

3. Literature search

The aim of this section is to identify factors to be considered in partnership formation and characteristics of partnership agreements that satisfy these factors. The literature sourced uses the term 'partnership' in varying levels of formality. Partnerships between corporations are understandably different from partnerships between companies and community organisations, or between government and community organisations, or among community organisations. While some of the forms of 'partnership' discussed here may be too informal for the requirements of an Investment Strategy for regional NRM Plans, they give insight into factors that form the foundations of successful long-term partnership.

In summarising literature on partnerships between business, government and community, Queensland Council of Social Sciences and School of Management Griffith University (2002, p. 6) noted that partnerships are defined broadly within the literature as structures in which two or more entities combine knowledge and resources to achieve common shared goals. They identify two central elements in a true partnership - a common goal or shared interest; and equality of responsibility and decision making power. Buys and Rennie (2001) defined partnerships in terms of three stages – establishment, development and maintenance – in relation to their interest area, vocational rehabilitation centres. Mayers and Vermeulen (2002, p. 15) identified the following features of strong partnerships between companies and community in forest management:

- Dialogue – parties agree to consult with each other during preparation of plans
- Informed consent – parties agree not to proceed with an action without prior consent of the other party, on the basis that each fully understands the implications of the proposed action
- Contract – parties agree that one party provides services under contract to another
- Shared workplan – parties agree to independently implement a set of tasks each, that together build towards a common goal
- Shared responsibilities and risks – parties agree to share the overall responsibility for implementing tasks and to be jointly accountable.

Mayers and Vermeulen (2002, p. 122) identify a set of 13 elements to be addressed to form an effective partnership agreement (contract). These include (amongst other features): shared objectives; resource commitments; joint workplan; funding arrangements; procedure for information exchange; measures to strengthen capacity; strategy for communication with others; procedures for monitoring and assessing impact; procedures for adaptation and termination.

In a study of natural resource management organisations in Australia, Oliver (2004) identified characteristics typical of effective natural resource management partnerships in the following five categories:

- a) Shared power and shared responsibility (definitional characteristics)
- b) Social capital building processes, communication processes, and processes for knowledge acquisition and social learning (relationship characteristics)
- c) High levels of motivation and realistic expectations (participant characteristics)
- d) Context (the context is appropriate for the partnership)
- e) 'Outsider' perception – the partnership is perceived positively by outsiders

Oliver also emphasises the importance of personal relationships and shared values and trust.

Subsequently, Whelan and Oliver (2005, p. 11) defined a partnership as 'a collaborative relationship in which participants cooperate and share power present in the relationship to achieve goals that are desired by, or beneficial to, all who may be affected'.

Felkins (2002) identifies informal (based on trust) and formal (with written contract) agreements and also discusses psychological contracts within agreements. These include transactional, transitional and relational contracts:

- Transactional contracts are formal objective agreements narrowly focused on a project or task with an economic incentive
- Transitional contracts are unstable short term affairs often evident during mergers or take-overs; often lacking in trust and incentive to perform
- Relational contracts are both formal and informal and involve a commitment to individual and group development, and long term relationships.

Building commitment to group development and long term relationships through cooperative agreements requires understanding and competency in the following practices:

- Developing clear agreements about roles and responsibilities
- Maintaining accountability for decisions and actions
- Increasing commitment to open communication and regular feedback
- Confronting issues and resolving conflict in a direct and respectful manner
- Building mutual trust through continuing interaction
- Showing respect for individual rights and dignity
- Developing reciprocity in work relationships
- Sharing the benefits of collective performance (Felkins, Chakiris & Chakiris 1993).

As well as these general features of partnerships, this review attempted to gain insights into the following facets of agreements that might require special attention in the contracts between various sectors of the natural resource management system:

- Cost sharing guidelines where both community and private benefits need to be recognised
- Approaches that accommodate externalities within contractual agreements
- Processes that accommodate the apparent nexus between flexibility and ‘auditability’
- Contractual arrangements that cover both financial and social accountability (relationships and cultural considerations – Felkins 2002)
- Agreements that build upwards from local consensus and motivation to regional targets – perhaps finding ‘middle ground’ with top down requirements
- The trade-off between trust and formalisation
- Conditions for effective trust (decision to rely on another alliance party under a condition of risk) amongst NGOs outside NRM
- Conditions for effective collaboration in the business world (strategic networks, alliances)
- Negotiating agreements with people or groups who reject bureaucratic planning and academic and scientific forms of knowledge.

Comment on these issues is provided in the sections that follow.

3.1 Cost sharing with both community and private benefits

The agreements for devolved grants currently used for on-ground works by individual landholders appear to work well and are favoured by industry as a means of achieving land management improvements on private land. An excellent publication by Queensland Department of Natural Resources, Mines and Energy (2004) (Emma Comerford) succinctly outlines a range of options for Regional Bodies, including traditional grants, subsidies, stewardship payments, voluntary conservation agreements and some interesting alternatives such as auctions for conservation contracts and 'negotiated outcomes'. Questions informing choice of incentives are suggested:

- are there many potential participants?
- is the problem in a particular area or widespread?
- is there a substantial amount of biophysical information about the problem?
- is there a set funding timeframe?
- is the problem source diffuse or can it be pinpointed?
- are the properties similar to each other?

3.2 Approaches that accommodate externalities within contractual agreements

Externalities are (in economics) situations in which decision makers do not bear the full cost or benefit of the consequences of their choices or actions (Jensen 2002, p. 70). In the context of this study on partnership agreements towards natural resource management outcomes, we use the term to refer to subsidiary impacts that might not form part of the core objectives of the project subject to agreement. Externalities can then include:

- social, economic and cultural benefits and disbenefits of the outcomes from the project
- unintentional environmental consequences that might in some way counterbalance the benefits to be gained from the targeted action.

