A Report on a Model for a National Nonprofit ICT Coalition

MAY 2007
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1. EXECUTIVE SUMMARY

Australia needs a new model to meet the challenges for non-profit ICT capacity development. By enlisting the support of Federal and state government, business and philanthropic groups and drawing on the capacity of the sector to build networks and communities, the recommended model can have a powerful impact on the non-profit sector and the communities it serves. This will create direct improvements in the efficiency and effectiveness of service delivery to Australian society, with particular advantages in the community services, health, education, employment services sectors and in rural and regional areas.

The sector has reached a ‘tipping point’. Its attitudes towards, and ambitions for, substantially improved capability in the use of ICT is now recognised as critical.

The 3STEP(Third Sector Technology Expansion Program), model will create a national, networked, project-oriented organisation that pulls together the resources it needs to address all the dimensions of the challenges and opportunities facing the sector. An independent organisation, sustained by ongoing contributions from the corporate, philanthropic and Federal and state government sectors will deliver focused projects and pilots directed at ICT needs, regions or sub-sectors. This flexibility will facilitate adoption of new technologies and leverage existing capacity and investment to enhance service delivery.

The mission of the new organisation is to increase the ICT capability of the third sector in Australia. This statement is underpinned by three primary goals:

- Encourage non-profits to take responsibility for a strategic approach to ICT capacity development within their own organisation.
- Develop major strategic investment by corporate and philanthropic organisations and Federal and state government, and the sector itself, to support ICT capacity.
- Link the non-profit sector into policy debates about the potential of technology to impact Australia’s social, environmental and economic development.

The consultation process for this project has gained considerable momentum and engagement of key players. Step 1 of 3STEP (January-July 2007) seeks to sustain this and to set up the organisation by securing further funding, fine-tuning the operational arrangements, including establishing the Program Steering Group, and further developing the initial project plans.
During **Step 2** of 3STEP (July 2007-June2009) the Program Steering Group will recruit three officers who will implement project-based activities which include:

- Building an ongoing and active network of third sector organisations with an interest in ICT capacity development
- Mapping of existing and required ICT needs and support required by non-profits in urban and regional Australia
- Developing system of endorsement of suppliers of ICT services to non-profits.
- Ensuring an ICT resource site for non-profits.
- Establishing an executive briefing centre to upgrade the strategic ICT planning skills of boards and senior management
- Researching the measurable impact of improved ICT capacity on non-profit service delivery and community outcomes.
- Preparing a plan for a long-term investment fund for non-profit ICT capacity development and the mechanisms for its development and management.
- Implementation and development of projects to support non-profits such as ICT health checks/assessment programs, Circuit riders, ICT volunteering, ICT training and development.

**Step 3** of 3STEP (July 2009 onwards) is the creation of an independent body to continue the work and manage the development of ICT Capacity in the non-profit sector into the future. Sustained by continued investment from philanthropic, corporate and business sectors, self funding, and ongoing contributions from the sector itself.

Australian communities face significant and changing social environmental challenges and opportunities. The non-profit sector has a critical role to play, alongside Federal and state government and business in building cohesive, resilient and positive futures for all our citizens. Effective utilisation of ICT is critical to enabling the sector to play this role.

Australian non-profit associations, charities and social enterprises continue to lag in the adoption of information and communications technologies. This has led to a substantial sector of the Australian society and economy failing to benefit from the productivity growth afforded by ICT.

Australian society needs a strong and efficient non-profit sector. Investing in 3STEP to take on the challenge of sector-wide improvements in ICT capacity will result in a non-
profit community better able to respond to the service delivery and accountability challenges required by the Federal and state government as it seeks to maximise the value of investing limited resources in key social and economic programs. 3STEP will support the non-profit sector as it approaches these challenges, now and in the future.
2. THE CONSULTATION AND RESEARCH PROCESS

The proposals in this report draw heavily on the extensive consultation and research that formed the basis of the Consultation consortium’s work (see Appendix 5.9). This section spells out the key findings of the research and consultation and analyses their implications.

2.1. IDENTIFIED BARRIERS TO ICT CAPACITY DEVELOPMENT IN NON-PROFIT ORGANISATIONS – WHAT THE RESEARCH SAYS

Although there is a considerable amount of documentation and research about non-profit ICT practice, it does not provide a cohesive view of the problems and issues. This is due to:

- the wide variation in the nature of the organisations represented,
- the wide range in the nature and scale of the projects they have undertaken,
- the nature of the literature, which describes specific practices in countries such as the USA, Canada, UK, Australia, and New Zealand but which can be difficult to interpret because of differences between the sectors in those countries.

The following points have been synthesised from the literature. They provide an overview of the more important findings in the Australian context:

- The most successful organisations do not characterise technology as a separate organisational driver. Rather, technology is incorporated into strategic visions.
- A clear understanding of the aims of adopting ICT and the ways in which organisations manage information is also important, as the provision of better information about business processes and service levels is seen as key to controlling organisational activities
- Reducing costs or at least containing cost growth is a common theme and it is to that end that most organisations seek to develop organisational efficiencies and transform service delivery. While larger organisations are in a better position to take advantage of economies of scale when adopting e-solutions solutions, small organisations could achieve the same end through collaboration. Overall, however, there are problems due to a lack of resources, including inadequate staffing (both paid and volunteer) and a lack of funds to invest and maintain ICT. Generally speaking, the smaller the organisation, the more significant the problem.
For organisations that have successfully adopted and adapted ICT to their particular processes, service delivery has also been transformed, leading to improved relationships with members or clients and has created new opportunities, either through an enhanced capacity for online engagement (and so access to a wider audience) or an enhanced capacity for interagency coordination, collaboration and networking. Some organisations have been able to tackle the digital divide by providing ICT access, training, and skills to empower their clients with positive effects on community building and social capital, but it should also be noted that to wide a gap in the skill base between an organisation and its intended audience can cause problems.

Commitment by an organisation to incorporating ICT into organisational culture and operations is an almost universal theme as is the need for a supportive organisational culture, complemented by an understanding of the organisation’s business needs as well as those of the major stakeholders. In large organisations, this tends mean that staff (both paid and volunteer) must deal with complex systems in a multi-faceted development environment, while in smaller organisations it tends to mean that staff (both paid and volunteer) must have the ability to see projects through while having only minimal resources at their disposal and while having responsibility for several other tasks.

Project management skills are essential. To be successful, an IT project needs to be under the control of someone who has the role, the time, communications skills, the relevant technical skills and knowledge, and the support of the organisation to manage the project and provide strong direction. These are qualities that are required regardless of whether the work is outsourced or undertaken in-house. Also, given that the development work is often either outsourced or undertaken in collaboration with other businesses, those other businesses must have a complementary skill set, while also being sympathetic to the culture of the organisation and the sector in which it operates.

Several other cultural issues in organisations are also considered to be important. General issues included: the need to have realistic expectations; the need to be flexible; to build on existing strengths; and to regularly evaluate progress and results. The more systems oriented issues stressed include: the need to design and plan thoroughly; the need to test thoroughly; to ensure that operational staff have the necessary skills; and to ensure that data quality is maintained.

Specific practices which hinder effective uptake of ICT by non-profit organisations include:
Technology infrastructure not being considered as a core service that requires direct financial support/subsidy from most Federal and state government departments.

Overall, a lack of meaningful support, training and general technical support that is tailored to the needs of non-profit organisations as well as consistent with their culture.

Lack of consistent, widespread, cheap broadband access in urban, outer urban, regional, rural and remote areas.

Lack of infrastructure, and access to trusted advice and services, particularly for regional non-profit organisations.

Top-down policy interventions combined with short-term funding and an insensitive policy environment, driven by silo interests. This includes the lack consultation and collaboration with community expertise in the development and delivery of public ICT infrastructure projects (e.g. telecentres, broadband, portals, grants schemes).

The ‘down-streaming’ of access costs by Federal and state government in, for example, the provision of certain information only online which may stretch the technical capabilities of small organisations in particular.

Lack of consultation on user needs in the design of online and electronic reporting systems.

### 2.2. Consultation Analysis

Throughout the consultation process the opinions expressed have been remarkably consistent, perhaps reflecting the degree to which the issues have already been canvassed throughout the sector and the level of thought given to them.

The key findings of the consultation process can be summarised as follows:

1. At the sector level there is a general recognition that the application of ICT has enormous potential not only to contribute to administrative efficiency but also to transform service delivery. There is also a recognition that this potential is not being realised because:

There are around 700,000 non-profit organisations in Australia. They contribute $30bn or 4.9% of GDP. They employed 6.8% of total employed people in 1999-2000.

*Australian Bureau of Statistics*
the sector lacks a co-ordinated approach to the adoption of ICT, which impacts on its ability to contribute to policy development, standards setting, and a range of other activities that share and reduce the costs of adopting ICT; and

that at the level of the individual organisation, there are considerable problems caused by: an inability to think strategically in relation to the application of ICT; a lack of skills and resources; a lack of funding; and a lack of trusted sources of advice.

2. There is a wide diversity within the sector, both in terms of the nature of the organisations it covers and their fields of interest. Predictably therefore those organisations have a similar diversity of needs, and that any attempt to help the sector will fail, or at best have only partial success, unless it can recognise that diversity and cater to it. Some of the more important differences that were identified include:

- differences based on size – often impacting the level of resources that can be committed and information seeking behaviour;
- differences based on location – with outer suburban, regional and rural organisations often at a disadvantage in terms of access to advice and services; and
- differences based on the level of access to infrastructure and resources.

3. There is strong support for a NNIC-type organisation. While there is no consensus on its exact form, there is broad agreement that it should:

- be an organisation in its own right rather than part of any existing peak body or like organisation;
- be sector led;
- not become a service provider in its own right, but work with existing providers; and
- not be fee-based membership, despite some interest in this option, because that would act as a disincentive to smaller organisations.

4. There is a broad range of activities that it could undertake. Overall, the consultations suggested that the organisation should:
• provide a voice on the sector on key issues of public policy of importance to the sector, for example broadband infrastructure;

• provide a voice for the sector and a focus of co-operation in relation to the development of standards, including the interface with Federal and state government;

• undertake an educative role, to raise the level of knowledge of boards and management and to assist organisations to undertake strategic planning;

• develop guides to best practice and models of effective use of ICT within the sector;

• map current levels of service provision, identify gaps and recommend on strategies to cover those gaps;

• develop methods to assist organisations in achieving sustainable funding for their ICT projects, through improved management practices, access to appropriate support, and demand aggregation schemes;

• provide advice on trusted sources of advice and support; and

• assist in the brokering of relationships both with the sector and with business, to facilitate collaboration and new partnerships.
3. MODELS CONSIDERED FOR A POSSIBLE NNIC

3.1. INTERNATIONAL MODELS FOR COORDINATING ICT CAPACITY DEVELOPMENT IN NON-PROFITS

3.1.1. ICT Hub (UK)

http://www.icthub.org.uk

Extracts from the ICT Hub’s Business Plan quoted with permission:

The ICT Hub’s mission is to create a sustainable environment within which non-profits can practically take steps to use and benefit from ICT, supported at a local level. Their business plan to March 2007 sets out how a coalition of organisations will become the Information Communication and Technology (ICT) Hub.

