



THE UNIVERSITY OF
WESTERN AUSTRALIA

Institute for Regional Development.

Masters Programme in Regional Development.

Dissertation Submitted November 2006

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

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Abstract

Neo-liberal policies and globalisation have put pressure on the organisational capacity of many non-profit groups servicing rural areas as the impacts of agricultural restructuring and population decline are felt. Some of these groups are battling for human and financial resources to continue delivering services in rural areas as their client base increases. In the past, government's common response to rural decline has been to view the future for rural communities as the responsibility of rural people and has introduced programmes designed to build their capacity to help themselves. There are those however who believe these initiatives often lack coordination and result in destroying the capacity that is already there.

This research investigates a regional approach to service delivery by established non-profit groups servicing rural communities in the Great Southern Region of Western Australia. The research findings indicate that many established regional non-profits have the social capital and can fine-tune their organisational capacity to continue delivering services in rural areas. Business recognises the importance of social capital as part of the growing trend toward corporate citizenship and some businesses provide skills and resources to help community groups build their organisational capacity. A multiple partnership approach would alleviate many of the human and financial resourcing issues for non-profit groups, however there are challenges, particularly the issue of control. Partnerships with multiple stakeholders and collaborative approaches to governance are investigated to position non-profit groups such as Southern Agcare to continue to govern and manage the organisations they are so passionate about.

Forward

This dissertation has been prepared as a requirement of the University of Western Australia's Master of Regional Development (Coursework), which calls for a Dissertation of between 25,000 and 30,000 words. The total for this paper is 28,875 words.

This Masters Degree also had a significant coursework component covering areas such as: Regional Governance, Sustainable Economic Systems, Sustainable Societal and Cultural Systems and Sustainable Environmental and Natural Resource Systems.

Special thanks go to Dr Julia Fry for her valuable advice and support during the research and preparation for this dissertation and over the past three years of this applied and informative course.

Thank you also to the community representatives who were part of the Participatory Action Research approach: The Southern Agcare Committee and Chairpersons of regional Agcare committees across the state, the Gnowangerup Family Support Association, Kojonup Working, Beverley Drug Action and Kent 2010. Thanks also to the partnership brokers: Robyn Sermon from The Rio Tinto WA Future Fund, Pete Smith from the Department of Health and Aging - Rural Health Branch, Kathryn Sidney-Smith from The West Australian Community Foundation, Len Van der Waag from the Great Southern Area Consultative Committee and Joel Levin from aha Consulting.

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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 2005a; 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 challenges of delivering services to rural areas into the future. The Great Southern

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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.

The established Rural Financial Counselling Service programme, that required matching community funding, added pressures on the Southern Agcare voluntary

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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; 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 2004a). 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 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

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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.

Chapter 2 Trends Impacting on Rural Communities

This chapter looks at the major trends impacting on rural communities and the effect they are having on agriculture, rural communities and the non-profit groups that support adjustment in the Great Southern Region of Western Australia, which is the context of this study. As well as outlining the negative aspects of these trends, possibilities for change are considered and mention made of how these possibilities are already being embraced by business, government and non-profit groups adopting a regional approach to their development in the Great Southern Region.

2.1 Globalisation and Neo-liberalism

Globalisation is the impact that free trade policies, global communication and the growth of world financial institutions and capitalism are having on communities across the globe as they become more interconnected (Beresford 2000). Trans-national corporations have grown to satisfy global markets and have the critical mass to operate efficiently on a global level. Global capitalism is the result of opening up world markets in which trans-national corporations operate but it has also resulted in the decline of smaller companies and increased poverty and debt in developing countries (Beresford 2000; Gray & Lawrence 2001; O'Connor, Stimson & Daly 2001; Pritchard 2000).

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. Supporters of these policies advocate that government intervention should be avoided as it distorts the market. This has resulted in the privatisation of many government assets such as telecommunications and power, an increase in contracting for service provision and the concentration of government services to larger population areas (Alston 2004; Beresford 2000; Gray & Lawrence 2001).

These policies have impacted heavily in rural areas where small populations make efficient economic outcomes for government service delivery impossible and many of these services now only operate as agencies in larger regional centres or have disappeared from the region altogether (Alston 2004; Cheshire & Lawrence 2005b; Gray 1994; Herbert-Cheshire & Higgins 2004; Kenyon & Black 2001). Globalisation has also impacted on rural businesses as they adjust to market led policies. Some farms have increased in size to meet critical mass, many mid range farmers now rely on outside income to sustain their enterprises and smaller farms operate below the poverty line (Alston 2004; Lawrence & Gray 2000; Stayner 2005; Tonts 2000; Tonts & Black 2002).

Rather than focussing on decline, some rural people are starting to adapt to the changes by participating in community development activities and agricultural advances (Edgar 2001; Haslam-McKenzie 2003; Herbert-Cheshire & Higgins 2004; Lawrence & Gray 2000; Pritchard 2000; Tonts & Black 2002). If this trend continues, rural towns that have survived the restructuring process, may become desirable places to live because of their resilient environment and sense of community (Stillwell 1992). Using existing organisational capacity relies heavily on the presence of elements of social capital that position communities for managing change and creating

opportunities (Beer, Haughton & Maude 2003; Karlsson, Johansson & Stough 2001; Newman 2005). These elements create resilience in some communities and include entrepreneurship, community vision, life long learning and institutional capacity.

Enterprise is not embraced by all communities however, and those with strong social capital are able to attract government and business funding and flourish while others flounder. Struggling communities rely on strong leadership to get past the confusion of how to even begin to build organisational capacity. Resourcing, both financial and human, is still an issue and often local projects are created with government support only to become unsustainable when that support is no longer available (Eversole 2003). Equity in service provision is also an issue in low population areas where market forces have seen the withdrawal of existing service providers. The decline in professional opportunities for people seeking off farm income further erodes the social capital and leadership base in rural areas (Alston 2004).

Beer (1998) argues that encouraging community self reliance and initiative is actually an 'institutional fix' for government (Beer 1998b). Government agencies are encouraging the growth of social capital and community self-reliance through devolution and small grants for local solutions that lead to economic development. Many researchers believe that this approach by government is nothing more than cost cutting and shifting the burden onto communities. They also believe that government policies that create a competitive environment where groups tender for project funding is unsustainable and prevents an entrepreneurial approach to service delivery with no incentive to develop relationships past a certain point when competitive tendering is involved and success is not necessarily an outcome (Eversole 2003; Spall & Zetlin 2004; Steane & Christie 2001)

Globalisation has increased the emphasis on regions as having an appropriate scale for development (Rainnie & Grant 2005). New regionalism advocates the ideal level for government to frame its social and economic policies as the regional level (Beer, Maude & Pritchard 2003; Smyth, Reddel & Jones 2004) however delivery of many community development initiatives is undertaken by local shire councils (Beer, Maude & Pritchard 2003; Cuthill & Fien 2005). Researchers, while advocating local government as the level of government closest to the people and therefore a vehicle for social capacity building and community development, were critical of the capacity of rural shire's to do this work. There is also concern for the economic capacity of local government to undertake community development when the community's lack of trust in all levels of government was well documented (Cuthill & Fien 2005; Gray & Lawrence 2001).

Rainnie and Grant (2005) believe that new regionalism, in response to globalisation trends, is making use of social capital and local knowledge to drive regional development (Rainnie & Grant 2005). If this trend continues regional non-profit groups, who have adapted to rural restructuring, are in a good position to continue servicing rural communities because of their strong community focus and existing organisational capacity.

2.2 Communication and the knowledge economy

Rapid improvements in communication globally enable people to maintain networks across distances and they can now choose to live in regional communities. Farmers

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are able to monitor markets and weather patterns and access the latest research and news over the internet. Agricultural businesses can do their banking on line and order goods, parts and business requirements for next day delivery in some rural areas. This has an economic flow on to local businesses that no longer need to hold a large inventory of stock and many local outlets across regions are able to join together for purchasing leverage (Stayner 2005).

There is a downside however as the tellers, salesmen and brokers who usually provided this service are no longer needed. The banks and suppliers in some rural communities cannot provide a sustainable living for their employees and are forced to close (Kenyon & Black 2001; Stayner 2005). Internet download times are frequently too slow to be useful and the large distances between users still mean that goods take time to be delivered. The increasing oil price is also impacting on the price of goods in rural areas with many carriers adding a surcharge for petrol when delivering commodities to markets.

Lack of local learning opportunities has also resulted in an exodus of young people from rural areas to larger regional centres or the city for further education or employment. Where once rural people could send their children to board in larger centres for secondary and tertiary education, the declining incomes from agricultural production and services make this difficult for many rural families, with home schooling or withdrawal from education altogether now common (Alston 2004). However people in rural areas can now access on-line and flexible learning options provided by many universities and vocational colleges across the globe. Improving communication and infrastructure together with the promotion of flexible delivery options is allowing many institutions to have a presence in these areas.

Communication technology is also encouraging people to relocate to rural communities to be with their families while maintaining their professional skills. The changing nature of work with an increase in casual and part time work, the increasing role of women in the workforce (Edgar 2001; O'Connor, Stimson & Daly 2001; Stayner 2005) and the emergence of telecommuting as a work option is benefiting some rural towns (Stimson 2001) where people can set up enterprises based on their skills and qualifications. There are opportunities for non-profit groups to take advantage of this trend by using the skills of these enterprises and those relocating to rural areas.

The foundations that many non-profit groups have established throughout the region could be further enhanced by increasing communication to create awareness and increase community support by promoting activities and seeking community input into meeting future needs. There are opportunities for regional non-profit groups to market their service through electronic means, which is an area where the skills of people already using telecommunications in their work could be used to set up e-marketing procedures and provide training for non-profit groups. This would enable skilled people to participate in a non-profit group without compromising the sustainability of their own economic enterprise. Care however would need to be taken to retain the existing core mission and the confidentiality aspects of professional service delivery in the regional domain.

Enhanced communication has cut down on travelling time for mobile services, which is particularly important to regional service providers. Electronic communication, including email and websites provide a base to increase the awareness of the benefits of non-profit service delivery with rural policy makers. Research results from this dissertation and others can be communicated in a more timely way through electronic means and via existing networks such as the Working Communities Regional Network.

2.3 Population Decline

The fact that populations are declining in rural and remote areas is well documented (Gray & Lawrence 2001; Pritchard 2000; Stimson 2001). Statistics show that inland rural communities in the South West of Western Australia, where the main industry is agriculture, are declining in population between 0 and 10% each year (Tonts 2000) while populations in regional centers and the coastal fringe are increasing (Newman 2005).

Gray and Lawrence (2001) discuss how population decline has been accelerated by neo-liberal policies and structural adjustment. However they believe that the root cause of the decline comes from more efficient farming techniques including technology, mechanisation and production advances. They go on to discuss the inevitable demise of some communities who have not adapted to the changes. The changing farm business structures and agricultural restructuring, impact on the availability of employment and seasonality of work in rural areas and contributes to the decline in population (Alston 2004; Lawrence & Gray 2000; Tonts & Black 2002).

Rural population decline is also accompanied by an uneven distribution of ages and an aging population (Alston 2004; Haslam-McKenzie 2003; Kenyon & Black 2001; Tonts 2000). Although some young people stay or return to their communities, the reality is that many do not, leaving some rural communities with an aging population and little exposure to the enthusiasm and new ideas that youth can provide. Hugo (2005) however believes that there is always a missing generation in rural areas where there are limited education opportunities and it becomes necessary for young people between 14 and 24 to continue their education elsewhere. Many young people return to their communities in their late 20's and the challenge for rural people is to nurture this trend (Cocklin & Dibden 2005).

Population decline has impacted heavily on service provision that has traditionally been undertaken by voluntary management committees such as those in this study. The areas that community non-profit organisations are asked to service are increasing as populations decline, leaving severely under resourced, voluntary committees to deal with a growing number of problems over a wider area. Volunteers are coming under pressure as they struggle to keep these services going without suffering the all too prevalent volunteer burnout (Eversole 2003). Under these conditions it is becoming increasingly difficult to persuade already burdened rural people to volunteer to take on more responsibility.

Salamon (2003) outlines competition between non-government service providers as a growing trend, however this trend has had little impact in rural areas where the cost of servicing clients discourages private service providers, leaving services to operate

voluntarily. Beer (1998) argues that encouraging civic responsibility and community enterprise is actually an 'institutional fix' for government (Beer 1998a) and many enterprises are unable to be economically sustained particularly in small rural areas. In addition to this, cost shifting from other tiers of government searching for an 'institutional fix', has increased the financial and social burden on volunteers in many rural areas (Daley 2000). Rural people are becoming reluctant to participate in community groups because of the increasing workload and threat of possible volunteer burnout.

The dilemma therefore in rural and remote areas is not so much the trend towards 'communitarianism', but the impact it has on small communities with declining populations and the resulting inequity in service provision. Government is increasingly relying on volunteers to manage services in the bush and it will be a challenge for rural people to remain viable while actively participating in their communities. The gloom that surrounded rural areas is however, being replaced by an acceptance that it is up to rural people themselves to make changes if they are to survive (Edgar 2001).

2.4 Trends in Agricultural Systems

This study investigates Southern Agcare, a non-profit group operating in the Great Southern Region of Western Australia where agriculture is the main source of income, with mixed farming including livestock and crops being the main activity. The declining terms of trade and deregulation of agricultural markets has put severe economic pressure on many farmers in the region, forcing them to either increase their production or look at diversifying their land use (Bennett, Kingwell & George 2002). Land clearing and increasing stock numbers has resulted in land degradation including soil erosion, weeds and loss of biodiversity and an increase in salt effected land.

Climate change, including a decrease in growing season rainfall and rising temperatures is now impacting on agriculture to such an extent that the environment, rather than economics, is driving change in rural areas. In response to climate change, agricultural research and development is focussing on producing a more diverse range of products through precision farming techniques that take environmental factors into account (Bennett, Kingwell & George 2002). Plantation timber is increasing in higher rainfall areas of the region and accelerated adjustment policies, which include payments for sustainable farming practices, regional branding of agricultural products and encouraging diversification off farm are being considered. In some areas, current dry seasons and evaporation are decreasing the spread of salt effected land and broadening the range of crops that can be successfully grown in a warmer climate (Bennett, Kingwell & George 2002).

There is however the perception in many urban areas that agriculture is the cause of climate change and environmental degradation. This has resulted in a lack of sympathy for the plight of rural people adjusting to globalisation and neo-liberalism (Alston 2004). The government's response to this has been to view the demise of some rural communities as inevitable and little support is provided apart from welfare payments and counselling to exit the industry (Alston 2004). This is in contrast to the response from European governments, which is to heavily subsidise regional development.

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Using multiple aspects of the environment to develop a 'sense of place' and increase social capital is being encouraged in some towns in the West Australian Wheatbelt to create a lifestyle which will attract residents back to rural areas (Newman 2005) . Newman (2002) p 6 talks about a cultural shift in people's values that is creating a new understanding of environment and is influencing all aspects of life and how we view the future. This is particularly evident with young people "The humanities, philosophy and spirituality are about values and world views that motivate how we live. These are now bringing a strong environmental message that is very popular in university courses and is being easily understood by the young. Schools have been part of this cultural change process for some time. It can be seen clearly in the views of the population on environmental matters, including quite sophisticated aspects of what this means in our daily lives" (Newman 2002).

The Great Southern Region is adapting to neo-liberal policies by embracing a regional economic, social and environmental development approach that relies heavily on social capital and partnering with communities. As an established non-profit group operating in the Great Southern Region, Southern Agcare is well supported to embrace the trends in governance, discussed in the next chapter.

Chapter 3: Trends in Governance

As government devolves service provision to non-profits in rural areas, voluntary committees are coming under increasing pressure to improve their governance. Workshops and training courses have been set up to train committee members in the various aspects of governance however these tend to focus on the structure of governance which is how non-profit organisations believe they have always operated. There is confusion amongst non-profit committee members as they realise that they already have the structures of governance in place. They are now asking what exactly do funding bodies mean by 'governance' and what do non-profits need to do to continue to deliver services in rural areas.

Peters and Pierre (2004) p 78 define governance as "the process through which public and private actions and resources are coordinated and given a common direction and meaning" (Peters & Pierre 2004). Participatory governance is where government engages with community sectors to collaborate towards common objectives (Edwards 2003). Collaborative governance is defined by Bertels and Vredenburg (2004) as organisations operating within a common domain working together to enhance service delivery in that domain (Bertels & Vredenburg 2004). All organisational governance requires *structure*, which includes accountability procedures, organisational structures, chains of command and management systems that control the running of an organisation, business or association in an orderly way. Also required to achieve its purpose is a *process* which is how the organisation interacts with a variety of players and includes networking together at each stage of policy design, development, implementation and review (O'Toole & Burdess 2004).

This chapter outlines the trends in governance impacting on non-profits and their ability to continue delivering services in the future. There is a range of trends emerging that all recognise the value of social capital and community engagement as part of the governance process. These range from participatory governance where the views of citizens are actively canvassed by government as part of the governance process through to collaborative governance where multiple partners can remain autonomous but work together to address complex problems in a rapidly changing society (Reddel 2004). The emerging trend toward corporate citizenship is driving the need for collaborative governance arrangements where multiple partners are involved. Non-profits who have good community networks, strong community support and a shared vision have the potential to become the vehicle for communities to embrace these growing trends.

