

DIGITAL TECHNOLOGY IN THE NOT-FOR-PROFIT SECTOR REPORT

OCTOBER 2023



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We're based on the lands of the Wurundjeri, Kurna and Turrbal peoples, the traditional custodians of the land, waters and knowledge for this place, where we gather to collaborate and strengthen communities.

In our work, we recognise the importance of Country – not just as a place, but how it also maintains community, family, kin, lore and language.

We pay our respects to Elders, past and present. This always was, and always will be Aboriginal land.

We support the Uluru Statement of the Heart and The Voice to Parliament.



ABOUT THIS REPORT

The *Digital Technology in the Not-for-Profit Sector* report is an annual research project conducted by Infoxchange, a not-for-profit social enterprise delivering technology for social justice for over 30 years.

The report aims to recognise areas of strength, growth and improvement by understanding how not-for-profit organisations across Australia and New Zealand use technology.

Now in its eighth year, this report provides a benchmark for all not-for-profit organisations to ensure they are using technology in the best way possible to achieve their mission and ultimately, provide help to more people.

This year, the report explores artificial intelligence and other new technologies as well as cyber security, remote working, information systems, data, digital marketing and much more.

In 2023, Infoxchange has released the report to coincide with Cyber Security Awareness Month in October.





WHO WE ARE

Infoxchange is a not-for-profit social enterprise that has been delivering technology for social justice for over 30 years. With over 150 staff across Australia and New Zealand, we tackle the biggest social challenges through the smart and creative use of technology.

We work with community, government and corporate partners to solve issues around homelessness, family violence, mental health and disability as well as supporting Indigenous communities, women, youth and families.

Our products and services are used by over 35,000 government and community service organisations. We provide the right tools to improve efficiency and deliver greater impact.

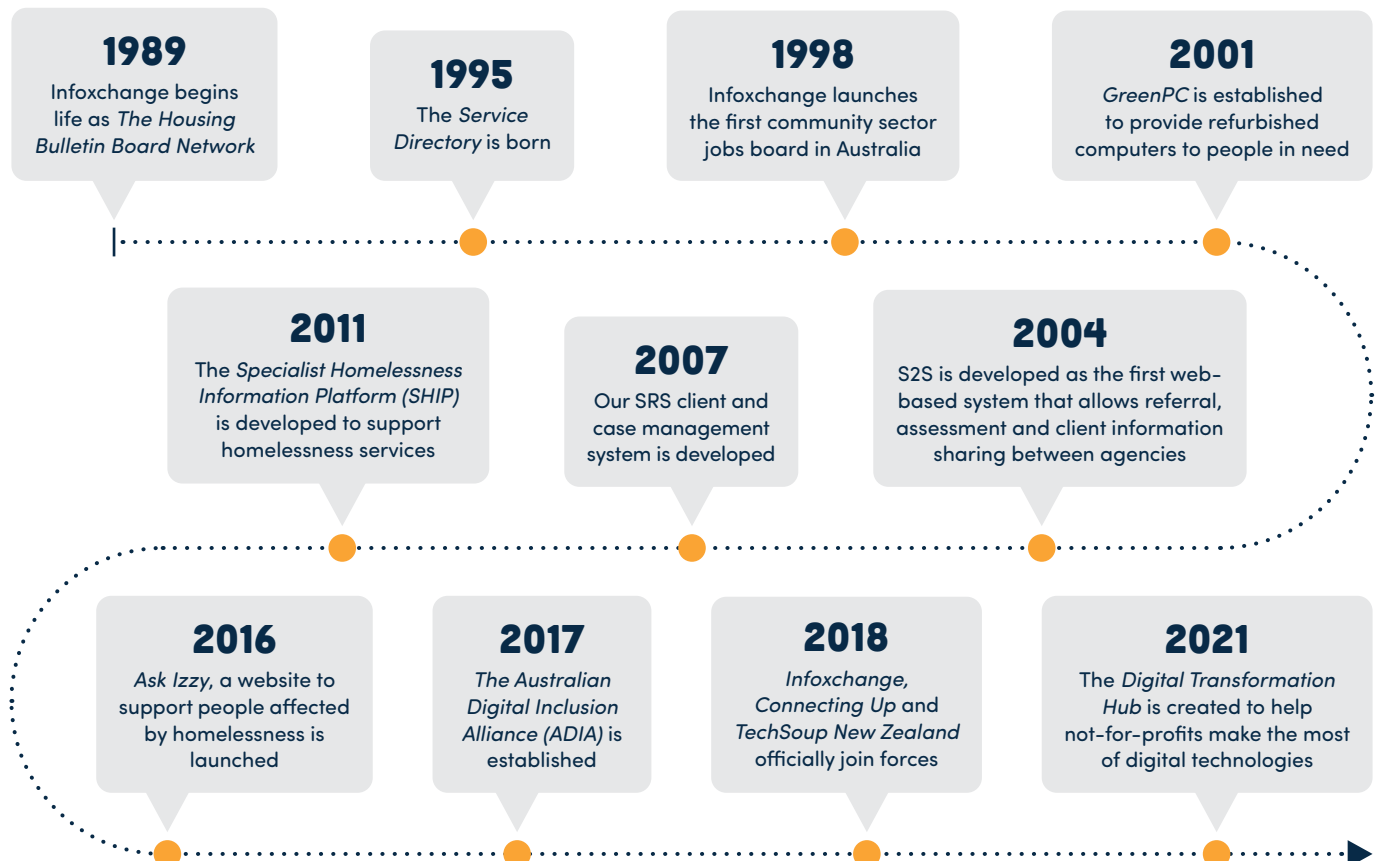
Through our work in digital inclusion and social innovation, we use technology to empower people experiencing disadvantage, driving social inclusion and creating stronger communities. We believe no-one should be left behind in today's digital world.

In November 2018, Infoxchange joined forces with Connecting Up and TechSoup New Zealand. Together, we are proudly Australia and New Zealand's leading not-for-profit dedicated to using technology to improve the lives of people experiencing disadvantage and the organisations that support them.

We are able to better understand the perspectives and challenges of the sector – and the solutions they need – because we are **part** of the sector; something we're very proud of.



Infoxchange timeline



A MESSAGE FROM THE CEO



Protecting your organisation from online harms and implementing preventative measures to keep your organisation's data safe has never been more important for Australia and New Zealand's not-for-profit sector.

I am delighted to launch the eighth edition of the Digital Technology in the Not-for-Profit Sector report. It contains the most comprehensive insights into the sector's use of digital technology across Australia and New Zealand.

This year, we were thrilled that 1,020 organisations participated in the survey; the highest number of participants in the history of the report. We think this demonstrates a growing appreciation for the report's ability to lead critical conversations on digital capability for the sector.

Whilst we saw many positive trends in the report (such as confidence and capability in using technology), there were some concerning trends. A lack of ability to measure impact in our sector remains. Only one third of organisations agree their systems work well and just 22% agree their system enables them to measure the impact of their services and outcomes. Evaluation and data analysis must improve if we are to represent the work we do as a sector accurately.

There are some responses that indicate the sector is not taking cyber security and digital technology planning seriously. One in eight organisations have experienced a cyber security breach or incident, yet only one in five organisations have an information security policy outlining how an organisation protects its information.

The evidence shows that an improvement plan is the best way of lifting your digital capability, however only 19% of small-to-medium sized organisations reported they had an IT plan and budget in place for the next 12 months, compared to 33% and 56% for large and very large organisations, respectively. This can leave not-for-profits, and their clients, more vulnerable.

Infoxchange was proud to launch the Digital Transformation Hub in 2021, which can help with addressing many of the challenges your not-for-profit may be facing including technology foundations, cyber security, information systems, digital marketing and much more. Assessment tools, best practice guides, training and an expert bar are all available at no cost to the sector.

You may have noticed that we've released the report slightly earlier this year to coincide with Cyber Security Awareness Month which runs in October. We hope that people working in the technology and not-for-profit sectors will promote the report's key messages around cyber safety and the need for investment in digital technology during this important month.

This report is full of invaluable insights for Australia and New Zealand's not-for-profit sector. I hope it starts conversations in your organisation about what you do well when it comes to digital technology, but also opportunities you should prioritise for improvement.

David Spriggs
CEO, Infoxchange



EXECUTIVE SUMMARY



This report provides comprehensive insights into how the not-for-profit sectors in Australia and New Zealand have used technology during the past 12 months. We are grateful to the 1,020 organisations that participated in the survey.

The results show that sector adoption of artificial intelligence (AI) has doubled since our 2022 report, with one in four organisations making use of generative AI tools such as ChatGPT. Sixty-nine percent of organisations are currently using or plan to use AI tools over the next 12 months.

While 12% of organisations experienced a cyber security incident over the past 12 months, less than 40% of organisations have implemented multi-factor authentication for all internet-facing systems with sensitive data, and only 13% of organisations agree they have a clearly documented plan to improve cyber security protection. These findings are concerning given the current cyber security risks and the sensitivity of data held by the sector.

There remain challenges in the sector with regard to capturing and reporting data to understand and measure impact. For two in three organisations, their data is not easy to

understand or does not guide decision-making. Just 22% of organisations agree that their system enables them to understand the impact of their services and outcomes.

In digital marketing, only 39% of organisations regularly track and report on the performance of their online presence, with a further 21% wanting to, but not sure where to start.

