
13 Building relationships with business

Key Points

- Business engagement with not-for-profits (NFP) has been increasing and changing in nature. Small local business continues to provide support, often in kind, for local NFPs, with the main changes occurring in corporate–NFP relationships:
 - Corporate contributions were estimated to be over \$3 billion in 2003-04.
- Some leading corporate organisations have moved away from cash donations to active involvement on a longer–term basis. This includes joint ventures, participation on boards of NFPs and long–term secondments, as well as pro-bono work.
- While financial support is always valued, collaboration can offer greater value. Effective collaboration requires alignment of values, clearly articulated and shared missions, and utilisation of the business’ areas of expertise. Business also looks for continual evaluation and measurement, and good governance and transparency.
- Corporate organisations report that the benefits of collaboration are developing their staff skills and understanding, recognition of their contribution by government and the public (that is, branding), and improving the operating environment for their business.
- While collaborations are expanding naturally, NFPs can promote them by:
 - improving evaluation to demonstrate impact
 - improving financial accounting and business planning capabilities
 - being more proactive in initiating and fostering engagement.
- For both parties, a lack of resources and a lack of experience limit greater partnering, though intermediaries are emerging to match volunteers and projects to businesses. The intermediaries can also help identify where there is a need for pro-bono work.
- Government should ensure it is aware of the circumstances where reshaping of policy directly affects the viability or effectiveness of programs where businesses are working with NFPs.
- Government recognition and encouragement of business–NFP collaboration is valued by business, and government can play a role in stimulating such collaboration, including facilitating high-level dialogue.

Engagement between business and a not-for-profit organisation (NFP) may be one-off in nature, or instead involve a longer-term relationship, possibly over many years. NFPs are increasingly collaborating with business in areas of common interest and mutual benefit. This builds on a long history of business support for fundraising and the provision of expertise on a pro-bono basis. The importance of collaboration to achieving desired outcomes has also been recognised:

Corporate community partnerships are able to address, or assist in addressing societal issues and produce outcomes that governments cannot (or cannot do alone), and that businesses and not-for-profit organisations cannot achieve exclusively. (CCPA 2008, p. 5)

Over the past decade the extent and nature of engagement has changed — and the value of this to NFPs is most recently estimated to be \$3.3 billion (chapter 4). Corporate giving would appear to have considerable potential to expand, and is seen as highly relevant to the future of the sector:

Whether to form or deepen partnerships with one or more business organisations is now and is likely to remain a strategic issue for many not-for-profit organisations in Australia. (Zappalà and Lyons 2008, p. 42, in Barraket 2008)

The relationships between business and the NFP sector are predominantly at the enterprise level, although these are influenced by high-level relationships between business and NFP peak bodies, including those facilitated by government. Some relationships work well and will continue to develop as required by circumstances, but there are other relationships — or potential relationships — that could benefit from greater attention. This chapter considers such developments and possibilities.

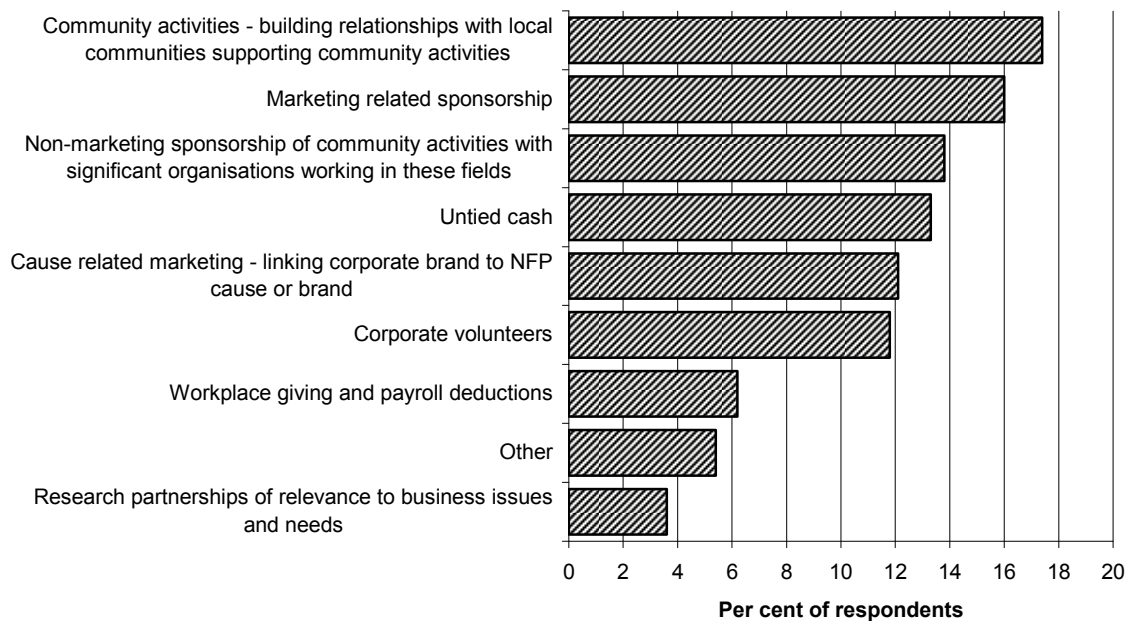
13.1 The nature of business engagement with the sector