3.1 Participatory Governance

Participatory governance is about the relationships and interactions between government and its citizens. Over the past decade there has been a move to engage civil society more in the decisions that government makes for the benefit of society (Edwards 2003) with citizen participation moving along a continuum from representation at a polling booth to elect a government through to community led development where the role of government is to facilitate (Cavaye 2004; Edwards 2003). Cavaye (2004) argues that government has always worked with communities and that its role is simply changing from one of central controller to enabler and building on what has already occurred. The main difficulty to overcome however is the cultural shift that is required in government agencies and communities to embrace

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the evolution of community engagement and participatory governance (Edwards 2003).

The consultation process is an important function for building successful partnerships between government and community. Curtain (2003), outlines the OECD's three stage model for consulting with community. The first is government providing information to communities. The next stage is a two-way relationship where citizens are invited to provide feedback through to the final stage where citizens are actively involved in policy making. He goes on to suggest legislation as a way of ensuring government includes a process of consultation (Curtain 2003). This three stage model however is still a top down approach, controlled by government, and could be considered by communities as mere lipservice.

Unless government lets go its fear of public input and begins to trust the consultation process it will be difficult to have a genuine and meaningful partnership with community. Government is part of community, so perhaps a fourth stage is needed where consultation is an ongoing process as part of a seamless partnership. Stewart (2003) outlines a continuum that includes a fourth stage where citizens actively participate in policy making. Stewart (2003) recognises that power shifts within government are threatening and a barrier to effective change. She identifies implications for public managers and lists relationship building, values, networking and productive pluralism as activities that could be undertaken to move toward collaboration (Stewart 2003).

In Queensland the government is embracing 'new regionalism' policies and has created a new form of governance it terms 'associational governance' that attempts to combine social and economic policies in regional areas. There are however criticisms from researchers to this top down approach which also encourages social enterprise and entrepreneurship and the use of non-profits to deliver government services (Smyth, Reddel & Jones 2004). This approach does however recognise the importance of social policies to determine economic outcomes and is concerned with the social equity limitations of neo-liberalism together with the adversarial approach to contracting for government services. The move from an individualised approach to a more family and community oriented policy climate is a step toward collaborative governance however still falls short of a truly collaborative approach to governance where a single sector is not 'in control'. Time however is needed for this approach to settle in before its impact can be assessed (Smyth, Reddel & Jones 2004).

Peters (1998) discusses consultation in a coordinated and seamless way where policy analysts and the community work in partnership. He outlines the difference between good policy analysis, compared with policy advice and highlights the importance of training younger policy analysts. Peters (1998) p38 argues that the "policy process and policies themselves must be seen as socially constructed rather than as a naturally occurring set of issues and solutions". Rather than further limiting the role of the public service Peters (1998) advocates broadening it and providing training in people management and coordination to senior public servants to increase the policy capacity of the public service to deal with the knowledge needed to create quality policy and good governance to respond to issues in more creative ways. This knowledge comes from a variety of government and non-government sources and collaboration between sectors is required if quality policy is to be created.

Cavaye (2004) applauds the move toward community engagement but highlights many challenges faced by government as they move from a welfare state through a contractual state to the current enabling state emerging in Australia (Lynn 2004). In rural areas, engaging community is particularly difficult because of low population numbers, long distances and withdrawal of services in response to neo-liberal policies. To combat this inequity however, it could be argued that it is sometimes easier to balance legitimate engagement outcomes in self contained regional communities (Cavaye 2004).

There is also a danger that over engagement may occur when a range of agencies try to set up consultations particularly in rural areas with small populations and the result may be disillusionment from all sides. A “more sophisticated approach to engagement is needed which better accounts for community dynamics and the quality of engagement” (Cavaye 2004). Cavaye (2004) advocates building local relationships over time and highlights the importance of leadership and confidence building. Authority to act on consultations is also vital, together with follow up and a more coordinated approach between government agencies to avoid duplication.

Peters and Pierre (2004) however believe that governance often focuses too much on government and not enough on the governance process. They argue there should be a broader, more inclusive process for coordinating governance that places more emphasis on process as opposed to traditional institutions and structures. Rather than replacing existing institutional layers however, the governance process should enhance existing structures. Institutions shouldn't merely surrender to ad hoc methods of governing but rather put in place models and processes that encompass governance as a democratic process (Peters & Pierre 2004).

There is now a growing realisation that, for communities to continue capacity building, government partnerships and consultation are needed. In recent years government response to regional development has moved from one of cost shifting to coordinating resources through multiple partnership arrangements.

3.2 Corporate Governance and Business Relationships with Community

Corporate Governance guidelines have evolved and tightened following corporate collapses around the world starting with the Enron debacle (Carver 2002). The Policy or Carver Governance model of corporate governance introduced by John Carver advocates the use of best practice codes and accountability frameworks to govern businesses. The CEO and the board have distinct roles that compliment rather than compete with each other. The board chairperson has an overall leadership role and the board determines the policies. The CEO and the staff are responsible for management and implementation with clear lines of control and transparent ways to evaluate effectiveness (Carver 2002). There is a growing appreciation, from government and non-profits, for businesses that embrace a more open and accountable approach to governance. With business philanthropy and corporate citizenship, an emerging trend within Australia today, there is an opportunity for non-profits to adapt a policy approach to governance in their own organisations.

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Calls from the United Nations for a more sustainable approach to operating in underdeveloped nations led to the 2000 Millennium Development Goals with increased pressure placed on corporations to embrace a more generous approach to corporate philanthropy (Churet & Cridges 2004; Loza 2004). Corporate philanthropy however remains discretionary with many CEOs considering it as voluntary with no pressure to participate rather than as an obligation to society (Eversole 2003; Seifert, Morris & Bartkus 2004).

There is a trend away from the traditional concept of charitable giving and corporate philanthropy to the concept of corporate citizenship. The growing involvement of business in community development has been led in the past few decades by the corporate sector's increasing involvement with communities in the regions in which they operate. Business and community partnerships are today moving toward engaging with communities and working together, making collaborative approaches to the governance process vital if these trends are to continue. Businesses are assisting non-profits to build their organisational capacity and partnerships with community are not only monetary but include the skills and time of company staff and other company resources and infrastructure (Loza 2004, 2005; Zadek 2001).

Some commentators however suspect that at times companies use corporate citizenship as a public relations exercise (Seifert, Morris & Bartkus 2004; Zadek 2001) however Zadek (2001) outlines generational stages of corporate citizenship. The first generation is a very short-term view of corporate citizenship as an 'add on' to their business as long as it was economical to do so. The second generation look at longer term implications and how having a Corporate Social Responsibility (CSR) policy could add to their business prosperity into the future and the third generation looks at development from the perspective of the domain and asks "what CSR policies can business implement to promote society as a whole" and not just for business returns (Zadek 2001).

Madden, Scaife and Crissman (2006) have researched the role of small to medium business enterprises and their engagement with communities in Australia. They also note the shift from purely charitable giving to engaging with the local groups they support. This ranged from inviting groups to present their projects at board meetings to including staff time for voluntary work (Madden, Scaife & Crissman 2006). It could however be viewed that local businesses have always supported their local community groups and that the contribution, although small by global standards, is already recognised as very valuable by non-profit organisations.

Researchers believe that a "new economy" is evolving that blends corporate citizenship and sustainable development (Birch 2004a; Loza 2004, 2005; Zadek 2001). This "new economy" recognises that to be successful, business, government and community must be involved and that new ways of creating wealth need to be built. For this to happen trust and a values based approach to corporate mission needs to be embraced and social and organisational capacity increased (Loza 2004). This will mean a huge cultural change that will take time to develop for both government and business (Loza 2004).

As government devolves responsibility for service provision in rural areas onto non-profit groups multiple partnerships are increasingly important for non-profits to

continue to deliver services into the future. There is an opportunity for non-profits to embrace the trend toward corporate citizenship to build multiple partnerships and collaborative governance arrangements that include business.

3.3 Third Way Politics and the Role of Non Profits

Third Way Politics as outlined by Anthony Giddens (1998) in his book *The Third Way: The Renewal of Social Democracy* advocates finding a balance between neo liberal policies of the right and Social Democratic Policies of the left in Great Britain (Giddens 1998; Rose 2000). This is a softer communitarian approach where government works with market forces to assist in community development by encouraging civic responsibility, investing in families and developing community enterprise (Giddens 1998; Rose 2000; Smyth & Wearing 2002).

Rather than a new concept Rose (2000) sees Giddens' Third Way as a revamp of what is already there and merely another way of looking at existing political theory. It is more about the politics of a middle way, which takes the positives from both left and right to avoid negative consequences (Rose 2000). Not all commentators agree that third way policies are sustainable into the future. Smyth and Wearing (2002) are cautious about this communitarian revival, which thrives in a strong economy with good wages and employment opportunities and warn that its market focus could erode welfare rights in a weak economy.

Gray and Lawrence (2001) warn that communitarianism, which encourages the development of new organisations, is often fragmented and any attempts to create stronger local capacity this way in rural areas may only destroy what is already there. Beer (1998) also argues that encouraging civic responsibility and community enterprise is actually an 'institutional fix' for government (Beer 1998a) and many new enterprises are unable to be economically sustained particularly in small rural areas (Eversole 2003). In addition to this, cost shifting from other tiers of government searching for an 'institutional fix', has increased the financial and social burden on volunteers in many rural areas (Daley 2000; Skinner & Rosenberg 2005).

As established organisations that are controlled democratically by community volunteers, non-profit groups have an important role to play in Third Way Politics (Lyons 2001). As government devolves services, many non-profit organisations have expanded to meet the increased need (Hall & Reed 1998). Salamon (2003) outlines competition between non government service providers as a growing trend, although this trend has had little impact in rural areas when, once the true costs of servicing rural clients is recognised, outside service providers are often discouraged leaving service delivery to established regional non-profit organisations governed and managed by volunteers. Volunteer numbers however are falling as populations decline, making burnout an issue (Eversole 2003). There is a growing reluctance by both voluntary committee members and even paid staff to participate in many existing organisations because of the workload involved.

Considine (2003) questions the changing role of government in the modern contract-competition system and the clash of philosophies that could arise in non-profits when government funding is used to replace volunteer committees with paid workers (Skinner & Rosenberg 2005). He sees no sustainable future for non-government organisations and is concerned by the lack of equity in service delivery and

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accountability away from the line management system of the public service. Giddens (1998) argues that non-government organisations will never replace government but rather will have to work in partnership with them by listening to their concerns and working with business to address service delivery challenges in communities.

Many non-profit organisations, with established networks, are well positioned to gather community input and respond appropriately to service delivery in a timely way, giving them an advantage over government departments or business (Allison & Allison 2004). The majority of non-profits operate locally to provide a range of health, education and community services (Lyons 2001). Many contract to deliver government programmes while others have evolved from a grass roots push to service community needs that are not covered by government and they therefore have a lobbying role (Considine 2003; Skinner & Rosenberg 2005).

Hall and Reed (1998) p1 argue that most non-profits do not have the capacity to deliver the increased services required when governments 'download' their programs. There is no evidence that this can even be done economically by non-profits and most organisations have inadequate human resources to take on extra programs. Many non-profits have no paid staff and are coordinated by volunteers. They do however concede that little is known about the sector and the focus should be on strengthening the capacity of non-profits so they can be better utilised and make a valuable contribution (Hall & Reed 1998).

Lyons (2001) however believes that non-profits are an ideal vehicle for engaging with communities and could position themselves to take advantage of business and government moves toward partnering with communities. The structure of some non-profit governance procedures needs to be tightened and guidelines put in place to ensure organisations are prepared to participate in partnerships. Various programmes have been proposed by government to assist volunteers (Moser & Nicholson 1996) and corporate governance practices have been adapted by some non-profit organisations when they engage with business (Birch 2004a). In the United Kingdom the Blair government appointed a minister to focus on corporate citizenship policies and in the Economic Union the Economic Advisory Forum is looking at ways of introducing uniform accounting practices. However little research has been done to develop the actual process of governance which is necessary to understand and embrace collaborative governance (Bertels & Vrendenburg 2004; Kooiman 1996; Reddel 2004).

There is an opportunity for non-profit organisations in regional areas to influence the directions of policy in their region by working in partnership with government on service delivery (Lynn 2004). The policy cycle however only provides for formal input at the consultation stage (Bridgeman & Davis 1998) although there is a growing trend for ministers and less often their advisors to consult informally with their constituents at committee level or through discussion papers at the beginning of the cycle. There are those who even advocate changing the policy cycle to formally include this input (Edwards 2003).

Ilean and Basok (2004) p 131 discuss the use by government of non-profit organisations as a method of governing 'through communities' which is happening in Canada as it increases its engagement with non-profits to deliver services. Many of

these non-profit organisations, that traditionally played an advocacy or social justice role, are encouraged to become 'responsible citizens' as policies move from neo-liberalism to advanced liberalism. These non-profits are often so focussed on service delivery, accountability and contracting for programmes that they don't have time or resources available for advocacy. Rather than helping to create quality public policy by collaboration they believe that the relationship that has developed between government and non-profits is not always in line with the organisations core mission (Skinner & Rosenberg 2005). Thus rather than embracing a collaborative approach, government has shifted the responsibility for service delivery while retaining all the control (Ilcan & Basok 2004; Lynn 2004).

Lynn, (2004) outlines difficulties in engaging with community groups in her study into service provision in rural Victoria. She believes that neo-liberalism and the purchaser provider model of service provision since the 1990's caused community services to focus on individuals and become very specialised and inward looking in response to market signals. Many community development practitioners were pleased when this trend changed and a group focus was returned however time is needed to rebuild trust in government networks (Lynn 2004). Lynn (2004) p 240 questions the use of community as an 'agent of government' to contract their services and feels that government is afraid of letting go control and therefore does not engage well with community. A distrust of the motives of all levels of government has evolved that needs to be addressed before collaboration can occur (Cuthill & Fien 2005).

3.4 Collaborative Governance

This study defines collaborative governance as how the private, civil and government organisations work together to make decisions about the well being of communities (Drabenstott, Novack & Weiler 2004; Kooiman 1996; Lovan, Murray & Schaeffer 2004; O'Toole & Burdess 2004; Stark 2005). It is about building processes to make this happen and avoiding one authoritarian structure taking control (Cuthill 2003; Cuthill & Fien 2005). Many authors agree that this can only happen when each organisational culture is valued and trust and the common good become the focus that leads to equitable, accountable and transparent governance (Bertels & Vrendenburg 2004; Birch 2004b; Huxham 2000; Vangen & Huxham 2003; Yang 2005; Zadek 2001)

Goal setting is an important aspect of the process toward collaborative governance. Collaboration requires common values and a clear set of aims and objectives for all members to see what is involved even before the collaboration commences and these must be worked on together from the start (Huxham & Vangen 1996). Huxham and Vangen (1996) p 9 define three levels of goals:

- The collaborative relationship goal
- The goal of each organisation within the collaboration
- The goal of each individual involved

They go on to talk about communication and the three different channels that network together to communicate the goals at various levels both internally, with in their own organisations, within the collaboration and also to the wider community (Huxham & Vangen 1996).

There are a variety of reasons for the increased recognition of the process of collaborative governance as important. Government would benefit by the coordination and efficiency of the services they deliver and there would be a sharing of procedures across departments and with the wider community to increase the quality of services delivered. There is also the 'moral imperative' Huxham (2000) p 339 as society recognises that the issues it is facing are too complex to be dealt with by a single entity. Business today recognises that it is important to participate in society and no one sector can work alone (Loza 2004). There are financial issues and cost savings when a range of partners pool resources in the one project (Huxham 2000). It is however difficult to work toward collaborative governance when neo-liberalism, with its competitive focus and market based theories, underpin most of what western society does.

"Structural complexity"(Huxham 2000) p 341 is a feature of collaborative governance where multiple partnerships occur over a range of sectors on various levels in many dimensions, and the individuals involved also participate in a variety of networks. The diversity of members of any collaboration, while adding to the constructive pluralism of the discussion, can hamper the decision making process. There are often hidden agendas motivating people to enter collaborative partnerships and trust is necessary to ensure that each party retains their autonomy while making a valuable contribution to the collaboration (Huxham 2000). Researchers highlight the organic nature of developing collaborative approaches to governance and advocate agreeing on general principals and vision, then developing the framework organically as the collaboration evolves (Bertels & Vrendenburg 2004; Huxham 2000). A good understanding of the process of collaborative governance is considered more important than developing structural frameworks and procedures as diversity is one of the strengths of a collaborative approach.

Emery and Trist (1965) talk about the growing complexity of the environments in which organisations now operate. They believe that the attitude of those within an organisation contribute to the ability of the organisation to manage change in a complex multi layered environment which they term "turbulent fields" and that changes within these fields become increasingly destabilising. Agreed social values however can have a stabilising effect on organisations operating within these complex systems and cause them to transcend the existing turbulent fields. The resulting collaborative structure is therefore more of an organisational matrix and takes time to evolve (Emery & Trist 1965). Rather than a two dimensional representation of relationships with a controlling organisation, a three dimensional matrix evolves with shared values at the core.

