 a)

Kindergarten Services in the City of Banyule

Banyule City Council belongs to the Northern Metropolitan region that is one of nine Victorian regions partitioned by the DEECD (Department Education and Early Childhood Development). The kindergarten cluster management service started more than 10 years ago when the interviewee began working for the council. There were 6 KCM organizations in 2013 in the City of Banyule; one KCM organization was an LG (local government) type and the other five were CSO (community service organization) type KCM organization. Five kindergartens were managed by an LG-type KCM manager and 15 kindergartens were managed by CSO-type KCM organizations. Twenty kindergartens were not managed by any KCM organizations. In 2014, the number of kindergartens was decreased.

An LG-type KCM manager managed five kindergartens: two were standalone kindergartens and three provided kindergarten services in the long day care centers. An Early Childhood Service Coordinator was responsible for the management of local council-owned kindergartens, central enrolment system for all kindergartens in the City of Banyule, and establishing lease contracts. The LG-type KCM manager and other kindergartens that provided services in local government-owned facilities were connected through lease arrangements. Community organizations that provided services for children and families were directly connected to the LG-type KCM manager. Schools were not connected with the LG-type KCM manager directly, but they collaborated with kindergartens through transition reports for the children submitted by kindergartens to schools. The section of MEYP did not directly connect to KCM manager. .

In terms of networking among KCM managers in the local council area, the local council organized KCM networks and all KCM managers met regularly at the KCM meeting and discussed their issues, and new regulations and enrolment planning etc.

The infrastructural supports provided by local council to their kindergartens were building maintenance, land maintenance, water supply, electricity supply, IT system. Also, local council provided staff training and workshops to inform staff of any new regulation and new frameworks their services had to meet. The kindergartens that were connected with local councils through the lease contract received building maintenance and land maintenance support. Those kindergartens under lease contracts needed permission from local council in order to change anything in the building and on the land.

There were no parents' committees in the local council-owned kindergartens.

The details are summarized in Table 7.9.

Table 7.9: Information of Banyule City Council regarding KCM

Name of the region	City of Banyule
DEECD Region	Northern Metropolitan region
When KCM started	In 2003, the KCM framework started. However, the cluster management services had already been provided by local government.
Type of KCM organizations and the numbers in 2013	LG type (1) CSO-type (5) Total (6)
Number of kindergarten managed by LG-type KCM manager in 2013	5 (2 standalone kindergartens, 3 long day care centers)
Number of kindergarten managed by other type of KCM managers in 2013	15
Number of kindergartens not managed by any KCM managers in 2013	20
Change in the number of kindergartens	Decreased
Other information derived from the interview 1. Structure of governance 2. Network with other KCM managers 3. Infrastructural support by the local government 4. Kindergarten parent's committee's responsibility for management in local government owned kindergartens	1. Under LG-type KCM manager, there were 5 kindergarten services. Early Childhood Service Coordinator was responsible for management of local council-owned kindergartens, central enrolment system and lease contract services. LG type KCM manager and other kindergarten that provided services in local government-owned facilities were connected through lease arrangements. Community organizations that provided services for children and families were connected to LG-type KCM manager. School did not connect to the LG type KCM manager directly, but through kindergartens. The section of MEYP did not connect to KCM manager directly. 2. Local council organized KCM Network and all KCM managers met regularly at the KCM meeting. 3. Local council provided building maintenance, land maintenance, water supply, electricity supply, IT system and also local council provided staff training to their kindergartens. The kindergartens under the lease contract with local council received building maintenance and land maintenance supports. Also, they needed permission to change anything in the building and on the land. 4. There were no parents' committees in the local council-owned kindergartens.

Data source: Date from DEECD; Interviews with interview subjects

7.2.2 Case 2: Profile of the City of Moonee Valley

The City of Moonee Valley is located in Melbourne's north-west. This area began to be settled in the1830s when the land was used for farming and grazing. The growth was small until the 1850s when it was spurred on by the gold rush. Growth continued until the First World War and the development spread west in the post-war era. Residential development in the west area continued up until the 1980s. The population of the city was stable from the 1980s to 2006 at about 100,000 to 101,000 residents.

The population of the city increased slightly from 2006 to 2011. The population in 2011 was 107,445, of which 92,297 (85.9%) people were Australian citizens According to 'id. the population experts' (2016) the population in 2015 was 119,583 people living in 4,309m2 (population density was 27.75 persons per hectare). The population increased by 5,163 between 2011 and 2006. Of this number, 3,693 were Australian citizens.

In 2011, 72,391 people were Australian-born (67.4% of the total population). The people who spoke a language other than English at home numbered 31,810 (29.6 % of the whole population in 2011). The population forecast for 2016 was 120,837 people and was anticipated to increase to 149,311 by 2036. The forecast indicates that between 2016 and 2036, the population will increase by 23.6%.

Table 7.10: Population of the City of Moonee Valley

Population and ethnicity	2011		2006	
Population	107,445		102,282	
Australian citizens	92,297	85.9%	88,604	86.6%
Australian-born	72,391	67.4%	68.080	66.6%
Speak other than English	31,810	29.6%	29,315	28.7%

Source: .id, the population experts (2016 b), ABS (2007 b, 2013 b)

Table 7.11: Population changes in the City of Moonee Valley

Year	Population size	Population increase	Percentage
2006	102,282	----	----
2011	107,445	5,163	5.05%
2015	119,583	12,138	11.30%

Source: .id, the population experts (2016 b), ABS (2007 b, 2013 b)

Table 7.12: Population forecast for the City of Moonee Valley

Forecast year	Population size	Population increase	Percentage
2016	120,837	----	----
2021	131,513	10,676	8.84%
2026	137,579	6,066	4.61%
2031	143,744	6,165	4.48%
2036	149,311	5,567	3.87%

Source: .id, the population experts (2016 b)

In terms of proficiency in the English language, the data for 2011 shows that 70,547 (65.7%) people spoke English only at home and 26,295 people (24.5%) spoke another language and English well or very well. Meanwhile, 5,466 people (5.1%) spoke another language and did not speak English well or at all.

Table 7.13: English proficiency of residents in the City of Moonee Valley

	2011		2006	
Speaking English only	70,547	65.7%	67.081	65.52%
Speaking another language and English well or very well	26,295	24.5%	23,655	23.1%
Speaking another language and English not well or not at all	5,466	5.1%	5,639	5.5%
Not stated	5,134	4.8%	5,977	5.8%
Total population	107,442	100.0%	102,352	100.0%

Source: .id, the population experts (2016 b), ABS (2007 b, 2013 b)

The data for highest level education reached shows that in 2011, 23,615 people had a Bachelor or higher degree, 7,465 (8.4%) had an advanced diploma or diploma, 11,848 (13.3%) reached vocational level, 37,196 (41.7%) had no qualification and 9,063 (10.2%) did not state reveal their level of education. Between 2006 and 2011, there was a significant increase of 5,503 in the number of people with a Bachelor or higher degree; the number with an advanced diploma or diploma increased by 1,227. The number of people who had no formal qualification decreased by 1,605.

Table 7.14: Highest Educational Qualifications of Residents in the City of Moonee Valley

	2011		2006	
Bachelor or higher degree	23,615	26.5%	18,112	21.4%
Advanced diploma or Diploma	7,465	8.4%	6,238	7.4%
Vocational	11,848	13.3%	10,932	12.9%
Not qualified	37,196	41.7%	38,801	45.8%
Not stated	9,063	10.2%	10,647	12.6%
Total persons aged 15+	89,187	100.0%	84.731	100.0%

Source: .id, the population experts (2016 b), ABS (2007 b, 2013 b)

The 2011 data regarding school completion shows that 7,223 people (8.1%) had completed year 8 or below, 4,187 (4.7%) had completed year 9 or equivalent, 9,561 (10.7%) had completed year 10 or equivalent, 9,454 (10.6%) had completed year 11 or equivalent, 50,170 (56.3%) had completed year 12 or equivalent, 1,414 people (1.6%) had had no formal schooling and 7,177 people (8.0%) did not reveal their level of secondary education. The number of people who had completed year 12 or equivalent increased by 8,403 between 2006 and 2011, while the number of the other levels of schooling and the number of people who did not go to school decreased.

Table 7.15: Highest level of secondary schooling of residents in the City of Moonee Valley

Level of schooling	2011		2006	
Year 8 or below	7,223	8.1%	8,724	10.3%
Year 9 or equivalent	4,187	4.7%	4,763	5.6%
Year 10 or equivalent	9,561	10.7%	10,022	11.8%
Year 11 or equivalent	9,454	10.6%	9,788	11.5%
Year 12 or equivalent	50,170	56.3%	41,767	49.2%
Did not go to school	1,414	1.6%	1,426	1.7%
Not stated	7,177	8.0%	8,370	9.9%
Total persons aged 15+	89,186	100.0%	84,861	100.0%

Source: .id, the population experts (2016 b), ABS (2007 b, 2013 b)

The data for 2011 shows that 72,391 people (67.4%) were born in Australia of a total population of 107,443, while 29,377 people (27.3%) were born overseas. Of the overseas-born population, 24,601 people (22.9%) were from non-English speaking backgrounds and 4,776 people (4.4%) had mainly English-speaking backgrounds.

The top ten countries of birth for those not born in Australia were: Italy (5.0%), United Kingdom (2.3%), India (2.3%), Vietnam (1.8%), Greece (1.4%), China (1.4%), New Zealand (1.2%), Malta (0.7), Croatia (0.6%) and Philippines (0.5%).

Between 2006 and 2011, the number of people born overseas increased by 2,517 (9.4%) and the number of people born in non-English speaking countries increased by 2,062 (9.15%). The largest changes were: India (+1,160 people) followed by New Zealand (+307 people) and Vietnam (+236 people).

Table 7.16: Birthplace of residents of the City of Moonee Valley

Birth place status	2011		2006	
Total overseas born	29,377	27.3%	26,860	26.3%
Non-English speaking background	24,601	22.9%	22,539	22.0%
Mainly English speaking countries	4,776	4.4%	4,321	4.2%
Australia	72,391	67.4%	68,080	66.5%
Not stated	5,675	5.3%	7,366	7.2%
Total population	107,443	100.0%	102,306	100.0%

Source: .id, the population experts (2016 b), ABS (2007 b, 2013 b)

Kindergarten Services in the City of Moonee Valley

The City of Moonee Valley belongs to the DEECD's Western Metropolitan region. The kindergarten cluster management service started in 2003 when the KCM framework by the Victorian Government was introduced. However, '*the cluster management services had been always provided by local government*' before 2003. In 2013, there were four KCM organizations within the City of Moonee Valley and one KCM organization was an LG- (local government) type and two KCM organizations were CSO- (community service organization) type and the other one was a KCM-only service organization. In 2013, there were 16 kindergartens that were managed by an LG-type KCM manager, of which 12 kindergartens were standalone, and four long day care centers offered kindergarten services. Four kindergartens were managed by the other types of KCM organizations. Nine kindergartens were not managed by any KCM organizations. In 2014, the number of kindergartens was increased.

The title of the LG-type KCM manager in the City of Moonee Valley was the Coordinator of Early Learning. She managed 12 standalone kindergartens in the local council area. Coordinator of Early Learning (LG-type KCM manager) had responsibilities for management of local council owned standalone kindergartens and of internal staff in the Early Learning section, central enrolment system for all kindergartens in the City of Moonee Valley. The MEYP had no direct connection with a KCM manager.

All types of KCM organizations in the local council area networked during the KCM meetings regularly organized by the Victorian Government. The infrastructural support provided by local council to their kindergartens was building maintenance. Also, there was a 'customer service group', 'financial department', 'organization development unit' and 'maintenance department' that supported

150

the kindergarten services. The management services in the local council-owned kindergartens were provided only by KCM managers; meanwhile the parents' committee had advisory and fundraising roles.

The details are summarized in Table 7.17.

Table 7.17: Information of Moonee Valley City Council regarding KCM

Name of the city	City of Moonee Valley
DEECD Region	Western metropolitan region
When KCM started	In 2003, KCM framework was introduced. However, the cluster management services had been always provided by local government prior to 2003.
Types of KCM organizations and the numbers in 2013	LG type (1) CSO-type (2) KCM-only type (1) Total (4)
Number of kindergarten managed by LG-type KCM manager in 2013	16 (12 standalone kindergartens, 4 long day care centers)
Number of kindergartens managed by other types of KCM managers in 2013	4
Number of kindergartens not managed by any KCM managers in 2013	9
Change to the number of kindergartens	Increased
Other information from the interview 1. Structure of governance 2. Network with other KCM organizations 3. Infrastructural support by the local government 4. Kindergarten parents' committees responsible for management in local government-owned kindergartens	1. LG-type KCM manager was in one section of the Department of Family and Children. There are five sections in the department: Family services, Early Learning, Maternity and Children's Health, Childcare and Early Years Planning. The KCM manager was allocated to the Early Learning section. Under the KCM manager there were 6 positions: admin support officer, team leader of early leaning, central enrolment officer, service delivery that had 28 kindergarten teachers and ancillary staff, pedagogical resource officer and preschool field officer. Outside of the Department of Family and Children there were 'customer service group', 'financial department', organization development unit' and 'maintenance department' that worked with the KCM manager to provide customer services, recruitment of staff, payment for and maintenance of all council buildings including kindergarten facilities. 2. KCM managers met at the KCM meeting that was organized by the Victorian Government. Apart from these meetings, there was no contact between LG- type KCM managers and other types of KCM managers. 3. Building maintenance

	4. Kindergartens were managed solely by KCM managers and not by parents' committees. Parents' committees had advisory and fundraising roles.

Data source: Date from DEECD; Interviews with interview subjects

7.2.3 Case 3: Profile of the City of Port Phillip

The City of Port Phillip is located in Melbourne's inner south. The settlement history of Port Phillip began in the 1840s. The development of the area accelerated after the 1850s and significant development occurred during the post-war years when many migrants moved into the area and public housing was built. During the 1960s, rapid growth took place with the construction of many flats and apartments. The growth continued throughout the 1980s and 1990s as industrial sites and surplus government land were converted for residential use. The population increased from about 70,000 in 1991 to about 78,000 in 2001, then to 91,373 in 2011.

In 2011, 69,262 people were Australian citizens which represented 75.8% of the whole population. According to The Population Experts (2016), the population in 2015 was 107,127 people living in 2,107m2 (population density is 50.84 persons per hectare). Between 2006 and 2011, the population increased by 6,277, of whom 5,241 people were Australian citizens.

In 2011, the number of Australian-born people was 55,247, accounting for 60.5% of the whole population. In 2011, number of people who spoke a language other than English at home was 17,990, or 19.7 % of the whole population. The population forecast for 2016 was 106,874 people and this was anticipated to increase to 130,207 by 2036, indicating a population increase of 21.83%.

Table 7.18: Population of the City of Port Phillip

Population and ethnicity	2011		2006	
Population	91,373		85,096	
Australian citizens	69,262	75.8%	64,021	75.2%
Australian born	55,247	60.5%	50,405	59.2%
Speaks other than English	17,990	19.7%	14,966	17.6%

Source: .id, the population experts (2016 c), ABS (2007 c, 2013 c)

Table 7.19: Changes to the population of the City of Port Phillip

Year	Population Size	Population increase	Percentage
2006	85,096	----	----
2011	91,373	6,277	7.38%
2015	107,127	15,754	17.24%

Source: .id, the population experts (2016 c), ABS (2007 c, 2013 c)

Table 7.20: Population forecast for the City of Port Phillip

Forecast year	Population Size	Population increase	Percentage
2016	106,874	----	----
2021	111,898	5,024	4.7%
2026	117,006	5,108	4.56%
2031	123,207	6,201	5.3%
2036	130,207	7,000	5.68%

Source: .id, the population experts (2016 c)

Regarding English language proficiency, the data for 2011 shows that 66,108 people (72.3%) spoke English only at home and 15,506 people (17.0%) spoke another language and English well or very well. In 2011, 2,515 people (2.8%) spoke another language and did not speak English well or at all.

Table 7.21: English proficiency of residents of the City of Port Phillip

	2011		2006	
Speaking English only	66,108	72.3%	59,441	69.8%
Speaking another language and English well or very well	15,506	17.0%	12,264	14.4%
Speaking another language and English not well or not at all	2,515	2.8%	2,585	3.0%
Not stated	7,245	7.9%	10,809	12.7%
Total population	91,374	100.0%	85,099	100.0%

Source: .id, the population experts (2016 c), ABS (2007 c, 2013 c)

The data regarding the residents' highest level of education show that in 2011, 34,336 people (42.2%) had a Bachelor or higher degree, 7,708 (9.5%) had an advanced diploma or diploma, 8,019 (9.9%) reached vocational level, 21,520 (26.5%) had no qualification, and 9,748 (12.0%) did not reveal their qualification. Between 2006 and 2011, the number of people with a Bachelor or higher degree increased by 7,168 and the number with an advanced diploma or diploma increased by 1,043. The number of people with no qualifications decreased by 4,255.

Table 7.22: Highest Educational Qualifications of residents of the City of Port Phillip

	2011		2006	
Bachelor or higher degree	34,336	42.2%	27,168	35.4%
Advanced diploma or Diploma	7,708	9.5%	6,665	8.7%
Vocational	8,019	9.9%	6,837	8.9%
Not qualified	21,520	26.5%	21,993	28.7%
Not stated	9,748	12.0%	14,003	18.3%
Total persons aged 15+	81,331	100.0%	76,666	100.0%

Source: .id, the population experts (2016 c), ABS (2007 c, 2013 c)

The 2011 data for school completion shows that 2,367 people (2.9%) completed year 8 or below, 1,788 (2.2%) completed year 9 or equivalent, 5,102 (6.3%) completed year 10 or equivalent, 5,617 (6.9%) completed year 11 or equivalent, 57,796 (71.1%) completed year 12 or equivalent, 455 (0.6%) did not go to school and 8,203 (10.1%) did not state their secondary school completion. The number of people who completed year 12 or equivalent increased by 9,327 between 2006 and 2011, while the number of people who completed the other levels of schooling and the number of people who did not go to school decreased.

Table 7.23: Highest level of secondary schooling of residents of the City of Port Phillip

Level of schooling	2011		2006	
Year 8 or below	2,367	2.9%	2,874	3.7%
Year 9 or equivalent	1,788	2.2%	1,821	2.4%
Year 10 or equivalent	5,102	6.3%	5,161	6.7%
Year 11 or equivalent	5,617	6.9%	5,753	7.5%
Year 12 or equivalent	57,796	71.1%	48,469	63.2%
Did not go to school	455	0.6%	469	0.6%
Not stated	8,203	10.1%	12,131	15.8%
Total persons aged 15+	81,328	100.0%	76,678	100.0%

Source: .id, the population experts (2016 c), ABS (2007 c, 2013 c)

The data for2011 shows that 55,247 people (60.5%) were born in Australia of a total population of 91,373, while 28,332 people (31.0%) were born in overseas. Of the latter, 16,578 people (18.1%) were from non-English speaking backgrounds and 11,754 people (12.9%) were from mainly English-speaking countries.

The top ten countries of origin of those not born in Australia were: United Kingdom (6.0%), New Zealand (3.2%), India (2.1%), Greece (1.4%), Ireland (1.4%), China (1.3%), United States of America (1.1), Malaysia (0.8%), Germany (0.8%) and South Africa (0.7%).

Between 2006 and 2011, the number of people born overseas increased by 5,463 (23.89%) and the number of people from a non-English speaking background increased by 2,677 (19.26%). The largest changes in numbers related to countries of origin were India (+924 people), United Kingdom (+811 people) and Ireland (+800 people).

Table 7.24: Birthplace of residents of the City of Port Phillip

Birth place status	2011		2006	
Total overseas born	28,332	31.0%	22,869	26.9%
Non-English speaking background	16,578	18.1%	13,901	16.3%
Mainly English-speaking countries	11,754	12.9%	8,968	10.5%
Australia	55,247	60.5%	50,405	59.2%
Not stated	7,794	8.5%	11,826	13.9%
Total population	91,373	100.0%	85,100	100.0%

Source: .id, the population experts (2016 c), ABS (2007 c, 2013 c)

Kindergarten Services in the City of Port Phillip

The City of Port Phillip is in the Southern Metropolitan region that is one of DEECD's nine Victorian regions. The kindergarten cluster management service began before the Victorian Government introduced the KCM framework. There were 4 KCM organization s in 2013 in the City of Port Phillip, one KCM organization was an LG- (local government) type and the other 3 were CSO- (community service organization) type KCM organizations. Five kindergartens were managed by LG-type KCM managers and three kindergartens were managed by CSO-type KCM organizations. Fourteen kindergartens were not managed by any KCM organizations. In 2014, the number of kindergartens was decreased.

An LG-type KCM manager managed five kindergartens consisting of four standalone kindergartens and one kindergarten in the long day care center. A Children's Services Coordinator was responsible for the management of local council-owned kindergartens. The LG-type KCM manager and the other types of KCM managers were not connected. The MEYP section was part of the Project Team that was under the Department of Family Youth Children. The LG-type KCM manager (Coordinator Children's Service) was also allocated to the section of Family Youth Children. The Children's Services Coordinator and the Project Team had developed the Municipal Early Year Plan together.

The infrastructural supports provided by local council to their kindergartens were building maintenance and land maintenance. Also, the local council provided staff training. Parents' committees in the local council-owned kindergartens did not have the responsibility of kindergarten management.

The details are summarized in Table 7.25.

Table 7.25: Information of Port Phillip City Council regarding KCM

Name of the city	City of Port Phillip
DEECD Region	Southern metropolitan region
When KCM started	In 2003, KCM framework was introduced. However, the cluster management services had been provided by local government prior to2003.
Type of KCM organizations and their number in 2013	LG type (1) CSO-type (3) Total (4)
Number of kindergarten managed by LG-type KCM managers in 2013	5
Number of kindergartens managed by other types of KCM managers in 2013	3
Number of kindergartens not managed by any KCM managers in 2013	14
Change to the number of kindergartens	Decreased
Other information from the interview 1. Structure of governance 2. Network with other KCM managers 3. Infrastructural support by the local government 4. Kindergarten parent's committee's responsibility for management in local government owned kindergartens	1. Children's Services Coordinator was allocated under the section of Family Youth Children. Also, Project Team and a long day care service center were allocated under the section of Family Youth Children. In the Project Team, there were a MEYP section and Community Service section. 2. There was no relationship with other types of KCM managers. 3. Kindergarten land and building were provided by the local government. 4. Parents' committee did not have responsibility of management.

Data source: Date from DEECD; Interviews with interview subjects

7.2.4 Case 4: Profile of the City of Wyndham

Wyndham City Council is located in Melbourne's outer south-west. The settlement history of Wyndham began in the 1830s when farmers moved into the area. The residential growth occurred after the Second World War and significant growth occurred during the 1970s and 1980s. The strong population growth has continued as the population of Wyndham city increased from 84,861 in 2001 (ABS, 2007 d) to 161,575 in 2011 (ABS, 2013 d), representing a 90% growth over 10 years.

Of the whole population in 2011, 127,322 people or 78.8% were Australian citizens. The population in 2015 was 209,847 people living in 54,178m2 (population density is 3.87 persons per hectare). Between 2006 and 2011, the population increased by 48,878; 32,064 of these people were Australian citizens.

In 2011, Australian-born people numbered 98,656, which was 61.1% of the total population. The number of people who spoke a language other than English at home was 48,969, or 30.3 % of the whole population in 2011. The population forecast for 2016 was 213,911 people and was anticipated to increase to 424,476 by 2036. The forecast indicated a population increase of 98.44% between 2016 and 2036.

Table 7.26: Population of the City of Wyndham

Population and ethnicity	2011		2006	
Population	161,574		112,696	
Australian citizens	127,322	78.8%	95,258	84.5%
Australian born	98,656	61.1%	77,030	68.4%
Speaks other than English	48,969	30.3%	23,619	21.0%

Source: .id the population experts (2016 d), ABS (2007 d, 2013 d)

Table 7.27: Change to population numbers in the City of Wyndham

Year	Population Size	Population increase	Percentage
2006	112,696	----	----
2011	161,574	48,878	43.37%
2015	209,847	48,273	29.88%

Source: .id the population experts (2016 d), ABS (2007 d, 2013 d)

Table 7.28: Population forecast for the City of Wyndham

Forecast year	Population Size	Population increase	Percentage
2016	213,911	----	----
2021	269,579	55,668	26.0%
2026	323,567	53,988	20.0%
2031	374,924	51,357	15.87%
2036	424,476	49,552	13.22%

Source: .id the population experts (2016 d)

In terms of proficiency in English, the data of 2011 shows that 104,170 people (64.5%) spoke English only at home and 41,890 people (25.9%) spoke another language and English well or very well. Only 6,987 people (4.3%) spoke another language and did not speak English well or at all.

Table 7.29: English language proficiency of residents of the City of Wyndham

	2011		2006	
Speaking English only	104,170	64.5%	82,662	73.3%
Speaking another language and English well or very well	41,890	25.9%	20,250	18.0%
Speaking another language and English not well or not at all	6,987	4.3%	3,325	3.0%
Not stated	8,528	5.3%	6,460	5.7%
Total population	161,575	100.0%	112,697	100.0%

Source: .id the population experts (2016 d), ABS (2007 d, 2013 d)

The 2011 data for the highest level of education of residents shows that 22,884 people (18.6%) had a Bachelor or higher degree, 10,405 (8.4%) achieved advanced diploma or diploma, 21,690 (17.6%) achieved vocational level, 55,525 (45.0%) have no qualification and 12,755 (10.3%) did not state their qualification. Between 2006 and 2011, the number of people with a Bachelor or higher degree increased by 12,905 and the number of people with an advanced diploma or diploma increased by 4,453. The number of people without formal qualifications increased by 11,820.

Table 7.30: Highest Educational Qualification reached by residents of the City of Wyndham

	2011		2006	
Bachelor or higher degree	22,884	18.6%	9,979	11.7%
Advanced diploma or Diploma	10,405	8.4%	5,952	7.0%
Vocational	21,690	17.6%	15,404	18.0%
Not qualified	55,525	45.0%	43,705	51.1%
Not stated	12,755	10.3%	10,525	12.3%
Total persons aged 15+	123,259	100.0%	85,565	100.0%

Source: .id the population experts (2016 d), ABS (2007 d, 2013 d)

The school completion data for 2011 shows that 6,607 people (5.4%) completed year 8 or below, 7,820 (6.3%) completed year 9 or equivalent, 19,460 (15.8%) completed year 10 or equivalent, 16,126 (13.1%) completed year 11 or equivalent, 62,058 (50.3%) completed year 12 or equivalent, 1,080 (0.9%) did not go to school and 10,106 people (8.2%) did not reveal their level of secondary schooling. The number of people who had completed year 12 or its equivalent increased by 27,434 between 2006 and 2011.

