

# Community Partnering for Natural Resource Management

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## Abstract

The success of regional natural resource management — the latest iteration of Australian government attempts to foster effective community management of natural resources — depends heavily on effective linkage between industry and community groups in targeted contractual agreements. Three forces are working heavily in favour of acceptance of new levels of accountable collaborative action. These are: (a) the conditioning of community organisations (over the fifteen years since the Landcare Program commenced) to the need for monitorable outcomes and clear accountability for fund grants (b) starvation of funds in the absence of firm investment strategies as community has tried to cope with changes in governance and support, and (c) the increasing realisation by industry that triple bottom line reporting and world market expectation of clean and green production have changed some of the previous 'givens' for industry strategy — no longer is profitability the only goal to be achieved.

Recent writings on corporate alliances and on organisations as communities, together with stakeholder research in association with regional natural resource management bodies in Queensland, show a need for alliances that go beyond competitive tendering on the one hand, and low expectation hand-outs to community organisations on the other. This paper outlines a model for progression towards a new level of community–industry partnership agreements that can stand the test of accounting required for government funding while maintaining a social capital development philosophy that builds the partnership for future achievements.

## Keywords

Community, business, partnership, regional, natural resource management

## Introduction

The success of regional natural resource management — the Australian Government's current approach to achieving whole community responsibility for our land, water and vegetation — depends heavily on effective linkage between business, community and other catchment groups in targeted contractual agreements. In the past, under the National Landcare Program, Integrated Catchment Management and Natural Heritage Trust 1, community organisations (including catchment management bodies and landcare

groups) and government have borne the major responsibility for natural resource management, while the private sector has had little formal role. Two new and related Commonwealth-State designed regimes, Natural Heritage Trust 2 and the National Action Plan for Salinity and Water Quality, have created regional stakeholder-based bodies to subsume the previous strategies, to address major environmental problems in a more strategic manner and at larger scales. This approach, while keeping the integrated catchment management logic of collaboration among stakeholders through a board or body, uses a 'business' model of management focusing on partnerships. It is now time for 'corporate citizens' to join forces with government and community, in targeted partnerships for action.

The government-community relationship has been tenuous, in some ways rather paternalistic as government has tried to nurture communities towards involvement in natural resource management, then in targeting of effort and accountability for funds, without apparent appreciation of the culture and vagaries of volunteer groups in operation or the logistical and financial effects of the climatic variability rural land managers have to deal with. Three forces are working heavily in favour of acceptance of new levels of accountable collaborative action under the new regional model. These are: (a) the increasing realisation by industry that triple bottom line reporting and world market expectation of clean and green production have changed some of the previous 'givens' for industry strategy — no longer is profitability the only goal to be achieved, (b) the conditioning of community organisations (over the fifteen years since the National Landcare Program commenced) to the need for monitorable outcomes and clear accountability for fund grants, and (c) starvation of funds for the community-based groups in the early years of the new regionalised approach, since firm investment strategies had to await signing of Commonwealth-State agreements, formation of regional bodies, and compilation and approval of a well researched regional natural resource management plan. Meanwhile, communities have struggled to understand the changes in governance and support.

In this paper, we explore the readiness of the corporate sector to become involved in regional natural resource management, report on a study in the Burnett Mary region to identify readiness within community sectors and between community and industry, and propose a process for moving towards partnership. The corporate sector of course is diverse, ranging from major organisations with substantial assets, to very small businesses. Corporate interests thus range in scale from national and international to quite localised. Primary, secondary and tertiary industries have interests in natural resource management. At the regional scales that are the subject of this paper, the most relevant industries are the direct natural resource-using primary industries of agriculture and mining, agribusinesses, and service industries including tourism.

### **Winds of corporate change**

Big business appears to have made substantial moves over the past few years to contribute to social and environmental improvements. Australian business is experiencing a transition in expectations of its social role. A review of 115 large Australian companies' approaches to corporate community involvement in 2000

by The Centre for Corporate Public Affairs and Business Council of Australia (CPA&BCA 2000) has put forward four strands of explanation for heightened recognition of social responsibilities: changing institutional relationships between business and government; heightened community expectations of business behaviour and demands for greater participation in business by community; changes in organisational dynamics; and implications of operating in a global and information-rich context.

The very positive response by leading corporations to the Prime Minister's Community Business Partnership established in 1999, with the role of advocacy, facilitation and recognition of corporate social responsibility and partnerships between business and community organisations, suggests that a strong wind of positive change is building up. Strong advocacy by industry leaders, facilitation through a vast array of factsheets on the *Our Community — Community Business Partnerships* website and organisations established to broker community-business partnerships, and even perhaps the recognition offered through the annual Prime Minister's Awards for Community Business partnerships and Banksia awards provide a sense that we might see a surge in adoption over the next few years. Perhaps we are approaching the point of rapid adoption. The values shift that saw community landcare surge in the late 1980s and early 1990s might be complemented by a corporate values shift with greater impact through the late 2000s and early 2010s.

This alignment of companies with social and environmental responsibility seems good news for community organisations having difficulty engaging business seriously in their endeavours. However, we must note that not all indicators are positive. Another study of Australian business stakeholders (Warburton et al. 2004) found that only a few respondents believed that corporate responsibilities beyond profit making are valuable in themselves. Likewise Birch (2001), cited in Warburton et al. (2004, p. 118) found that 'Australian business, despite having a reasonable understanding of the concept, appeared to be lagging behind other countries in incorporating corporate citizenship into core business policies and practices'. Perhaps this is much lower on the horizon for companies outside the top 100 than for the big players.