Vangen and Huxham (2003) believe that, although popular, to be successful the collaborative approach to governance takes time to develop and needs to be nurtured with trust a highly significant element to make this happen. They go on to discuss trust and its alignment with power and control and how it is often a risk to trust others without fearing they would take control (Lynn 2004). In addition to citizens trusting government and business, trust in citizens and trust between sectors also needs to be built before power or control can be let go and true collaboration emerge (Birch 2004b; Huxham 2000; Yang 2005).

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A domain based model of collaborative governance means that governance is no longer an organisational issue and in fact cannot be controlled by a single entity thus the notion of formal control loses its significance (Bertels & Vrendenburg 2004). Based on Emery and Trist's (1996) theories of turbulent fields, Bertels and Vrendenburg (2004) state that "in domain-based collaboration there is no assumption of a controlling organisation. Instead, all stakeholders are assumed to participate in shaping solutions to the problem domain. Once a distinction is made between domain based and organisation centric collaboration, we see that governance is not solely an organisational issue. Where there is no longer a single entity with control, the notion of formal control becomes much less relevant." (Bertels & Vrendenburg 2004; Edwards 2003) Time is needed for relationships to be established and trust developed. One of the challenges for policy makers will therefore be for quality policy to evolve organically while working within the existing two-year government policy cycle (Edwards 2003; Huxham 2000).

3.5 Summary

Trends in participatory governance and corporate citizenship can be positive for non-profits operating in regional areas and lead to new collaborative governance arrangements. The challenge is for government and business to apply these global trends at a regional level in an inclusive and sustainable way that does not overwhelm communities to such an extent that it destroys the traditional community values, vision and way of life. The next chapter outlines the Participatory Action Research and case study methods used to guide the research.

Chapter 4: Research Methods

This chapter outlines the Participatory Action Research and case study methods used to examine the main challenges to the governance and sustainability of regional non-profit groups in delivering services to regional areas and how multiple partnerships may work for these groups. The dissertation asks three questions:

1. What are the main challenges to the governance and sustainability of regional non-profit groups?
2. How could elements from governance and partnership models in Australia and overseas work for Southern Agcare?
3. How can regional non-profit organisations continue to govern and manage service delivery in rural areas?

4.1 Literature Review

A comprehensive literature review was conducted to determine trends impacting on rural communities. Current governance practices from government, business and community were analysed together with emerging trends in multiple partnerships and collaborative governance. In addition to gaining knowledge, the aim of a literature review is to set the scene for the research topic and to place it in context. Existing research is examined to ensure that there is no repetition and gaps in the research are identified to ensure that the research undertaken will add to the body of knowledge on a topic (Monk & Bedford 2005).

The literature review examined the trends impacting on rural communities in the regional domain and the adjustment pressure being placed on agriculture as it adapted to the increasingly turbulent domain. As population decline and the effects of neo-liberalism and globalisation were felt in rural communities, rather than adopting an attitude of despair, the case study showed that some regional non-profit groups, together with business and government were embracing multiple partnerships and moving toward collaborative governance where sectors worked together to address challenges for rural communities on a regional level. The literature review helped to understand the organisational capacity of the case study group, giving direction to the interviews and discussions aimed at positioning Southern Agcare for the future.

The literature review was also used in Chapter 7 to discuss the challenges. Points could be verified from previous research and the discussion made more rigorous and broad based by additional information and knowledge (Monk & Bedford 2005).

4.2 Websites

The literature review looked at a range of websites from business with community partnerships, corporate social responsibility support networks and research institutions to gain a wider business with community perspective. There were research papers available on the topic of corporate citizenship, however much of the insight was gained by searching websites linked to companies and institutions mentioned in the research. Manuals and policy documents were downloaded from some of the sites and gave a perspective on the topic of business with community partnerships from a global business perspective. Sites to support philanthropy and community foundations were accessed and there were numerous policy websites from governments in Australia and overseas that encouraged business to participate in

community partnerships. Websites of businesses with strong Corporate Social Responsibility policies were also explored together with global corporate sites. For a list of the major sites explored see appendix 1.

4.3 Qualitative methods

Qualitative research is used to document and analyse the experiences of people as they engage with the research topic in their everyday lives. The research looks at the perspective of the interviewee as much as possible however it is also recognised that the analysis includes the perspective of the researcher and care needs to be taken to ensure objectivity (Dowling 2005; Elliott, Fischer & Rennie 1999).

In quantitative research it is important to remove any possible bias however this does not take into account values and beliefs that influence the way people react (Winchester 2005). Dowling (2005) advocates a critically reflexive approach to data collection that encourages researchers to take into account their world perspective when analysing results. The aim of this dissertation is to help regional non-profit groups build their organisational capacity to undertake multiple partnerships and participate in collaborative governance, rather than just to critically analyse a set of data. It could be argued that in this case an intimate knowledge of the subject matter could provide considerable extra insight into the research and analysis where the ultimate aim is to improve existing practices by analysing experiences from a wide range of perspectives (Dowling 2005).

There is a danger however that results could be biased, therefore it is important for readers to be aware of the researcher's perspective when reading the results and analysis (Dowling 2005; Elliott, Fischer & Rennie 1999). As chairperson of Southern Agcare and developer of the Working Communities Regional Network the researcher is closely linked to the topic in this dissertation and shares the concern of others in non-profit groups experiencing the impacts of trends in rural communities. The information from the literature review and research, together with engaging community members and professionals during the interviews, has added to the knowledge of the researcher. This will enable the researcher, as a qualified regional development practitioner, to help non-profit organisations develop multiple partnerships and collaborative governance in the future.

In the past concern has been expressed that qualitative research lacks the rigour of quantitative research. However some researchers have outlined the advantages of robust qualitative research and have developed guidelines to ensure that rigour is applied and that the results are as robust as possible (Elliott, Fischer & Rennie 1999). Elliott, Fisher and Rennie (1999) propose a set of evolving guidelines that aim to develop qualitative research to be more accepted while encouraging scientific reviews of the research techniques to ensure quality control (Elliott, Fischer & Rennie 1999).

Describing the interview sample and including examples from the interviews is considered important when writing up qualitative research. Therefore quotations from the participants are used throughout the following chapters and several methods have been used in this dissertation for checking the validity of the replies (Elliott, Fischer & Rennie 1999). The interview notes were audited by an academic supervisor to ensure the analysis results reflected the data from the interviews. Additional perspectives were used to verify the thoughts of the Southern Agcare committee. Other Agcare

committee members across the state and non-profit groups within the Working Communities Regional Network were interviewed using the same set of questions to verify the values and role of the Southern Agcare group from the same perspective. Five interviews were conducted using similar questions, relating to the role of partnership broker, to gain insight into the views expressed by non-profit groups from a different perspective. Follow up interviews with Southern Agcare committee members focussed on their approach to partnering and added to the research.

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). This dissertation has evolved collaboratively, starting with the Southern Agcare Committee and growing to include a wide range of participants focussed on promoting the growth of multiple partnerships to be robust and sustainable. Those involved in the research together with others interested in multiple partnerships have requested updates, provided valuable links, had input at each stage of the documentation and will support eventual presentations of the findings.

4.4 Southern Agcare

The dissertation examines how regional non-profits, such as Southern Agcare, can remain sustainable and keep control of their organisations. Case Study research is used to examine the real life context and lend credibility to the results when 'how' or 'why' questions are asked (Yin 2003). This methodology enabled Southern Agcare to be studied to determine how rural trends were impacting in the regional domain in which they operate.

Permission was granted at a Southern Agcare meeting in May 2005 to use Southern Agcare as a case study for research into governance challenges for regional non-profit organisations operating in rural communities. Southern Agcare committee members recognised that the results would be of benefit to the group and it was requested that the committee be kept informed of progress and view the documentation before distribution. A description of the group and their current position is outlined in Chapter 5 and has been verified by the secretary. Most committee members participated in the interviews and were kept updated in reports at meetings and through the email group. A series of discussion points (see appendix 2) will be used at committee meetings to position the group for the future.

There are concerns on the lack of rigour with any qualitative approach (Elliott, Fischer & Rennie 1999; Yin 2003) therefore case study research must be rigorous to be credible and valued. Case studies are also often very long and clarity is lost when every detail of the findings is included into the final document leaving no room for discussion (Yin 2003). A pragmatic approach to recording all useful data while ensuring a concise message and good framework, together with outside reviewing of the document was undertaken to avoid this. The various qualitative research techniques are applied to ensure rigour to add to the body of research on the topic and make the results valuable for both Southern Agcare and other non-profit groups.

4.5 Participants

The sample selected for the community interviews were committee members from regional groups all living in small rural shires with populations below 4,000 people – the majority living on farms serviced by rural towns or communities in the Shire. Participants in the community interviews were either Southern Agcare committee members, chairpersons in four other Agcare groups across the state or key drivers in five active groups in the Working Communities Regional Network. These were communities where the effects of neo-liberalism, globalisation and agricultural restructuring were impacting on service delivery. The community interview participants were chosen because they belonged to non-profit groups with a regional focus who effectively operated in these rural communities. They were each actively engaged in partnerships with either government or community and were moving toward a more collaborative approach to governance.

The sample was therefore not random but chosen because of their close alignment with community non-profit organisations such as Southern Agcare or because of their participation in the Working Communities Regional Network. Each Working Communities group, which included Southern Agcare, had mapped their organisation and documented their values, which included, partnerships, inclusiveness and commitment to their community. Each group was community governed and managed. The interview sample therefore consisted of motivated and committed community members with a good understanding of the groups they governed. 25 people from nine groups were interviewed and included seven of the ten Southern Agcare Committee members. The remaining interviewees were selected from the management executive of the other non-profit groups and included the chairperson or key driver from each group. All but three groups had at least two interviewees.

Nine of the interviewees were male and 16 were female. Members of the committees held executive positions, apart from the seven Southern Agcare committee members of which three held executive positions. None of the non-profit interviewees represented government agencies, 17 were from a farming background, four were rural business managers and the remaining three were involved in administration, teaching or the police service. Ages ranged from 27-65. The Agcare committee members were all over 45 years of age while interviewees from the other groups in the Working Communities Regional Network were all under 50.

Five interviews were undertaken with partnership representatives to verify the views in the community interviews from a different perspective. Each partnership interviewee had a passion for helping rural communities meet their needs and believed that community input was essential from the very beginning if a programme was to be effective. All worked with rural or remote communities and had demonstrated a strong commitment to building partnerships. Two represented government regional programmes and were actively involved in funding partnerships, two were large non-government community fund managers and one was a practitioner working in the area of community governance and collaborative partnerships.

A separate set of questions using the same elements as the non-profit interviews were used for the partnership interviews and all five interviewees requested a copy of the questions to prepare their answers. One of the government representatives requested time to talk to his line managers about participating, as their department was very

interested in the topic and wanted to ensure they were correctly represented. Assurances were given that the aim of the research was to encourage and enhance robust collaborative partnerships and that the five partnership interviewees were selected because of their proactive approach to promoting partnerships. Each of the partnership interviewees requested a copy of the notes from the interview to review. All the partnership interviewees returned them with suggestions for additions and modifications.

The opportunities for partnership interviewees to prepare for the interview and review the notes meant that the five partnership interview notes were extensive and provided a valuable addition to the research. Each partnership interviewee requested a copy of the final dissertation and all were keen to receive updates. A bcc email group was set up whereby the 30 interviewees from both groups could be kept informed and have input as the dissertation evolved.

4.6 Interview Design

4.6.1 Themes

The themes for the interviews were built around the devolution of government services and the growing potential for non-profits to deliver services in rural areas. Researchers recognise the importance of social capital and the value of community engagement for both government and business and the role non-profit groups could play, however there was little research into the processes of governance for these multiple partnerships (Reddel 2004). There is however recognition by all sectors that no one sector has adequate governance capacity to operate alone in a complex environment. The literature review highlights a collaborative approach to governance where non-profits actively participate without losing autonomy. The research questions were therefore designed to ask what non-profit groups need from the perspective of a non-profit committee member as well as government and partnership brokers. The aim was to find out what the issues were for non-profit governance and how Southern Agcare could position itself for the future.

4.6.2 Method

Dunn (2005) outlines a process for interviewing that includes interview design, contacting informants and conducting and recording the interview. Semi structured interviews are used to undertake this research to give some order to the findings while ensuring flexibility for related issues to be discussed (Dunn 2005). Eight questions were formulated and a pro forma drawn up to record the name, organisation, contact details and time of interview. The issues highlighted in the literature review and experience working with Southern Agcare helped frame the questions for the interview. The first question asked interviewees to describe the current structure of their community group and the services that the group provides. This was a good introduction to the interview as all the interviewees had good insight into their groups and could easily answer the question. The body of the interview consisted of primary questions to encourage discussion on trends impacting on rural areas, followed by secondary questions to gain insight into the interviewees' position on the topics discussed and to highlight governance issues arising for their group. The interview concluded by asking if there were any other issues that impacted on their group.

Funnelling was used to take the interviewee from general rural community issues to those specifically impacting on their group (Dunn 2005).

An information sheet and consent form, together with the questions and sample details, were presented to the University of Western Australia ethics committee where permission was granted to conduct the research. An interview schedule was drawn up with names and contact details of 30 prospective interviewees and five additional reserve interviewees who were each sent an email to inform them of the research project and let them know that they may be contacted over the next few months to ask if they were interested in participating. Of those contacted only one person felt unable to participate although six could not be contacted so one interviewee was from the reserve list.

As each interviewee was contacted, an appointment was made to undertake the telephone interview and the information sheet and consent form were either emailed or faxed. Every consent form was signed and returned. Names were ticked off on the interview schedule as each interview was undertaken.

The literature review, websites and interviews with members of non-profit groups, highlighted real dilemmas faced by rural communities and the potential for the research to communicate the needs to those involved in establishing partnerships. As a method of triangulation or looking at different sources, (Elliott, Fischer & Rennie 1999; Winchester 2005) permission was sought from the university ethics committee to interview an additional five people involved in brokering partnerships with community. The same process was used to design, engage and deliver the interviews with the issues highlighted in the websites and experiences within the Working Communities Regional Network used to frame the questions for these interviews. Follow up interviews were carried out with some of the Southern Agcare committee. Three questions were designed to build on the results from the partnership interviews by investigating how Southern Agcare could approach multiple partnership development in the future.

4.6.3 Description

The semi structured telephone interviews with the 25 community group members covered a range of issues. The interviewees were first asked to describe the current structure of their group and the services that were provided. All but two of the interviewees felt confident answering this question from the start, the two less confident interviewees had only recently joined their group and commented that they didn't feel qualified to answer the question, however all interviewees gave extensive answers and had an intimate knowledge and understanding of their groups. This helped set the scene for the remaining questions, which were more subjective. What were the strengths of a community group and what were the threats to the continuation of their group was asked next. Strategies to address challenges were also discussed and interviewees were asked to suggest elements that were important to the continuation of their group. The next set of questions dealt with the group's approach to change and how it was managed and finally, suggestions were canvassed for improving governance.

The semi structured telephone interviews with the partnership brokers covered a similar range of issues and were structured to build on the information from the

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community interviews by providing a different perspective. The first question was factual and asked about the role of the organisation in building partnerships and what community engagement strategies were used. Challenges to partnerships and strategies to address those challenges were discussed together with important elements needed for successful partnerships. How changes encountered in partnership arrangements were approached and what non-profit groups could do to strengthen their governance to participate more fully in multiple partnerships was also asked.

Participation in the interview was voluntary, and interviewees could withdraw at any time without reason and without prejudice. The information provided by the interviewees was treated as strictly confidential and will not be released by the interviewer unless required by law. There were no withdrawals during the interviews and all interviewees showed a genuine interest in the research.

4.6.4 Transcribing

The interviews were informal and the key points from the discussion were noted down during the interview. As soon as each interview was completed the notes were expanded and observations recorded. These notes were made available for the interviewees who wished to check their input, although it was only the 5 partnership brokers who wished to do this and each provided feedback.

The next chapter looks at Southern Agcare as an organisation and how it has evolved to its present position. Information from the committee interviews and discussions together with Southern Agcare documentation was used to describe Southern Agcare as a regional non-profit organisation delivering services to rural communities. This sets the scene for the research by giving the reader an understanding of the background of the organisation and the current challenges faced by Southern Agcare as a regional non-profit group.

Chapter 5 Southern Agcare

In 1984 a group of rural community members, in the Great Southern Region of Western Australia, met to discuss their concerns over the number of farmers in serious financial difficulty that had arisen from the rural recession and drought. Southern Agcare was formed in 1987 after the federal government also recognised the plight of rural communities and agreed to provide matching funding for a Rural Financial Counselling Service to help with restructuring. At the same time other regions across the state were forming similar groups to deliver a Rural Financial Counselling Service for rural people in crises. These regional groups complemented their financial counselling service to rural business with other social counselling and support programmes for families in rural communities.