1. The ICT Hub, which was formerly the ICT Consortium, is a voluntary and community sector (VCS) coalition of over 32 organisations.

The Active Community Directorate at the Home Office provided developmental funding from 1\textsuperscript{st} April 04 to 30\textsuperscript{th} June 05 for this business plan to be developed following a competitive funding process in early 2004. The business plan is working towards a vision of:

“By 2014, Frontline organisations and funders share a common awareness of the costs and benefits of ICT enabling them to make informed choices about its use. There are affordable and reliable support models in place, with user-friendly and relevant ICT advice available, including volunteering and pro bono support”

The six objectives of the business plan are:

1. To increase senior staff, trustees and operational managers’ understanding and awareness of the strategic benefits of ICT and to plan its strategic use

2. To ensure that VCOs have access to a range of national and sub national ICT advice, training and support services

3. To provide access to different models of ICT support at a sub national level including circuit riders and pro bono initiatives
4. To increase the range of relevant and affordable private sector products and services through increased understanding of the market place

5. To ensure funders recognise the critical role and cost benefits of ICT

6. To increase understanding and awareness of ICTs critical role in providing and receiving services for particular groups including people with disabilities and elderly people

*The ICT Hub will focus on:*

- raising awareness of the strategic benefits of ICT within an organisational development context
- improving the ICT funding and procurement environment within which VCOs operate
- building appropriate models of ICT support at a local level.

And primarily focus resources on very small, small and medium sized organisations.

Very small: less than £10,000 turnover (less than A$25,000)

Small: £10,000 to £100,000 turnover (A$25,000 to $250,000)

Medium: £100,000 to £1million turnover (A$250,000 to A$2.5m)

The ICT Hub model is notable because:

- It is a mature model
- Obviously the model was front of mind in preparation of the DCITA brief for this project
- Culturally and organisationally this type of model is the most easily adapted to the Australian context.

There are many aspects of this model reflected in our recommendations for the Australian context but ultimately we were unable to recommend a closely copied version for Australia. Our reasons are:

If voluntary and community groups are to continue to deliver and enhance the benefits they provide to service users in an environment of change, competition and increasing expectations, they must operate effective ICT based operations and develop robust ICT strategies.

*ICT Hub Website*
The ICT Hub is a coalition of existing mature ICT support organisations with national roles and linkages. Australia does not currently have a network of this type.

The Hub has been given substantial government funding ($10m over 2 years) to implement its programs. Even given the population differences between the two countries, it was our view that proportional Federal and state government funding to match that in Australia was unlikely in the short term.

The Hub is directly involved in planning to fill the gaps in support and service delivery. For the reasons outlined in the point above, that is an unrealistic aim in Australia at this point.

Some of the Hub’s programs are delivered nationally but most of the funds are devolved to local organisations. Again, see above.

The Hub’s role is strictly limited to supporting traditional community service organisations and not the broader non-profit sector, which includes sporting, arts, environmental, professional and many other groupings and associations.

3.1.2. NTEN

The Non-profit Technology Enterprise Network: N-TEN (USA)

http://www.nnten.org

NTEN is a non-profit managed by a Board comprising most of the major technology-focused non-profits in the US, as well as significant corporate players, such as Microsoft. It runs the annual national Non-profit Technology Conference (NTC) – the largest of its kind in the US - which is held in a different host city each year, and attracts around 900 delegates. It is a tiny organisation of just 2.5 staff, supplemented by casual staff at conference time.

NTEN has a membership base but the bulk of its funds are derived from the NTC conference and associated sponsorships. Apart from NTC, it supports local non-profit technology events, formal and informal, in many cities, as well as offering national online ‘webinars’ i.e. seminars on the web. One of their more successful strategies has been the use of ‘501 Tech Clubs’ (S501 of the US Tax Act covers non-profits). These are informal groups of people involved in technology in non-profits, accidental and otherwise, getting together to swap information and support each other once a month at a coffee shop or bar.

What is very attractive about the NTEN model, and which is reflected in our recommendations, is that:
- It achieves a lot with few staff
- It is a living embodiment of what a networked model can do to leverage resources
- It has a roving presence in many places
- It has a strong self-help element in its ethos
- It has successfully engaged the key non-profit technology players around the US, as well as the corporate sector.
- In partnership with CompuMentor, it has developed the TechFinder online service which allows non-profits to find tech support in their own area. This is now being adapted for use by the ICT Hub in the UK as well, with plans to include Australia shortly.

3.1.3. CompuMentor (USA)

www.compumentor.org  www.techsoup.org

CompuMentor is a very mature organisation of some 120 staff based in San Francisco. It provides direct tech support services to organisations in its own State of California but essentially it has a national focus. It achieves this through its TechSoup website, which has an international reputation as a trusted source of non-profit technology advice and information.

However the largest contribution it makes is through its TechSoupStock program, which distributes donated software and hardware from corporates to non-profits throughout the US and Canada, saving them some $90m p.a. in purchasing that they can then re-direct to other priorities.

Apart from the administration fees it charges for the TechSoupStock program, as well sponsorship and events revenue, CompuMentor has developed excellent relations with key foundations and receives substantial grants from this source.

It has also leveraged its position into being a key player internationally and it is currently rolling out a partner program for TechSoupStock throughout the world.

The appealing aspect of CompuMentor that is reflected in our recommendations is its ability to engage and manage long term mutually beneficial relationships with foundations and corporate donors and then to use that influence to spread the benefits widely.
3.1.4. **N-POWER (USA)**

http://www.npower.org/about/index.htm

Originally only local to Seattle, Washington, this non-profit organisation was funded by Microsoft (whose head office is close by) to provide tech support services to non-profits in the Seattle area. After many enquiries and requests to use its training programs and templates, they decided to establish NPower National and ‘franchise’ their name and methodologies to independently funded non-profit technology support services in other cities and there are now twelve ‘franchisees’ working together in a loose coalition but with strict adherence to NPower’s code of ethics and practices.

NPower and its franchisees provide direct tech support and training to non-profit organisations, often through specially recruited and trained ICT volunteers. They also operate a number of national projects through support from foundations and other funding sources e.g. *Measuring the Impact of Non-profit Technology Assistance*, funded by the Carnegie Foundation, the Surdna Foundation and Cisco.

Their publicly available templates include a return on investment calculator for IT spending and TechAtlas (a tool to help non-profits develop a technology plan).

What’s attractive about the NPower model is the leveraging of the knowledge and experience gained in one organisation to assist many others, helping them avoid the pain and expense of re-inventing the wheel. It also shows what online resources and tools made generally available can do to help individual non-profits. Finally, the effective use of ICT volunteers is also a useful aspect of their programs.

3.1.5. **SOUTH AFRICAN NGO NETWORK: SANGONeT (SOUTH AFRICA)**

http://www.sangonet.org.za

SANGONeT’s ICT services and interventions continue to be shaped by the challenge of strengthening the capacity of NGOs in finding long-term and sustainable solutions in response to Southern Africa’s development problems. NGOs’ capacity for service delivery increasingly requires that attention be given to their ability to use, manage and implement as well as integrate ICTs into their activities. Although many South African NGOs are already active users of ICTs, much more needs to be done to build the capacity of the sector in this regard.

The establishment of their new portal for and about the NGO sector in South Africa represents a strategic response to the challenges facing the local NGO sector and is the culmination of SANGONeT’s years of experience of working in the online environment. Since their inception, they have developed a wide range of websites and
online resources to highlight development issues in South Africa, the wider Southern African region and the African continent in general. The new service will expand and integrate their existing range of development information activities, as well as deepen their knowledge of the NGO sector.

Its four main objectives are:

- to develop the institutional capacity of the NGO sector through the provision of information that is intended to support stronger management practices
- map NGOs and their activities through PRODDER, the most comprehensive database of its kind in Africa
- create a community space for civil society exchange; and
- promote the benefits of ICTs in support of the work of civil society.

Funded by the South African government and international foundations, SANGONet runs conferences and workshops, as well as providing online resources through its portal.

Although clearly the developmental context is different in Africa and SANGONet is supporting initiatives in several countries, what we can take from them is a national approach that concentrates on strategy and supports local service delivery.

### 3.2. Australian Models Considered

There is currently no model of integrated national technology support for non-profit organisations. There are few organisations that have a physical presence in more than one state that specialise in technology issues and some who have a national presence via the web.

Examples include:

- Infoxchange [www.infoxchange.net.au](http://www.infoxchange.net.au), based in Melbourne, has a strong local presence and does some interstate consulting work. Its Green PC recycled computer program is popular and it has a national web presence, included the Wired e-Newsletter.

- WorkVentures Australia [www.workventures.com.au](http://www.workventures.com.au), based in Sydney, focuses on skills development and has established for-profit businesses to train disadvantaged people in marketable IT skills, with well established partnerships with major ICT
providers. They also have a computer refurbishment service, which they have franchised to affiliates interstate.

- Community Information Strategies Australia (CISA) www.cisa.asn.au, based in Adelaide, through its CommuIT project www.communit.info, provides local technology consulting and support to non-profits, provides an ICT information website and newsletters for a national audience, and runs the annual national Connecting Up conference, focusing on ICT issues for communities and non-profits. It will also soon launch the Australian franchise for TechSoupStock.

Emerging initiatives include:

- The Making Links web-workers conference in Sydney, coordinated by the Australian Federation of AIDS Organisations and cooperatively planned with others, including CISA and Infoxchange.

- A developing coalition of non-profit organisations in Perth, who are seeking funding from LotteryWest to establish an ICT services coordination model for WA.

The feedback from the public meetings, combined with the survey results, didn’t find overwhelming support for any particular model.

We considered various existing national coalition/coordination models, including:

- Formalised federations of independent state-based entities
- National organisations with state-based chapters/branches
- National organisations with state-based chapters/branches who delegate certain activities to branches to perform on a national basis
- National organisations with state-based direct employees
- Loose networks of like-minded people contributing to central pools of knowledge and discussion forums
- Membership-based organisations, both democratic and quasi-democratic

None seemed a neat fit with the strategic approach we believe needs to be taken to confront the opportunities and outcomes that emerged from the consultation and research. It is for that reason that we are proposing the dynamic 3STEP process.
4. TAKING THE NEXT STEP FOR ICT IN THE THIRD SECTOR: BOLD VISION, RISING INVESTMENT AND BETTER EXECUTION

This section outlines the vision and framework for a bold, but practical initiative to lift the ICT capacity of the third sector. It also explains how the proposed model addresses DCITA’s original mission statement for the NNIC.

4.1. PROVIDE STRATEGIC OVERSIGHT AND COORDINATION

The third sector in Australia should be a leader in the use of the new technologies of communication and collaboration. These technologies will lift performance and support their complex mission of flexible service delivery, a stronger civil society and values-driven social change. Whether the focus is intensely local or ambitiously global or, as is often the case, some combination of both, non-profit organisations invariably rely on networked communities of people who need to share ideas, information and knowledge. These are organisations especially well suited to the rhythms and possibilities of the knowledge economy in which economic resilience and social inclusion on a local, regional or national scale are increasingly hostage to the new communication and information capabilities that are enabling and accelerating the networked information society. Given their nature and what they are trying to achieve, it is reasonable to expect that third sector organisations take to these new technologies with some enthusiasm and expertise.