Further, observations that we have entered a new stakeholder-based economy that moves from short-term transactions to longer-term values-based relationships with stakeholders (Hutton 1999, CPA&BCA 2000) may mean some businesses will not necessarily change the amount they contribute — they may instead realign their contribution to more fruitful relationships with fewer stakeholders. The new focus on enduring relationships of benefit to business and community suggests that some areas of social concern may not easily align with the goals of the business, with the result that community groups may miss out on support (CPA&BCA 2000, p. 14). It seems that for natural resource management, it will be important to aim to establish links with businesses that can recognise connections between their business goals and sustainable resource use.

To demonstrate benefits of the winds of corporate change in the environmental domain, we provide the following examples of innovative environmental partnerships by leading shapers of the business world; four major companies that have seen connections between their business goals and community environmental endeavour.

### **Alcoa**

Alcoa received a Prime Minister's Award for Excellence in Community Business partnerships in 2003 for longevity of a partnership (21 years) with Greening Australia. The partnership was established in 1982, The International Year of the Tree and the first year of operation of Greening Australia. Commenting on the Award, Greening Australia CEO Carl Binning said, "Our partnership with Alcoa is enduring, changing to suit today's needs and is a fine example of how collaboration could result in excellent outcomes for all". The Alcoa Community Tree Planting program evolved into the Greening Australia Support Scheme that provided trees to community groups for tree planting projects. The Western Australian Ribbons of Green project transformed the roadside landscape and inspired the National Corridors of Green project. Urban education (Grow us a Home), the Alcoa Woody Yaloak Catchment project and the Living Landscape project, working with farming communities to develop landscape management practices that protect biological diversity within an economically viable and sustainable land use system, are major initiatives with great flow-on benefits through the combined talents and resources of the partnership.

Alcoa's landcare partnerships have extended beyond this direct link with Greening Australia. In showcasing Alcoa's partnership with Landcare, the Corporate Community Involvement report (CPA&BCA 2000) gives the following aims of Alcoa's partnership in landcare activities:

- Foster community interest and involvement in land care initiatives by supporting landscape restoration projects and education programs
- Enhance community acceptance of Alcoa's business activities, by demonstrating our community-mindedness, environmental expertise, and interest in broader conservation issues of national importance
- Provide an opportunity for Alcoa to engage with and create mutually beneficial networks with key community stakeholders.

The last two aims are instructive as to what corporations are looking for in entering community partnerships.

### **Hardy Wines**

Hardy Wines are well known for their own environmental stewardship (maintaining wetlands on their properties and an ISO 14001 standard environmental management system), and for the promise to contribute a portion of sales of their Banrock Station label to landcare. This has yielded over \$400,000 to

landcare (no doubt, it has not hurt their sales to have the promise on the label). Apart from their own wetlands program (which aids their production through fresh water reuse), Hardy has sponsored wetlands projects in nine countries as well as other parts of Australia. Pertinent to this, a blurb on Banrock Station reveals some of the rationale: “The Company’s environmental conservation work gives it a point of differentiation and a promotional advantage in environmentally conscious markets, such as Europe and North America. This has led to exporting success with 65 percent of Banrock Station’s earnings from export markets”. While the Hardy example connotes capitalisation on production and marketing advantages of environmental alignment rather than commitment to community partnerships, it does model how a long-term environmental strategy by a company has spin-off sponsorship benefits for partners in projects.

### **Southcorp**

Southcorp, Australia’s largest wine producer, struck an alliance with the Australian Conservation Foundation (ACF) in 2000 to raise awareness and develop strategies to combat salinity. (Solutions to salinity are obviously of both short- and long-term interest to the wine industry.) According to ACF, this is a genuine business and community partnership, which has also brought together a number of businesses with interests in agriculture, the CSIRO and Macquarie Bank (‘The Business Leaders Roundtable’). One output has been development of a report ‘Repairing the Country — Leveraging private investment’, which has useful lessons for this paper.

### **Rio Tinto**

Rio Tinto has had a dramatic turn around in image over the past few years — from one of the hardest of hard-nosed resource miners — to socially and environmentally sensitive innovator in community partnerships. Rio Tinto has several community involvement programs designed to build relationships to meet important community needs — especially within Aboriginal communities. Rio Tinto has also formed partnerships with environmental groups such as WWF and Earthwatch to achieve mutually beneficial outcomes. They also have regional trusts (such as the Tarong Coal Community Development Fund), government alliances and business networks on social programs and social foundations (such as the Rio Tinto Aboriginal Foundation).

The Rio Tinto change of heart must be at least partly attributed to the leadership of Barry Cusack who was Managing Director of Rio Tinto Australia from 1997 to 2004, with special responsibilities for external affairs, Aboriginal relationships and environmental policy. In 2002 Cusack was awarded the Prime Minister’s Award for Excellence in Community Business Partnerships.

