Network Governance by Victorian Local Governments: a case study of Kindergarten Cluster Management in Victoria

Abstract

The term 'network' has been used in various. In policy studies the term 'networks' is used to describe the conceptual model representing the relationships between entities but it also is used to describe a coordination mechanism. The objective of this paper is to describe a study of the type of networks local governments developed and how they utilized those networks to improve the quality of local governance. 'Network' is used to describe a cluster of diverse organizations involved in policy process and also 'network' is used to describe the mode of coordination of those organizations. In this study 'network' as a form of organizations involved in governance and as a mode of coordination for governance are important.

Keywords

Governance, Stakeholders, Public sector and community leadership, Networks, Local government, Kindergarten Cluster Management

INTRODUCTION

Governance is defined as the means of exerting direction, control and accountability from the top of organisations through structures, processes and relationships between stakeholders. The concern of network governance is the structures and relationships among groups of decision makers. In particular, it focuses on authority and participatory decision making between different levels of authority and interest groups.

Under the circumstances of limited public resources, public sector organizations introduced a network form of governance in which governments involved business and community sector organizations in public policy delivery (Lewis 2010; Lowndes and Skelcher 1998). In response to increasing demand by community and interest groups public sector authorities began to involve a range of local stakeholders in public policy making (Lowndes and Skelcher 1998). A mixed service delivery system for local services developed in which special-purpose agencies and bodies were established to deliver a wide range of public services such as education, health, recreation, and environmental protection (Shah 2006).

The term 'network' has been used in various ways such as network governance, policy networks, and issue networks. In policy studies the term 'networks' is used to describe the conceptual model representing the relationships between entities but it also is used to describe a coordination mechanism.

The objective of this paper is to describe a study of the type of networks local governments developed and how they utilized those networks to improve the quality of local governance. In other words how local governments enhance the policy process by networking. 'Network' is used to describe a cluster of diverse organizations involved in policy process and also 'network' is used to describe the mode of coordination of those organizations. In this study 'network' as a form of organizations involved in governance and as a mode of coordination for governance are important. The first 'network' is 'network form' for governance and the second one is 'network mode' of governance.

All network formed of organizations operated with different types of coordination mechanisms associated with three different types of governance. This study employs the three-way classification of the mode of governance: hierarchy, market and network. The hierarchy mode of governance is discussed as featuring 'authoritative integrating and supervisory structure' while the feature of a market mode of governance is as 'contractual relationships over property rights and price mechanisms' (Lowndes and Skelcher 1998 p.318). In the network mode of governance actors develop 'interdependent relationships based on trust, loyalty and reciprocity (p.318)' that maintain collaborative activities among actors (Lowndes and Skelcher 1998).

The objective of this study is to determine

- which type of networks Victorian local governments developed to enhance local governance

- whether different modes of governance cause different impacts on local service delivery

- if a network form of governance improves the qualities of efficiency and democracy in local government

Firstly, this paper reviews the roles of Victorian local governments. Second, concepts of 'networks' are discussed. Discrimination between two terms, a 'network form' of governance as a metaphor to express a cluster of organizations and a 'network mode' of governance to explain coordination mechanisms between organizations is important. This study employs 'the Rhodes model' (1981) of 'policy networks' to identify networks. Thirdly this paper examines the public service area of Education and Early Childhood Development in Victoria. Kindergarten Cluster Management (KCM) framework as a case study of network governance.

LITERATURE REVIEW

Local governments in Victoria

Local government in Victoria comprises 79 municipal councils and represents over 5.5 million people (MAV 2013). Local government is the third level of government in the Australian Federal system and is established under state legislation. Section 74 of the Constitution Act 1975 state 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 includes 'laws relating to the constitution of councils, council elections and the powers and duties of councillors and council staff' (DPCD 2010). 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'. One of the responsibilities of local governments is to provide leadership for realising good governance in their community.

During the past a few decades the Victorian local government act has been amended several times. The purposes of amendments were to reform the essential elements of council's operations, to set out accountability mechanisms and to reduce regulation. The reforms also tended to encourage a 'whole of community' and 'whole of government' approach to the local governance. A council has also to decide on

service activity according to the community support and resources rather than the legal power to impose its views (Dollery, Crase and Johnson 2006). The Bracks and Brumby labour governments undertook community strengthening programs through the way of more engaged, joined-up and networked approaches. They also attempted to achieve building cohesive communities through a more integrated approach to planning, funding and delivering services at the local level' (Wiseman 2006).

In 2008 the Victorian State – Local Government Agreement (VSLGA) was signed by Victorian Government and the Municipal Association Victoria (MAV), a peak body for Victoria's 79 local governments. The aim of the VSLGA is 'to maximize information flows and facilitate cooperation between state government departments and local government' (Department of Planning and Community Development and MAV 2008 p.3).