However our research and consultations indicate that the third sector of non-profit associations, charities and social enterprises lags considerably in some areas in its embrace of the opportunities these technologies can deliver. That is not to deny that some non-profit organisations are demonstrating leadership and imagination in the use of these new tools and technologies. There is evidence that some third sector organisations can offer compelling examples of good ICT practice that can be admired and should be more widely shared.

There are a number of reasons why many third sector organisations, mainly concentrated in the small and medium categories, are lagging behind their business and government counterparts and are not making the most of the new technology capabilities and opportunities. These include:

The coalition needs to help non-profits understand longer term perspectives as well as addressing the short-term issues, because this is the reality. There needs to be a strategic focus with tangible outcomes.

Informed Observer
Many non-profits, especially smaller organisations and those operating in rural or regional Australia, are notoriously strapped for cash. Often relying heavily or exclusively on volunteers, they simply don’t have the money or expertise to know where to start or how to support the often meagre technology resources to which they have access.

Funding for non-profit organisations, whether from Federal and state government or the private and philanthropic sectors, rarely invests in the underlying institutional or organisational capabilities of non-profits, opting instead to focus their funding on the programs and services that connect with the people they want to be seen to be helping.

At the same time added regulatory, compliance and reporting requirements further stretch operational resources, including technology. In these areas technology investment can add exceptional efficiencies, however funding for such investments is rare.

Just as importantly, it is apparent that in many cases non-profit leaders at either board or management level are not properly grasping the potential of the new technologies of communication and information management to drive new levels of performance in their organisation.

Finally, even if organisations understand the value of investing in technology and are doing something about it, they can find it confusing and frustrating when it comes to finding accessible, affordable and reliable technical support and advice.

4.2. RAISE AWARENESS OF STRATEGIC VALUE OF ICT, ESPECIALLY WITH SENIOR STAFF AND BOARDS

What has become clear in the course of this project is that the third sector has reached a ‘tipping point’ in its attitudes towards, and ambitions for, dramatically improved capability in the use of networked information and communication technologies. That is manifest in three distinct and closely related ideas.

The first is that there are **significant risks if the non-profit sector continues to fall behind in the use of ICT**. Whether it is in relation to its growing service delivery responsibilities, its engagement with profound and complex programs of social change or its central role in strengthening a vital and vibrant civil society in Australia, the new capabilities of communication and collaboration are already important and will only grow in significance.
The second idea is that the concept of an ICT ‘coalition’ is increasingly being seen as a lead component in what should be a bold vision for a ‘step change’ in the third sector’s embrace of these new technology possibilities. The experience in network building, the passion and commitment to social change and the capacity of the sector for innovation means that strategic application and sound operation of technology can have a far greater return on investment, and therefore a far greater social impact, than in other sectors of our economy.

The third idea is that, as bold and ambitious as our shared vision for the future of a technology-enabled Australian third sector should be, it can’t avoid the hard issues of execution and implementation.

But while governments, business and the third sector itself have to step up and invest more seriously in this campaign, its success is ultimately a function of the commitment and energy from within the sector itself.

4.3. IMPROVE THE EFFECTIVE USE OF ICT

What has emerged from this project is a strong willingness to undertake a strategy to generate some practical improvements in ICT capability across the sector. It is a strategy not without some risks, not the least being the need for Federal and state government and the corporate sector, as well as the philanthropic and wider third sector, to accept the need to lift investment, support and practical leadership. Expectations have to be bold but realistic.

But the benefits of getting this right can’t be overstated. Australia needs a strong and capable third sector as a key ingredient in the institutional mix from which we can achieve economic resilience, social inclusion and stronger, more confident communities. The sector’s ability to imagine and execute a more demanding vision for the use of networked ICTs is going to be increasingly central to realising that ambition.

What follows describes a way to achieve the outcomes implicit in DCITA’s original brief and which have been reinforced by the consultation process. The approach adopted makes use of the powerful impact that a networked organisation model can have (e.g. the open source movement) but accepts that there is a need, for accountability and

Informed observer
coordination purposes, to establish a process towards setting up a new organisation with a traditional institutional structure and presence within the non-profit sector.

Before describing the network aspects of the model, it is useful to step back and clarify the answer to some fundamental questions. Broadly, there are three dimensions to the problem we’re trying to solve:

1. A continuing failure at the leadership and governance level of many non-profits to understand the role and potential of information and communications technologies as an integral part of their organisation’s strategy, mission and operations

2. A lack of skills and expertise to effectively plan and deliver on the best ways to use information and communication technologies to achieve specific mission-critical and operational results.

3. The reluctance or inability to invest scarce financial resources in the ICT services, training and support that non-profits need to boost their confidence and lift the reliability and quality of their IT functions.

A pervasive theme is the difficulty that smaller non-profits, especially those that remain almost wholly reliant on volunteers, face in sourcing and then paying for the infrastructure (hardware and software) and services they need to keep their IT function going.

The approach to the resolution of the problem has these three dimensions:

- dramatically and quickly lifting strategic awareness of the value and potential of ICT at the governance and leadership level,
- improving the ability to plan and execute effective ICT strategies and finding a sustainable way to increase access to affordable services and
- support especially for the “SMB” part of the non-profit sector.

So, whatever form it is going to take, the “coalition” has to have something practical and effective to offer to solve that problem and those specific dimensions particularly.

4.4. INCREASE INVOLVEMENT OF THE BUSINESS SECTOR

Critical to the success of 3STEP is the continued engagement of the ICT Industry and the wider business sector.
The ICT industry should be invited and encouraged to build on and extend its contribution to strengthening the ICT capacity of the not for profit sector. It can do that in a number of ways. One will be to continue to invest funds in the sector, either through direct grants and sponsorship of major ICT initiatives or through the provision of equipment at a cost that makes it more accessible especially for smaller and medium-sized non-profit organisations. The other is to keep exploring ways to make their expertise and other in-kind support available to advise and guide the non-profit sector about ICT planning and implementation.

The wider business sector can make a major contribution as well to the growing capacity and confidence of the non-profit sector in the use of technology to achieve their mission and performance goals. There are two ways in which the business sector can help. One is to share their own lessons and experiences in the effective use of technology for business outcomes with their third sector partners. Generally, the business sector can draw on considerable, and sometimes painful, experience in how to confront the challenges of using technology more effectively. If they can share the successes and mistakes from which they have learned, they would be in a position potentially to save non-profit organisations from making the same mistakes and, in the process, accelerate the success with which they move through the phases of good technology planning and execution.

A second way they can help is to make a more explicit commitment to assessing and, where it is appropriate, funding improvements in technology capability as a function of their broader investment and sponsorship or grant programs with their non-profit partners. The business community, especially in recent years, has rapidly moved to the point where it understands that the ability to use technology effectively has become a critical strategic asset or capability in its own right. Investments in improved service delivery, in creating a more mobile and effective workforce or in creating new ways to communicate and collaborate with suppliers, customers and staff are increasingly being matched by investments in the underlying technology capacity of the organisation. In that sense, technology is being considered as an integral element in the overall process of performance improvement. That insight should increasingly drive the way the business sector engages with the non-profit sector. Businesses should be demanding the same approach from the organisations they are supporting. Businesses should not be engaging with non-profit organisations without making the focus on technology capability – planning, execution, skills and training – a central part of the process.

Most don’t have large purchasing power and can’t do deals with big IT companies but still try to go alone. There is a focus on transaction rather than relationship with suppliers.

Reference group member
What this implies is that engagement by the non-profit sector with the business sector will be most effective if it moves beyond ‘point’ solutions or the transactional model of stand-alone grants, donations or sponsorships. The best examples that already exist of good corporate-third sector engagement illustrate the need to establish deeper relationships based on mutual respect, shared value and solid trust. There is no question that the business sector has a great capacity for generosity. Investing its resources and skills in lifting non-profit technology capabilities is going to be an important part of the 3STEP equation. The key here will be engagement rather than seeking handouts. Projects that encourage business and non-profits to innovate and share ideas will deliver the greatest opportunities for capacity building.

The focus of 3STEP should not be limited to the so-called “big end of town” in the corporate sector. Local small businesses will also play an important role in supporting small community organisations. What is important, though, is that the same principles of partnership and sharing insights about the most effective way to integrate technology capability deeply into the organisation’s mission and performance framework should apply.

4.5. The Network Model

3STEP seeks to draw on the great capacity of the non-profit sector to engage with each other and create communities and combine this with the capacity of technology to facilitate information distribution, skills sharing, make connections and create networks of interest. This will mean that 3STEP can be a small and highly focussed organisation, directing its resources at areas of most need and impact, while efficiently using existing technology and sector capacity to encourage engagement in the wider non-profit sector.

The network aspect of the model is designed to evolve a network of skills, resources and expertise that will create an organisation that is flexible in pulling together the resources it needs to address the three distinct dimensions of the solution to the original problem.

The fundamental insight on which a networked organisational model is based is that the resources and skills that we need to effectively address the challenges that represent the core problem we’re trying to solve are already out there. The real test is to find smarter ways to link them and make them accessible to people who need them across the three dimensions that were defined earlier. This includes tapping into some
of the models and activities pioneered in other countries and choosing those most easily adapted to the Australian context.

A networked model will:

- Leverage existing resources in all three sectors, starting from the premise that its job is to harness and direct what's there rather than attempt to duplicate or inadvertently fragment
- Avoid the risk of being diverted into hands-on, service delivery business
- Maximise the input of corporate, Federal and state government and philanthropic partners
- Avoid the perception of new and competitive structures with those already in the marketplace

The other advantage of a networked model is that it can start modestly, addressing some priority issues and start to deliver tangible value and results. It can focus on building momentum and motivation. That, in turn, allows the network to grow more organically, reflecting priorities, available funding and the gathering support from within all sectors to extend its reach and ambition over time.

4.6. 3STEP SUCCESS FACTORS

There are several factors that are critical to the success of this project.

1. **Hiring the right Program Director.** The Program Director must be able to lead the organisation and inspire the sector to lift its performance. He or she must have a strong understanding of the diversity of non-profits as well as their relationships with community, Federal and state government and business. Bringing a deep network of contacts and having credibility with all sectors will add to the strength of the organisation and the engagement with all sectors.

2. **Getting the support of ‘Champions’**. Building support within the non-profit community, Federal and state government and the business sector will be made easier by recruiting ‘Champions’ who can speak in support of the organisation and assist in securing resources.
3. **Communicating the message.** Effective communication of a strong message is critical. The message must be well articulated, often expressed and actions must be communicated to show that it is practical and making a difference.

4. **Maintaining the bold vision.** The diversity of the sector means that dissent is inevitable and there is a risk that the vision will become diluted or undermined. A strong CEO and effective Champions will help to keep the vision bold and relevant.