Based on his experience with Corporate Social Responsibility in Rio Tinto, Cusack made the following comments as Chairman of the Corporate Community Involvement Group of the Business Council of Australia, on release of the report on Corporate Community Involvement (CPA&BCA 2000):

“The minimum condition for any concept of good corporate citizenship remains the ethical pursuit of a corporation’s core economic mission. Corporations, government and the community cannot afford to lose sight of this. It is also clear from the report, however, that most companies recognise that expectations of their role are in transition. This rise in community and government interest in expanding corporate community involvement is best understood as part of a wider change in the social expectations of business, taking place as governments seek new ways to meet public needs and as communities seek more active involvement in the decisions that affect them.

Although a small minority of companies continues to maintain that the social obligations of business are fully met through producing goods and services responsibly while optimising returns on shareholder funds, most companies now believe they need to go beyond this to meet their changing obligations” (Cusack 2000, p. 61).

Not only are industry leaders recognising their need for a Corporate Social Responsibility reputation, it is becoming a professional discipline. A November 2004 conference on Corporate Social Investment (CSI) featured sessions by corporate CSI navigators from numerous big-name companies (including BP, Westpac, Holden, Shell, BHP Billiton, Telstra and Dow Chemicals) on topics such as CSI as business imperative, Building an effective CSI strategy, Engaging your staff to drive CSI, and The CSI Partnership in operation.

Further evidence of change comes from the emergence of new enterprises by those who have sniffed the wind of change and set up brokerage operations to match corporations seeking social investment with communities seeking support. Some, like Mission Australia, advertise a wide range of partnership opportunities to gain support for their programs. Others, such as Positive Outcomes, go the extra step — their vision is focused on achieving positive outcomes from corporate social responsibility. Their work is to link clients (businesses) to projects that make a real impact on community and give real benefits to the business.

These examples provide a national view. While some major firms invest locally, we suspect that few of the 56 Australian natural resource management regions will be well endowed with locally-based companies eager to form or join — and help to finance — natural resource management partnerships. How does a promising trend at national scale translate into reality for NRM regional bodies needing to fulfil Commonwealth and State mandated requirements to form such investments?

### **Developing partnerships for natural resource management in the new regional context — the Burnett Mary region case**

Prime Minister John Howard's push for community and business partnerships (displayed through the Community Partnerships Roundtable in 1998 and subsequently the Prime Minister's Community Business Partnership) appears related to the philosophy underlying the new natural resource management arrangements. The locus of activity has become regional, but at the same time the logic has shifted from an informal participatory approach, encouraging and to some extent financially supporting community involvement, to a far more formal 'business' model that formalises these voluntary roles — and many new types of contribution — into explicit partnerships. The new regional bodies (56 Australia-wide) are charged with developing plans and investment strategies to achieve long-term aspirations and targets for sustainable management of natural resources. They are required to develop partnerships with all affected stakeholder sectors for a Regional Investment Strategy that ensures targets can be met. In the recent past (fifteen years or so), community organisations and government have carried resource management consciousness to new levels. It seems likely that the past high level of government funding, firstly through the Decade of Landcare Funding (Labor government) and then the Natural Heritage Trust and National Action Plan for Salinity and Water Quality under the present coalition government, will taper off after 2007.

Perhaps Howard has seen this latter funding as a buffer until the Community Business Partnership concept becomes a reality in Regional Australia as well as the corporate halls of Melbourne and Sydney. There is some support for this suggestion, given the commissioning by the Business Leaders Roundtable of a report on leveraging private investment for natural resource management (Allen Consulting, *Repairing the Country* 2001). The report recommended structural changes that would require a new form of partnership, with brokers bringing together land users, new businesses and Sustainable Landuse Investment companies (companies that invest, with taxation incentives, in approved land use projects).

The change to regional management has not gone smoothly in Queensland. In several other states where catchment management bodies already had statutory recognition (Bellamy et al. 2002) it was not so difficult to move up to the regional management requirements of the new federal government funding prerequisites. But in Queensland, where Integrated Catchment Management bodies were voluntary organisations and less formally structured, regional bodies — at larger scales — had to emerge and develop plans without a platform from which to work. Lack of clear criteria by either state or federal

governments about the nature and formation process of the bodies or the format and ingredients of an acceptable plan meant that some regions wallowed, with significant social capital costs as local groups reliant on funding for their activities (and the catchment management bodies) stalled or withered.

## **Background**

The Burnett Mary Regional Group for Natural Resource Management (BMRG) was established following state and Commonwealth agreements to fund the National Action Plan for Salinity and Water Quality (NAP) and Natural Heritage Trust until 2007. The Burnett Mary region comprises a diverse make-up of stakeholder groups (sectors) with respect to natural resource management. The stakeholder sectors include local government (representing 27 local government authorities), catchment bodies, landcare groups, conservation or environment groups, coastal management, traditional owners, and primary, secondary and tertiary industries. Other key stakeholders include infrastructure corporations, research and development bodies and educational institutions. Then there are potential stakeholders in the form of corporate business with some form of linkage to natural resources management. This diversity presented BMRG with a maze of opportunities and also impediments to achieve negotiated partnerships to develop the Regional Investment Strategy for its Natural Resource Management Plan.

BMRG obtained funding for a collaborative study with the University of Queensland to help identify partnership options in the Regional Investment Strategy that it soon needed to prepare. The project 'Regional Partnership Agreements on Prioritised Investment Strategies' aimed to: clarify the range of stakeholders, their methods of operation and their perspectives on opportunities and constraints for contribution to regional NRM targets; then identify and pilot test methods of negotiating and formalising agreed contributions that are likely to suit different stakeholder groups; and identify, design and pilot test capacity building activities for the sectors related to developing effective partnerships.