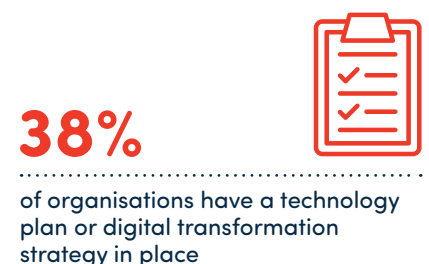
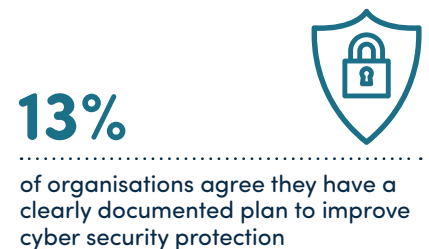
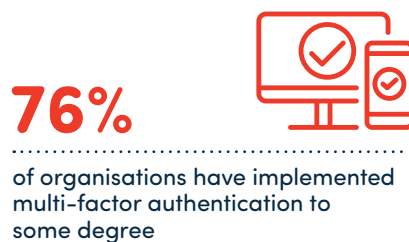
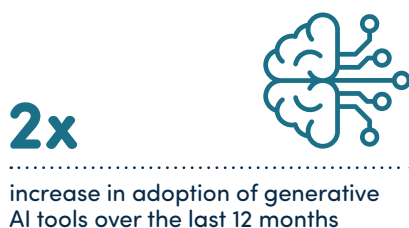
Consistently, year-on-year, the top three technology challenges have been funding for digital technology, staff capacity and capability and access to affordable, skilled technical resources.

Despite being an improvement from previous years, less than two in five organisations have a digital transformation plan in place. Our findings show that staff satisfaction with technology improves by 24% when such a plan is in place.

We hope that this report will help inform not-for-profits with knowledge and benchmarking to improve digital technology in their organisation.



Some of our key findings include:



BIG PICTURE



It has never been more important to build a digitally capable, highly skilled and resilient not-for-profit sector.

Pressure on our communities and the frontline services that support them reached new heights this year. Beyond the frequent reporting on the cost-of-living crisis, Infoxchange tracked many months of unprecedented service demand across multiple categories via our service directory, Ask Izzy.

In recent times, there has been daily news coverage about cyber security, data breaches and ransomware events, as well as emerging technologies such as artificial intelligence.

We know that effective use of digital technology can assist not-for-profits in responding appropriately to workforce challenges, inadequate or inconsistent funding and evaluating our important work to drive more interest and investment to the sector.



GOVERNMENT

Governments at all levels are facing budget repair following the pandemic.

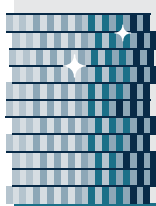
Governments want new models which devolve greater responsibility to the not-for-profit sector and reduce traditional levels of funding. They also increasingly require demonstrable outcomes from funding commitments. This creates pressure on not-for-profits to become more productive and sophisticated in measuring impact and outcomes.



FUNDING

Traditional forms of funding are under threat at multiple levels.

For many not-for-profits, the dependence on government funding means the need to be responsive to requirements to improve efficiency and demonstrate data-driven outcomes. In parallel, donations made by everyday Australians have dropped to the lowest levels since the 1970s, exacerbated by the cost-of-living crisis. In response, many not-for-profits are looking to diversify income streams by pivoting their service model and establishing revenue-generating activities for the first time. Some of this gap is being met by philanthropy and corporates who are actively seeking partnerships that align to their own environmental, social and governance goals.



SUPPORTER ENGAGEMENT

Supporters increasingly want to see the impact of their investment.

The public now expects far more information about the project they are funding and will actively engage through social media to get it. Social media continues to grow as a key factor in supporter engagement strategies. Not-for-profits are under pressure to maintain engagement with supporters to drive ongoing investment and to remain accountable to supporters.

The need for greater impact and efficiency drives the urgency for digital transformation.

Historically, not-for-profits have under-invested in digital technology, with spending usually directed toward frontline service delivery. Without the right technology to drive supporter engagement, organisations will be unable to keep up.



WHY DIGITAL TECHNOLOGY?






We know that technology allows not-for-profits to bolster their impact and improve service delivery. Ensuring that organisations throughout the sector are getting the most out of their digital technology is crucial, particularly during times of unprecedented service demand, workforce fatigue and funding challenges.

This might look like better data capture to inform how your organisation is making a difference, multi-factor authentication to protect staff and client information,

systems that have automation to make completing tasks more efficient or embracing new technology.

We know from previous reports that not-for-profits with robust systems have been more resilient in transitioning to remote working and in delivering services where they're needed most. Improvements in digital marketing and how organisations engage with supporters via social media have meant an interactive digital presence is now expected.

As organisations progress their digital maturity, their ability to deliver impact at scale also improves.

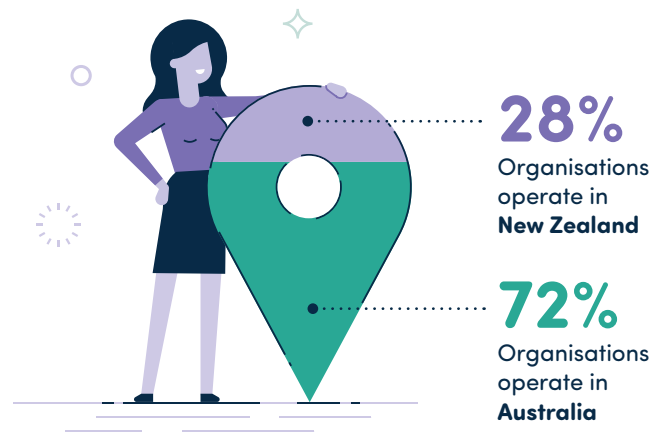
	+	+	Basic 😐	Advanced 😊	Benefit ★
TECH FOUNDATIONS PCs, network, telephony, servers, email, file sharing and collaboration platforms such as Microsoft 365 and Google Workspace 			Individual PCs sharing files and information via email attachments	Staff can work anywhere productively, enabled by cloud-collaboration platforms	Staff can collaborate, work productively and access information anywhere
SYSTEMS & DATA Client/case management, CRM, membership, finance, HR and related systems to deliver services and understand activities, outputs and outcomes 			Spreadsheets and documents often support service delivery and reporting	Integrated, accessible solutions support efficient processes, service delivery and track outcomes	Painless reporting, efficient processes and client outcomes tracked
DIGITAL MARKETING Website, email marketing, social media, events management systems, and fundraising processes and systems 			No social media presence and very basic, static website	Effective stakeholder engagement across multiple digital channels delivers substantial benefits	Attract new funds, supporters, volunteers, staff and clients
DIGITAL TECHNOLOGY MANAGEMENT Digital technology management, governance, planning, project delivery and business resilience systems 			No Information and Communications Technology plan, ad-hoc and reactive	Clear and compelling digital vision and plan with identified benefits and costs	Maximise impact from ICT investment
CYBER SECURITY Information security, threat protection processes, systems and governance 			We'll worry about it when it happens	Our staff, systems and processes keep information safe and secure	Reputation, client and staff information protected

PARTICIPANT SNAPSHOT



A record 1,020 organisations participated in this year's survey across Australia and New Zealand, representing a wide range of service areas.

At a time when volunteer numbers are declining, we saw good representation from organisations who are supported by the invaluable work of volunteers. Eighty-seven percent of respondents said they work with volunteers regularly and over half told us they have between 1 and 20 people who volunteer with them on an ongoing basis.