One beneficial externality could be the ongoing benefits from investment in capacity building required to achieve the specified project (build-up of human capital). Although it might not be practical to put a figure on it, future benefits such as this should be borne in mind when negotiating contracts or other partnership arrangements. Externalities are not always easy to predict at the outset, and so some level of flexibility and opportunities for feedback and renegotiation should be built into agreements (Felkins 2002). This need for flexibility applies not only to unforeseen externalities but also to projects where an environment of continuous change mandates an adaptive approach to management.

One social externality that confronts NRM plan implementation, is the impact on individual rights in meeting the needs of collective society (as highlighted by the recent tree clearing legislation). Planners need to be aware of the established mores about individual rights in Australian culture that simmer below compliance with NRM requirements.

An effective social contract depends on informed participation, voluntary consent, and cooperative agreements (Felkins 2002). But Felkins points out (p. 168) that 'there is increasing feeling of fragility of social contract within society: the often idealistic concepts of participation,

collective order, individual rights and security have been damaged by economic uncertainty and unsettling change'. This is admittedly an American perspective; we need to interpret whether there are implications for the way we negotiate environmental management in Australia. Partnership agreements need to include sensors that check for unfavourable social externalities and provide - perhaps through participatory action research (Felkins 2002) - strategies that ride along the contour of cooperation. And, just as profit maximising firms now need to adapt to the demands of triple bottom line reporting, so partnerships for environmental management need to ensure monitoring and reporting of social, cultural and economic consequences of actions towards natural resource improvements.

3.3 Processes that accommodate both flexibility and 'auditability'

The traditional tendering process, which protects standard auditing procedures, impedes opportunity to develop more fruitful partnerships both in community and in business.

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).

Tony Lendrum (2003), 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 and 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.

Sometimes however, tenders are an immutable fact of life: for example in the area of public service contracts where probity considerations, government policy and accountability of public money are sensitive issues. However this paradigm is changing with many public sector departments entering into longer-term, sometimes partnering relationships where the tender process is either extensively modified or eliminated (pp. 223-224).

The inference is that a true long lasting partnership should not be bound by the 'bean counting' requirements that lock tenders into inflexible procedures. Lendrum acknowledges that he speaks of a scenario free from the strictures of government policy and accountability but mentions instances where partnership arrangements are now working free of tendering limitations. The moves within the funding bodies for this SEO3 project and by BMRG in relation to some of its projects (eg with Expressions of Interest followed by negotiated fuller proposals, perhaps in conjunction with other interested parties) are moving in this direction. They need to be explored further. Lendrum speaks of partnering as a new paradigm, with concepts of interdependence, no contract, no-term relationship, and payment on performance being just some of the mind-set shifts to be embraced practically.

On the need for flexibility within accountability, Felkins (2002) states:

Because agreements must be made in an environment of continuous change, they must contain flexibility and opportunity for feedback and renegotiation. Community is not built on legal agreements but rather on tacit and explicit personal agreements for cooperative action based on mutual respect and shared commitment to a common good. These agreements bundle and define rules as a way of facilitating change, solving problems, and reinforcing ethical obligations based on trust, responsibility, and shared interpretations about the meaning of work and cooperative relationships. Agreements help to institutionalise organisational structures and rules and stabilize collective relationships over time.

Flexible agreements based on continuing dialogue and negotiation for change help organisational members integrate diverse interests, define shared values and goals and discover the mutual benefits of cooperation and shared accomplishments.

Wondolleck and Yaffee (2000) adopt a more institutional approach, decreeing that collaborative approaches should be held to the same standards of judgment applicable to any public decision making process – and public decision making process must be able to demonstrate that it is legitimate (providing for normal public review and comment opportunities), fair (open and accessible) and wise (based on current scientific understanding). Their proposals to promote accountable collaboration include:

- collaborative processes developed as adjuncts to normal decision making processes (as supplements not alternatives to conventional decision making)
- mechanisms for review by independent sources (to ensure technical validity and representativeness of the opinions expressed in the agreement of the group)
- provisions for monitoring the effectiveness of strategies in a way that reinforces the collaboration.

Wondolleck and Yaffee appear to be wading cautiously into the uncharted waters of collaboration – perhaps with the wisdom that agencies need to apply to safeguard community expectations – perhaps though clinging to conventional wisdom in a way that tries to create silk purses from sows ears (supplements to conventional decision making). There are others who say this does not work (e.g. Birkeland 1999).

3.4 Contractual arrangements that cover both financial and social accountability

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, green and cuddly.

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, Wollin & Lafferty 2001, p.150).

Others see social accountability as a ground rule for effective performance.

In a review of Australian companies' approaches to corporate community involvement, The Centre for Corporate Public Affairs (2000) has put forward four strands of explanation for heightened recognition by companies of their social responsibilities:

- changing institutional relationship between business and government and the challenge for the whole community to ensure that public needs are met;
- heightened community expectations of business behaviour and demands for greater participation in business by community and interest groups;
- structure of corporation and organisational dynamics; and
- implications of operating in a global and information rich context.