Network form of governance

Under the circumstances of continued constraint on public resources governmental organizations searched out new sources of finance and examined the potentiality to increase resource efficiency by creating partnerships involving public, private and community organizations (Lowndes and Skelcher 1998). In this context 'partnerships can be thought of as a particular form of network governance' (Lewis 2010 p.130). 'Network' of governance describes collaborative relationships of diverse organizations involved in governing, making policy and delivering public services (Lewis 2010 Lowndes and Skelcher 1998). These actor organizations are connected through a web of interdependencies (Lowndes and Skelcher 1998). Governmental organizations coordinate participants' interests to achieve their goals instead of using legal powers (Lewis 2010).

Policy network

Benson (1982 p.148) defined 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'. Then Rhodes elaborated the definition and developed 'the Rhodes model' that distinguishes between five types of networks 'ranging along a continuum from highly integrated policy communities to loosely integrated issue networks' (Rhodes and Marsh 1992 p.13). 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 concept of policy network is particularly appropriate at the meso-level of analysis (Rhodes and Marsh 1992).

The 'Resources' in the policy network that organizations in a cluster share or exchange are: 'money, authority, organization, expertise, and information' (Saward 1992 p.83). Saward (1922 p.78) discusses the importance of 'rules of the game' like 'summit diplomacy, secrecy and consensus'. They are handled to the advantage by some groups and hence the resources are distributed unevenly among network actors (Saward 1992).

In order to understand how networks established and sustained by local governments, this study examines how the presence of resource exchanges or resource sharing between organizations is utilized.

Network mode of governance

Organizations in a network need to be coordinated to achieve common goals. In this study this coordination mechanism is the mode of governance.

Owing to Williamson's analysis found that distinct governance structures were associated with particular transaction costs on actors, market and hierarchies and therefore formed different modes of governance

(Williamson 1985). Following on from the debate about transaction cost associated with different governance structures, a third category was added to market, hierarchy and networks (Lowndes and Skelcher 1998). Interdependency, norm of reciprocity, reputational concern and trust can be seen as aspects of network modes of governance. A feature of the network mode of governance is trust. This trust 'does not depend on the presence of formal and exogenous safeguards' (Hindmoor 1998 p.34) but 'is based on a confidence that the actors in a network will not break the rules' that confine actors' cooperative behavior (Dollery and Wallis 2001 p.128).

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, on the main e feature of a network mode of governance, does not depend on actor's action but should be embedded among actors (Hindmoor 1998).

Literature says that network mode of governance is an advantage to hierarchy and market mode of governance for efficiency (e.g. Sorensen and Torfing 2006). However, as Dollery and Wallis (2001) argued, the 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 Bradrach 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'.

In Victoria many social policy frameworks are initiated and funded by the state 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. Network mode of governance, however, may be able to enhance the collaborative relationship and lead to different outcomes for the community.

Democratic decision making

Network forms of governance also contribute to democratic decision making (Sorensen and Torfing 2006). Fung and Wright argue that there are three elements of democratic institutions that are capable of solving problems effectively: 1) designing for concrete situations, 2) bottom up participation of the relevant stakeholders and 3) deliberative problem solving (2003 p.239 sited in Sorensen and Torfing 2006).

Factors that affect networks

The presence of a network mode of governance is one of the factors that lead a collaborative relationship to be sustainable and successful. Literatures point out additional factors: capacity for collaboration (Sullivan and Skelcher 2002), stakeholder management (or engagement) (Friedman and Miles 2006), presence of a collaboration facilitator, right participants, sharing a clear purpose, following good process and ongoing motivation (Pope and Lewis 2008; Sullivan and Skelcher 2002). Stakeholder management is stakeholder relationship management (Friedman and Miles 2006). Effective stakeholder management improves information flow and enables better planning and services (DEECD 2011).

CASE STUDY

Kindergarten Cluster Management framework in Victoria

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

Following the Kirby Review and the report submitted by Premier's Children's Advisory Committee, the Victorian state government introduced KCM in 2003 and developed Department of Education and Early Childhood Development (DEECD) for the administration of kindergarten education and early childhood in 2007. At the same time a Minister for Children and Early Childhood was appointed (KPMG 2007). In 2007 the state 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 state government's purpose and commitment to improve 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 have access to a quality early childhood education program in the year before they go to school. This early childhood education program is to be delivered by a four-year university trained early childhood teacher for 15 hours a week, 40 weeks a year (DEECD 2009 a).

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

Kindergarten Cluster Management (KCM) is a Victorian government's policy framework that merges community managed kindergartens together under a management organization (kindergarten cluster manager), so as to encourage kindergarten teachers to focus their attention on teaching and to support parents' participation in their children's kindergarten experience without management responsibilities (ELAA 2013; DEECD 2010; DEECD 2009 b).

 The Department of Education and Early Childhood Development (DEECD) aimed to accelerate the early childhood reform agenda with KCM arrangement (DEECD 2010). This organization's responsibilities are various and decided by the contract with the Committee of Management (CoM), though its main responsibilities are staff employment, licensing requirements and financial management (ELAA 2013).