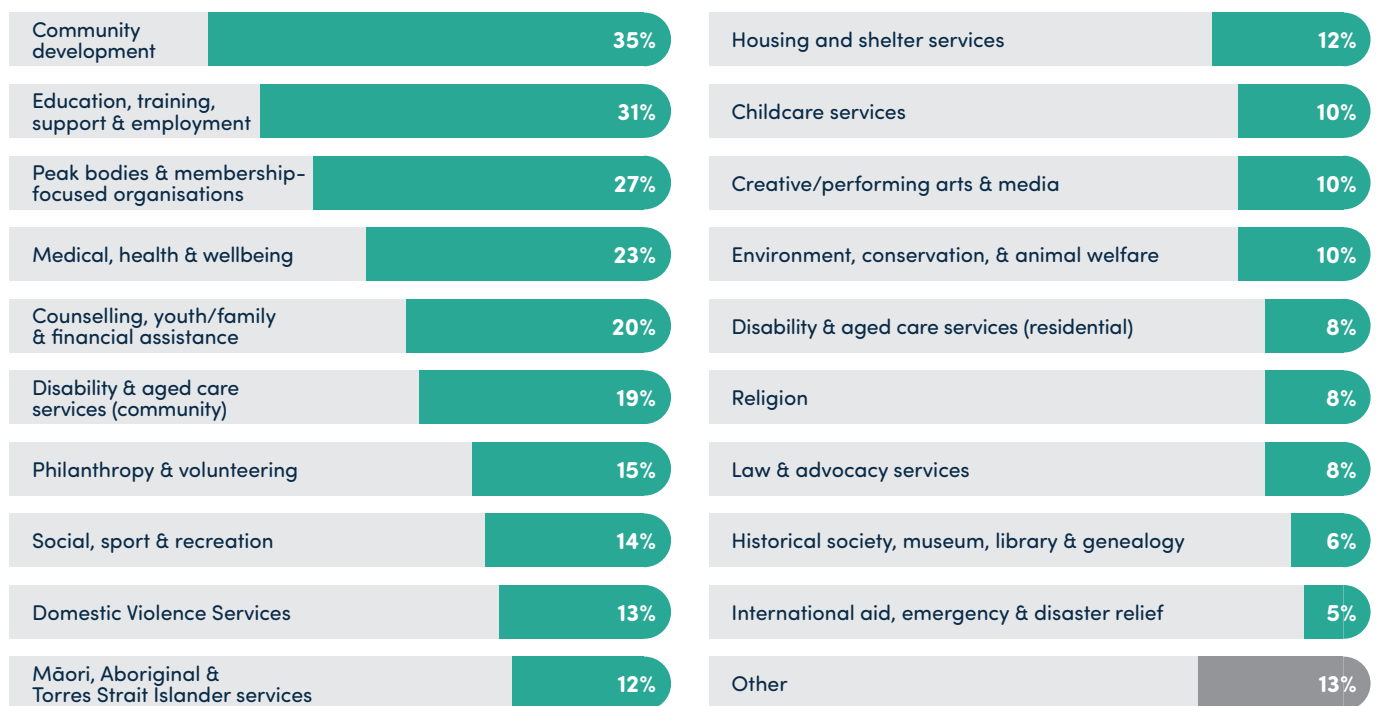
Organisation size



Regular Volunteer Size



Organisation by significant service area



*Please note that this does not add up to 100% as many organisations provide services across more than one area.

^Other services include: Rural Supports, Alcohol & Other drugs, Child Protection, Youth Development, Health Research, Community Emergency / Resilience, Women's Rights, Bail Support Services, Agriculture, Community Sponsorship Programs for Refugees, Early Childhood Disability, Women's Support Services, Food Relief & Referral, Defence Member Support, Bushcare, IT Skills for Seniors, Community Radio Broadcasting, Community Transport, Prisoner Reintegration and Support for Immigrants & Refugees.

TECHNOLOGY FOUNDATIONS



Technology foundations cover the core technology components such as hardware, infrastructure, file storage and collaboration in Microsoft 365 or Google Workspace. They are an essential part of any not-for-profit organisation wanting to provide their staff with the ability to collaborate and share information effectively, with Microsoft 365 being the most commonly used email and file-sharing solution.

Fifty-seven percent of organisations have already moved or are currently in the process of moving a significant portion of their technology to the cloud. Those not making use of cloud technology do not consider cloud migration to be a priority for their organisation or cited concerns related to a lack of understanding, data security and data privacy.

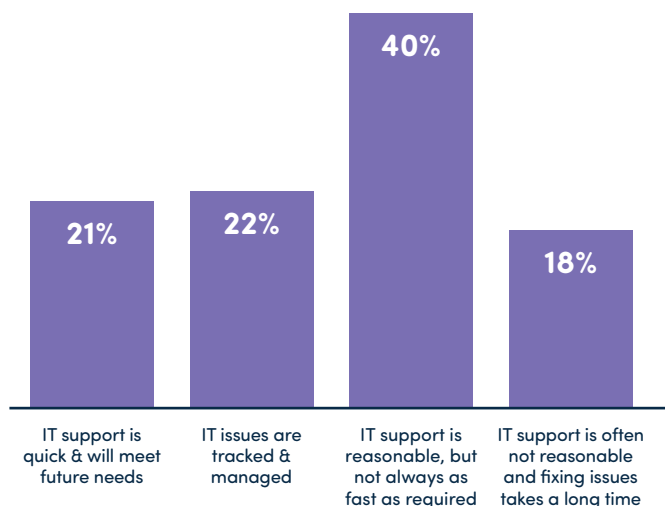
Of the organisations using cloud-based servers, Azure is the most popular with 41% using this platform, 28% using Google and 10% using AWS.

Sixty percent of organisations reported that their devices are not well configured, may be out of warranty or provide limited support for remote work.

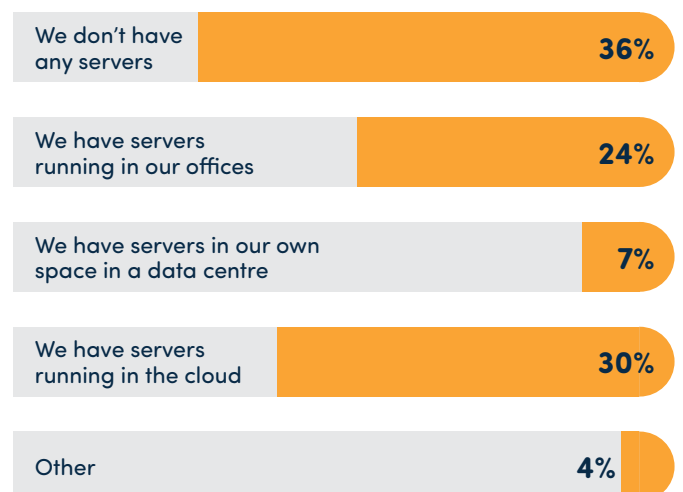
Having functioning devices matters: seven out of ten organisations who reported that their staff were highly satisfied with their devices also reported high levels of confidence related to their staff and volunteers' use of the organisation's technology. When staff have high-quality devices, they are more likely to be confident using them to carry out their work effectively.



