Digital Technology in the Not-for-Profit Sector

NOVEMBER 2021 REPORT

Infoxchange | Connecting Up | techsoup NEW ZEALAND

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We're based on the lands of the Wurundjeri, Kaurna 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, always will be Aboriginal land.

We support the Uluru Statement from the Heart.

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About this report

The Digital Technology in the Not-for-Profit Sector report is an annual research project conducted by the Infoxchange Group.

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

Now in its sixth year, this report provides a benchmark for all not-for-profit organisations across the sector to ensure they are using technology in the best way possible to achieve their mission.

WHO WE ARE

The Infoxchange Group is 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.

Infoxchange, Connecting Up and TechSoup NewZealand joined forces in 2018 to create the Infoxchange Group. We share a vision of technology for social justice, and with over 180 staff across Australia and New Zealand we tackle the biggest social challenges of our time 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, disability and natural disasters as well as supporting Indigenous communities, women, youth and families.

Our products and services are used by over 25,000 government and community services. We provide the right tools to improve efficiency and deliver greater impact - from nationwide service coordination systems to IT support, advice, technology products and training that meet the needs of the not-for-profit sector.

And 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.

Connecting Up operates as a subsidiary of Infoxchange and trades in New Zealand as TechSoup New Zealand.

A MESSAGE FROM OUR CEO

There is an urgent need for improvement in information security practices and rolling out security awareness training for staff.

I am pleased to present the 2021 Digital Technology in the Not-for-Profit Sector report, the most comprehensive look at not-for-profit technology use across Australia and New Zealand.

The COVID-19 pandemic is continuing to profoundly change the way that not-for-profits work and utilise technology to deliver their services.

Organisations are now investing more in technology than in previous years, enabling them to build more reliable and resilient technology environments to support their work.

There has been a considerable increase in organisations adopting cloud technology to improve productivity and collaboration, as well as an increase in organisations who felt they were in a good position to support staff to work remotely.

Importantly, we have seen growth in the number of organisations introducing information security measures, however there is still an urgent need for the development and implementation of information security policies, improvement in information security practices and rolling out security awareness training for staff.

This year's report provides a refreshed look at how not-for-profits responded to the challenges of COVID-19. It also offers insights on digital capability, information systems, digital marketing, information security and the cloud.

On behalf of the Infoxchange Group, I would like to say a huge thank you to the 650 organisations across Australia and New Zealand who took the time to complete our survey.

With your input, we can better focus our efforts and identify ways to support the sector on their digital transformation journey.

We've used insights from last year's survey to inform the development of our new Digital Transformation Hub, designed to help Australian not-for-profit's deliver services more effectively, improve staff productivity and better serve communities in need. The Hub brings together web-based resources, capacity building programs and tailored advice in a one-stop-shop.

Now is the time for not-for-profit organisations to invest in digital technology to succeed and thrive in a post COVID-19 world.

We look forward to supporting the sector to ensure the smart use of technology continues to improve the way we serve our communities.

David Spriggs, Group CEO
Infoxchange, Connecting Up
and TechSoup New Zealand

EXECUTIVE SUMMARY

This report provides a comprehensive overview of the way not-for-profits in Australia and New Zealand are using technology in 2021.

The ongoing disruptions to the way we work posed by COVID-19 have emphasised how important it is for not-for-profits to have efficient, reliable technology in place to keep supporting communities and making the biggest impact possible.

This report aims to recognise where areas of growth and improvement are needed across the sector, so that not-for-profits can ensure they are using technology in the best way possible to achieve their mission.

We're pleased to report that our 2021 survey has continued to identify many areas in which the sector is improving its digital capability and skills, signalling a positive digital transformation trajectory.

This year's survey shows a significant shift in the number of not-for-profits who have moved, or are or in the process of moving, to the cloud – an increase from 58% last year to 69% this year.

At least 53% of not-for-profits are now satisfied with the way they are using technology, however still less than a quarter don't have a digital transformation or IT improvement plan. This highlights a gap in being able to better plan and adapt to emerging technologies and changing organisational needs.

Top priorities for the sector this year are developing staff capability, improving digital marketing, websites and information security.

We know that technology can be incredibly transformative in its ability to increase staff efficiency, improve service delivery and save precious time and money. It will continue to play a significant role in helping our sector through the difficult months and years ahead. What will be critical from this point on is how well not-for-profits can continue to adopt and utilise technology, as they look to transform their services and remote working continues to some degree for the foreseeable future.

Some of our key findings include:

69% of not-for-profits are in the process of moving or have moved to the cloud.

53% of not-for-profits are satisfied with the way they are using technology.

Only **38%** of organisations reported that their primary information system allows them to understand the impact of their services.

Almost **50%** of organisations do not have effective organisational information security plans.

25% of not-for-profits felt they were completely or largely unprepared to support staff working from home.

44% of not-for-profits said improving their website is a top priority.

Please note: due to rounding, some numbers presented in this report may not add up precisely to 100% when representing a total breakdown of responses received.

BACKGROUND

Building a resilient and digitally capable not-for-profit sector.

More than one year on, the COVID-19 pandemic has continued to highlight ongoing technology challenges faced by not-for-profit organisations as many attempt to deliver services online, match record levels of demand and support their staff and volunteers to work remotely.

Prolonged lockdowns are causing uncertainty in the sector, with not-for-profits experiencing financial distress leading to reduced spending.

Digital technology helps not-for-profits respond to these challenges. It can drive productivity and improve efficiency and service delivery, allowing organisations to adapt and respond effectively.

GOVERNMENT

Government is looking for ways to reduce spending and COVID-19 disaster payments are starting to diminish in-line with growing vaccinations rates.

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 efficient, competitive 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.

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 philanthropists 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 do this. Social media continues to grow as a key factor in supporter engagement strategies, particularly as the younger generation become a new key source of public investment for not-for-profits.

Not-for-profits are under pressure to maintain engagement with supporters to drive ongoing investment and must harness the power of social media.

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 towards frontline service delivery. Without the right technology to drive supporter engagement, enable staff to deliver services efficiently, measure client and community outcomes and communicate success in a professional manner, organisations will be unable to keep up.

WHY DIGITAL TECHNOLOGY?

Digital technology can facilitate greater impact for not-for-profits, and organisations that use it effectively are better placed to respond in a challenging environment.

This has continued to be demonstrated throughout COVID-19, as not-for-profits with good systems and infrastructure have been better able to support remote work and continue to deliver critical services in ever-changing conditions. Those with established, effective digital marketing channels are also able to maintain client and supporter engagement when it is needed most.

We measure digital capability across five capability areas shown below – along with the corresponding organisational benefits.

Category	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
INFORMATION SYSTEMS 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 deliver 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 ICT plan, ad-hoc and reactive	Clear and compelling digital vision and plan with identified benefits and costs	Maximise impact from ICT investment
CYBERSECURITY 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

650 organisations completed the survey

75% of respondents have more than one service area

Organisation size

Very small (1-5 employees)	31%
Small (6-20 employees)	30%
Medium (21-150 employees)	30%
Large (151-500 employees)	7%
Very large (501+ employees)	2%

Respondents by country

Note: 1% of respondents were from outside Australia and New Zealand.