This chapter looks at Southern Agcare's background with an indepth discussion of developments over the last 10 years as Southern Agcare adjusted to the trends impacting on rural communities. Discussions with Southern Agcare committee members highlighted how the group approached change and was actively involved in multiple partnerships with government to deliver the service in rural communities. The documentation confirmed that Southern Agcare aimed to be the preferred service provider for Rural Financial and Family Counselling across the region. Since its inception, the committee felt that the service had attracted strong support from government agency staff and community members in the region.

5.1 Southern Agcare

Southern Agcare is an incorporated, community managed, non-profit group providing free, confidential and mobile Financial and Family Counselling and emergency relief in rural areas of the Great Southern Region of Western Australia. The organisation also responds to crises in rural communities as they arise. The Southern Agcare voluntary management committee comprises representatives from the 15 Shires the service covers and members from community groups in the region. The committee is responsible for governance and the smooth running of the service, which during 2005/06 employed seven counsellors plus administration staff.

Southern Agcare's family counselling service in the region is a fully funded partnership with the Department of Community Development, allowing two family counsellors to be employed with a third counsellor recently engaged to coordinate an Aboriginal Family Support Programme as a multiple partnership. The partners monitor needs in the region, which enables Southern Agcare to provide additional short term emergency counselling and support when needs arise. For the past five years, Southern Agcare has also partnered with the WA Health Department and the Great Southern Division of General Practice in the Rural Community Support Service, allowing them to employ an additional family counsellor. This position is fully funded by the Federal Department of Health and Ageing. An emergency relief programme is funded by Lotterywest and the Federal Department of Family and Children's Services and Indigenous Affairs. The Southern Agcare secretary reported that requests for this had increased markedly over the past few years in response to economic factors.

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Ironically, however recent downsizing of government agencies and centralisation had resulted in gaps in service delivery and an increasing interest in the programmes that Southern Agcare delivered in rural areas. The committee was concerned by this move, as duplication or takeover by government agencies was perceived by them as a real threat to their autonomy. One counsellor commented at a meeting that it was always a balancing act for a government agency to provide counselling services while also having legislative power over clients, making non-profit groups like Southern Agcare with a professional, independent and confidential community engagement approach an ideal vehicle for delivering family counselling and support programmes.

The committee reported that in 2002 when the WA Department of Health received funding to set up a Rural Community Support Service they drew heavily on the Southern Agcare community model. It was only after much lobbying by Southern Agcare and the Great Southern Division of General Practice, that it was agreed, one counsellor would be employed by Southern Agcare and that the Division of General Practice would participate in workshop delivery. In the three years that followed a tense relationship evolved where the committee believed that any input from Southern Agcare was paid lipservice and the community engagement approach that Southern Agcare had established was disregarded.

There were feelings of frustration identified in the community interviews, when past experiences dealing with some government agencies were recalled. It was felt by many of the community interviewees that government did not seem to recognise that one of the strengths of a community group was its ability to respond to community needs with one community interviewee commenting *“our own success means that we have been seen as someone who can deliver services and there have been attempts by government departments to take over what we do.”*

When the Rural Community Support Service programme came up for renewal both Southern Agcare and the Division of General Practice were reluctant to participate and highlighted changes that would need to be made to encourage a partnership based on collaboration. As this federally funded project required a partnership approach, considerable effort was put in by the funding body, the Federal Department of Health and Aging, to ensure that Southern Agcare and the Division of General Practice became valued participants before the project could go ahead. Under this new collaborative arrangement MOUs between the WA Health Department, Southern Agcare and the Division of General Practice were put in place and information and reporting mechanisms made transparent. The result for the committee was positive and the following two years saw the partnership develop into a valuable collaboration for all those involved. Southern Agcare's community engagement approach was now viewed as a significant advantage for developing further joint projects for the region.

One of the government interviewees was concerned by the *fiscal inflexibility* of government funded programmes and felt that non expanding programmes like this didn't keep up with rising costs, particularly wages, and eventually service providers including non-profits would be worse off financially towards the end of the funding period. Not having a continuous funding program (funding renewed every 3 or 4 years) means there is not the certainty or surety that groups and their staff have of continued funding or employment. This can affect whether professional staff will undertake funded work; and they may seek a more secure form of tenure in other

areas of their profession. He therefore thought that resourcing multiple partnerships lead to efficiency and cost effectiveness and was the best method possible to help communities. *“Going it alone possibly duplicates services, is inefficient and is a precious waste of resources and energy.”*

The Rural Community Support Service programme has another year to run and the counsellors have discussed with the committee the recent changes to legislation that will provide Doctors with incentives to refer patients to private psychologists. One counsellor reports that he has already seen a decline in the number of people accessing the service in towns with a doctor. The funding provider is however concerned that, smaller rural areas without a resident doctor will need to be serviced. The Southern Agcare committee all believe that, as a free, mobile and confidential service operating effectively in rural areas in the region, they are ideally suited to fill this gap.

5.2 The Way Forward Report

Until August 2006 Southern Agcare also employed two full time Rural Financial Counsellors who operated across the region and were available for emergency responses further east and north when the need arose. Unlike the family counselling service the Rural Financial Counselling Service was not fully funded with 50% of the cash component covered by the federal government, 15% from the state with the remainder sourced from local shires, community donations and in kind support. Southern Agcare also assisted Peel South West Agcare by employing their two part time counsellors and providing mentoring as they established a reference group.

In recent years, Agcare groups in eastern regions of the state had terminated because of the lack of community support and matching resources in times of agricultural adjustment. The Southern Agcare committee however was able to maintain their service despite these closures and the committee agreed to monitor the situation in eastern regions. Southern Agcare counsellors were also part of dry season response in the mid western region in recent years. Some committee members felt that the move out of their traditional Great Southern Region placed pressure on the Southern Agcare committee as they helped in other regions where there was uncertainty as to the future of the service and little support from the community. The Southern Agcare committee as a whole however, felt it was their duty as one of the stronger remaining groups to help farmers in adjacent regions in need. One committee member commented that Southern Agcare was about *“People in rural communities, helping other rural communities”* because they understood the problems.

A recent review of the Rural Financial Counselling Service by the Federal Department of Agriculture, Fisheries and Forestry recognised the important role the community played but highlighted the heavy financial burden it was placing on non-profit groups who had to fund between 30-50% of the programme either as a cash or in-kind contribution. Seeking funds from communities already under financial pressure from global trends and population decline was making the service increasingly unsustainable and had already resulted in the closure of five regional groups across Western Australia. Although Agcare services in the southern and central regions could attract qualified staff it was difficult for regions further east and north to recruit and retain staff. In 2006 five regional groups still functioned however two of the groups were unable to attract permanent counsellors.

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Frustration with all three tiers of government, volunteer burnout, cost shifting, increasing compliance and regulations resulted in feelings of apathy and isolation and contributed to the groups increasingly becoming unsustainable and was mentioned by all the Southern Agcare committee in the interviews.

Southern Agcare is by far the largest Agcare group in Western Australia, and in 2005/6 employed 3 full time rural financial counsellors, 4 family counsellors and administration staff who coordinated the emergency relief programmes. The four other Agcare groups interviewed all provided financial counselling for primary producers and other support and emergency relief programmes for families in need in rural areas. The services were free, mobile and confidential.

The Southern Agcare committee had always advocated a regional approach to the service delivery be maintained in their region and believed that a fully funded Rural Financial Counselling Service would ease their management burden. However, in 2004, "The Way Forward Report" analysed the findings of a review of the service across Australia and identified challenges to existing service delivery. The review committee recommended adopting a State – Level Management Committee Model. (Australian Government Department of Agriculture Fisheries and Forestry 2004) There was considerable uncertainty as to the future for Southern Agcare and the other regional groups as a result of this review process. The programme had been extended twice under the existing funding agreements while new arrangements were finalised. For all of the Agcare groups interviewed it was now difficult to keep delivering the service with "*budgets that had no fat left in them and so many unknowns.*"

At a meeting with the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF) staff in Perth on June 5th 2005 the Chairpersons from each Rural Financial Counselling Service in WA, including Southern Agcare, put forward a proposal that the West Australian Rural Counselling Association (WARCA) become the State Level Management Committee for Western Australia. The Chairs felt that WARCA was ideally positioned to take on the role in a very timely way and, as a non-profit group, had established important networks in the rural community.

However, the state based model was revised to include new arrangements to allow existing regional groups to maintain their autonomy. A letter from Minister McGauran dated March 2nd 2006 stated that "*The most important feature of the new arrangements is that each local community group will be able to continue to employ and oversee the critical work of their local rural financial counsellor and continue to manage their own funding.*" and that "*the revised model has the flexibility to allow each state to implement arrangements according to their varying needs.*"

The Southern Agcare Committee was pleased with the new arrangements as it meant they could apply to continue employing their counsellors and manage their own funds on a regional basis. Local ownership and a dedicated regional committee meant that the whole of the community could be involved and that a wide range of backgrounds, skills and expertise were included. In the interviews one Agcare committee member mentioned the practical value of local involvement and that his committee members all had fairly stable and established rural businesses and were in a privileged position to help others. They had a range of education and skills making a good mix with

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everyone able to apply their life skills. *“This meant an amalgamation of viewpoints and good consensus decision making where all aspects could be considered – it was also good for us to see what others had to deal with.”*

Southern Agcare submitted their regional application advocating a collaborative approach where they would work with central and northern groups to deliver the service in a timely way and with the minimum interruption to the existing service. Two other West Australian groups submitted applications as part of a collaborative regional approach across the State.

Southern Agcare and the other regional groups were notified at the end of June 2006 that their applications were unsuccessful and they would no longer be delivering the service when it became fully funded from the end of July. Two of the groups interviewed were relieved to have the burden of uncertainty lifted while the other two were disappointed that a regional approach was not adopted. Three of the groups are looking to the future and researching other family support and financial service programmes to fill the gap left by the withdrawal of their Rural Financial Counselling Service.

A board is being set up to manage the new RFCS programme at the state level with existing regional services becoming reference groups. All four groups interviewed have nominated representatives to be part of the new state board. Although the Southern Agcare committee felt that a regional approach would work best for their organisation they agreed to participate in the new state based Rural Financial Counselling Service arrangements to ensure it met the service delivery needs in their region.

Since its inception in 1987 the Rural Financial Counselling Service programme with its matching funding requirement had been a challenge to Southern Agcare to tighten its governance, particularly in relation to the financial and activity reporting procedures, which had increased dramatically in the last few years. Undertaking responsibility for service delivery in the Peel South West region and monitoring the eastern regions meant that in the past Southern Agcare always operated in survival mode and had no resources, time or energy to investigate other programmes. Although the regional approach to service delivery suited Southern Agcare and is effective in the Great Southern Region, the committee recognised that the burden of finding matching funding for the programme had grown unsustainable. The Southern Agcare committee however were disappointed with the lack of recognition that, for their regional group, the issue was not poor community governance but inadequate resourcing and that they were not given the opportunity to demonstrate what can be done by a regional approach that is fully funded.

It will be a challenge for the new board to retain the involvement of community members and the social capital that had been built up by the previous service providers. Open communication and keeping all parties fully informed on progress was mentioned by all the partnership interviewees as an important factor for maintaining community engagement. Many also felt it was good to review partnerships and focus back on the terms of reference to prevent scope creep. The interviewees involved in managing partnerships measured outcomes and provided regular feedback to communities about achievements. One interviewee however felt

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that as well as knowing what was achieved it was important to know how to be able to reflect on the terms of reference and went on to say that financial, legal and structural systems were also important and if they were robust you could more easily focus back on the Terms of Reference.

The change of focus for the Southern Agcare committee onto family counselling and support is timely as counsellors report a growing need for this in rural communities across the state. Removing the burden of resourcing a Rural Financial Counselling Service will enable the Southern Agcare committee to research other programmes and to investigate strategies to develop collaborative partnership approaches by building multiple partnerships with the other regional Agcare groups, government agencies, regional non-profit groups and business. At present strong partnerships already exist with government agencies through the family counselling and support programmes and developing multiple partnerships would further enhance the move toward collaborative governance for all the Agcare groups. Each of the partnership interviewees felt change was easier to cope with when driven by a shared vision. One partnership interviewee commented that care needed to be taken to ensure that a natural transition that involves dissonance is not mistaken for failure and that people don't just back away. *"You need to hold people throughout the process of change."* The Southern Agcare committee will be participating in a future scenario workshop with the Working Communities Regional Network that will look at the future of non-profits ready to review their strategic plan in 2007.

5.3 Summary

Southern Agcare has been diligent in retaining its regional focus and is now seen by a range of funding bodies and government agencies, operating in the Great Southern Region, as a very effective and efficient group. The professional and diligent approach by the committee had positioned Southern Agcare well for the future although the perceived threat of takeover was still very real for the group. The state Department of Community Development and Department of Health are now under scrutiny and partnership arrangements may change, although rather than expecting negative consequences from this scrutiny, Southern Agcare may be able to lobby for extra funding for new regional programmes if gaps in service delivery arise.

The dissonance and uncertainty caused by the introduction of a Rural Community Support Service and a state based Rural Financial Counselling Service, while placing extreme pressure on the Southern Agcare committee and counsellors has also given the group a case for action and the breathing space necessary to undertake research and development to meet needs in rural communities in the Great Southern Region into the future. Policy manuals and organisational documentation are already in place and removing the burden of resourcing the Rural Financial Counselling Service will enable financial procedures and administration to be streamlined. Now the organisation has stabilised, the planning process will be discussed ready for implementing in 2007.

Southern Agcare is moving toward a more collaborative, networked approach to governance to increase its effectiveness. The group has a growing support base in the region they service with many skilled people willing to give up time to help the group, however interest in committee membership has declined recently making committee succession an issue. Attracting well qualified staff who are passionate about their

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work in rural areas has never been a problem for the group who can now offer professional pay rates similar to the public service. Administrative and bookkeeping tasks are done by a paid secretary with sub committees appointed for special resourcing tasks like cars.

The follow up interviews highlighted the willingness of the Southern Agcare committee members to investigate multiple partnerships, while bearing in mind the threat of loosing autonomy and the need to approach collaboration at the policy level. One respondent indicated that *“it was no use talking to the coordinators you had to negotiate at a regional level to influence policy.”*

The research showed that resourcing for development, succession and the threat of takeovers remain the major challenges for the sustainability of regional non-profit organisations like Southern Agcare into the future. As a Participatory Action Research study, this dissertation is contributing discussion points and initial research findings, to enhance the governance of the group and communicate their vision as they develop. Chapter 6 presents the findings and discusses governance challenges for non-profit organisations.

Chapter 6: Governance Challenges for Non-profit Organisations

6.1 Chapter Overview

Participatory Action Research and case study methods were used to examine the main governance challenges to the sustainability of regional non-profit groups in delivering services in rural areas and how multiple partnerships may work for these groups.

The interviews with community members focus on governance challenges common to non-profit organisations operating in regional areas. Using generative themes from the interviews and the literature review, which drew on experiences in Australia and overseas, additional interviews were undertaken with practitioners from government and business. Follow up interviews were then conducted with members of the Southern Agcare committee. Analytical coding was used to outline the results from the discussion questions and Participatory Action Research was used with an action-reflection process to engage multiple stakeholders (Kendon 2005). The results from questions and responses from the five partnership interviews, the follow up committee interviews and the action-reflection process were then added. The chapter concludes with a summary of the main challenges to the sustainability of regional non-profit groups delivering services in rural areas.

6.2 Generative Themes

The generative themes were based on responses to the research questions from the community interviews and the research into rural trends and trends in governance. The generative themes were presented to the interviewees through the Working Communities Regional Network and more formally with the Southern Agcare committee at meetings as part of a Participatory Action Research approach. This provided an opportunity for feedback from the committee to check the results and also enabled Southern Agcare to begin considering some of the findings that could be applied in their organisation now.

Analytical coding was used to extract the major themes (Cope 2005). Four generative themes emerged from the interviews with the 25 community group members.

- The major strengths of community groups were identified as their grass roots approach, local knowledge and networking.
- The major threats to the continuation of their groups were identified as government policy, lack of resources (both human and financial) and takeovers.
- The major elements for the success of their non-profit organisation were identified as strong governance, competent people on the ground and community support.
- The groups felt that a team approach to professional development of staff and committee, increasing communication and information flow together with cutting red tape were improvements that would help their organisations.

These generative themes were presented to the interviewees together with a brief outline of the format and content of the dissertation. There were no responses to the

content, two replies with grammatical corrections and three support emails. The first discussion paper with suggestions for fine-tuning structural governance was presented to the Southern Agcare executive committee and actions were proposed. The committee response was so positive that the more detailed findings from both the interviews and the research will be made into a series of recommendations to be presented at committee meetings as the organisation develops over the next year. (see appendix 2)

Interviews were then conducted with partnership representatives to gain a new perspective on non-profit organisations and their governance challenges. This was followed up by interviews with Southern Agcare committee members to gain their perspective on partnering and how they would approach multiple partnerships in the future. The results of the interviews are presented below.

6.3 Results

6.3.1 Community Group Interviews

The results from each question in the community interviews are more formally recorded. An analysis of the interview notes drawing on the five partnership interviewees and the feedback from the generative themes follow.