Table 7.31: Highest level of secondary schooling reached by residents of the City of Wyndham

Level of schooling	2011		2006	
Year 8 or below	6,607	5.4%	5,866	6.9%
Year 9 or equivalent	7,820	6.3%	6,865	8.0%
Year 10 or equivalent	19,460	15.8%	16,087	18.8%
Year 11 or equivalent	16,126	13.1%	13,440	15.7%
Year 12 or equivalent	62,058	50.3%	34,624	40.5%
Did not go to school	1,080	0.9%	630	0.7%
Not stated	10,106	8.2%	8,050	9.4%
Total persons aged 15+	123,257	100.0%	85,562	100.0%

Source: .id the population experts (2016 d), ABS (2007 d, 2013 d)

The data for 2011 shows that 98,655 people (61.1%) were born in Australia out of a total population of 161,574, while 54,323 people (33.6%) were born overseas. Of the latter, 41,114 people (25.4%) were from non-English speaking backgrounds and 13,209 people (8.2%) were from mainly English-speaking countries.

The top ten countries of origin of non-Australian-born people were: India (5.0%), United Kingdom (4.0%), New Zealand (3.1%), Philippines (2.4%), China (1.5%), Italy (1.1%), Malaysia (0.8%), Sri Lanka (0.8%), Vietnam (0.7%) and Malta (0.7%).

Between 2006 and 2011, the number of people who had been born overseas increased by 25,980 (91.66%) and the number of people from non-English speaking backgrounds increased by 21,407 (108.63%). The largest changes in countries of origin were: India (+6,513 people), United Kingdom (+1,168 people), New Zealand (+2,651 people), Philippines (+1,816 people) and China (+1,950).

Table 7.32: Birthplace of residents of the City of Wyndham

Birth place status	2011		2006	
Total overseas born	54,323	33.6%	28,343	25.2%
Non-English speaking background	41,114	25.4%	19,707	17.5%
Main English speaking countries	13,209	8.2%	8,636	7.7%
Australia	98,656	61.1%	77,030	68.4%
Not stated	8,595	5.3%	7,321	6.5%
Total population	161,574	100.0%	112,694	100.0%

Source: .id the population experts (2016 d), ABS (2007 d, 2013 d)

Kindergarten Services in the City of Wyndham

The City of Wyndham is in the DEECD's Western Metropolitan region. The kindergarten cluster management service was started more than 40 years ago by the local government. There were three KCM organizations in 2013 in the City of Wyndham and one KCM organization was an LG- (local government) type and the other two were CSO- (community service organization) type KCM organizations. In 2013, 20 kindergartens were managed by an LG-type KCM manager and seven kindergartens were managed by CSO-type KCM organizations. Two kindergartens out of seven kindergartens managed by CSO-type KCM organization, ECMS, were owned by local government but managed by CSO-type KCM organizations under a contract arrangement with the local

government. This management model was a trial that the City of Wyndham began with the Victorian Government as an attempt to manage the strong growth of population. Under this trial strategy, the kindergartens operating on Victorian Government-owned land provided the programs under the management of a CSO-type KCM organization. ECMS had a contract with the local government and their responsibility was to provide kindergarten programs but not administrative functions. There were two kindergartens that were not managed by any KCM organizations. In 2014, the number of kindergartens was increased in the City of Wyndham.

The Department of Early Years and Youth managed the kindergarten services in the City of Wyndham. Under the Department of Early Years and Youth, there were 3 sections: Family Services, Kindergarten Services and Youth Services. Kindergarten cluster management services were provided in the Kindergarten Services which had four sections. The position of Pre School Field Officer (PSFO) was independently established for working with the section of Kindergarten Services. Those four sections under the kindergarten service coordinator were: Business Operation Officer, Project Officer, Service Delivery and Planning and Operations. The Business Operation Officer managed human resources for kindergarten services. The Project Officer managed the contract with a CSO-type KCM (Early Childhood Management Services) that provided only in kindergarten settings but not in long day care center settings. The Service Delivery section had four unit leaders and 120 kindergarten educators. In the section of Planning and Operations had one unit leader, two enrolment officers, 4 admin officers, two financial officers and one fee recovery officer.

In 2013, there were two CSO-type KCM organizations. One KCM organization managed two kindergartens that were owned by the Wyndham City Council and provided the services under a contract arrangement with the local government. The other KCM organization-managed kindergarten programs were in long day care centers. Wyndham City Council did not have a close relationship with the later KCM organization. As the interviewee said,

'We don't work closely with them really. We just monitor data in terms of their how many groups and how many place staff as we look for our forecasting and delivering universal access to the community. We don't provide building for long day care. We are pretty separated from long day care providers.'

However, in order to promote the KCM organization's services, the local government occasionally invited the KCM managers to the conference day and the training sessions. As the interviewee said,

'We might invite them to something about training session or conference day something like that. But beyond that we haven't formed really collaborative relationships probably something that we aspire to which we haven't had capacity to do yet'.

The local government provided buildings and lands including maintenance services to the local government-owned kindergartens. There were no parents' committees in the local government-owned kindergartens.

The details are summarized in Table 7.33.

Table 7.33: Information of Wyndham City Council regarding KCM

Name of the city	City of Wyndham
DEECD Region	Western metropolitan region
When KCM started	In 2003 KCM framework started. However, the cluster management services had been provided by local government prior to 2003.
Type of KCM organizations and their numbers in 2013	LG-type (1) CSO-type (2) Total (3)
Number of kindergartens managed by LG-type KCM managers in 2013	20
Number of kindergartens managed by other types of KCM managers in 2013	7 (5 of them were in Long Day Care centers)
Number of kindergarten not managed by any KCM managers in 2013	2
Change to the number of kindergartens	Increased
Other information from the interview 1. Structure of governance 2. Network with other KCM managers 3. Infrastructural support by the local government 4. Kindergarten parents' committees responsibility for management in local government-owned kindergartens	1. Department of Early Years and Youth managed the kindergarten services in the city of Wyndham. Under the Department of Early Years and Youth there were 3 sections: Family services, Kindergarten services and Youth services. Kindergarten cluster management services were provided in Kindergarten services under which there were 4 sections. The section of Pre School Field Officer (PSFO) was independently established for working with the section of Kindergarten services. Those four sections under the kindergarten service coordinator were: Business operation officer, Project officer, Service delivery and Planning and operations. The business operation officer managed human resources for kindergarten services. The project officer managed the contract with a CSO-type KCM organization that provided only in kindergarten settings

	but not in long day care center settings. The service delivery section had four unit leaders and 120 kindergarten educators. In the section of Planning and operations had one unit leader, two enrolment officers, 4 admin officers, two financial officers and one fee recovery officer.
	2. There were two CSO-type KCM organizations. One KCM organization managed two kindergartens that were owned by Wyndham local government under the contract relation with the government. The other KCM organization managed kindergarten programs in long day care center settings. Wyndham local government didn't have any relation with the later KCM organization.
	3. Kindergarten buildings and lands were provided by local government.
	4. There were no parents' committees in the local government-owned kindergartens in the city of Wyndham.

Data source: Date from DEECD; Interviews with interview subjects

7.2.5 Interview subjects

Twelve interview subjects participated in this study. The numbers pertaining to the various local councils and the employment positions of interviewees are summarized in Table 7.34. Each subject was given a unique eight-digit ID number that indicates the time and date of the interview. For example, if the interview was conducted on 22nd of September at 10am, the number would be 10002209.

Case 1: The City of Banyule

Case1: The City of Banyule was represented by three interview subjects: 03001909, 12002611 and 09302711.

Respondent 03001909 was an LG-type KCM manager who was employed by local government. Her title was Early Childhood Service Coordinator, and her responsibilities were 1) management of five local council-owned kindergartens, 2) coordination of a central enrolment system and 3) management of leasing contracts for local council-owned buildings. She had worked in the childhood service

section for 10 years. Her highest qualification was the Diploma of Children's Services. She was within the 30-39 age group.

Respondent 12002611 was a kindergarten staff member in the position of West Heidelberg Children's Services Coordinator. She supervised 3 services: one long day care center and two standalone kindergartens. She had worked for a day care center for three years and in the early child education industry for 18 years. Her highest qualification was a Diploma of Social Science. She was in the 30-39 age group.

Respondent 09302711 was a CSO-type KCM manager, ECMS (Early Childhood Management Service) who had the position of Early Year Advisor. She managed five local government areas. Her responsibilities were to act as a mentor, ensuring the quality of services that included complying with regulations and national requirements, taking care of staff and services, recruitment, and interacting with parents' committees. She had worked in the center for one year and for 32 years had worked in the early childhood education industry. She had a Bachelor of Early Childhood Education degree. She belonged to the 50-59 age group.

Case 2: City of Moonee Valley

Case 2 The City of Moonee Valley had three interview subjects: 04302511, 01001911 and 10001211.

Respondent 04302511 was a kindergarten teacher at the Rhonda Davis kindergarten which had 27 four-year-old children and 20 four-year-old children. Her responsibility was to educate these two groups together with another staff member. She had a kindergarten teacher degree and had worked in the kindergarten for nine years. She belonged to the 50-59 age group.

Respondent 01001911 was a kindergarten teacher at the Milleara Gardens kindergarten which had three groups of children: two groups of four-year-old children with 21 children in each group and one group of three-year-old children. A total of four staff members worked at the kindergarten. Two of them were qualified kindergarten teachers and two of them had studied for a diploma while working there. This participant had worked in the early childhood education industry for 31 years and for 12 years had worked at the Milleara Gardens kindergarten. She had a Bachelor degree and was in the 50-59 age group.

Respondent 10001211 was an LG-type KCM manager and a local government employee who was seconded from the Victorian Government to support the local council's kindergarten management services. She would be returning to the DEECD of the Victorian Government to manage the quality

assessment and writing team. Her title was Coordinator of Early Learning whose responsibilities were: 1) management of the 12 council-owned standalone kindergartens and internal staff, and 2) the council's central enrolment system. She had worked for the City of Mooney Valley for 2.5 years.

She had a Bachelor degree and belonged to the 50-59 age group.

Case 3: City of Port Phillip

Case 3: The City of port Phillip had two interview subjects: 10001709 and 10301911.

Respondent 1001709 was a local government employee and a local government-type KCM manager. Her title was Acting Children's Services Coordinator. She managed four local government-owned kindergartens. She did not have relationships with other KCM managers. She had worked in the education sector for 15 years and in her current position for seven years. She had a Diploma and belonged to the 30-39 age group.

Respondent 10301911was a kindergarten staff member whose title was Coordinator of North St. Kilda Children's Center. Her responsibilities were: running the center's services, budgeting, staffing, and duty of care of children in the center. Her kindergarten catered for 77 children per day and a total of 105 families were registered in the center. The center had 29 staff. There were five class rooms and each room had 15 children. This respondent had worked in the early childhood industry for 26 years and had worked at the center for 10 years. She had a Diploma of Children's Services. She belonged to the 40-49 age group.

Case 4: The City of Wyndham

Case 4: Four interview subjects were from the City of Wyndham: 09302509, 11300310, 10002211 and 03001612.

Respondent 09302509 was a local government employee and a KCM manager whose title was Unit Leader of Planning and Operation in the Kindergarten Services section. Her responsibilities were supervising centralized administration functions which included four administration officers, two enrolment officers, two finance officers and a fee recovery officer. She especially focused on the 20 local government-owned kindergartens and two kindergartens that were owned by local government and managed by an ECMS that was a CSO-type KCM organization. She also looked at the Growth

Access Planning in order to deliver the information for service delivery planning and new infrastructure planning. She had a Bachelor degree and belonged to the 30-39 age group of 30-39.

Respondent 11300310 was a manager in the Department of the Early Years and Youth. He had worked in the city of 15 months and had worked in the early year education field for eight years although he had worked in the public sector for 20 years. He had a post-graduate degree and belonged to the 50-59 age group.

Respondent 10002211 was a staff member in a CSO- (community service organization) type KCM organization, which was ECMS (Early Childhood Management Services). Her title in the organization was Early Years Adviser. Her responsibilities were: 1) supporting educators in two local government owned kindergartens, 2) organizing and supporting the three-year-old activity group programs, 3) providing pedagogical support, 4) connecting community work groups and organizations, 5) undertaking operational work for kindergartens and activity groups such as developing a timeframe fortnightly for the staff and approving excursion programs, 6) quality improving planning, 7) accreditation assessing plan. She had worked in the early year education industry for 25 years and had worked for the City of Wyndham for 12 months. She had a Bachelor degree and belonged to the 40-49 age group of 40-49.

Respondent 03001612 was a local government employee and a KCM manager whose title was Project Officer in Early Years in the section of the Kindergarten Services. She had worked in the Regulation Complying Assisting and Rating section of the DEECD of the Victorian Government before she took up her current position with the City of Wyndham in 2013. Her responsibilities were: 1) setting up key projects such as the 'Kindergarten High Standard Educators Conference' and cultural family events and 2) managing the contract with a partner organization such as a CSO-type KCM organization. When the interview was carried out, she was a person who contacted ECMS. She had a Diploma of Children's Services and belonged to the 40-49 age group.

Table 7.34: Code number and positions of interview subjects

Case number & name of the council	Code number	Role & the tile of the interviewee
1 City of Banyule	03001909	Local Government employee & KCM manager Early Childhood Service Coordinator
1 City of Banyule	12002611	Kindergarten Staff member Children's Service Coordinator
1 City of Banyule	09302711	CSO type KCM manager Early Year Advisor
2 City of Moonee Valley	04302511	Kindergarten Staff member Teacher
2 City of Moonee Valley	01001911	Kindergarten Staff member Teacher
2 City of Moonee Valley	10001211	Local Government employee & KCM manager Coordinator of Early Learning
3 City of Port Philip	10001709	Local Government employee & KCM manager Acting Coordinator Children's Services
3 City of Port Philip	10301911	Kindergarten Staff member Coordinator of Children's Center
4 City of Wyndham	09302509	Local Government employee & KCM manager Unit Leader of Planning & Operations in Kindergarten Services Unit
4 City of Wyndham	11300310	Local Government employee Manager of Dep. Of Early Years and Youth
4 City of Wyndham	10002212	CSO type KCM manager Early Year Advisor
4 City of Wyndham	03001612	Local Government employee & KCM manager Project Officer in Kindergarten Services Unit

Source: Developed by the researcher

7.3 Research Question 1: Why did Victorian local governments introduce the Kindergarten Cluster Management framework?

In order to answer research question 1, this section shows the results from the interview part 1, section 3, and statements 1 to 5 in the questionnaire. As this study discussed in Chapter 6 section 6.7.2, the data was analyzed through pattern matching with rival independent variables.

Firstly, the researcher referred to the proposition developed in Chapter 5 section 5.5 Proposition Development. Following that the rival proposition was developed as given below.

Rival theoretical proposition: the reason why Victorian local governments introduced KCM framework was not related to improving their efficiency or the quality of democracy. Also, those decisions by local governments, the community organizations and kindergartens were independent from the Victorian Government's social policy.

As this study discussed in section 6.7.2 of Chapter 6, the researcher developed word tables to summarise the data. Five components of the rival theoretical proposition were drawn and placed into the columns in the table.

Those five components were:

6) Improving economic efficiency for local governance was not the reason that Victorian local governments introduced the KCM framework.

7) Improving the quality of democracy was not the reason that Victorian local governments introduced KCM.

8) Victorian State Government's social policy did not encourage local governments to introduce the KCM framework.

9) Victorian State Government's social policy did not encourage community service organizations to introduce the KCM framework.

10) Victorian State Government's social policy did not encourage kindergartens to introduce the KCM framework.

The responses from four cases are given below.

7.3.1 Response from Banyule City Council

As Table 7.35 displays, the first and second components of the theoretical proposition are supported while the third, fourth and fifth component of the theoretical proposition are not. Therefore, in the case of Banyule City Council, the local government introduced the KCM framework in order to improve economic efficiency and the quality of democracy. However, the Victorian Government's social policy did not encourage the local government, community service organizations or kindergartens to introduce the KCM framework.

Table 7.35: Rival propositions and answers from Banyule City Council: The reason for introduction of Cluster Management System

Case no.	ID no.	Improving economic efficiency was not the reason.	Improving the quality of democratic decision making was not the reason.	The Victorian Government's social policy did not encourage local governments to introduce KCM	The Victorian Government's social policy did not encourage CSOs to introduce KCM	The Victorian Government's social policy did not encourage kindergartens to introduce KCM
1	03001909 LG&KCM*	No	No	Yes / No	Yes/ No	Yes/No
1	12002611 Kind. Staff	No	No	No	N/A	N/A
1	09302711 CSO KCM*	No	No	N/A	N/A	Yes/No
		The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is not denied; therefore the proposition is **not supported**.	The rival proposition is not denied; therefore the proposition is **not supported**.	The rival proposition is not denied, therefore the proposition is **not supported**.

KCM: Kindergarten Cluster Management, CSO: Community Service Organization, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

7.3.2 Response from Moonee Valley City Council

As Table 7.36 indicates, none of the components of the theoretical proposition is supported. Therefore, this study cannot assert that in the case of the Moonee Valley City Council, the reason why the local government introduced the KCM framework was to improve economic efficiency or to improve the quality of democracy. However, this study found that only one kindergarten employee disagreed with the components of the theoretical proposition regarding the purpose of introducing the KCM framework. Table 7.36 also shows that the answers from interviewees regarding the Victorian Government's influence on the local government, community service organizations and kindergartens to introduce the KCM framework varied.

Table 7.36: Rival propositions and answers from Moonee Valley City Council: The reason for introduction of Cluster Management System

Case no.	ID no.	Improving economic efficiency was not the reason.	Improving the quality of democratic decision making was not the reason.	The Victorian Government's social policy did not encourage local governments to introduce KCM	The Victorian Government's social policy did not encourage CSOs to introduce KCM	The Victorian Government's social policy did not encourage kindergartens to introduce KCM
	04302511 Kind. Staff	No	No	Yes / No	Yes/No	Yes/No
	01001911 Kind. Staff	Yes	Yes	Yes/No	Yes/No	Yes
	10001211 LG&KCM*	No	No	No	N/A	N/A
		The rival proposition is not completely denied; therefore the proposition is **not supported**	The rival proposition is not completely denied; therefore the proposition is **not supported**	The rival proposition is not completely denied; therefore the proposition is **not supported**	The rival proposition is not completely denied; therefore the proposition is **not supported**	The rival proposition is not completely denied; therefore the proposition is **not supported**

KCM: Kindergarten Cluster Management, CSO: Community Service Organization, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

7.3.3 Response from Port Phillip City Council

As shown in Table 7.37, the first component of the theoretical proposition is supported while the second, third, fourth and fifth components of the theoretical proposition are not. Therefore, this study concludes in the case of the Port Phillip City Council, the reason why the local government introduced the KCM framework was to improve economic efficiency but this study cannot confirm that the purpose was to improve the quality of democratic decision-making. In terms of the influence by the Victorian Government social policy, the interviewees were unsure of whether or not the Victorian

Government's social policy encouraged local governments, community service organizations and kindergartens to introduce the KCM framework.

Table 7.37: Rival propositions and answers from Port Phillip City Council: The reason for introduction of Cluster Management System

Case no.	ID no.	Improving economic efficiency was not the reason.	Improving the quality of democratic decision making was not the reason.	The Victorian Government's social policy did not encourage local governments to introduce KCM	The Victorian Government's social policy did not encourage CSOs to introduce KCM	The Victorian Government's social policy did not encourage kindergartens to introduce KCM
3	10001709 LG&KCM*	No	No	Yes / No	Yes/No	Yes/No
3	10301911 Kind. Staff	No	N/A	N/A	N/A	N/A
		The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**

KCM: Kindergarten Cluster Management, CSO: Community Service Organization, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

7.3.4 Response from Wyndham City Council

As Table 7.38 indicates, the first component of the theoretical proposition is supported while the second, third, fourth and fifth components are not. Therefore, in the case of Wyndham City Council, the reason why the local government introduced the KCM framework was to improve economic efficiency rather than the quality of democratic decision making. Also, Table 7.38 shows that the

interviewees' answer varied regarding the influence of the Victorian Government's social policy on the introduction of the KCM framework.

Table 7.38: Rival propositions and answers from Wyndham City Council: The reason for introduction of Cluster Management System

Case no.	ID no.	Improving economic efficiency was not the reason.	Improving the quality of democratic decision making was not the reason.	The Victorian Government's social policy did not encourage local governments to introduce KCM	The Victorian Government's social policy did not encourage CSOs to introduce KCM	The Victorian Government's social policy did not encourage kindergartens to introduce KCM
4	09302509 LG&KCM*	No	No	Yes	N/A	Yes
4	11300310 LG	No	Yes/No	Yes	N/A	Yes
4	10002212 CSO KCM*	No	No	No	No	No
4	30001612 LG&KCM*	No	No	No	No	No
		The rival proposition is completely denied; therefore the proposition is **supported**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**

KCM: Kindergarten Cluster Management, CSO: Community Service Organization, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

7.3.5 Comparison of the responses

As Table 7.39 displays, not all components of the theoretical proposition were completely supported. Accordingly, the study cannot confirm that the local governments introduced the KCM framework in order to improve the economic efficiency or to improve the quality of democracy. However, this study noticed that in terms of pursuing the economic efficiency of the local council as the purpose of introducing the KCM framework, all local government employees and kindergarten managers supported the theoretical proposition. In addition to that, regarding the democratic decision-making as the purpose of introducing the KCM framework, all kindergarten managers supported the theoretical framework.

Hence, the results of the survey showed that the Victorian Government's social policy did not affect local governments, community service organizations and kindergartens' decisions to introduce the KCM services. Chapter 8 discusses the comments made by the interviewees and the influence of the Victorian Government's social policy.

Table 7.39: Synthesized answers from four cases

Case no.	Council name	Improving economic efficiency was the reason.	Improving the quality of democratic decision making was the reason.	The Victorian Government's social policy encouraged local governments to introduce KCM	The Victorian Government's social policy encouraged CSOs to introduce KCM	The Victorian Government's social policy encouraged kindergartens to introduce KCM
1	City of Banyule	Supported	Supported	Not Supported	Not Supported	Not Supported
2	City of Moonee Valley	Not Supported	Not Supported	Not Supported	Not Supported	Not Supported
3	City of Port Phillip	Supported	Not Supported	Not Supported	Not Supported	Not Supported
4	City of Wyndham	Supported	Not Supported	Not Supported	Not Supported	Not Supported

KCM: Kindergarten Cluster Management, CSO: Community Service Organization

Source: Interviews with interview subjects

7.4 Research Question 2: How are the networks described by the Kindergarten Cluster Management stakeholders?

In order to answer research question 2, this section presents the results from the interview part 1 section 2 processed for cross-case synthesis as described in Chapter 6, section 6.7.1: Cross-case synthesis.

The purpose of question 2 was to capture the networks existing among stakeholders. Firstly, the researcher established three word tables to display the answers according to whether the interviewees were local government employees (Table 7.40), KCM managers (Table 7.41) or kindergarten staff member (Table 7.42). In the table, each row shows a case and each column shows a counterpart with whom the interviewee was supposed to have a relationship.

Table 7.40: Relationships with counterparts as perceived by local government employees

counterpart Case	LG KCM*	CSO KCM*	KS in LG KCM	PC in LG KCM	KS in CSO KCM	PC in CSO KCM	LG MEYP	State Gov.	Com. Org.	Com. People
Statement No.	14	15	16	17	19	20	22	23	24	28
City of Banyule 03001909	SR	WR	SR	NR	WR	NR	SR	SR	SR	WR
City of Moonee Valley 10001211	SR	SR	SR	WR	SR	WR	SR	SR	WR	SR
City of Port Phillip 10001709	SR	NR	SR	SR	NR	NR	SR	SR	SR	SR
City of Wyndham 09302509	SR	SR	SR	SR	NR	NR	SR	SR	WR	SR
City of Wyndham 11300310	SR	SR	SR	WR	NR	NR	SR	SR	SR	WR
City of Wyndham 30001612	SR	SR	SR	SR	SR	SR	SR	WR	SR	SR

LG: Local Government, KCM: Kindergarten Cluster Management, KCM*: Kindergarten Cluster Management manager, KS: Kindergarten Staff member, PC: Parent's Committee, CSO: Community Service Organization, MEYP: Municipal Early Year Planning, Gov.: Government, Com.: Community and Org.: Organization

SR: Strong Relations (answered as collaboration) LR: Light Relations (answered as connection) NR: No Relations (No clear relation existed when it was answered)

Source: Interviews with interview subjects

Table 7.41: Relationships with counterparts as perceived by KCM manager

counterpart Case	KS	PC	LG Preschool coordinator	LG MEYP	State Gov.	Com. Org.	Com. People
Statement No.	1	2	4	5	6	8	12
City of Banyule 03001909 (LG)	SR	NR	SR	SR	SR	NR	SR
City of Moonee Valley 10001211SS (LG)	SR	SR	SR	SR	SR	SR	SR
City of Port Phillip 10001709 (LG)	SR	SR	SR	SR	SR	SR	SR
City of Wyndham 09302509 (LG)	SR	SR	SR	SR	SR	WR	SR
City of Wyndham city 30001612 (LG)	SR	SR	SR	SR	WR	SR	SR
City of Banyule 09302711 (CSO)	SR	SR	SR	SR	SR	SR	SR
City of Wyndham 10002211 (CSO)	SR	SR	SR	SR	WR	SR	SR

LG: Local Government, KCM: Kindergarten Cluster Management, KS: Kindergarten Staff member, PC: Parent's Committee, CSO: Community Service Organization, MEYP: Municipal Early Year Planning, Gov.: Government, COM: Community and Org.: Organization

SR: Strong Relations (answered as collaboration) WR: Weak Relations (answered as connection) NR: No Relations (No clear relation existed when it was answered)

Source: Interviews with interview subjects

Table 7.42: Relationships with counterparts as perceived by Kindergarten staff member

counterpart / Case	KCM*	PC	LG Preschool coordinator	LG MEYP	State Gov.	Com. Org.	Com. People
Statement No.	30	31	33	34	35	37	41
City of Banyule 12002611	SR	NR	NR	NR	WR	SR	SR
City of Moonee Valley 04302511	SR	SR	NR	NR	WR	SR	SR
City of Moonee Valley 01001911	SR	SR	SR	NR	WR	SR	SR
City of Port Phillip 10301911	SR	SR	SR	SR	NR	WR	SR

LG: Local Government, KCM: Kindergarten Cluster Management, KCM*: Kindergarten Cluster Management manager, KS: Kindergarten Staff member, PC: Parent's Committee, CSO: Community Service Organization, MEYP: Municipal Early Year Planning, Gov.: Government, COM: Community and Org.: Organization

SR: Strong Relations (answered as collaboration) WR: Weak Relations (answered as connection) NR: No Relations (No clear relation existed when it was answered)

Source: Interviews with interview subjects

After creating Table 7.40, 7.41 and 7.42, the researcher utilized them to produce four figures that show the relationships between local government staff members and their secondary stakeholders (Figure 7.1), the relationships between LG-type KCM managers and their secondary stakeholders (Figure 7.2), the relationships between CSO-type KCM managers and their secondary stakeholders (Figure 7.3) and the relationships between kindergarten staff members and their secondary stakeholders (Figure 7.4). In this study, the secondary stakeholders were Local Government Municipality Early Year Planning (MEYP), Stage Government employees, Community Organizations and Community People.

These figures display the differences and similarities between four cases as well as showing the relationships with kindergarten parents' committees.