Organisation by primary service area

Family & youth services	10%
Community development	9%
Education & training	9%
Health & mental health	8.5%
Religion	7%
Social, sport or recreation	6%
Disability services	6%
Peak body	6%
Creative & performing arts	5%
Environment, conservation & animal welfare	5%
Aged care	4.5%
Housing & shelter	3%
Law & advocacy	3%
Employment, media (TV, radio, online, print), philanthropy & volunteering	3%
International aid and emergency or disaster relief	2.5%
Child care services	2%
Maori, Aboriginal &/or Torres Strait Islander	1.5%
Other	10%

CONTINUING TO ADAPT TO COVID-19

Despite the continued impact of the COVID-19 pandemic, the sector's ability to deliver critical services improved this year following accelerated digital transformation in 2020.

Three quarters of not-for-profits reported they were in a good position to support staff working from home with only a little bit of work (if any) required. However, 25% felt that they were completely or largely unprepared.

While some key COVID-19 adaption challenges remain – priorities still include better team collaboration and video conferencing tools as well as the need for improved online service delivery. New priorities have also emerged such as building the digital skills of staff and improving information security.

Many organisations moved rapidly to the cloud, and some aspects such as staff training or cybersecurity protections were not always fully implemented in the rush to ensure services would still be delivered.

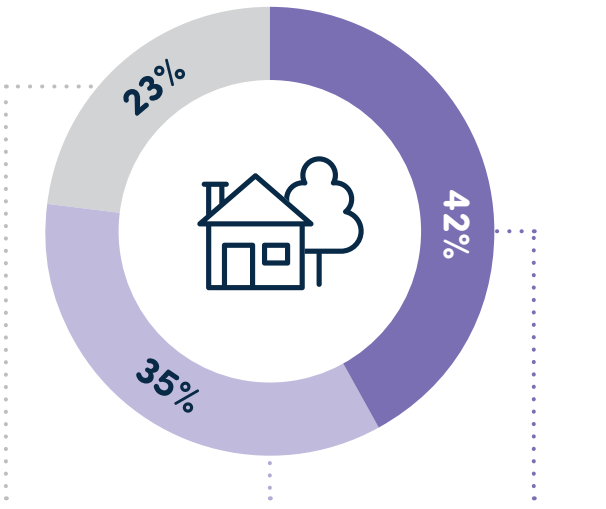
The impacts of COVID-19 were not distributed evenly across Australia and New Zealand. Overall, New Zealand had considerably fewer lockdown days as compared to Australia (although lockdown conditions were more stringent compared to Australia).

Within Australia, Victoria, and then NSW experienced substantially more lockdowns and total lockdown days compared to all other states and territories. The differences between Victoria, NSW, the rest of Australia, and New Zealand are evident in COVID-19 related survey responses.

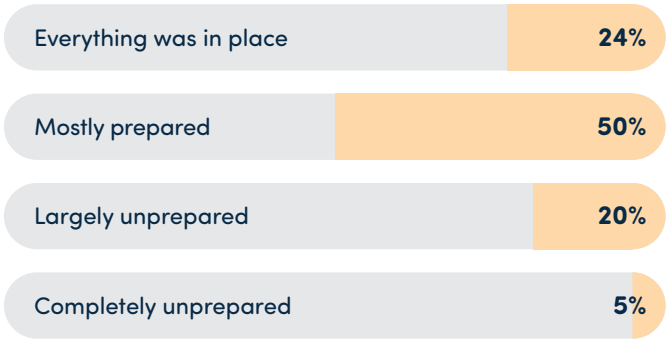
- A far higher percentage of Victorian respondents (41%) indicated that they had to significantly alter the way they delivered services, compared to respondents from NSW (36%), the rest of Australia (30%) and New Zealand (23%).
- A considerably smaller percentage of Victorian (27%) and NSW (31%) respondents indicated that overall, they were able to keep providing the same services, compared to the rest of Australia (48%) and New Zealand (44%).
- 57% of Victorian and 47% of NSW respondents indicated that the majority of their staff shifted to working from home, compared with 36% of respondents in the rest of Australia, and 32% in New Zealand.

Even though Victorian and NSW not-for-profits had to adapt significantly more to the challenges posed by COVID-19 compared to the rest of Australia or New Zealand, surprisingly there were no significant differences in how well they thought their organisation was set up for staff working from home. It is encouraging to see many organisations continuing to adapt well to the technology challenges posed by COVID-19 and increasing remote work, and we are optimistic that more will accelerate their digital transformation journey in the coming year.

As a result of the pandemic, what changes were made to the way staff worked?



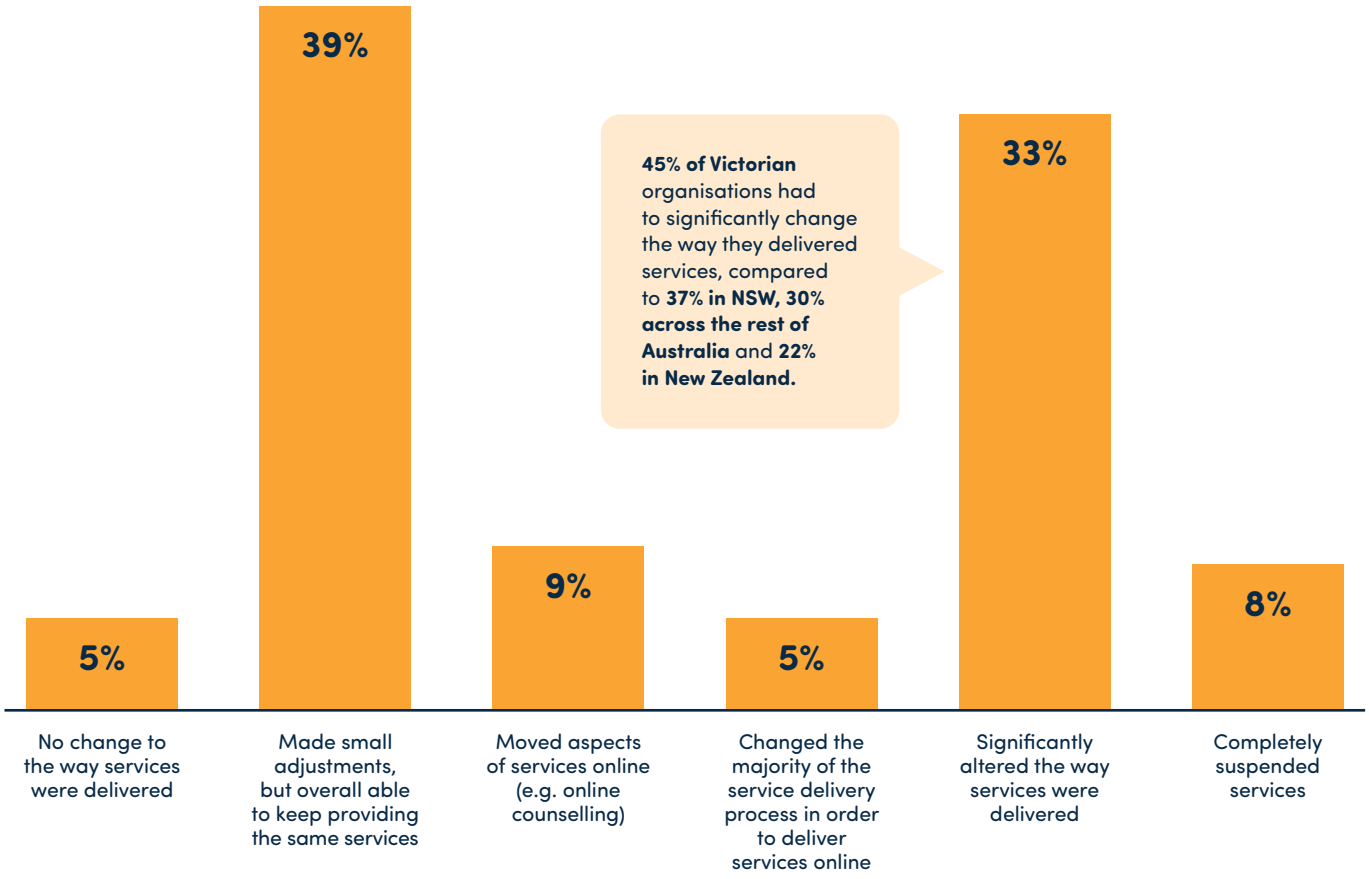
How well was technology set up for staff working from home?