Information collection methods included observation at board and stakeholder meetings, interviews with a sample of members from the sectors and requests to other regional bodies for examples of their partnership-forming processes. We also reviewed literature on partnership formation, covering approaches in the social and business domains as well as the natural resource management or environmental domain.

The interviews followed a 'strategic perspectives' pathway devised by Dale and Lane (1994). Strategic Perspectives Analysis allows exploration of opportunities for shared goal-attainment through interviews structured according to objectives, strengths, weaknesses, opportunities and constraints. We found it convenient to reshape the format to commence with issues, then aims of the interviewee regarding the issue and perceived aims for BMRG, then opportunities, constraints and readiness to partner with BMRG.

### **Readiness for partnering in the Burnett Mary region**

Although this paper emphasises corporate-community partnerships, the emphasis of the Burnett Mary research to date has been on readiness of community sectors to form partnerships with BMRG and with one another. We are looking at the readiness of the community to form partnerships before trying to link community to potential corporate partners. With limited funds available in 2004, we restricted field activity to 26 interviews in just four of the sectors named above. These are catchment groups, landcare, conservation and local government. From the interviews, we attempted to collate 'sector' views on issues, aims and opportunities, constraints and readiness to form agreement. The diversity within sectors meant that it was difficult to do this given we held just a few interviews within each sector, and we sampled widely across the region, which covers two large river catchments plus some smaller coastal catchments. The diversity was a particular problem in the catchment group sector and the conservation sector. However, we were able to identify issues, concerns and moods that would affect partnership formation within sectors and between sector groups and BMRG. The work is continuing under second-year funding.

To help assess readiness for partnership, we used a tool developed by Felkins (2002), which involves answering a series of questions about each of the following elements of partnership and working agreements: needs, roles, relationships and culture. Questions about *roles* recognise the place of task and self-centred role relationships in different types of agreements and participation patterns. *Relationships* questions probe diversity and commonality issues that may lead to potential for misunderstanding and conflict generated by different values and perspectives about work and relationships, while questions about *culture* focus on shared narratives, social rules and formal and informal interpretation of meaning and social action. As an example, the questions Felkins suggests to explore 'need' for partnership agreement include:

- Why is the agreement needed at this time?
- What responsiveness/readiness do people have for making this agreement?
- What are stories being told about need for agreement?
- What mutual needs could the agreement satisfy?
- How are people involved in identifying needs and opportunities?
- How will collective values affect interpretations of the need or opportunity?
- What social rules might influence responses to this need or opportunity?
- Are there any hidden agendas related to this need or opportunity? (Felkins 2002, p. 122)

Sometimes we did not have sufficient information to answer questions, but we found that by applying relevant questions to need, roles, relationships and culture, we could make a reasonable assessment of where partnership formation should be smooth sailing and where impediments needed to be negotiated first.

The increasing responsibility of local government for environmental management and the wish for integration between the NRM Plan and the Shire Planning Schemes (under the *Integrated Planning Act*) make 'need' obvious. Roles and relationships should not pose significant problems for local government bodies with BMRG. They are used to formal contracts with accountability and time requirements.

Catchment groups cannot survive without forming partnerships, since these bodies are collaborative stakeholder organisations created with government funding under the previous system. Some well established catchment groups resisted the new governance process at first, feeling aggrieved at perceived lack of recognition and deprivation of dollars. Roles need to be negotiated as there remains some competition for the role of multi-stakeholder integrator at catchment level, between the BMRG and the pre-existing large catchment groups that were formed under the integrated catchment management structure. The range of sizes and formality of groups in this sector makes a sector-based approach difficult.

Many landcare groups suffered severely from the downtime in the flow of finance and other resources during the change in governance arrangements. After over two years of stalled action, landcare groups appear either to have declined to an ineffectively low ebb, or have found other means of thriving. In either case they need long-term partnering agreements to pursue goals that coincide with Regional Plan priorities. A recent partnership process in which landcare groups in the Burnett Mary region assembled a single funding project proposal has been successful and provides a model for larger and longer-term associations between the landcare groups as a collective sector and BMRG. Roles should not be a problem, as landcare groups clearly see themselves as local awareness raisers, good practice educators and on-ground facilitators — roles that are recognised by BMRG as needed for NRM action targets to be reached; and they pose no challenge to BMRG's perceived role.

Strained relationships with some key players and lack of clarity within the environmental movement about roles and capacity make it difficult for BMRG to move directly into agreements with the conservation sector. Perhaps the presence of a plan now enables environmental groups to see where they fit and the importance of doing so. Many in the conservation sector probably believe that BMRG is too industry-dominated to be a true environmental peak body, yet are now faced with BMRG as a fact of life: will they try to make their environmental perspective heard by criticism from outside the body or by voicing their views in a consensus-bound environment within the body? Roles and relationships need further work before partnering is achievable. The diversity in size, location and perceived role (for instance political lobbying or on-ground action) mean that a uniform sector formula for partnering is impractical.