Figure 7.5: Networking among primary stakeholders in Banyule City Council, is displayed in section 7.4.1 - Response from Banyule City Council. Figure 7.6: Networking among primary stakeholders in

Moonee Valley City Council, is displayed in section 7.4.2 - Response from Moonee Valley City Council. Figure 7.7: Networking among primary stakeholders in Port Phillip City Council, is displayed in section 7.4.3 - Response from Port Phillip City Council. Figure 7.8: Networking among primary stakeholders in Wyndham City Council, is displayed in section 7.4.4 - Response from Wyndham City Council.
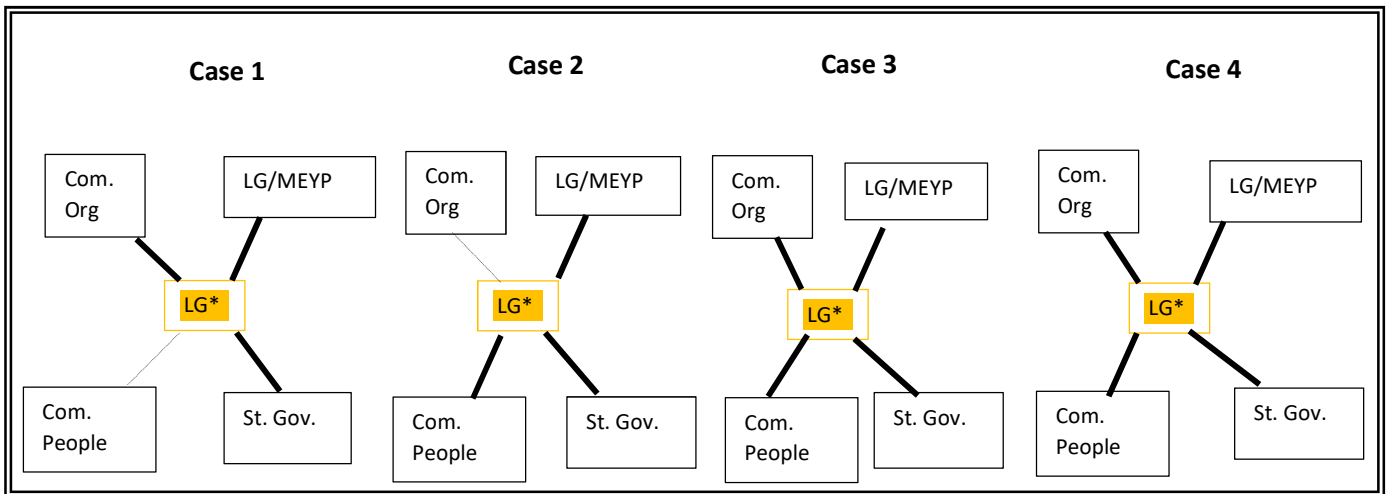
Figure 7.1: Relationships between LG employees and secondary stakeholders perceived by local government staff member

Case1: Banyule City Council, Case2: Monee Valley City Council, Case3: Port Phillip City Council, Case4: Wyndham City Council

LG: Local Government, LG*: Local Government employee, Com. Org: Community Organization, Com. People: Community People, LG/ MEYP: Local Government Municipal Early Year Planning, St. Gov.: Victorian Government

▬▬ Strong relationships   ⋯⋯ Weak relationships
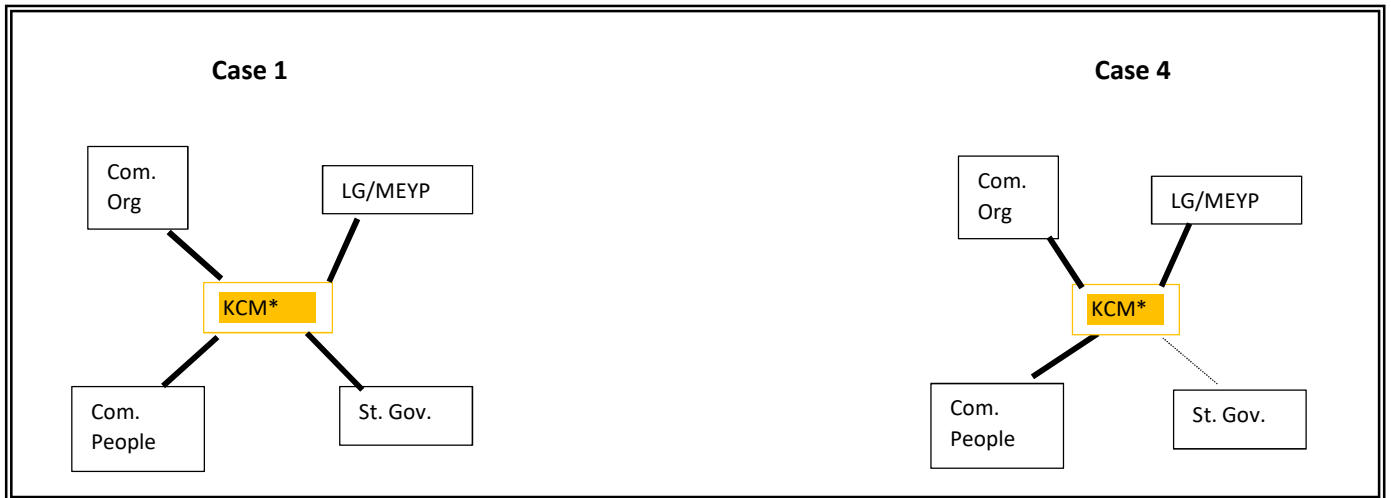
Source: Interviews with interview subjects
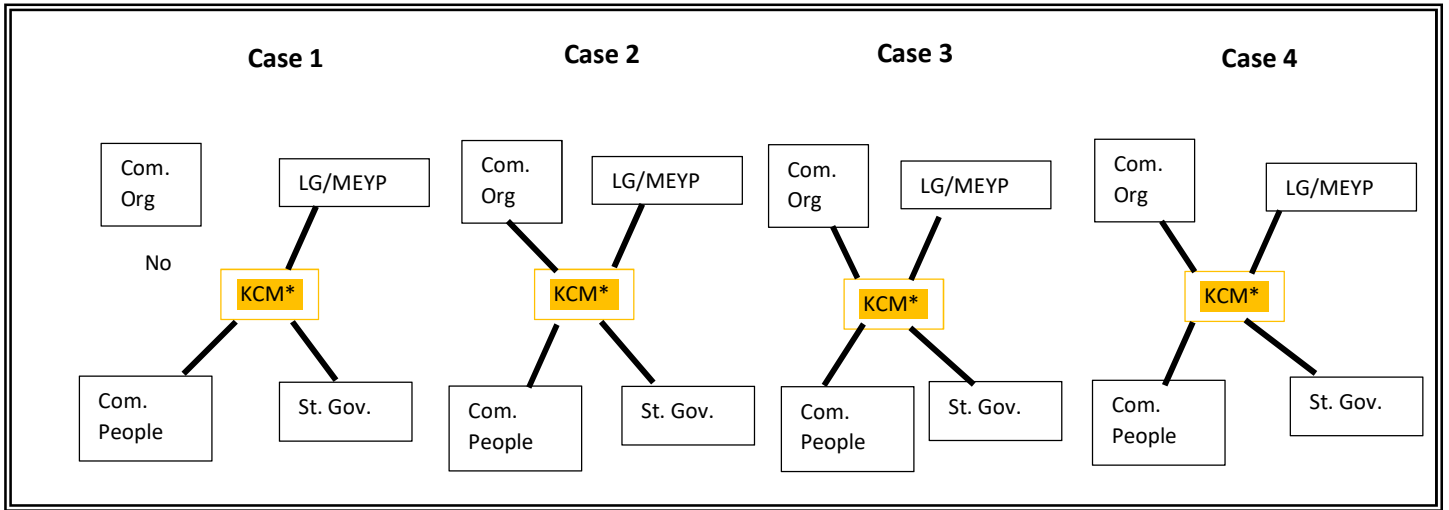
Figure 7.2: Relationships between LG-type KCM managers and secondary stakeholders perceived by LG-type KCM managers

Case1: Banyule City Council, Case2: Monee Valley City Council, Case3: Port Phillip City Council, Case4: Wyndham City Council

KCM: Kindergarten Cluster Management, KCM*: Kindergarten Cluster Management manager, Com. Org: Community Organization, Com. People: Community People, LG/ MEYP: Local Government Municipal Early Year Planning, St. Gov.: Victorian Government

━━━━━ Strong   relationships   ┈┈┈┈┈┈   Weak relationships

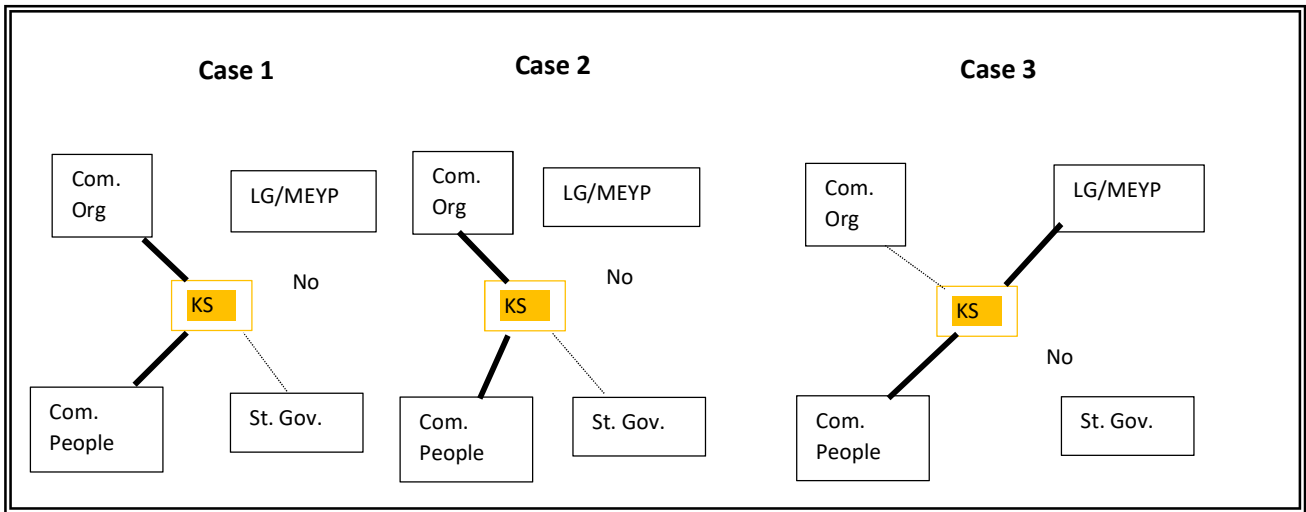Source: Interviews with interview subjects

Figure 7.3: Relationships between CSO-type KCM managers and secondary stakeholders perceived by CSO-type KCM manager

Case1: Banyule City Council, Case4: Wyndham City Council

KCM: Kindergarten Cluster Management, KCM*: Kindergarten Cluster Management manager, Com. Org: Community Organization, Com. People: Community People, LG/ MEYP: Local Government Municipal Early Year Planning, St. Gov.: Victorian Government

━━━━ Strong relationships   ⋯⋯⋯⋯ Weak relationships

Source: Interviews with interview subjects

Figure 7.4: Relationships between Kindergarten staff member and secondary stakeholders as perceived by kindergarten staff member

Case1: Banyule City Council, Case2: Monee Valley City Council, Case3: Port Phillip City Council

KS: Kindergarten Staff member, Com. Org: Community Organization, Com. People: Community People, LG/ MEYP: Local Government Municipal Early Year Planning, St. Gov.: Victorian Government

━━━━ Strong relationships   ········· Weak relationships

Source: Interviews with interview subjects

7.4.1 Response from Banyule City Council

As Table 7.40 shows, the local government employee's relationships with LG-type KCM managers and kindergarten staff members were strong. However, as parents' committees did not exist in the local government-owned kindergartens, there was no relationship with the parents' committee. Local government employee believed that the relationship with a CSO-type KCM managers was weak, while the CSO-type KCM manager though that the relationship with the local government staff members was strong. As Figure 7.1 indicates, the local government staff member had strong relationships with the secondary stakeholders apart from the relationship with community people, which was weak.

Table 41 displays the answer from LG-type KCM managers. In the Banyule City Council the LG-type KCM manager was a local government employee as well. However, the answers were provided from the different perspective of a local government staff member. The LG-type KCM manager had a strong relationship with local government staff members. The LG-type KCM manager had also answered the relationship with kindergarten staff members of local government owned kindergartens was strong. There were no parents' committees in the local government-owned kindergartens, hence, no relationship. As indicated in Figure 7.2, the LG-type KCM manager had strong relationships with the secondary stakeholders, however, she did not manage the relationships with the community organizations.

Table 7.41 also displays the answers from CSO-type KCM managers. The CSO-type KCM manager believed that the relationship with the local government staff members was strong. Also, she thought that the relationships with the kindergarten staff members and parents' committees in the kindergartens managed by her organization were strong. Figure 7.3 shows that the CSO-type KCM manager had strong relationships with the secondary stakeholders.

Table 7.42 displays the answers from kindergarten staff members that the relationship with LG-type KCM managers was strong while there were no relationships with the local government preschool coordinator or parents' committees for the same reason as already stated. Figure 7.4 displays the kindergarten staff member did not have relationships with the local government MEYP section. She believed that the relationship with the Victorian Government was weak, although the relationships with community organizations and community people were strong.

Figure 7.5: shows that the local government had a rather simple network and was the center of the networking for the early childhood education service in this council.
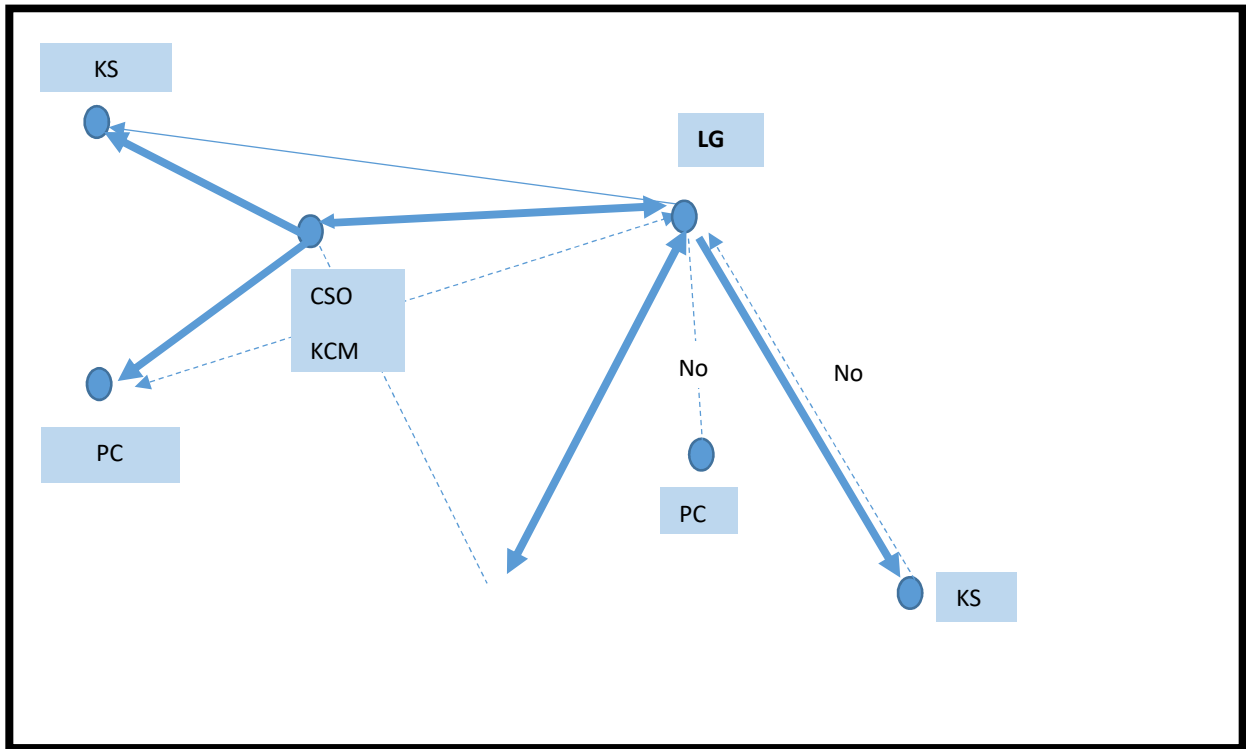
Figure 7.5: Networking among primary stakeholders in Banyule City Council

LG: Local Government employee, LG KCM: Local Government type Kindergarten Cluster Management manager, KS: Kindergarten Staff member, PC: Parent's Committee, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

➤ Strong relationships ◄— Weak relationships ◄----- No relationships

Source: Interviews with interview subjects

7.4.2 Response from Moonee Valley City Council

Table 7.40 displays the relationships between local government staff members and the primary stakeholders which were described from the local government staff members' perspective. The relationships with the LG-type KCM manager and kindergarten staff members managed by the LG-type KCM manager were strong. However, the relationships with the parents' committees in the local government-owned kindergarten were weak. Local government staff members also had a strong relationships with CSO-type KCM managers and kindergartens managed by the CSO-type KCM managers while the relationships with the parent's committees of the kindergarten managed by the CSO-type KCM manager was weak. Figure 7.1 displays the relationships between the local

186

government staff members and the secondary stakeholders. The local government staff member had strong relationships with the secondary stakeholders, except for the community organizations.

Table 7.41 displays the relationships between LG-type KCM managers and the primary stakeholders which were described from the LG-type KCM manager's perspective who was a local government employee and the same person who answered as a local government staff member as well. The LG-type KCM manager had strong relationships with local government staff members, kindergarten staff members and parents' committees in the kindergarten managed by them. There was no relationship with CSO-type KCM managers in the area. Figure 7.2 indicates that the relationships between the LG type KCM manager and the secondary stakeholders were strong.

Table 7.42 displays the relationships between kindergarten staff members and the primary stakeholders which were described from the kindergarten staff member's perspective. The kindergarten staff members had strong relationships with the LG-type KCM manager and the parent's committees in their kindergartens. However, the kindergarten staff members saw the relationships with local government employees differently; one staff member said the relationship was strong while the other maintained that there was no relationship with local government employee. Therefore, the relationship between kindergarten staff member and local government employees in Figure 7.6 is 'unclear'. Figure 7.4 displays the relationships between the kindergarten staff members and the secondary stakeholders. The kindergarten staff member had strong relationships with community organizations and community people; however, the relation with the Victorian Government was weak and there was no relationship with the local government's Municipal Early Year Planning section.

As Figure 7.6 displays, the local government staff member was the center of the early year education service, and KCM managers had strong relationships among stakeholders.
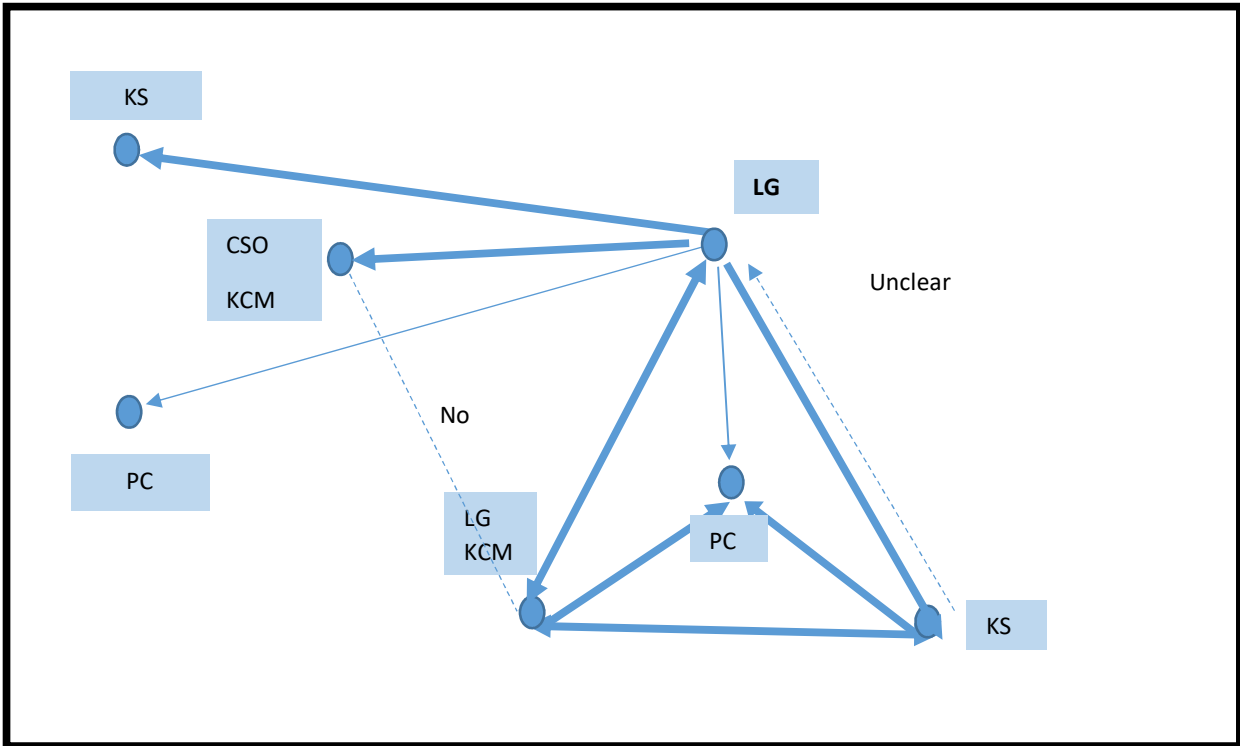
Figure 7.6: Networking among primary stakeholders in Moonee Valley City Council

LG: Local Government, LG KCM: Local Government type Kindergarten Cluster Manager, KS: Kindergarten Staff, PC: Parent's Committee, CSO KCM: Community Service Organization type Kindergarten Cluster Manager

⬅ Strong relationships ← Weak relationships ◄----- No relationships

Source: Interviews with interview subjects

7.4.3 Response from Port Phillip City Council

Table 7.40 displays the relationships between local government staff members and the primary stakeholders which were described from the local government staff member's perspective. The local government had strong relationships with a LG-type KCM manager, kindergarten staff members and parents' committees in the local government-owned kindergartens. The local government employee did not have a relationship with other KCM managers, kindergarten staff members and parents' committees in the kindergartens managed by CSO-type KCM managers. Figure 7.1 displays that the local government employee had strong relationships with their secondary stakeholders.

Table 7.41 displays the relationships between KCM managers and the primary stakeholders which were described from the LG-type KCM manager's perspective who was a local government employee and gave answers in that capacity. The LG-type KCM manager had a strong relationship with local government staff members, kindergarten staff members and parents' committees of the kindergartens managed by the local government staff members. Meanwhile the KCM manager had no relationship with other KCM managers in the council. Figure 7.2 shows that the KCM manager had strong relationships with the all secondary stakeholders.

Table 7.42 displays the relationships between kindergarten staff members and the primary stakeholders which were described from the kindergarten staff member's perspective. The kindergarten staff member had strong relationships with the local government staff members, LG-type KCM managers and the parent's committees of the kindergartens. Figure 7.4 displays the relationships of kindergarten staff members and their secondary stakeholders. The kindergarten staff member had strong relationships with the LG-type KCM managers and community people while it had a weak relationship with community organizations. There was no relationship between the kindergarten staff members and the Victorian Government's regional office staff members.

Figure 7.7 displays that the local government employees, LG-type KCM managers, kindergarten staff members and the parents' committees had a strong bond and worked within a rather tight and small network.
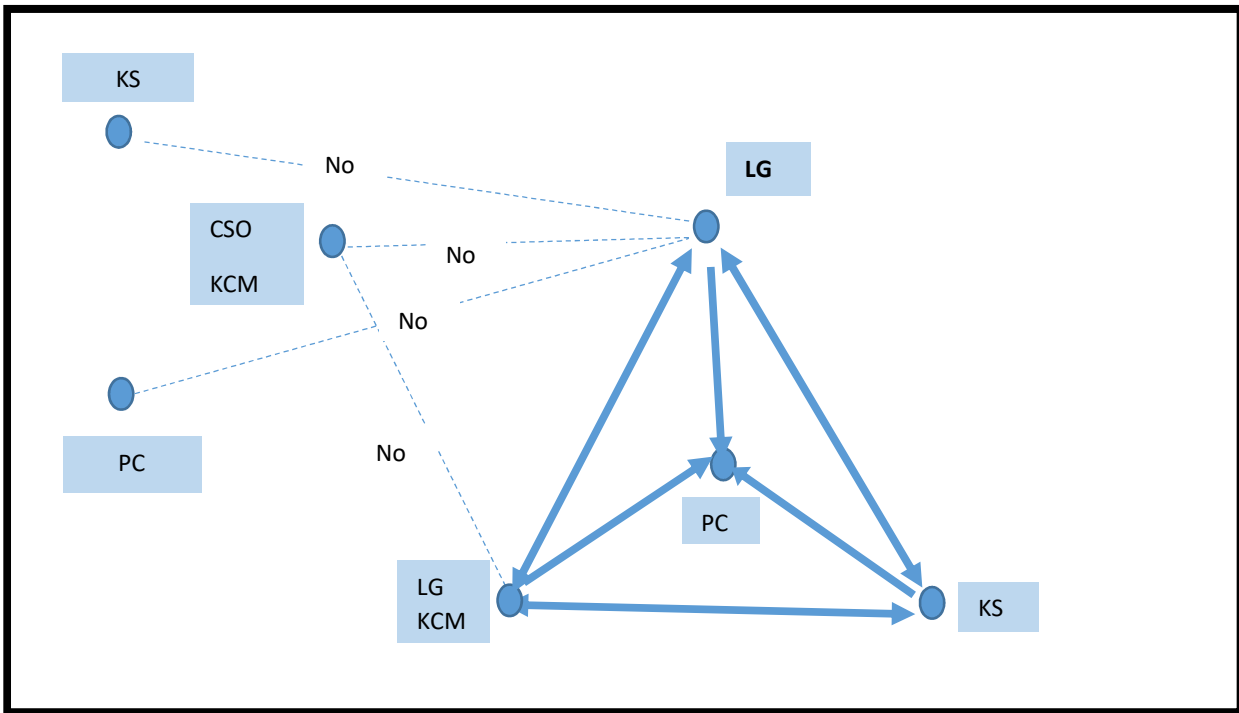
Figure 7.7: Networking among primary stakeholders in Port Phillip City Council

LG: Local Government, LG KCM: Local Government type Kindergarten Cluster Manager, KS: Kindergarten Staff member, PC: Parent's Committee, CSO KCM: Community Service Organization type Kindergarten Cluster Manager

⬅ Strong relationships ← Weak relationships ⬸----- No relationships

Source: Interviews with interview subjects

7.4.4 Response from Wyndham City Council

Table 7.40 displays the relationships between local government staff members and the stakeholders which were described from the local government employee's perspective. Three of the interviewees were local government staff members and two of them were LG-type KCM managers. Local government staff members had strong relationships with LG-type KCM managers, kindergarten staff members and parent's committees in local government-owned kindergartens. Regarding the relationship with the parents' committees, the department manager (ID no. 11300310) believed that the relationship was weak; however, both of local government staff members (ID no. 09302509 and 03001612) who worked in the KCM section believed that the relationship was strong. Therefore, the relationships displayed in Figure 7.8 were strong. The local government staff members had a strong

190

relationship with a CSO-type KCM manager. Also the local government staff members had strong relationships with the kindergarten staff members and the parent's committees managed by the CSO-type KCM manager. In terms of the relationships with kindergarten staff members and parent's committee managed by CSO-type KCM manager, two local government staff members answered the relationship was weak while one local government staff member answered the relationship was strong. The respondent who thought that the relationship was strong worked in the section in which she managed the contracts with CSO-type KCM organizations. Those who thought that the relationship was weak did not work directly with the CSO-type KCM organizations. Therefore, it was concluded that the relationship with the kindergarten staff members and parents' committees' in the kindergartens managed by a CSO-type KCM organization were strong. Figure 7.1 displays the relationships between local government staff members and secondary stakeholders. Three interviewees maintained that the relationship between local government staff members and the Municipal Early Year Planning section was strong. In terms of the relationship between local government employees and the Victorian Government staff members, two of the three interviewees answered the relationships was strong while one of them disagreed. The interviewee who thought the relationship was weak was responsible for contracts with the CSO-type KCM organizations while the other two staff members worked closely with the Victorian Government staff members. Therefore, this study understood the relationship of local government employees with the Victorian Government staff members was strong. With the same reason, even though one of those three interviewee answered the relationship with community organizations and community people were weak, this research understood the relationship were generally strong.