Expanding on this, the Centre notes:

The social responsibilities of companies are and will continue to be of key concern. Companies have focussed their attention on various issues ranging from business ethics and corporate governance, product and service quality, environmental performance and sustainable development to responsibility for supporting the arts, community events and social welfare... Business is concerned for its reputation which has suffered over the past two decades in Australia and internationally: instances of poor corporate judgment and failure to meet community standards have clearly sharpened the community's attitude towards business and tolerance is eroding on a number of fronts. Also driving heightened community demands of business is a broader cultural change that is as pervasive in our lives as the economic transformation we are experiencing. The attitudes and expectations of community, governments, employees and their families all comprise elements of the new social environment for business (p. 18).

This is indeed good news for community organisations, which have to date found it hard to engage business seriously in their endeavours. It appears we are on the cusp of change and need to plan strategies to develop effective partnerships between community organisations and business.

Additional points worth noting from the Centre's review are:

- Government has sought greater community – business involvement in Australia, particularly through the Federal government's 'Community Business, working together in partnership' initiative;
- Australians are showing a new willingness to become involved in setting standards for business behaviour.

Emergence of the 'stakeholder view of the firm' opens new doors for business-community interaction. In this view, an enterprise has social goals that are valuable in their own right, alongside and not subordinate to economic outcomes; the business corporation is a complex entity that affects and is affected by various groups – shareholders, customers, suppliers, employees, specific communities, the public.

The community involvement approaches that flow from a stakeholder view or a view of the firm as a citizen, necessarily embrace interactive dialogue in the community that results in forming longer-term partnerships with the community using resources positively. "Unlike a simpler notion of philanthropic activity without expectations of commercial returns, or indeed a defensive strategy to get the community onside, this approach implies that there are more fundamental business gains from community involvement. Often the term 'sustainability' is applied. Community involvement is tied with business strategy, and social objectives are integrated with economic objectives (Centre for Corporate Public Affairs p. 30).

Hutton (1999) believes that the new (stakeholder based) economy implies a strategy that moves from short-term transactions to longer-term values-based relationships with these stakeholders. According to Hutton, business should:

- demonstrate commitment to society's values and contribute to society's social, environmental and economic goals through actions
- fully insulate society from the negative impacts of company operations of its products and services
- share company benefits with key stakeholders as well as the shareholders and demonstrate that the company can make more money by doing the right thing (p.41).

3.5 Agreements that build from local consensus to regional targets

The growth of landcare-type organisations before the official declaration of a Landcare Program in July 1989 reveals an interesting mix of true grass-roots initiatives and government support for this great opportunity to shift responsibility for natural resource management from government to local communities. Government inputs after the early 'true grass roots' initiatives have led Curtis (1998, p. 571) to conclude that 'Landcare is not a grassroots organisation in terms of having developed spontaneously or now operating independently of government. For the same reasons, Landcare is not a social movement. Landcare groups are best described as local organisations engaged in the process of rural development'. He further notes that governments have had a tendency to co-opt landcare groups by funding government priority actions and applying rules for eligibility into the fold – groups that 'run off the rails' by acting tangentially to government policy are likely to be culled. Nevertheless the spirit of the members and their efforts to tackle local issues of concern make Landcare the closest we have probably seen anywhere to an effective on-ground natural resource management movement.

Although the patchy nature of implementation through this process has been a concern to government, the potential loss of the 'movement's' motivation and social capital if regimentation and compliance to priorities are conditions of support must be guarded against. This will require approaches to partnership formation that nurture the social capital assets as well as the natural asset priority actions. Thus it might be important to support a local landcare group's priority even if it does not figure in the region's top priorities. The process of funding landcare group projects through Envirofund has been sometimes criticised for not sticking to top priority issues in priority locations. Although this may be so in terms of environmental outcomes, triple line accounting might reveal high scores in social capital for this approach which more than justify continuing, at regional level, the encouragement philosophy that has underlain NHT1 funding.

Envirofund continues, and under current arrangements allocations are made directly to a community body such as a landcare group or to an incorporated body administering the funds on behalf of the group (in cases where the group itself does not have fund management qualifications [being incorporated] or capacity). The application does go through the regional body for comment as to how it fits within the NRM Plan, but the role here appears to be advisory to the Federal funding body rather than a determining or management role. Therefore, potential partnership with the regional body in relation to these funds would appear to be informal, involving dialogue between the landcare groups and regional body on local priorities, application for funding by the local group, and then implementation more or less independently by the local group; unless the regional body has agreed to include an in-kind contribution in the application for funds. Development of the application in association with the regional group might also be useful in enlisting cooperation of other organisations with regional body membership that could provide in-kind contribution to the proposed project.

The Burnett Mary Regional Group has introduced a successful partnership process with landcare groups, in which landcare groups came together, agreed on a common goal and agreed to share funding from a single allocation administered by the BMRG. Separate contractual agreements were then signed by the landcare groups with the regional body to achieve accountability for agreed outcomes. This process aligns well with the principles espoused by authors such as Felkins and Lendrum who emphasise dialogue and establishment of trust relationships before formally negotiating the wording of a formal contract.

Nevertheless, partnerships between regional bodies and landcare groups need to provide long-term support. Groups need reliable funding for coordination and ongoing project development rather than intermittent project funding that consumes much voluntary effort just in applications and administration (Ross, Buchy and Proctor 2001). With the demise of the NHT1 coordinator funding, many groups were relatively immobilised, until (in most cases) rescued by the re-flow of funds through Regional Bodies. The loss of social capital in this re-gearing phase has been most unfortunate – nevertheless it is probably appropriate for many groups to look at their motivations and methods of operation if they think they must sink without a ‘government’ funded coordinator.