There are 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 organization includes churches and other non-government organizations (KPV 2011; DEECD 2009 b; KPMG 2007). Kindergarten cluster managers are required to establish partnerships in their local area and to effect good governance.

A review of Kindergarten Cluster Management (KPMG 2007) found that the achievement of those requirement depend on the types of kindergarten cluster managers. All kindergarten cluster managers are required to operate their business within a geographically based region so that they can actively participate in Municipal Early Years Planning with the local council and maintain strong local presence in their area. DEECD encourages small number of KCM in large area kindergarten clusters within each municipality as keeping limited number of kindergarten cluster managers in each area improves effective relationships with local councils and other place-based service organizations (DEECD 2009 b).

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DISCUSSION

A Kindergarten Cluster Management organization needs to be approved by the Deputy Secretary, Office for Children and Early Childhood Development (DEECD) to be an eligible for funding KCM. Also KCM is required to make an agreement with kindergarten CoM. Once the organization becomes an approved KCM, it makes a funding and service agreement with DEECD. The agreement places responsibilities on the KCM as a funded agency and an approved service provider. Also the cluster manager becomes an employer of the staff of kindergarten service locations taking over the responsibilities of CoM (ELAA 2013). The relationship between the state government and KCM seems authority-based hierarchy and the relationship between KCM and kindergarten service locations seems to conform with contract-based market network.

DEECD, KCM and kindergarten service location comprise a policy network defined by Rhodes as they exchange resources. DEECD provides money, KCM contributes expertise administrative skills and kindergarten service locations supplies early childhood education services. The services provided by the KCM need to be sustainable and accredited with continuous quality improvement. For that purpose DEECD suggests that KCM diversify their programs and expand into other services. Also DEECD decides the minimum limit of the number of kindergarten locations under one KCM though there is no maximum limit of the number (DEECD 2009 b). In fact one KCM manages more than 50 kindergarten locations while some organisations manage as few as 5 kindergarten locations. The more KCM develops service areas (such as long day care services) and service locations, the more it may become efficient. However, it is uncertain how it impacts on the quality of collaborative relationships and democracy of governance.

Early Learning Association Australia (ELAA) (2013) summarises the implications of making an agreement with KCM. They are 'reduced CoM involvement in decision-making, changes in communication between the CoM and employees, changes to the frequency of and attendance

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requirements at meetings and reduced levels of involvements with DEECD and local councils' (ELAA 2013 p. info sheet 1). Moreover, how local governments maintain relationships with committees of management that consist of parents is not clear.

Victorian local governments have responsibilities for local planning of the early childhood development sector that includes 'early childhood education and care services; child health; and family support services (p.3)' and have provided crucial services in the sector to their local communities (MAV and DEECD 2011).

According to MAV-DEECD survey, 94% of all Victorian local councils support four-year old kindergarten services as a owner of the facilities, 63% of them provide regular training and resourcing for staff, 61% of them provide central enrolment services in some form, 34% of them are approved KCM, and 25% of them are licensee for kindergarten program in long day care (MAV and DEECD 2011). Most local councils support four year old kindergarten program by providing facilities for the services. However, the level of involvement for other tasks such as regular training and administrative support varies.

It is possible to divide the whole of Victoria into three areas by the presence and types of KCM: 1) the area supported by local council type KCM, 2) the area supported by non-local council type KCM and 3) the area where there is no KCM. Kindergarten cluster managers are required to establish local partnerships with a range of key stakeholders; they are local government, local place-based activities, families, and other local cluster managers (DEECD 2009 b). Local councils that provide KCM services have to manage intra-organizational relationships for demonstrating robust leadership in local planning and advocate for their community while those local councils that do not provide KCM services have to manage inter-organizational relationships. In that case that local council does not provide KCM services, the council uses the networks which non-governmental organization such as community organization developed in order to improve the early childhood development services. This study will determine if there any

differences between networks that developed and maintained by local council type KCM and other type of KCM.

CONCLUSION

How 'networks' improves local governance is of interest to this study; which type of network local government developed for enhancing efficiency and democracy in local governance and whether presence of a network mode of governance has an impact on efficient service delivery. In order to analyze Victorian local governments' networking activities, this study examines the Education and Early Childhood Development sector and Kindergarten Cluster Management framework. According to literature research, KCM organizations develop networks with Victorian government and kindergarten CoM. In addition, those organizations manage plural networks to enhance their service delivery and decision making, though it is unclear which type of networks they are and who is in the networks. The literature research also suggests that KCM organizations maintain relationships with stakeholders along a hierarchy mode of governance and a market mode of governance. It is unclear, however, if there is network mode of governance combined with them.

This study is a departure for the further research in which the researcher will deepen the investigation on the area of Education and Early Childhood Development and KCM framework. Those results of the research will lead us to find which type of networks that Victorian local governments develop under social policy framework that initiated and funded by the state government. Besides the results of the research will answer the questions of whether the scale of economy and scope of economy undermine the presence of network mode of governance as well as if different modes of governance produce different impacts on local governance.

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