The engagement between business and NFPs is substantial, growing and changing. At the local level, businesses often provide good support for NFPs operating in their area with donations in cash and kind, as well as personal involvement by proprietors and staff (FACS 2005). This form of engagement has occurred over many years. More recently, there has also been considerable growth in corporate philanthropy.

In total, around one-fifth of businesses¹ now have what they see as a partnership with NFPs (PMCBP 2005, cited in Zappalà and Lyons 2008). This business support for NFPs can take a number of forms (figure 13.1).

¹ The PMCBP survey of business used a sample of businesses on the Incnet database.

Figure 13.1 Sources of business support of NFPs^a



^a Figures are expressed as a percentage of total corporate support. 'Other' includes in kind donations. Some categories overlap so responses do not sum to 100 per cent.

Data source: Centre for Corporate Public Affairs, Survey of NFP organisations 2008.

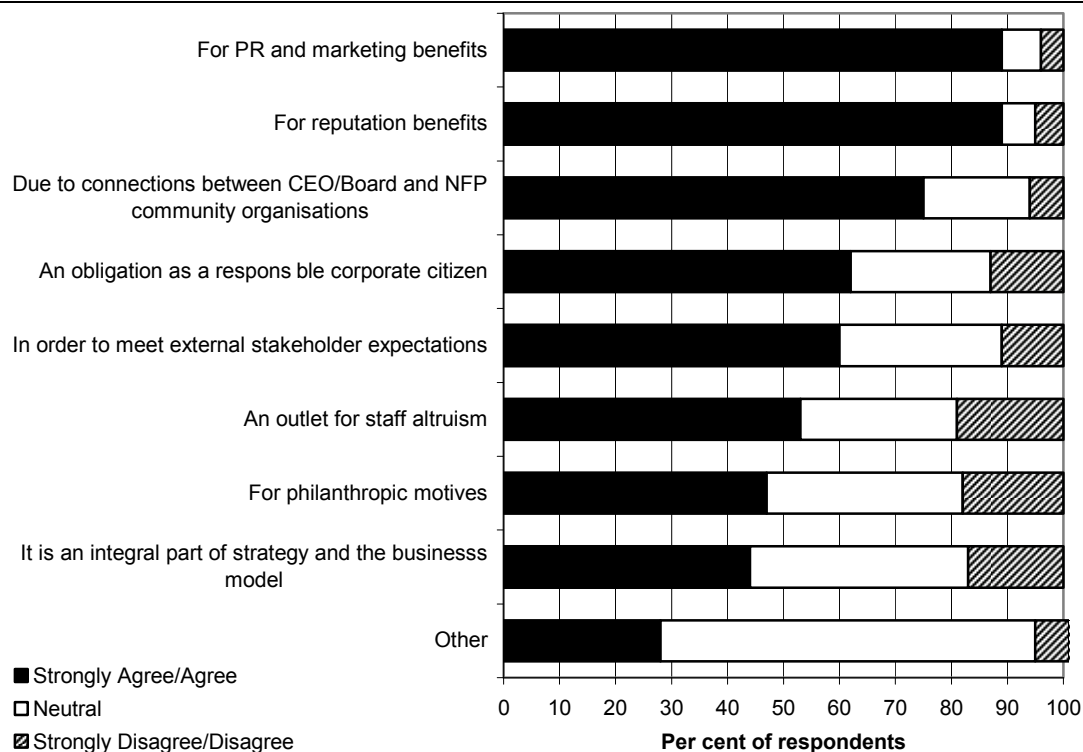
Corporate giving is often for multiple purposes and intent varies between businesses. Public relations and marketing benefits and reputational benefits are the most significant reasons, though corporate citizenship and stakeholder expectations are also important (figure 13.2).