3.6 The trade-off between trust and formalisation

Previous comments by Felkins and Lendrum about flexibility and accountability also cover to a large extent the issue of trust and accountability. The important phase is development of trust - the contractual paper can then be a mere formality that does not raise anxiety or, according to Lendrum (if we interpret correctly), may not be needed except at a broader scale of, for example, memorandum of understanding.

Different sectors will need differing time frames and processes for the development of trust before effective partnership agreements happen. Local government bodies are used to formal contracts for agreed outcomes and the availability of sufficient money for their needs is probably the only stumbling block to agreements. This is the way they do business. On the other hand, the coastal management sector contains a range of bodies, some of which are disillusioned with ineffective consultation processes and quite suspicious of bureaucratic planning intentions and process. Catchment bodies and landcare groups are sufficiently well-aligned with the goals and funding processes to sign agreements, although in some instances building of trust with some successful contracting appears needed before true partnership can be established. Agreeing to tight milestones and targeted outcomes may provide difficulties for some community groups – they are used to aiming for something but not necessarily guaranteeing delivery. For some environmental groups and industry and Traditional Owners a deal of work appears needed to establish trust before formal and accountable agreements to deliver can be arranged.

As Rondinelli and London (2002, p. 213) point out: ‘cross-sectoral collaborations often are not consummated because the participants cannot overcome ingrained feelings of mistrust. The long history of adversarial relationships between corporations and environmental interest groups makes trust creation and maintenance an especially demanding responsibility for both parties throughout the collaboration process.’ They suggest that trust often forms through an extended period of personal relationships; through meetings on public service committees or awards selection panels. Open interaction and transparency is required on both sides, and then ‘as the relationship proceeds, developing mutually agreed protocols (including the negotiation of a clearly written memorandum of agreement on purpose, scope, objectives, intended outcomes and

duration of work) maintains and reinforces trust' (Rondinelli and London 2002, p. 214). Ross and Innes (2005) provide a process for achieving partnership on points of common ground in spite of seemingly intractable differences in some aspects of the interaction.

Lendrum (2003) emphasises the importance of trust development before written agreements in the special case of long-term corporate partnerships. He describes partnership development as going through stages of instability or crisis, gaining trust and credibility, new initiatives, and 'no turning back' (p. 49).

It is useful to provide Lendrum's guidelines on the capturing of formal partnership agreement when the relationship has developed sufficiently:

At this point, because of the process and approach taken, there will be a significant amount of trust between the two parties, based on similar attitudes and mindsets and the collaborative, open and transparent, win-win level of agreement already reached on technical, financial, commercial and relationship issues.

The negotiation is conducted through a series of workshops and meetings over whatever timeframe is appropriate, with the preferred supplier only. The aim is to conduct the negotiation in an atmosphere that fully supports and promotes partnering and alliance principles, concepts and practices.

Specific aspects that need to be finalised at this point are –

- The specific wording of the agreement
- Details of general commercial arrangements (eg performance based)
- Approach to benchmarking/measurement.
- Details of transition plan to ensure an effective start up or transition to full delivery
- Governance process and team member roles and responsibilities
- Resource/people requirements and allocation
- Involvement of experts to assist ongoing development and performance of the relationship
- Other issues or opportunities that have arisen (extracts from Lendrum 2003, pp. 175-176).

3.7 Conditions for trust amongst NGOs outside NRM

The premise that NGOs (social or environmental) must be relatively autonomous of both government and commercial institutions underlies and often hinders negotiations between NGOs and other sector bodies. Sanyal (1997) gives the following reasons for NGO 'fear' of state institutions: belief that state institutions are primarily interested in co-opting NGOs so as to make them another arm of the state; belief that working within bureaucratic processes will make them 'stodgy' and bureaucratic themselves; belief that they would become part of wheeling and dealing that would compromise their effectiveness; and belief they would fall into a dependency trap and lose their innovative and entrepreneurial qualities (Sanyal 1997). As for market institutions, NGOs fear exploitation – market institutions are likely to divert them from their central mission. Also, becoming 'price takers' in dealing with market agents, they are 'unlikely to prosper economically and are likely to lose their key institutional asset, which is social and political legitimacy' (Sanyal 1997, p. 22).

Focusing on poverty alleviation in developing countries, Sanyal goes on to argue that autonomy hurts the NGOs' effectiveness rather than strengthening it. Although the case study does not appear to provide linkages to environmental NGOs in Australia, the factors affecting negotiation

and partnership described in the previous paragraph might have a bearing on issues in partnership formation between environmental groups and Regional Bodies.

Lehane and Lambert (2003) point out that the 'third sector' contributes important ingredients to a partnership that might not be expressed in dollars and outcomes: 'neither the public sector (government) nor the private sector (business) on their own meet all needs of communities. That is, they cannot provide the trust, sense of community or the friendship that communities require. Nor can they afford to meet all service needs' (Lehane & Lambert 2003, p. 88).

Also outside NRM but not entirely NGO focused, Flynn, Williams and Pickard (1996) evaluate the effects of contracting processes in community health service delivery. They point out the negative effects of an adversarial competitive contracting process in situations that require a cooperative and collaborative relationship. 'Community health services thus depend upon interagency collaboration and inter-professional cooperation. Networks, partnerships and trust thus appear to be central to their operation, and so relational rather than adversarial contracting seems the appropriate mode of exchange between purchasers and providers' (p. 22).

3.8 Conditions for effective collaboration in the business world

Adding to Lendrum's views about trust and formalisation of agreements (section 3.6), here is his overall definition of strategic partnering in the corporate world: '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).