### 4.7. 3STEP SUCCESS CRITERIA

Determining success requires clearly articulating the outcomes that should be achieved and assessing whether or not these outcomes have been achieved. All agreed outcomes do not, however, serve as useful measurements of success. Some outcomes may be valuable, but do not lend themselves to measurement and the influence of the 3STEP upon them may be difficult to determine. The success of 3STEP should be assessed against selected target outcomes.

There may be many other incidental benefits, and even other unintended outcomes, however, the target outcomes represent the criteria of success.

Our target outcomes also relate directly to the vision and mission of the project: “To use ICT more effectively to increase the performance and capability of the third sector in Australia”.

#### 4.7.1. CHARACTERISTICS OF TARGET OUTCOMES

Target outcomes are not project deliverables or outputs. They are manifest changes in the behaviour or attitudes of participating stakeholders.

Target outcomes have the following characteristics:

1. **They are measurable.** The starting point can be clearly benchmarked, changes in the metrics can be determined and at a certain point it can be compared with the set target.

2. **They are timely.** Target outcomes should be measurable within a reasonable time of the project.
3. **They are important.** The outcomes against which we measure success must have an important impact on the stakeholders; they must not be trivial or insignificant.

4. **They are plausible.** Among the many factors in play it is important that the outcome measurement can be credited to the 3STEP process.

### 4.7.2. 3STEP TARGET OUTCOMES

<table>
<thead>
<tr>
<th>Target Outcome</th>
<th>Measure</th>
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<tbody>
<tr>
<td><strong>STEP 1</strong></td>
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</table>
| Increased momentum of NNIC project | ▪ Expressed interest in projects and participation in launch.  
▪ Levels of interest in the program positions;  
▪ Levels of interest in being the auspice organisation.  
▪ Contributions to funding. |
| **STEP 2** | |
| Improved strategic value of ICT in the NFP sector | ▪ Positive follow up reports from participants in the Executive Briefing program.  
▪ Changes in metrics determined by mapping project.  
▪ More non-profits dedicating increased investment to ICT  
▪ Lift in investment by Federal and state government, private sector and philanthropic/third sector funders in ICT capability |
| Success in advocacy initiatives | ▪ Defined as advocacy projects are identified.  
▪ Growing awareness of the importance of the third sector in Australia  
▪ Growing awareness of the importance to the third sector of rising capability in ICT |
| Improved service and support delivery to the sector | ▪ Participation in 3STEP on-line referral and knowledge base systems.  
▪ Changes in metrics determined by mapping project. |
3STEP

- Completion of a mapping methodology that links non-profit organisations to ICT advice, services and support
- Evidence of ICT businesses developing programs, services and software specifically aimed at meeting the needs of non-profit organisations

Improvements in ICT Capacity of the sector
- Success in all funded programs.
- Changes in metrics determined by mapping project.

STEP 3

- Consolidation and expansion of the programs outlined above.
- Successful establishment of an investment fund to support the programs.

4.8. How the Proposed Model Fits in Relation to the Original NNIC Criteria - The 3STEP Model

The 3STEP model is derived from the key findings of this study:

1. The operating capacity of Australian non-profit organisations is being hampered by a lack of widespread understanding and use of information and communications technologies (ICT).

2. There is strong support from Australian non-profit organisations for a national strategy to address this issue.

3. International experience demonstrates that non-profit technology networks greatly enhance ICT capacity development in non-profit organisations.

4. Joint efforts from the first, second and third sectors (i.e. government, business, and non-profits) are essential to success.

5. Existing resources need to be effectively leveraged if action is to be timely and cost-efficient.
4.9. STRUCTURE AND FUNCTIONS

Our consultations were consistent in these key findings regarding the structure and functions of an organisation tasked with developing national strategies:

1. Overall policy coordination, development of standards, advocacy with key players nationally and general technology information provision are best handled nationally.

2. Practical service delivery issues are best handled at the state and regional level.

3. A new organisation is ultimately required to undertake the tasks outlined in 1 above.

4. Such an organisation should however complement rather than replace existing endeavours.

5. Such an organisation should draw on the best aspects of various overseas models.

4.10. GOVERNANCE

The overall governance of the 3STEP program integrates three stages – establish, evaluate and extend.

This report describes in detail the “establish” phase over the next 2 years. We are recommending that, towards the end of that phase, the second “evaluation” phase should be started. The purpose of this phase is to consolidate all of the evidence and experience of the initial work of the program to determine whether or not real momentum has been generated on which to base the third phase. If the evidence is there, the third phase or “extend” can start. It is in this third phase that the longer-term direction and structure for the focus on ICT capacity in the third sector is firmly set.

The purpose of this framework is twofold. Firstly, it illustrates the specific tasks to be completed in each phase. Secondly, it reinforces the importance of managing the transitions from one phase to the next.
This approach draws not only on the consultation outcomes but some key aspects of overseas models, including:

- A coordinated national approach, supported by government, with a special focus on regional areas (UK ICT Hub)
- Adaptation of successful models and standards to other settings (NPower, US)
- A cooperative approach to knowledge sharing and local skills development (NTEN, US)
- A national and international networked approach to knowledge sharing and resource distribution (TechSoup, US)
- Effective grassroots involvement in solution development, supported by philanthropic foundation funding (SANGONet (South Africa))

It is recommended that a three step process be implemented that may ultimately lead to a new organisation being established, with its own constitution and funding base. This action and transition process is to be known as the 3STEP Program – Third Sector Technology Expansion Program (referred to as the Program for here on). The ‘3’ also represents the three sector involvement necessary for success.

A three step process is recommended due to:

1. The need to urgently implement processes which will improve the ICT capacity of Australian non-profits i.e. to ‘hit the ground running’
2. Sustain the significant interest, momentum and engagement gained in the NNIC consultation process.
3. The need for a more extensive mapping of the issues and closer engagement of the key players before settling on a longer term management strategy.
4. The need for a wider and deeper experience of the issues before seeking commitment from major investors to an ongoing structure.
4.11. STEP 1 – JANUARY 07 TO JUNE 07

It is proposed that the current consultation consortium be provided with additional funding to:

- continue its engagement with key players to maintain the momentum developed during the consultation process,
- to fine tune the program establishment arrangements that are outlined below,
- to plan the implementation of the initial program projects,
- to lobby appropriate sources of funding and support.

Such a process would be the core to an effective transition to the Program Steering Group and would ensure continuing momentum in a process that has effectively engaged and galvanised key stakeholders.

In our consultations, there was a general view that a new, independent organisation is required to manage the process of upgrading ICT capacity in the non-profit sector. While that is one factor in determining the longer term organisational and governance options, it is our view that the complex governance arrangements required to establish such an organisation would significantly delay implementation of the programs that the sector has identified as being urgently required. We have therefore described a process which we believe will ultimately achieve both ends but in a more time and resource efficient manner.

4.11.1. ACTIONS FOR STEP 1 – JAN 07 TO JUNE 07

1. Establish a Program Steering Group. It is recommended that such a Steering Group comprise 10 members with people from at least four states and at least one from a rural or remote region, in the first instance, representatives from:

   - DCITA (1)
   - Auspice organisation (1)
   - Non-profit organisation specialising in ICT issues (1)
   - Small non-profit organisation (1)
   - Medium non-profit organisation (1)

The coalition must be agile because issues and the sector changes. As people get more IT savvy, the challenges of the organisation will change.

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- Non-profit peak organisations, with at least one drawn from the Non-profit Roundtable membership (2)
- ICT industry, including at least one small business (3)

The Program Steering Group’s role would be to:

- In consultation with the non-profit sector, create a **bold and ambitious vision** for non-profit technology capacity development.
- Argue for **major strategic investment** by Federal and state governments and corporates to support that vision, beginning with support for the Secretariat and a limited range of initial projects.
- Engage in **policy innovation and reform** to link the non-profit sector into the wider debates about the potential of technology to impact Australia’s social and economic development.

- Encourage non-profits to take responsibility for a strategic approach to ICT capacity development within their own organisation.

2. Call for expressions of interest for, and choose, an auspice organisation to carry out Step 3 (outlined below). The minimum requirements of an auspice organisation would be that they:

- Have access to mechanisms that will allow it to receive funds from organisations that require Deductible Gift Recipient (DGR) status of recipients e.g. philanthropic foundations and some corporate donors.
- Be willing to house and administratively support the program if required, including provision of adequate ICT support. (The auspice organisation may ultimately choose to contract out this aspect of the program to an appropriate existing organisation within the sector.)
- Delegate details of the implementation program to the Program Steering Group.

3. Develop a 2-year strategic plan for the organisation which would include:

- Developing a model of effective ICT use in the third sector (drawing on good practice from within the sector, from within business etc)
- Leveraging existing resources in a collaborative manner e.g. conferences, training programs, existing non-profit ICT programs etc.
• Developing a mapping and ‘discovery’ methodology that a state or region can use to make it easier for non-profits to find the resources and expertise they need to get the training and advice on ICT to make them more effective and to use in lobbying their state or regional players to bridge any identified gaps.

• Brokering a new non-profit sector ICT fund with support from Federal and state government and the corporate sector, with the aim as acting as a development fund to support specific ICT endeavours where non-profits can show a clear vision, good planning etc

• Collecting and sharing stories about good ICT practice in the Australian non-profit sector

• Commissioning research into ICT practices that demonstrate measurable improvement in capacity and service delivery.

• Identifying technologies and strategies unique to the non-profit sector that represent potential markets to software developers, service providers etc and, where appropriate, coordinating aggregation of demand.

• Advocating to Federal and state governments and business on key ICT capacity development initiatives to assist the non-profit sector e.g. low cost, high speed broadband connectivity for regional and remote areas, standardising online reporting requirements by government agencies etc.

• Engaging non-profits and the business sector in developing software and other solutions specific to the needs of the third sector, with the potential for tapping into global markets.

4. Federal and state government to commit to the provision of $140,000 to the program, on the proviso that this is matched by income generated by the Program itself from non-profit, philanthropic and business sources, for a minimum total first year budget (excluding in-kind support) of $280,000.

5. The Program Committee to appoint three staff to commence from July 1:

• Program Director

• Project Officer – Research and Policy
4.12. STEP 2 – JULY 07 TO JUNE 09

4.12.1. STEP 2 – YEAR 1: JULY 07 TO JUNE 08

Following the finalisation of the Program budget (Year 1) and the official launch of the Program, work on projects and activities will begin. The list of projects is dependent on the level of funding provided. Described in this section are two levels of funding: the optimal funding level and the minimal funding level.

4.12.1.1. Minimal funding projects

- **Building an ongoing and active informal network** of third sector organisations with an interest in ICT capacity development, for the purposes of sharing resources, research, programs, information etc and creating the means for the effective sharing of these resources. As a minimum this will include a comprehensive web-based resource to support these activities, either purpose built in-house or contracted out.

- In consultation with the states/territories and regions, **systematic mapping** of both the existing and required ICT needs and support required throughout urban and regional Australia.

- Mapping, and **development of a system of endorsement** of suppliers of ICT services to non-profit organisations.

- Establishment, or contracting out, of an **ICT resource site** for non-profits.

