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**Non-profit Organisations, Multiple Partnerships
and Collaborative Governance:
A regional approach to servicing rural
communities.**

Chapter 1 Introduction

This dissertation researches the organisational capacity of established, regional non-profit groups delivering services in rural areas. Over the past two decades the impact of economic restructuring has been exacerbated in agricultural areas by repeated droughts and a drop in production potential. This has resulted in social, economic and environmental problems and a decline in population in rural areas. The research draws on the experiences of Southern Agcare and other regional non-profit groups to determine how they are preparing for the challenges. The research examines the capacity of community governed and managed groups to continue delivering services on a regional level as the impacts of agricultural restructuring and seasonal conditions worsen. Participatory Action Research investigates the governance of Southern Agcare and other non-profit groups operating in regional areas to determine how they are managing change. The challenges faced by government and business representatives actively engaging in partnerships with regional non-profit groups is also researched to identify governance gaps from a different perspective. An action – reflection process is undertaken to draw conclusions from the research findings and discuss how regional non-profits can position themselves for the future.

Background

Over the past 30 years there has been a shift in Australia from state intervention and subsidy of services to neo-liberalism and an emerging business philanthropy and corporate citizenship (Lynn 2004; Steane & Christie 2001). Neo-liberal policies, when combined with economic down turns in rural industries and the growth of user pay systems, has seen a decline in the funding base of regional non-profit groups. Non – profit organisations have traditionally delivered services to rural communities in regional areas where government agencies or private providers rarely operate. The negative impact of neo-liberalism is well documented (Cheshire & Lawrence 2005; Gray & Lawrence 2001; Lynn 2004; Stayner 2005; Tonts 2000). As government agencies concentrate their resources into areas with growing populations (Alston 2004; Lawrence & Gray 2000; McKenzie 2003; Tonts 2000) a decreasing pool of volunteers is asked to fill in the gaps.

Agricultural restructuring has allowed many farming families to exit the industry and those that remain include larger farming operations and smaller family farm businesses that have diversified into off farm activities. There are still those however that do not recognise the impact that declining terms of trade have on their viability and have an optimistic belief that it is just another cycle and things will get better (Gray & Lawrence 2001; Stayner 2005). Climate change has also impacted in the past few years with many established agricultural businesses losing equity. The reality is that apart from the 1950's and 60's agriculture struggled to be economically or environmentally sustainable and production was increased to meet the falling terms of trade. The environment is now the driver of sustainability for many in agriculture as production can no longer be increased. This study examines Southern Agcare in order to determine how they are managing the changes.

Southern Agcare is a regional non-profit group operating in the Great Southern Region of Western Australia. The organisation is positioning itself to face the

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challenges of delivering services to rural areas into the future. The Great Southern Region of Western Australia has a population of 53,826 with an annual average growth rate of 1.8%. 76% or 41,226 of these people live in Albany or the surrounding shires of Plantagenet, and Denmark and have an average annual growth rate of 4%. 11,154 people live in the nine rural shires that make up the Pallinup statistical division of the Great Southern Region which is spread across 24,597 square kilometres and has an average annual growth rate of -3.2% (ABS 2003). Eight of the Shires in this division have populations below 2,500 residents. Agriculture and manufacturing are the major economic activities, with some services such as education and health contributing to employment (Commonwealth of Australia 2003).

There is a range of strategies used to adjust to change (Lawrence & Gray 2000) and over the past 10 years many primary producers in the Great Southern Region have gradually changed their land use in response to falling prices and a decline in the world demand for wool. Where once a farmer's business enterprise focussed on growing wool on a commodity basis, a more specialised range of livestock products and crops are now produced and there is a gradual move toward summer cropping, perennial pastures and precision farming to address environmental issues (Stayner 2005). The issues effecting rural areas however are complex and there is a need to look at the problems in rural communities in a more holistic way to address the environmental, social and economic problems that are beyond the control of local people (Alston 2004).