Although we can learn from inter-corporate partnership principles, the focus of this report is towards partnerships among other types of organisation and the community. Following are some extracts from publications targeting company-community relationships. The Queensland Council of Social Service and The School of Management, Griffith University (2002) argue that barriers to implementing partnerships between business and community include:

- lack of time and money
- a clash of values between for-profit and not-for-profit organisations
- the reluctance of organisations to identify less formal community-business relationships as 'partnerships', and
- frustration at the inappropriate use of the term 'partnership' particularly by government.

Mayers and Vermeulen (2002, p. 121) suggest ten principles for better company-community deals:

1. mutual respect for each partner's legitimate aims
2. fair negotiation process where partners can engage and make informed transparent and free decisions
3. learning approach – allowing room for disagreement and experimentation
4. realistic prospects of mutual profits – requires work to accurately predict and secure partner benefits commensurate with their contributions
5. long-term commitment to optimise the returns from deals – as strategic commercial, as well as socio-cultural and environmental ventures
6. equitably shared risks

7. sound business – practical business development principles at the core, not exploitive relationships, not public relations exercises
8. sound livelihoods – relationships focused on increasing capital assets of the poor, securing local rights and responsibilities, developing the capacities and comparative advantage of local institutions, and incorporating flexible and dynamic development paths
9. contribution to broader development strategies and programs of community empowerment, and integration or ‘nesting’ of partnerships within wider national and local land use and development frameworks
10. independent scrutiny – and evaluation of partnership proposals and monitoring of progress.

Meanwhile Mattingly and Greening (2002) identify four types of relationships between firms and stakeholders:

- *Collaboration*: A collaborative stakeholder intends to maximise outcomes relating to interests common to both it and the firm, instead of maximising only its own interests
- *Mediation*: stakeholder lacks the power to elicit the firm’s cooperation, therefore seeks an alliance with a third party that may be able to get the firm’s attention
- *Coercion*: The stakeholder perceives that it can defeat the firm through direct action; and
- *Subversion*: Public protest, sabotage and terrorism are examples of specific subversive behaviour. It is subversive because, lacking dependence on the firm’s outcomes, the stakeholder will seek to advance its own interests without consideration of the consequences to the firm.

It may be useful to consider how the various sectors would be categorised regarding their relationships with BMRG.

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 ‘opportunities for such alliances do not arise across the board... and since developing partnerships involves considerable transaction costs, such opportunities need to be carefully identified and targeted’ (p. 155). He also suggests 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 partly pinpoints the relative lack of effective partnerships between catchment bodies and industry during the catchment ICM period – the catchment body does not muster sufficient power to catalyse dynamic partnership. Do the Regional Bodies have sufficient ‘muscle’ to command respect and offer the green credits that industry seeks?

3.9 Negotiating agreements with groups that reject bureaucratic planning

We are talking here about people not connected through boards, round tables or sector meetings, or emails and newsletters. This most obviously includes Traditional Owners who reject or are not accustomed to the institutionalised bureaucracy of western democracy. Others who may also fit here are

- those primary producers entrenched in a paradigm of independence and individual rights

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- deep green environmental activists (and pacifists)
- landless, hard to reach, who are not represented but are affected as resource users.

The positions taken by members of Property Rights Australia and even Agforce, particularly with regard to implementation of tree clearing legislation are not conducive to alliances in the interests of natural resource management.

One of the difficulties facing BMRG in dealing with the environmental sector is the diversity of approaches taken by different groups. The table below (Bliss 2002) shows four types of adversarial approach used and offers an optimistic outlook for relations between business and green groups by suggesting a trend towards cooperation rather than head butting.

Type of campaign	Key characteristics	Advocacy group's goals
Adversarial		
Enforce the rules	<ul style="list-style-type: none"> - Strategy to enforce compliance with existing laws - Emphasis on research and testimony based on data 	Use facts and existing rules to force company to change behaviour
Change the rules	<ul style="list-style-type: none"> - Political strategy - Legal strategy that reinterprets the law 	Change the rules that affect corporate practices
Adopt my values	<ul style="list-style-type: none"> - Emphasis on ideological and ethical issues - Confrontational and strategies that emphasise emotion. 	Influence the values of the public and the target company
Change the economics	<ul style="list-style-type: none"> - Consumer boycotts combined with tactics that tarnish a company's image - Shareholder resolutions 	Use economic pressure to change company practice.
Collaborative		
New ways of working together	<ul style="list-style-type: none"> - Advocacy groups as technical consultants to companies - Focus on inventing a win-win process 	Use advocacy group expertise to influence corporate behaviour
Stakeholder engagement	<ul style="list-style-type: none"> - Innovative stakeholder engagement that may lead to a transformed vision for the company - Collaborative strategic planning. - Joint ventures between corporations and advocacy groups. 	Develop creative solutions that benefit the company and the common good.

Where there are conflicts between environmental groups and BMRG, it is important for BMRG to attempt to defuse the tendency for the environmental group to slip into adversarial mode by establishing a climate that will foster collaborative approaches. Similar strategies could then be applied to the relationships between 'green' groups and industry.

On the other hand, Poncelet (2001) is concerned about a swing of the pendulum in Europe in which partnership maintenance considerations lead to 'unhealthy non-confrontation' on issues that need to be dealt with – particularly where structural issues are the root cause of non-sustainability:

'Significant long-lasting environmental change requires a healthy dose of genuine and vigorous debate between alternative approaches. It is unlikely, however, that environmental partnerships in which communication and action is constrained towards conflict avoidance will produce radically new ways of managing or protecting the environment' (p. 23).