- In association with the business sector and large non-profits, establishment of **Executive Briefing Centres** to upgrade the strategic ICT planning skills of Boards and senior management staff. The briefing centre concept would be dedicated to the task of working directly with Board members and senior managers in the non-profit world to rapidly lift the level of awareness and understanding about the potential of networked ICTs to improve performance and deliver on their mission and role.

It would use the resources of the best of the corporate and non-profit world to develop a range of materials, courses and learning opportunities that help organisational leaders to gain a comprehensive strategic understanding of the contemporary role and significance of ICTs. Board members, CEOs and senior managers would have the chance to access the services of the briefing centres in a
number of different ways – short presentations, executive sessions, longer courses, mentor and ‘learn from the best’ sessions that use case studies from the corporate and non-profit world that illustrate good practice examples of ICTs contribution to strategic outcomes and improved performance. Resource materials and practical examples of such strategies already exist in the UK.)

- **Preparing budget bids** to Federal and state government and other funding sources for Year 2 of the Program.

- Preparing a plan for a **long-term investment fund** in non-profit ICT capacity development and the mechanisms for its development and management.

The ICT investment fund would draw on money invested by the public and private sectors, to create new opportunities to help non-profits find the resources they need to spend on effective ICT capability. Funding could be linked to engagement in other elements of the Program, including exposure by Board and senior managers to the Executive Briefing Centre process and linking in with the network of planners and technology support services. Especially for the smaller and medium-sized non-profits, the Investment Fund would be a way to gradually lift the expectations about how organisations can access the funding, making sure that it reinforced practical commitments to better strategic thinking about technology and a gradually improving capability to execute good technology projects.

As part of the governance planning for the Investment Fund, consideration will be given to using existing industry peak bodies as the channel for industry investments, to avoid the perception of undue influence in the process by industry corporations.

4.12.1.2. **Optimal budget options**

In addition to the projects identified for minimal funding, optimal funding will enable important additional capacity building projects:

- Implementation and/or rigorous evaluation of a number of **pilot projects in ICT support** to non-profits as the basis for future urban and regional programs. These could include ICT healthcheck programs, circuit riders, ICT volunteering, ICT training and development, etc.

- **Engagement of relevant authorities and organisations on key issues** in non-profit ICT capacity development e.g. broadband infrastructure, skills certification.
- **Researching the measurable impact** if improved ICT capacity on non-profit service delivery.

### 4.12.2. **STEP 2 – YEAR 2: JULY 08 TO JUNE 09**

Once the program budget for year 2 has been finalised and the contracts with funders have been signed the projects for year 2 can proceed:

- Generalised funding of programs proven **successful in the pilot projects** in ICT support.
- **Continuation of successful programs** from Year 1 if necessary.
- **Continued advocacy** to relevant authorities and organisations on key issues in non-profit ICT capacity development.
- Preparation of **plans for Step 3**.
- **Continuing research** into the measurable impact of improved ICT capacity on non-profit service delivery.

### 4.13. **PROPOSED BUSINESS PLAN**

We have set out two basic options for the future, one being the **minimum** investment required to engage in any basic activity to begin to address the issues raised and one which we believe is realistically **optimal** for any significant and long-lasting inroads into the issue of non-profit ICT capacity development.

#### 4.13.1. **MINIMAL INVESTMENT BUDGET - YEARS 1 AND 2**

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<td>Non-profit sector contributions</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$280,000</strong></td>
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<table>
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<th>Expenditure</th>
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<td>Staff salaries and on-costs</td>
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### Rent and outgoings

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<td>General administration (phone, stationery, ICT etc)</td>
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<tr>
<td>Travel and accommodation</td>
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<td>Website development and maintenance</td>
<td>$20,000</td>
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<tr>
<td>Travel subsidies for rural and remote skills programs e.g. attendance at strategic ICT workshops</td>
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</tr>
<tr>
<td>Pilot project funding</td>
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<td><strong>Total</strong></td>
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### 4.13.2. **Optimal Investment Budget - Years 1 and 2**

#### Income

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<th>Source</th>
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<td><strong>Total</strong></td>
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#### Expenditure

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<td>Staff salaries and on-costs</td>
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<td><strong>Total</strong></td>
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</table>
4.14. STEP 3 - AN ONGOING ORGANISATION, POST JULY 09

Our consultations detected a strong view that ultimately the sector want to see a stable, independent, inclusive organisation whose ultimate focus is on grass-roots support and involvement of small and medium non-profits, especially those in remote and rural areas. They were equally adamant that they did not want such an entity to become a self-serving, centralised bureaucracy devoting most of its time to the ‘haves’ and to the eastern seaboard.

The model beyond July 09 would be a formalised independent organisation, with a Board of Management of not more than nine people to carry out all of the standard governance roles, including the appointment of staff, management of budgets and planning, and compliance with all regulatory matters.

The Board would comprise elected members derived from the membership of a National Advisory Council (see details below) plus non-voting representatives of key Federal and state government funding agencies and companies involved in the ICT industry. It could meet quarterly.

This organisation will be funded by membership fees, fee for service income, income from intellectual property developed for the program, corporate and sector support and innovative, technology-based fund raising.

4.14.1. NATIONAL ADVISORY COUNCIL

The National Advisory Council could comprise:

- Non-profit organisations accepted by the Board on application as having an active interest in and practical commitment to the development of ICT capacity in their own non-profit organisation and other non-profit organisations. A key criterion could be active involvement in their relevant state/territory 3STEP Coordinating Committee (see below) but it is recognised that for some national bodies this may not be appropriate. The members of the Advisory Council would be the members of 3STEP and a membership fee consistent with their organisation’s income would be charged both as a demonstration of commitment and a minor form of funding. A key role of the Board and staff would be to encourage membership from all state/territories and all sizes of organisation.
Federal and state government and business organisations with a demonstrated active interest in non-profit ICT capacity development, accepted by the Board on application. Such members would play an active role in discussions but would have no voting rights on the Council. Where such members were not providing cash or in-kind funding to 3STEP an appropriate membership fee would be charged.

It is anticipated that the National Advisory Council could comprise up to 30 people and would meet six-monthly to set the general policy and broad strategic direction of 3STEP.

**4.14.2. STATE/REGIONAL COORDINATING COMMITTEES**

These would be convened by a local non-profit organisation accepted on application to the Board as an appropriate body for the purpose. Their key role would be to identify local service delivery priorities, liaise with governments and companies in their area, host local events (including those coordinated on a national basis) and provide advice to the Board on funding priorities. Participation would be open to all interested parties but there would be no formal membership as such. Support would be provided from the Secretariat and funding would be available to the convening organisation to support local coordination activities.

These Committees could meet monthly.

**4.15. PROPOSED TIMELINE OF EVENTS**

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>Nov 06</td>
<td>Final NNIC Consultation Report submitted</td>
</tr>
<tr>
<td>Jan 07</td>
<td>Extension funding to NNIC Consultation consortium approved. Step 1 commences.</td>
</tr>
<tr>
<td>Feb 07</td>
<td>Expressions of interest called for Program auspice organisation. Formal approaches to non-government funding sources begins (ongoing). Planning for initial projects commences (ongoing to June 07).</td>
</tr>
<tr>
<td>March 07</td>
<td>Auspice organisation appointed. Nominations called for Program Committee. Staff positions advertised.</td>
</tr>
<tr>
<td>April 07</td>
<td>Staff appointed (pending funding)</td>
</tr>
<tr>
<td>May 07</td>
<td>Federal and state government funding approved in budget</td>
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<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Dec 07</td>
<td>All initial projects under way.</td>
</tr>
<tr>
<td>July 08</td>
<td>Formal Program investment fund launched, 2-3 year commitments sought. Evaluation of year 1 completed. Year 2 programs commence.</td>
</tr>
<tr>
<td>July 09</td>
<td>Step 3 – Ongoing organisation launched.</td>
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5. APPENDICES

5.1. BACKGROUND TO THE CONSULTATION

In October 2005, the Department of Communications, Information Technology and the Arts sought to engage a consultant to develop, in consultation with key stakeholders across the Australian non-profit sector, a possible model for building a National Non-profit ICT Coalition (NNIC).

The tender was sought in the context of the Department’s Information Economy Division earlier release in February 2005 of two discussion papers, *Information and Communications Technology Transforming the Non-profit Sector* and *The Role of ICT in Building Communities and Social Capital* and a set of accompanying case studies, reflecting the scope and nature of the social and community impacts of Information and Communications Technologies (ICT) on the Australian non-profit sector.

5.1.1. THE TENDER BRIEF

The Department sought comprehensive proposals for the development of a possible model for building a NNIC, and an associated draft business plan for its implementation. It envisaged that a NNIC would consist of a coalition of leading non-profit organisations and social enterprises, and possibly other relevant civil society organisations, and that the NNIC would have the following broad overarching objectives or mission statement:

a. Provide strategic oversight, coordination and leadership at National and state/territory levels on effective ICT use and ICT capacity building for the Australian non-profit sector.

Raise awareness and understanding of the strategic benefits of ICT for non-profit organisations and for the sector as a whole, with particular focus on the strategic benefits of ICT in the following three areas:

- enhancing operational efficiency and capability;
- delivering services and support; and
- building communities, networks and connections.
b. Have a particular focus on raising awareness and understanding of CEOs, senior staff and board members of non-profit organisations of the strategic benefits of ICT, including by senior staff and board members of non-profit funding bodies such as trusts and foundations. This has the aim of achieving a shared awareness and understanding of the costs, benefits and technology options/alternatives to facilitate more informed choices about adoption and use of ICT, as well as improved strategic planning and management of ICT.

Improve the effective use of ICT by non-profit organisations and the sector to enable the sector to operate more efficiently and effectively and to better achieve its goals, with particular regard to the three areas in (ii) above.

Work to develop and put in place affordable, reliable and sustainable support models for non-profit organisations at a national, state/territory and regional level, involving trusted and reliable ICT information, guidance and advice (including information, guidance and advice on good practices, standards and trusted/reliable service providers), tools, training and technical support services.

Improve the ICT infrastructure, ICT funding and ICT procurement arrangements for non-profit organisations and for the sector as a whole.

Work to increase awareness and understanding of the business sector of the ICT needs and ICT capacity of non-profit organisations and of the sector, and to advocate for business development of innovative, relevant and affordable online applications and services for the sector, and to foster strategic ICT alliances and engagement between the business and non-profit sectors.

5.2. APPOINTED CONSULTANTS

At the conclusion of the selection process, the Department announced that the successful bidders were a consortium:

- **Community Information Strategies Australia Inc (CISA)** – represented by Doug Jacquier – Project Manager and Consortium Convenor
- **Non-profit Roundtable** (delegated to the Australian Council of Social Service – ACOSS) – represented by Andrew Johnson and Sharon Torney
5.3. **DEFINING THE NON-PROFIT SECTOR**

For the purposes of this study, the Department offered the following definitions:

*Non-profit organisation* refers to an organisation which is formed to achieve a common goal or benefit, is member or public serving in nature, is based on voluntary membership and is prohibited from collecting or distributing profit.

*Public-serving* refers to provision of a public service and is mainly represented in the fields of health, education, community and other human services.