Southern Agcare Incorporated is an established non-profit organisation, which for over eighteen years has delivered a range of mobile, free and confidential rural financial and family counselling and support programmes to rural people throughout the Great Southern Region. A voluntary management committee is responsible for governance and the smooth running of the service, which is responsive to crisis occurring in rural areas and has assisted with the effects of drought as well as more localised crisis such as bushfires across the region. In the past few years Southern Agcare has also increased its distribution of emergency relief to families in crises and delivered community workshops. The service has grown in response to the economic and social impact of global market trends and local agricultural restructuring policies and plays an important role in dry season responses as climate change impacts are felt in regional areas.

The growth of the service over the past five years from two rural financial and two family counsellors operating across the Great Southern to eight counsellors, servicing three regions across a range of projects and multiple funding partners, has put considerable pressure on the voluntary management committee as they struggle to cope with the increasing demands on their time. There have also been attempts over the last six years to replicate the Southern Agcare model using a top down approach from government agencies as they look for ways to increase their programmes when funding is available to help rural areas. Many of these government initiatives however don't have the established community networks of existing non-profit groups, making community engagement time consuming. Rather than demonstrating the lack of social capital and organisational capacity of non-profits to deliver services in the region this move has lifted the profile of Southern Agcare as a service provider.

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The established Rural Financial Counselling Service programme, that required matching community funding, added pressures on the Southern Agcare voluntary management committee in the past few years and resulted in sustainability and succession issues. When the Rural Financial Counselling Service went to a state based service provider in mid 2006 it provided a case for action and an impetus for change and gave Southern Agcare the time and resources to prepare for a more sustainable future. The Southern Agcare committee advocate a fully funded regional approach to all their service delivery as an ideal level for their group to operate effectively while retaining community engagement networks. The group has recognised their limitations when centralisation trends extend past the regional to the state level.

The challenge for regional non-profit groups such as Southern Agcare therefore is not how to build their organisational capacity to cover a wider area in response to neo-liberalism but how to better resource the social capital that is already in the region. Previous research indicates there are opportunities for regional, non-profit groups like Southern Agcare to fill the gaps left by the withdrawal of government services in rural areas however there are resourcing and policy challenges (Gray & Lawrence 2001; Spall & Zetlin 2004; Steane & Christie 2001). Kindon (2005) outlines the growing move toward Participatory Action Research which encourages researchers to not only conduct research to gain knowledge but to take research a step further and actually use the analysis to influence social transformation (Kindon 2005).

Participatory Action Research was used in this dissertation to analyse the experiences of people as they engaged with the research topic in their everyday lives. The research examined the topic from the perspective of the interviewee as much as possible however it is recognised that any analysis includes the perspective of the researcher and care was taken to ensure objectivity (Dowling 2005; Elliott, Fischer & Rennie 1999). Semi structured interviews were undertaken with committee members from Southern Agcare and groups within the Working Communities Regional Network, which is a network of rural community groups developing and sharing innovative solutions to employment, enterprise and learning challenges in the bush. Generative themes from these interviews were communicated through the Working Communities Regional Network and more formally with the Southern Agcare Committee as discussion papers. Interviews were also undertaken with business and government partnership brokers to gain different perspectives. The opportunity for feedback from everyone involved will enable the Southern Agcare committee to begin considering some of the findings that could be applied in their organisation.

Regional non-profit groups have the potential to develop their organisational capacity to enable them to embrace trends toward multiple partnerships and collaborative governance. Business recognises social capital as an asset for communities to contribute to partnerships and are keen to help non-profits to develop their organisational capacity (Beer, Maude & Pritchard 2003; Huxham 2000; Loza 2005). Researchers have also identified the importance of social capital, social inclusion and 'governance' frameworks (Cuthill & Fien 2005; Eversole 2003; Loza 2004; Smyth, Reddel & Jones 2004) to enable this to happen however the role of the non-profit in these frameworks remains nebulous and many non-profit groups fear losing their autonomy as power relationships are established (Bertels & Vrendenburg 2004;

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Cuthill & Fien 2005; Gray & Lawrence 2001). The dissertation investigates the organisational capacity of functioning non-profit groups and what they see as important in providing services to rural communities in the future. This research aims to position non-profit groups such as Southern Agcare to continue to govern and manage the organisations they are so passionate about into the future.