In analysing the data by region, significant variation was evident, and this influenced the technological changes and priorities on the subsequent page.

For example, **57% of staff in Victoria** moved to working from home, compared to **47% in NSW, 36% across the rest of Australia** and **32% in New Zealand**

How has COVID-19 affected the way organisations delivered services?



As a result of the pandemic, what technology areas need more attention or have become a bigger priority?

Building staff members' digital skills	14%
Setting up better team collaboration tools	14%
Setting up better video conferencing tools	12%
Supporting delivery of services online	11%
Managing information security	10%
Finding better ways of storing files & information	10%
Moving to the cloud	10%
Updating & maintaining our hardware	8%
Supporting online fundraising	5%
Other	2%
No significant change	4%

IT SPENDING

This year's survey shows that not-for-profits spent more on their IT than last year, indicating that they are responding to the need for investment in secure, reliable and resilient technology to support post COVID-19 working arrangements.

Overall, survey respondents spent 6.4% of their operating expenses on digital technologies, a small increase from 6% in 2020.

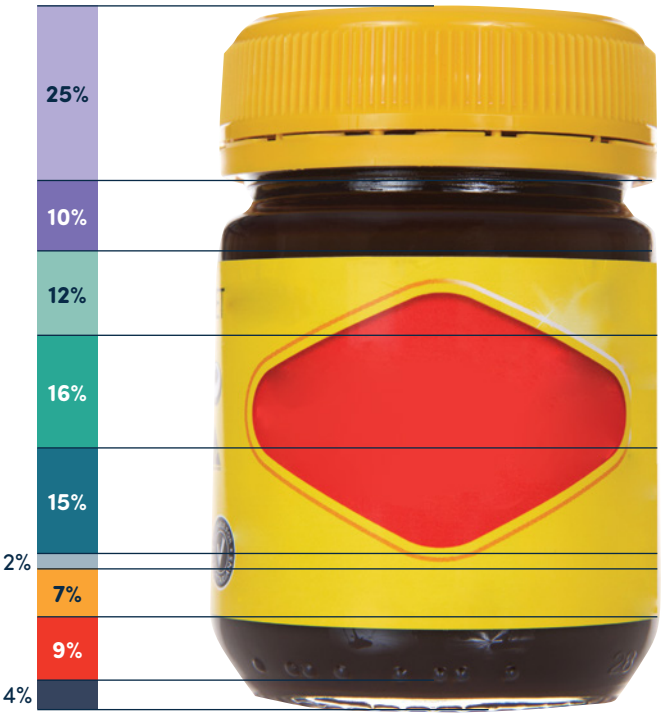
Australian not-for-profits spent AU$3,816 per FTE on technology – similar to last year, which we found surprising given the demand for laptops and headsets to help staff work from home. Reported spend from New Zealand not-for-profits increased more substantially to NZ $3,355 per FTE.

Further analysis showed that:

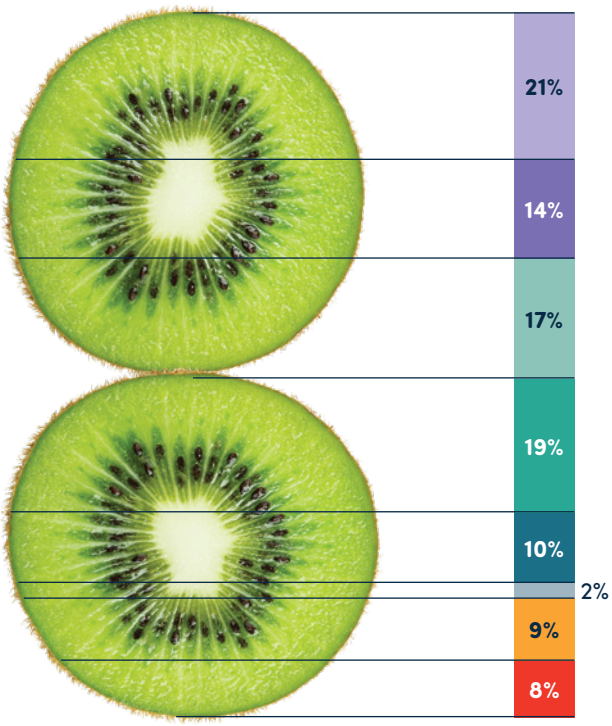
- Among all not-for-profit sizes, very large and very small organisations spent the highest percentage of their operating expenses on IT. Large not-for-profits spent about 40% less than average.
- On average, aged care, Indigenous, animal welfare and youth services spent the smallest percentages of their operating expenditures on IT (1-3%), while environmental, employment, peak body organisations, and disability services spent the highest (10-13%).
- On average, Victorian organisations spent the same as those in other states, despite a greater number of days in lockdowns and related remote working challenges. A significant number of Victorian based organisations who we spoke with were forced to work within existing funding constraints, reallocating funds from planned service improvement projects to enable remote working through laptops or other technology solutions. It is pleasing to see a different approach in NSW with the Social Sector Transformation Fund allowing not-for-profits to enable remote working and also transform service delivery.

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

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



$3,816 AUD
per FTE/annum



$3,355 NZD
per FTE/annum

DIGITAL CAPABILITY AND SKILLS

Digital capability continues to be critical to the success and continued provision of not-for-profit services. We are pleased to report that 53% of not-for-profits are now satisfied (or highly satisfied) with the way they use technology, an increase from last year's 47%.

We've seen a steady increase in satisfaction being reported by not-for-profits in the past three years. During that time, more and more organisations have embraced new technologies that support them to effectively deliver services to their community and clients, while responding to new challenges posed by COVID-19 lockdowns and increasing remote work.

Staff confidence has also improved somewhat since our 2020 survey, with over half of not-for-profit staff feeling confident using new technologies and systems.

However, still less than a quarter of not-for-profits have a digital transformation or IT improvement plan. This shows that there is a gap in being able to better plan for necessary steps to implement and benefit from emerging technologies based on organisations' needs and structure.