For NFPs, it is estimated that around 39 per cent have at least one relationship with business. Further, many NFPs — especially larger ones — have a relationship with more than one business, with almost one-third having a relationship with more than five (Zappalà and Lyons 2008). The purpose of such relationships also varies.

Trends in corporate giving

Although the economic downturn has had some affect on the level and nature of business support for NFPs, the changes that have occurred in the nature of giving are in line with longer-term trends. These are an increase in contributions such as expertise, and a move away from untied cash donations (CCPA 2009) — most recent estimates are that only 3 per cent of businesses allocate more than 80 per cent of their support to requests for cash or in-kind donations (CCPA 2007).

Figure 13.2 Business relationships with NFPs: main reasons for forming closer relationships and working with NFPs^a



^a The response categories 'strongly agree'/'agree' and 'strongly disagree'/'disagree' are combined in this graph. Responses in the 'other' category include motivation based on tax benefits, as well as staff attraction and retention.

Data source: Centre for Corporate Public Affairs, Survey of NFP organisations 2008.

Value of corporate giving

Estimating the growth in the value of business-NFP partnerships is difficult. Most sampling of business contribution has been biased towards larger companies and so likely overestimates the extent of community-based partnerships in Australia (Zappalà and Lyons 2008). Nevertheless, available estimates suggest that there has been an increase in the total value of business support for NFPs from around \$1.4 billion in 2000-01 to around \$3.3 billion in 2003-04 (Zappalà and Lyons 2008). On average, Australian companies give 0.45 per cent of 'pre-tax profits or revenue' (ADC 2009). For the members of the London Benchmarking Group, which reports on corporate philanthropy of their members, giving was 0.77 per cent of pre-tax profits in 2008 (LBG ANZ 2009).

Why the growth?

The growth in corporate giving is thought to reflect a rethinking of the role of business in society — collaborative engagement with NFPs, particularly those with a high profile and positive image, is a way of ‘demonstrating the commitment of a business to the new thinking’ (Zappalà and Lyons 2008. p. 17).

In addition, business recognises that social partnerships with NFPs can be designed, nurtured and maintained in a manner that will enable them to contribute to solving pressing social problems, as well as fulfilling their own important strategic objectives (Eweje and Palakshappa 2009).

Overall developments in corporate giving reflect change within business itself — business leaders are younger and more value driven. Further, many younger staff are assessing their ‘preferred employer’ by its engagement with social and environmental causes — business is now finding that indicators of their attitude to corporate responsibility, such as partnering with community organisations, is important in recruitment (CCPA 2009). Looking forward, as the competition for skilled staff intensifies, this is likely to further influence the extent and nature of corporate giving.

Change in the nature of corporate giving

As well as the increase in the overall value of corporate philanthropy, the shift in the type of corporate giving has been significant (Zappalà and Lyons 2008).

Corporate giving appears to be moving away from a set of small unconnected grants to a broader portfolio of elements such as a philanthropic foundation, workplace giving and volunteering around an overall theme. Some corporate organisations have moved further towards what is referred to as a ‘transformational position’ where corporate giving has a strategic focus and is embedded in business as a mainstream activity (JBWere pers. comm., 23 November 2009).

The underlying relationship between business and NFPs has been characterised as moving across three stages:

- the ‘philanthropic’ stage or traditional donor–recipient relationship delivering funds to the NFP and strengthening the reputation of the donor
- the ‘transactional’ stage of collaboration characterised by an exchange of resources via partnership activity, producing mutual reputation and positive outcomes for society

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- an ‘integrative’ form of relationship, where business and the NFP mobilise resources, new services and activities to develop innovative solutions to local and broader community issues (figure 13.3).

Movement across the three stages has influenced the type of resources flowing to the sector — away from cash or in-kind donations to an expansion in pro-bono work, support for corporate volunteering including participation on NFP boards or long-term secondments, and support for increased capacity in areas such as planning and evaluation.

While NFPs report that many of their relationships are integrative in nature, the Centre for Corporate Public Affairs’ (CCPA) research suggests that most relationships are transactional, though many NFPs — especially larger ones — would prefer to engage in integrative collaborations (CCPA 2008). Such collaborations are considered to require active pursuit by both parties, rather than passive evolution (Edwards and Onyx, cited in Zappalà and Lyons 2008).