Table 7.41 displays the relationships between KCM managers and the stakeholders as seen by two LG-type KCM managers and a CSO-type KCM manager's perspective. LG-type KCM managers were local government staff members and answered in this capacity. LG-type KCM managers had strong relationships with local government employees, kindergarten staff members and parents' committees in the kindergartens managed by the local government. The CSO-type KCM manager also had strong relationships with local government employees, kindergarten staff members and parents' committees in the kindergarten managed by them. There was no relationship between LG-type KCM managers, and CSO-type KCM manager, Figure 7.2 indicates the relationships between LG-type KCM managers and the secondary stakeholders. The LG-type KCM managers had strong relationships with the secondary stakeholders. The answers from two LG-type KCM managers were different as 09302509 believed that the KCM manager's relationship with the Victorian Government staff members was strong while 03001612 thought that the relationship was weak. On the other hand, 09302509 believed that the relationship with community organizations was weak, while 03001612

thought the relationship was strong. This study concluded that the positions of the interviewee accounted for these differences in opinion, and that both relationships of LG-type KCM managers with the Victorian Government employees and community organizations were strong.

Figure 7.3 displays the relationship between a CSO-type KCM manager and her secondary stakeholders. The CSO-type KCM manager had strong relationships with all secondary stakeholders apart from the Victorian Government employees. It was concluded that this was because the CSO-type KCM manager in the City of Wyndham worked under contract with the City Council but not under a direct contract with the Victorian Government.

Figure 7.8 displays that the Wyndham City Council developed strong relationships with their primary and secondary stakeholders and operated within a rather large network.
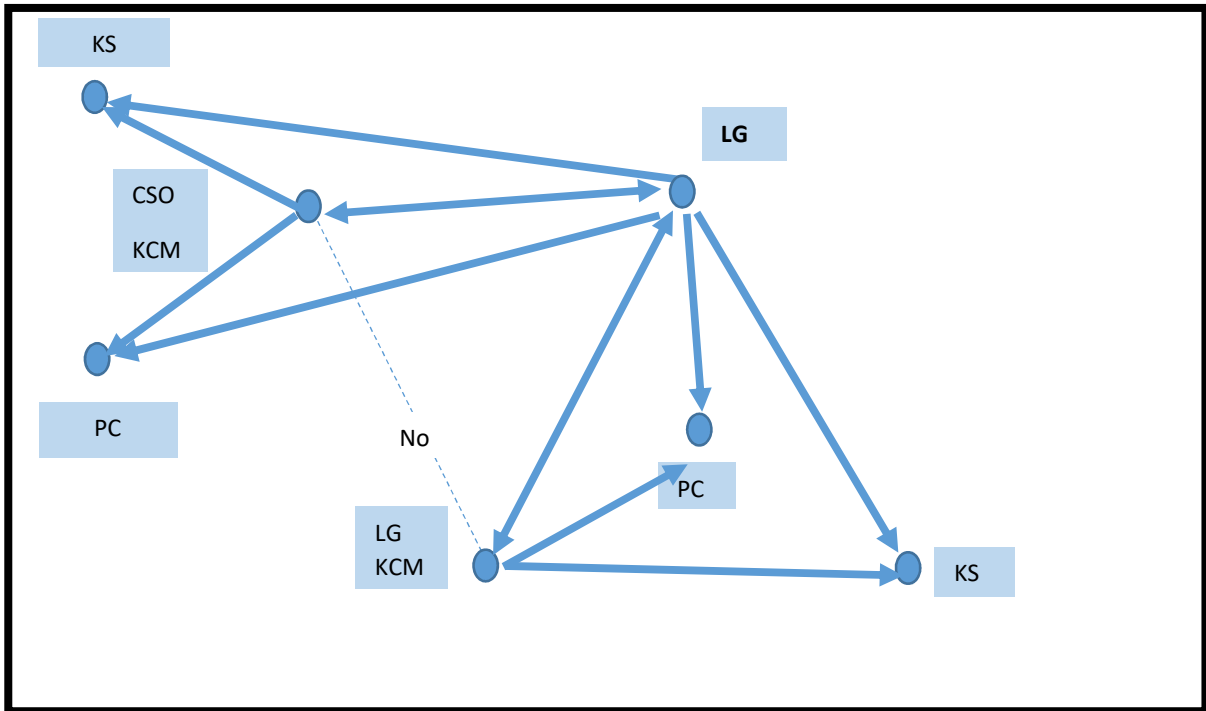
Figure 7.8: Networking among primary stakeholders in Wyndham City Council

LG: Local Government, LG KCM: Local Government type Kindergarten Cluster Management manager, KS: Kindergarten Staff member, PC: Parent's Committee, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

⟵ Strong relationships ⟵ Weak relationships ⟵------ No relationships

Source: Interviews with interview subjects

7.4.5 Comparison of the responses

Local government's relationships

All four cases demonstrated a strong and two-way dialogue relationship between local government and the LG-type KCM managers. However, there was inconsistency in terms of the relationships between local government employees and the kindergarten staff members managed by the local government. In all four cases, local government staff members believed that they had a strong relationship with kindergarten staff members, while two of the four kindergarten staff members maintained that there was no relationship with their local government employees. In terms of the relationships between local government staff members and the parents' committees in the kindergarten managed by the local government, the degree of the relationship depended on the

position of the interviewee. In other words, the front line staff members believed that the relations with the parents' committees was strong while the management staff members thought otherwise. The relationships between the local government staff members and CSO-type KCM managers varied among cases. Also, the relationships between local government employees and the kindergarten staff members and parents committees managed by CSO-type KCM managers varied.

In terms of the relationship between local government staff members and their secondary stakeholders, all cases had relationships but they were not always strong.

Kindergarten Cluster Management manager's relationships

The KCM managers worked in the strong and two-dialog relationships with their stakeholders as only the relationships with the Victorian Government employees and the community organizations had the differences in the answers from the interviewees. The LG-type KCM manager in Banyule City Council did not have the relationship with parent's committee as there was no parent's committee in the kindergartens managed by the local government. There was no relationship between LG-type KCM managers and CSO-type KCM managers in the four cases.

Kindergarten staff member's relationships

Case 4, Wyndham City Council, did not have an interviewee who was a kindergarten staff member. Kindergarten staff members had strong relationships with their KCM managers and parents' committees except in Case 1, Banyule City Council as there was no parents' committee. The relationship of kindergarten staff members with the local government employees varied as two of four kindergarten staff members answered that the relationships were strong while the other two kindergarten staff members believed that there was no relationship with the local government employees. The kindergarten staff members apparently developed a strong relationship and worked closely with their community people. They also established a strong relationship with community organizations except for Case 3, Port Phillip City Council, which had a weak relationship with them.

Kindergarten staff members did not work closely with the MEYP in local governments and the Victorian Government employees. As Figure 7.4 displays, Banyule City Council and Moonee Valley City Council had no relationship with the Municipal Early Year Planning section in the local government. Regarding the relationship with the Victorian Government employees, Port Phillip City

Council had no relationship with the Victorian Government employees although the City of Banyule and the City of Moonee Valley had weak relationships.

7.5 Research Question 3: Which mode of governance works in the Kindergarten Cluster Management framework?

In order to answer research question 3, this section shows the results from the interview part 1 from section 7 to section 10 processed for cross-case synthesis as was discussed in section 6.7.1 of Chapter 6.

The purpose of question 3 was to ascertain the modes of governance working between stakeholders. Firstly, the researcher established five word tables to display the answers in terms of the different relationships: 1) Local Government staff members and LG-type KCM managers, 2) Local Government staff members and CSO-type KCM managers, 3) KCM managers and Kindergarten staff members, 4) KCM managers and kindergarten Parents' Committee and 5) KCM managers and the Victorian Government regional office staff members. In the table, each row contains a case and the ID number of the interviewee while each column presents mode of governance and features of the mode that were discussed in the Chapter 6, section 6.6.1.

Secondly, the researcher analyzed the answers from the interviewees in order to clarify which mode of governance worked in those five relationships.

7.5.1 Responses regarding relationships between LG-type Kindergarten Cluster Management managers and Local Government staff members

Table 7.43 displays the responses regarding the relationships between LG-type KCM managers and the local government staff members that were provided by the LG-type KCM managers and the local government staff members. The table evidences that network mode of governance and the hierarchy mode of governance exist in all cases. Conversely, the market mode of governance was not recognized by the interviewees except by interviewee 03001612 (local government employee who was also a KCM manager in Wyndham City). In particular, the response from interviewee 1001211 (local government employee who was also a KCM manager in the City of Moonee Valley) shows that the hierarchy mode of governance and network mode of governance exist, but not the market mode of governance.

Table 7.43: Answers regarding relationships between LG-type KCM managers and Local Government staff members

Governance mode ID number		Hierarchy mode				Market mode				Network mode			
case	statement number	2	3	4	5	6	7	8	9	10	11	12	13
1	03001909 (LG&KCM)	Y	Y	Y	Y	N	N	N	N	N	Y	Y	Y
2	10001211 (LG&KCM)	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y
3	10001709 (LG&KCM)	N	U	Y	N	Y	N	N	N	N	Y	Y	Y
4	09302509 (LG&KCM)	N	Y	Y	Y	N	N	N	N	Y	Y	Y	Y
4	11300310 (LG)	Y	Y	Y	U	N	N	N	N	Y	Y	Y	Y
4	03001612 (LG&KCM)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

Y: Yes, N: No, U: neither Yes nor No, N/A: Not Applicable

LG: Local Government employee, KCM: Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.5.3 Response about relationships between CSO-type Kindergarten Cluster Management managers and Local Government staff members

Table 7.44 shows the responses regarding the relationships between CSO-type KCM managers and the local government staff members that were answered by the CSO-type KCM managers and the local government staff members. The Port Phillip City Council interviewee did not answer this section as she did not have any relationships with CSO-type KCM managers. Table 7.44 shows that the hierarchy mode of governance was less in this relationship; rather, the market mode of governance appeared. However, the network mode of governance existed in most cases. Those answers from Case 1, Banyule City Council and Case 2, Moonee Valley City Council were similar in terms of not existing hierarchy mode of governance and market mode of governance. In Case 4, Wyndham City Council's response shows that the market mode of governance existed in the relationships.

Table 7.44: Answers regarding relationships between CSO-type KCM managers and Local Government staff members

Governance mode / ID number		Hierarchy mode				Market mode				Network mode			
case	statement number	2	3	4	5	6	7	8	9	10	11	12	13
1	03001909 (LG&KCM)	Y	U	U	Y	N	N	N	U	U	Y	Y	Y
1	09302711 (CSO KCM)	Y	N	N	Y	N	N	Y	N	Y	Y	N	Y
2	10001211 (LG&KCM)	N	Y	N	N	N	N	N	Y	Y	U	Y	N
4	09302509 (LG&KCM)	Y	Y	Y	Y	Y	N	Y	N	Y	Y	Y	Y
4	11300310 (LG)	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y
4	10002211 (CSO KCM)	Y	Y	Y	Y	Y	N	Y	N	N	Y	Y	Y
4	03001612 (LG&KCM)	Y	U	Y	Y	Y	Y	Y	Y	N	Y	Y	Y

Y: Yes, N: No, U: neither Yes nor No, N/A: Not Applicable

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.5.4 Responses regarding relationships between Kindergarten Cluster Management managers and Kindergarten staff members

Table 7.45 displays the responses regarding the relationships between the kindergarten staff members and their KCM managers that were answered by the kindergarten staff members and their associated KCM managers.

Table 7.45 shows that the hierarchy mode of governance and network mode of governance existed strongly; however, the market mode of governance was absent in the most cases. Statement number 6 examining the existence of the market mode of governance was *'the kindergarten cluster manager and staff members of kindergarten negotiated the price of services and resources'*. A few interviewees

agreed. Interviewee 04302511(kindergarten staff member in Case 2, Banyule City Council) answered 'neither yes nor no' to most of the statements.

Table 7.45: Answers regarding relationships between KCM managers and Kindergarten staff members

Governance mode / ID number — case	statement number	Hierarchy mode				Market mode				Network mode			
		2	3	4	5	6	7	8	9	10	11	12	13
1	03001909 (LG&KCM)	Y	Y	Y	Y	N	N	N	N	N	Y	Y	Y
1	12002611 (KS)	N	N	Y	Y	N	N	N	Y	Y	Y	Y	N
1	09302711 (CSO KCM)	Y	Y	Y	Y	N	U	N	N	Y	Y	Y	Y
2	04302511 (KS)	U	U	U	U	U	U	U	U	U	U	Y	Y
2	01001911 (KS)	Y	N	Y	N	Y	N	N	N	Y	Y	Y	U
2	10001211 (LG&KCM)	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y
3	10001709 (LG&KCM)	Y	U	U	N	N	N	N	N	N	Y	Y	N
3	10301911 (KS)	Y	Y	Y	Y	N	U	N	Y	Y	Y	Y	Y
4	09302509 (LG&KCM)	Y	Y	Y	Y	N	N	N	N	Y	Y	Y	Y
4	10002211 (CSO KCM)	Y	Y	Y	Y	Y	N	N	N	Y	Y	Y	Y
4	03001612 (LG&KCM)	Y	Y	Y	Y	Y	Y	N	N	N	Y	Y	Y

Y: Yes, N: No, U: neither Yes nor No, N/A: Not Applicable

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, KS: Kindergarten Staff member, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.5.5 Response about relationships between Kindergarten Cluster Management managers and Kindergarten Parent's Committee

Table 7.46 displays the responses regarding the relationships between the kindergarten parents' committees and their KCM managers. The responses were given by the KCM managers who worked with those kindergarten parents' committees.

Table 7.46 shows that the hierarchy mode of governance and network mode of governance existed strongly, whereas the market mode of governance was absent in most cases. Also, similar to the relationships between KCM managers and the kindergarten staff members, several interviewees agreed with statement 6.

Table 7.46: Answers regarding relationships between KCM managers and Kindergarten Parents' Committees

Governance mode ID number		Hierarchy mode				Market mode				Network mode			
case	statement number	2	3	4	5	6	7	8	9	10	11	12	13
1	03001909 (LG&KCM)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1	09302711 (CSO KCM)	Y	Y	Y	Y	Y	N	N	N	U	Y	Y	Y
2	10001211 (LG&KCM)	Y	Y	U	Y	N	N	N	N	Y	U	Y	N
3	10001709 (LG&KCM)	Y	N	U	U	N	U	U	N	N	Y	Y	Y
4	09302509 (LG&KCM)	Y	Y	Y	Y	Y	N	N	N	Y	Y	Y	Y
4	10002211 (CSO KCM)	U	U	Y	Y	Y	N	N	N	Y	Y	Y	Y
4	03001612 (LG&KCM)	Y	Y	U	Y	N	N	N	N	Y	U	Y	N

Y: Yes, N: No, U: neither Yes nor No, N/A: Not Applicable

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.5.6 Responses regarding relationships between Kindergarten Cluster Management managers and the Victorian Government region office staff members

Table 7.47 displays the responses regarding the relationships between the KCM managers and the Victorian Government regional office staff members. These responses came from the KCM managers.

Table 7.47 shows that the hierarchy mode of governance and network mode of governance existed strongly, while the marked mode of governance did not exist.

Statement number 8 examining the existence of the market mode of governance asked whether *'KCM managers and regional office employees were independent and worked together by contract'*. A few interviewees answered 'yes' to statement number 8. Statement number 10 examining the existence of the network mode of governance asked if *'the relationship between the cluster manager and regional office staff members was rather informal and friendly'*. Several interviewees answered 'no' to statement number 10.

Table 7.47: Answers about relationships between KCM managers and the Victorian Government region office staff members

Governance mode ID number / case statement number	Hierarchy mode				Market mode				Network mode			
case / statement number	2	3	4	5	6	7	8	9	10	11	12	13
1 03001909 (LG&KCM)	Y	Y	U	Y	N	N	N	Y	U	Y	Y	Y
1 09302711 (CSO KCM)	Y	Y	Y	Y	N	N	Y	N	N	Y	Y	Y
2 10001211 (LG&KCM)	N	Y	U	Y	N	N	Y	N	N	Y	Y	Y
3 10001709 (LG&KCM)	Y	U	U	Y	Y	N	U	N	N	Y	Y	Y
4 09302509 (LG&KCM)	Y	Y	Y	Y	N	U	N	N	Y	Y	Y	Y
4 10002211 (CSO KCM)	Y	Y	Y	Y	U	U	N	N	U	Y	Y	Y
4 03001612 (LG&KCM)	U	Y	U	Y	N	N	Y	Y	N	N	Y	U

Y: Yes, N: No, U: neither Yes nor No, N/A: Not Applicable

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.5.7 Comparison of the responses

In the relationships of kindergarten cluster management services, the hierarchy mode and network mode of governance were strong, while the market mode of governance was not readily discernible. However, in the relationships between CSO-type KCM managers and the local government employees, there was some evidence of a market mode of governance.

7.6 Research Question 4: What are the factors that affect networking in the Kindergarten Cluster Management framework?

In order to answer research question 4, this section shows the results from section 5 of part 1 of the interview, and analyzed these through pattern matching with rival independent variables as discussed in Chapter 6, section 6.7.2.

After reviewing the proposition developed in section 5.5 of Chapter 5, the following rival proposition was developed:

Individual and organizational capacity, partnership lifecycle, stakeholder management and successful partnership elements did not affect networking in the KCM framework.

In Chapter 5, this study addressed the following nine elements to be investigated:

1. Individual capacity
2. Organizational capacity
3. Relationship life cycle
4. Stakeholder management strategy
5. Good facilitator
6. Right people's participation
7. Clear purpose
8. Clear process
9. High motivation

In terms of investigating the individual's capacity, this study collected data about: 1) KCM manager's capacity, 2) kindergarten staff member's capacity, 3) parent committee's capacity, and 4) local government staff member's capacity. In order to investigate stakeholder management by KCM managers, as discussed in section 6.6.1 of Chapter 6, this research adopted the seven principles of stakeholder management developed by the Clarkson Center for Business Ethics (1999). These seven principles were broken down into ten measurable features.

The researcher developed five word tables to display if the answers from the interviewees had matched with the pattern of rival theoretical variables. In developed tables each row presented interviewee's ID number and case number while the column presented the rival theoretical variables.

7.6.1 Response from Banyule City Council

Table 7.48 indicates that the individual capacity of KCM managers, kindergarten staff members and local government staff members affected the relationships. There were no parents' committees in council-owned kindergartens, so this statement could not elicit a response.

Table 7.48: Response re. Banyule City Council in terms of individual capacity of stakeholders

Case no.	ID number	KCM manager's skill and ability did not affect the relations	Kindergarten staff member's skill and ability did not affect the relations	Parent committees skill and ability did not affect the relations	Local government staff member's skill and ability did not affect the relations
1	03001909 LG&KCM	No	No	N/A	No
1	12002611 Kind. Staff	No	No	N/A	No
1	09302711 CSO KCM	No	No	No	No
		The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.	Because there were no parents' committees in the City Council-owned kindergartens, the proposition is **not applicable in this city**	The rival proposition is completely denied; therefore the proposition is **supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.49 displays that the organizational capacity was not accepted as a factor in successful collaborative relationships.

Table 7.49: Response re. Banyule City Council in terms of organizational capacity of stakeholders

Case no.	ID number	Each stakeholder organization's support did not affect the relationships
1	03001909 LG&KCM	No
1	12002611 Kind. Staff	Yes/No
1	09302711 CSO KCM	No
		The rival proposition is not completely denied therefore the proposition is **not supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 50 indicates that the partnership life cycle was not accepted as a factor determining successful collaborative relationships.

However, both Table 7.49 and Table 7.50 show that only one interviewee 12002611 (kindergarten staff member) answered 'neither yes nor no' to the statements. In the other words, the other two interviewees answered believed that the organizational capacity and the partnership life cycle affected the collaborative relationships.

Table 7.50: Response re. Banyule City Council in terms of partnerships' lifecycle

Case no.	ID number	Partnership lifecycle did not affect the relationships
1	03001909 LG&KCM	No
1	12002611 Kind. Staff	Yes/No
1	09302711 CSO KCM	No
		The rival proposition is not completely denied therefore the proposition is **not supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.51 indicates that most of the stakeholder management activities were accepted as a factor of successful collaborative relationships. Those factors which were not accepted were Q2: *KCM manager recognized the interests of stakeholders* and Q7: *KCM manager balances efforts and rewards between stakeholders.*

Table 7.51: Response re. Banyule City Council in terms of stakeholder management by KCM managers

Case no.	ID number	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
1	03001909 LG&KCM	No	No	No	No	No	No	No	No	No	No
1	12002611 Kind. Staff	No	Yes/No	No	No	No	No	No	No	No	No
1	09302711 CSO KCM	No	No	No	No	No	No	N/A	No	No	No
		Q1, Q3, Q4, Q5, Q6, Q8, Q9 and Q10 are **supported**. Q2 and Q7 are **not supported.**									

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Q1: KCM manager did not recognize who are stakeholders.

Q2: KCM manager did not recognize the interests of stakeholders.

Q3: KCM manager did not take stakeholders' interests into account in decision making.

Q4: KCM manager did not communicate with stakeholders openly (two-way dialog).

Q5: KCM manager did not deliver information to stakeholders constantly.

Q6: KCM manager did not regard the limitation of stakeholders' capacity to understand complex situation and options.

Q7: KCM manager did not balance efforts and rewards between stakeholders.

Q8: KCM manager did not work with other organizations cooperatively to minimize risks or damages.

Q9: KCM manager was not honest with stakeholders about the potential risk.

Q10: KCM manager did not communicate with stakeholders openly about the conflicts.

Table 7.52 demonstrates that all elements of successful partnerships were accepted as factors in successful collaborative relationships.

Table 7.52: Response re. Banyule City Council in terms of elements of successful partnerships

Case no.	ID number	KCM manager was not a good facilitator	Participants were not right people	There was not a clear purpose	Collaboration did not follow a clear process	Participants' motivations were low
1	03001909 LG&KCM	No	No	No	No	No
1	12002611 Kind. Staff	No	No	No	No	No
1	09302711 CSO KCM	No	No	No	No	No
		The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.6.2 Response from Moonee Valley City Council

Table 7.53 displays that there was agreement that kindergarten staff members' skill and ability affected the kindergarten management relationships; however, participants did not believe that the KCM manager's skill and ability, the skill and ability of parents' committees and of local government staff members affected the kindergarten cluster management relationships.

Table 7.53: Response re. Moonee Valley City Council in terms of individual capacity of stakeholders

Case no.	ID number	KCM manager's skill and ability did not affect the relations	Kindergarten staff member's skill and ability did not affect the relations	Parent's committee's skill and ability did not affect the relations	Local government staff member's skill and ability did not affect the relations
2	04302511 Kind. Staff	Yes/No	No	No	Yes
2	01001911 Kind. Staff	No	No	Yes/No	No
2	10001211 LG&KCM	No	No	N/A	No
		The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is completely denied; therefore the proposition is **supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

Table 7.54 displays that the organization's capacity affected the kindergarten cluster management relationships.

Table 7.54: Response re. Moonee Valley City Council in terms of organizational capacity of stakeholders

Case no.	ID number	Each stakeholder organization's support did not affect the relationships
2	04302511 Kind. Staff	No
2	01001911 Kind. Staff	No
2	10001211 LG&KCM	No
		The rival proposition is completely denied therefore the proposition is **supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

Table 7.55 indicated that the partnership lifecycle did not affect the kindergarten cluster management service relationship.

Table 7.55: Response re. Moonee Valley City Council in terms of partnerships' lifecycle

Case no.	ID number	Partnership lifecycle did not affect the relationships
2	04302511 Kind. Staff	No
2	01001911 Kind. Staff	Yes
2	10001211 LG&KCM	No
		The rival proposition is not completely denied therefore the proposition is **not supported.**

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

Table 7.56 shows that interviewee: 01001911 (kindergarten staff member) denied all stakeholder management activities by KCM managers. On the other hand, two interviewees, 04302511 (kindergarten staff member) and 10001211 (local government employee and KCM manager) recognized the KCM manager's stakeholder management activities. This study understood that even though the KCM manager's stakeholder management activities were recognized by kindergarten staff member, the collaborative relationships went well. Consequently, this study determined that the stakeholder management activities were not the factor that affected the collaborative relationships in Case 2: Moonee Valley City Council.

Table 7.56: Response re. Moonee Valley City Council in terms of stakeholder management by KCM

Case no.	ID number	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
2	04302511 Kind. Staff	No	No	No	No	No	No	No	No	No	No
2	01001911 Kind. Staff	Yes	Yes	Yes	Yes	Yes	Yes/ No	Yes	Yes/ No	Yes/ No	Yes/ No
2	10001211 LG&KCM	No	No	No	No	No	No	No	No	No	No
		Q1, Q2, Q3, Q4, Q5, Q6, Q7, Q8, Q9 and Q10 are **not supported**.									

LG: Local Government employee, KCM: Kindergarten Cluster Management managers, Kind. Staff: Kindergarten Staff member

Source: Interviews with interview subjects

Q1: KCM manager did not recognize who are stakeholders.

Q2: KCM manager did not recognize the interests of stakeholders.

Q3: KCM manager did not take stakeholders' interests into account in decision making.

Q4: KCM manager did not communicate with stakeholders openly (two-way dialogue).

Q5: KCM manager did not deliver information to stakeholders constantly.

Q6: KCM manager did not regard the limitation of stakeholders' capacity to understand complex situation and options.

Q7: KCM manager did not balance efforts and rewards between stakeholders.

Q8: KCM manager did not work with other organizations cooperatively to minimize risks or damages.

Q9: KCM manager was not honest with stakeholders about the potential risk.

Q10: KCM manager did not communicate with stakeholders openly about the conflicts.

Table 7.57 shows that the element - the relationships had a good facilitator - was accepted. Interviewee 01001911 did not answer the statements asking about right people, clear purpose, clear process and high motivation. However, the eligible responses from the other interviewees indicated that the rival proposition was not accepted. Therefore, for Moonee Valley City Council, the element of participants' high motivation was accepted. However, the elements of right people, clear purpose and clear process were not accepted.