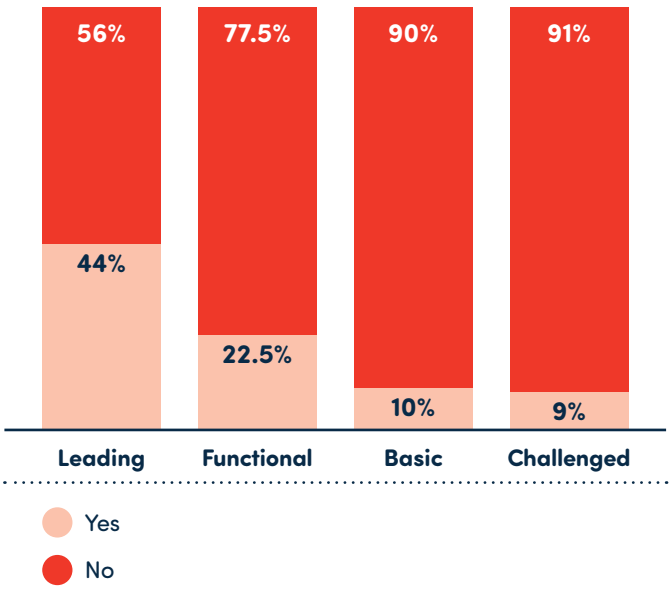
It is promising to see that fewer organisations consider cost, lack of experience and time as a barrier to developing a plan.

Technology can be incredibly transformative in its ability to increase staff efficiency, improve service delivery and save precious time and money. A digital transformation plan is the best way to plan and adapt for these changes. Our new Digital Transformation Hub supports not-for-profits to achieve their technology goals by offering web-based resources, capacity building programs and tailored advice.

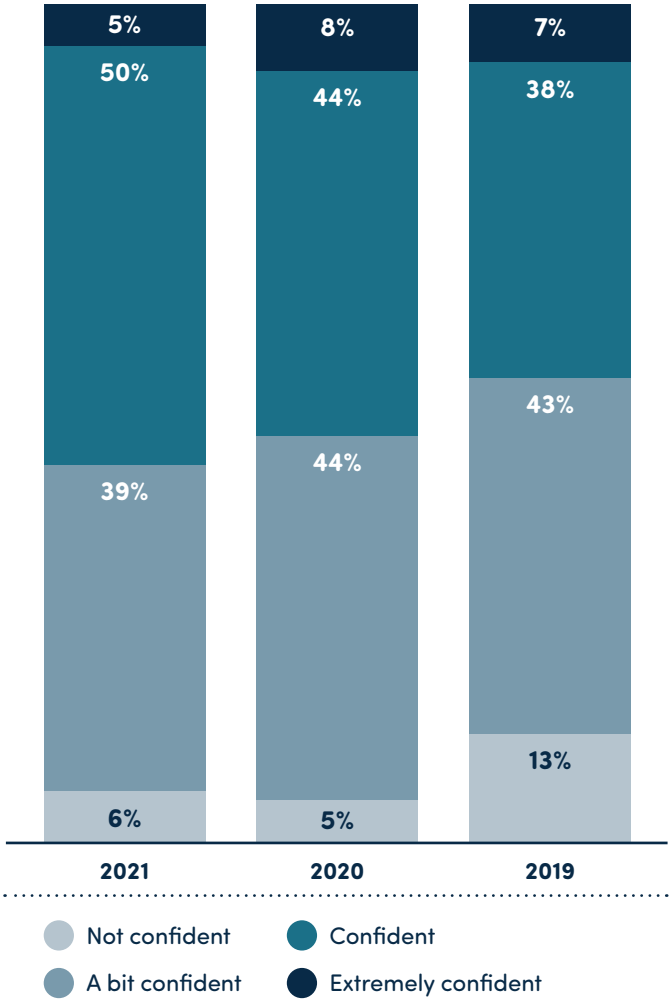
What will be critical from this point on is how well not-for-profits can continue to adopt and utilise technology, as they look to transform their services and remote working continues to some degree for the foreseeable future.

Staff confidence in using technology & systems (overview)

Organisations with a digital transformation or IT plan by technology capability



Staff confidence in using technology & systems (detail)



DIGITAL MARKETING

Our annual survey results consistently show that not-for-profits across Australia and New Zealand appreciate the importance of having an online presence and digital marketing capabilities, whether it be to raise awareness about their services, fundraise, or stay in touch with their supporters.

This year, 94% of not-for-profits reported that they have a website and 89% use at least one social media platform. More than 60% of not-for-profits use popular newsletter platforms like MailChimp to stay in touch with their clients or send regular communications to their supporters.

However, there are still plenty of untapped opportunities for organisations to improve their digital marketing.

Less than half of not-for-profits track and report on their digital marketing efforts. Regularly tracking and analysing these results is key to understanding the success of organisations' digital marketing activities, where changes need to be made, and where resources can be better allocated.

The number of organisations benefiting from the Google for Nonprofits program has increased slightly from last year, but the majority (75%) are still missing out on the free Google advertising and apps available through the program.

From design apps to analytics and readability tools, the list of free and low-cost marketing tools continues to grow every year, giving not-for-profit marketers the means to manage an effective online presence without the big budgets.

Social media

Social media platforms used

Facebook
Instagram
LinkedIn
Twitter
YouTube
Vimeo
WhatsApp
TikTok
Pinterest

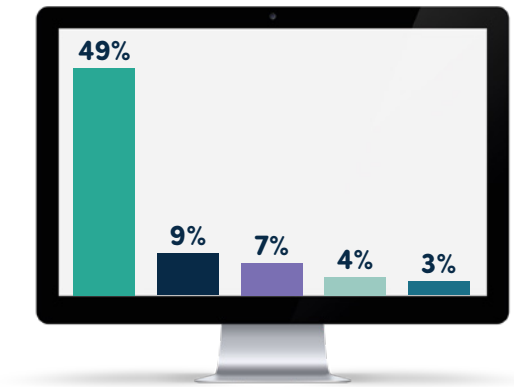
Websites

94%
of not-for-profits have a website

of those

68%
like the look, feel and functionality of their website

Most popular content management systems



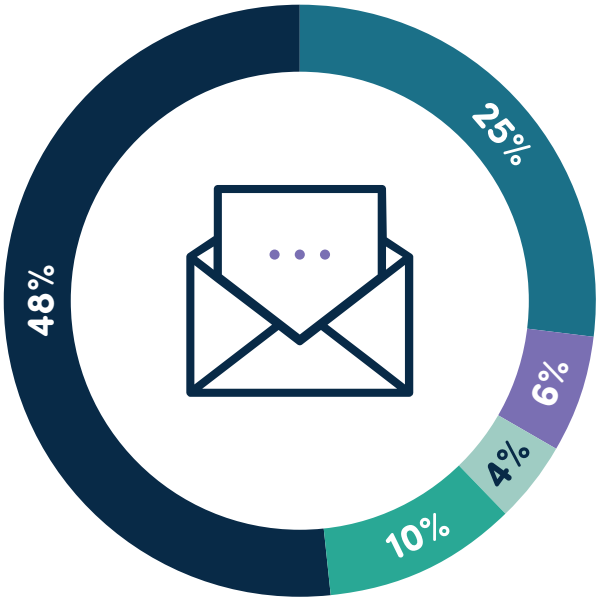
Email updates

66%
of not-for-profits send regular email newsletters and updates

of those

82%
are happy with their email updates and consider them to be integral to communicating with stakeholders

Most popular platforms for email newsletters & updates



Donations

44%
of not-for-profits collect donations online

Donations are collected through:

Direct website e-commerce	45%
External fundraising platform e.g. GiveNow, mycause	39%
PayPal	28%
Facebook	7%
Other	14%

Digital marketing

Not-for-profits are using:

Design tools e.g. Canva or Adobe Creative Suite	36%
Social media paid advertising	34%
Website analytics e.g. Google Analytics	33%
Search engine optimisation (SEO)	24%
Marketing / email automation	19%
Search engine marketing (SEM) e.g. Google Ads	14%
Marketing / email automation	13%

Reporting

40%
of not-for-profits regularly track and report back to management on the performance of their online presence

INNOVATION

Through a period of ongoing instability in the not-for-profit sector, our report this year demonstrates that innovation remains pivotal for organisations to deliver services through the COVID-19 pandemic. But in the face of shrinking budgets, innovation is out of reach for many not-for-profits.