Benefits of corporate giving

For business and NFPs the benefits of giving and receiving relate closely to the purpose behind the ‘gift’. For business, there are benefits in the associated marketing and reputation impacts amongst consumers, investors, and staff (figure 13.2, chapter 10). They also benefit from the healthier operating environment that the support may help to achieve. Businesses may also be interested in supporting causes that government would find politically sensitive, though they too may be influenced by public perceptions. As one NFP executive commented:

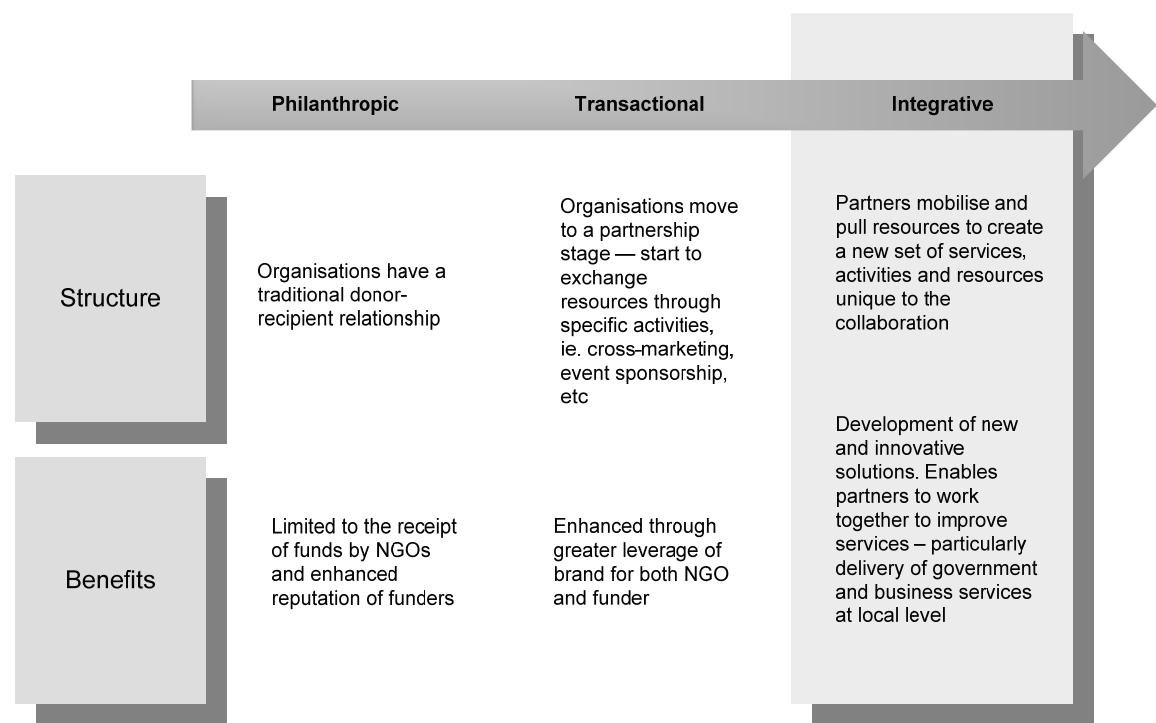
It is much easier to get corporate support for depression and stress — the softer end of mental health — rather than schizophrenia. (CCPA 2008, p. 38)

The benefits for NFPs relate mainly to accessing funding and specialist skills, building capacity, and realising opportunities for organisational growth. Research by the CCPA (2008) indicates that:

- almost all NFPs partner with business to secure a funding source that is often more reliably available over time than funds from government
- three-quarters of NFPs also partner with business to get access to specialist corporate skills and assist in building their capacity directly and through skills-transfer

- about 70 per cent of NFPs indicated that partnerships with business improve what they do, and about half also said that their projects are more successful than if they did not partner with corporate organisations.

Figure 13.3 Three stages of business and community collaboration



Data source: CCPA (2008).

These benefits suggest the essence of business–NFP collaboration is a mutuality of interests and the opportunity to ‘change the possibilities’ by achieving outcomes that would otherwise not be possible for each to achieve alone (box 13.1).

What makes successful partnerships between business and NFPs?

A number of factors appear relevant to successful collaboration. An alignment of values and a clearly articulated and shared mission is required, with programs that match staff and services in the business’ areas of expertise. The NFP’s continual evaluation and measurement, and good governance and transparency, are also important to business. Successful collaboration tends to occur when both entities maintain their identity while at the same time integrating the mechanisms of the partnership into their respective organisational structures, and employ joint decision making and power sharing. A further success factor is a long-term relationship (CCPA 2008).