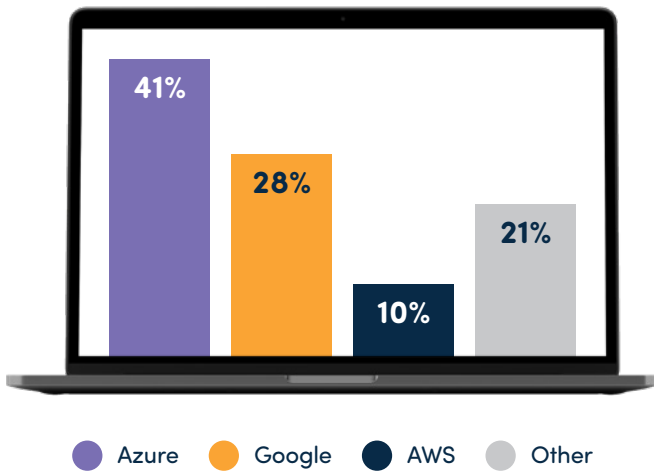
IT support



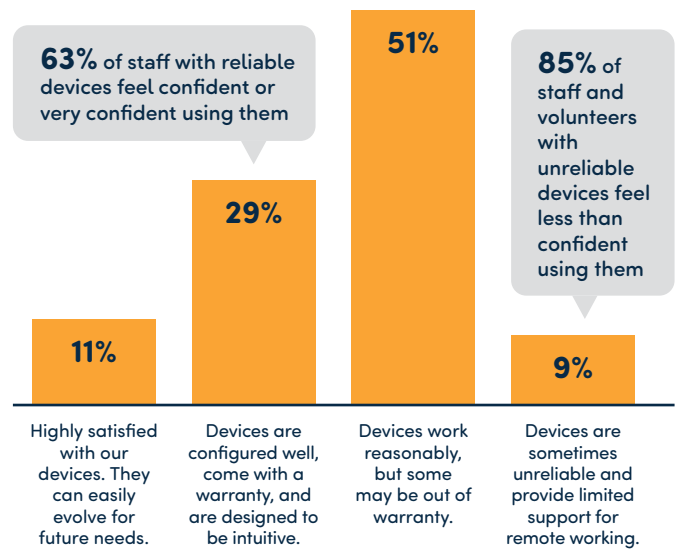
Server use



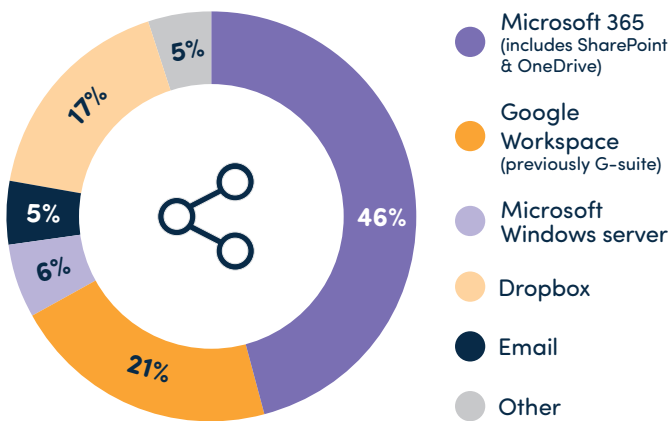
Cloud platform use



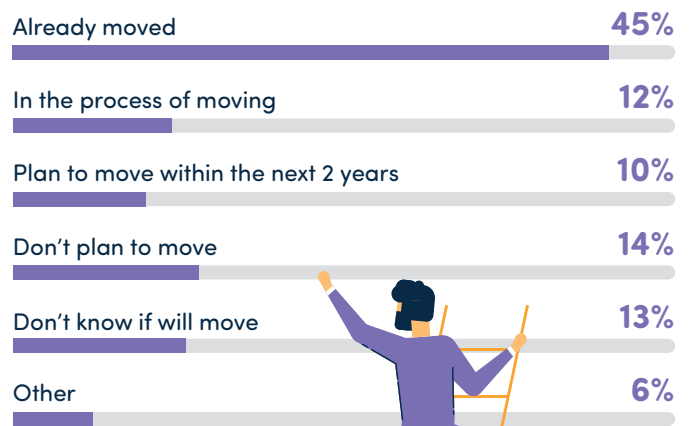
PC, Mobile & Tablet Functionality



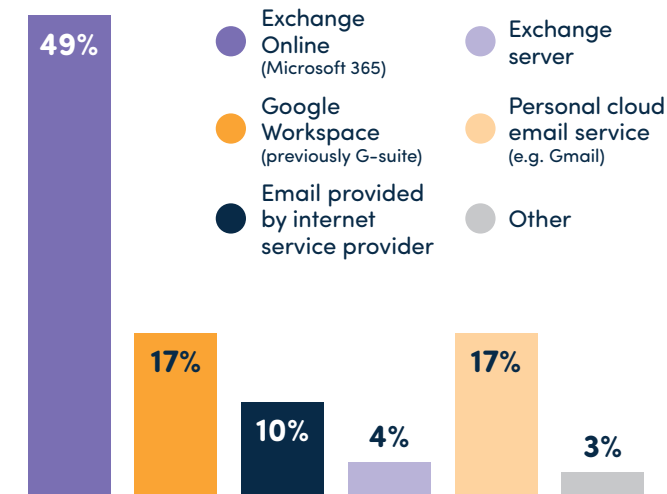
Primary file sharing applications



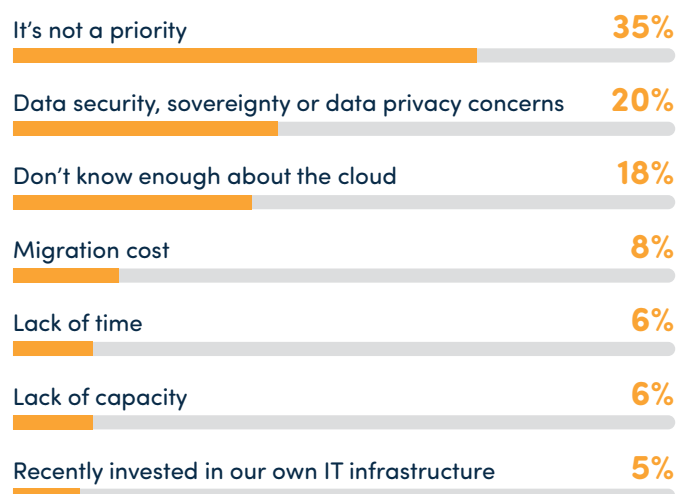
Plans to move majority of IT to the cloud



Email server / service



Key reasons for not moving to the cloud



CYBER SECURITY



KEY INSIGHT: Strong cyber security starts with people, yet **only 12%** of the organisations surveyed provide regular cyber security awareness training for their staff and **less than one quarter** have effective processes to manage information security risks.

Cyber security incidents are rising, and not-for-profit preparedness needs to catch up.

We've seen an increase in malicious activity with one in eight organisations surveyed experiencing a cyber security incident in the past 12 months. Still, only 38% have an 'acceptable use policy' that enables staff and volunteers to understand how they should keep their organisation's information safe.

Additionally, only one in five organisations have a cyber security policy that outlines how an organisation protects its information from security-related threats.

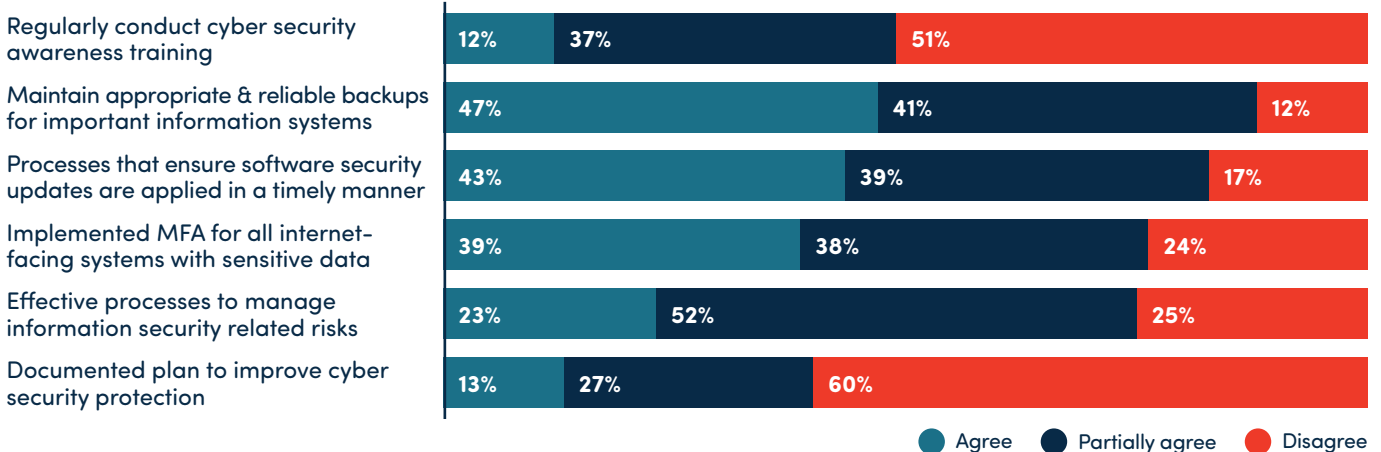
Although half of the organisations partially agree to providing cyber security training for staff, only 12% can confirm that this is regularly provided to staff, through onboarding training and regular renewal training. With the fast-paced nature of threats, all organisations should be offering regular cyber security training to staff.

It is critical that not-for-profits step up and put a cyber security improvement plan in place.

Implementation of tangible security measures



Cyber security processes implemented by organisations





REMOTE WORKING

In 2021, one year into the global pandemic, only 24% of organisations agreed that they had all the required systems, software and infrastructure in place to support remote working. One year later, we saw this rise dramatically to 69%.

Until recently, the need for remote working was often perceived as temporary, meaning deficiencies or difficulties for staff and volunteers using technology remotely could be ignored to some extent.

However, in the last 12 months, the perspective on remote working has changed. Eighty-six percent of respondents now report having remote working capabilities, climbing a further 17% since last year.

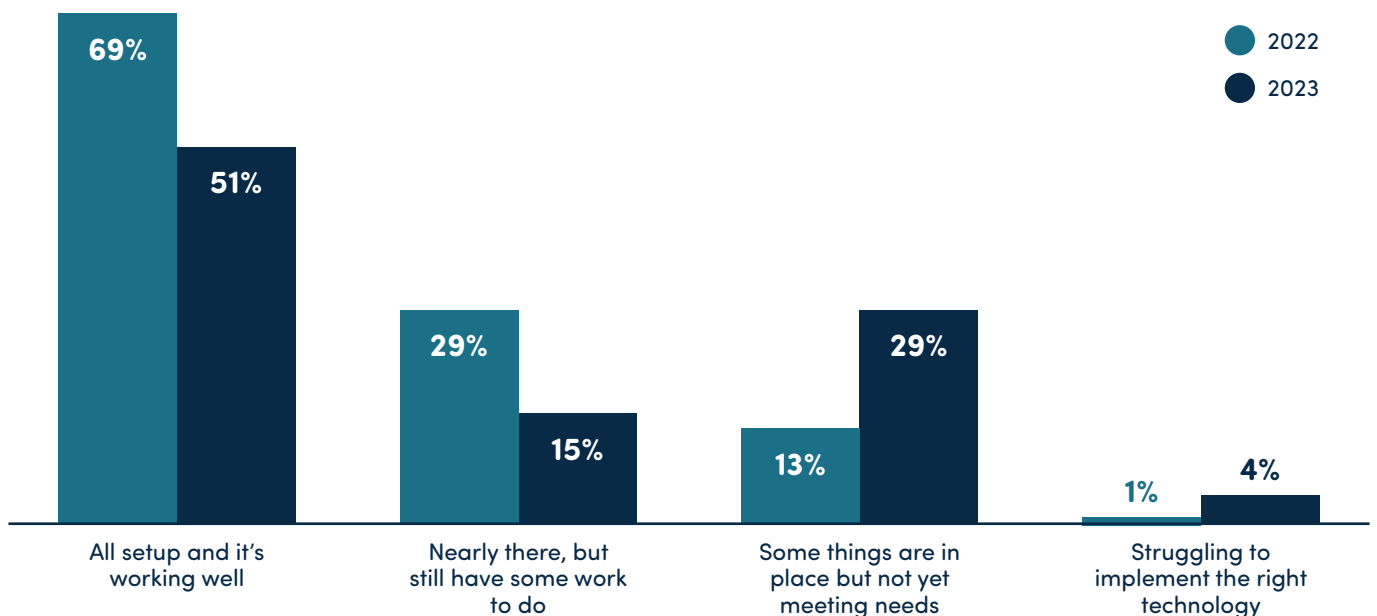
In the past, the focus of remote working has been on how we give staff access to the relevant technology to work from home. The focus has now shifted to how we can utilise the power of technology to securely access client information anywhere, enabling staff to deliver quality, effective services and reap the benefits of a *permanent* hybrid work culture. Only half of the responding organisations agreed they have all the required systems, software and infrastructure in place for hybrid working and that it works well for staff.



Do you allow staff to work remotely on a regular basis?



How well does your organisation's technology environment support staff working remotely?