Table 7.57: Response re. Moonee Valley City Council in terms of elements of successful partnerships

Case no.	ID number	KCM manager was not a good facilitator	Participants were not the right people	There was no clear purpose	Collaboration did not follow a clear process	Participants were poorly motivated
2	04302511 Kind. Staff	No	No	No	No	No
2	01001911 Kind. Staff	No	N/A	N/A	N/A	N/A
2	10001211 LG&KCM	No	Yes/No	Yes/No	Yes/No	No
		The rival proposition is completely denied; therefore the proposition is **supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported.**	The rival proposition is completely denied; by the eligible interviewees therefore the proposition is **supported.**

Kind. Staff: Kindergarten Staff member, LG: Local Government employee, KCM: Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.6.3 Response from Port Phillip City Council

Table 7.58 shows that none of the factors of individual capacity were accepted by interviewee 10001709, who was a local government employee and KCM manager. However, all factors regarding individual capacity were accepted by interviewee 10301911, who was a kindergarten staff member. This study concluded that the factors regarding individual capacity were not necessary for the improvement of collaborative relationships in Case 3.

Table 7.58: Response re. Port Phillip City Council in terms of individual capacity of stakeholders

Case no.	ID number	KCM manager's skill and ability did not affect the relations	Kindergarten staff member's skill and ability did not affect the relations	Parent committees' skill and ability did not affect the relations	Local government staff member's skill and ability did not affect the relations
3	10001709 LG&KCN	Yes/No	Yes/No	Yes/No	Yes/No
3	10301911 Kind. Staff	No	No	No	No
		The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.

Kind. Staff: Kindergarten Staff member, LG: Local Government employee, KCM: Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.59 indicates that the organization's capacity affected the kindergarten cluster management relationships.

Table 7.59: Response re. Port Phillip City Council in terms of organizational capacity of stakeholders

Case no.	ID number	Each stakeholder organization's support did not affect the relationships
3	10001709 LG&KCN	No
3	10301911 Kind. Staff	No
		The rival proposition is completely denied therefore the proposition is **supported**.

Kind. Staff: Kindergarten Staff member, LG: Local Government employee, KCM: Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.60 displays that the partnership lifecycle was not accepted as a factor that affected the kindergarten cluster management relationships.

Table 7.60: Response re. Port Phillip City Council in terms of partnerships' lifecycle

Case no.	ID number	Partnership lifecycle did not affect the relationships
3	10001709 LG&KCN	Yes/No
3	10301911 Kind. Staff	No
		The rival proposition is not completely denied therefore the proposition is **not supported**.

Kind. Staff: Kindergarten Staff member, LG: Local Government employee, KCM: Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.61 indicates that only the statement '*KCM manager delivers information to stakeholders constantly*' was accepted as a factor that affected the kindergarten cluster management relationship. Table 7.61 also shows the variation in responses.

Table 7.61: Response re. Port Phillip City Council in terms of stakeholder management by KCM

Case no.	ID number	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
3	10001709 LG&KCN	No	No	No	No	No	No	Yes/No	Yes/No	Yes/No	Yes/No
3	10301911 Kind. Staff	N/A	N/A	Yes/No	Yes/No	No	Yes/No	Yes/No	Yes/No	No	No
		Q1, Q2, Q3, Q4, Q6, Q7, Q8, Q9 and Q10 are **not supported**. Q5 is **supported**.									

Kind. Staff: Kindergarten Staff member, LG: Local Government employee, KCM: Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Q1: KCM manager did not recognize who are stakeholders.

Q2: KCM manager did not recognize the interests of stakeholders.

Q3: KCM manager did not take stakeholders' interests into account in decision making.

Q4: KCM manager did not communicate with stakeholders openly (two-way dialog).

Q5: KCM manager did not deliver information to stakeholders constantly.

Q6: KCM manager did not regard the limitation of stakeholders' capacity to understand complex situation and options.

Q7: KCM manager did not balance efforts and rewards between stakeholders.

Q8: KCM manager did not work with other organizations cooperatively to minimize risks or damages.

Q9: KCM manager was not honest with stakeholders about the potential risk.

Q10: KCM manager did not communicate with stakeholders openly about the conflicts.

Table 7.62 displays that in Case 3: Port Phillip City Council, two elements - that KCM manager worked as a good facilitator and all participants were highly motivated were accepted as factors that affected the kindergarten cluster management relationship. In terms of other three elements, interviewee 10001709 (local government employee and KCM manager) accepted all those three; however, the interviewee 10301911 (kindergarten staff member) was not sure about those three elements. Accordingly, this study understood those three elements were not accepted as factors that affected the kindergarten cluster management relationship.

Table 7.62: Response re. Port Phillip City Council in terms of elements of successful partnerships

Case no.	ID number	KCM manager was not a good facilitator	Participants were not right people	There was not a clear purpose	Collaboration did not follow a clear process	Participants' motivations were low
3	10001709 LG&KCN	No	No	No	No	No
3	10301911 Kind. Staff	No	Yes/No	Yes/No	Yes/No	No
		The rival proposition is completely denied; therefore the proposition is **supported.**	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is completely denied; therefore the proposition is **supported**.

Kind. Staff: Kindergarten Staff member, LG: Local Government employee, KCM: Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.6.4 Response from Wyndham City Council

Table 7.63 indicates that individual capacity highly affected the kindergarten cluster management relationship. Only interviewee 03001612 was unsure of whether or not relationships were affected by the skill and ability parents' committees. However, her answer did not deny the rival proposition. Hence, this study concluded that the skill and ability of parents' committees was not a factor that affected the kindergarten cluster management relationships.

Table 7.63: **Response re. Wyndham City Council in terms of individual capacity of stakeholders**

Case no.	ID number	KCM manager's skill and ability did not affect the relations	Kindergarten staff member's skill and ability did not affect the relations	Parent's committee's skill and ability did not affect the relations	Local government staff member's skill and ability did not affect the relations
4	09302509 LG&KCM	No	No	No	No
4	11300310 LG	No	No	No	No
4	10002211 CSO KCM	No	No	No	No
4	03001612 LG&KCM	No	No	Yes/No	No
		The rival proposition is completely denied therefore the proposition is **supported**.	The rival proposition is completely denied therefore the proposition is **supported**.	The rival proposition is not completely denied therefore the proposition is **not supported**.	The rival proposition is completely denied therefore the proposition is **supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.64 shows that the organizational capacity affected the kindergarten cluster management relationships.

Table 7.64: Response re. Wyndham City Council in terms of organizational capacity of stakeholders

Case no.	ID number	Each stakeholder organization's support did not affect the relationships
4	09302509 LG&KCM	No
4	11300310 LG	No
4	10002211 CSO KCM	No
4	03001612 LG&KCM	No
		The rival proposition is completely denied therefore the proposition is **supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.65 indicates that the partnerships lifecycle affected the kindergarten cluster management relationships.

Table 7.65: Responses re. Wyndham City Council in terms of partnerships' lifecycle

Case no.	ID number	Partnership lifecycle did not affect the relationships
4	09302509 LG&KCM	No
4	11300310 LG	No
4	10002211 CSO KCM	No
4	03001612 LG&KCM	No
		The rival proposition is completely denied therefore the proposition is **supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Table 7.66 shows that according to responses for Wyndham City Council, most stakeholder management activities affected the kindergarten cluster management relationships. Statement 6: *KCM manager regards the limitation of stakeholders' capacity to understand complex situation and options* and statement 7: *KCM manager balances efforts and rewards between stakeholders* were not considered to be factors that affected the kindergarten cluster management relationships.

Table 7.66: Response re. Wyndham City Council in terms of stakeholder management by KCM

Case no.	ID number	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
4	09302509 LG&KCM	No	No	No	No	No	No	No	No	No	No
4	11300310 LG	No	No	No	No	No	Yes/No	Yes/No	No	No	No
4	10002211 CSO KCM	No	No	No	No	No	No	No	No	No	No
4	03001612 LG&KCM	No	No	No	No	No	No	No	No	No	No
		Q1, Q2, Q3, Q4, Q5, Q8, Q9 and Q10 are **supported**. Q6 and Q7 are **not supported.**									

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

Q1: KCM manager did not recognize who are stakeholders.

Q2: KCM manager did not recognize the interests of stakeholders.

Q3: KCM manager did not take stakeholders' interests into account in decision making.

Q4: KCM manager did not communicate with stakeholders openly (two-way dialogue).

Q5: KCM manager did not deliver information to stakeholders constantly.

Q6: KCM manager did not regard the limitation of stakeholders' capacity to understand complex situations and options.

Q7: KCM manager did not balance efforts and rewards between stakeholders.

Q8: KCM manager did not work with other organizations cooperatively to minimize risks or damages.

Q9: KCM manager was not honest with stakeholders about the potential risk.

Q10: KCM manager did not communicate with stakeholders openly about the conflicts.

Table 7.67 displays that the interviewees recognized the existence of the elements of successful partnerships for the kindergarten cluster management, however, apart from the good facilitator element, none of the other elements was accepted by all interviewees.

Table 7.67: Response re. Wyndham City Council in terms of elements of successful partnerships

Case no.	ID number	KCM manager was not a good facilitator	Participants were not the right people	There was not a clear purpose	Collaboration did not follow a clear process	Participants' motivations were low
4	09302509 LG&KCM	No	Yes/No	No	No	No
4	11300310 LG	No	No	Yes/No	Yes/No	Yes/No
4	10002211 CSO KCM	No	No	No	No	No
4	03001612 LG&KCM	No	No	No	No	No
		The rival proposition is completely denied; therefore the proposition is **supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.	The rival proposition is not completely denied; therefore the proposition is **not supported**.

LG: Local Government employee, KCM: Kindergarten Cluster Management manager, CSO KCM: Community Service Organization type Kindergarten Cluster Management manager

Source: Interviews with interview subjects

7.6.5 Comparison of the responses

Table 7.68 displays that three of four cases agreed that the kindergarten staff member's skill and ability affected the kindergarten cluster management relationships. Two of four cases recognized that the KCM manager's skill and ability affected the kindergarten cluster management relationships. Also, the table shows that two of four cases believed that the kindergarten cluster management relationships were affected by the skill and ability of local government staff members. However, the skill and ability of parents' committees were not acknowledged as a factor that affected the kindergarten cluster management relationships.

Table 7.68: Comparing the responses from four Cases in terms of individual capacity of stakeholders

Case no.	Council name	KCM manager's skill and ability affected the relations	Kindergarten staff member's skill and ability affected the relations	Parent's committee's skill and ability affected the relations	Local government staff member's skill and ability affected the relations
1	City of Banyule	Supported	Supported	N/A	Supported
2	City of Moonee Valley	Not Supported	Supported	Not Supported	Not Supported
3	City of Port Phillip	Not Supported	Not Supported	Not Supported	Not Supported
4	City of Wyndham	Supported	Supported	Not Supported	Supported

Source: Interviews with interview subjects

Table 7.69 displays that the organizational capacity was recognized in the three out of four cases, but in the one case it was not supported.

Table 7.69: Comparing the responses from four Cases in terms of organizational capacity of stakeholders

Case no.	Council name	Each stakeholder organization's support affected the relationships
1	City of Banyule	Not Supported
2	City of Moonee Valley	Supported
3	City of Port Phillip	Supported
4	City of Wyndham	Supported

Source: Interviews with interview subjects

Table 7.70 demonstrates that the partnership lifecycle was not supported by three of four cases. The case that supported this factor was the Wyndham City Council.

Table 7.70: Comparing the responses from four Cases in terms of partnerships' lifecycle

Case no.	Council name	Partnership lifecycle affected the relationships
1	City of Banyule	Not Supported
2	City of Moonee Valley	Not Supported
3	City of Port Phillip	Not Supported
4	City of Wyndham	Supported

Source: Interviews with interview subjects

Table 7.71 shows that in Cases 1 and 4, most of the stakeholder management activities were recognized, on the contrary in Case 2 and 3 the most of the stakeholder management activities were not recognized. Meanwhile the statement 7: *KCM manager balances efforts and rewards between stakeholders* was denied by all four cases. Following that the statement 2: *KCM manager recognized the interests of stakeholders* and the statement 6: *KCM manager regards the limitation of stakeholders' capacity to understand complex situation and options* were not accepted by three cases out of four cases.

The statement 5: *KCM manager delivers information to stakeholders constantly* was supported by three out of four cases. However, any statements were not supported by the all four cases.

Table 7.71: Comparing the responses from four Cases in terms of stakeholder management by KCM managers

Case no.	Council name	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10
1	City of Banyule	S	NS	S	S	S	S	NS	S	S	S
2	City of Moonee Valley	NS	NS	NS	NS	NS	NS	NS	NS	NS	NS
3	City of Port Phillip	NS	NS	NS	NS	S	NS	NS	NS	NS	NS
4	City of Wyndham	S	S	S	S	S	NS	NS	S	S	S

S: Supported, NS: Not Supported

Source: Interviews with interview subjects

Table 7.72 displays that the element: *KCM manager was a good facilitator*, was acknowledged by all four cases. Also, Banyule City Council agreed with all four elements of the successful partnerships that affected the kindergarten cluster management relationships. Meanwhile the element: *the right people participated in the relationship*, the element: *the purpose of collaboration was clear* and the element: *the process was clear*, were not accepted by three of four cases. The element: *participants kept high motivation*, was supported by two of four cases.

Table 7.72: Comparing the responses from four Cases in terms of elements of successful partnerships

Case no.	Council name	Good facilitator	Right People	Clear purpose	Clear process	High motivation
1	City of Banyule	Supported	Supported	Supported	Supported	Supported
2	City of Moonee Valley	Supported	Not Supported	Not Supported	Not Supported	Not Supported
3	City of Port Phillip	Supported	Not Supported	Not Supported	Not Supported	Supported
4	City of Wyndham	Supported	Not Supported	Not Supported	Not Supported	Not Supported

Source: Interviews with interview subjects

7.7 Research Question 5: What is the impact of the Kindergarten Cluster Management framework?

In order to answer research question 5, this section shows the results from the interview part 1 section 12 that were analyzed by pattern matching with nonequivalent dependent variables as discussed in Chapter 6, section 6.7.2.

Firstly, the researcher referred to the theoretical proposition developed in Chapter 5, section 5.5. Following that nonequivalent dependent variables were developed.

Those five components were:

1. The research shows that KCM produced better participatory decision-making.
2. The research shows that KCM increased the level of efficiency in the service provision.
3. The research shows that KCM increased the level of knowledge of early childhood services.
4. The research shows that KCM increased the level of responsiveness to the stakeholders of the kindergarten services.
5. The research shows that KCM increased the level of accountability in the kindergarten service management.

After combining components 1 and 2, the researcher developed four patterns of nonequivalent variables and placed these into the word table. Also, by combining components 3, 4 and 5, eight nonequivalent independent variables were developed.

7.7.1 Response from Banyule City Council

Table 7.73 indicates that the answer from two of three interviewees was pattern 1; both better participatory decision making and the increased level of efficiency were accepted. The other was quasi pattern 2; better participatory decision making was accepted but increased level of efficiency was not. Accordingly, in Case 1 the impact of KCM was better participatory decision-making. Also, the proposition: the impact of KCM was the increased level of efficiency, was supported by two of three interviewees.

Table 7.73: Responses from Banyule City Council regarding statements 1 and 2

Case no.	ID no.	The impact of KCM is better participatory decision making.	The impact of KCM is an increased level of efficiency.	Pattern no.
	Pattern	Yes	Yes	1
	Pattern	Yes	No	2
	Pattern	No	Yes	3
	Pattern	No	No	4
1	03001909 LG&KCM*	Yes	Yes/No	**Pattern 2**
1	12002611 Kind. Staff	Yes	Yes	**Pattern 1**
1	09302711 CSO KCM*	Yes	Yes	**Pattern 1**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member, CSO KCM*: Community Service Organization type Kindergarten Cluster Management manager

Source: Interview with interview subjects

Table 7.74 shows that all three interviewees agreed that the long-term impacts of the kindergarten cluster management were: 1) the increased level of knowledge of early childhood services, 2) the increased level of responsiveness to the stakeholders of the kindergarten services, and 3) the increased level of accountability in the kindergarten service management.

Table 7.74: Responses from Banyule City Council regarding statements 3, 4 and 5

Case no.	ID no.	The impact of KCM is the increased level of knowledge of early childhood services.	The increased level of responsiveness to the stakeholders of the kindergarten services	The increased level of accountability in the kindergarten service management	Pattern no.
	Pattern	Yes	Yes	Yes	1
	Pattern	Yes	Yes	No	2
	Pattern	Yes	No	Yes	3
	Pattern	Yes	No	No	4
	Pattern	No	Yes	Yes	5
	Pattern	No	Yes	No	6
	Pattern	No	No	Yes	7
	Pattern	No	No	No	8
1	03001909 LG&KCM*	Yes	Yes	Yes	**Pattern 1**
1	12002611 Kind. Staff	Yes	Yes	Yes	**Pattern 1**
1	09302711 CSO KCM*	Yes	Yes	Yes	**Pattern 1**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member, CSO KCM*: Community Service Organization type Kindergarten Cluster Management manager

Source: Interview with interview subjects

7.7.2 Responses from Moonee Valley City Council

Table 7.75 indicates that the responses given by the interviewees 04302511 and 01001911 could be categorised under quasi pattern 4; neither agreed that there had been an increase in participatory decision-making and the level of efficiency. The other responses from interviewee 10001211 conformed to pattern 2: better decision making was accepted but increased level of efficiency was denied. Accordingly, this study understood that the initial impact of KCM in Case 2 were not better participatory decision-making nor the increased level of efficiency.

Table 7.75: Responses from Moonee Valley City Council regarding statements 1 and 2

Case no.	ID no.	The impact of KCM is better participatory decision making.	The impact of KCM is an increased level of efficiency.	Pattern no.
	Pattern	Yes	Yes	1
	Pattern	Yes	No	2
	Pattern	No	Yes	3
	Pattern	No	No	4
2	04302511 Kind. Staff	Yes/No	Yes/No	**Pattern 4**
2	01001911 Kind. Staff	No	Yes/No	**Pattern 4**
2	10001211 LG&KCM*	Yes	No	**Pattern 2**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interview with interview subjects

Table 7.76 displays that the answers by the interviewees were identical and conformed to pattern 1: increased level of knowledge of services, increased level of responsiveness, and increased level of accountability in service management were all accepted. Accordingly, this study concluded that the long-term impact of KCM in Case 2 were: 1) the increased level of knowledge of early childhood services, 2) the increased level of responsiveness to the stakeholders of the kindergarten services, and 3) the increased level of accountability in the kindergarten service management.

Table 7.76: Responses from Moonee Valley City Council regarding statements 3, 4 and 5

Case no.	ID no.	The impact of KCM is the increased level of knowledge of early childhood services.	The increased level of responsiveness to the stakeholders of the kindergarten services	The increased level of accountability in the kindergarten service management	Pattern no.
	Pattern	Yes	Yes	Yes	1
	Pattern	Yes	Yes	No	2
	Pattern	Yes	No	Yes	3
	Pattern	Yes	No	No	4
	Pattern	No	Yes	Yes	5
	Pattern	No	Yes	No	6
	Pattern	No	No	Yes	7
	Pattern	No	No	No	8
2	04302511 Kind. Staff	Yes	Yes	Yes	**Pattern 1**
2	01001911 Kind. Staff	Yes	Yes	Yes	**Pattern 1**
2	10001211 LG&KCM*	Yes	Yes	Yes	**Pattern 1**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interview with interview subjects

7.7.3 Responses from Port Phillip City Council

Table 7.77 shows that the answer from interviewee 10001709 was quasi pattern 3; better participatory decision making was denied but increased level of efficiency was accepted. The answer from the interviewee 10301911 was pattern 1; both better participator decision-making and increased level of efficiency were accepted. Accordingly, the initial impact of KCM in Case 3 was the increased level of efficiency while the better participatory decision-making was not supported.

Table 7.77: Responses from Port Phillip City Council regarding statements 1 and 2

Case no.	ID no.	The impact of KCM is better participatory decision making.	The impact of KCM is an increased level of efficiency.	Pattern no.
	Pattern	Yes	Yes	1
	Pattern	Yes	No	2
	Pattern	No	Yes	3
	Pattern	No	No	4
3	10001709 LG&KCM*	Yes/No	Yes	**Pattern3**
3	10301911 Kind. Staff	Yes	Yes	**Pattern 1**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interview with interview subjects

Table 7.78 shows that the answers from both interviewees were identical They both agreed that there had been an increase in the level of knowledge of services, the level of responsiveness, and the level of accountability in service management (pattern 1):. Accordingly, this study understood that the long-term effects of the KCM for Case 3 were: 1) the increased level of knowledge of early childhood services, 2) the increased level of responsiveness to the stakeholders of the kindergarten services and 3) the increased level of accountability in the kindergarten service management.

Table 7.78: Responses from Port Phillip City Council regarding statements 3, 4 and 5

Case no.	ID no.	The impact of KCM is the increased level of knowledge of early childhood services.	The increased level of responsiveness to the stakeholders of the kindergarten services	The increased level of accountability in the kindergarten service management	Pattern no.
	Pattern	Yes	Yes	Yes	1
	Pattern	Yes	Yes	No	2
	Pattern	Yes	No	Yes	3
	Pattern	Yes	No	No	4
	Pattern	No	Yes	Yes	5
	Pattern	No	Yes	No	6
	Pattern	No	No	Yes	7
	Pattern	No	No	No	8
3	10001709 LG&KCM*	Yes	Yes	Yes	**Pattern 1**
3	10301911 Kind. Staff	Yes	Yes	Yes	**Pattern 1**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, Kind. Staff: Kindergarten Staff member

Source: Interview with interview subjects

7.7.4 Response from Wyndham City Council

Table 7.79 shows that the pattern of three interviewees out of four was pattern 1: both better participatory decision making and the increased level of efficiency were accepted. They believed that the initial impacts of the kindergarten cluster management were: better participatory decision-making and tan increased level of efficiency. The answer of the other interviewee 11300310 (local government staff member) was quasi pattern 2; better participatory decision- making was accepted, but increased level of efficiency was not accepted. The interviewee who doubted that the level of efficiency had increased was a manager in the Department of Early Years and Youth.

Table 7.79: Responses from Wyndham City Council regarding statements 1 and 2

Case no.	ID no.	The impact of KCM is better participatory decision making.	The impact of KCM is the increased level of efficiency.	Pattern no.
	Pattern	Yes	Yes	1
	Pattern	Yes	No	2
	Pattern	No	Yes	3
	Pattern	No	No	4
4	09302509 LG&KCM*	Yes	Yes	**Pattern 1**
4	11300310 LG	Yes	Yes/No	**Pattern2**
4	10002211 CSO KCM*	Yes	Yes	**Pattern 1**
4	03001612 LG&KCM*	Yes	Yes	**Pattern 1**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, CSO KCM*: Community Service Organization type Kindergarten Cluster Management manager

Source: Interview with interview subjects

Table 7.80 displays that the responses of three interviewees out of four was pattern 1: all agreed that there had been an increase in the knowledge of services, the level of responsiveness, and the level of accountability in service management. The response from interviewee 11300310 was quasi pattern 3; both increased level of knowledge of services and the increased level of accountability in service management were accepted but increased level of responsiveness was not accepted.

Table 7.80: Responses from Wyndham City Council regarding statements 3, 4 and 5

Case no.	ID no.	The impact of KCM is the increased level of knowledge of early childhood services.	The increased level of responsiveness to the stakeholders of the kindergarten services	The increased level of accountability in the kindergarten service management	Pattern no.
	Pattern	Yes	Yes	Yes	1
	Pattern	Yes	Yes	No	2
	Pattern	Yes	No	Yes	3
	Pattern	Yes	No	No	4
	Pattern	No	Yes	Yes	5
	Pattern	No	Yes	No	6
	Pattern	No	No	Yes	7
	Pattern	No	No	No	8
4	09302509 LG&KCM*	Yes	Yes	Yes	**Pattern 1**
4	11300310 LG	Yes	Yes/No	Yes	**Pattern3**
4	10002211 CSO KCM*	Yes	Yes	Yes	**Pattern 1**
4	03001612 LG&KCM*	Yes	Yes	Yes	**Pattern 1**

KCM: Kindergarten Cluster Management, LG: Local Government employee, KCM*: Kindergarten Cluster Management manager, CSO KCM*: Community Service Organization type Kindergarten Cluster Management manager

Source: Interview with interview subjects

7.7.5 Comparison of the responses

Table 7.81 displays the combined answers regarding the initial impacts and the long-term impacts according to all twelve interviewees. The answers regarding the initial impact rather diverged. The pattern that received the most consensus was pattern 1 that was both the participatory decision-making and increased level of efficiency were supported. Six interviewees agreed with the statement. The pattern that received the second highest number of agreements was pattern 2 and quasi pattern 2: that participatory decision-making was supported, while the increased level of efficiency was not supported. Three interviewees agreed with the answer. Two interviewees believed that neither the participatory decision making nor the increased level of efficiency was supported (quasi pattern 4). One interviewee believed that the participatory decision-making increased, but not so the level of efficiency (quasi pattern 3). Nine interviewees out of twelve agreed that the level of participatory decision making had increased, and seven interviewees agreed that the level of efficiency had increased.

The answers regarding the long term impacts were alike. Ten interviewees out of the twelve agreed with pattern 1 that all impacts which included knowledge of kindergarten services, the responsiveness to the stakeholder and the level of accountability, increased. One interviewee's answer approximated pattern 2: that the level of knowledge of the kindergarten services and the level of responsiveness increased, although the level of accountability did not increase. The other answer almost matched pattern 3: that the level of knowledge of kindergarten services and the level of accountability increased, although the level of responsiveness to stakeholders did not increase.

Table 7.81: Results for four Cases

Case no., ID no. & Position			Regarding the statement 1 and 2 (initial impacts)	Regarding the statement 3, 4 and 5 (long-term impacts)
1	03001909	LG & KCM	**Pattern2**	**Pattern2**
1	12002611	KS	**Pattern 1**	**Pattern 1**
1	09302711	KCM (CSO)	**Pattern 1**	**Pattern 1**
2	04302511	KS	**Pattern4**	**Pattern 1**
2	01001911	KS	**Pattern4**	**Pattern 1**
2	10001211	LG & KCM	**pattern 2**	**Pattern 1**
3	10001709	LG & KCM	**Pattern3**	**Pattern 1**
3	10301911	KS	**Pattern 1**	**Pattern 1**
4	09302509	LG & KCM	**Pattern 1**	**Pattern 1**
4	11300310	LG	**Pattern2**	**Pattern3**
4	10002211	KCM (CSO)	**Pattern 1**	**Pattern 1**
4	03001612	LG & KCM	**Pattern 1**	**Pattern 1**

LG: Local Government staff member, KCM: Kindergarten Cluster Management manager, CSO: Community Service Organization, KS: Kindergarten Staff member

Source: Interview with interview subjects

7.8 Summary

This chapter presented the results of the collected data. Section 7.3 shows the results regarding the reason why the kindergarten cluster management framework was introduced and the influence by the Victorian Government's social policy. The section concluded that neither of the theoretical propositions was supported. Also, this section showed the influence of the Victorian Government's social policy on the organizations: local government, CSOs and kindergarten parents' committees. The section showed the Victorian Government's social policy did not affect local government or kindergarten parents' committees. Moreover, some the influence on the community service organization (CSO) was not completely discounted.