3.10 Integrated (cross-sectoral) planning and partnership formation

Multi-party or multi-sector agreements are not specifically included in the nine issues reviewed above but are important for future partnership formation. Such agreements should flow logically from BMRG's planning approach, being a form of 'collaborative planning' (Healey 1997, Gray 1989). The basic model for collaborative planning is that the key stakeholders to a planning or management task are identified, and asked to form a board or participate in some other structure to conduct their task. Membership may be representative (members speak specifically on behalf of their organisations or sectors) or expert (members are invited for their knowledge and skills but effort is made to ensure that the combined membership covers all interests). Because smaller groups make decisions more effectively, it is frequently necessary to form coalitions, so that say a number of conservation groups, farmer bodies or government departments are asked to choose and work through a single representative each – who may report to and take instructions from the others. Decision-making at this level may well be supplemented by public participation activities to reach the general public.

Reaching common ground amongst multiple stakeholders as in the collaborative planning approach, which fits well within a Participative Action Management (PAM) framework (Chamala 1995) is often complex, but, if successful, achieves better outcomes than sector-by-sector negotiations. The PAM process involves interaction between a wide range of stakeholders to find commonalities in visions and priorities. It commences with a convergence of needs, viewpoints and information to agree on common goals, and then directed divergence as groups with special interest or expertise take separate actions within an agreed framework. Ideally power sharing takes place so that there is no dominant group - each stakeholder contributes resources and becomes actively engaged in the process (Moore, Jennings & Tacey 2001). This opens the way for both multi-stakeholder/sector agreements and intra-sector agreements.

Although interaction between sectors is achieved at BMRG Board level and there has been some pooling of ideas at roundtables, the overall emphasis on sector negotiations and partnership development has deprived the planning process of some of the synergies to be gained by dialogue between several sectors and agreement to link efforts on issues of common interest. After establishing within-sector cooperation, it will be important for BMRG to gain the wider benefits of cross-sector planning.

Lessons from reviews of the Integrated Catchment Management (ICM) process are also pertinent to attempts by BMRG and other Regional Bodies to work with multiple stakeholders. The following extracts from a list of structural and process issues facing ICM (Bellamy et al. 2002) indicate matters of importance for successful regional body planning:

- Agreement on roles of stakeholders and functions of horizontal and vertical linkages
- Sufficient resources to empower collaborative and adaptive governance
- Recognition that stakeholder collaboration is the heart of policy formulation
- Respect for varying 'ways of thinking'
- Authentic indigenous involvement
- Flexibility to facilitate engagement of different operational styles.

A problem faced by Regional Bodies and others engaged in collaborative planning is the need to have a limited number of representatives to plan and act on behalf of a large diverse constituency (Ross, Buchy & Proctor 2001): 'The composition of such groups can make gender and cultural

balance difficult to achieve, and individual personalities and interaction styles can influence the process positively or negatively. There are challenges in using a representative model of democracy where some stakeholder constituencies do not usually structure their affairs this way'. Approaches used in the Central Highlands Regional Resource Use Planning Process (CHRRUPP) might offer some techniques to ameliorate this, such as its facilitative effort to encourage groups to interact more freely, enabling each group to articulate its issues, strategies and R&D priorities (Dale et al. 2000).

Gray and Clyman (2003) warn that incomplete integration is both natural and dangerous, for not only can it harm the parties left out, but in some instances can lead to reduced utility for all. Further, where there is disenfranchisement, undesirable behaviours designed to block the formation of agreements or overthrow existing agreements may result.

Moore, Jennings and Tacey (2001, p.97) suggest two factors to cement stakeholder partnerships (especially where government might be perceived as the leading stakeholder). These are (a) impression management – publicly demonstrating sharing responsibility, government staff treating all shareholders with the utmost respect, and sharing of resources with minimal associated conditions; and (b) allowing time for stakeholder groups to recognise and develop mutual benefits.

3.11 The Felkins model

Patricia Felkins' book *Community at work: creating and celebrating community in organisational life* (2002) has much to say to organisations seeking partnership with community – our charter in this project. For this reason, this section is devoted to a summary of the principles with a view to applying them to the sectors under study. The emphasis here will be on the heuristic framework mentioned above (see section 3.4), which is applied to the challenge of forming effective partnerships for different sectors.

First we need to place the Burnett Mary Regional Group into the context of Felkins' work, which looks firstly at the concept of community from an organisational point of view, and then examines conditions for effective partnership agreement to maintain successful community. We see BMRG with over 400 members (mostly organisations of one form or another), in two differing but interwoven perspectives. The first is to view the total membership as an *organisation*: a complex organisation with many divisions, outlying branches and varying skill levels and modes of operation. Felkins' thoughts on unifying a complex organisation such as this through formal and informal intra-organisational agreements are helpful. The second perspective is as *community of interest* – 400 organisations and individuals linked through the common ethic of striving for better natural resource management. Felkins' notions on how an organisation behaves towards and forms inter-organisational agreements with other community organisations become highly relevant.

Firstly, here are a few comments by Felkins about agreements.

- Cooperative agreements coordinate collective action towards common goals. Without these agreements, everyone goes in different directions rather than maximising their energy and resources. But cooperative agreements are not enough to create community; they are only the beginning of the process of building understanding and accountability in an integrated community (pp. 114 - 115).

- Agreements help to institutionalise organisational structures and stabilise collective relationships over time.
- Because agreements must be made in an environment of continuous change, they must contain flexibility and opportunities for feedback and renegotiation.
- Flexible agreements based on continuous dialogue and negotiation for change help organisational members integrate diverse interests, define shared values and goals, and discover the mutual benefits of cooperation and shared accomplishments.
- The major elements of agreements are needs, roles, results, relationship and culture.
- Successful agreements require responsiveness, understanding and accountability.
- Through open communication and continuing feedback, groups develop shared understanding and experience that builds a working community.
- Accountability (how contract violations are handled) reinforces or reduces the power and validity of the agreement.