DIGITAL CAPABILITY & SKILLS



KEY INSIGHT: 80% of smaller organisations don't have a roadmap in place, leading to reactive approaches. The presence of a digital or IT plan increases staff confidence and satisfaction with technology by 24%.

Staff expect more from technology as remote working becomes the norm. This year, 46% of organisations reported staff were satisfied or highly satisfied with their technology environments, down from 53% last year.

We have also seen more organisations identify their technology environment as basic or challenged this year, with a 21% drop in organisation's overall technology environment, from intermediate to challenged or basic. An intermediate technology environment is where there are sound digital capabilities in place where support delivery is reliable, efficient and effective. Challenged or basic technology environments may not enable effective service delivery and may gain benefit from greater sophistication.

This correlates with the decreased capability of organisations to support remote working, as organisations are moving beyond the foundational measures and looking to utilise the power of technology and reap the benefits of a *permanent* hybrid, digital first work culture.

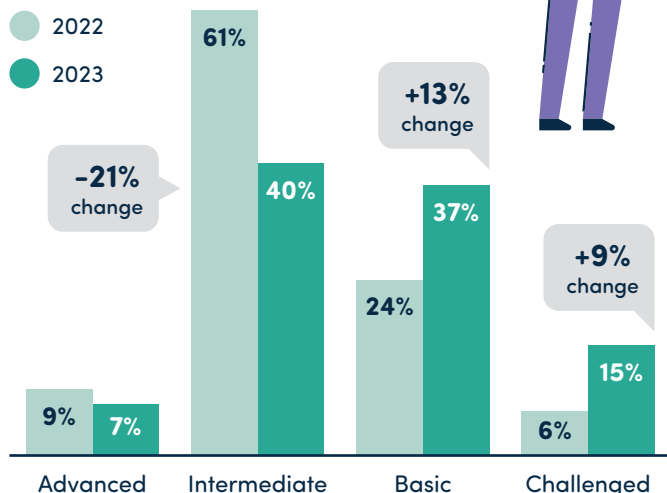
This year's survey saw an increase in organisations with IT plans and strategies and an uptick in staff confidence in technology. Thirty-eight percent of organisations have a technology plan or digital transformation strategy –

an increase on previous years but still a lower portion than ideal. A technology plan can be different, based on organisational size.

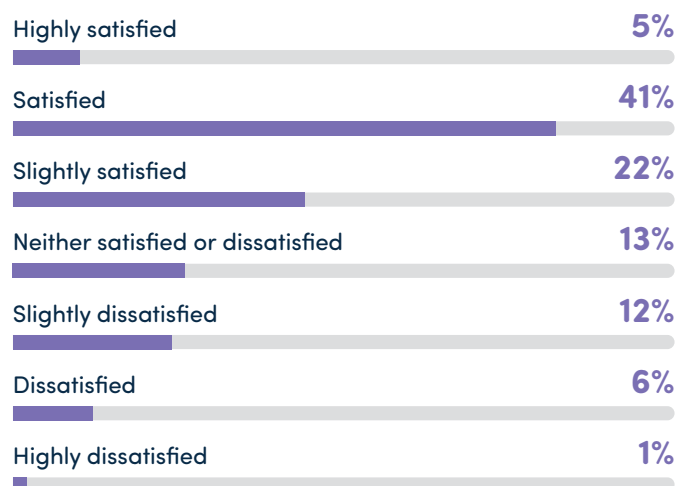
- » For very small to medium organisations, a 1-year IT plan should be a minimum requirement to advance their digital technology. Our survey found 19% of the very small to medium organisations agreed to at least having an IT plan and required budget in place for the next 12 months.
- » For large or very large organisations, a digital transformation strategy that covers the next three years and is endorsed by the board is required to maintain and enhance the digital capability of the organisation. Thirty-three percent of large organisations and 56% of very large organisations agreed to having an IT strategy in place.

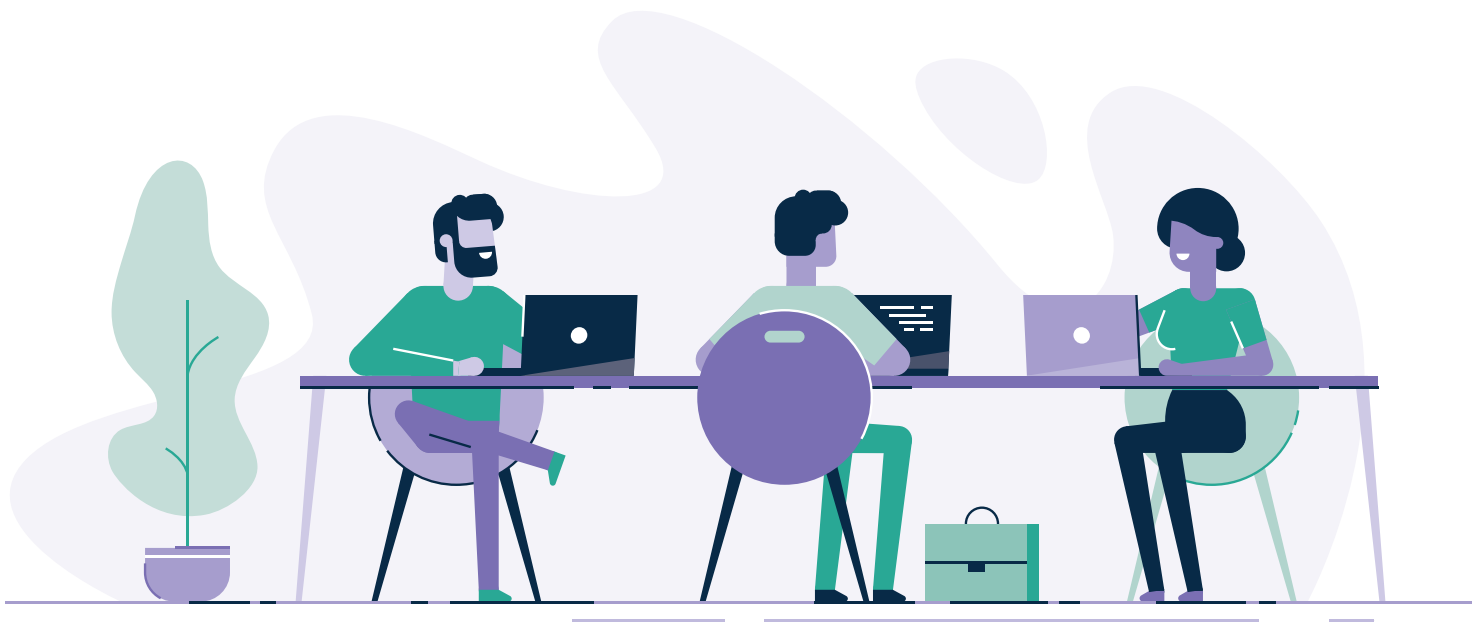


How do you rate your organisation's technology environment?



How satisfied are staff & volunteers with your digital technology?



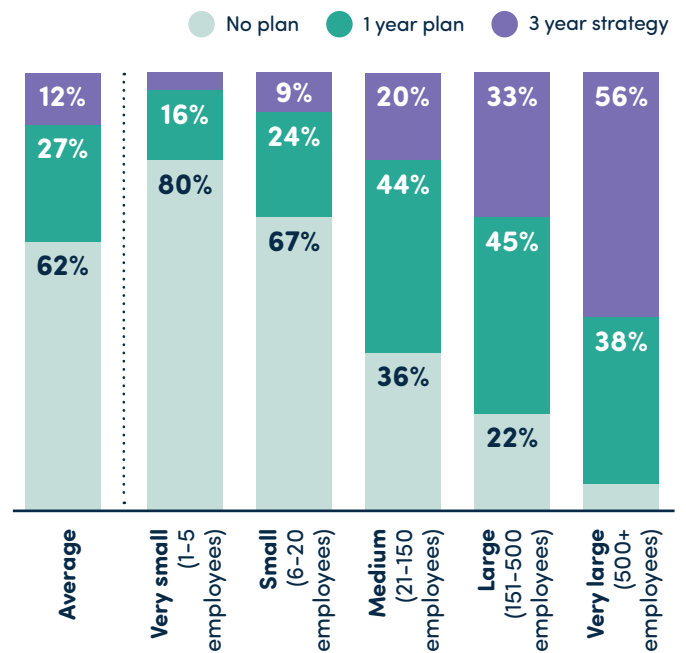


Alarming, 80% of very small organisations don't have any sort of roadmap in place, leading to a reactive, disjointed approach that often results in future problems which are costly to fix.