Section 7.4 displays the networks that the interviewees described. The relationships that KCM managers developed were strong, demonstrated two-way dialogue, and were connected to diverse stakeholders. The local government staff members also developed strong and two-way dialogue

relationships, although the degree of collaboration with the kindergarten staff members depended on the position and roles of the interviewees. The kindergarten staff members developed strong relationships with parents' committees, local people and community organizations, but did not necessarily develop strong relationships with the local and Victorian Governments.

Section 7.5 indicates which mode of governance - hierarchy mode of governance, market mode of governance or network mode of governance - worked in the kindergarten cluster management services. This section concluded that the hierarchy mode and network mode of governance worked strongly while the market mode of governance was not discernible. However, in the relationships between CSO-type KCM managers and the local government employees, there was a market mode of governance when compared with other models.

Section 7.6 shows the factors that affected the kindergarten cluster management relationships. This study culled four factors from the literature review. They were 1) individual capacity and organizational capacity of KCM managers, 2) partnership lifecycle, 3) stakeholder management activities and 4) elements of successful partnerships.

In terms of individual capacity, the City of Banyule and the City of Wyndham confirmed that the KCM manager's capacity and ability, the kindergarten staff member's capacity and ability, and the local government staff member's capacity and ability, affected the cluster management relationships. In contrast, the City of Port Phillip denied that individual capacity and ability of primary stakeholders, KCM managers, kindergarten staff members, parents' committees and local government staff members, affected the cluster management relationships.

All cases disagreed that the capacity and ability of parents' committees affected the cluster management relationships. Three cases out of four agreed that the kindergarten staff member's capacity and ability affected the cluster management relationships.

In terms of organizational capacity, the City of Banyule denied that the organizational capacity affected the cluster management relationships. However, other three cases: the City of Moonee Valley, the City of Port Phillip and the City of Wyndham, admitted that the organizational capacity and ability affected the cluster management relationships.

In terms of stakeholders' partnership lifecycle, the City of Wyndham admitted that the partnership lifecycle affected the cluster management relationships. However, the City of Banyule, the City of Moonee Valley and the City of Port Phillip disagreed.

In terms of stakeholder management activities by KCM managers, the City of Banyule and the City of Wyndham confirmed that most of those activities affected the kindergarten cluster management relationships. However, the City of Moonee Valley completely disagreed that all activities affected the cluster management relationships. The City of Port Phillip also disagreed that most of the activities affected the cluster management relationships.

All four cases disagreed with statement 7 that *KCM manager balances efforts and rewards between stakeholders*. However, statement 5: *KCM manager delivers information to stakeholders constantly* was supported by three of the four cases.

In terms of the elements of successful partnerships, the City of Banyule confirmed that all elements of good facilitator, right people, clear purpose, clear process and high motivation led to successful partnerships. The City of Moonee Valley and the City of Wyndham believed that only a good facilitator was required. The City of Port Phillip acknowledged the need for a good facilitator and strong motivation, but disagreed regarding the other three elements.

The 'good facilitator' element was confirmed by all cases. However, three out of four cases did not agree that there was a need for the right people, clear purpose and clear process.

Section 7.7 reveals the impacts of the KCM in terms of initial impacts and long-term impacts. The initial impacts were better participatory decision-making and increased level of efficiency in the service provision. The long-term impacts were the increased level of knowledge of early childhood services, the increased level of responsiveness to the stakeholders and the increased level of accountability in the kindergarten service management.

In terms of the initial impacts, the answers from the interviewees were rather varied. The patterns of responses were:

- Pattern 1: Both better participatory decision-making and increased level of efficiency, was acknowledged by the six interviewees.
- Pattern 2: This applied to 3 participants who confirmed better participatory decision-making but not increased level of efficiency, and 3 who thought that there was better participatory decision-making but were not sure about level of efficiency.
- Pattern 3: Only one interviewee was not sure about better participatory decision-making but was sure about level of efficiency
- Pattern 4: two interviewees were not sure about both participatory decision-making and level of efficiency.

In summary, nine of the twelve interviewees acknowledged that the initial impact was better participatory decision-making although the remaining three interviews disagreed.

Seven of the twelve interviewees acknowledged that one initial effect was an increase in the level of efficiency, while five participants disagreed.

In terms of long-term impacts, the answers were similar. Ten of the twelve interviewees believed that the long-term impact of the cluster management were an increased level of knowledge of early childhood services, an increased level of responsiveness to the stakeholders of the kindergarten services, and an increased level of accountability in the kindergarten service management.

One interviewee denied that there was an increased level of responsiveness to the stakeholders as a long-term impact of the cluster management. Also, another interviewee disagreed that the level of accountability in the kindergarten service management had improved in the long term.

The next chapter discusses the insights derived from the results presented in this chapter, and then compares these results with the previous theories that were discussed in Chapter 2.

Chapter 8: Discussion

8.1 Introduction

In the previous chapter, this study presented the results of the multiple-case study in order to answer the five research questions. Following the chapter which presented the results, this chapter addresses the findings from the data analysis in order to confirm the answers to the research questions. In the process of declaring those answers, this chapter integrated the results and compared them with the previous theories and the original expectations of this study.

This chapter is organized as follows in order to provide insights and explanations of those results and the answers that were obtained.

8.1 Introduction

8.2 Research Question 1: Why did Victorian local governments introduce the Kindergarten Cluster Management framework?

8.3 Research Question 2: How are the networks described by the Kindergarten Cluster Management stakeholders?

8.4 Research Question 3: Which mode of governance works in the Kindergarten Cluster Management framework?

8.5 Research Question 4: What are the factors that affect networking in the Kindergarten Cluster Management framework?

8.6 Research Question 5: What is the impact of the Kindergarten Cluster Management framework?

8.7 Conclusion

8.2 Research Question 1: Why did Victorian local governments introduce the Kindergarten Cluster Management framework?

In order to answer the first research question, this study recalls the theoretical proposition established in the conceptual framework established in Chapter 5. The first proposition was:

> **Proposition 1: Victorian local governments introduced the network form (Kindergarten Cluster Management Framework) for the local governance in order to improve their efficiency and the quality of democracy governance. Also, those decisions were affected by the Victorian Government's social policy.**

The first half of the proposition predicted that the local governments introduced the KCM framework to improve their economic efficiency and the quality of democratic governance. The second half of the proposition is related to the influence by the Victorian Government's social policy on the local governments' decisions to introduce the KCM framework.

8.2.1 Networking for economic efficiency

According to the previous literatures such as Dollery and Wallis (2001), the network form of governance, along with collaborative relationships with other organizations, contributed to improving the economic efficiency of the organizations. This study investigated the proposal that the network form of governance, the Kindergarten Cluster Management scheme, was introduced for the purpose of achieving economic efficiency.

The data were analyzed by pattern matching with rival theoretical propositions in which the rival independent variables were used as patterns to be compared with the empirical pattern obtained from the interviewees (Yin, 2014). The results of the survey showed that one interviewee who was a kindergarten staff member employed by the Moonee Valley City Council did not agree with the theoretical proposition that the KCM framework was introduced with the purpose of economic efficiency; however, the other eleven interviewees agreed with this proposition. Hence, this study interpreted the results as indicating that economic efficiency was the purpose of introducing the KCM framework.

One cluster manager who was a CSO-type KCM manager commented that working with parents' committees overwhelmed and consumed their resources as *'we think what should be done and they feel what should be done can be problem....how much funding they take or we take...at the end of the day it is easier (to work with) a parent's advisory group (but not parent's committee that has management responsibility) because we can make a decision for their service instead of constantly negotiating'.* Moreover, a local government staff member commented, *'we took all management responsibility from the parents' committee of kindergarten sites in our council'.* In addition to that, another local government KCM manager commented, *'our kindergartens don't have parent's committee'.* Accordingly, this study concluded that CSO organizations and local governments sought resource efficiency for kindergarten management by taking over management responsibilities from the parents' committees.

Outsourcing

Wyndham City Council made a contract with a CSO-type KCM organization to manage one kindergarten that was located in a government primary school site owned by the Victorian Government. The council had experienced a strong population growth and it was more efficient to let the other organization manage the local government-owned kindergarten instead of expanding the kindergarten management section in the local council.

Economies of scope

The community organization which provided KCM services, and the local governments, were large organizations and could afford to maintain specialized sections. In the City of Wyndham, there were three sections under the Early Years and Youth manager: Family services, Youth services and Kindergarten services in which there were four units: Business operations officer, Project officer, Service delivery and Planning and operations for providing kindergarten services. ECMS, CSO-type KCM organization consisted of five sections: Quality and service development, Service development, People and culture, Community engagement and partnerships and Finance. One organization in one building could provide various services efficiently such as developing pedagogical strategy, enrolment services, financial services, human resource consulting as well as providing kindergarten management services. These large KCM organizations could produce economies of scope.

Economies of scale

KCM services had to meet the requirements specified by the Victorian Government that had changed and increased since the KCM framework was introduced in 2003. The kindergarten services also had to comply with the national government's regulations that had changed several times since 2003. Therefore, the KCM manager's responsibilities had changed and there was always something new to learn. Furthermore, each local government had different regulations for managing kindergarten property that KCM managers had to follow. Hence, despite the size of the cluster of kindergartens that KCM organization managed, it was unlikely that the local governments and the CSO organizations could achieve the economies of scale.

8.2.2 The influence of a Network form on the quality of democratic governance

The previous literature suggested that network forms of governance also contribute to democratic decision-making (Sorensen and Torfing, 2006 a). Therefore, this study predicted that the KCM was intended to improve the quality of democratic governance.

The result showed that two kindergarten staff members and one local government employee did not agree with this theoretical proposition. However, all kindergarten cluster managers of both LG-type and community service organization type agreed with the theoretical proposition that KCM was intended to improve the quality of democratic governance.

According to the interviews, kindergarten cluster managers valued the importance of the participatory decision-making and democratic governance as shown by this comment: *'it's important to get all stakeholders involved and to ensure they find out what people's needs are ... and meeting those need and people's feeling involved in the decisions. Even though if the decision isn't what they want they can understand more. So it's easier to communicate the final outcome and also you get a broad range of ideas so we may come up with more innovative solutions to things'.* However, there was no clear evidence to show enhanced participatory decision-making. On the contrary, in some cases, KCM managers negotiated with the parents' committee to hand over their management responsibilities to KCM organizations for the sake of efficiency. In other words, the parents' committee lost its autonomy and authority, and were managed by the KCM organization.

Hence, this conclusion does not indicate that KCM was intended to improve the quality of democratic governance.

8.2.3 The Victorian Government's influence on the introduction of the network form of governance

The second half of the proposition was that Victorian Government social policy influenced the local governments to introduce the KCM framework into their kindergarten service management.

The kindergarten cluster management services started before the Victorian State Government established the KCM framework in 2003 in all four councils (the City of Banyule, the City of Moonee Valley, the City of Port Phillip and the City of Wyndham) and by Kindergarten Parents Victoria (KPV that was Early Learning Association Australia (ELAA) when the data collection was held) that was a parent organization of ECMS. The interviewee who was a kindergarten staff member and had worked in the local council for more than 30 years stated: *'this kindergarten has been always working with (local government) cluster management'.* Also, the local government employee commented: *'the Victorian Government started KCM in 2003 but this council started it much earlier. A local government cluster manager started even before the 'Cluster Management' was established'.*

According to the interview with the local government employee, in the early 1990s, the Victorian Government decided not to deal with kindergarten parents' committees across Victoria which at that time were responsible for kindergarten management, and the Victorian Government was a funding body. Then, in response to community needs, the Victorian local governments and community service organizations started providing management services for the kindergartens even though some of them remained as standalone kindergartens.

The answers from the interviewees varied and mostly the interviewees were not sure about the influence of the Victorian Government's social policy. In fact, the local governments and KPV started the cluster management services for kindergartens before 2003 when the Victorian Government introduced the KCM framework. Thus, this study concluded that the Victorian Government's KCM framework did not affect the local governments', community organizations' and kindergartens' introduction of the kindergarten cluster management system.

The Victorian State Government's decision in the early 1990s to discontinue their support for kindergarten parents' committees affected the local governments and community service organizations on commencing kindergarten management services. Moreover, a CSO-type kindergarten cluster manager commented that '*because this industry has a lot of legal requirements unless you are knowledgeable you can get into trouble. That's why lots of parents' committees are coming more and more under the cluster management recently'.* The legal requirements she

mentioned included the state and national governments' regulations. Hence, this study found that the Victorian Government's social policy affected the local government, community service organizations and kindergartens that had introduced the KCM scheme.

Section 2.2.4 of Chapter 2 cited five reasons for the financial difficulties experienced by Australian local governments:

- Devolution – where a higher sphere of government gives local government responsibility for new functions;
- Raising the bar – where a higher tier of government, through legislative or other changes, raises the complexity and/or standard at which local government services must be provided, thereby increasing the cost of service provision;
- Cost shifting – either where a municipal council agrees to provide a service on behalf of a federal or Victorian Government (with funding subsequently reduced or stopped) or where some other tire of government ceases to provide an essential service thus forcing a local authority to take over;
- Increased community expectations – where a given community demands improvements in existing municipal services or the provision of new services; and
- Policy choice – where specific councils voluntarily expand and/or enhance their services.

When considering kindergarten cluster management services, three reasons mentioned above can explain the situation of Victorian local governments.

- Devolution – the Victorian Government gave the local governments responsibility for new functions for kindergarten services
- Cost shifting –the Victorian Government ceased to provide an essential service thus forcing a local authority to take over
- Increased community expectations – increasing the population and demands for educational services

As indicated in section 2.2.1 of Chapter 2 on local government theory, 'traditional fiscal federalism' (Shah, 2006, p.6) is a situation where the local government is encouraged to deliver kindergarten cluster management services when the Victorian Government ceased to do so. In the fiscal federalism approach local governments are treated as 'a subordinate tier in a multitier system' (Shah, 2006, p.6) and services are supposed to be provided by the local governments. Special-purpose agencies such as CSO-type KCM organizations were established to deliver local services as they were able to deliver

the services without regard for political jurisdiction boundaries and were able to supply the services in better financial condition and seek better efficiency (Shah, 2006). A CSO-type kindergarten cluster manager commented that the number of kindergartens managed by her organization had been increasing rapidly. She stated that one local council had completely given up providing kindergarten management services and all kindergartens in the municipality were now under her organization's management. This is a clear indication that the change of Victorian Government social policy increased local government's financial stress and encouraged local governments to collaborate with other organizations. Hence, this research concluded that the Victorian Government's social policy influenced local governments and community organizations' decision to form networks with other organizations.

8.3 Research Question 2: How are the networks described by the Kindergarten Cluster Management stakeholders?

The purpose of this research question was to capture the networks that were developed by the stakeholders of the kindergarten service and to analyze the impact of networking on service delivery. In Chapter 2; Literature Review section 2.4 Network Study this study referred to Benson's definition of a policy network as 'a cluster or complex of organizations connected to each other by resource dependencies and distinguished from other clusters or complexes by breaks in the structure of resource dependencies' (1982 p.148). Rhodes' five types of network models was also introduced : 'Policy communities, Professional networks, Intergovernmental network, Producer network and Issue network' which were ranging from a highly integrated model (Policy communities) to loosely integrated model (Issue network) and were distinguished according to their membership and the distribution of resources among members (1992, p.13).

The second proposition this study developed for the conceptual framework was:

P2; The stakeholders of Kindergarten Cluster Management: a kindergarten cluster manager, local government staff member and kindergarten staff member, describe the networks as collaboration.

The results showed that local government employee, kindergarten cluster managers, kindergarten staff member and Victorian Government staff member worked in collaborative networks. In general, the local government employee established collaborative networks with more stakeholders than did

247

the KCM managers or kindergarten staff members. KCM managers' collaborative relationships were two-way dialogue and stronger relationships than those formed by local government staff members. Kindergarten staff member's relationships with the local and Victorian Governments were weak or even non-existent. Kindergarten staff members worked with closely with community people and kindergarten parents rather than with governments.

These networks established by the stakeholders for the provision of kindergarten services fit Benson's definition of a policy network. However, Rhodes' five types of network models were difficult to apply in order to capture the networks because the types of relationships among the stakeholders of kindergarten services were varied. The relationships between the Victorian Government and the local governments resembled the 'policy community' of the Rhodes' models which is characterized by 'stability of relationships, continuity of a highly restricted membership, vertical interdependence based on shared services delivery responsibilities, and insulation from other networks' (Rhodes 1992 p.13). Meanwhile, the relationships between the local government staff members and CSO-type KCM managers resembled the 'Producer network' of the Rhodes' models which is characterized by 'fluctuating membership, limited vertical interdependence and serves interest of producer' (Rhodes, 1992, p.14).

Although in the same network, actors operated differently. For example, the LG-type KCM interviewee commented: *'I may not understand what the meaning of collaboration is. Only we have an effective meeting and can work together (with the Victorian Government) but the outcome has a lot of gaps. Lack of funding and resources. If you talk about the collaboration with local government and the cluster manager and with community it is a different story.'* However, the connection between the Victorian Government and the local government was regulated and there was no choice in seeking another partner. The CSO-type KCM interviewee commented *'in one kindergarten the parents' committee didn't want to be managed (by the CSO-type KCM organization) anymore because of a lot of disagreement and the license was handed back to the kindergarten and it became a standalone kindergarten. That is a lot of trouble for them (who were kindergarten parents' committee)'*. These two comments suggested the ways that memberships of networks among local government, the Victorian Government, community organization, kindergarten staff members and parent's committee were different, and also the ways of allocating resources among the actors working within the same network in the local council were different. Hence, the Rhodes' five policy network models did not explain networking and the process of kindergarten service delivery in Victoria. Moreover, capturing the features of a network of service provision for the public sector might require further study to develop different models of networks.

8.4 Research Question 3: Which mode of governance works in the Kindergarten Cluster Management framework?

The purpose of this research question was to understand the mechanism of collaborative relationships among those involved in the provision of kindergarten services. This study considered three modes of governance: hierarchy, market and network modes of governance. The features of these modes of governance were described in section 2.4.1.2 of Chapter 2. A market mode of governance concerns contractual relationships between actors. The weakness of the market mode is that its competitive nature may limit the degree of commitment to any collaborative actions. A hierarchical mode of governance overcomes the problems of coordination and collaboration of the market mode. Coordination is undertaken by administrative command. The employment relationships in the organization make their commitment at certain levels. However, flexibility and innovation is at a low level. In the network mode of governance, interdependent relationships based on trust, loyalty and reciprocity enable collaborative activity to be further developed and maintained (Lowndes and Skelcher, 1998).

The theoretical proposition this study developed for the conceptual framework proposed in Chapter 5 was:

P3: The network mode of governance dominated mostly in the Kindergarten Cluster Management framework.

The results showed that the hierarchy mode of governance and network mode of governance clearly existed in the all relationships in the kindergarten provision network. However, a market mode of governance was not discernible except in the relationships between CSO-type KCM managers and the local government employees.

This showed the resource exchange coordination by each organization in the network. As organizations take the most efficient approach to exchanging resources (Lowndes and Skelcher, 1998 and Powell, 1991), a combination of hierarchy and network modes of governance was the most efficient mechanism for the provision of kindergarten services by the Banyule City Council, Moonee Valley City Council, Port Phillip City Council and Wyndham City Council.

Meanwhile, a market mode of governance clearly existed in the Wyndham City Council since City outsourced its kindergarten management services to a community service organization. The City offered a competitive tendering for a three-year contract with a CSO-type KCM organization as the

area had had already experienced and was expected to have a strong growth of population, and the Council decided to contract out the kindergarten management responsibility of two kindergartens at the public elementary school site. The interviewee commented that this model was an attempt to achieve economic efficiency.

These results were congruent with the literature that was reviewed in section 2.4.1.2 of Chapter 2 which stated that the hierarchy, market, and network modes of governance were combined with each other in various ways in the empirical world (Lowndes and Skelcher, 1998). Also, as previous literature (such as Lowndes and Skelcher, 1998) asserted, that the sustaining of collaboration involved the underlying presence of a network mode of governance even when market or hierarchy modes were predominant in the networks.

One LG-type KCM manager commented that *'human relationships may help the grants application and submission, but it doesn't really matter as it's not negotiable, (it's) based on the data…. Human relationship may break but still the business relationships still do not break'*. The previous literatures such as Shah (2006), Powell (1990) and Ouchi (1980) admire the network mechanism in the network form of governance. However, considering the comments above from the local government KCM manager and the comment from CSO-type KCM manager, the broken relationships with the parent's committee may imply that the network form of governance, in which only network and market mechanisms are at work, is vulnerable and the formal hierarchy mechanism keeps the network relationships stable.

8.5 Research Question 4: What are the factors that affect networking in the Kindergarten Cluster Management framework?

The purpose of this research question was to examine the factors that affect collaborative relationships. The theoretical proposition of this study developed in Chapter 5 was:

> **P4: Individual and organizational capacity, partnership lifecycle, stakeholder management and successful partnership elements affect networking within the Kindergarten Cluster Management framework.**

Individual capacity

The study found that in the KCM framework, individual capacity was recognized as a crucial factor although the abilities and capacity of parents' committees were not valued in the KCM framework. In the KCM framework, most parents' committees served only an advisory function and had no legal requirements to consider or management responsibilities because those responsibilities were taken over by the KCM organizations. The results also showed that although one local government employee disagreed, eleven interviewees believed that the kindergarten staff member's capacity and ability were necessary for successful collaboration. The literature suggested that the individual person's attributes and communication skills were vital in collaborative relationships (Sullivan and Skelcher, 2002). In the KCM frameworks, the individual expertise of kindergarten managers and kindergarten staff member such as management knowledge and pedagogical skill were required for better collaboration, but the talents and experience of the parents' committees were not appreciated.

Organizational capacity

The results indicated that the empirical results were congruent with the previous literature that collaboration requires supports by a wider commitment of organizations and groups (Sullivan and Skelcher, 2002).

Partnerships lifecycle

The results showed that collaborative relationships changed over time. However, the results could not indicate that change IN mode of governance was associated with the duration of the partnerships. As discussed above, assorted modes of governance existed in the networks (Lowndes and Skelcher, 1998) and one mode of governance was not necessarily predominant at any stage of collaborative partnerships.

Stakeholder management

The previous literature suggests that stakeholder engagement activities affect employee relationships, its productivities, creativities and loyalty; hence, committed stakeholder networks can provide organizations with valuable information which can help organizations to introduce external changes more efficiently and can lead to more effective solutions (Friedman and Miles, 2006).

This study examined how stakeholder engagement affects the kindergarten cluster management network.

The answers from the kindergarten cluster managers mostly indicated that cluster managers engaged in stakeholder management activities. In contrast, the answers from the kindergarten staff member showed a different view. The kindergarten staff members were not necessarily positive about the kindergarten cluster managers' stakeholder management activities. Especially in terms of Statement 2*: KCM manager did not recognize the interests of stakeholders,* three of the four kindergarten staff members agreed with this statement. Two of the four kindergarten staff members agreed with Statement 1: *KCM manager did not recognize who are stakeholders*; Statement 3: *KCM manager did not take stakeholders' interests into account in decision making*; Statement 4: *KCM manager did not communicate with stakeholders constantly*; Statement 6: *KCM manager did not regard the limitation of stakeholders' capacity to understand complex situation and options*; Statement 7: *KCM manager did not balance efforts and rewards between stakeholders;* and Statement 8: *KCM manager did not work with other organizations to minimize risks or damages*. Consequently, it became apparent that there was a difference of opinion between kindergarten cluster managers and kindergarten staff members.

While the stakeholder management activities were not recognized by the kindergarten staff member, they believed that there was good collaboration within networks. Hence, this study could conclude that the stakeholder management activities did not affect networking in terms of kindergarten service provision.

Successful partnership elements

As presented in Chapter 2, Pope and Lewis defined five elements of an effective partnership: 1) a good broker / facilitator to build relationships, 2) the right decision-makers at the table with a commitment to contribute, 3) a clear purpose, 4) good process and 5) ongoing motivation through champions and evaluation (2008).

The results showed that '*a good facilitator to build relationships'* was entirely supported by the interviewees while the other four elements were not completely supported although only two interviewees disagreed on *'ongoing motivation through champions and evaluation'*. There was no apparent relationship between interviewees' positions and their answers. Hence, this study can

confirm that 'a good facilitator' contributes to building successful collaborative relationships, but the other elements cannot be supported.

8.6 Research Question 5: What is the impact of the Kindergarten Cluster Management framework?

As this study discussed in section 8.2 pertaining to research question 1, it was expected that the local governments' networking with other organizations would improve economic efficiency and create better participatory decision-making (Dollery and Wallis, 2001). Shah (2006) argues that the network form of governance using a network mechanism was superior to a single entity form with a hierarchy or a market mechanism of governance because of the high transaction cost of the hierarchy mode of governance and the infeasibility of market governance. In the literature, 'citizen-centered governance' consists of 'responsive governance', 'responsible governance' and 'accountable governance' (Shah, 2006, p.15). This study adopted these arguments and developed the theoretical proposition below.

P5: The impacts of the Kindergarten Cluster Management framework are: 1) better participatory decision-making: 2) economically efficient service delivery: 3) gaining better knowledge: 4) responsive management services: and 5) accountable management service.

The level of participatory decision-making and economic efficiency often create a trade-off situation as participatory decision-making requires more time and resources in order for a decision or agreement to be reached. However, the results did not show the trade-off situation clearly. Rather, both of them were supported as six of the twelve interviewees agreed that both the level of participatory decision-making and the economic efficiency had increased. The other two interviewees, who were kindergarten staff members, believed that neither the level of participatory decision-making nor that of economic efficiency had increased.

Three of the twelve interviewees opined that the level of participatory decision-making had increased, but not the level of economic efficiency. One interviewee answered that level of participatory decision making had not increased but the level of economic efficiency had increased. In other words, nine of the twelve interviewees believed that the level of participatory decision-making had increased and seven of them thought that the level of economic efficiency had increased.

Those who disagreed with the theoretical proposition regarding economic efficiency were a local government employee, two LG-type KCM managers and two kindergarten staff members. The local government employee was a manager in the Department of Youth Services, and the two kindergarten cluster managers were responsible for managing a large department and a large number of employees. One interviewee from a LG-type KCM manager answered that the amount of subsidy the local government provided did not change and she also mentioned that the CSO-type KCM organization was 'quite huge' and expected that was the same size as the council, and therefore the running costs of KCM services might be huge as well.

In terms of economic efficiency, previous literature discussed several measures to achieve this: reducing duplication and sharing overheads (Lowndes and Skelcher 1998), partnering with community or private organizations in order to overcome public sector constraints on accessing capital markets (Lowndes and Skelcher, 1998), reducing transaction costs (Dollery and Wallis, 2001; Powell, 1991), economies of scope and economies of scale (Dollery et al., 2012). Kindergartens could achieve economic efficiency by reducing duplication and sharing overheads. CSO-type KCM organizations had access to new resources by operating other business such as childcare centers.