The project is yet to focus on the private sector, but will do so in its next phase. Despite the optimism of our introduction, it will take considerable exploration to identify organisations relevant, ready and willing to form natural resource management partnerships within the Burnett-Mary regional plan framework, and to arouse their interest. The private sector is diverse within the region. Primary industry includes farming of peanuts,

citrus and sugarcane, grazing, and a variety of newer niche-market produce such as macadamia nuts and plantation forestry. There is also some coal mining. Secondary industry includes agribusinesses such as processing and packing of peanuts, beans, and meat, as well as conventional light industry and even ship-building in the town of Maryborough. Tertiary industry includes a range of services, including tourism and its associated accommodation, transport and information services. This is heavily concentrated on the coasts.

It is important not to typecast the private sector solely as financial contributors to natural resource management partnerships. Primary, secondary and tertiary components draw on natural resources as inputs, and affect them through outputs such as waste water. Parts of their production and marketing systems, such as transport, also affect natural resources. The private sector consists both of 'landholders' (commercial and otherwise), and what we conventionally think of as 'firms' and the 'corporate sector'. These, like other catchment stakeholders, need information, cooperation with others affecting their activities, and opportunities to progress their natural resource management goals. Some may be leaders within their industries in terms of environmental practice, able to assist and influence others.

### **Learning from the literature about partnership options and impediments**

We have pointed out some of the difficulties that community organisations face in adjusting to new responsibilities and relationships, particularly if they feel aggrieved or suffer loss of power through the transition. Without a feeling of shared power and consequent high level of motivation, and without shared values and trust, natural resource management groups are not ready to engage in partnerships. In a study of natural resource management organisations in Australia, Oliver (2004) identified characteristics typical of effective natural resource management partnerships:

- shared power and shared responsibility
- social capital building processes and processes for knowledge acquisition and social learning
- high levels of motivation and realistic expectations
- context appropriate for the relationship
- 'outsider' perception — the partnership is perceived positively by outsiders
- personal relationships and shared values and trust.

Effective relationships and mutual trust are also fundamental to business partnerships. Lendrum (2003) defines strategic partnering in the corporate world as 'the cooperative development of successful long term, strategic relationships, based on mutual trust, world class/best practice, sustainable competitive advantage and benefit for all the partners; relationships which have a further separate and positive impact outside the partnership/alliance' (Lendrum 2003, p.7). The corporations discussed earlier would have experience with business partnerships in context of targets for production and economic returns, but few have had collaborative long-term relationships in community-business partnerships. (The Alcoa-Greening

Australia case is a notable exception.) Partnerships to date have generally been more tentative in the form of sponsorships, awards, in-kind support, discounted services (pro-bono), infrastructure (donation of premises) and occasionally volunteerism. However, Cusack’s comments indicate a shift towards long-term relationships. “Three quarters of the companies see the goal of long-term business sustainability as at the heart of the business case for community involvement — their involvement is not a means of improving short-term competitiveness” (Cusack 2000, p. 62).

Reasons for firms to enter partnerships vary. For some firms, increased contribution to social needs comes from an enlightened self-interest position — aiming for improved market position by being seen to be clean and green or socially conscious.

“Within competition for market share, social and environmental sustainability is becoming increasingly important as a component of a firm’s value adding. ... sustainability-induced changes in the competitive market, generated within the social and environmental domains by wider stakeholders, can lead to absolute or relative competitive advantages for companies” (Lucas et al. 2001, p. 150).

The following table from the Corporate Community Involvement report (CPA&BCA 2000) summarises alternative views about the social role for business.

<b>Profit maximisation</b>	<b>Socially responsible principles</b>	<b>Enlightened self-interest</b>	<b>Stakeholder engagement</b>	<b>Company as a citizen</b>
Social obligations best met through making a profit for shareholders  Business not competent to do otherwise  Driven by fiduciary responsibilities to shareholders  May include modest philanthropic contributions.	Social obligations additional to responsibility for stakeholder returns  Driven by management discretion  Reactive sponsorship and community contributions.	Social role delivers business benefits and community outcomes  Focus is: <ul style="list-style-type: none"> <li>• external relations</li> <li>• corporate regulation</li> <li>• secure legitimacy.</li> </ul> Community approach often a contingency approach, defensive strategy.	Proactive social role through listening to internal and external stakeholders  Strong business sustainability drivers  Focus is on stakeholder partnerships.	Seeks to align community and employee values  Business sustainability drivers  Redefinition of company’s internal and external priorities  Community involvement focuses on employee involvement and strong stakeholder partnerships.

Source: Allen Consulting Group, in CPA&BCA (2000, p. 31).

Benefits that companies hope to gain from partnerships are enhanced corporate reputation, improved relationships with the community, increased employee morale and retention, and a changed culture that

indicates long-term corporate direction. Disadvantages that might reduce partnership benefits to the company or community include: risk of breakdown due to unrealistic expectations; inflexibility that locks-in activity; high administrative costs; and perhaps it can be an unforeseen burden for the community group (CPA&BCA 2000, p. 74).

Making the partnership a success is not going to be easy for community organisations with little corporate experience. The following table sets out two sets of principles or key factors for a successful long-term partnership, one by Mayers and Vermeulen (2002, p. 121) and the second from the Corporate Community Involvement Report (CPA&BCA 2000, p. 103).