The current governance structure of the group and the services the group provides to the community

The first question is introductory and relates solely to the group to which the interviewee belongs. The results give a factual overview of the makeup of the groups and do not draw on the views of the individual committee member.

Group Structure

| | Informal | Formal Heirarchical | TOTALS |
|--------|----------|------------------------|--------|
| Groups | 1 | 9 | 10 |

It can be seen from the results that most of the groups (nine) had a formal hierarchical structure with a Chair, Vice Chair and Secretary/Treasurer and between five and ten additional members in line with legal requirements of non-profit groups for incorporation. Three of the groups were newly formed in the last five years and had chosen this structure. One of the new groups operated as a committee under the auspices of the Shire Council but was considering incorporation to access funding in the future. The group with an informal structure was very new and still at the discussion stage (Robbins, Millett, Cacioppe & Waters-Marsh 2001). It was unsure what form it would take and the key driver was content to continue informally in response to needs in the community, which she could do without creating a formal structure.

Committee Appointment

| | Shire Appointed Representatives | Mixed Community | TOTALS |
|--------|------------------------------------|-----------------|--------|
| Groups | 4 | 6 | 10 |

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Southern Agcare and the other three Agcare groups were regionally based but mobile and were made up of shire appointed representatives and representatives from community groups in their regions. Although all the other groups had a regional focus their core remained their local community and committee members were elected from the local community. Seven of the groups with a formal structure each had a Shire Council Representative.

Key Function

| | Service Provider | Support Association | TOTALS |
|--------|------------------|---------------------|--------|
| Groups | 5 | 5 | 10 |

The Agcare groups all provided financial counselling for primary producers and other support programmes for families in need in rural areas. The services were free, mobile and confidential.

The other five community groups provide support within their communities across a range of issues. The largest of these provides childcare both locally and to smaller outlying communities in the region and supports other projects by providing an auspicing structure for new projects that have a family focus. Each group includes young people, employment, learning, enterprise development and creative whole of community projects and programmes. These five groups have an inclusive approach using mentoring and partnership building across a range of organisations to support their communities. Three of these groups also include a cultural component in their support projects.

Human Resourcing

| | Paid Staff | Volunteers | TOTALS |
|--------|------------|------------|--------|
| Groups | 8 | 2 | 10 |

Southern Agcare is by far the largest Agcare group in Western Australia, and in 2005/6 employed 7 full time rural counsellors and administration staff. However the largest group in the interview sample employed 10 full time equivalent staff including a coordinator, centre director and part time administration officer. Three of the smaller groups outsource project administration to local community members or organisations on a contract basis. Only two of the groups were run entirely by volunteers.

Funding base

| CORE | Government | Community | Partnerships | TOTALS |
|----------|------------|-----------|--------------|--------|
| Groups | 2 | 8 | | 10 |
| PROJECTS | | | | |
| Groups | 6 | 1 | 3 | 10 |

The majority of groups rely on the community for their core funding and government sources for their project or programme funding. This includes all of the Agcare groups

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and the other groups who employ staff. One of the smaller groups is entirely community supported.

Only one of the groups actively participated in multiple partnerships that included businesses. Local businesses and community volunteers sustained the group's core, and a local business, corporate, government and community mix supported their projects and programmes.

The next five questions relate directly to the community interviewees' perceptions of the group and results are given as the number of individuals out of the 25 interviewees who stressed the point in the discussions.

The strengths of a Community group

Local Knowledge – 14
Grass Roots Approach – 14
Member Networks – 8
Practical Approach – 6
Non-government – 5

The first three comments reflected the importance of involving local people in the community and all were mentioned by members of the Agcare groups. Many interviewees felt that being local meant they were well known, established and trusted and had no vested interests other than meeting their community's needs. It was far easier for community members to know what the needs were and to service them from the grass roots. Providing opportunities to show guidance and leadership was also considered a strength. A Southern Agcare committee member commented *"being non-government prevented a welfare stigma attached to receiving government help so their (clients) pride is protected and they can retain their dignity"*

The chairperson of the largest group had an even more inclusive view of the advantages of a community group. Their group actively included a range of people with different experiences and qualifications, nurturing the capacity of new people entering their target group. The chairperson felt that as a community group they were able to work with government to respond to community needs and had in place accountability structures to successfully acquit government project funding. They were also in a good position to nurture new ideas and were always asking the community *"What do we do next?"*

Another group had an open mind to new projects and mentored local people to develop their ideas. Networks were one of the ways used to keep track of what was happening in their community. One committee member commented *"networking is our greatest strength. We are all members of other committees and can promote our group effectively with others and are a link to other groups - we initiate ideas and provide resources to the community."* The chairperson of this group also felt his group was good at knowing what the community needed and the committee was there to drive things for the community as a whole in a flexible and timely way. One committee member commented *"A sense of achievement and ownership was created by the community saying what they want and then making it happen. People appreciate things they have to work for and is not handed to them on a plate – there is a sense of achievement and value for the committee work"*

The threats to the continuation of the group

- Resourcing - 16
- Government Policy – 13
- Committee Succession – 10
- Committee Workload/burnout - 10
- Decreasing Population – 9
- Takeovers – 5

The major threats identified by the community interviewees revolve around human and financial resourcing and can be linked to the neo-liberal and globalisation trends, impacting on rural communities across Australia. (discussed in chapter two). The resilient attitude of some of the groups however was encouraging with one interviewee commenting that *“We are on committees to make things happen not to be hanging around waiting”* and another commenting on succession - *“I see it as more of a challenge than a threat to try and to encourage new and enthusiastic committee members who are there because they want to help and not because its an expectation”*. The same interviewee considered reliance on government funding as a threat and commented that *“ it is important to be self sufficient without funding which may be withdrawn at any time”*. He also believed that apathy in the community was just the Prato Principal *“ where 80% of the ‘work’ done by volunteers in the community often only comes from 20% of the community population ”*

The strategies to address the threats

- Networking and collaboration - 13
- Inclusive Approach – 7
- Compliance and Accountability – 5

All of the community groups were focussing on strategies to address the threats by being more diligent in their approach within existing boundaries and also encouraging new people to be involved by being inclusive. The chairperson of one group however, supported by others in his group had a different approach. *“We have to be self-supporting and are looking beyond funding. We provide services in the community because we want to and not in response to funding. We don’t whinge that the government isn’t supporting us we just get on with it. We have lots of community involvement with a broad, whole of community approach that is inclusive.”* This group does not receive funding from federal, state or local government for its core operations but is actively working to develop business partnerships. Collaboration with a corporate partner has developed over the past four years and has encouraged the group to also embrace local business and community support to sustain their core function while seeking government project funding only if it meets the community’s needs.

The key elements to ensure the continuation of the group

- Community Support – 9
- Focus on Vision – 8
- Competency - 7
- Leverage – 7
- Dynamic Committee – 5
- Passion - 5

No Personal Gain – 5

Reflexivity is the part of action-reflection research where participants think about what has been discussed and what ideas have been generated so that changes can be made (Kindon 2005). It was interesting to observe this reflexivity in action as interviewees considered their answers to this and the next question. The question invited community interviewees to reflect on all that had been discussed throughout the interview and apply it to community groups in general. Replies to this question were spread evenly across the groups with no clear key issue but a varied range of individual responses. Also mentioned more than once were celebration, leadership and citizenship, awareness of threats and core sustainability. One of the interviewees summed the elements up as *“flexibility, relevance, willingness and promotion”*

The attitude of the group to managing change

Proactive and positioning - 12

Reactive and adapting – 13

The responses to this question by the community interviewees were also evenly spread across the groups indicating a very individual response. It could indicate a balance of personalities in each of the committees that reflects the way a community is made up. One Southern Agcare committee member summed up the need for maturity, youth and a steady middle age so that groups are prepared to change but not for change sake.

Improvements to the governance structure of the group

Team Approach – 12

2 way communication – 12

Cut Red Tape – 7

Fifteen of the interviewees were happy with the way their group was going and suggested some fine tuning was all that was needed. Also mentioned were sub committees to spread the load and practical adjustments to the meeting procedures.

All the non-profit groups interviewed except the informal group had adopted a hierarchical structure, which they felt, was well managed and had structural procedures in place although some were conscious of the need to continually fine-tune their procedures. Compliance and reporting requirements were mentioned as important to abide by, although most felt that these needed to be simplified. On the whole, the community groups were happy with how their group was structured and when interviewed identified resourcing and government policy as the real problems but felt that these were out of their control.

Over the past few years, government has provided funding for training. Despite this, only one person mentioned committee training as a strategy in their interview. There was however subsequent informal comments to indicate that the training provided currently is very basic considering that most committee members were experienced business people with high turnovers and had already served on committees. The comment from one interviewee was that *“Funding bodies never give us any credibility, they just look at us as dumb bunnies”*

Another member of the Working Communities Regional Network joined the debate stating that *“The main issue in our town is not the lack of leadership or talent in various community project arenas.....it's resources (bluntly put funding \$\$\$\$) to fairly employ already highly skilled folks to do the work that others are not doing!!!*

So much money is spent on conferences and workshops about how to community capacity build, but in the end if there's no real assistance to progress that development at a real grassroots level and valuable time, like ours, is spent chasing funding for NFP projects, or battling entrenched local government attitudes.

This is the message we need to get across to government now! Good leadership doesn't come from workshops it comes from solid community mentors who do the 'walking' and others learn through followership. Support at the local level for these folks is the way forward!”

6.3.2 Partnership Interviews

The partnership interviews gave another perspective to the community group interviews and added to the discussion in the next chapter. Each partnership interviewee already recognised the social capital strengths of community groups and were actively involved in engaging communities. They were chosen because they were each involved in partnership brokering and regarded multiple partnerships as the future. Partnerships had also been one of the trends in governance (outlined in chapter 2), however most partnership interviewees were aware that their attitude was not necessarily shared by everyone in business or government. Two of the interviewees were government representatives who actively worked with community partners, one interviewee worked with government and community partnerships and two interviewees represented large community funds that were business oriented.

Interestingly, most of the strengths mentioned as important by the community group interviewees, were not looked for by the partnership interviewees when considering community groups to partner. As each of these interviewees already worked in partnership with community groups it can be assumed that the strengths of a community group are already recognised. The two overwhelming factors that each of the partnership interviewees looked for now were a dynamic and vibrant group with a common vision and a desire to partner. Community support was mentioned by four of the five partnership interviewees as also being important.

The main threat the partnership interviewees considered important was community politics and hidden agendas, which often prevented partnerships from going ahead. Resourcing was mentioned by three of the five interviewees as an issue for rural community groups and two of the interviewees recognised the importance of resourcing the actual partnership process. One threat for the business with community partnerships was people not understanding what a partnership was about and what it meant to a company.

“You can usually tell by the way people talk if they want to work in a partnership or if they are really just after a one way funding source. We ask if they have approached

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government and other potential partners. About 90% of people who contact us are interested in a donation, which is not our partnership model. Partnerships need to be worked at and sometimes people can be offended if all they want is a cash donation to survive and we don't help them.

Our approach is more about changing things for the future. Lots of people don't understand our philosophy. It is very difficult to choose a fewer number of groups to work with when there is so much need out there but the fund is not about charity. We look for where groups intersect with our company and care needs to be taken to make sure there is understanding and alignment of values. We are proud of our company and how we treat our employees and the environment and we have some very good programmes, but sometimes it takes a while for everyone to move with these changes – internally and externally.”

The three interviewees who represented either government or business in a partnership each built a review strategy into their partnerships that included ongoing reporting on the activities as well as a report on the actual partnership. MOUs and clear terms of reference were strategies adopted by four of the five interviewees to make sure everyone understood their roles and expectations. Each partnership interviewee acknowledged that fiduciary requirements were important however four of the five felt that it was something that could be addressed as the partnership developed. The five partnership interviewees all had a very proactive approach to change and embraced it within their partnerships.

The partnership interviewees took a reflexive approach when considering the elements that non-profit groups needed for partnering and pondered the question from a sustainable partnership perspective. Each interviewee mentioned sincerity and passion as important. An outward looking vision was mentioned by four of the five. Also mentioned was a focus on community, looking at the big picture and chunking actions, recognising and building on strengths, clear expectations for everyone involved with systems and processes in place that included feedback.

The partnership interviewees looked at the improvements that community groups could make to better participate in partnerships and the replies were based around positioning. One of the partnership interviewees mentioned governance and fiscal issues and making sure everything was in place to participate in partnerships. Empathy for others in the partnership and a mature attitude were also important. Understanding the potential of partnerships in a partnership mix was mentioned with the suggestion that community groups *“Look at what other resources are needed. It isn't always about money - people do pro bono work for community groups.”*

The importance of building relationships with community from the start was mentioned by each partnership interviewee. Credibility and support within their communities was essential to ensure groups were dynamic and ready to enter into partnerships. The need for trust and open communication, the capacity to maintain momentum and the strength to deal with challenges was also important. *“We all need to be seen to be giving something and not just paying lip service.”* Also important was for non-profit groups to have sincerity and passion about their community with a focus on what the community needs. However as one interviewee suggested, sometimes things get bogged down and everyone needs to step back and ask *“What*

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am I doing here? What am I trying to achieve?" The same interviewee felt that a sense of maturity and being able to do things for the common good and not personal reward is needed as well as giving groups ownership of the process to make them feel more empowered as participants in a project rather than as mere observers.

One of the clearest messages from the July 2001 opinion leader interviews undertaken by Rio Tinto (Rio Tinto WA Future Fund 2001) was that business does not always have the remit or skills to address issues in the community alone. *We can't change government policy and we can't fill the role of community organisations so we adopted a partnership philosophy where we do things **with** communities and not just **for** them.* The company uses their strength, or expertise and skills, and makes themselves available to communities by promoting partnerships rather than just giving out money in a philanthropic approach. *"We try to respond by using our available resources – people, money and ideas to help communities."*

Most interviewees commented that non-profits entering partnerships needed to be credible and in touch within their own communities and represent the community as a whole and not just a single interest. One government interviewee however welcomed a divergence of agendas as long as people were open and there was no personal or political gain and that satisfying egos was not an issue. All the partnership interviewees felt that groups needed to be passionate and motivated with a vision for their community so that partners are confident that they will continue to persevere. The importance of leaving *"founders egos"* behind and everyone becoming detached enough to see possibilities was also mentioned. The interviewee working with government and community partnerships recognised the threat that communities faced when relying on volunteers who had other commitments. He emphasised that this made engaging with these groups spasmodic. Partnerships needed to be properly resourced so it is clear who is going to supply what. He did however recognise that engagement was often considered a *"euphemism for devolving services to community without funding."*

The government representatives felt that if the group is participating in service delivery then a bit more rigour was involved. Government representatives needed to make sure that governance issues were covered to meet the accountability requirements to the Australian Parliament and ultimately therefore to the taxpayer. Structurally this meant all the usual compliance obligations like a legally based constitution, formal office bearers, financial, tax, insurance, committee records and a clear line of responsibility. They felt that in reality a demonstration of fiscal competence was important so government knew the money would be spent properly. In addition to these structural aspects, a track record in meeting service outcomes and presence of professional qualifications to deliver the service was important and staff needed to have professional accreditation and meet professional association standards for service expertise. *"Basically it is 1. Fiscal 2. Professional Relevance 3. Dynamic Group."*

Most of the other partnership interviewees also felt that strong leadership, vibrant group dynamics, an outward focus, a mature attitude and a willingness to enter into collaborative partnerships were also vital. However some of the partnership interviewees felt that structural governance issues could be addressed as the partnership developed with one interviewee summarising what was needed as *"Good*

connectedness, with strong leadership and a group that engages well with others is really important – they must have a vision and outward focus.

The government representatives and fund managers all adopted both proactive and reactive engagement strategies depending on the situation. Both community fund managers were moving more toward a proactive approach to community engagement by actively seeking groups to engage with. One partnership interviewee also felt government needed to develop as well and recognise the contribution made by community groups. *“Government needs to learn about genuine engagement.”* The same interviewee felt the quality of the engagement and establishment process is important from the start. Partnerships needed to be properly resourced with clarity about who is going to supply what and where. Everyone’s role needs to be included and operations must be transparent. It is good to have terms of reference and an engagement plan right at the start for everyone providing things *“even the in-kind.”*

The problem of past bad experiences with government was acknowledged by one of the partnership interviewees as a threat and he felt it was the government’s role to build trust again. He also agreed that networking, establishment of open communication and always checking how things were progressing then dealing with things personally gives people certainty. Ensuring groups are fully informed was another strategy he used to deal with potential threats or misunderstandings and often by visiting communities and informing them of the parameters or criteria that needed to be met for funding had made groups realise what is and is not realistic or achievable. *“It is about building relationships and making people feel valued. Sometimes it is good to be reminded that we are all advocating on behalf of the community.”*

Increasing compliance and reporting requirements were impacting on the community interviewees as they managed their groups with a plea to ‘cut red tape’ a common theme. One of the partnership interviewees however stressed that, for his department it was a balancing act between government, governance and responsibility to stakeholders for the particular service requirement. *“we are dealing with public money – there is an inherent accountability and governance aspect to any government funding grant. The Public Service has to be accountable to ensure that the service is delivered – it is a balancing act between being accountable with tax payer money and enhancing service delivery to the community.”*

The same partnership interviewee felt that the culture within government departments was changing and, although he stressed it was his personal style, summed up his way of working *“Each community is different so we must be flexible and start from the community perspective. This must not only be done, but seen to be done. Growth needs to be organic and groups have to be flexible and balanced within a framework to embrace change.”* Another partnership interviewee felt that the role of government is setting the broader strategies and framework. *“It is about shaping the policies.”*

6.3.3 Follow Up Committee Interviews

The partnership interviews highlighted the growing importance that some government departments and businesses placed on working in partnership with community. An additional three questions were constructed to find out the attitude of the Southern Agcare committee to developing multiple partnerships and how they would go about

it. Two executive committee members participated in this interview, which asked the following questions:

1. What are the main obstacles to partnership?
2. How could Southern Agcare position themselves better for partnership?
3. Who would Southern Agcare partner with and how would you go about developing partnerships?