Box 13.1 **Business and NFP — engaging for mutual benefit**

Current engagement between business and NFPs has many purposes, but fundamentally aims to ‘change the possibilities’ and achieve mutual benefits, as the following examples illustrate:

- A national program developed jointly by the ANZ Bank and the Brotherhood of St Laurence aims to encourage people on low incomes to save — people set savings goals and, once reached, the ANZ Bank matches their savings dollar for dollar up to \$500 (ANZ 2009).
- Also in the banking sector, Bendigo Bank supports Oxfam Australia by providing a flexible savings account earning a competitive rate of interest and allowing depositors to forego some or all of their interest earnings to support Oxfam Australia’s poverty alleviation and social justice work. The Bank also provides a commission of up to 0.5 per cent per annum on the balance of all such accounts (Oxfam Australia 2009).
- The Telstra Foundation (2009) emphasises a long-term view of social outcomes, supporting community organisations that share its vision of making a positive and lasting difference to the lives of Australia’s children and young people.
- The Macquarie Group Foundation (2008) considers applications from community organisations that are working in innovative ways to provide long-term benefits, with priority to programs which support a broad community need in the areas of arts, education, the environment, health and welfare; involve Macquarie staff; are located in communities in which Macquarie operates; and deliver long-term benefits and build community sustainability.
- In its submission, Mission Australia (sub. 56) pointed to the financial support by the Macquarie Group Foundation for Mission Australia’s Research and Social Policy Unit, and the value of this to the evidence base for its own program and as a contribution to national policy development.
- Corporate giving has the potential to provide highly relevant expertise, for example, Deutsche Post DHL (2009), as part of its corporate social responsibility activity, provides logistic support for emergency relief.
- Corporate giving can be significant in value and be very long-term:
 - BHP Billiton (2009) provides 1 per cent of pre-tax profit (currently around US \$200 million a year) towards programs in communities ‘impacted by, and interested in’ the company’s operations, with the typical life of a mine being 25 years.
- A recent prominent example of business–NFP collaboration is the involvement of banking, legal and corporate finance firms in the bid by the NFP consortium Goodstart for almost 700 ABC learning childcare centres (Connors 2009).

13.2 Are there barriers to collaboration?

With one in five businesses having a partnership with NFPs, and two in five NFPs having some form of relationship with business, collaboration between business and NFPs is now ‘part of the landscape’ for both NFPs and business (Zappalà and Lyons 2008, p. 42). Given the different types of engagement between businesses and NFPs, the public policy question is whether there are any significant barriers to business–NFPs engagement.

At the local level, engagement between business and NFPs has occurred over many years, and there is no evidence of any significant limits to engagement at this level. However, it is in the collaboration with big business that the most significant opportunities for mobilising resources lie. It is also here that problems have been most clearly identified and developments could possibly be enhanced or accelerated.

Reasons given by business and NFPs for not partnering are a lack of resources to apply to the task and a lack of experience. For business, the main reasons are ‘resources committed elsewhere’, ‘had not considered it’ and ‘not approached by anyone’. The main reasons for NFPs are a lack of financial or human resources and that they ‘would like to ... but ... [are] ... not sure how to go about it’ (Zappalà and Lyons 2008, pp. 35, 37).

NFPs have also identified barriers in understanding — about one-quarter of NFPs have said that business does not understand their objectives and many NFPs consider that their capacity to enter a partnership would be significantly improved by a greater awareness of their activities (table 13.1).

Table 13.1 Improving not-for-profits’ (NFP) capacity to engage in partnerships with business

<i>Factor that would most improve organisational capacity to enter a partnership</i>	<i>NFPs (%)^a</i>
Greater awareness of organisation’s activities among business community	46
Greater financial and staffing resources generally	37
A better understanding of how community–business partnerships work	30
Internal expertise about partnership management	24
Being able to offer volunteering opportunities to a business partner’s employees	21
Receiving support from government in forming and sustaining partnerships	21

^a Percentages add to more than 100 as respondents could identify more than one factor.

Source: Zappalà and Lyons (2005) cited in Zappalà and Lyons (2008).

Intermediaries provide connection services for businesses

Business understands and values the role of intermediaries, recognising that they can offer specialist services that the business would not support in-house or could not provide itself. Several forms of intermediaries have emerged to assist with business–NFP engagement, as the following illustrates:

- PilchConnect (sub. 131) links pro-bono legal service providers to NFPs, to provide free and low cost legal information and assistance to NFPs
- Businesses such as Goodcompany (2009) have emerged to provide services for corporate and other employers in matching skilled staff to NFPs, taking account of times when staff are available
- The London Benchmarking Group provides a framework for participating firms to better understand and plan their corporate giving, including with regard to what other firms are doing (box 13.2).

Box 13.2 London Benchmarking Group Australia & New Zealand

As part of a growing commitment to corporate giving, individual businesses are increasingly wanting to better understand what they are giving and to better manage their corporate community involvement, using the practice of other firms as a benchmark.