<b>Mayers and Vermeulin (2002): Ten principles for long-term partnerships</b>	<b>The Allen Consulting Group for Corporate Community Involvement Initiative (2000)</b>
<ol style="list-style-type: none"> <li>1. Mutual respect for each partner’s legitimate aims</li> <li>2. Fair negotiation process where partners can make informed transparent and free decisions</li> <li>3. Learning approach — allowing room for disagreement and experimentation</li> <li>4. Realistic prospects of mutual profits — requires work to accurately predict and secure partner benefits commensurate with their contributions</li> <li>5. Long-term commitment to optimise returns from commercial as well as socio-cultural and environmental ventures</li> <li>6. Equitably shared risks</li> <li>7. Practical business principles — not exploitive relationships, not public relations exercises</li> <li>8. Relationships focused on increasing capital assets of the poor, securing local rights and responsibilities and developing the capacities and comparative advantage of local institutions</li> <li>9. Contribution to broader development strategies and programs of community empowerment</li> <li>10. Independent scrutiny — and evaluation of partnership proposals and monitoring of progress.</li> </ol>	<p><b>Identification</b></p> <ul style="list-style-type: none"> <li>• Careful identification of the issue</li> <li>• Find a ‘good fit’ between both parties (common interest)</li> <li>• Accept each other as equals</li> <li>• Both parties should want to work together (i.e. proud of the association).</li> </ul> <p><b>Development</b></p> <ul style="list-style-type: none"> <li>• Roles and responsibilities are clearly defined.</li> </ul> <p><b>Communication</b></p> <ul style="list-style-type: none"> <li>• Internal stakeholders are kept informed of developments</li> <li>• Publicity is maximised in communities that count.</li> </ul> <p><b>Management</b></p> <ul style="list-style-type: none"> <li>• Both parties should be sincere and honest in the relationship</li> <li>• Troubleshooting mechanisms are activated when required</li> <li>• Replacement personnel are available to drive the project if required.</li> </ul>

Interestingly there are few obvious overlaps in the lists, so we have many factors to consider in establishing effective long-term partnerships.

The Queensland Council of Social Service and The School of Management, Griffith University (2002) identify the following barriers to implementing partnerships between business and community: lack of time and money; clash of values between for-profit and not-for-profit organisations; and reluctance of organisations to identify less formal community-business relationships as 'partnerships'.

Gunningham (2002), citing examples of green alliances such as the Southcorp–ACF partnership notes that these alliances can play a positive role in improving environmental performance as well as providing competitive advantage for business in appropriate circumstances, then points out that “important to the success of a partnership will be the degree of power imbalance between the partners. Unless the environmental partner has sufficient countervailing power, so that the partners are to some degree dependent on each other, the partnership is unlikely to flourish” (p. 156). Perhaps this pinpoints the relative lack of effective partnerships between catchment bodies and industry — the catchment body does not muster sufficient power to catalyse dynamic partnerships. Do their successors, the regional bodies, have sufficient ‘muscle’ to command respect and offer the long-term business benefits that industry seeks?

Dr Jane Gilmour, then Executive Director of Earthwatch, in a speech on Corporate Accountability to the Business Council Of Australia/World Business Council for sustainable Development Seminar (Gilmour 1999), pointed out that fundamental processes of interaction needed to change for businesses to form effective partnerships with their community. Interactions needed to be sensitive and caring, not insensitive and dominating, consultative not prescriptive, inclusive not narrowly focused, and transparent not obfuscating. Gilmour also expressed concern that the Prime Minister’s community business partnership talks were more about philanthropy or giving to alleviate problems than true partnerships, and diverted attention from the need for every company to take triple bottom line accounting seriously.

### **A model for progression towards effective partnership agreements**

In our field interviews with four sectors, our literature review, and our information gathered on what other regional bodies were doing, we looked for a model for progression towards a new level of community–industry partnership agreements or community–industry–government agreements that stand up to government accountability requirements while developing social capital towards future achievements.

The work of Patricia Felkins (2002) surfaced as an integrating philosophy. Grounded in the concept of an organisation as a community, it looks at complex business and government organisations but through a community lens. For instance, ‘The building blocks of community are shared narratives, social rules and

agreements. Together they constitute the structure and meaning of a self-renewing, organisational community through a process of responsiveness, shared understanding and mutual accountability' (Felkins 2002, p. 141). For successful agreements, Felkins says an organisation needs to be *responsive* (in recognising the need for agreements); *understanding* (in creating and interpreting agreements); and *accountable* (in keeping agreements).