In 2021 only 41% of organisations reported using at least one type of new or emerging technologies, compared to 52% in 2020.

For many organisations, effectively using current technologies to adapt to the challenges of COVID-19 has understandably been a priority. But we've seen many inspiring uses of new technology over the past year too.

For example, Aboriginal-led organisation Children's Ground launched a mobile app for children based on the incredible work of First Nations authors and illustrators. It enables children to listen to audiobooks and play interactive games while learning the Arrernte language.

Food rescue organisation Oz Harvest received over $300,000 on the back of PayPal's Give at Checkout campaign, which facilitates shoppers to add a $1 donation when purchasing online. Innovative partnerships like this between the not-for-profit and private sectors have provided significant support to organisations navigating the pandemic.

Top 10 new or emerging technologies being used by not-for-profits

19% Mobile apps

13% Bulk SMS

10% Data-driven technology solutions & platforms

8% Artificial intelligence (AI) / machine learning

6% Assistive technology
e.g. for people with disabilities or the elderly

6% Data analytics / big data
e.g. Google BigQuery

4% Drones

4% Internet of Things (IoT)

4% Voice / speech recognition

4% Open API

CLOUD

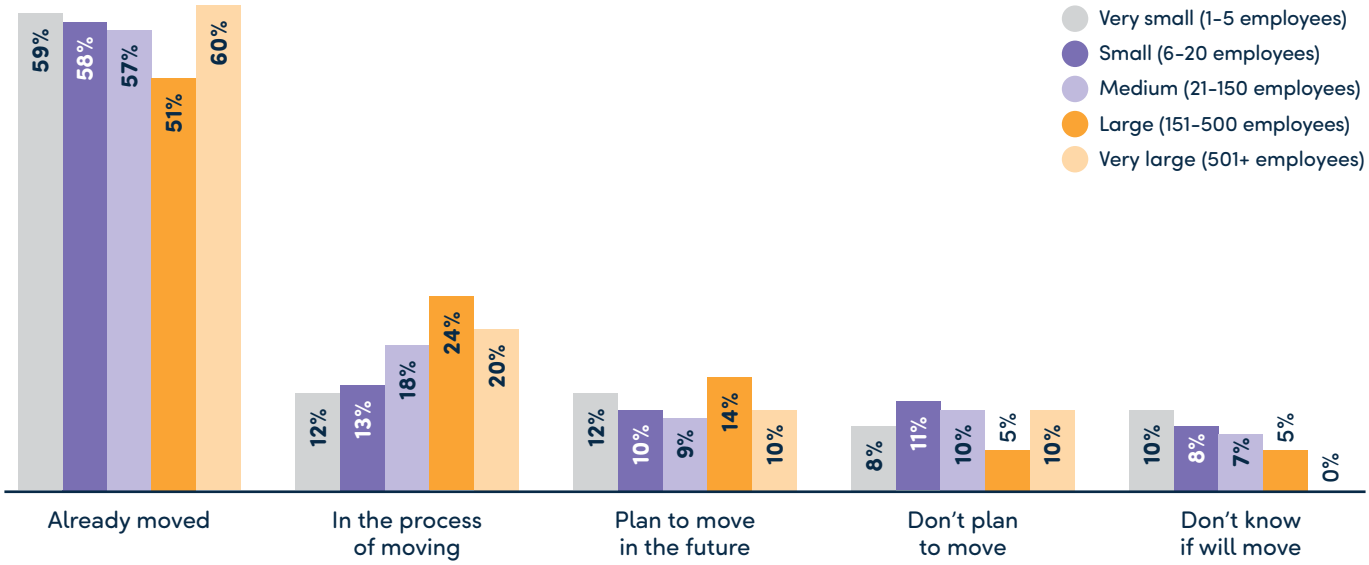
This year's results show a significant shift in the number of not-for-profits who have moved or are or in the process of moving to the cloud – from 58% last year to 69% this year.

Moving to the cloud reduces technology risk, facilitates better staff collaboration and allows staff the opportunity to work productively and access information anytime, anywhere.

Given the benefits of the cloud in supporting remote work, this year's extended COVID-19 restrictions and increased working from home conditions have no doubt influenced the rate of adoption of cloud technology across the sector.

For not-for-profits who are yet to move to the cloud, the key reasons given were "not a priority" and "don't know enough". This demonstrates that there is a need to educate not-for-profits about the benefits of using cloud-based resources, such as improved productivity and efficiency.

Not-for-profit plans to move a significant proportion of IT to the cloud (by size)



Not-for-profit plans to move a significant proportion of IT to the cloud (overall)

Already moved	55%
In the process of moving	14%
Plan to move in the future	10%
Don't plan to move	9%
Don't know if will move	7%
Don't know	3%
Other	2%

Key reasons for not moving to the cloud

Don't see it as a priority	37%
Data security, sovereignty or data privacy concerns	17%
Don't know enough about the cloud	17%
Internet connectivity too expensive / insufficient quality	7%
Migration cost	7%
Recently invested in our own IT infrastructure	6%
Lack of time	5%
Not sure	4%

TECHNOLOGY FOUNDATIONS

Every not-for-profit organisation should have sound technology foundations in place to help make the most of their ability to service clients.

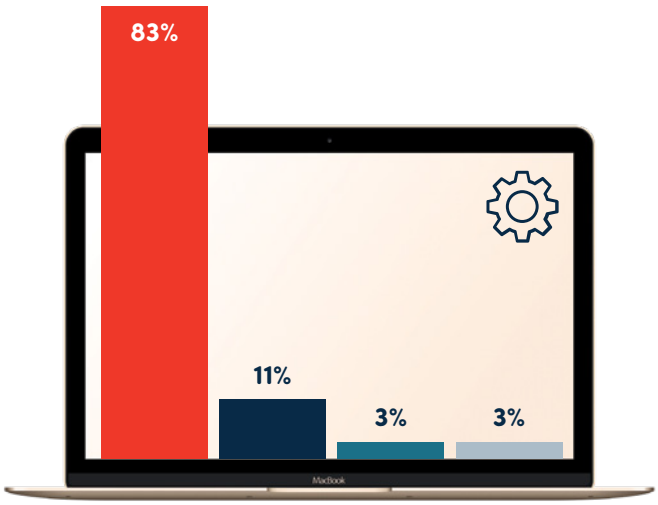
Substandard legacy technology environments effect team members' ability to effectively work from home as well as the organisation's capacity to deliver services to their communities.