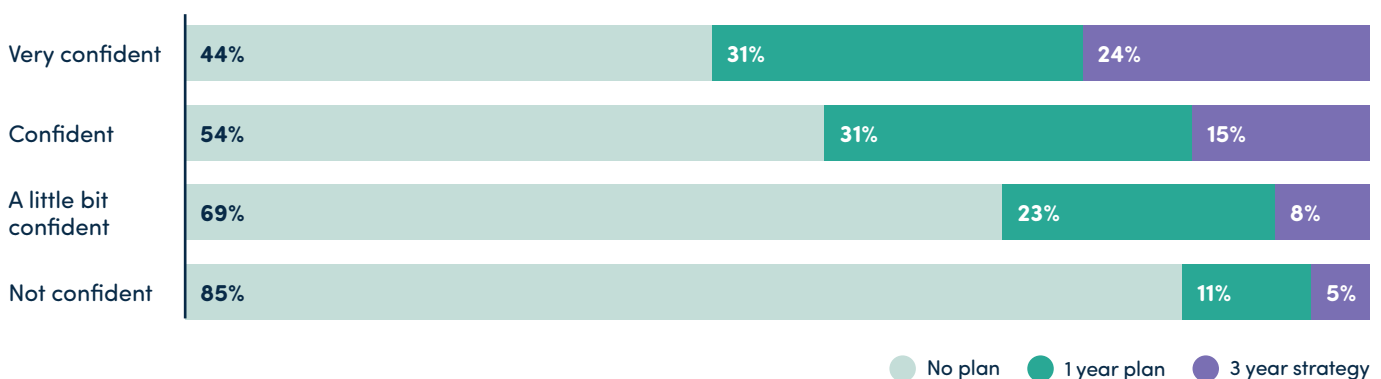
'Technology planning' does not encompass only how to advance technology within an organisation; it also considers how an organisation prepares for disruptions (such as an office fire or a cyber breach). Over half of the organisations agreed to having a disaster recovery plan in place; however, only 15% of respondents could say their plan covered critical systems and that they had tested it within the last year. 42% have not tested their disaster recovery plan recently. It is important for organisations, especially the staff using the technology, to have confidence that systems can be restored when something goes wrong.

We are seeing a positive movement towards proactive and robust digital/IT strategies, but our sector needs to move quicker. When an IT plan is in place, staff confidence and satisfaction with technology improves by 24%. Our Digital Transformation Hub experts recommend that organisations of every size develop a simple technology plan focused on the budget year ahead at a minimum.

Organisation's digital/IT strategy



Staff confidence when a plan is in place



INNOVATION



KEY INSIGHT: Sector adoption of AI has **doubled** since our 2022 report, with **one in four** organisations making use of generative AI tools such as ChatGPT.

This year's report shows that not-for-profit organisations have a significant appetite to consider and implement new technologies. The data shows sustained focus on mobile apps with 32% of organisations making use of mobile apps and 28% planning to explore their use within the next 12 months.

2023 saw the beginning of a new era in digital technology: the explosion of freely available and functional AI tools with widespread adoption. The data suggests not-for-profits are moving quickly to embrace this new digital epoch and the promise of increased productivity in a resource-constrained sector.

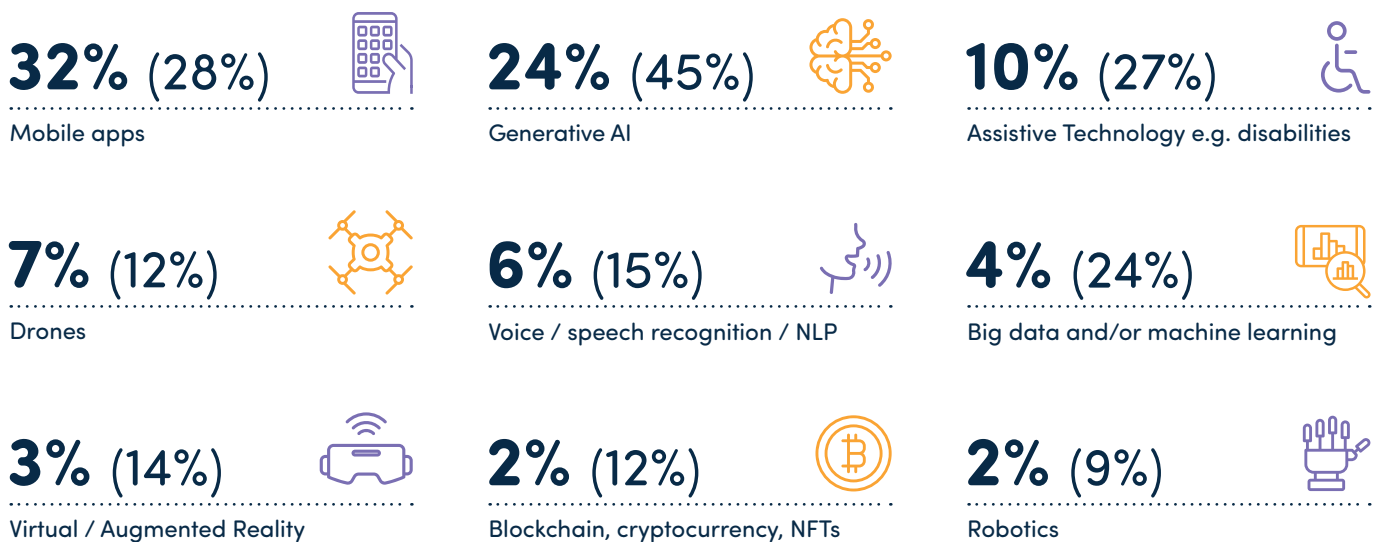
Adoption of AI has doubled since our 2022 report, with almost one in four organisations making use of generative AI tools such as ChatGPT. Sixty-nine percent of organisations are currently using or plan to use AI tools over the next 12 months.

One in four organisations plan to explore the use of big data and machine learning in the next 12 months to work towards achieving their social mission. Together, big data and machine learning can be used to extract valuable insights, which can help organisations make more informed decisions and address emerging problems in their communities.

Recent pushes from Apple and Meta may also have fuelled growth in the interest in augmented reality (AR) and virtual reality (VR) this year. AR and VR are simulated or superimposed computer-generated environments which can be interacted with in a seemingly real way. Three percent of organisations reported using VR or AR, and a surprisingly large 14% of organisations reported plans to explore this technology over the next 12 months.



Innovative technology currently in use (+ plan to use)





IT SPENDING

KEY INSIGHT: Staff IT training accounts for only 1% of organisational spending, but one in five organisations wish to improve this as a top priority.

Australian not-for-profits spent AU\$3,909 per full-time equivalent (FTE) on technology, while New Zealand not-for-profits spent NZ\$2,618 per FTE on average last financial year.

On average, historical societies, museums, libraries, genealogy organisations, education, training, business support and employment services spent the highest percentage of their operating expenses on digital technology (9 - 14%). In contrast, childcare, international aid, emergency, disaster relief services, and law and advocacy services spent the lowest percentage of their operating expenses on digital technology (3-4%).

Economies of scale usually apply to digital technology spending as a percentage of operating expenditure (OpEx).

The data shows that, as organisations grow larger, this percentage tends to decrease. Among surveyed participants, very small organisations consisting of 1-5 employees spend 7% of their OpEx on digital technology, while very large organisations with 501+ employees spend around 5% of their OpEx on such expenses.

The lowest reported spending category for both Australian and New Zealand-based organisations was IT training, staff skills and development, with spending accounting for about 1% of their operational expenditure. It is great to see that improving the digital capabilities of staff and volunteers was reported as a top priority for one in five organisations over the next 12 months.

Average spend per FTE in each area for Australia and New Zealand per annum

- IT staff salaries
- Infrastructure
- PCs, software & equipment
- External IT support services
- Core applications & data
- Website, online presence & digital marketing
- IT training & staff skills development
- Internet/network data links
- Telephony costs (mobile, fixed & VoIP)
- Other



\$3,909 AUD
(down from \$4,943 in 2022)

\$2,618 NZD
(up from \$2,452 in 2022)

SYSTEMS & DATA



KEY INSIGHT: Only one-third of organisations agree their systems work well for management, staff and volunteers and less (just 22%) agree their system enables them to measure the impact of their services and outcomes.

Information systems enable organisations to capture, process, analyse and report on data. When these systems work well, they enhance service delivery, make the most of critical staff time and increase understanding of outcomes and impact.

However, when they do not work well, it can cause frustration for staff and can be difficult to deliver quality, client-centred services, especially where there are multiple systems that don't communicate with each other.

When it comes to how many systems organisations use, two-thirds of organisations use two to four systems to store information about clients (or members/stakeholders) and their services. One in seven organisations (and one in four community disability and aged care organisations) use five or more systems. The number of systems that organisations use peak where they are required to use different government-mandated systems for specific programs or grant funding.

When organisations reflect on their systems, half of the organisations agree that the system captures valuable information about their clients, members, or stakeholders. The ability to capture their client and services data is only step one. Being able to monitor, analyse and learn from their data is vital to understanding an organisation's impact.

It is concerning that only one in three organisations agree that their data is easy to understand and regularly guides decision-making. Not-for-profit organisations across New Zealand and Australia face unprecedented challenges in securing funds, particularly alongside tightening government budgets. Securing funding is often made easier by data-driven evaluations and business cases.