There was a growing appreciation in the follow up discussions and interviews with the Southern Agcare executive committee of their current government partnerships however the threat of takeovers and losing autonomy was still paramount. Respondents recognised the potential for business with community partnerships and felt they would be less intrusive and allow the group to focus on service delivery priorities. However they stressed that care would need to be taken to ensure there was no conflict with Southern Agcare's mission.

Both respondents felt that it could be an advantage to encourage a range of partnerships with larger businesses operating throughout the region but they were reluctant to further burden existing local businesses. Mention was also made of forming partnerships with other regional non-profit groups for joint projects.

It was recognised by the respondents that a need would have to be identified and then a programme developed to meet the need before approaching potential partners. There would be no obligation for any funders to support the proposal so the group would have to sell themselves by showing partners that it would be in their interests to support the organisation.

6.4 Summary

Chapter 5 outlined Southern Agcare as an established, regional non-profit organisation with a grass roots approach to delivering a valued service in rural areas in the Great Southern. The organisation had a team approach to governance and service delivery with well qualified and dedicated staff, supported by a passionate and capable committee who were all actively engaged in rural communities. Southern Agcare has all the structural elements necessary to move forward as a non-profit organisation in a regional area. Chapter 6 presented the results from the interviews with Southern Agcare committee members and supported this view. One committee member summed up their commitment by saying "*Southern Agcare offers a truly great service and I am proud to be part of it.*"

The wider community interviews identified government policy, resourcing and takeovers as threats to their sustainability while also identifying two way communication, development of a team approach and cutting red tape as improvements the groups could make. The Southern Agcare committee were provided with the results from the interviews for feedback and a discussion paper prepared to assist them as they address some of the structural governance requirements and position themselves as they more fully participate in collaborative partnerships. Human and financial resourcing was a challenge for most non-profit groups although the case study highlighted, that for Southern Agcare, removing the

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burden of resourcing half the Rural Financial Counselling Service programme gave the committee time and resources to look toward the future and had actually provided a case for action to strengthen their position as a regional service provider. Succession however was still an issue for Southern Agcare as it was for the majority of those interviewed.

The partnership interviews added to the research into business and government partnerships with community groups. This highlighted the positive moves by some business and government representatives who were actively supporting partnerships with community through non-profit organisations. The requirements for entering a business partnership were far less tied up in red tape however they were discretionary and business had no pressure to participate. The move toward corporate citizenship and a cultural shift in the way business operates in communities is positive for the future of established groups with good relationship building skills. Follow up interviews with the Southern Agcare committee looked at the attitude of the group to partnerships, how their group could develop collaborative partnerships and who to partner with. The results from these interviews indicated the important role government was playing in working proactively with communities and the positive attitude the committee had to building partnerships with businesses where control did not seem to be the driving force. However, there are still policy challenges to be addressed with maintaining autonomy a major issue.

The research has highlighted enhanced governance structures and processes that could be adapted to address some of the challenges identified by committee members in the interviews. Participatory Action Research leads to change by providing research groups with ideas and leverage that results in transformation within society (Kindon 2005). The following chapter discusses the research and presents an organisational map to help position Southern Agcare to embrace multiple partnerships into the future. Appendix 2 contains recommendations for development that the Southern Agcare committee can use to fully embrace multiple partnerships.

Chapter 7 Discussion

Non-profit organisations are strong in regional areas, particularly the Great Southern Region of Western Australia, where there has always been a volunteer culture and a stoic independence that has served rural people well in the past and enabled rural communities to build a strong sense of place and self-reliance. This however often prevents rural people from relying on others, when they have always had to do it themselves. The challenge for non-profit groups is to strengthen their organisational capacity but also to be willing to build multiple relationships with business and government, embrace collaborative governance and leverage to influence policy in the regional domain. Resourcing, both human and financial, together with communicating their vision will be a challenge for regional non-profit groups as they adjust to the impacts of neo-liberalism and globalisation on rural areas.

This chapter discusses the topic drawing on the academic literature and the results from the Participatory Action Research. Governance as structure is discussed with particular attention to resourcing and policy issues. Organisational maps, showing how Southern Agcare can position themselves to further embrace multiple partnerships are presented. A discussion on governance as process leading to collaborative governance follows and the issues from the research are analysed. The chapter concludes by highlighting challenges that all sectors face in positioning themselves to embrace collaborative governance.

7.1 Governance as Structure

Stark (2005) outlines the shift in some communities toward building more effective structural governance in their organisations and highlights the difference effective governance is making to some rural communities in America. Citizen engagement and the ability to leverage for resources are major components of effective governance (Stark 2005). All the non-profit groups interviewed, had adopted a hierarchical structure, which they felt was well managed and had the major structural elements in place. Most however were conscious of the need to continually fine-tune their procedures (Steane & Christie 2001).

Governance as structure includes accountability processes, organisational structures, chains of command and management systems that control the running of an organisation, business or association in an orderly way to achieve its purpose. Most governance mechanisms in western society are hierarchical structures or bureaucracies, and have some form of legislation, guiding document or set of principals to maintain the structure and guide operations. Although the form differs within each sphere, when followed, this ensures that governance procedures are coordinated and outcomes met. John Carver has significantly contributed to refining this process in the corporate sphere and has written several business management books outlining Policy Governance (Carver 2002) which defines the roles of board members and chairman and also the role of executive officers in all areas of operation.

Non-profit organisations such as Southern Agcare, usually adopt a hierarchical structure with a board or management committee elected by members or stakeholders to lead the organisation. Non-profit organisations are incorporated under law and follow a constitution that outlines their objects of association and structural rules (Spall & Zetlin 2004). Many non-profit organisations also adopt Policy Governance

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and it is often commented that there is a gradual convergence of non-profit groups toward the business sector (Lyons 2001; Steane 2001; Steane & Christie 2001).

Steane and Christie (2001) discuss the differences in governance between business, where owners or shareholders actually control the business to make a profit, and a non-profit model where board members work with stakeholders in a community with similar values. They believe that the vital difference between the two is motivation with businesses being motivated by structure and decision making to increase return to owners or shareholders compared to non-profits, which are more ideologically motivated (Steane & Christie 2001). It was therefore interesting to note, in the interviews, that the businesses involved in partnerships with community took into account the fact that some non-profits may need help with structural governance and that the main criteria they looked for was vision. There would therefore be an opportunity for non-profits, who partner with business, to enhance their governance structures and learn through mentoring.

Drucker (2004) defends hierarchies as the most effective way of governing organisations and, when operating well, enable organisations to respond quickly and with authority to situations when needed. Although consensus decision-making can effect the ability of organisations to make a rapid response, new technology has the potential to revolutionise the way organisations work. Rather than destroying the organisational structure and replacing it altogether, a more horizontal approach needs to be applied to make existing hierarchies more relevant (Drucker 2004; Spall & Zetlin 2004).

Hierarchical governance structures in non-profit groups however have a strong reliance on a small voluntary executive to do most of the work. Although Southern Agcare has a paid secretary and bookkeeper to handle the daily administration tasks and organisational reporting, the growing expectations in communication, resource management, programme development and compliance tasks were performed by an already overburdened volunteer committee or not even attempted (Spall & Zetlin 2004). There is a growing realisation among non-profits that lack of resourcing for many core development tasks is a limiting factor. Resources for improving communication, researching extra programmes and increasing awareness would allow the committee time to develop their organisational capacity to build multiple partnerships and work toward collaborative governance.

The research concluded that the greatest strength of a non-profit organisation is their local knowledge of rural communities, with each committee member contributing an extended network of contacts. Social capacity has risen to prominence since the publication of works by Robert Putnam – in particular his research into social capital in American communities (Putnam 2000) which caused considerable criticism about its lack of rigour particularly in measurement (Putnam 2001; Van-Rooy 2001). Despite these criticisms the notion of social capital and the value of social and civic networks, reciprocity and associated norms has continued to gain support from researchers and others (Alston 2002; Norton, Latham, Sturges & Stewart-Weeks 1997; Spall & Zetlin 2004; Stewart-Weeks 2000; Tonts 2005; Woolcock 2001).

Wiesenfeld (1996) challenges the view of community as being totally homogenous however and highlights the important role individuals play in transforming

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communities. He goes on to talk about how, in some communities, those with power can dominate others. This often occurs in community groups with well meaning people pushing their own agendas and is more prevalent in small communities that rely on the same pool of volunteers (Edwards 2003). In many non-profit organisations understanding community issues is often more valued than the expertise of committee members. Introducing productive pluralism (Stewart & Jones 2003) and a team approach would encourage a range of viewpoints without de valuing social capital .

Developing a team approach can be achieved by professional development of staff and committees as an organisational team and was a way community interviewees identified to strengthen their groups. Some interviewees felt that the current governance training that focussed on individuals was inadequate, however it was noted that in Australia the Institute of Company Directors had adapted their company directors course for non-profit boards. Professional development and organisational training that embraces a team approach was advocated by interviewees and many business partners now provide in-kind support to develop organisational capacity (Loza 2004).

Dawson and Dunn, (2006) outline the moves in the United Kingdom to develop governance codes to assist fragile non-profit groups. The need for this became important with the growing compliance requirements of non-profits funded to deliver services. To help non-profits, many websites are now available with voluntary codes of conduct and contain templates that groups can adapt (see appendix 2). Dawson and Dunn (2006) however go on to mention that these codes are difficult to enforce in voluntary organisations where they have no real authority and often become “quasi regulatory”. When codes are not legally binding, it can lead to the view of volunteerism and the flexibility it offers not as a virtue but a weakness. They go on to add that the trust by the public that is placed in non-profits, while increasing their profile and preference as service providers, does place greater pressure on groups to be open, transparent and accountable to the community (Dawson & Dunn 2006).

Accountability is also an important issue when many sectors work together. Edwards (2003) outlines an accountability framework to include the growing collaboration between government and non-profits. Accountability issues are also mentioned in the community interviews as a continually increasing burden. Some respondents suggested looking at reporting requirements to see if they could be streamlined to make them simpler. For the family counselling services, Southern Agcare has reached preferred service provider status and with yearly reviews has the opportunity to discuss these issues. Compliance requirements however continue to increase.

The expectation by government for greater governance procedures and accountability is seldom matched by resourcing to allow non-profits to achieve this. The situation is becoming so serious that many community members are unwilling to serve on committees and boards because of the workload involved as well as the threat of litigation for non-compliance. It will be a challenge to better equip voluntary board members with the professional skills they need to govern their organisations effectively and efficiently without increasing their workload.

7.2 Resourcing

Resourcing was identified as one of the major threats to the continuation of the non-profit groups in those rural communities in Australia today where populations have continued to decline. Neo-liberal policies and organisational mechanisms would conclude that it is not economically rational to sustain services in low population areas (Gerritsen 2000). Reduced income has increased the need for services in regional areas and decreased the ability of most communities to resource this themselves at the local level (Eversole 2003). Very recently however a more positive outlook has evolved where sustainability is viewed as a set of goals within a complex system which constantly need evaluation and adjustments (Kooiman 1996; Smailes 2002).

Smailes (2002) believes that size is not an important issue in a systems view of social sustainability. Smailes (2002) considers the three elements of education, health and security as the core of a sustainable community and that government intervention is necessary to ensure these core services are retained. Economic sustainability however benefits from economies of scale and, although a challenge for regional policy makers, could be approached as a network of communities working together (Dibden & Cheshire 2005; Edgar 2001; Smailes 2002). Spall and Zetlin (2004) discuss the value of a regional approach, as the ideal level for delivering quality social services because a client-centered focus is retained.

Southern Agcare and many of the nonprofits in the research operated as regional groups servicing rural communities. The research indicated this as the ideal domain for the organisational capacity of Southern Agcare as it allowed the group to adopt a team approach to service delivery and operate autonomously. The case study research concluded that the organisational capacity was challenged only when the committee undertook work that was outside their regional domain. The research however did highlight that mentoring and collaborating with other non-profit groups and the public sector was sometimes undertaken both within the Great Southern region and often extended to other regions.

Resourcing is a vital component to be able to successfully develop service delivery in any domain and many of the groups interviewed were already successfully negotiating with funding bodies to include an administration and coordination component in their grants. It was however acknowledged that some government agencies had in the past withdrawn from communities where non-profit groups operate effectively, leaving them without the resources to continue to be effective. The silo effect or cross cutting between government departments hampers efficiency in resource allocation for service delivery and causes duplication or overlapping as agencies compete with each other for programme funds (Lynn 2004). It makes a holistic approach difficult in regional areas if there is no culture of collaboration between government agencies (Beresford 2000).

There are also costs involved in maintaining partnerships, and as government moves toward participatory governance and engages with community groups these costs have increasingly been met by volunteers who travel long distances away from their businesses to attend meetings. Cost shifting was also an issue identified in the research, particularly for the Agcare groups who had witnessed this cost shifting at the

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local government level when their Shire Councils were expected to provide extra services (Daly 2000). The situation has reached crisis point where many groups can no longer bear the financial and human costs in delivering services. New people are no longer prepared to become involved in committees where volunteers are burdened with the costs of management. There is a growing realisation that, for communities to continue to undertake a greater role in managing services, adequate resources are needed. In recent years government response to service delivery has moved from one of cost shifting to coordinating resources through collaboration (Shiel 2001).

Gray and Lawrence (2001) warn that care needs to be taken when encouraging the development of institutions where attempts to create stronger social capacity may actually destroy what is already there. There is already a decreasing pool of people to do the work in rural communities, leaving many voluntary groups severely under resourced. All communities in rural areas are coming under pressure as they struggle to keep things going without suffering the all too prevalent burnout (Eversole 2003). There is the added danger of withdrawing services completely, which also destroys social capital by removing workers and their families (Tonts 2005).

To raise funds, some non-profits are involved in commercial activities such as renting, leasing equipment and user pay services, however the market culture affects rural areas where the smaller markets make many social entrepreneurial and user pay services unviable unless the groups are prepared to expand their range of services or extend out of their domain. Care also needs to be taken to prevent the identity crisis between market participation and altruism where non-profit characteristics struggle to remain values-based when survival is the driving force (Salamon 2003; Skinner & Rosenberg 2005; Spall & Zetlin 2004; Steane & Christie 2001).

Succession and empowering others to take on leadership roles is an important element for the success of non-profits that rely on volunteer management committees to administer their organisations (Lyons 2001). A wide range of skills are important on a committee and it may be one way of encouraging members with different skills (Salamon 2003; Steane & Christie 2001). Most non-profit constitutions include provision for committees to co-opt people with special qualifications for special purposes. Business people could be invited to be part of the committee on a pro bono basis as part of their citizenship strategies. If resources are available there may also be an opportunity for non-profit groups to bring new people into the organisation as staff members.

Finding qualified staff was identified as an issue in the research as an ongoing challenge for non-profit organisations. This is also an issue for government managers, under pressure to be even more accountable, by increasing the human outcomes but not the financial input. Wage levels of employees is rising, making staff retention difficult when there are more lucrative options available. Staff also come under pressure to keep their positions by fundraising efforts and there is the real possibility that staff burnout in both the public and private sector could follow volunteer burnout (Salamon 2003).

With the growing trend toward global communications, there are opportunities for rural non-profit groups to communicate their vision and promote their services through electronic means to increase awareness of the work they do (Lynn 2004).

Enhanced communication has cut down on travelling time for regional non-profits and is particularly important to regional groups who offer a mobile service. It also allows regional committee members, travelling long distances, to communicate with each other and have input into decisions between meetings. The literature indicated that many committees were already doing this with the assistance of business (Loza 2004).

Access to charitable funds is becoming increasingly competitive and creative non-profit groups, who can offer something to donors, are far more successful at communicating their vision and marketing their assets (Spall & Zetlin 2004). However for smaller groups, charity and business philanthropy become the only viable option. With communication, resourcing and policy issues recognised as key elements for their success, one of the major influences on the sustainability of non-profits into the future will be their ability to communicate their vision. This will enable them to respond to the growing move toward corporate citizenship by developing meaningful multiple partnerships that include business.