Our survey revealed that although not-for-profits are starting to make the journey to move to the cloud (half are now using Microsoft 365 for their primary file sharing and email applications), key barriers still include:

- expensive or insufficient internet connectivity,
- recent investments in on-premises technology infrastructure,
- migration cost,
- lack of knowledge of/familiarity with the cloud,
- lack of time/prioritisation.

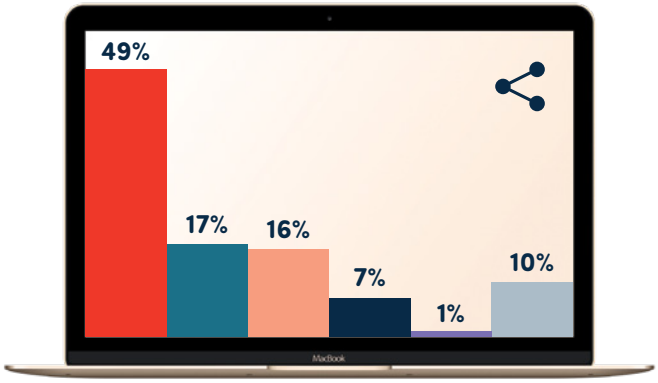
Just as COVID-19 will be part of everyday life for the foreseeable future, hybrid work environments will continue to shape how we work and collaborate. If you haven't yet started your cloud journey, our Digital Transformation Hub can help you begin.

Operating systems used



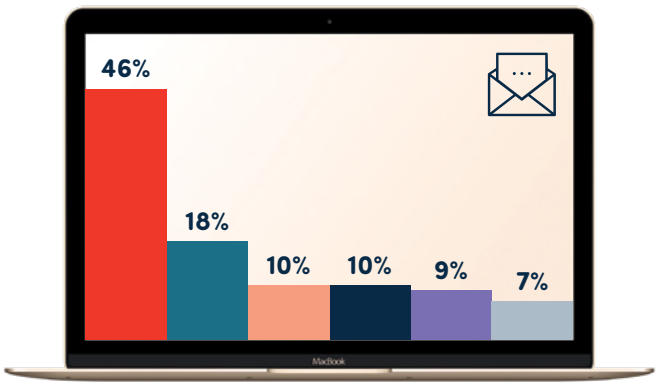
- Microsoft Windows
- Apple Mac OS
- Chrome OS
- Other

Primary file sharing applications used



- Microsoft 365 (includes SharePoint & OneDrive)
- Google Workspace (previously G-suite)
- Microsoft Windows server based file sharing
- Dropbox
- Linux/Mac server based file sharing
- Other

Primary email applications used



- Exchange Online (Microsoft 365)
- Google Workspace (previously G-suite)
- Email provided by internet service provider
- Exchange server
- Personal cloud email service (e.g. Hotmail, Gmail)
- Other

INFORMATION SYSTEMS

Effective information systems are critical to supporting service delivery, measuring impact and keeping not-for-profit organisations running.

An organisation's capacity to effectively deliver services requires reliable, coordinated systems that are easy for staff to use.

We asked participants about the system they primarily use to capture information about their clients, members or stakeholders and found that 35% of not-for-profits currently use a commercial system, 28% use Word and Excel, 16% use a custom developed system, 6% use paper and 5% use a government mandated system.

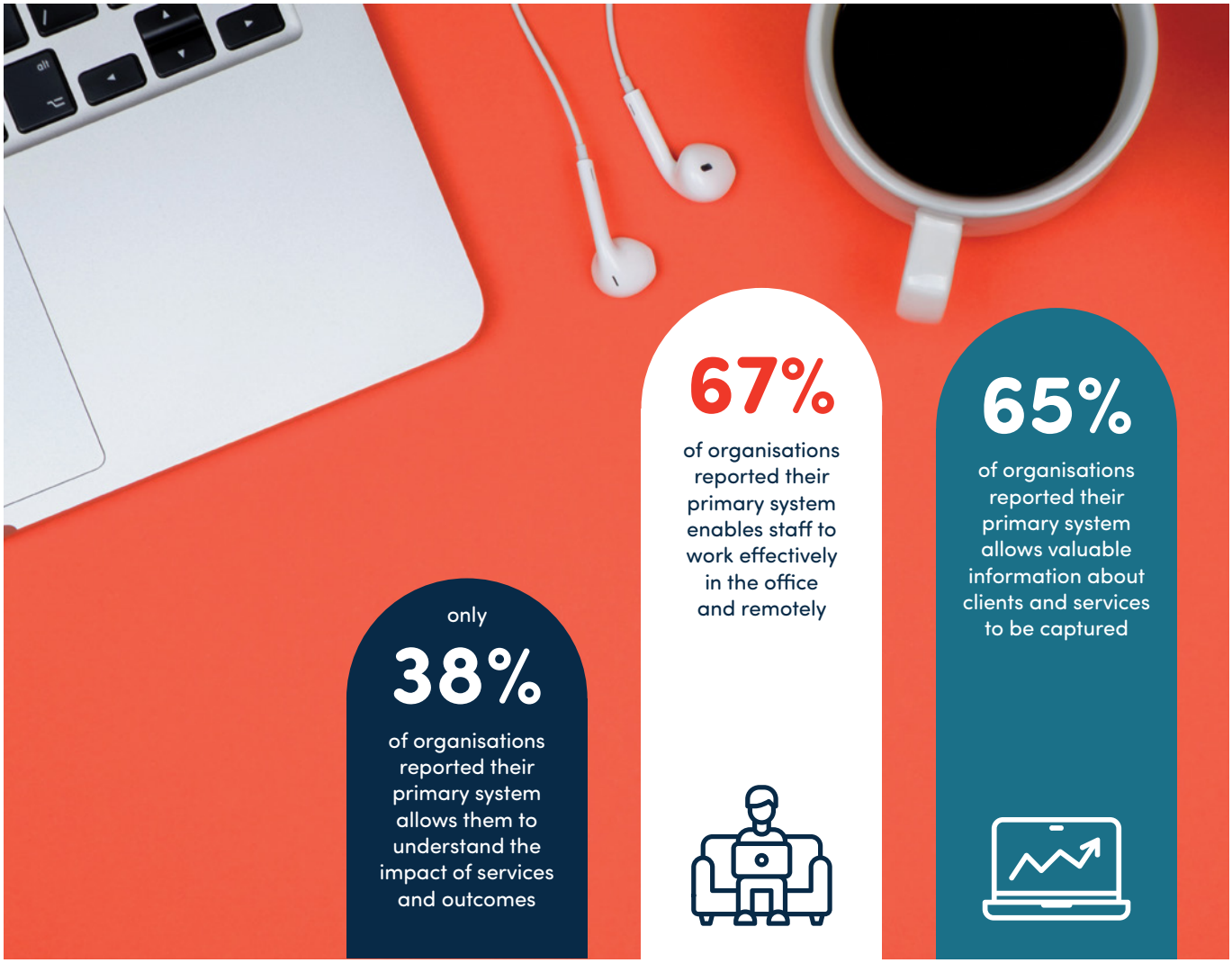
There is definite room for improvement in the client information systems being used. 67% believe their primary systems enable staff to work efficiently both in the office and remotely, while 65% say that their systems allow them to capture valuable information about their clients and services.