Systems

31%

agree that their systems work well for staff, volunteers and management

29%

agree that their system enables them to easily access essential information and reports

Data

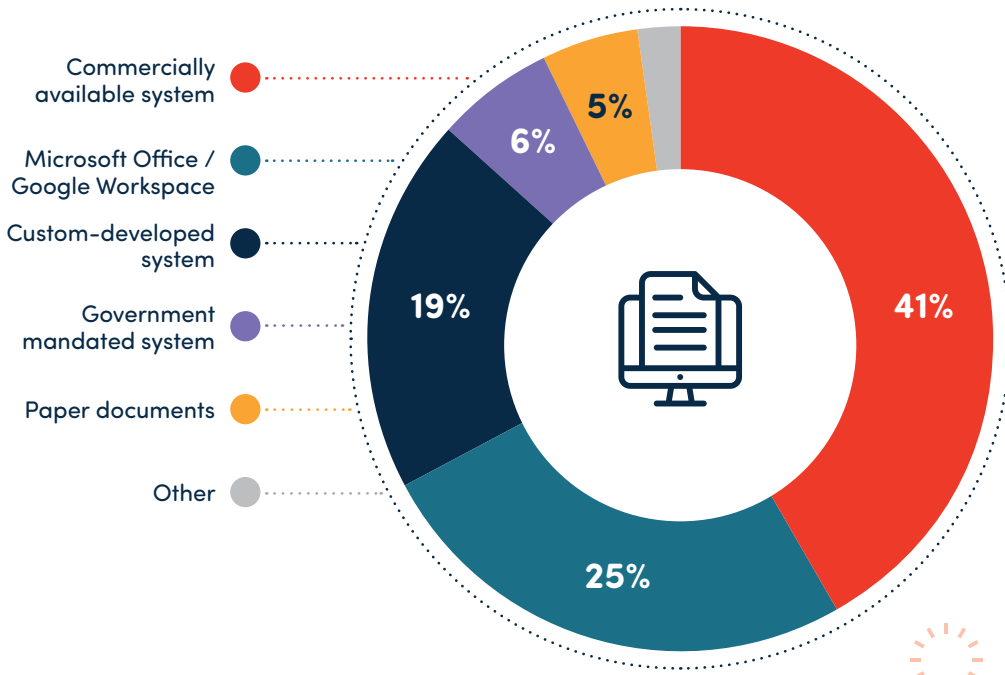
22%

agree that their system enables them to understand the impact of their services and outcomes

33%

agree that their data regularly guides decision-making across their organisation

Primary system used to capture information



Multiple systems

66%

of organisations use **two to four** systems to store information about clients, members or stakeholders and their services. **Fourteen percent** use five or more systems.

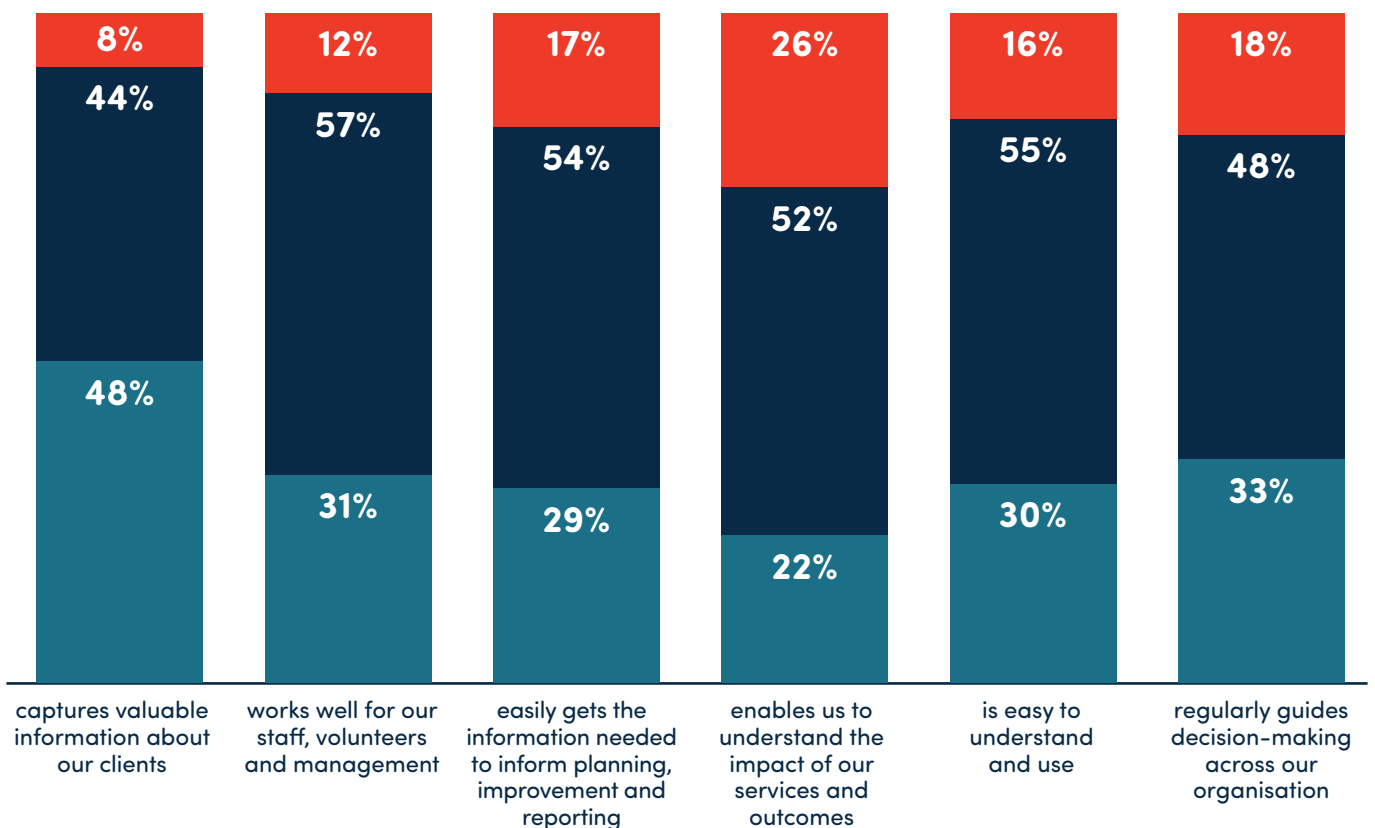


Find out more about information systems and how they could fit into your organisation through the **Digital Transformation Hub's** free resources here:



Our data...

● Agree ● Partially agree ● Disagree



MARKETING & COMMUNICATION



KEY INSIGHT: 81% of all organisations have a website and at least one social media platform. Twenty percent of organisations utilise five or more communication channels.

Not-for-profit organisations continue to see the need for – and benefit of – digital marketing, including the provision of a highly engaging website, to engage their various audiences and maintain their profile.

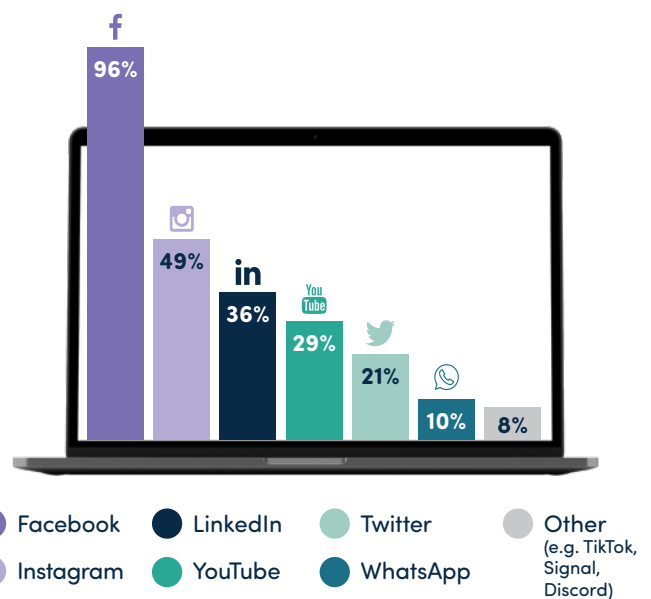
Whilst 92% of not-for-profits have a website, only 33% of organisations like the look, feel and functionality of their website and report it is easy to use, engaging and provides the information needed. Fifty-four percent of respondents were looking to improve the look and feel of their website. Almost half (49%) of the responding organisations use WordPress as their content management system. Forty-six percent seek support from a web developer, agency, or communications agency to manage the hosting and maintenance of their website. For many organisations, this support is the most effective option. Additionally, the partner

can ensure their website is designed with user experience and SEO in mind and can manage the ongoing security protections to prevent the risk of a cyber breach.

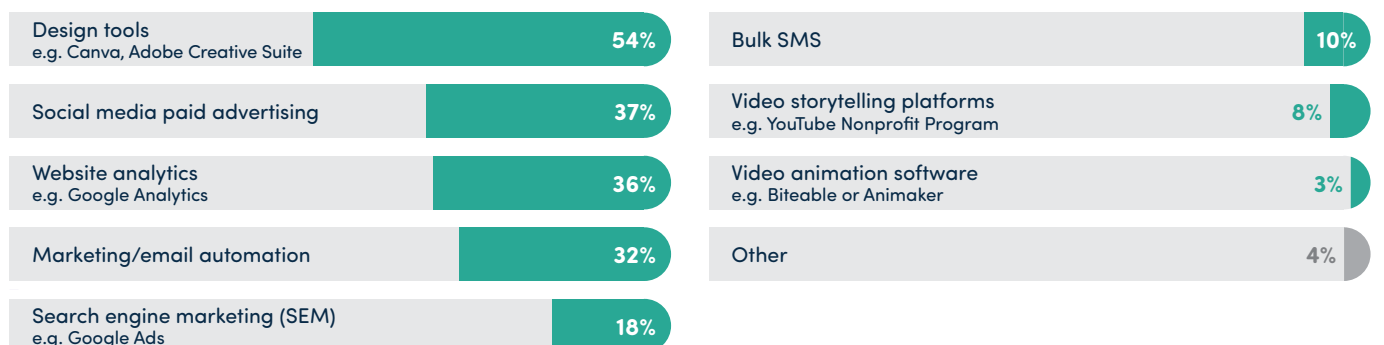
Social media plays a large role in digital presence with widespread adoption (81%) across the sector using social channels in addition to their website presence. Ninety-six percent of organisations' primary social media channel is Facebook. Besides Facebook, the most common channels in use are Instagram, YouTube and LinkedIn. Only 4% of organisations have the capacity to explore the use of TikTok, of which the majority of those organisations deliver youth-focused services. The most commonly used digital marketing tactic was to use design tools such as Canva or Adobe Creative Suite, with over half our survey respondents using these programs.