Felkins emphasises the importance of one of these points, that *the major elements of working agreements are needs, roles, results, relationship and culture*, by providing a series of questions about each that should be addressed in order to establish readiness for partnership agreements. The questions for each of these elements are provided (with attempted answers) in Appendix 5 of the interim report for this project (Keith & Ross 2005a), with key questions answered in relevant sections of Chapters 4 and 5 of this report. The questions about importance of shared *need* or opportunity listed below illustrate the types of questions that Felkins suggests need to be answered.

- Why is the agreement needed at this time?
- Is it related to a specific crisis or problem?
- What responsiveness/readiness do people have for making this agreement?
- What stories are being told about need for agreement?
- Do people recognise a need for new ways of working together?
- What mutual needs could the agreement satisfy?
- How are people involved in identifying needs and opportunities?
- What opportunities for participation could be in this agreement?
- How will collective values affect interpretations of the need or opportunity?
- What social rules might influence responses to this need or opportunity?
- Where is the support for this initiative?
- Are there any hidden agendas related to this need or opportunity?
- What other issues might be associated with this need or opportunity?
- What is the current understanding of this need or opportunity? (pp. 122-123).

Questions about *roles* recognise the place of task, maintenance and self-centred role relationships in different types of agreements and participation patterns. Questions about *results* recognise that performance goals, budgets, timetables, and criteria or rules to judge performance are central to many agreements and contracts. *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.

For successful agreements, an organisation needs to be *responsive* (in recognising the need for agreements); *understanding* (in creating and interpreting agreements); and *accountable* (in keeping agreements).

Responsiveness is most evident in the following practices:

- recognise a felt need or opportunity
- acknowledge the complexity of the situation
- explore readiness to agree
- establish cooperation as a core value in agreements
- support coordinated action
- listen to language in context
- establish credibility and trust.

To develop *shared understanding*:

- define expectations face to face
- confront issues in action
- recognise meaning in context
- identify and link resources to action
- appreciate diversity as innovation
- recognise paradox and contradiction
- work from a win-win perspective (p. 138).

To encourage *accountability* in keeping agreements:

- recognise responsibility to other members
- be prepared to make accounts as necessary
- test the agreement in everyday work practices
- listen to members' concerns about specific agreements
- confront issues related to agreements
- recognise appropriate exceptions to the agreement
- develop feedback channels related to the agreement
- be open to renegotiation of the agreement (p. 140).

Community Agreements

The above formulae apply readily to agreements within a complex organisation (as in the perspective of all members being part of the Burnett Mary NRM organisation). If instead, we use the perspective of a community of organisations, the following applies. '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).

Effective community agreements can be summarised in these basic characteristics:

- foundation in shared values and mutual beliefs
- consensus on social rules that define relationships
- commitment to common goals and mutual interests
- responsiveness to individual needs and concerns
- flexibility and openness to renegotiation
- emphasis on trust and longer term relationships
- reinforcement in social action and accountability.

Successful linked communities have these *common characteristics* as they come together to solve a problem, confront an issue, or develop a program or initiative.

- coordination with a shared leadership team
- consent rather than control
- shared reciprocal trust
- motivation from common values

- ongoing dialogue
- space for disagreement and debate
- recognition of independence as well as interdependence
- common history and meta-narrative as a linked system
- use of the capacity of each member community
- information openly shared for collective learning
- responsive listening to each other
- local data collection to understand texts
- collective action with monitored results
- meaningful rituals to celebrate success together (p.220).

Effective linked communities make intentional associations to gain mutual benefits and achieve shared goals.

The exhaustive lists of bullet points above are used to explore the readiness of different sector groups for agreements within the BMRG structure. Appendix 5 in the interim report for this project (Keith and Ross 2005a) shows the initial attempt to answer the readiness questions related to need, roles, relationships and culture for the local government, catchment, landcare and conservation sectors that help form the complex Burnett Mary NRM organisation.

3.12 A model for partnership formation in NRM regions

The experience of the interviews (chapters 4 and 5), the methods proposed by Felkins to establish readiness for partnership, and a trial run at answering Felkins' readiness questions for the local government, catchment, landcare and conservation sectors allow us to propose a model for partnership formation in NRM regions.