Only 38% of organisations reported that their primary systems help them to understand and measure the impact and outcomes of their services, a 6% decrease compared to last year.

Our survey findings from the past few years have identified that finding and implementing the right information systems is still a challenge for many not-for-profits. Investing money and effort into information systems can bring huge rewards and contribute to better service delivery, better reporting on impact, and improved ability to provide evidence for funding purposes.

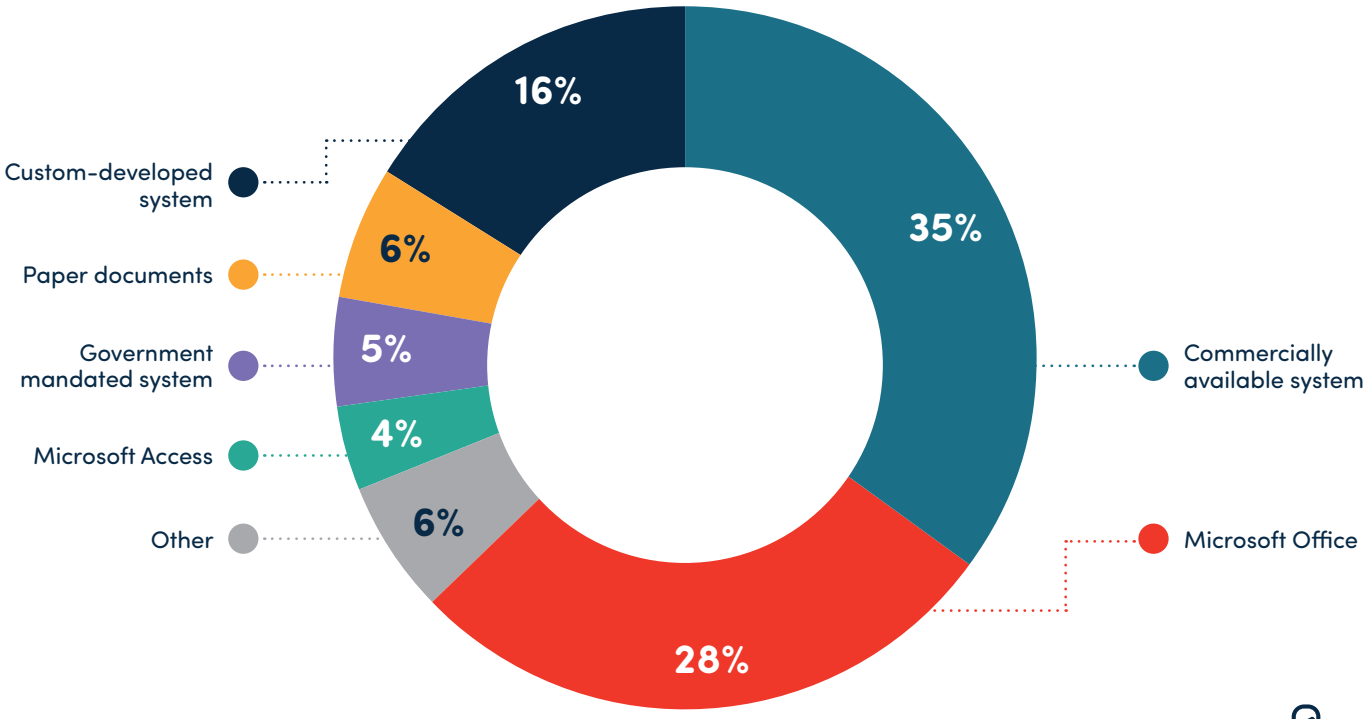
The good news is that more and more organisations are questioning whether their information systems are set up in the best possible way to support their staff and clients.

Our Digital Transformation Hub experts are receiving a large volume of requests from organisations asking for help to improve their existing information systems, or to find a new system that can better help them achieve their mission. We are thrilled that not-for-profits are tackling this challenge and excited by the opportunity it provides for organisations to improve their processes, better understand their impacts and enhance outcomes.

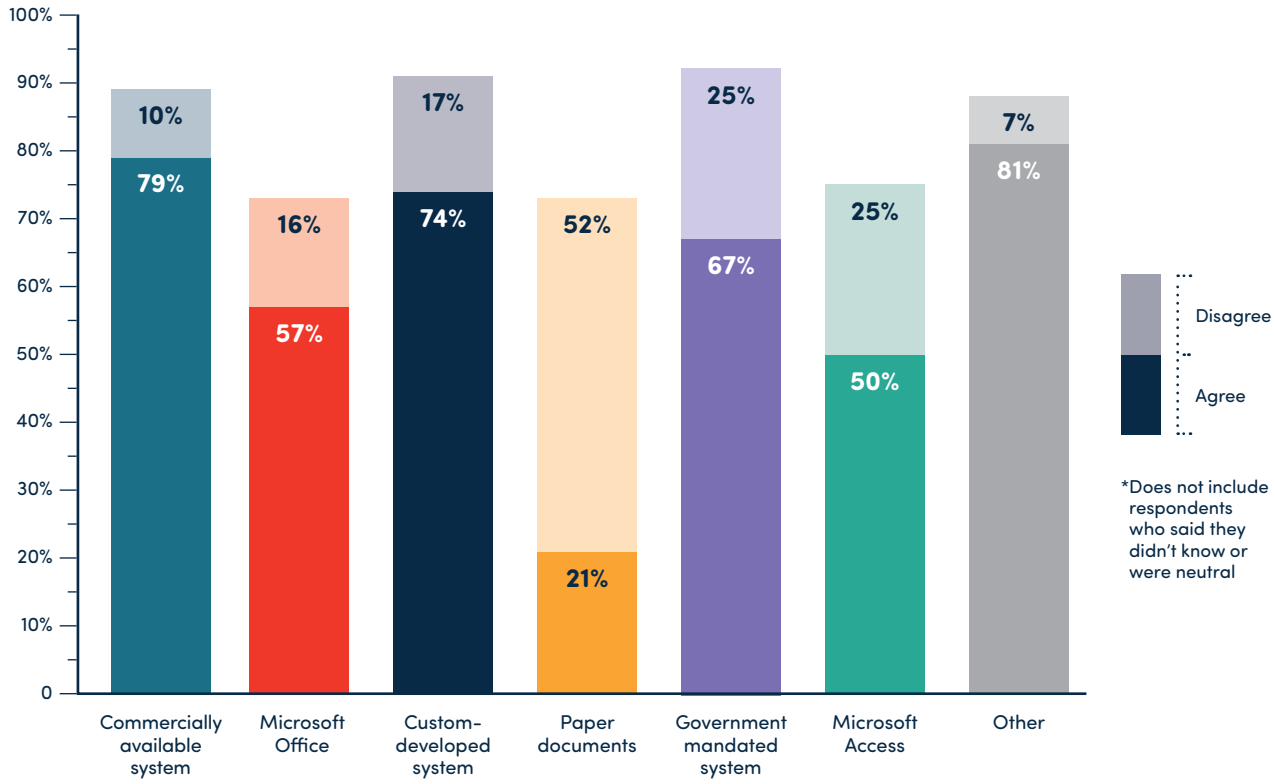


INFORMATION SYSTEMS (continued)