*Member-serving* refers to provision of a service for the benefit of members, which may be *either* individual members or member organisations. The two major member-serving industry categories are leisure (which includes sport and recreation) and interest organisations (which includes peak bodies, religious organisations, political parties, lobby groups, trade unions, professional associations and business, trade and industry associations).

*Social enterprise* refers to an organisation which operates as a private company, funded through private social investment and established solely to enhance the social good of the wider community and includes philanthropic trusts and foundations.

*Civil society* is an all-encompassing term which refers to social structures and interests outside of the government and business sectors, including voluntary associations and non-profit organisations, where people combine for their collective interests. These voluntary associations draw from community, neighbourhood, work and other connections. Civil society includes social movements or community based organizations where people come together to advance their interests and can also include higher education, research and cultural institutions.
5.4. A NEW DEAL FOR TECHNOLOGY IN THE THIRD SECTOR

Stepping back from the various elements in the Program, it becomes clearer that they combine to create a powerful foundation on which to fashion a new deal for investing in a dramatic improvement in technology capacity in the Australian third sector.

For its part, the proposed Program provides tangible evidence of the sector’s willingness to take the lead. The sector is clearly acknowledging that the use of networked information and communication technologies is a central part of its future success and that, in the past, its capacity to harness the new technologies of communication and collaboration has been variable and often inadequate. The sector, by signing up to the model and providing its leaders and IT practitioners with the best practice and support opportunities through the new network, would be accepting its primary responsibility to make the first move to improve individual organisation and sectoral performance.

The second element of the new deal would then be a matching willingness by Federal and state government, the corporate sector and the philanthropic funding community to invest in the technology capability uplift process by pooling grant and sponsorship funds. Appropriate performance expectations can be written into the rules of funding from this pool so that public and private investors can feel confident they are extending the commitment the sector has already signalled it is willing to make to lift technology capability.

Both parts of the deal are necessary to make it work. But it has to start with the sector itself.

5.5. RISK AND OPPORTUNITY ANALYSIS

Any solution to the challenges that form the basis for this project brings both significant opportunities and some risks. This section presents a brief review of the way in which implementing the proposal can make the most of one without being undermined by the other.
5.5.1. **Risks**

5.5.1.1. **Rejection by the sector**

The non-profit sector is diverse, independent and sceptical of what can appear to be imposed, top-down initiatives that it perceives as paternalistic, opportunistic or overly critical.

The wide consultation that has informed this project, and the engagement with non-profit organisations by the experienced consortium members, offers some confidence that the proposals will be supported in principle. It is unlikely that there will be any significant opposition to the direction of the recommendations and the outcomes they are designed to achieve.

For those who do not embrace the proposal initially, the more likely response is a ‘wait and see’. Few will argue that it is not at least relevant to the issues to which it is trying to respond.

Some criticisms can be predicted and resisted:

- “3STEP is pushing only vendor platforms”. This criticism will be levied particularly if corporate support from vendors is forthcoming. A focus on cross-platform, vendor neutral advice and language should help resist this criticism. Engaging the support of a range of companies for the overall venture will also help to diffuse any criticism that could be directed at too much influence by a specific vendor.

- “3STEP should be providing support”. While our research indicated that there is a great requirement for direct and low-cost support, the delivery of this support was not included in the 3STEP brief. Developing mechanisms to match support with need will help to resist this criticism. It’s also true that a consistent theme in the consultation was the need to avoid setting up either competing or overlapping service delivery functions that cut across the work of existing suppliers.

- “3STEP only works for big organisations”. It is important that 3STEP achieves outcomes for small, and particularly under-resourced, non-profit organisations. Publication of case studies will be helpful here. It will also be crucial to ensure that, in the proposed mapping initiative to improve the match of services and support to the needs of non-profits, the needs and expectations of small and medium-sized non-profits are specifically sought and incorporated.
5.5.1.2. Resistance to an innovative model

There is always resistance to new ideas. There may be some who claim that the 3STEP model won’t work because it does not have the traditional structures, doesn’t fit the usual way that governments and non-profits do things.

In some ways, this potential criticism could be turned around to reinforce the argument that the challenges to which we are trying to respond demand some new thinking and new approaches. The solution in the third sector should reflect the insights that are already demonstrably changing the nature, shape and performance of traditional organisational structures in other sectors. Failing to incorporate those changes, themselves enabled and accelerated by the very technologies which this proposal seeks to entrench in the non-profit sector, in the design of the proposal would itself be a source of potential criticism. It will also be important to stress that the proposal deliberately takes an organic, bottom-up approach that allows non-profit organisations themselves to engage with the venture at a pace and in different ways to suit their needs and circumstances.

By allowing the proposal to evolve, especially over the first two years, it builds into the process a measure of flexibility and potential for review and revision. Avoiding too much ‘hard’ organisational structure and process at this stage is a positive advantage and should be part of the proposal’s wider appeal.

In the end, of course, the best response will be demonstrated success over the next two years, which will mean successful engagement with all stakeholders.

5.5.1.3. A bias toward certain sections of the sector

There may be a natural tendency for 3STEP to deal with the sections of the sector with the greatest need. Important in the governance and operational focus is a recognition of the diversity of organisations within the sector and the diversity of ICT requirements.

A continual review of the work of 3STEP will help to retain the focus on that diversity. Also, should a particular group of organisations require specific attention, this should be published as a specific policy direction.

Geographical bias is also a risk. 3STEP should direct efforts to cover the range of geographical areas and recognise the geographical barriers to both improving ICT capacity and access to 3STEP program initiatives. In some ways, the model provides for a considerable degree of local flexibility and responsiveness. The model will create opportunities to support and link local networks of organisational in specific communities who may be innovating solutions that can be scaled to other parts of the
country. Minimising the organisational structures should make it easier to seek out, support and connect good ideas and different responses across different communities.

5.5.1.4. Unrealistic expectations

While there is significant value in the momentum and engagement so far, it is also important to manage the expectations of the non-profit community and the funding bodies. The challenges of lifting ICT capability in the third sector are well recognised and the desire for a fast solution is strong.

Important in managing this risk is the proper communication of the program and expected outcomes of 3STEP. Setting out the full context for the proposal and understanding the role of the first two years of the program will be crucial to ensuring a realistic assessment of what the program can achieve in each stage of its evolution.

Also important will be to quickly turn around some high impact, low budget activities, that can enhance the momentum and fulfil some of the early expectations.

5.5.1.5. Wrong perceptions

There is a risk that 3STEP will be perceived as something it is not, and will be expected to deliver services and activities that are not part of its charter. Again, good communication, ongoing consultation and successful activities will help minimise this risk.

5.5.1.6. Risk Summary

<table>
<thead>
<tr>
<th>Risk</th>
<th>Treatment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rejection by the sector</td>
<td>Good communications; prepare for criticism.</td>
</tr>
<tr>
<td>Resistance to an innovative model.</td>
<td>Successful activities; Good communications</td>
</tr>
<tr>
<td>Bias toward part of the sector</td>
<td>Careful targeting of activities, published policy direction</td>
</tr>
<tr>
<td>Unrealistic expectations</td>
<td>Good communications; some early, high-profile successful activities.</td>
</tr>
<tr>
<td>Wrong perceptions</td>
<td>Good communications; ongoing consultations; successful activities</td>
</tr>
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</table>
5.5.2. **OPPORTUNITIES**

5.5.2.1. The wider application of the model
The 3STEP model shares many features of the technology world and is well suited to its task. The success of the model may well lead to its use in other areas of the non-profit sector, such as in improving governance capacity or in leadership development.

In time the 3STEP model may become a reference point for other countries. It could also apply on different scales to specific issues in states and territories.

5.5.2.2. Sector helping the sector
The 3STEP model draws upon the capacity of the sector to connect, communicate and collaborate to share knowledge, experience and skills. A concerted effort to facilitate and encourage this in ICT will have profound implications for other activities in the sector where resources are scarce and need is great.

5.6. **KEY BARRIERS TO ESTABLISHMENT AND SUSTAINABILITY AND OPTIONS TO ADDRESS THESE BARRIERS**

5.6.1. **INADEQUATE INITIAL FUNDING**
Australia faces an opportunity to make a dramatic and permanent change in the ICT capacity of the non-profit sector. While there is a base level of funding that is needed to achieve the foundation elements described in the proposal, more could be achieved faster with additional investment.

Clearly, the greater the available funding, the quicker and more ambitious will be the outcomes.

5.6.2. **INADEQUATE ONGOING FUNDING**
3STEP will provide a strong foundation for continued improvement of ICT capacity in the non-profit sector. Without ongoing funding the momentum and opportunities will be lost.

Important here will be the engagement of the corporate and business sector, Federal and state government, both state and federal and the non-profit sector itself. Successes and continued innovation will help secure funding, as will a strong planned program of activities.
A key opportunity here is to use this initiative to reinforce the importance for all of those who are investing in the non-profit sector – Federal and state government, business and the philanthropic sector – to evolve a clearer view of the importance of an effective ICT platform for non-profit performance. As it has demonstrated in other sectors, the capacity of non-profit organisations is increasingly hostage to the availability of networked ICT to achieve the results and outcomes that drive mission and service goals.

Investing in ICT should increasingly be accepted as a key strategic priority if the ultimate ambition is to evolve a non-profit sector with the capability to improve the quality of its services and help to build strong, cohesive and resilient communities.

5.6.3. **Geographical Location**

The nature of the task of 3STEP requires that it has no geographical bias, however it must have a geographical location. This will be dependent on several factors – the selected auspice organisation; the location of the highest quality personnel and proximity to necessary resources, networks and stakeholders.

By reducing the influence of location by the use of technology 3STEP can attract the best personnel, keep operating costs low and at the same time, demonstrate the value of technology innovation.

5.7. **Letters of Support from Potential Funding Sources**

Example only

To Whom It May Concern

Our (company/philanthropic organisation/non-profit organisation) have read the Draft Report of the NNIC Consultation Consortium and in general we support its findings and its proposed strategies.

We have demonstrated our support for the development of the ICT capacity of Australian non-profit organisations in the past through:

(List)

Subject to further discussions with the proposed Program Steering Group, it is our intention to make a significant contribution to the proposed Action Plan through financial and in-kind support, on the understanding that this will be supported by a
significant investment from the Federal and state government in the establishment phase of the proposed Program.

Yours sincerely

etc

5.8. CONSULTATION METHODOLOGIES

As part of the project process, the winning consortium was expected to:

1. Consult with relevant key stakeholders across the non-profit sector.

2. Test and refine a possible model and a business plan.

3. Analyse existing international models (in the UK, the USA and South Africa) and their possible value and relevance in the Australian context.

4. Draw on the DCITA’s research, and other relevant research.

In designing the consultation process the consortium took the view that it should, within the constraints of budget and time, be as inclusive as possible to ensure that the sector could contribute in all its diversity and that the sector would feel some ownership of the result.

To achieve this, it:

1. Undertook an initial analysis of the issues and of overseas models, including a review of existing research, a review of exemplary practice via written documentation and reports, discussions with overseas experts and representatives of relevant organisations. The review was to act as a SWOT analysis and was to be particularly important for framing subsequent consultations and the survey.