Rather, bigger organizations such as local governments and ECMS (Early Childhood Management Services) could achieve the economies of scope. One local government staff member commented that the LG-type KCM manager could provide *'great council support'* which meant not only kindergarten management service and infrastructural support but also financial support, human resource support and pedagogical support. This is more efficient for the kindergarten management organizations as they can provide comprehensive services without arranging for them with other organizations.

The abovementioned interviewee compared the local government service with a standalone kindergarten parents' committee whose members were not adequately trained or knowledgeable, and therefore were incapable of efficient management. In those standalone kindergartens, the teachers took over the management responsibilities. Hence, their time was taken up with management responsibilities at the expense of teaching and planning. Conversely, in those kindergartens managed by the KCM managers, kindergarten teachers could focus solely on teaching and looking after children's families. Hence, those interviewees who worked closely with the kindergartens might have felt that economic efficiency increased through networking with KCM organizations.

It was not clear that even the large KCM organizations could achieve the economies of scale. An interviewee from a LG-type KCM manager commented that the funding system of the Victorian Government did not suit the reality of the kindergarten cluster management situation where the grants

were not provided per capita but calculated according to the number of the kindergartens; this meant that the smaller the number of children in each kindergarten, the better would be the funding. Moreover, each council had a different protocol for dealing with the kindergarten infrastructural management. Therefore, although the CSO-type KCM organizations could produce management services beyond the council boundary, they had to follow each council's procedure to negotiate the management of the kindergarten property. Hence, the more the number of councils the CSO-type KCM organizations managed, the more complicated it became for managers to operate the kindergarten facilities. Moreover, as one interviewee in a LG-type KCM manager commented: *'the Victorian Government has many different arms'* funding, service quality assessment and kindergarten licensing were looked after by different Victorian Government departments, placing additional pressure on kindergarten managers and burdening them with time-consuming tasks when collaborating with the Victorian Government.

Two kindergarten staff members, two CSO-type KCM managers and two LG-type KCM managers who believed that both the level of participatory decision-making and economic efficiency had improved CSO-type. Their responsibilities were rather specific and limited and they worked closely with the kindergartens.

Regarding participatory decision making, one LG-type KCM manager commented on the regular formal meetings organized by the Victorian Government: *'we regularly meet cluster managers group to help and support them…. We meet with them (cluster managers) normally in a month just to help and support them…. We have a really good relationship with them (the Victorian Government). They invite us to the cluster managers meetings'*. Another local government employee commented on the supervisor's role in a kindergarten: *'without somebody on site, with responsibility, authority, and autonomy, lots of decisions were delayed. So one of the fundamental things in that service was let's put someone on the ground who will be responsible'*. All kindergartens that participated in this study had a supervisor who looked after day-to-day business. The formal meetings organized by the state and local governments and appointment of a supervisor for kindergartens may have led interviewees to believe that the level of participatory decision-making had increased. This research concluded that the interviewees who held this opinion felt that they had more opportunity to voice their opinions and to listen to other stakeholders' opinions as a result of the network.

Better knowledge, Responsive management and Accountable management

Ten of the twelve interviewees believed that better knowledge, responsive management and accountable management were improved by the networking. These results were congruent with the argument for 'citizen-centered governance' forwarded by Shah (2006, p.15).

As the local government staff member commented *'we are more accountable to tax payers. We have long standing structure. It's very clear who we report to. Kindergarten parent's committees often have a group of parents who are untrained and not knowledgeable about kindergarten management'.* Conversely, the kindergartens which were managed by KCM organizations were more accountable as the experts took responsibility for the management.

Similarly, in the kindergartens that were managed by the parents' committee, teachers were responsible for management and had less time to focus on teaching and planning, unlike staff members in kindergartens that were managed by KCM organizations. In other words, where the kindergarten management responsibilities were undertaken by KCM organizations, kindergarten teachers could concentrate on the kindergarten program, and the children and their families. Hence, the quality of kindergarten services would improve as would the responsiveness.

8.7 Conclusion

This chapter reviewed the results of the research data and compared them with those in the previous literature and with the theoretical proposition this study developed in Chapter 7. The following discusses the inconsistencies found in the results.

Regarding the reasons for introducing the KCM framework in local governments, this study confirmed that local councils and KCM organizations sought resource efficiency, but it could not conclude that local councils intended to improve the level of participatory decision-making.

This study found that the local councils and a community service organization had already initiated kindergarten cluster management services before the Victorian State Government introduced the KCM framework in 2003. Therefore, it is apparent that the local councils were not influenced by the Victorian Government's KCM framework policy when they started the services. However, it was the Victorian Government's social policy that originally drove local governments to introduce the cluster management service and hand over decision-making for kindergartens to KCM organizations instead of having them managed by parents' committees. The situation where the Victorian Government ceased to provide services and the local governments began to offer new services could be explained by the traditional fiscal federalism perspectives (Shah, 2006, p.6).

The research found that the policy network for kindergarten service delivery existed in the four cases: Banyule City Council, Moonee Valley City Council, Port Phillip City Council and Wyndham City Council. Benson's definition (1982, p.148) of a policy network can be applied to these networks; however, they did not match Rhodes' five types of network models. This research suggested that a new model might be required to capture the features of the networks for community service delivery.

This study found that the hierarchy mode of governance and network mode of governance were predominant in all the relationships within the network. However, the market mode of governance was not evident except in the relationships between the CSO-type KCM organizations and the local governments. The previous literature (such as Lowndes and Skelcher, 1998) asserted that sustaining collaboration involved the underlying presence of a network mode of governance even when market or bureaucracy predominated in the networks. What this study found was that the network form of governance in which only network and market mechanisms were at work is vulnerable, and that the formal hierarchy mechanism keeps the network relationships stable.

Regarding successful collaboration, this study found that in the KCM frameworks, the expertise (such as management knowledge and pedagogical skills) of individual kindergarten managers and kindergarten staff members were required for better collaboration but the skills and capacities of the parents' committees were not acknowledged.

This study also found that kindergarten cluster managers and kindergarten staff members had different opinions regarding the kindergarten cluster manager's stakeholder management. Also, this study found that the stakeholder management activities did not affect networking for the provision of kindergarten services.

Another factor that affected networking for public service provision was 'a good facilitator' who contributes to building successful collaborative relationships.

In terms of the impact of networking on local governance, the theoretical propositions that were originally developed were accepted.

Table 8.1 summarised the answers to the propositions. Chapter 9 concludes the thesis.

Table 8.1: Summary of answers to the propositions

No.	Proposition	Accepted or Rejected
1	Victorian local governments introduced the network form for improving their economic efficiency.	Accepted
	Victorian local governments introduced the network form for improving the quality of democracy.	Rejected
	The Victorian Government's social policy affects the local governments on introducing a network form.	Accepted
2	The stakeholders of Kindergarten Cluster Management: kindergarten cluster managers, local government staff members and kindergarten staff members, describe the network as collaboration.	Accepted
3	The network mode of governance is predominant in the Kindergarten Cluster Management framework.	Rejected Mostly hierarchy and network modes of governance existed.
4	Individual capacity affects networking in the KCM framework.	Partly accepted Only kindergarten staff members' and kindergarten cluster managers' capacity affected it.
	Organizational capacity affects networking in the KCM framework.	Accepted
	Partnership life cycle affects networking in the KCM framework.	Rejected

	Stakeholder management affects networking in the KCM framework.	Rejected
	Successful partnership elements affect networking in the KCM framework.	Partly accepted Good facilitator to build relationships was accepted
5	The impact of the KCM framework is better participatory decision making.	Accepted
	The impact of the KCM framework is economic efficiency.	Accepted
	The impact of the KCM framework is gaining better knowledge for their services.	Accepted
	The impact of the KCM framework is responsive management services.	Accepted
	The impact of the KCM framework is accountable management services.	Accepted

Source: Developed by the researcher

As Table 8.1 presents, four out of fifteen propositions are rejected. Theory suggests that the network approaches for local governance have potential to improve the quality of democratic decision making. However, in reality the managers and kindergarten staff members were not aware of the potential for a networking approach as a way to enhance the quality of democratic decision making. Likewise, against the theory, the network mode of governance does not dominate among collaborative relations in network approaches. On the contrary, the hierarchy mode of governance is the key feature in the retention of collaborative relations. The other two rejected propositions related to the factors that influence networking activities: partnerships lifecycle and stakeholder management.

There are two ways to consider this result: one idea is that without awareness network approaches enhanced the quality of local governance and the other one is that those rejected propositions represented neglected opportunities to improve the relationships and to bring about better outcomes for local governance.

In the next chapter the results from the research will be discussed and declared the significance of the research.

Chapter 9: Conclusion

9.1 Overview of the study

The original objective of this study was to understand how Australian local governments have evolved the government-citizen relationships, especially the relationships of local governments with organizations beyond government such as non-profit and private industry organizations.

The literature review which is presented in Chapter 2 was conducted to give us a better understanding of the chosen area of study, and to narrow down and specify the aim of this research. Through the literature review, this study found that 'network' was the key concept that should be used to examine the relationships between government and non-government organizations. Previous literature indicated that the term 'network' had two different meanings: 'network' describes a group of organizations connected to a common task (for example in Considine, 2003; Rhodes, 1992; Johanson and Mattsson, 1991) and 'network' describes a form of social coordination (Lowndes and Skelcher, 1998) or a form of 'coordinating economic activities' (Powell, 1991, p.268). A few studies dealt with these two concepts as one term; i.e. 'network'-formed organizations operated through 'network' coordination (Lewis, 2010; Shah, 2006), while others separated the two 'networks' and considered them as two distinct concepts (Dollery and Wallis, 2001).

A distinction should be made between these two meanings of 'network' for these reasons: 1) the contexts in which those words were developed were different, and 2) as this study observed, the three different coordination mechanisms of hierarchy, market and network modes of governance, existed simultaneously in the organizational partnerships. In other words, the coordination of social activity deployed in a network of connected organizations was not necessarily committed to a single mechanism of governance.

An 'old bureaucratic order' (Considine and Lewis, 2003, p.131) was denied and a market system was introduced influenced by NPM doctrine (Lewis, 2010; Sorensen and Torfing, 2006 b; Considine and Lewis, 2003; Dollery and Wallis, 2001). Then, the public sector sought a 'collaborative advantage' (Lowndes and Skelcher, 1998, p.313) by strengthening 'joint-up government' (Lewis, 2010, p.132; Reddel, 2005, p.188), 'whole-of-government' (Lewis, 2010, p.132), 'Community-building' (Reddel, 2005, p.188) or 'citizen engagement' (Reddel, 2005, p.188). These concepts were known as 'network governance' (Considine and Lewis, 2003, pp.133-134).

Meanwhile, a transaction cost study found that there were three different coordination mechanisms known as 'modes of governance' - hierarchy, market and network - coordinating the actors in the connected organizations. The transaction cost study was used as the foundation for the policy network study (Powell 1991). Chapter 2 elaborated on local government, and partnerships and coordination, clarifying our understanding of these two terms.

The literature research also found the factors that might have affected the networking. They were: the capacity of individual actors and of the organizations in the collaborative relationships, partnership lifecycle, stakeholder management and five elements of successful partnerships: facilitator, the participation of the appropriate people, clear purpose, good process and ongoing motivation (defined by Pope and Lewis, 2008). Networking for collaborative relationships and network mode of governance was supposed to achieve specific outcomes for the organization: economic efficiency, participatory decision making, better knowledge of the service, and being responsive and accountable. The knowledge derived from the literature research was instrumental in developing the conceptual and theoretical framework developed in Chapter 5.

The context of this study is the kindergarten service provided by Victorian local governments by means of networking. In Chapter 3, this study explored the context in which Victorian local governments undertook to develop relationships among community sectors, private sectors and public sectors in order to operate collaborative practices for local governance. This study selected the KCM framework as a sample of networking by local governments. KCM was a Victorian State Government's policy framework that merged community managed kindergartens together under a single management organization. In Chapter 4, this study examined the KCM framework and the Victorian Government's initiatives.

The conceptual and theoretical frameworks for this study were developed in Chapter 5. In the conceptual framework, all the information gathered from the literature review was integrated and used to define the research objectives. Also, in that chapter, all concepts were transformed into independent variables and dependent variables.

Chapter 6 concerns the research methodology and describes the principles underlying the selection of the methodology used in this study. This study undertook a multiple case study for which four local governments were selected as cases. The researcher designed a survey and conducted interviews with twelve interviewees comprising local government staff members, kindergarten cluster managers (local government employees and community service organization employees) and kindergarten staff

members. The collected data was systematically placed in tables for comparison and analysis by pattern matching (Yin, 2014).

The results of the case studies were presented in Chapter 7. This study adopted Miles et al.'s (2014) approach and used the idea of 'display' (p. 108) that 'are focused enough to permit a viewing of a full data set in the same location and are arranged systematically to answer the research questions at hand' (p.108).

Chapter 8 presented the findings from the data analysis and discussed these in light of the research questions. This chapter integrates the results and compares them with previous studies and theories, and discusses whether they align with the original expectations of this study.

This study obtained findings regarding six areas:

- The Victorian Government's influence on local governments and community service organizations (research question 1)
- Motivation of local governments and community service organizations of developing collaborative relationships (research question 1)
- The network model for the kindergarten service provision (research question 2)
- Coordination mechanisms of collaborative relationships (research question 3)
- Factors that affect the collaborative relationships (research question 4)
- Impact of collaborative relationships (research question 5)

Table 9.1 presents the summary of the research findings.

Table 9.1: Summary of research findings in relation to the research questions

Research Question	Findings and Conclusion
Q1; Why did Victorian local governments introduce the KCM framework?	**Economic efficiency** The results indicated that economic efficiency was the reason for introducing the KCM framework. The interviews revealed that the CSO organization and local governments sought resource efficiency for kindergarten management by taking over management responsibilities from the parents' committees. Also, this research found the examples of outsourcing of kindergarten management services and economies of scope. However, this study did not confirm that economies of scale had been achieved by KCM. **Democratic decision making** This study could not conclude that improving the level of democratic decision-making was the reason for introducing a network form of governance: the KCM framework. However, this study found that kindergarten cluster managers had taken over the management responsibilities and authority from the parents' committees. **Influence of the Victorian Government's social policy** The local governments and the KPV (Community Service Organization) introduced the cluster management services for community kindergartens before the Victorian Government established the KCM framework. Hence, the Victorian Government's KCM framework did not drive the local governments, community organizations and kindergartens to start the kindergarten cluster management system. However, the state and national government's laws and social policy such as Children's Service Regulation 2009 and Education and Care Service National Regulations, affected the local governments, kindergarten parent's committee and

	community service organization's decision in terms of kindergarten cluster management services.
Q2; How are the networks described by the KCM stakeholders?	The local government staff members, kindergarten cluster managers, kindergarten staff members and Victorian Government employees worked in collaborative networks.
	Benson's definition of a 'policy network' can be applied to the networks established by the stakeholders for the provision of kindergarten services. However, Rhodes' five types of network models could not adequately capture those networks because of the diversity of stakeholders in kindergarten services.
Q3; Which mode of governance works in the KCM framework?	The hierarchy mode of governance and network mode of governance were foremost in the all network relationships; however, the market mode of governance was not recognized except in the relationships between the CSO-type KCM and the local governments.
	These results were congruent with those in the literature - that market mode, hierarchy mode and network mode of governance were combined each other in a variety of ways in the empirical world (Lowndes and Skelcher, 1998).
	Also, this study found the network form associated with only the network mechanism and the market mechanism was vulnerable, whereas the formal hierarchy mechanism kept the relationships stable.
Q4: What are the factors that affect networking in KCM framework?	The study found three factors that were important: individual capacity, organizational capacity, and successful partnership elements defined by Pope and Lewis (2008).
	Individual capacity
	In the KCM frameworks, the individual expertise of kindergarten managers and kindergarten staff members such as management knowledge and pedagogical skill were required for better collaboration, but the skills and capacities of parents' committees were not acknowledged.
	Organizational capacity

	The collaborative relation in the network required support and commitment by a wide range of organizations.
	The collaborative relationships strengthened with time; however, the change of mode of governance was not associated with the length of time of their collaborative relationships.
	Successful partnerships elements
	Five elements defined by Pope and Lewis (2008) were examined in this study. 'A good facilitator to build relationships' and 'ongoing motivation through champions and evaluation' affected networking when providing kindergarten service.
	This study found that stakeholder management activities as defined by Friedman and Miles (2006) and partnership lifecycle as defined by Lowndes and Skelcher (1998) did not have a significant influence on the KCM networks.
Q5: What is the impact of the KCM framework?	**Efficiency**
	The various interviewees had different responsibilities and therefore had different perspectives regarding efficiency.
	The interviewees who were managers and had responsibilities for managing rather large sections and numbers of staff members did not agree that the networking brought about economic efficiency. Those interviewees who had quite specific and limited responsibilities and worked with the kindergartens closely agreed that networking achieved economic efficiency.
	• Individual kindergartens could reduce duplication and share their overheads by working with KCM organizations.
	• Individual kindergartens could maximize their teaching resources and look after their children's families by working with KCM organizations.

	- Community service organizations could access additional resources through other businesses such as running a childcare center as well as providing kindergarten cluster management services.
	- In order to reduce transaction costs, the LG-type KCM managers took the management responsibility away from the parents' committees, instead making them advisory committees.
	- CSO (community service organization) type KCM managers dealt with parents' committee that were often time-consuming for the kindergarten managers.
	- Economies of scope could be achieved in large organizations such as local governments and large community organizations which had the capacity to provide comprehensive services.
	- This study could not conclude whether economies of scale were achieved by networking or by other means.
	Participatory decision making
	Formal meetings organized by the state and local governments and at the appointment of supervisory staff members at each kindergarten led interviewees to believe that the level of participatory decision-making increased.
	Better knowledge, responsive and accountable management
	Better knowledge, responsive management and accountable management were improved by the networking. These results were congruent with the

	argument that promoted the 'citizen-centered governance' by Shah (2006, p.15).

Source: Developed by the researcher

9.2 Original contribution of the study

This research contributed to the knowledge in mainly two areas of study, local government and networking, and focused on the Victorian Government's influence on local governments, network models, coordination mechanisms (mode of governance), factors that affect collaboration, economic efficiency and participatory decision making, and a review of the KCM (Kindergarten Cluster Management) framework.

Victorian Government's influence on the local governments

Local government studies that mention the financial stress of local governments and structural reform (Dollery et al., 2012; Dollery et al., 2006; Dollery and Wallis, 2001) explain the situation as follows: because they are 'statutory creatures of a higher level of government' (Dollery and Wallis, 2001, p.1), their actions are manipulated by the state and central government. Accordingly, the decisions made by the state and central governments directly affect the local governments' financial situation. For example 'a higher sphere of government gives local government responsibility for new functions (devolution)', 'where a higher tier of government, through legislative or other changes, raises the complexity and /or standard at which local government services must be provided, thereby increasing the cost of service provision (raising the bar)', and 'either where a municipal council agrees to provide a service on behalf of a federal or Victorian Government or where some other tier of government ceases to provide an essential service thus forcing a local authority to take over (cost shifting)' (Dollery et al., 2012, p.18).

This study expanded the scope of the focus beyond the state-local government relationship to the relationship among the stakeholders of kindergarten services that were the Victorian Government, local governments, community service organizations and kindergarten staff members. This study revealed that the state and national governments' change of legislation directly affected people in the community. If change required these people to act beyond their capacity, local governments or community service organizations had to take over those responsibilities. In other words, as the local

governments play a key role in delivering essential services in the community, any changes that affect their citizens directly affect the local governments. That could lead to financial pressure on local government and structural reform.

Network model

The Rhodes' five types of policy network models: 'policy community', 'professional network', 'intergovernmental network', 'producer network' and 'issue network' (Rhodes, 1992, pp.13-14) were not appropriate for describing the networks of kindergarten service provision. However, 'industrial networks' (Johanson and Mattsson, 1991, p.256), 'resource dependency theory' (Lowndes and Skelcher, 1998, p.317), and 'fiscal federalism perspective' (Shah, 2006, p.6) were of practical value in capturing the features of networking among the Victorian Government, local governments, KCM organizations and kindergartens.

Each actor in the kindergarten service provision networks played a different role such as policy making, management, and kindergarten service delivery just as the firms in industrial networks are 'engaged in production, distribution and use of goods and services' (Johanson and Mattsson, 1991, p.256). Nonetheless, the coordination of their activities was not achieved through the price mechanism but through a central plan and an organizational hierarchy, and also through the interaction among the actors in the network. This study found that although there was a 'big gap' in the outcomes among stakeholders, the actors still connected and collaborated. Resource dependency theory explains this as the primary focus of 'organizational decision makers' is on finding and defending an adequate supply of resource (Alter and Hage, 1993, p.109). The Victorian Government was a funding body in the KCM framework. Hence, kindergarten service delivery actors stayed with the Victorian Government's KCM scheme. As discussed earlier, the Australian local governments' responsibilities and behavior are determined by the Victorian Government through legislation; therefore, the formal relationships between the state-local governments were never severed.

In contrast, the relationships between community service type KCM organizations and the community kindergarten was like a 'model of the industrial market' (p.256) where the 'relationships are constantly being established, maintained, developed and broken in order to give satisfactory, short-term economic returns and to create positions in the network that will ensure the long-term survival and development of the firm' (Johanson and Mattsson, 1991, p.256). Because the capacities of KCM managers and the parents' committee were absolutely different, as one interviewee repeated stated '*parents were untrained and not knowledgeable*', the parents' committee was at a disadvantage as the

interviewee commented *'that (ceasing the management service for the kindergarten) is a lot of problem for them'*. These insights are valuable not only for early childhood educational services but also for other educational services, medical services, aged care services and even community legal services as the service recipients are ordinary citizens and not necessarily trained to negotiate with service experts.

Coordination mechanism (mode of governance)

This study demonstrated that the term 'network', as an alliance of organizations and 'network' as a coordination mechanism, should be distinguished from each other in order to enable the study of a network to be well understood. It seemed unrealistic that the network form of organizations for public services would be coordinated through only a network mode of governance in which the collaborative organizations practice horizontal patterns of exchange, interdependent flows of resources, reciprocal communication (Powell 1991), building trust and joint action (Considine and Lewis, 2003) in their day-by day business. Additionally, this study revealed that in the collaborative relationships for kindergarten service provision, the hierarchy mechanism kept the relationships secure and stable. In other words, the collaborative organizations that coordinated only through a network mode of governance could be unreliable.

Relationships in networks are invisible and 'are associated with a variety of forms of social co-ordination' (Lowndes and Skelcher, 1998, p.314) such as hierarchy, market and network mode of governance. Hence, in order to capture a network and to investigate the reasons for a network's efficiency, productivities or demise, a set of these three modes of governance could be a useful foundation for a future study.

Factors affecting the collaborative relationships

Also, this study clarified which factors affected the collaborative relationships in a network for kindergarten service provision. They were: individual and organizational capacity, a facilitator to build relationships and participant's ongoing motivation through champions and evaluation. This knowledge could contribute to the design of public policy and training programs.

Economic efficiency and participatory decision making

The economic efficiency this study mentioned was 'technical efficiency (or productive efficiency)' (Dollery et al., 2006, p.194). Technical efficiency measures whether the organization has maximized its output given its available resources (Dollery et al., 2006). Our interviewees from different sections had different perspectives regarding the economic efficiency, which were independent of the differences between councils.

As discussed above, the network for providing kindergarten services resembled an 'industrial network' (Johanson and Mattsson, 1991, p. 256) where each organization (or section) operated to achieve a separate mission and pursued responsibilities. Hence, each section had a different way of achieving efficiency. This study suggests that, the mechanism used to achieve efficiency should be examined for each relationship separately.

Kindergarten locations could achieve efficiency by belonging to the cluster as it enabled them to remove management responsibility, reduce the duplication of management resources, and share overheads with KCM organizations.

A CSO-type KCM organizations could operate other businesses such as a childcare center and access new resources for the organization. Also, a CSO-type KCM managers could manage kindergartens beyond the municipal boundary and expand their business as their capacity allows. In short, a CSO-type KCM organization has more access to resources than local governments have. In fact, LG and CSO-type KCM organization did not collaborate unless those kindergartens managed by CSO-type KCM organizations provided the service in local government-owned properties. Local government benefitted from working with a CSO-type KCM organization as shown by case four.

Those outcomes of increased efficiency - reduced duplication, sharing of overheads, and access to new resources - well support Lowndes and Skelcher's (1998) statements.

This study showed that when a KCM organization failed to develop a network mechanism, management was costly. Hence, the LG-type KCM managers removed the authority of the parents' committee or removed the parent's committee altogether, while the CSO-type KCM managers broke up the relation with the kindergarten and terminated the management services. This implies that organizations tend to reduce the transaction costs of their business operations. This supports theories from the New Institute Economic study (cited in Shah, 2006, Dollery and Wallis, 2001 and Lowndes and Skelcher, 1998).

271

Review of the Kindergarten Cluster Management framework

Networking is an unavoidable option that can improve the economic efficiency of local governance and may provide a solution for difficult social issues. The KCM framework appeared to be successful as the business lasted more than ten years and had been expanding.

The KCM framework was superseded by Early Years Management (EYM) framework in July 2016. While the KCM framework dealt with only kindergarten management services, the EYM framework includes other early childhood services such as long day care services, after-school care services, and maternal and child health services (Department of Education and Training, 2016). This study indicates that community service organizations would be able to improve their economic efficiency by means of this EYM framework as this framework encourages community organizations to expand the service areas and enhance the economies of scope of organizations.

This policy framework strongly recommends that a parents' Committee of Management be a Parent Advisory Group and the roles be changed from being a kindergarten service provider to supporting the educational program. As this study indicated, a conflict between a kindergarten cluster manager and a parents' committee is distressing and time-consuming for the manager, and could also justify the severing of the relationship between KCM managers and the parents' committee. Hence, the removal of a parents' committee of management could alleviate kindergarten cluster managers' burden and encourage them to use the resource efficiently. This implies, however, that parents committee will have to lose their autonomy of kindergarten management. In this case, agency theory could apply to the relationship between a manager and parents committee. As this study discussed in section 2.3.2 of Chapter 2: Corporate governance in public sector, according to agency theory, each actor aims to maximize his/her own utility, and the agent's interest is not necessarily compatible with principals' (parents') interests. The Victorian Government should ensure that kindergarten management organizations are accountable to the parents who receive kindergarten services while encouraging the economic efficiency of those management organizations.

9.3 Limitations of the study

Members of parents' committees would be able to contribute valuable insights. However, local government-owned kindergartens did not have parent committees which had management responsibilities. One council did not even have a parent's committee. Therefore, no parent committee members could be included in this study.

Because the data collection took place close to the end of the year (from mid-September to mid-December) this study could not involve sufficient numbers of kindergarten staff members and community service organizations which provided kindergarten cluster management services. When the researcher began to recruit interviewees, kindergarten staff members were quite busy taking care of transition procedures including the writing of a transition report for each student who would be going to school the following year.

Hence, this study had limitations regarding the analysis of data and drawing adequate conclusions especially in terms of describing the networks and analyzing the effects of networking.

9.4 Suggestion for the further research

This study opens up several research avenues in related areas.