Part of an international network, the Australia New Zealand Branch of the London Benchmarking Group (LBG) has grown over four years to include 46 companies that are working collectively to measure and report on their corporate community investment. This measurement and reporting uses what is known as the LBG Model, which uses company data to allow companies and managers responsible for community investment to:

- account for their total community expenditure
- analyse the costs and benefits of community investment consistently
- improve management information to guide future strategy and community investments
- shift the debate from community investment costs to benefits
- capture and value the key areas of contribution, such as time and in-kind giving
- improve internal communications.

Membership, for an annual fee of \$7500, provides a range of services including members' meetings and workshops on topics related to corporate community involvement and to share key learnings from peer practitioners.

Sources: LBG ANZ (2009); LBG (pers. comm., 23 November 2009).

Corporate organisations must also be able to justify their community engagement to board members or other stakeholders, in terms of social value provided and its alignment with their core business objectives. Here also, advisors have emerged to provide such services (Net Balance 2009).

Strategies to improve collaborative engagement

In collaborating with NFPs, business has identified that often NFPs have inadequate finance and business planning skills. Lack of evaluation to demonstrate the worthiness a particular activity is also a concern to corporate stakeholders. It is clear that NFPs can promote engagement through improving evaluation to demonstrate their impact, as well as improving financial accounting and business planning capabilities (see chapters 5, 7 and 9).

Beyond addressing these gaps in capabilities, it is not clear whether better information, alone, or facilitation is needed to encourage greater business–NFP collaboration. Peak bodies may consider establishing a portal or ‘clearing house’ of good and best practice in identifying, managing and nurturing business–NFP collaborations to help address the information gap.

The April 2009 Philanthropy Summit took a broad view of what was needed to build wider and deeper relationships between business and the sector. Its proposals included the mapping and adoption of a clear framework for best practice partnerships between NFPs, government and business, which would cover design, education, execution and monitoring (box 13.3).

At the same time, there is considerable ‘learning by doing’ occurring in business–NFP engagement: a recent example is organisational and project level collaboration with the Cape York Institute (box 13.4).

13.3 Is there a role for government?

Apart from the indirect consequences of policy and attitudes, there are a number of ways in which governments might influence the relationship of NFPs with business:

- a key form of government support for business–NFP collaboration is through recognition.
- government may decide to fund specific initiatives to improve collaboration
- in addition to taxation and other concessions, governments can provide funding to facilitate corporate philanthropy in particular sectors or activities
- government could also act as a catalyst to stimulate collaboration between the two sectors, including facilitating high-level dialogue.

Box 13.3 Philanthropy: the way ahead for government, business and the community

The April 2009 Philanthropy Summit, a Prime Ministerial initiative convened by the Australian Davos Connection, considered ways to build effective government-community-business partnerships. It concluded that:

- strong leadership and communication are needed to strategically direct funds
- the potential exists for an oversight body that addresses and regularly resolves issues facing the sector, involving all arms of government, community and business working together through regular meetings, discussion and dialogue to enhance the performance of the sector
 - the Summit considered that this proposal needed to be further explored, with its cautious optimism seen as concern about ‘the potential for further bureaucratic shackles ... [while] ... equally aware of the need for, and benefits of, a central agency’.

To build wider and deeper relationships with the sector, delegates recommended that:

- a clear framework for best practice partnerships between NFPs, government and business (covering design, education, execution and monitoring) be mapped and adopted
- business play a three-fold role — to support workplace giving, to work cooperatively to find solutions, and to increase talent capacity in the community sector
- multiple partners within philanthropy, business and government be brought together more strategically, using a cluster model, to achieve better outcomes.

It was also considered that long-term relationships with NFPs dramatically improve staff and business engagement, in contrast to ‘stand alone’ projects which are not seen as a sustainable way to engage business in giving.

Source: ADC (2009).

Government recognition

Government recognition of business-NFP engagement is important. This can be public recognition through mechanisms such as awards, reports to the community on overall trends or on excellent initiatives, or private recognition such as where the broader contribution of an organisation is taken into account in government procurement.

Box 13.4 Cape York Institute - partnering with business and others

The Cape York Institute (the Institute) was established in 2004 to design and implement reforms aimed at ameliorating the longstanding social and economic issues found in the Indigenous communities of Cape York, and to support the development of current and future Cape York leaders. The Institute is seen as sitting at the nexus of academia, community development, and advocacy, with its work comprising policy and research, dissemination and leadership development. The Institute has a joint-venture governance structure involving the Queensland and Australian governments, Griffith University, corporate business and the communities of Cape York.