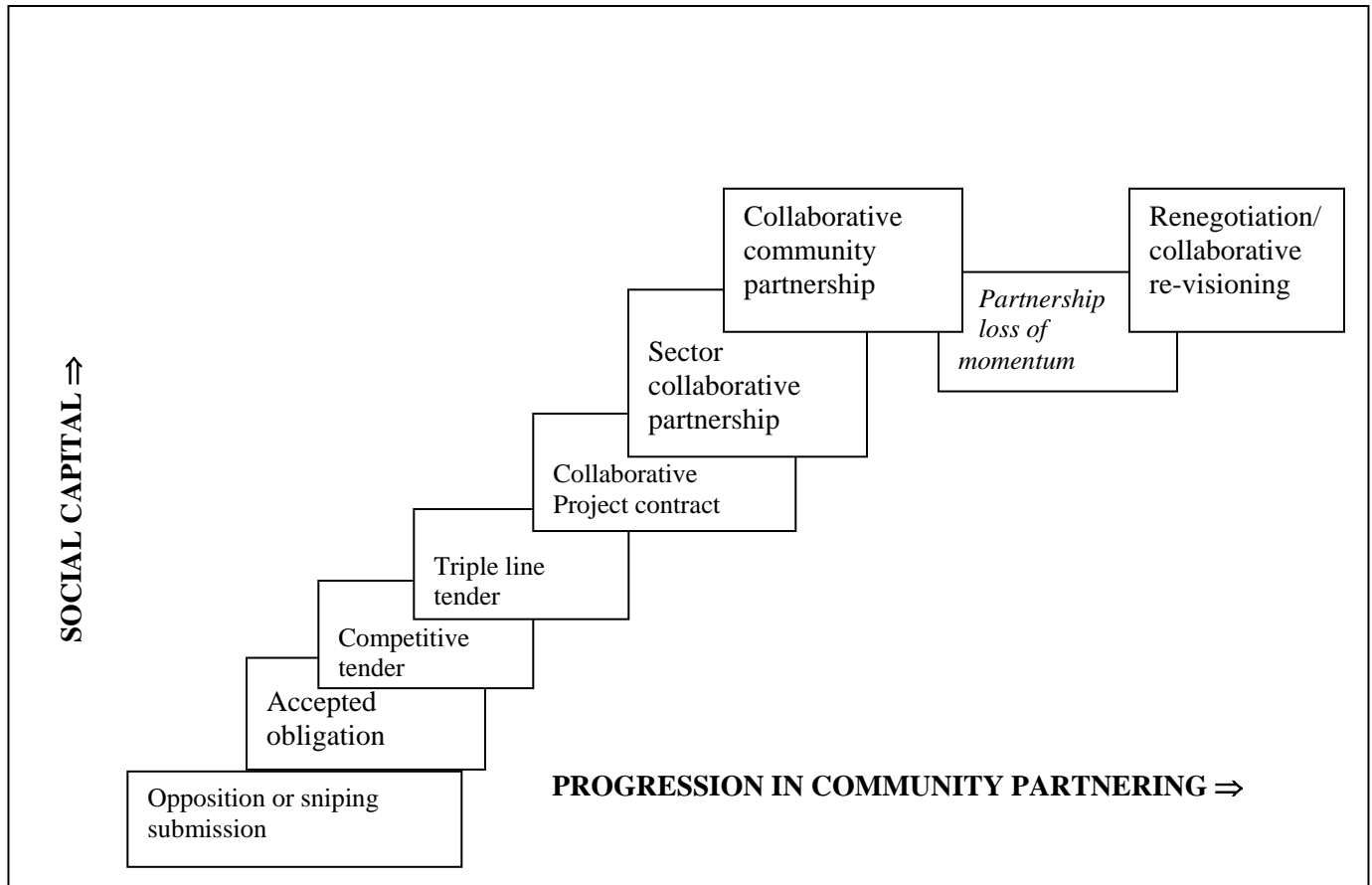
Felkins' view of an organisation comprising a linked community (imagine all the interdependent linkages in a large organisation with several localities) is very apt for the view of BMRG as a Head Office with all the community groups in the region who are members of BMRG being like linked sections within a large organisation. Although the BMRG members are autonomous with regard to most things, and vary widely in culture and operational procedures, the organisational community construction is somehow legitimate for the BMRG and its member bodies, sharing common purpose.

If this is accepted, Felkins' list of common characteristics of linked communities should apply — features of linked communities as they come together to solve a problem, confront an issue, or develop a program or initiative. These include: coordination and consent; shared reciprocal trust; recognition of independence as well as interdependence; use of the capacity of each member community; and information openly shared for collective learning (Felkins 2002, p. 220).

From this, and previously given principles for forming long-term partnerships, we have developed a proposed process for assessing readiness for partnership within a regional NRM context and the type of agreement most suited to that stage of readiness. Here are the steps in the process:

1. Identify issues and objectives of the sector/organisation.
2. Identify themes within the NRM Plan that match the issues and objectives, so creating the basis for community of common interest.
3. Assess readiness for agreement by answering the questions related to *needs, roles, relationships and culture*.
4. Identify the type of agreement that best suits the level of readiness (e.g. this might be short contract, based on competitive tender, through to full long term partnership agreement).
5. Establish a climate that progressively works through what is needed to show *responsiveness* and achieve *shared understanding* and subsequently *accountability*.
6. Formalise the type of contract for accountability that best suits the situation.
7. Use a checklist of common characteristics of successful linked communities to monitor progress towards formation of linked communities.

It is expected that some groups and sectors will progress through some of these stages as relationships and trust are strengthened over time. One way to depict the options to improve collaborative planning status is shown in the following diagram.



Although the early formation of BMRG saw opposition, primarily by some multi-stakeholder catchment groups that were already implementing a plan, the presence of an approved plan and targets to which people can align to enter into partnerships will hopefully mean that the 'opposition or sniping submission' category is irrelevant for BMRG from now on. There will always be groups that are willing to meet their obligations under the plan but who do not wish to take other initiatives ('accepted obligation').