Firstly, the findings of this study could be supported and confirmed by including more kindergarten staff participants from kindergarten parents' committees, and small-community organization-type KCM organizations as such interviewees would provide richer information that would better describe and provide a better understanding of the impact of networking especially on participatory decision making, responsive governance and accountable governance.

Secondly, the study could provide more insights regarding the economic efficiency of organizations by conducting a longitudinal study, focusing on examining economic efficiency and concentrating on dyadic relationships in networks.

This study discovered that the network model for kindergarten service provision resembled an industrial network. Hence, thirdly, a comprehensive study of industrial organizations might provide additional insights that could improve networking practices in public sector governance.

This study selected the kindergarten cluster management framework as an example of networking. Finally, it would be valuable to conduct future studies in other areas including education, medical services, aged care and other welfare services.

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Appendix 1: CONSENT FORM FOR PARTICIPANTS INVOLVED IN RESEARCH

CERTIFICATION BY SUBJECT

I, ...

of ....

certify that I am at least 18 years old* and that I am voluntarily giving my consent to participate in the study:

Citizen Engagement in Victorian Local Governments being conducted at Victoria University by:

Professor Anona Armstrong AM.

I certify that the objectives of the study, together with any risks and safeguards associated with the procedures listed here under to be carried out in the research, have been fully explained to me by:

the researcher, Hikaru Horiguchi

and that I freely consent to participation involving the below mentioned procedures:

- Confirming my willingness to participate in this study
- Signing a consent form and sending back to the researcher
- Arranging suitable time and place for an interview
- Carrying out interview
- Compiling a transcript
- Confirming understanding and interpretation in the transcript
- Further comments and feedback

I certify that I have had the opportunity to have any questions answered and that I understand that I can withdraw from this study at any time and that this withdrawal will not jeopardise me in any way.

I have been informed that the information I provide will be kept confidential.

Name (please print): ....

Signed: ....

Date: ....

Any queries about your participation in this project may be directed to the researcher

Professor Anona Armstrong AM on 03 9919 6155 or Hikaru Horiguchi on 03 9329 9001 / 049 766 9897 or email hikaru.horiguchi@live.vu.edu.au.

If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (03) 9919 4148.

[*please note: Where the participant/s are aged under 18, separate parental consent is required; where the participant/s are unable to answer for themselves due to mental illness or disability, parental or guardian consent may be required.]

Appendix 2: Ethics Approval

VICTORIA UNIVERSITY | **A NEW SCHOOL OF THOUGHT**

MEMO

| TO | Professor Anona Armstrong
Business/Law Governance Research Program
Victoria University | DATE | 6/5/2013 |

FROM   A/Professor Deborah Zion
Chair
Low Risk Human Ethics Committee

SUBJECT   Ethics Application – HRETH 12/321

Dear Professor Armstrong

Thank you for submitting your application for ethical approval of the project entitled:

HRETH 12/321 – Citizen engagement in Victorian local governments.

The proposed research project has been accepted and deemed to meet the requirements of the National Health and Medical Research Council (NHMRC) 'National Statement on Ethical Conduct in Human Research (2007)', by the Chair of. Approval has been granted from 6th May 2013 to 6th May 2015.

Continued approval of this research project by the Victoria University Human Research Ethics Committee (VUHREC) is conditional upon the provision of a report within 12 months of the above approval date (by 6th May 2014) or upon the completion of the project (if earlier). A report proforma may be downloaded from the VUHREC web site at: http://research.vu.edu.au/hrec.php

Please note that the Human Research Ethics Committee must be informed of the following: any changes to the approved research protocol, project timelines, any serious events or adverse and/or unforeseen events that may affect continued ethical acceptability of the project. In these unlikely events, researchers must immediately cease all data collection until the Committee has approved the changes. Researchers are also reminded of the need to notify the approving HREC of changes to personnel in research projects via a request for a minor amendment.

On behalf of the Committee, I wish you all the best for the conduct of the project.

Kind Regards,

A/Professor Deborah Zion
Chair
Low Risk Human Ethics Committee

Appendix 3: INFORMATION TO PARTICIPANTS INVOLVED IN RESEARCH

You are invited to participate

You are invited to participate in a research project entitled 'Citizen Engagement in Victorian Local Governments'.

This project is being conducted by Professor Anona Armstrong AM from College of Law and Justice, Victoria University and a student researcher Hikaru Horiguchi as part of a PhD study at Victoria University.

Project explanation

The purpose of this study is to examine the ways in which inter-organizational relationships form a network, and the impact of a network form of governance on decision making and service delivery by local government.

This study assumes that Victoria's state and local governments introduce the network form of governance in which governments involve business and community sector organizations in public policy delivery and decision making with the purpose of increasing efficiency and democracy of governance. Previous research suggests that successful networking for governance will stimulate maximum effort in achieving the goals of the collaborating entities thus improving the quality of local governance. Hence, this research will discern the characteristics of the network form of governance and explain if a governance network affects the quality of local governance in terms of both efficiency and democracy.

This study examines the relationships between collaborative working and achievement of goals through analysing the interrelationships of participants in networks. In order to interpret the interrelationships it is important to examine the nature of the connections of those organizations that work collaboratively in the networks. Therefore, this study focuses on governance mechanisms such as hierarchy, market and network modes of governance. Also this study analyzes factors such as an organization's capacity and stakeholder management activities that influence governance mechanisms.

This study will determine:

1) networks Victorian local governments developed for their governance,
2) which governance mechanisms are appropriate within networks,
3) what factors influence those institutional arrangements, and
4) what is the impact of networking on local governance.

The context of the study is Kindergarten Cluster Management in Victoria where the relationships between local council kindergarten cluster managers and their stakeholders will be examined. The participants of this study will be: kindergarten

cluster managers, local government staff members who takes charge of Municipal Early Year Planning, chairpersons of parent's committee of kindergarten locations, and staff members and teachers of kindergarten locations.

What will I be asked to do?

In this study the researcher will collect data through interviews with key informants and reviewing second data.

Key informants who are selected for an interview data collection will be invited to a face to face interview or a telephone interview. The interview will last up to one hour and will be recorded and transcribed. Once the information you provide is drafted, a copy will be provided to the participants to seek their comments. Questions at the interview will include:

1) demographic questions
2) networks developed by a kindergarten cluster manager and a staff member who takes charge of early childhood services,
3) the reason local governments introduced a network form of governance,
4) relationships between kindergarten cluster managers and stakeholders,
5) factors that affect those relationships, and
6) impacts caused by networking in terms of democratic decision making and efficient service delivery,

What will I gain from participating?

You will contribute to determining perceptions of:

1) how inter-organizational relationships construct a network and contribute to local governance,
2) whether there are any differences in impacts depending on different modes of governance, and if so what enhances or hinders collaboration and
3) what are the essential elements for successful collaboration.

Those findings will assist to improve not only the quality of early childhood service delivery but also the quality of any social service delivery and local governance. We will provide you with a report of findings of this study when this study is completed.

How will the information I give be used?

This study uses a mixed method called a 'concurrent triangulation design'. In this design qualitative data and quantitative data will be collected at the same time through the interview, and then the two sets of results will be integrated at the interpretation stage.

The data from the interview will be used to find the answers to research questions.

What are the potential risks of participating in this project?

This study has been approved by Victoria University's Human Research Ethics Committee. This study is considered to be within the category of 'negligible risk research' on the basis that any foreseeable risk is no more than inconvenience.

However, the very small risks may be identified for participants if there were to somehow be a breach of confidentiality. This risk will be reduced by the rigour of the data collection, analysis and reporting process which has been designed and will be managed to ensure strict confidentiality.

How will this project be conducted?

The researcher will ask your willingness to participate into this study. Once your willingness is confirmed, the researcher will contact you to arrange a face to face interview where one person will be invited to each interview. In the case that an interviewee is in a rural area a telephone interview will be arranged. The interview will last up to one hour and it will be recorded. After each interview the researcher will provide a transcript to participants for confirmation and feedback. Any misunderstanding or misinterpretation that are pointed out by participants will be corrected till the transcripts are fully confirmed by participants.

Security of data and transcripts will be carefully maintained. Electric files will be stored on password protected computers and a password protected USB. Notations will be attached to any documents requiring particular confidentiality treatment so they can be reported only in ways that do not identify the source.

Who is conducting the study?

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Any queries about your participation in this project may be directed to the Chief Investigator, Professor Anona Armstrong AM, listed above.

If you have any queries or complaints about the way you have been treated, you may contact the Research Ethics and Biosafety Manager, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC, 8001 or phone (03) 9919 4148.

Appendix 4: Interview questions (1)

Interviewees: Local Government staff, KCM, Staff of Kindergarten, Parents' committee member, Others

Thank you very much for participating in this study about 'Network governance'. This study is interested in the way administration, management, teachers and parents collaborate to provide kindergarten services.

1. Here are tasks that are possibly managed in the kindergarten setting. Could you please select whose responsibilities they are?
   (Multiple answers are included.)

L-local government, K-KCM, S-Staff, P-Parents, O-other, UK-unknown
1 L☐ K☐ S☐ P☐ O☐ UK☐
2 L☐ K☐ S☐ P☐ O☐ UK☐
3 L☐ K☐ S☐ P☐ O☐ UK☐
4 L☐ K☐ S☐ P☐ O☐ UK☐
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16 L☐ K☐ S☐ P☐ O☐ UK☐
17 L☐ K☐ S☐ P☐ O☐ UK☐

   1) Maintaining staff's wellbeing and work conditions.
   2) Understanding parent's voices.
   3) Maintaining the quality of educational programs.
   4) Undertaking kindergarten family survey.
   5) Developing Quality Improvement Plan.
   6) Ensuring the kindergarten service meets the National Quality Standard.
   7) Updating kindergarten's policy manual.
   8) Ensuring kindergarten's policy reflects the National Quality Principals and regal requirements.
   9) Assuring children's well-being.
   10) Financial management (book keeping and reporting monthly).
   11) Communication tasks such as updating website, publishing newsletters.
   12) Organizing fundraising and social events.
   13) Licensing and regulatory management.
   14) Ground and building management.
   15) Compiling an annual report to stakeholders.
   16) Enrolment task.
   17) Maintaining family data.

2. How would you best describe those relationships from your perspective?

Collaboration-Col. Connection-Con. Other relation-Other No relation-NR Unknown-UK

1) KCM-Kindergarten Staff

2) KCM-Parent's Committee

3) KCM-Parent's Community

4) KCM-LG Preschool Coordinator

5) KCM-LG MEYP

6) KCM-State Gov.

7) KCM-Other KCM

8) KCM-Community Org.

9) KCM-Profit Org.

10) KCM-ELAA

11) KCM-MAV

12) KCM-Community People

13) KCM-Schools

14) LG-LG KCM

15) LG-CSO KCM

16) LG-Kindergarten Staff   (LG KCM)

17) LG-Parent's Committee (LG KCM)

18) LG-Parent's Community (LG KCM)

19) LG-Kindergarten Staff (CSO KCM)

20) LG-Parent's Committee (CSO KCM)

21) LG-Parents Community (CSO KCM)

22) LG-LG MEYP

23) LG-State Gov.

24) LG-Community Org.

25) LG-Profit Org.

26) LG-ELAA

27) LG-MAV

28) LG-Community People

29) LG-Schools

30) Kindergarten Staff-KCM

31) Staff-Parent's Committee

	Col.	Con.	Other	NR	UK
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29	☐	☐	☐	☐	☐
30	☐	☐	☐	☐	☐
31	☐	☐	☐	☐	☐

32) Staff-Parent's Community

33) Staff-LG Preschool Coordinator

34) Staff-LG MEYP

35) Staff-State Gov.

36) Staff-Other KCM

37) Staff-Community Org.

38) Staff-Profit Org.

39) Staff-ELAA

40) Staff-MAV

41) Staff-Community People

42) Staff-Schools

43) Parent's Committee-KCM

44) PC-Kindergarten Staff

45) PC-Parent's Community

46) PC-LG Preschool Coordinator

47) PC-LG MEYP

48) PC-State Gov.

49) PC-Other KCM

50) PC-Community Org.

51) PC-Profit Org.

52) PC-ELAA

53) PC-MAV

54) PC-Community People

55) PC-Schools

	Col.	Con.	Other	NR	UK
32	☐	☐	☐	☐	☐
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52	☐	☐	☐	☐	☐
53	☐	☐	☐	☐	☐
54	☐	☐	☐	☐	☐

3. Do you agree the following statements?

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) The Victorian Government's social policy did not affect local government's decisions when it started the cluster management services.

2) The Victorian Government's social policy did not affect community organization's decisions when it started the cluster management services.

3) The Victorian Government's social policy did not affect kindergarten parent's committee's decisions when it started to work with the cluster management organization.

4) KCM service is not intend to improve efficiency of kindergarten services.

5) KCM service is not intend to improve participatory decision making of kindergarten services.

6) When the cluster manager developed rather large number of relationships (such as community organizations, kindergartens, governments), each kindergarten services was improved.

7) Municipal Early Year Plan does not affect kindergarten services?

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7	☐	☐	☐	☐	☐	☐

4. Do you agree the following statements?

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) KCM services are developed by stakeholder's participatory decision making?

2) Kindergarten services are developed by stakeholders' participatory decision making?

3) Municipal Early Year Plan is developed by stakeholders' participatory decision making?

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3	☐	☐	☐	☐	☐	☐

5. Do you agree the following statements?

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) The kindergarten cluster manager's skill and ability do not affect collaborative relationships.
2) The kindergarten staff's skill and ability do not affect collaborative relationships.
3) The parent's committee's skill and ability do not affect collaborative relationships.
4) The local government staff's skill and ability do not affect collaborative relationships.
5) Each stakeholder organizations' supports are not crucial for collaborative relationships.
6) The collaborative relationships between the cluster manager and stakeholders have not evolved.
7) The cluster manager does not recognize who are stakeholders.
8) The cluster manager does not recognize the interests of stakeholders.
9) The cluster manager does not take stakeholders' interests into account in decision making.
10) The cluster manager does not communicate with stakeholders openly (two-way dialog).
11) The cluster manager does not deliver information to stakeholders constantly.
12) The cluster manager does not regard the limitation of stakeholders' capacity to understand complex situations and options.
13) The cluster manager does not balances efforts and rewards between stakeholders.
14) The cluster manager does not work with other organizations cooperatively to minimize risks or damages that may be caused by KCM's activities.
15) The cluster manager is not honest with stakeholders about the potential risk.
16) The cluster manager does not communicate with stakeholders openly about the conflicts.
17) The cluster manager does not encourage collaboration.
18) All participants in collaborative relation do not have skill and capacity.
19) The purpose of collaboration is not clear.
20) The process of collaboration is not clear.
21) All participants do not keep high motivation.

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20	☐	☐	☐	☐	☐	☐
21	☐	☐	☐	☐	☐	☐

6. Please think about an example when kindergarten provided the services successfully. Please select the appropriate number from the scale.

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) The cluster manager, kindergarten staff, parent's committee and local government staff collaborated well.
2) Being economical, quick communication and quick decision making were important.
3) Stakeholders' participatory decision making was important.

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2	1-☐	2-☐	3-☐	4-☐	5-☐	6-☐
3	1-☐	2-☐	3-☐	4-☐	5-☐	6-☐

7. Please think about a relationship between **the cluster manager and local government staff** when kindergarten provided the services successfully. Please select the appropriate number from the scale.

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) The cluster manager and local government staff collaborated.
2) In the relationship between the cluster manager and local government staff, there were a higher level and lower level.
3) Either organization closely monitored the performance of the other organization.
4) Either organization directed the other organization.
5) There were a law and rules to prescribe the responsibilities and right of KCM and the local government.
6) The kindergarten cluster manager and the local government negotiated the price of services and resources.
7) Negotiation for the best price was more important than keeping good relationships.
8) KCM and the local government were independent and worked together by contract.
9) KCM and the local government acted freely to achieve their goals without permission from the other organization.
10) The relationship between KCM and local government was rather informal and friendly.

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11) The kindergarten cluster manager and local government worked constantly and communicated frequently.

12) KCM and local government shared common interests.

13) KCM and local government depended on each other.

11 1-☐	2-☐	3-☐	4-☐	5-☐	6-☐
12 1-☐	2-☐	3-☐	4-☐	5-☐	6-☐
13 1-☐	2-☐	3-☐	4-☐	5-☐	6-☐

8. Please think about a relationship between **the cluster manager and staff of kindergarten** when kindergarten provided the services successfully. Please select the appropriate number from the scale.

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) The cluster manager and staff of kindergarten collaborated.

2) In the relationship between the cluster manager and staff of kindergarten, there were a higher level and lower level.

3) Either organization closely monitored the performance of the other organization.

4) Either organization directed the other organization.

5) There were a law and rules to prescribe the responsibilities and right of KCM and staff of kindergarten.

6) The kindergarten cluster manager and staff of kindergarten negotiated the price of services and resources.

7) Negotiation for the best price was more important than keeping good relationships.

8) KCM and staff of kindergarten were independent and worked together by contract.

9) KCM and staff of kindergarten acted freely to achieve their goals without permission from the other organization.

10) The relationship between KCM and staff of kindergarten was rather informal and friendly.

11) The kindergarten cluster manager and staff of kindergarten worked constantly and communicated frequently.

12) KCM and staff of kindergarten shared common interests.

13) KCM and staff of kindergarten depended on each other.

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12 1-☐	2-☐	3-☐	4-☐	5-☐	6-☐
13 1-☐	2-☐	3-☐	4-☐	5-☐	6-☐

9. Please think about a relationship between **the cluster manager and parent's committee of kindergarten** when kindergarten provided the services successfully. Please select the appropriate number from the scale.

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) The cluster manager and parents committee of kindergarten collaborated.

2) In the relationship between the cluster manager and parents committee of kindergarten, there were a higher level and lower level.

3) Either organization closely monitored the performance of the other organization.

4) Either organization directed the other organization.

5) There were a law and rules to prescribe the responsibilities and right of KCM and parents committee of kindergarten.

6) The kindergarten cluster manager and parents committee of kindergarten negotiated the price of services and resources.

7) Negotiation for the best price was more important than keeping good relationships.

8) KCM and parents committee of kindergarten were independent and worked together by contract.

9) KCM and parents committee of kindergarten acted freely to achieve their goals without permission from the other organization.

10) The relationship between KCM and parents committee of kindergarten was rather informal and friendly.

11) The kindergarten cluster manager and parents committee of kindergarten worked constantly and communicated frequently.

12) KCM and parents committee of kindergarten shared common interests.

13) KCM and parents committee of kindergarten depended on each other.

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12	☐	☐	☐	☐	☐	☐
13	☐	☐	☐	☐	☐	☐

10. Please think about a relationship between **the cluster manager and Victorian Government regional office** when kindergarten provided the services successfully. Please select the appropriate number from the scale.

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) The cluster manager and regional office staff collaborated.

2) In the relationship between the cluster manager and regional office staff, there were a higher level and lower level.

3) Either organization closely monitored the performance of the other organization.

4) Either organization directed the other organization.

5) There were a law and rules to prescribe the responsibilities and right of KCM and regional office staff.

6) The kindergarten cluster manager and regional office staff negotiated the price of services and resources.

7) Negotiation for the best price was more important than keeping good relationships.

8) KCM and regional office staff were independent and worked together by contract.

9) KCM and regional office staff acted freely to achieve their goals without permission from the other organization.

10) The relationship between KCM and regional office staff was rather informal and friendly.

11) The kindergarten cluster manager and regional office staff of kindergarten worked constantly and communicated frequently.

12) KCM and regional office staff shared common interests.

13) KCM and regional office staff depended on each other.

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12	☐	☐	☐	☐	☐	☐
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11. Please think about a relationship between **the cluster manager and local community** when kindergarten provided the services successfully. Please select the appropriate number from the scale.

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) KCM developed relationships with the local community (citizens, community groups, not for profit organizations or for profit organizations).

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2	☐	☐	☐	☐	☐	☐

2) The relationships with the local community improved the quality of the kindergarten services.

12. Do you agree with the following statements?

1- strongly no, 2- no, 3- neither no nor yes, 4- yes, 5- strongly yes, 6- not applicable

1) An advantage of collaborative relationships is 'increased knowledge for better service provision'.

2) An advantage of collaborative relationships is 'increased level of stakeholders' participation for decision making'.

3) An advantage of collaborative relationships is 'increased responsiveness to stakeholders' needs'.

4) An advantage of collaborative relationships is 'increased level of accountability'.

5) An advantage of collaborative relationships is 'more services with less resources'.

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2	1-☐	2-☐	3-☐	4-☐	5-☐	6-☐
3	1-☐	2-☐	3-☐	4-☐	5-☐	6-☐
4	1-☐	2-☐	3-☐	4-☐	5-☐	6-☐
5	1-☐	2-☐	3-☐	4-☐	5-☐	6-☐

Appendix 5: Interview questions (2)

Interviewee: Local Government staff, KCM, Staff of Kindergarten, Parent's committee, Other

2 This section asks about the relationships between actors.

1) Are there any differences in terms of relationships with you between LG-type KCM and CSO-type KCM?

2) Are there any differences in terms of relationships with you among different CSO KCMs?

3) If the relationship is described 'collaboration', could you please explain how those actors collaborate?

4) If the relationship is described 'other relation', could you describe it with your own word?

3 This section asks about the influence by the Victorian Government.

1) If the answer was 'no' or 'strongly no', could you please describe how the Victorian Government's social policy affected those decisions?

2) If the answer was 'yes', could you please describe why your organization started the KCM services (or started to work with KCM)?

4 This section asks about participatory decision making.

1) Do you think participatory decision making is important? Why do you think so?

2) Which section has authority of final decision making?

6 This section asks about actors' collaboration.

1) Do you think those actors' collaboration is important? Why do you think so?

2) Do you think 'participatory decision making' affects 'quick decision making' and 'quick communication'?

11 Could you please explain how the relationships with local community improved the quality of kindergarten services?

12 This section asks about advantages of collaborative relationships.

Do you think those advantages are enhanced by KCM scheme? If not, how do you think they could be enhanced by KCM scheme?

Appendix 6: Interview questions (3)
Questions to Local Government Staff

1. Could you please state your position and briefly explain your responsibilities?

2. Could you please explain the governance structure to provide early childhood service?

(Name of sections, connections, authority, order flow, accountability flow.)

Municipal Early Year Planning, LG KCM, CSO KCM, Kindergartens managed by KCMs, Independent Kindergartens, Long Day Care centers, schools, community organizations

* Could you please explain the relationships between your council and CSO-type KCM and the Victorian Government?

3. Could you please explain the infrastructural support your council provides to kindergartens and the kindergarten cluster managers?

4. How long have you been working in this section?

5. Could you please state the highest education level you have attained?

6. Please state your age group.

20-29 ☐   30-39 ☐   40-49 ☐   50-59 ☐   60+ ☐

7. Please state your gender.

Female ☐   Male ☐

Appendix 7: Questions for archive review (4)

1. To which DEECD region does your organization?

    Eastern Metropolitan region ☐   Northern Metropolitan region ☐   Southern Metropolitan region ☐

    Barwon South Western ☐   Grampians region ☐   Gippsland region ☐   Hume region ☐

    Western Metropolitan region ☐   Loddon Mallee region ☐

2. When did your organization start KCM services? And which type of organization is it?

3. How many kindergartens did your organization manage in the year of 2012?

4. How has the number of kindergartens changed since your organization started KCM services?

Increased ☐   Decreased ☐   Same number ☐

Appendix 8: Letter to a CEO of the local government

Governance   Research Program

College of Law and Justice
Queen St Campus
295 Queen Street
PO BOX 14428 MELBOURNE
VICTORIA 8001 AUSTRALIA

14th August 2013

Ms. Kay Rundle

CEO

City of Port Phillip

99A Carlisle St

St Kilda VIC 3182

Dear Ms. Kay Rundle,

The College of Law and Justice, Victoria University is undertaking a study of 'Citizen Engagement in Victorian Local Governments'. This study is conducted by Professor Anona Armstrong AM and a student researcher Hikaru Horiguchi as part of a PhD study at Victoria University.

This study is examining the ways in which inter-organizational relationships form a network, and the impact of a network form of governance on decision making and service delivery. This study assumes that Victoria's state and local governments have introduced the network form of governance in which governments involve business and community sector organizations in public policy making and public service delivery with the purpose of increasing efficiency and democracy of governance.

The context of this study is Kindergarten Cluster Management in Victoria where the relationships between local council cluster managers and their stakeholders will be examined. The participants of this study will be: local council kindergarten cluster managers, local government staff who takes charge of Municipal Early Year Planning, staff and teachers of kindergarten locations and representatives of parent's committee of kindergarten locations.

We seek your assistance with the study particularly in the following ways:

- approve the kindergarten cluster management organization (or section) in your local council and a section that takes charge of Municipal Early Year Panning to be involved in this study,

- nominate a kindergarten cluster manager and a staff member who takes charge of Municipal Early Year Planning to participate, and

- deliver an information sheet and a consent form to the participant.

The participants will be invited to a face to face interview or a telephone interview in case the location is far from the city of Melbourne. The interview will last up to one hour. At the interview the researcher will conduct a structured interview using a questionnaire. Questions at the interview include questions about:

- demographic profiles,
- networks that a cluster manager and a staff member who takes charge of Municipal Early Year Planning have developed,
- relationships between kindergarten cluster managers and their stakeholders that are staff of a kindergarten location, a representative of kindergarten parent's committee, staff of local government and staff of DEECD regional office,
- factors that affect those relationships, and
- impacts caused by networking in terms of democratic decision making and efficient service delivery.

This study is interested in extracting patterns of experiences and overall perspectives of participants. Therefore all individual answers will be aggregated so that the kindergarten cluster management organization in your local council and all participants will not be able to be identified in any way. Meanwhile we will ensure the privacy of participants. Each answer received from participants will be kept completely confidential.

In addition, this study is not evaluating activities taken in the kindergarten cluster management organization, rather this study is highlighting positive circumstances experienced by participants. That means this study is not seeking to obtain any sensitive or critical information from participants, but collecting affirmative opinions of participants. Furthermore, all participants are free to decline to answer any questions.

In order to avoid misunderstanding by the researcher or dissatisfaction of the participants, a copy of the transcript will be provided to the participant to seek their comments after the interview. We will continue the transcript exchange until we reach the consensus with each participant.

We strongly believe that this study will contribute to maximizing the effort for collaboration by staff and parents of kindergarten locations, kindergarten cluster managers, and staff of local governments and Department of Education and Early Childhood Development. Furthermore, the results of this study will not only enhance the quality of early childhood development service delivery but also improve the quality of any social service delivery and local governance.

We look forward to sharing the findings of this study with you to improve the knowledge and best practice in local governance.

We sincerely thank you for your consideration and in anticipation of your further engagement in this study. If you have any queries about this study, please contact Professor Anona Armstrong AM on 03 9919 6155 or Hikaru Horiguchi on 03 9329 9001 / 049 766 9897 or email hikaru.horiguchi@live.vu.edu.au. Besides, if the participants have any concerns and complains about the way they are treated, they may contact the Ethics and Biosafety Coordinator, Victoria University Human Research Ethics Committee, Victoria University, PO Box 14428, Melbourne, VIC 8001 phone (03) 9919 4148.

Yours Sincerely,

Professor Anona Armstrong AM

Director Research and Research Training

College of Law and Justice

Victoria University