2. Held a series of parallel workshops entitled Towards a national strategy for developing the ICT capacity for the non-profit sector, held during the CISA ‘Connecting Up 2006’ Conference, in Adelaide on 2 May 2006. The workshop and the conference were attended by representatives of a number of comparable overseas organisations, including the UK ICT Hub, N-TEN and SANGONet, providing delegates with a unique opportunity to discuss the pros and cons of overseas models. Delegates were then asked to spend some time
considering the strengths and weaknesses of the sector in relation to ICT, and to provide some initial feedback on the structure and role of a NNIC-type organisation, in a series of parallel workshops. The results of those workshops synthesised at a plenary session.

3. Established a reference group comprising a minimum of 20 ‘informed observers’ chosen for knowledge of, or importance to, the sector. Thus it was to include not only expert opinion from within the sector, but also representatives of Federal and state government and business who have had significant dealings with the sector, as well as representatives of State and Territory Councils of Social Service, Indigenous organisations, and so on. A complete list of participants is included in the Appendices. Each member of the reference group was asked to contribute by participating in an in-depth interview, by telephone or email, in order to ensure that the opinions of all stakeholders were represented, not just those of the sector. The results of these interviews were summarised and also used in finalising the design of the survey instrument.

4. Sought the broadest input, an online survey of non-profit organisations was then planned and developed (in association with the non-profit Network and Digital Business Insights), using the Survey Monkey software. Unlike the reference group, this was open to the entire sector. It was advertised widely through numerous newsletters and email distribution lists maintained by members of the consortium, various peak bodies and ICT support organisations. The questions were formulated in the light of the results of the first three steps, and designed to solicit information and opinions on existing capacity, sectoral needs, and the structure and role of the proposed NNIC. A copy of the questionnaire is attached as Appendix 2.

5. Conducted, as the final stage of the consultative process, a series of face-to-face meetings held in the capital city of each state and territory, and open to all members of the sector. Members of the consortium were present at each meeting who, after presenting a basic outline of the outcomes of the previous stages of the consultations, presented a set of guiding principles and broad options for consideration.
5.9. **CONSULTATION OUTCOMES-CU06, INFORMED OBSERVERS, SURVEY, FINAL CONSULTATION WITH SIGNIFICANT STAKEHOLDERS**

5.9.1. **CU06: TOWARDS A NATIONAL STRATEGY FOR DEVELOPING THE ICT CAPACITY FOR THE NON-PROFIT SECTOR**

The first stage in the process was a series of parallel workshops held at the CISA ‘Connecting Up 2006’ Conference (CU06) in Adelaide on 2 May 2006, which solicited the opinions of conference delegates, which were then synthesised at a plenary session.

Apart from demonstrating strong support for the concept, the feedback from those meetings was that:

1. Nick’s governance and activities should reflect the great diversity in the sector, not only in terms of the fields of activities covered, but also in terms of the size of organisations and their geographic diversity.
2. NNIC should not become a service provider, but a ‘connector, collaborator and advocate’ that could make joint effort more effective.
3. There was widespread support for a sectoral voice to grasp the value and seriousness of the conversation that is currently occurring in the non-profit sector.
4. NNIC should champion sustainable funding for ICT and the development of effective whole-of-government approaches, integrated with business and philanthropic investment.
5. NNIC should educate for strategic use of ICT, promoting strategic advice and business cases that are expressed in inclusive language that is meaningful at a non-profit management and board level, for a range of different sorts of organisations.
6. NNIC should, as part of its advisory strategy with the non-profit sector, develop an online portal or one stop shop/website which is timely, accurate and comprehensive.
7. NNIC should support the continuing need for physical face-to-face events such as conferences, particularly in regional/remote areas.
8. NNIC should help non-profit organisations in deciding who to trust, for example, by providing a database of certified and recommended suppliers and consultants to non-profit organisations.

9. Finally, although not a direct role for a NNIC, the needs of ICT service clients in relationship to NNIC should be considered.

5.10. **SUMMARY OF CONSULTATIONS WITH INFORMED OBSERVERS**

The second stage, based on 'informed observers' interviews, produced the widest range of opinions. That was perhaps not surprising as this stage also canvassed the widest range of stakeholders, including representatives of governments at all levels, IT groups such as Microsoft, IBM, Cisco, peak non-profit groups and philanthropic organisations, non-profit ICT service organisations and a mix of non-profit organisations based on size and location. In all, 23 people were interviewed. Overall these interviews emphasised, in a way that the other consultations did not, the benefits and the need for brokering links and partnerships between organisations, especially to organisations outside of the sector.

Discussions with the 'informed observers' focused on three main areas: the current state of the sector with regard to ICT; the structure of NNIC; and the types of services it could offer. Views from those we interviewed are summarised under each of the these headings.

5.10.1. **THE NON-PROFIT SECTOR AND ICT**

- ICT offers significant opportunities to the sector for administrative efficiencies and communication, both internally and externally, with access to information becoming more widespread and democratised. ICT also has the potential, if well-used and supported, to act as an industry skiller and employer.

- Effective use depends upon having an overall strategic vision, and the ability to relate ICT to core business practice. In this context, many boards and organisations remain unaware as to how the contemporary workplace has changed under the impact of ICT, have no concept of IT solutions and don't see ICT as a contributor to overall organisational performance.

- In many organisations, planning and investment decisions aren't integrated with organisational processes and are by and large under-informed and ineffectual, made in fragmented ways.
Similarly, although there are some notable examples, there is untapped potential for strong relationships with business.

There is also a lack of collaboration between the sector and government on ICT issues, and many non-profit organisations report that, although services are outsourced to them and associated ICT costs ‘down-streamed’, there is insufficient recognition of this by government. In such circumstances increased electronic ‘efficiency’ can actually mean increased workload for the organisations concerned.

There is a continuing danger of a digital divide amongst organisations and communities, especially around access to broadband or other forms of high-speed access. For example, amongst remote indigenous communities, there significant weaknesses in infrastructure whereby ICT is not always adequately supported and access to bandwidth can be problematic.

5.10.2. **THE NNIC MODEL**

- It is essential that NNIC establishes an explicit mission, with clear values, goals and targeted outcomes.
- It must be sector-led and involve relevant ICT specialist non-profit service providers, who should be funded for their involvement.
- The message that NNIC shouldn't duplicate existing support infrastructure and services was very clear, although there was mixed opinion on exactly how it would relate to existing providers.
- Whatever structure was adopted, the interests of smaller NGOs, particularly those in the outer suburbs or in rural and regional areas, must not be neglected. In this context it was considered that big picture issues may not necessarily work at a local level and that activities such as meetings and opportunities for learning would therefore need to be targeted to be accessible to the people who would benefit most.
- It was generally considered that the business model would need to be a mixture based on commercial fee-for-service and pro bono work.

5.10.3. **NNIC ROLES**

- Assist with strategic planning in general, and more specifically with the preparation of business cases and capacity building
- Assist with policy development
- Provide a voice for the sector on ICT-related matters
- Support research into the ICT needs of non-profit organisations
- Provide online support and communication processes - an ICT information clearing house for: sharing experience; providing independent information; providing a point of contact for NGOs; developing information standards; and the dissemination and promotion of best practice.
- Sponsor conferences and other face-to-face meetings and workshops.
- Provide a location, or an ‘executive briefing centre’, where members of the sector can engage with the issues of technology and their business at a range of different levels.
- Sponsor whole-of-sector development of ICT
- Facilitate demand aggregation within the sector, by assisting with bulk purchasing deals, developing collaborative service and support arrangements, and the joint development of common applications.
- Assist in fundraising
- Assist in the brokering of partnerships between non-profit organisations and between sectors
- The coalition could build up a ‘stable’ of skilled practitioners in larger organisations who are willing to act as mentors and teachers within the coalition itself.

5.10.4. The NNIC Survey

The NNIC Survey was an online survey designed to allow the broadest possible response from the sector on the questions of the role, structure and activities of the NNIC. It also attempted to obtain some base data about the current capacity of the sector. Notice of the survey was sent out widely via newsletters and targeted email mailout to lists of non-profit organisations maintained by the various participants. Provision was also made for offline submission. The survey was conducted between August 21 and September 11.

A total of 908 responses were received, of which 881 were usable. This is a good response rate. When interpreting the results, it needs to be borne in mind that they are based on a self-selecting sample which both by the nature of the lists used and the ease of responding online, was skewed to those already online and to larger organisations.

Responses were received from organisations working in all areas of non-profit activity, but the highest representation was from the categories of: Community Development
(16.7%), Business and Professional Organisations (16.1%), Disability Services (13.1%), Service, Sports and Social Clubs (10.8%), Older People (10.1%), Youth Services and Welfare (9.7%), Family Services (9.1%), Employment and Training (8.5%), Child Care and Child Services (8.3%).

The key findings from the survey are summarised below:

1. There is strong support for the idea of NNIC (73% think it is a good idea, compared to 3.7% who don’t).

2. NNIC should be a stand-alone organisation rather than part of an existing peak (43% agree, as opposed to 29% in favour of being part of an existing peak)

3. There is strong support for representation from govt, business, etc (67%)

4. NNIC should accept govt and business donations and funding (66%)

5. There is no clear opinion on fee-based membership

6. NNIC should provide advocacy on funding of ICTs

7. NNIC should provide advice and support on funding of ICTs

8. NNIC should provide advocacy on issues of concern to the sector – decent national broadband showed up very strongly in this regard

9. NNIC should assist in the provision of technical advice and support

10. NNIC should assist in the provision of strategic advice

11. There is a real concern that non-profit organisations are not getting the most out of existing systems

12. Trusted advice is important and needed – existing services don’t seem to be meeting demand

13. Local support is most trusted

14. Advice from other non-profit organisations is more trusted than that of commercial organisations

15. There is a strong desire to get hands-on experience or at least better exposure to new technologies
The answers to the questions relating to desired services were grouped around the themes of cost and advice, particularly in terms of making better use of existing applications. The top six desired services are listed below.

- Funding to support your ICT capacity development (Scored 8.01 on a scale of 1-10)
- Discounts on hardware and software (7.91)
- Advice on good practices and standards (7.52)
- Low cost/free ICT support (7.52)
- Trusted online information about ICT for non-profit organisations (7.40)
- Training for staff and boards (7.29)

Each had a comparatively high ranking in terms of the desirability of the service, but it should be noted that they do not necessarily correspond to what NNIC should offer, presumably because respondents were sophisticated enough to draw distinctions between what they need and what NNIC could usefully provide.

5.10.5. FACE-TO-FACE – THE FINAL ROUND

During September and October, the final series of face-to-face meetings were held in Adelaide, Brisbane, Hobart, Melbourne, Perth and Sydney, attended by a total of approximately 90 people working in non-profit organisations or with particular interests in the non-profit sector.

These meetings followed the same semi-structured format, with a brief general discussion of the types of problems faced, and a report on the feedback received to date as the basis for a more informed discussion of how NNIC might be structured and what services it might offer.

There was again strong support for some form of organisation that could assist the sector by building on and assisting with the services available from existing providers, providing advocacy on issues of importance, assisting with ICT fundraising, and brokering access to expertise and technical support.