Human resource transfers

Corporate organisations primarily contribute to the Institute through staff secondments. Importantly, these staff participate in the core work of the Institute, under the direction of its management. Boston Consulting Group (BCG) and KPMG provide staff for secondments of between three weeks and 18 months. BCG often provides staff from its international offices. The Commonwealth Treasury, over the last three years, has provided two secondees to the Institute every year. Staff seconded by all organisations are highly skilled, often senior level staff.

BCG played a leadership role in helping launch the Institute, and one of its former partners and now senior advisers is on the Institute's board.

Secondments from partner organisations are seen as vital to the work of the Institute, since they bring with them high level skills and expertise which the Institute would otherwise not be able to 'buy in' due to its location and relatively scarce resources. Corporate secondees also bring in different perspectives to solving complex problems.

Partnerships involving staff secondments provide longer-term linkages with Indigenous communities. For example, some secondees have subsequently returned to the Institute to take up permanent staff positions, or have taken up work in other Indigenous organisations or program areas.

Secondment arrangements were reported to provide benefits such as widening and building the skills base of staff, extending staff mindsets and changing corporate culture, as well as community recognition of their contribution.

Funding support

The Institute's programs also facilitate financial support from corporate organisations:

- the Higher Expectations Program for current and potential Cape York leaders aims to expand their personal and professional skills for effective leadership
- the Macquarie Group Foundation has contributed \$1 million to the Program, towards the tuition costs for Cape York students to attend high-performing boarding schools.

Sources: Cape York Institute (2007, 2009); Boston Consulting Group (pers. comm., 23 November 2009); Macquarie Group Foundation (2008).

Awards

Awards are useful mechanisms to highlight particular aspects of best practice. One example is the former Prime Minister's Community Business Partnership (PMCBP) Award. This now discontinued annual award provided a way of advocating for different kinds of partnerships, including in various sectors, such as disability, with valuable feedback also provided to nominees.

The sector and business have also initiated awards which support collaborative engagement. As examples, the National Pro Bono Resource Centre sponsors the Pro Bono Partnership Award, while the Australia Business Arts Foundation sponsors the Partnership of the Year Award (NPBRC 2009b). The Transparency Award sponsored by PricewaterhouseCoopers (PwC), the Institute of Chartered Accountants Australia (ICAA) and the Centre for Social Impact provides profile to the winning and shortlisted NFPs, funding towards the training and development of its people, and feedback on all nominations. Award recommendations have also been incorporated into the ICAA's *Enhancing not-for-profit annual and financial reporting* (PwC 2009b). Governments may support best practice through being involved in the presentation of such awards (Pro-Bono Australia 2009; Stephens 2009b).

Reporting

Reporting on sector engagement with business has identified the extent and nature of growth in this engagement and factors contributing to this growth. There are several examples under the auspices of the PMCBP. The *Giving Australia* report (FACS 2005) reported on a survey of business including information on donations, sponsorship and community business projects. Other reports include *Corporate Community Investment in Australia* (CCPA 2007) and *Relationship matters: not-for-profit community organisations and corporate community investment* (CCPA 2008). Philanthropy Australia (sub. DR253) has proposed that the *Giving Australia* report be produced every three years.

While government has played a role, more selective reports such as the London Benchmarking Group's annual benchmarking report can also provide insights on the extent and nature of NFP-business collaboration (LBG ANZ 2009).

Recognising community benefit in procurement

Government can also recognise the community benefit of corporate giving through its procurement. The pro-bono legal area provides two examples. The Victorian

Government requires that firms working for the government devote between 5 and 15 per cent of their government fees to pro-bono work (Hulls 2009). The Australian Government asks law firms bidding for government work about whether they have adopted the National Pro Bono Resource Centre's 'aspirational target' of at least 35 hours of pro-bono work per lawyer per year, and the amount and type of pro-bono work they have carried out or will carry out (Attorney-General's Department 2009, NPBRC 2009c).

While such measures may have some value in increasing corporate giving, the Commission has heard of concerns about the fair treatment of firms that previously provided pro-bono services, and the type and quality of services that such measures are likely to bring forth. A better approach is to include the additional broader community benefits generated in the value for money assessment in procurement (chapter 11,12).

Where government needs to be part of the partnership

Government needs to be involved in business–NFP programs where government policy has a fundamental role in determining the success or failure of the initiative. Examples include the welfare reform trials conducted by the Cape York Institute where policy support is required, even if divorced from funding arrangements (Cape York Institute 2009).