7.3 Policy

Many authors agree that the current system of bureaucratic service delivery is inadequate to meet needs in rural areas in a rapidly changing world (Bertels & Vrendenburg 2004; Kooiman 1996; Loza 2004; O'Toole & Burdess 2004; Spall & Zetlin 2004). Drucker (2004) recognises the need for reform of the Weberian model of bureaucracy to meet the challenges in today's society where citizens are better informed and are encouraged to participate in decision making (Kooiman 1996). However moving responsibility to local government or devolving back to community often amounts to nothing more than cost shifting where responsibility for a service is shifted, without the required resources for delivery (Davis & Weller 2001; McKenzie 2003; Spall & Zetlin 2004; Stewart-Weeks 2000).

New public management policies focus on output, and a shift from equitable service delivery structures to measurable outcomes (Davis & Weller 2001; Steane & Christie 2001). Service providers in rural and remote areas with smaller populations, where more time and resources are necessary to meet the outcomes, are often victims of the resulting downsizing and decline in services (Beresford 2000; Davis & Weller 2001). There is however still a role for government to play in helping communities as they cope with service delivery. Stewart-Weeks (2000) suggests that those in government need to be taught new communication skills and not be afraid of partnerships with community. A move away from the traditional idea of a central government doing everything is often advocated (Lynn 2004; Stewart-Weeks 2000).

Centralisation of government services and a shift from equitable service delivery structures to measurable outcomes have contributed to poverty and decline in rural communities (Davis & Weller 2001). The committee members interviewed felt frustrated and believed that government did not seem to recognise that one of the strengths of a community group was its ability to respond to community needs. It could be argued that it is not lack of capacity but the neo-liberal policy environment that had lead to the withdrawal of services and lack of resources for non-profit groups in rural areas with low populations (Lynn 2004; Spall & Zetlin 2004). Two-way communication is important to identify and discuss service provision that addresses issues for both community and government.

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Edwards (2003) talks about a decline in core funding as a threat to the continuation of some non-profit groups (Skinner & Rosenberg 2005). Since the introduction of a purchaser/provider model of service delivery there is competition between non-profits and government agencies for project funds, which has resulted in the growth of larger organisations and government agencies at the expense of smaller non-profits, particularly in rural areas. However by the time it is recognised that for many of these larger organisations and agencies it is unviable for them to service small rural areas, the organisations they replaced have been destroyed and no longer exist to apply for the resources (Edwards 2003).

Sometimes government considers lack of resilience as a weakness of voluntary committees and removes the governance burden from community groups altogether (Australian Government Department of Agriculture Fisheries and Forestry 2004). The burden is sometimes one of increasing management tasks and inadequate resourcing, and a more flexible approach to solving problems is required. Providing resources for burdensome organisational tasks would allow government to take advantage of the social capital in communities and enable volunteers to continue to govern the organisations they are so passionate about.

In Canada the non-profit sector is no longer willing to contract for services without being involved in setting the policies that enable them to develop a quality service. The Canadian government has started collaborating with the sector in developing new policies and has come up with a framework to define roles and responsibilities for both groups (Skinner & Rosenberg 2005). Resources are allocated to building the capacity of these partnerships to both deliver services and influence policy (Edwards 2003). Edwards (2003) discusses the current situation between the Australian government and the community and business sector and believes that the issue of who is in control is still to be dealt with before government agencies in Australia can undertake the enabling role they are advocating. Therefore a more participatory approach is yet to be embraced (Edwards 2003; Lynn 2004).

Some researchers consider community partnerships with business as “the emerging paradigm of the 21st century”(Loza 2005). Business philanthropy is not new in global terms and Australia is fortunate to be able to draw on overseas experiences as they establish their own corporate citizenship policy environment. The low level of involvement by business with community in Australia, apart from philanthropic giving, means that there are no past experiences for community interviewees to draw on and in some ways means that business with community partnerships can build trust from the start. Government is also aware of the growth of business with community partnerships and is calling for a more coordinated approach to corporate citizenship.

There is however concern that many business partnerships with community lack accountability and the rigorous evaluation process required from the public sector to measure the outcomes of community programmes thus the benefits are unknown. The Australian Government has created the Prime Ministers Community Business Partnership to encourage active business participation. It is hoped that this will lead to more research on the concept and contribute to the existing bank of research undertaken by corporations working with communities overseas (Loza 2004, 2005).

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Rather than being the responsibility of corporations alone Zadek (2001) warns that governments failing to create a policy climate that encourages Corporate Social Responsibility risk the security of global economics from civil strife, terrorism and military intervention. A plethora of global websites have been set up to promote research into corporate citizenship and business community partnerships (Churet & Cridges 2004; Loza 2004; Tennyson 2003). These websites (see appendix 2) provide businesses with the information and tools to enter into partnerships with developing countries to alleviate poverty. Most researchers view giving by business in a positive light and conclude that, although availability of resources led to giving, no-one loses when businesses embrace giving and it should therefore also be viewed in a positive light by both shareholders and stakeholders (Loza 2004, 2005; Madden, Scaife & Crissman 2006; Seifert, Morris & Bartkus 2004; Zadek 2001). There is an opportunity for regional non-profits to build their organisational capacity by including business in a multiple partnership mix (Madden, Scaife & Crissman 2006).

Strong community, business and government leadership, that is responsive to social, technological, economic and environmental trends impacting on public policy, is needed to ensure that relationships between community, business and government meet the needs of rural and remote people (Stewart-Weeks 2000). The challenge for policy makers is to continue to recognise the importance of existing community capacity for sustaining rural communities and to collaborate with communities as they work to remain sustainable despite population decline (Black & Hughes 2001; Carr 2002; Government of Western Australia 2003; Karlsson, Johansson & Stough 2001; Lawrence 1992; Lyons 2001; Pritchard & McManus 2000; Spall & Zetlin 2004).

Building multiple partnerships is an important function of the new public policy that relies on key relationships between government, business and non-profits, although it could be argued that this is just a shifting of the power base from one group to another. Commentators (Keating & Weller 2001; Lynn 2004; Stewart-Weeks 2000) agree that the changing role of leadership needs to be deeply rooted in a shift from the central control of government to governance or self-organising networks. The challenge therefore is to ensure that the process of collaborative governance becomes embedded and that these self governing networks don't become so autonomous they set themselves up to resist the views of others (Stewart-Weeks 2000).

Phillips (2001) suggests that institutional reforms need to take place in all sectors to establish collaborative governance as part of government, business and community culture. The voluntary sector needs to be enabled by creating a supportive policy environment and statutory framework so they can retain their autonomy to participate fully. Existing government accountability processes and funding mechanisms can become elasticised to make it simpler for the third sector to operate effectively. Interdepartmental coordination and management and a whole of government approach would help to fully embrace a collaborative governance process (Phillips 2001).

Developing collaborative governance could provide a quality policy environment, strengthen organisational structures, efficiently provide resources to where they are needed and recognise the organisation or institution best suited to deliver the service. Probably the greatest contribution to policy development that non-profits could make now is to continue to embrace the trend toward participatory governance and lobby to

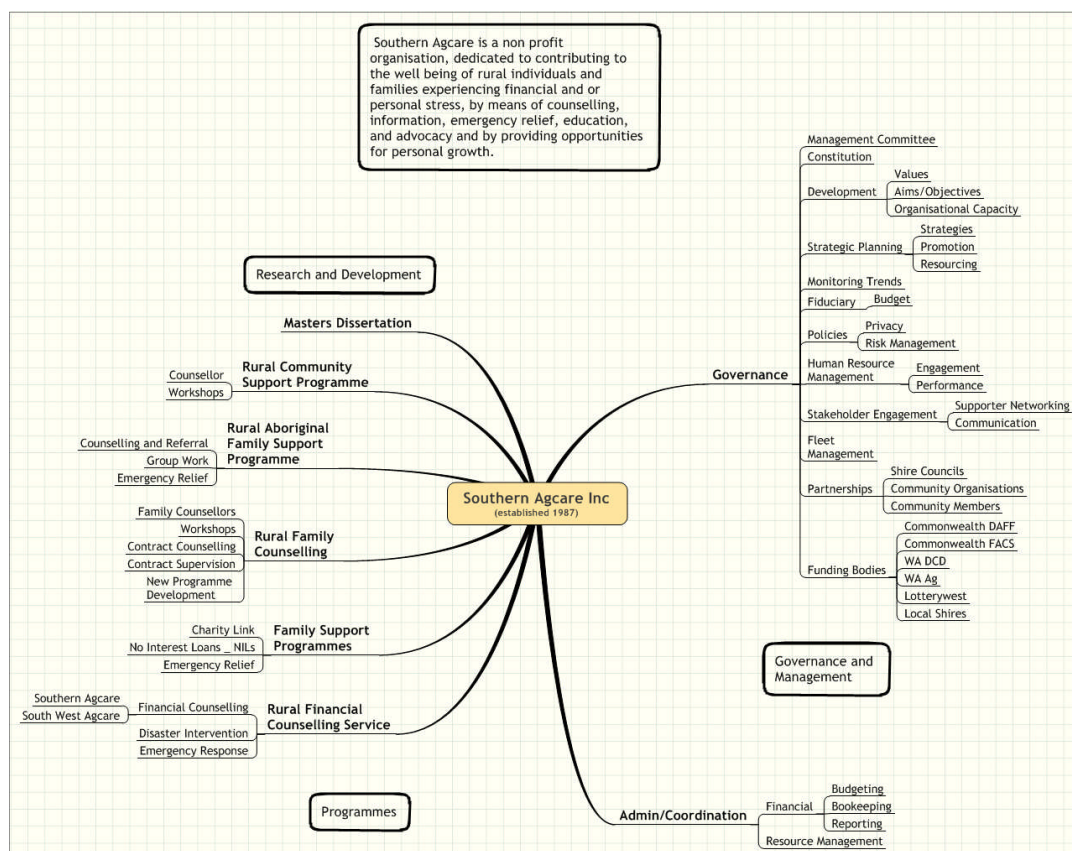
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be involved collaboratively with government and business to create quality public policy for rural areas.

To position Southern Agcare to develop multiple partnerships and move toward collaborative governance in the future, the existing organisation can be fine-tuned to allow this to happen smoothly. This fine-tuning consists of defining the committee governance role and administration tasks and resourcing research and development. This will enable the group to move forward and retain their autonomy without adding to the burden of committee members. The organisational maps in the next section document how this can be approached.

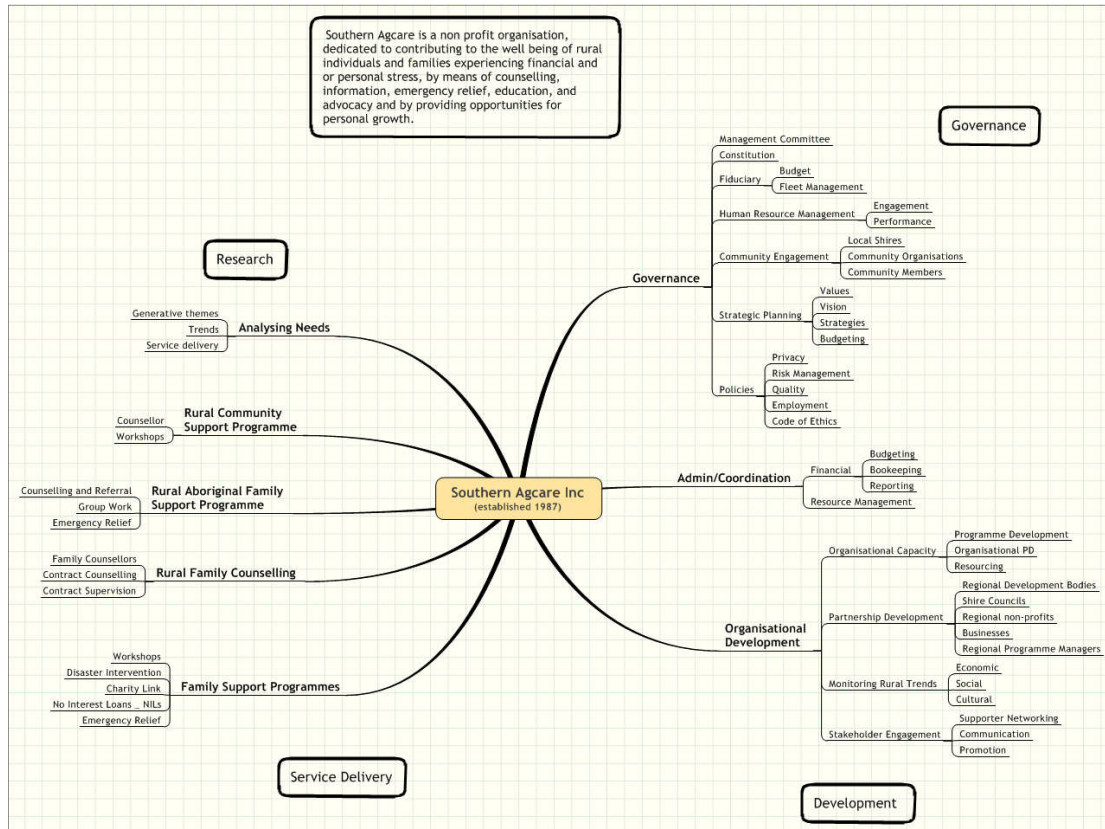
7.4 Organisational Maps

The research indicated that non-profits, willing to work with multiple partners could position themselves to embrace the growing trend toward collaborative governance. The following two maps draw on the research results and the discussion to demonstrate changes Southern Agcare could make for the future. The first diagram is the current organisational map from the Southern Agcare Inc 2005/2006 Annual Report. The second map looks to the future and how Southern Agcare could include research and development. The changes are minor and revolve around resources to, fine tune the organisational capacity of the group and increase communication and stakeholder engagement tasks as well as researching additional service delivery programmes and multiple partnerships.



Organisational Map 1: Southern Agcare Present

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Organisational Map 2: Southern Agcare Future

7.5 Governance as Process

Governance as a process is more about working collaboratively with a variety of partners, networking together at each stage of policy design, development, implementation and review. It is more than just a one-way dialogue where one party sets the agenda for others to follow (Phillips 2001). Networks and multiple partnerships also broaden the focus of governance and bring together a variety of public and private organisations into the one domain to deliver services. If these organisations can trust each other and start collaborating, the result often exceeds society's expectations of a single organisation (Loza 2004).

O'Toole and Burdass (2004) believe that the process of governance in both public and private organisations is as important as the actual governance structure. In recent years there has been a move from government to governance and community participation is now vital as government and community start to collaborate. This has been particularly significant for rural communities where government services have been withdrawn and non-profits are filling the gaps. Rather than leading to social decline this is often viewed as an opportunity to broaden the focus and introduce the notion of productive pluralism and 'governmentality' where it is recognised that there are a variety of approaches to service delivery that can be investigated and these include a non-profit grass roots approach (Beer, Haughton & Maude 2003; Kooiman 1996; Spall & Zetlin 2004; Stewart & Jones 2003).

Proponents of productive pluralism advocate, that when a variety of approaches and viewpoints are included in the governance process, top down decision making is

automatically avoided and policies become more robust (Stewart & Jones 2003). However sometimes people don't make it to the table to discuss issues and this makes it easier for government to set policies alone. It is important therefore for other interests to lobby to be included but also be willing, once given the opportunity to collaborate, to play a productive role and not push their own agendas if quality policy is to result (Stewart & Jones 2003). Bertels and Vrendenburg (2004) advocate working together from the problem perspective as opposed to an organisational perspective and this approach requires a willingness for collaboration to be successful (Bertels & Vrendenburg 2004).

Rose (2000) advocates an ethical approach to govern behaviour where government supports but not controls citizens through administration. Rose (2000) terms this new way of governing as "ethopolitics" based on ethical behaviour and believes it is more than manipulating citizens to behave ethically but a paradigm shift involving a new way of looking at governance. Covey in his books on business management uses this philosophy to popularise the concept of ethical behaviour to counter the trend toward the individual, which was advocated by previous popular writers in the field. (Rose 2000)

Hidden agendas for both organisations and individuals often cause friction and undermine collaboration and, unless goals are discussed at the beginning, the collaboration often fails. Investigating the concept of organisational research and development for Southern Agcare is a way of moving forward without losing control of the group, which can happen if a corporate governance approach is adopted and the control transferred to an executive officer or coordinator. Rather than taking over existing committee roles the purpose of organisational research and development would be to increase the capacity of the group to engage the community and better meet needs in the region by developing communication channels and researching extra needs. (Spall & Zetlin 2004)

It is a challenge for non-profits to overcome negative perceptions associated with voluntary management while retaining control of their organisations and responding to the benefits of collaborative governance. There is however an opportunity for non-profits to influence policy by participating in collaborative governance (Davis & Weller 2001) and change needs to be embraced to allow the non profit sector to overcome these challenges (Phillips 2001; Spall & Zetlin 2004). The challenge for Southern Agcare now is it to fine tune their structure, build relationships with business and embrace domain based collaborative governance for service delivery.