In terms of structure, it was felt that functions should centre around activities such as: policy development, provision of a coordinating voice for the sector, advocacy on issues information provision, funding, and negotiation with the corporate sector on support/funding. Everything else should be handled at the state/regional/local, preferably via existing providers.
In terms of the type of activities NNIC should support, the meetings endorsed the findings from the previous stages of the consultative process, while emphasising the following:

- The issue of technical advice and support was clearly identified as a major issue.
- The issue of facilitating better access to strategic advice also came through as a strong role for NNIC.
- NNIC was considered an obvious focus for cooperative activities, whether it be facilitating demand aggregation or cooperation around the development of sector wide or consortium-hosted software.
- Other suggested activities included: national accreditation of suppliers; information on trusted resources; coordinating advice services; acting as a broker to connect non-profit organisations with pro-bono services and support; bridging language gaps between non-profit organisations and ICT professionals; assisting with education, training and strategy.
- Finally, it was seen that these things could be achieved by establishment of a central website, with online communities, local information, software and hardware reviews etc. It was emphasised that that both online and physical ‘hands-on’ support were needed, and that if no ‘hands-on’ support were built into the network that an online site would be inadequate.

5.11. Base data obtained from the NNIC Online Survey, September 2006

A total of 908 responses were received, of which 881 were usable. Because this was a self-selecting sample and the nature of the lists used, there could be some skewing towards larger organisations and those already online. Consequently, the figures in column a) must be treated with some caution, however the figures shown in columns b), c) and d) are likely to be accurate indicators of capacity.

The columns represent:

a. Total respondents

b. Total respondents – annual revenue less than $250,000

c. Total respondents – annual revenue between $250,000 and $1,000,000
5.11.1. RESPONSES

What is your annual IT budget (to nearest $1000), including grant funding?

<table>
<thead>
<tr>
<th></th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers, software and support</td>
<td>$0 to $10K, most commonly $0 - $10K</td>
<td>$0 to $50K, most commonly $5K - $10K</td>
<td>No consistency, answers vary from $3K to $3M</td>
</tr>
<tr>
<td>Training</td>
<td>$0 to $5K. Most commonly $0 - $1K</td>
<td>$0 to $10K, most commonly $1K - $2K</td>
<td>$0 to $100K, most commonly $10K</td>
</tr>
</tbody>
</table>

How would you rate your organisation's rate of technology adoption (%)?

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leading edge</td>
<td>8.9</td>
<td>7</td>
<td>5.5</td>
<td>13.9</td>
</tr>
<tr>
<td>Fast follower</td>
<td>28.4</td>
<td>23.8</td>
<td>28.5</td>
<td>39.6</td>
</tr>
<tr>
<td>Average</td>
<td>43.7</td>
<td>44.9</td>
<td>48.5</td>
<td>35.3</td>
</tr>
<tr>
<td>Lags behind</td>
<td>17.3</td>
<td>20.3</td>
<td>16.4</td>
<td>11.2</td>
</tr>
<tr>
<td>In trouble</td>
<td>1.8</td>
<td>4</td>
<td>1.2</td>
<td>0</td>
</tr>
</tbody>
</table>

Are your computers networked - some or all of them (%)?

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>79.8%</td>
<td>61.6</td>
<td>91.5</td>
<td>97.9</td>
<td></td>
</tr>
</tbody>
</table>

Can you get local support for your computers (%)?

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>89.8</td>
<td>84.7</td>
<td>93.3</td>
<td>95.7</td>
<td></td>
</tr>
</tbody>
</table>
How would you rate the quality of local support? (1 - poor, 5 - average, 10 - very good)

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computers and software</td>
<td>7.25</td>
<td>7.13</td>
<td>7.36</td>
<td>7.50</td>
</tr>
<tr>
<td>Consultant/integrator</td>
<td>7.35</td>
<td>7.18</td>
<td>7.50</td>
<td>7.52</td>
</tr>
</tbody>
</table>

What types of software does your organisation use (%)?

<table>
<thead>
<tr>
<th>Software</th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting</td>
<td>85.4</td>
<td>71</td>
<td>97.5</td>
<td>97.7</td>
</tr>
<tr>
<td>Client Management</td>
<td>30.5</td>
<td>15.2</td>
<td>30.2</td>
<td>51.9</td>
</tr>
<tr>
<td>Membership/CRM</td>
<td>58</td>
<td>47.3</td>
<td>66.9</td>
<td>62.4</td>
</tr>
<tr>
<td>Fundraising</td>
<td>8.9</td>
<td>2.2</td>
<td>7.3</td>
<td>20.5</td>
</tr>
</tbody>
</table>

What is your main software concern (please specify software where applicable)?

<table>
<thead>
<tr>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of licenses and upgrades, but no</td>
<td>Varies, but primarily cost of licenses</td>
<td>Varies widely but cost, integration,</td>
</tr>
<tr>
<td>general pattern of issues raised</td>
<td>and upgrades</td>
<td>interoperability and training most</td>
</tr>
<tr>
<td></td>
<td></td>
<td>frequent</td>
</tr>
</tbody>
</table>

Do you have an Internet connection at your organisation's premises (%)?

<table>
<thead>
<tr>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>95.3</td>
<td>88.8</td>
<td>99.4</td>
<td>100</td>
</tr>
</tbody>
</table>

How are you connected to the Internet (%)?

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modem</td>
<td>9.4</td>
<td>18.5</td>
<td>6.7</td>
<td>0.5</td>
</tr>
<tr>
<td>ADSL</td>
<td>66.6</td>
<td>57.9</td>
<td>74.4</td>
<td>69.9</td>
</tr>
<tr>
<td>ISDN</td>
<td>4.9</td>
<td>2.3</td>
<td>5.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Cable</td>
<td>6.9</td>
<td>7.9</td>
<td>4.3</td>
<td>7</td>
</tr>
</tbody>
</table>
### Wireless

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wireless</td>
<td>4.9</td>
<td>5.6</td>
<td>3.7</td>
<td>4.8</td>
</tr>
<tr>
<td>Satellite</td>
<td>1.1</td>
<td>2.3</td>
<td>0.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>

### Do you experience problems with your Internet connection (%)?

<table>
<thead>
<tr>
<th>Problem</th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total no. with problems</td>
<td>41.2</td>
<td>39.6</td>
<td>45.4</td>
<td>38.6</td>
</tr>
<tr>
<td>Downloads too long</td>
<td>40.5</td>
<td>43.3</td>
<td>43</td>
<td>35</td>
</tr>
<tr>
<td>Disconnects</td>
<td>53.5</td>
<td>52.8</td>
<td>61.3</td>
<td>49.5</td>
</tr>
<tr>
<td>ISP server too busy</td>
<td>10.6</td>
<td>12.6</td>
<td>11.8</td>
<td>7.8</td>
</tr>
<tr>
<td>System too old</td>
<td>10.6</td>
<td>13.4</td>
<td>8.6</td>
<td>8.7</td>
</tr>
<tr>
<td>Too expensive</td>
<td>31.2</td>
<td>30.7</td>
<td>21.5</td>
<td>42.7</td>
</tr>
</tbody>
</table>

### Separate from your website, which of the following does your organisation use (%)?

<table>
<thead>
<tr>
<th>Activity</th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email</td>
<td>97.2</td>
<td>98.6</td>
<td>98.8</td>
<td>96.2</td>
</tr>
<tr>
<td>Online banking</td>
<td>63.2</td>
<td>47</td>
<td>77.2</td>
<td>78.9</td>
</tr>
<tr>
<td>Research</td>
<td>55.9</td>
<td>55.3</td>
<td>55.6</td>
<td>59.5</td>
</tr>
<tr>
<td>Buying goods and services</td>
<td>44.4</td>
<td>29.2</td>
<td>53.1</td>
<td>63.8</td>
</tr>
<tr>
<td>Recruiting</td>
<td>32.1</td>
<td>19.2</td>
<td>30.2</td>
<td>49.2</td>
</tr>
<tr>
<td>Delivering services</td>
<td>18.9</td>
<td>14.2</td>
<td>25.3</td>
<td>22.7</td>
</tr>
<tr>
<td>Online chat/discussions</td>
<td>17</td>
<td>19.2</td>
<td>18.5</td>
<td>19.5</td>
</tr>
<tr>
<td>Advocacy/campaigns</td>
<td>13.4</td>
<td>12.3</td>
<td>20.4</td>
<td>11.9</td>
</tr>
<tr>
<td>Selling goods and services</td>
<td>12.1</td>
<td>5</td>
<td>12.3</td>
<td>20.5</td>
</tr>
<tr>
<td>Fundraising</td>
<td>10.8</td>
<td>9.6</td>
<td>6.8</td>
<td>17.3</td>
</tr>
<tr>
<td>Videoconferencing</td>
<td>10</td>
<td>9.1</td>
<td>5.6</td>
<td>16.2</td>
</tr>
<tr>
<td>Low cost calls - VoIP</td>
<td>9.9</td>
<td>5.9</td>
<td>9.9</td>
<td>14.6</td>
</tr>
<tr>
<td>Weblogs (blogs)</td>
<td>8.5</td>
<td>6.8</td>
<td>9.9</td>
<td>10.3</td>
</tr>
<tr>
<td>Podcasting</td>
<td>5.2</td>
<td>3.2</td>
<td>5.6</td>
<td>7.6</td>
</tr>
</tbody>
</table>
Does your organisation have a … (%)?

<table>
<thead>
<tr>
<th></th>
<th>a</th>
<th>b</th>
<th>c</th>
<th>d</th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
<td>86</td>
<td>79.5</td>
<td>88.5</td>
<td>93</td>
</tr>
<tr>
<td>Sell goods/services online?</td>
<td>37</td>
<td>28</td>
<td>36.7</td>
<td>46.4</td>
</tr>
<tr>
<td>PABX</td>
<td>44.8</td>
<td>13.8</td>
<td>56.4</td>
<td>78.5</td>
</tr>
<tr>
<td>Intranet</td>
<td>28.4</td>
<td>9.9</td>
<td>25.6</td>
<td>53.3</td>
</tr>
<tr>
<td>Extranet</td>
<td>18</td>
<td>12.5</td>
<td>19</td>
<td>19.2</td>
</tr>
</tbody>
</table>

5.12. Reference Materials

5.12.1. Development of a Possible Model for Building a National Non-profit ICT Coalition

5.12.1.1. Australian Reference Material:


5.12.1.2. International Models and Research:

ICT Hub (UK) [http://www.ictchub.org.uk/](http://www.ictchub.org.uk/)
Draft Business Plan for A National Hub of Expertise in ICT for the Voluntary and Community Sector in England
http://www.ictconsortium.org.uk/documents/Extended%20summary%20of%20ICT%20Hub%20business%20plan%20Feb05.rtf

The Non-profit Technology Enterprise Network: N-TEN (USA) http://www.nten.org

CompuMentor (USA) http://www.compumentor.org

South African NGO Network: SANGONeT (South Africa) http://www.sangonet.org.za
A Report on a Model for a National Nonprofit ICT Coalition

MAY 2007