Dissertation Structure

Chapter 2 outlines major trends impacting on regional Australia and their effect on economic, environmental and social sustainability in rural areas. Neo-liberal policies stem from the new right, market driven economics that insist that economic efficiencies are gained when a free market and competition is allowed to determine the most efficient economic outcome. This has impacted heavily in rural areas as populations decline and the agricultural base adjusts to compete with subsidised products in a global economy. As well as outlining the negative aspects of these trends, possibilities for change are considered as communication networks become more reliable and land use diversifies.

Chapter 3 looks at findings from research in Australia and overseas into community partnerships and corporate citizenship. Participatory governance is discussed with a collaborative approach emerging that has moved from doing things *for* communities to working *with* communities (Birch 2004). It has now been recognised that many issues in rural communities are far too complex to be solved by one sector alone and that for a more robust society to be sustained, all sectors must work together (Loza 2005). Recent research advocates a new generation of multiple partnership development that is networked and based on collaboration and collective leadership processes (Bertels & Vrendenburg 2004; Huxham 2000; Zadek 2001). This chapter discusses the growth of third way politics and the challenges faced by the non-profit sector as they participate in collaborative approaches to service delivery on a regional level (Spall & Zetlin 2004).

Chapter 4 outlines the Participatory Action Research approach used to guide the research process to ensure the findings were valuable for both Southern Agcare in their own organisational development and contribute to a range of non-profit groups in rural areas. Informal interviews were conducted with ten committee members from Southern Agcare to add to the background case study research. Fourteen committee members from regional Agcare groups across the state and non-profit organisations in the Great Southern Region were also interviewed and the generative themes discussed via email through the Working Communities Regional Network. Interviews were conducted with government representatives at the regional level who actively develop partnerships with community. Managers from large community funds and businesses undertaking a collaborative approach to partnership development were also interviewed. Discussion papers and updates were presented at Southern Agcare meetings and additional interviews conducted with Southern Agcare executive committee members.

Chapter 5 of the dissertation examines Southern Agcare and discusses the role it has played in rural adjustment. Reviewing Southern Agcare's documentation and talking with committee members helped outline the organisational background and current

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structural governance procedures. The initial case study and interviews determined the role regional non-profit groups like Southern Agcare play in the economic and social adjustment process in rural areas of the Great Southern Region. These areas have in the past had resources within their communities to cope with change and have developed a stoic independence and resilience in the face of economic and social trends. Recently however, the impact of neo-liberal policies and the growing decline in agriculture impacted on the ability of Southern Agcare to continue contributing matching resources to one of the services they delivered.

Chapter 6 presents the findings from the research and outlines governance challenges to non-profits. Analytical coding was used to present the results from the committee interviews and Participatory Action Research was used with an action-reflection process to engage multiple stakeholders (Kindon 2005). Partnership interviews and the action-reflection process added to triangulation. The research examined the challenges faced by non-profit groups as they govern their organisations to determine any shortfalls.

Chapter 7 discusses the research findings, drawing on the academic literature and the results from the Participatory Action Research, outlining the difference between governance as structure and the process of governance. Structural issues outlined in the research are discussed and policy and sustainability highlighted. The section on governance as structure concludes by suggesting an organisational map that will help Southern Agcare prepare itself for the future. Although there is growing convergence between government, businesses and non-profit organisations, there is also concern that the move toward a more communitarian approach could simply be a fad unless the partnership framework and the roles of each player in a collaboration are embedded in a sustainable process of governance. A discussion on governance as a process leading to collaboration follows and the issues from the research are analysed. The challenges that all the sectors face in positioning themselves to more fully embrace collaborative governance are discussed.

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