7.6 Challenges for Collaborative Governance

Phillips (2001) suggests that institutional reforms need to take place to establish collaborative governance as part of government and community culture. The voluntary sector needs to be enabled by creating a supportive policy environment and statutory framework so they can participate fully (Lynn 2004). Community capacity building and community development is often facilitated by governments, however some authors question the role of government as capacity builders or their effectiveness in developing communities when it effectively destroys existing capacity by replacing it with government initiatives (Davis & Weller 2001).

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It has been suggested that government needs to be returned to the people and many social issues dealt with locally (Davis & Weller 2001). Eversole (2003) researched the impact of town promotion projects in the South West of Western Australia and warns that bottom up attempts by small rural communities, who receive one off project funding to increase economic development by promoting their communities, exhaust local human and financial resources and have little lasting impact. In addition to this, an ad hoc project grant process prevents communities in rural areas from working together on a regional level by encouraging already struggling communities to compete with each other for funding (Eversole 2003).

Eversole (2003) believes that communities that are undergoing agricultural restructuring do not have, either the human or financial resources needed to drive local initiatives, and rather than a top down or bottom up solution what is needed is open communication, resourcing and a willingness to collaborate. Government therefore still has a role to play in helping these small rural communities as they cope with service delivery. The role of government is changing from central controller to an equal member of a collaborative team (Kooiman 1996) and building stronger relationships between government and non-profits will avoid the inequities caused by government leaving things up to communities to deal with alone.

It is also recognised that governance structures may need to be strengthened in more 'fragile' non-profit organisations to avoid being overwhelmed by the dissonance that could occur when organisations and institutions become so concerned with their own survival that any change is resisted (Spall & Zetlin 2004). Existing government accountability processes and funding mechanisms can also be elasticised to make it simpler for non-profits to operate effectively, and interdepartmental coordination and management and a whole of government approach would help to fully embrace a collaborative governance process (Phillips 2001).

In many organisations operational tactics and competition can hamper collaboration. Successful collaboration in complex environments is characterised by strong and persistent organisations, the convergence of economic and social concerns with policy and an increasing reliance on research and development to achieve organisational capacity (Emery & Trist 1965). Researches today are re-examining community development theories based on the philosophy of Paulo Freire and Douglas McGregor's management theories which recognises community members as having the motivation, capacity and ability to take responsibility to meet their organisational goals (Cuthill & Fien 2005), as opposed to 'managerialism' which relates more to management styles in larger bureaucracies where control is an issue and people are directed and motivated (Hope & Timmel 1998; Lynn 2004). The community development theory is ideally suited to regional organisations such as Southern Agcare and the other regional non-profit groups interviewed that have the capacity to operate as a team and found it difficult to relate to government bureaucracies. It will be a challenge for all members of a collaboration to willingly understand and accept the positioning of each player.

There is a role business can play in helping non-profits with skill development and leadership (Loza 2004). Robyn Sermon, Manager of the Rio Tinto WA Future Fund believes that corporate citizenship is very important for business and is largely driven by the sustainable development agenda, which is an international trend. Companies

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realise the importance of community partnerships in areas of operation and it is no longer a bolt on to the company or dependent on the philosophy of the Chief Executive Officer. Day to day requirements from government and demands to deliver services is also increasing, making good relationships with extended stakeholders vitally important. The rise of business with community partnerships is a global initiative and some research suggests that governments worldwide are using tax cuts to attract global companies to their region (Loza 2004). Therefore less corporate tax is collected around the world, leading to user pay arrangements. In turn this can lead to greater responsibility for business to put something back into areas that may have traditionally been government supported. This is not only financial support but pro bono work with communications, planning, skill development and governance structures (Loza 2004; Sermon 2006).

Huxham (2000) recognises that issues in society today are far too complex to be addressed by one sector alone and advocates a move toward collaborative governance (Loza 2004). The threat of takeover and loss of autonomy was recognised in the research as a major issue for non-profit groups (Huxham 2000; Lynn 2004). There is however a difference between control and autonomy and collaborative governance allows multiple partners to work in collaboration without fear of losing their autonomy. There are also challenges to participating in a complex system of collaborations at different levels across different sectors and an understanding of these challenges is needed for collaborative governance to be applied in different service delivery situations (Huxham 2000).

One important function of changing relationships between government, business and community is ensuring equity in a neo-liberal environment (McKenzie 2003). Rose (2000) warns about equity of service delivery as a result of third way politics that encourage non-profits to develop enterprises. He believes they in fact further marginalise the variety and diversity of existing communities and produce an elitist westernised set of values that, rather than accepting and embracing diversity in communities, sets out to marginalise and even ostracise those it purports to help (Rose 2000). Relying on market philosophy also causes inequity in economic development as well as service delivery (Eversole 2003; Lynn 2004). Enterprise is not embraced by everyone and those communities with an entrepreneurial bent are able to attract government and business support and flourish while others flounder.

All the partnership interviewees supported partnership approaches to service delivery at the grass roots and instead of adopting top down, one size fits all programmes were working closely with community groups to ease their burdens while allowing them to retain control of the regional organisations they had established. (Spall & Zetlin 2004). There was a growing appreciation in the follow up discussions and interviews with Southern Agcare committee members of their current government partnerships however the threat of losing autonomy was still recognised. Respondents acknowledged the potential for business partnerships, which they felt would be less controlling and intrusive on their management, allowing the group to remain autonomous and focus on service delivery priorities.

Bertels and Vrendenburg (2004) have developed this further by advocating extending the traditional notion of structural and management issues to a domain based approach to governance by forming multiple partnerships with all involved in service delivery and focussing on the problem and not the organisation. Bertels and Vrendenburg

(2004) believe that rather than changing governance structures in government agencies, businesses and civil organisations, what is needed is a shift to domain based collaborative governance where the process of governance becomes collaborative. Trust is required between all those involved in any collaborative approach and all parties need to be involved in building relationship from the beginning before roles and responsibilities can be properly defined (Huxham 2000).

Government, business and non-profits need to build relationships with each other and embrace the concept of domain based collaborative governance for regional service delivery. A more complex idea of governance within an organic structural framework that relies on networks and partnerships needs to be embraced (Bertels & Vrendenburg 2004). Reviews and research into the ideal structural frameworks to ensure the accountability and rigour for all sectors involved in collaborative approaches to governance would further improve the successful application of the concept as it evolves organically. However the vital first steps necessary for the survival of rural communities is the willingness of government, business and community to collaborate to address the challenges of living in the bush.

7.7 Conclusion

The research investigated the organisational capacity of regional non-profits operating in rural areas and concluded that the organisational capacity of Southern Agcare and many other regional non-profits was currently meeting the needs of rural communities on a regional basis in the Great Southern Region of Western Australia. Their greatest strength was social capital and their ability to understand the needs in their communities. The importance of social capital was supported by the partnership interviewees. The research demonstrated that non-profit groups in the region believed that community support, staying focussed on their vision and a competent and dynamic committee were important elements for their continuation. The research indicated that the impact of rural restructuring and population decline were adding pressure to the organisational capacity of non-profit committees and it would be a challenge to deliver services over a wider area without changing the way they managed their organisation.

The research investigated multiple partnership approaches to service delivery and highlighted the move toward corporate citizenship and the role it played in helping communities to build their organisational capacity. The research determined that most partnership interviewees chose to work with organisations that had wide community support, vision, passion and an outward focus. The business partners were not as concerned with organisational capacity as structural issues could be addressed as the partnership developed. In the research, all partners felt that the greatest strength of a community group was their social capital and an understanding of their community needs, which concurs with the research into non-profits. The greatest threat to these partnerships was community politics and hidden agendas.

The research clearly identified areas where the challenges to non-profit's organisational capacity in regional areas could be matched to the potential and willingness of business partnerships to help non-profits address these challenges. The research indicated that relationship building was the key to sustainable partnerships however acknowledged there were challenges. The research concluded that all of the

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partnership interviewees recognised the need to work in partnership as essential in the future and highlighted a willingness to partner as the most important factor. Interestingly the research identified that currently partnerships were mainly two-way either business with community or government with community and multiple partnerships were not considered. As two-way partnerships become established, there is an opportunity to research a flexible framework to enable multiple partnerships to develop in the future.

Research from the follow up interviews indicated the willingness of committee members to embrace partnerships with business together with partnerships with other regional non-profit groups. The research highlighted the fact that partnering with business was preferred to the traditional partnerships with government because there was no fear of losing control. The research concluded that, although the motives of business may be to market themselves as good citizens, most non-profits were prepared to investigate partnering with business because it would lift their profile.

The Participatory Action Research approach was valuable for disseminating some of the findings from the interviews as they were analysed. The research was used in a discussion paper with the Southern Agcare committee to enable the findings to be implemented throughout the process and an email network was established for a range of stakeholders to be involved. The partnership research demonstrated the willingness of representatives from both government and business to enter into partnerships with community groups. The Southern Agcare committee is well positioned to discuss recommendations from the research (see appendix 2).

The process of governance is about building relationships, and in some domains multi sector partnerships are already evolving based on this. Attitudinal shifts are necessary from all sectors before the process of collaborative governance can be embraced. Although structural frameworks and eventually terms of reference will be essential to define roles in a multiple partnership, research needs to be undertaken into how the process of collaborative governance can become embedded in society. Change takes time to evolve and dissonance is to be expected in today's turbulent environments. The challenge for all sectors will be to allow time for the process of collaborative governance to evolve organically and not be pushed by any one agenda in a multiple partnership.

In conclusion, evidence from the research found that:

A regional model of service delivery is an ideal level for non-profits to operate autonomously in collaborative governance arrangements.

Regional non-profit groups, that have adapted to the impacts of globalisation, neo-liberalism and rural restructuring, have the capacity to continue delivering services in rural areas.

Multiple partnership arrangements, that include business, have the potential to address the policy and resourcing challenges facing regional non-profit groups servicing rural communities.

These findings add to the body of knowledge on regional development and can be adapted by non-profit groups operating in rural areas across Australia.

Appendix 1: Partnership Websites

The Rio Tinto WA Future Fund
<http://www.wafuturefund.riotinto.com>
(Accessed 5 February 2006)

Independent Sector
<http://www.independentsector.org>
(Accessed 30 May 2006)

The Partnering Initiative
<http://www.the.partnering.initiative.org>
(Accessed 30 May 2006)

Deakin University, Corporate Citizens
Research Unit
<http://www.deakin.edu.au>
(Accessed 8 June 2006)

Philanthropy Australia
<http://www.philanthropyaustralia.org.au>
(Accessed 8 June 2006)

The Centre for Effective Philanthropy
<http://www.effectivephilanthropy.org>
(Accessed 8 June 2006)

The Partnerships Analysis Tool
<http://www.vichealth.gov.au>
(Accessed 2 May 2005)

The Prime Ministers Community Business
Partnerships
<http://www.partnerships.gov.au/index.shtml>
(Accessed 4 July 2006)

Annimac Consultants
<http://www.annimac.com.au>
(Accessed 11 September 2006)

The Co-operative Federation of Victoria
<http://www.australia.coop>
(Accessed 8 June 2005)

Governance Hub
<http://governancehub.org.uk>
(Accessed 9 September 2005)
International Business Leaders Forum
<http://www.iblf.org>
(Accessed 4 July 2006)

Volunteering WA
<http://www.volunteeringwa.org.au>
(Accessed 4 July 2006)

World Volunteering Web
<http://www.worldvolunteerweb.org>
(Accessed 4 July 2006)

Volunteering Australia
<http://www.volunteeringaustralia.org>
(Accessed 4 July 2006)

Centre For Community Enterprise
<http://www.cedworks.com>
(Accessed July 4 2006)

International Association for Public
Participation
www.iap2@.org.au
(Accessed July 4th 2006)

Office of Citizens and Civics (OCC)
State Citizenship Strategy
www.citizenscape.wa.gov.au
(Accessed July 4th 2006)

United Nations Development
Programme – Democratic Governance
www.undp.org/governance/
(Accessed 20 October 2006)

Business in the Community
www.business-impact.org
(Accessed October 22nd 2006)

Appendix 2: Recommendations for Southern Agcare

The dissonance and uncertainty caused by the changes to government policy over the past few years, while placing extreme pressure on Southern Agcare, has also given the group a case for action and the breathing space necessary to develop to meet needs in rural communities into the future. It is still prudent to bear in mind the possible threats but not to become so overwhelmed by them that they prevent the group moving forward.

Recommendation 1: Planning

The current situation is a good opportunity to use the planning process to re-engage the community and establish network contacts for electronic communication. Care however needs to be taken to ensure that technology is used as an awareness tool and doesn't replace face-to-face networks. Care needs to be taken to select a facilitator that everyone feels comfortable with, for the strategic part of the planning to ensure the result is usable. The person selected needs to understand the organisation's values and philosophy as a regional community group serving rural people. As Southern Agcare is aligned with the Working Communities Regional Network, the committee may like to tap into the services of the futurist working with the Network and other non-profit groups to challenge the committee to look at future trends as part of the planning process.

Recommendation 2: Structure

Southern Agcare's existing governance structure functions well however the growing workload on Shire Counsellors who are appointed to the committee is resulting in a decline in enthusiasm for taking on executive committee positions. Provision is made in the Southern Agcare constitution for other community representatives therefore a mixture of the two approaches could be actively adopted by Southern Agcare. A Shire Counsellor representative would still be requested from each of the Shires across the region but nominations for the executive positions, actively canvassed more widely. The committee election process would remain the same.

Recommendation 3: Networks and Sustainability

Southern Agcare is well positioned with a competent and passionate committee and dedicated and well, qualified staff that operate as a team. They are all well connected and positioned to leverage support and influence policy makers to ensure quality policy decisions. An active team approach to leveraging could enhance and service delivery and address resourcing and compliance issues. With the growing trend toward corporate citizenship, Southern Agcare is well positioned to use their networks to widen their funding portfolio, embrace a collaborative approach to business, community and government partnerships and influence policy.

Recommendation 4: Succession

Rather than lamenting the declining population in rural areas and the lack of enthusiasm for volunteering to serve on committees, Southern Agcare could continue to work with a small core of committed community members and introduce ideas and enthusiasm by co-opting people with special qualifications or encouraging paid workers who join the Southern Agcare team in the future. A new generation of professional people are demonstrating a passion for family, friends and community

and could make a valuable contribution to the organisation during their working life. They may then contribute voluntarily in the future to meet their needs as community members.

Recommendation 5: Research and Development

To relieve some of the burden from the Southern Agcare voluntary management committee funds could be allocated from the general account to Southern Agcare Research and Development. An enthusiastic Southern Agcare Research and Development person could organise communication, resourcing and professional development activities. Activities could include: organising promotional material, raising awareness to keep stakeholders informed, arranging professional development activities for the Southern Agcare committee and staff as a team, updating policy manuals and researching programmes that meet identified needs. These are all the things that busy voluntary committee members currently just don't have the time to do. Rather than replacing the governance role of the committee the Southern Agcare Research and Development position would simply work as part of the team to enhance and promote the service so it develops toward collaborative domain based governance.

Recommendation 7: Multiple Partnerships

There is an opportunity for Southern Agcare to investigate multiple partnerships for future service delivery in the region. Participating in government programmes has been a difficult process in the past few years however Southern Agcare has been diligent in retaining their regional focus and is now seen by funding bodies as a very effective and efficient group. Southern Agcare's reputation as a non-profit service provider through the Family Counselling and the Aboriginal Family Support is still very strong, however diligence is needed to ensure that Southern Agcare's regional focus is maintained and their professional integrity and reputation is enhanced. Partnerships with business and other regional non-profits have the potential to enhance service delivery and can be actively investigated.

Recommendation 8: Communication

The Southern Agcare committee currently lift their profile high enough to allow their clients to know how to contact them. The firm foundation that Southern Agcare has established throughout the region could be further enhanced by increasing communication to other stakeholders without effecting professional confidentiality. The organisational research and development person could prepare a simple communication plan to identify who the organisation wants to communicate their vision to and why then develop strategies to do this. Promoting the activities of the group and seeking community input into meeting future needs could enhance the development of partnerships with government and business. Care however would need to be taken to retain the existing core mission, which focuses on family and financial counselling and emergency relief and the professional aspects of a free, mobile and confidential service. The Southern Agcare committee would only need to lift their profile enough for prospective partners to know how to contact them.

Recommendation 9: Service Delivery

More community support and group programmes can be developed by Southern Agcare according to the needs they have identified as community members. The first priority would be to fill the gap left by the Rural Financial Counselling Programme with another financial counselling programme that does not duplicate existing services for farmers and small businesses. This is needed to ensure the objectives of the organisation are met and would enable existing promotional material advertising a rural financial and family counselling and support service to be retained. The need for financial counselling for families and households has already been identified by the counsellors and would be ideal to start with. A yearly brainstorming session with the counsellors would identify additional generative themes that could be prioritised and investigated.

Collaborative governance arrangements evolve organically and rely on informal networks and partnerships that have no dominant or lead agency. They do however rely on a shared vision, trust, values and the willingness to work in partnership (Spall & Zetlin 2004; Stewart & Jones 2003). Being positive about positioning Southern Agcare for the future and addressing possible improvements is all about planning and this is already high on Southern Agcares agenda. The Southern Agcare committee is well positioned to consider suggestions from the research and move toward collaborative governance.

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