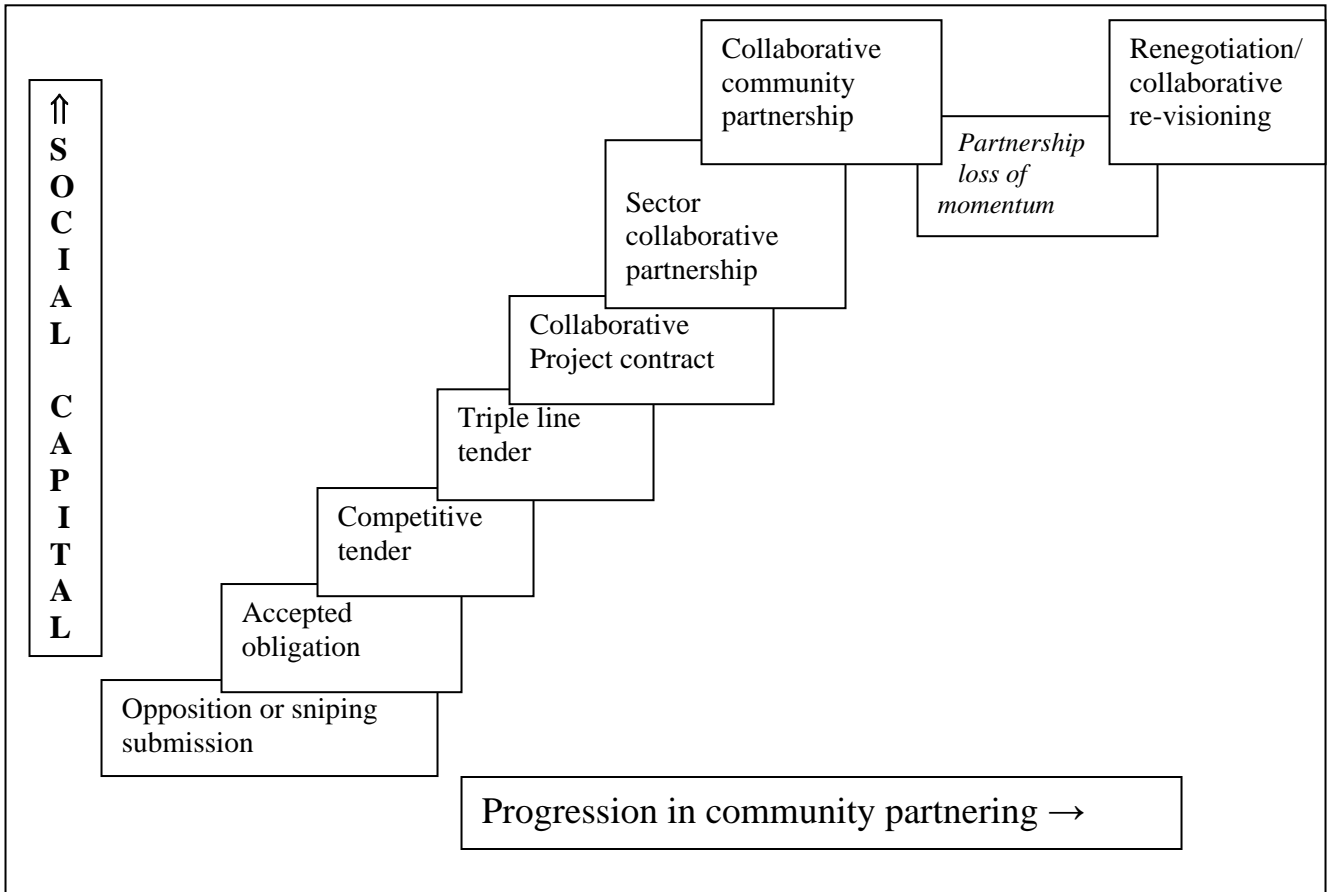
The proposed steps in the process are:

- a. identify issues and objectives of the sector/organisation;
- b. identify themes within the NRM Plan that match the issues and objectives, so creating the basis for community of common interest;
- c. assess readiness for agreement by answering the questions related to *needs, roles, relationships and culture* (Felkins' list for *results* was not used at this point because it seems more useful at the stage of tightening a contract);
- d. 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);
- e. establish a climate that progressively works through what is needed to show *responsiveness* and achieve *shared understanding* and subsequently *accountability* (see the indicators provided by Felkins listed in the previous section);
- f. formalise the type of contract for accountability that best suits the situation;
- g. use the checklist of common characteristics of successful linked communities (see previous section) to monitor progress towards formation of linked communities.

The table below lists types of agreement and where they apply.

Type of agreement	Application
1. Competitive tender	A job needs doing without consideration of need for community development or concern for social or cultural sustainability.
2. Triple bottom line tender	A tender that includes an environmental action plus requirements for organisational development, personal development, social enhancement, cultural sustainability; or requires reporting on social, cultural and economic impacts of the planned environmental change.
3. Institutional alliance	Formal MOU or partnership agreement document between regional body and institutions such as universities and CRCs, or local or state government agencies.
4. Collaborative project contract	Agreement for a specific project, between regional body and a sector or a regional body and a group within a sector.
5. Sector based collaborative partnership	<i>For delivery of a range of outcomes by sector groups over a period:</i> Expressions of Interest then collaborative planning resulting in implementation agreements based on skills and interests of cooperating groups. Include provision for: sharing of skills; importing support to provide or develop skills needed; social sustainability opportunities or obligations; consideration of cultural sustainability opportunities and obligations; monitoring social, economic and environmental impacts.
6. Cross-sector based partnership (Collaborative community partnership)	<i>For delivery of a range of outcomes by multi-sector groups over a period:</i> Expressions of Interest and collaborative planning for complex projects requiring broad skills and resource input base. Develop an ideal/practical strategy collectively, then invite groups to identify what they will commit to and formalise with implementation agreements. Include provision for capacity building, social capital development etc. as for 5 above.

It is expected that some groups/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. While it includes 1, 2, 4, 5 and 6 above, other possible states of agreement or non-agreement are also included in the spectrum. These are largely self-explanatory.



This 'Progression in community partnering' model has drawn partly from Lendrum's conception of progression of inter-company partnering through instability/crisis to gaining trust and credibility, new initiatives, and 'no turning back', and visually from a model for growth and decline of small communities (Darling & Randell 1996) which shows communities going through stages of growth, development, stability, recession and then rejuvenation or decline. In the parallel model developed here, recession equates to loss of partnership momentum either through moving-on of influential personalities or failure by some parties to deliver to expectations after the 'honeymoon' period. Re-negotiation that affirms a stable long-term vision is seen to put the partnership on an even stronger footing.