Where government is a significant source of funding for the ongoing delivery of a program that involves a business–NFP collaboration, it has an interest in ensuring that the approach is consistent with its funding commitment. Involving government in the development phase is in the interests of the NFP and business as government may see business funding as replacing its own. Alternatively government may be reluctant to abandon the old program for a new one unless involved at the planning phase.

In addition, where the NFP relies on a mix of funding support, government funding bodies must exercise due diligence in relation to their own financial contribution and the risks associated with other funding sources.

Where government can act as a catalyst for stronger engagement

Government can and does act as a catalyst to stimulate engagements between corporate organisations and NFPs, including facilitating high-level dialogue. This occurs mainly at sub-sector level, but also more broadly.

One example is the work of the Australia Council for the Arts (sub. DR314), the Australian Government's arts funding and advisory body, in facilitating links between business, philanthropy and the arts. Since 2003, the Council's Artsupport Australia has worked to link up artists with income sources, mentor artists and organisations to assist them to fundraise, as well as and raising understanding of philanthropy throughout the arts sector. Over the period, Artsupport Australia has directly facilitated over \$25 million in philanthropic income including from corporate foundations.

Governments at the national and state level have also supported pro bono activities. As examples, again in the legal pro-bono area, the Commonwealth Attorney-General's Department provides financial assistance to the National Pro Bono Resource Centre (NPBRC 2009a) and the Victorian Government has supported pro bono partnerships between the private legal profession and community legal centres through the (Victorian) Attorney-General's Community Law Partnerships scheme (Federation of Community Legal Centres (Vic) 2009).

More broadly, the former PMCBP — comprising a group of prominent business and community leaders appointed by the Prime Minister — advised the Australian Government on issues of community business collaboration, philanthropy and corporate social responsibility. In addition to its Awards, the PMCBP provided:

- research outputs, including the two-year *Giving Australia* project
- funding of tools to assist collaboration, such as guides on developing partnerships (and the provision of a template partnership agreement) and the funding of Our Community as a web-based tool, which still exists today to provide practical linkages between the community sector and the general public, business and government (Our Community 2009)
- advocacy around volunteering, particularly by young people
- action to address legal barriers to philanthropy in relation to the establishment of community foundations
- philanthropic tax reform.

While the focus of the PMCBP was strongly on business–NFP engagement and the mobilising of philanthropic resources, it was seen to have wider impacts — a deeper understanding of the NFP sector, building enduring relationships between business and NFPs, and providing tools and research resources which remain relevant today (FaHCSIA 2009b).

Looking forward, some have proposed government funding to encourage greater partnership between business and NFPs through, for example, a 'fund to help not-

for-profits identify suitable partnership opportunities and develop partnership proposals’. This has smaller NFPs and small to medium-sized businesses, in particular, in mind which may lack resources for partnering (Zappalà and Lyons 2008, p. 41). In considering the case for government funding to facilitate such engagement, the additional engagement it might bring about must be assessed. This should take account of the expected impact of other measures to encourage corporate giving. It should also be viewed in the context of the longer-term positive trend for corporate giving and business–NFP engagement, that appears largely independent of government actions.

Is a formal mechanism for ongoing dialogue between business and the sector needed?

The 2009 Philanthropy Summit concluded that strong leadership and communication are fundamental to building effective government–community–business partnerships, and gave some qualified support for the notion of a forum or body for such partnerships (box 13.3). However, this idea was not taken up in submissions.

If an ongoing forum for dialogue between business and the sector were established, it could adopt an open agenda to consider such medium-term issues as:

- exploring greater connection between the sector and business and models for collaboration
- developing and testing strategies to better mobilise resources for philanthropy and social enterprise through new and expanded arrangements for financing and collaborative ventures (chapter 7)
- improving the understanding of the value of intermediaries
- establishing whether there is a public policy role in relation to these areas.

Is there a need for action?

This chapter has addressed the study’s terms of reference to ‘examine the changing nature of relationships between government, business and community organisations in recent times, their general impacts, and opportunities to enhance such relationships to optimise outcomes by the sector and its contribution to society’.

In considering the role of government in relation to business and NFP engagement, participant’s views and relevant research findings, the Commission’s assessment is that government’s role should focus primarily on exploring opportunities for and

facilitating stronger sector and business collaboration. Where appropriate, this should be integrated into actions for implementing the sector reform program (chapter 14). While the value of specific measures such as a formal mechanism for ongoing dialogue between business and the sector remains a matter for the parties to determine, high-level government leadership could make a positive contribution to this consideration.