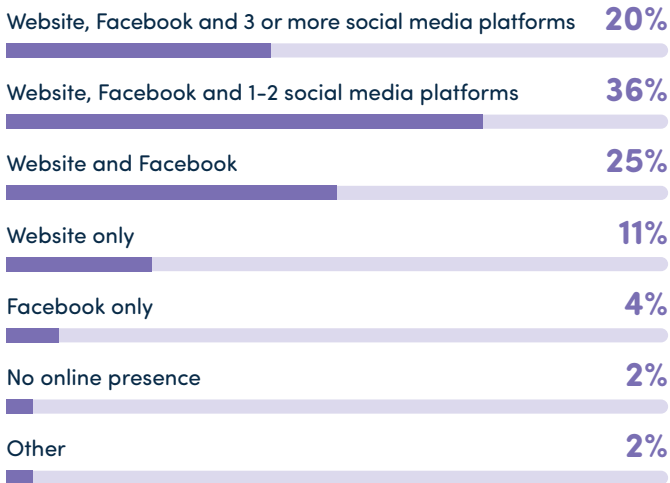
Social media platforms used



Digital marketing tool/tactic



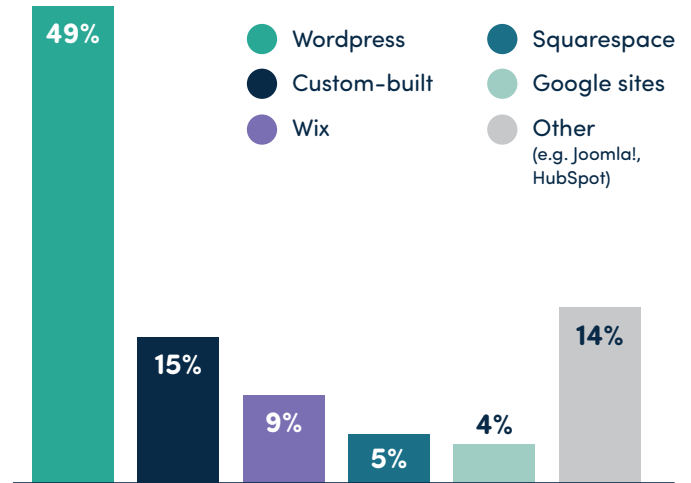
Online presence



Email marketing is still one of the most effective methods to communicate with an organisation’s key stakeholders, whether it be as simple as a regular newsletter featuring the latest news and stories or sophisticated donor journeys that nurture new and regular supporters. MailChimp remains the preferred platform of 35% of organisations.

However, only 39% of organisations regularly track and report back to their board on the performance of their online presence with 21% of survey participants stating that they want to but are not sure where to start. This lack of evaluation is consistent with our findings on data (which you can read more about in the ‘Systems and Data’ section).

Content management systems

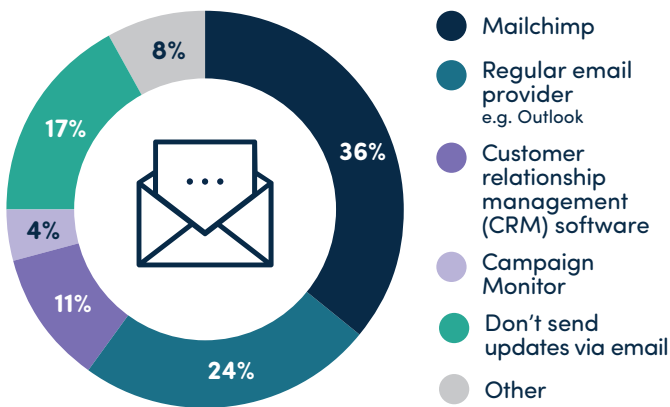


One of the main benefits of digital marketing and communications is the abundance of data available to help determine the value of various engagement activities.

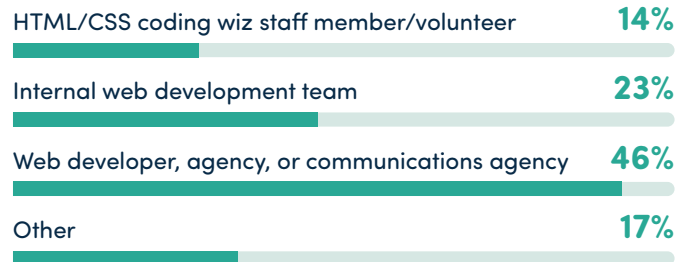
Donations are an important part of the not-for-profit sector’s viability. Our survey found two in three organisations accept donations online, mostly through their websites, with 71% of organisations using two or more platforms to accept donations.

One in five organisations are utilising the USD\$10,000 Google Ad Grant to increase their reach. This program provides not-for-profits with the opportunity to list ads in Google search and increase the likelihood of new clients finding the service they are looking for.

Email marketing systems



Ongoing website development & modification



Reporting



Only **39%** of organisations regularly track and report back to their board on the performance of their online presence



PRIORITIES & CHALLENGES



KEY INSIGHT: Regardless of size, one in four organisations are prioritising improving data protection and cyber security practices.

Reflecting on the growing awareness of the digital vulnerabilities within the sector, one in four organisations have put 'improving data protection and cyber security practices' within the top three priorities, regardless of the organisation size.

The top three technology challenges facing not-for-profits remain consistent with previous years:

- » budget/funding for IT
- » staff capacity and capability
- » access to affordable, skilled technical resources.

The challenge of IT budgeting has significantly increased in the last 12 months. For 20% of organisations, one of their biggest challenges is a lack of digital technology-skilled staff and capacity. We know there are skills shortages across the not-for-profit sector, however investing in existing staff skills can be a great way to increase staff retention whilst also protecting your organisation.



Priorities change significantly based on the organisation's size

Although "improve our website" has consistently been a top priority for organisations of all sizes for many years, other priorities change significantly based on the organisation's size:



Very small (1-5) & Small (6-20)

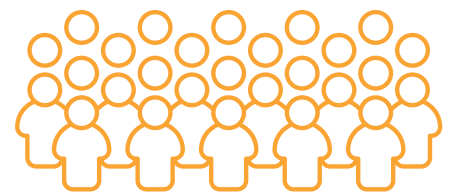
- » Social media & digital marketing
- » Cyber security & data protection

This reflects the need to attract new donors or funders to continue supporting in-demand services and ensure that the sensitive data of the clients they are supporting is secure.



Medium (21-150)

- » Optimising IT infrastructure
- » Cyber security & data protection
- » Online presence













Large (151-500) & Very large (501+)











- » Cyber security & data protection
- » Implement a new client, stakeholder, or member information management system
- » Use clean data and insights to inform organisational decisions



Top priorities

	2021	2022	2023
 Improve our website	44%	44%	38%
 Make better use of social media and/or digital marketing	38%	35%	32%
 Improve our data protection and cyber security practices	24%	25%	28%
 Updating and maintaining our IT infrastructure	15%	15%	26%
 Finding better ways of storing files and information*	-	-	21%
 Improve the digital capabilities of our staff and volunteers	23%	29%	20%
 Implement a new client, stakeholder, or member information management system	20%	20%	17%
 Data and reporting for evidence-based decision*	-	-	17%
 Move to the cloud	17%	15%	13%
 Enable staff and volunteers to work remotely effectively	11%	7%	13%

Biggest challenges

	2021	2022	2023
 Budget/funding	43%	42%	50%
 Staff capacity and capability	36%	33%	45%
 Access to affordable, skilled technical resources	37%	35%	35%
 Improving the user experience and accessibility of our apps and websites	-	27%	23%
 Keeping abreast of technology changes & identifying where to invest our IT spend	28%	18%	22%
 Improving our ability to recover in the event of an IT disaster	15%	8%	18%
 Affordable staff training	16%	18%	18%
 Refreshing our IT infrastructure	11%	10%	17%
 Making the most of the Cloud	23%	20%	15%
 Impartial technical advice	11%	10%	9%

*New this year

WE'RE HERE TO HELP

Infoxchange is here to assist with your technology needs. Our not-for-profit services include managed IT services, donated and discounted technology, digital capacity building and client/case management solutions. We operate exclusively to support Australia and New Zealand's not-for-profit sectors.

We know how to help not-for-profits because we *are* not-for-profit.

Over 35,000 organisations are currently using our products and services. Whether you're a tiny team operating on a shoestring budget or a large organisation working across multiple locations and service areas, we have scalable solutions to suit your needs.

Visit the Digital Transformation Hub for a range of practical guides, not-for-profit technology discounts and tailored advice from our technology experts to help you make a greater impact.

Learn more at digitaltransformation.org.au



WE CAN HELP YOU WITH:

Managed IT services



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Building digital capability



Client and case management



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