The next level, 'competitive tender', protects standard auditing procedures and competition policy, but it impedes opportunity to develop more fruitful partnerships both in community and in business — in an organisational community, it sacrifices opportunities to enhance social capital and capacity building. Competitive tendering damages inter-organisational cooperation through loss of trust, and unwillingness to share information lest it be used to gain advantage in tendering (Williams and Onyx 2002). Lendrum (2003,

p. 223), writing from a corporate partnership perspective, has this to say about traditional tenders and their contracts:

“The traditional ‘lowest-bid’ tendering process is the antithesis of both the principles and the practices of partnering and alliancing. Tendering may be the crisis point or the point in time where the partnership starts, but it is certainly not the way the partnership is maintained. The use of tenders in partnerships is difficult for a number of reasons:

1. Tenders display a lack of trust in the supplier and a lack of confidence in the customer
2. They lock both parties in for a fixed term – this can lead to variable quality in service
3. They create a lowest price mentality ... often poorer quality
4. Tenders stifle creativity and innovation due to reduced margins and the traditional confrontational, adversarial nature of communication negotiation, and general management of the relationship
5. While, on the surface, tenders create a long-term commitment, the reality is a shallow, non-strategic approach that, over time, diminishes enthusiasm and increases the level of frustration for both parties
6. The tender process itself can be very expensive for both customers and suppliers.”

However, there will be situations where outsourced competitive tender will be the most effective, perhaps necessary approach.

The idea behind triple bottom line tendering is that social, economic and environmental costs and benefits would be taken into account rather than just cheapest way of doing an environmental project, which neglects social capital costs and benefits. Thus an internal (that is within the organisational community) tender might be preferred over an external consultancy because of opportunity to build capacity even though the consultant might provide more efficient or more polished service. Criteria would need to be set that lead to fair and rational selection.

Collaborative project contracts involve agreement for a specific project, between regional body and a sector or a regional body and a group within a sector. The step from project contract to collaborative sector partnership involves ‘expressions of interest’ then collaborative planning resulting in implementation agreements based on skills and interests of cooperating groups. Provision is made for sharing of skills, importing support to provide or develop skills needed, social sustainability opportunities or obligations and consideration of cultural sustainability. Full collaborative community partnership involves collaborative planning for complex projects requiring broad skills and resource input base. A strategy is developed collectively with provision for capacity building and social capital development as well as monitoring social, economic and environmental impacts. It is realistic to expect that a long-term partnership might at some

stage falter or wind-back. Rather than let it wither, periodic review would enable a re-visioning and firming of new goals or a decision to wind-up. It is noted that the guidelines for business community partnerships include 'have an escape plan'.

## **Conclusions**

Where do the four BMRG sectors considered in our research sit along this partnering path? Our evidence so far suggests that some of the conservation sector is still at the beginning, while some other conservation groups would like to be part of collaborative projects. Possibly the same applies to catchment groups, although hopefully, all have now moved on to actively seek project involvement. Most local governments would probably operate happily at the formal contract level, territory they are used to, though some who see the catchment implications of natural resource management are probably grappling with how they can develop collaborative projects, perhaps even collaborative community partnerships. Landcare operated last year at the collaborative project contract level, and perhaps is ready to form sector collaborative partnerships. Once this happens, it is not a large step to attracting businesses to work with and through this consortium of landcare groups for mutual gain.

Where do business — community partnerships, the main subject of this paper — fit into this progression sequence? Firstly, we need to recognise that it is at the beginning and that an initial focus by community groups on partnerships amongst themselves is useful in its own right and as a precursor to multi-lateral partnerships. Secondly, we anticipate that business involvement will begin at the collaborative project level and not the tender contract level, so that the region can gain from the interaction. It is probably appropriate to start with one or more projects to test the relationship rather than attempt to immediately set up a long-term partnership agreement. One successful project can lead to another and then into an enduring partnership on a number of fronts. Thirdly, the primary industry peak groups could well enter enduring partnerships with BMRG in the relatively short term — a process is already in progress. And fourthly, the strategic perspectives of secondary and tertiary industry members are about to be investigated; this might reveal some opportunities for linkage to the Regional Investment Strategy. However, these are not the big players who are now immersed in the corporate social responsibility culture, so it might be ambitious to expect rapid progress unless one of the big players can be enticed to link with BMRG or a community sector in the region.

We have shown that there is good reason to be optimistic about the future of business–community partnerships in social and environmental areas. It may take some time in regions such as the Burnett Mary but also it may arise sooner than we expect if, as we surmised, companies are indeed nearly ready for exponential expansion into social and environmental investment. Many corporations have widespread interests and so once the winds of change have propelled action somewhere, the early examples can quite likely catalyse widespread change. Meantime in the Burnett Mary we have gained an understanding of the

features and conditions for partnership formation, and a process or model for facilitating appropriate partnerships within and between community groups, or between community groups and business.

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Alcoa <<http://www.alcoa.com/australia/en/news/releases/20031218>>

CEO forum <[http://www.ceoforum.com.au/200110 ceodialogue.cfm](http://www.ceoforum.com.au/200110_ceodialogue.cfm)>

Community and Business Partnerships Brokerage service <<http://www.ourcommunity.com.au/business/>>

Earthwatch <<http://www.earthwatch.org/australia/pubsbottom.html>>

Hardy Wines <<http://www.hardywines.com.au/environment/>>

International Quality and Productivity Centre <<http://www.iqpc.com.au/cgi-bin/templates/>>

Mission Australia <<http://www.missionaustralia.com.au/cm/>>

Positive Outcomes <<http://positiveoutcomes.com.au/>>

Prime Minister's Business Community Partnership <<http://www.partnerships.gov.au/index.html>>

Volunteering Queensland <<http://www.volunteering queensland.org.au/corporate.html>>