Primary system used to capture information



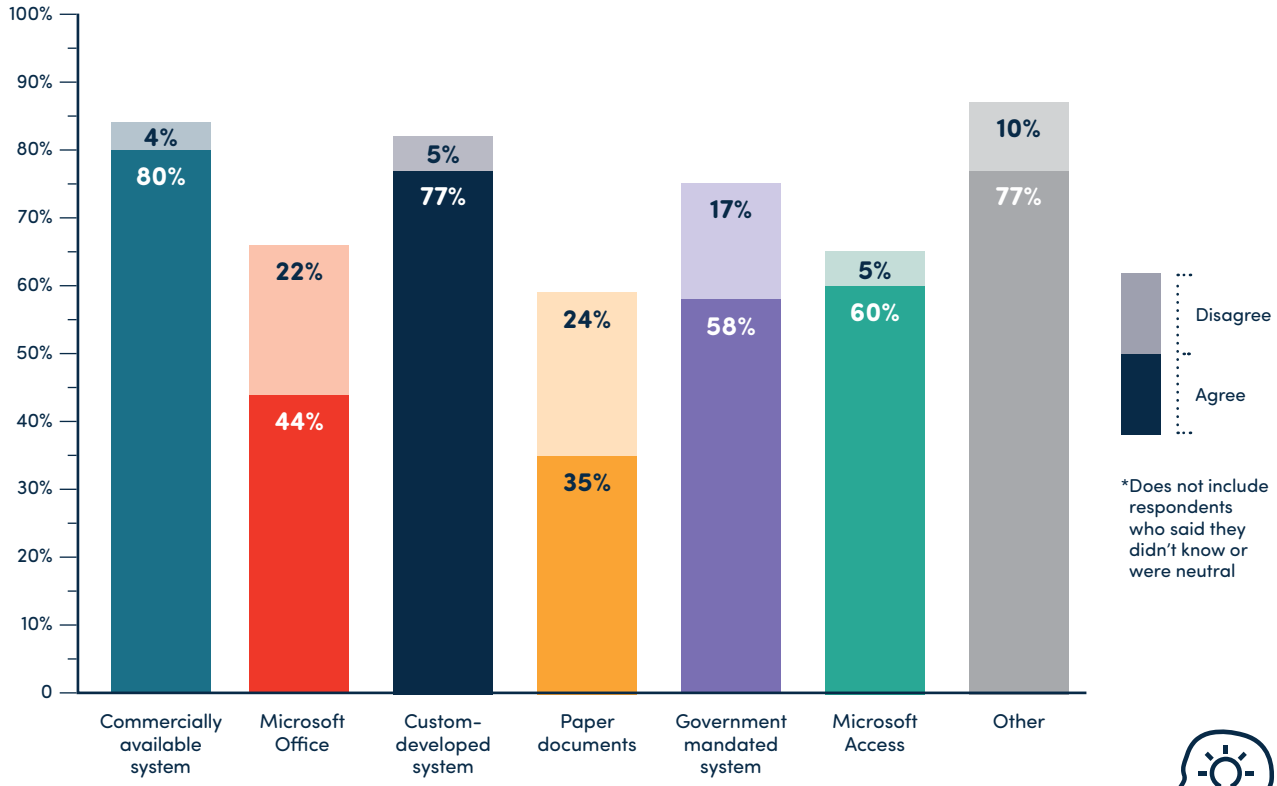
This system enables staff to work efficiently both in the office and remotely



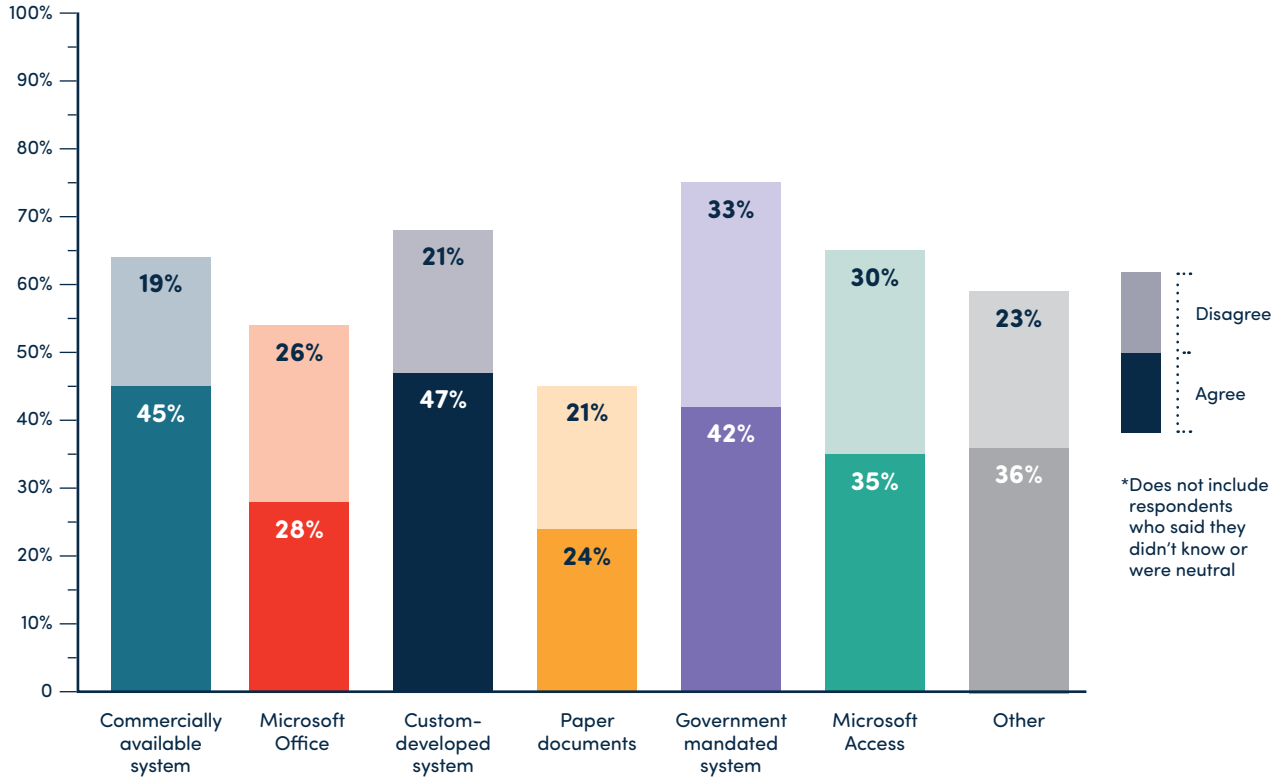
*Does not include respondents who said they didn't know or were neutral

*Does not include respondents who said they didn't know or were neutral

This system allows organisations to capture valuable information about clients and services



This system enables organisations to understand the impact of services and outcomes



INFORMATION SECURITY

Protection against security incidents, data breaches and cybercrime are a must for every organisation, irrespective of staffing, services or revenue.

It's encouraging to see an increase in the number of respondents introducing data protection technologies and practices into their organisations. Half reported that they have implemented multi-factor authentication. Additionally, more than half have implemented security incident response plans or are planning to do so.

This indicates that more not-for-profits are realising the importance of robust information security plans and practices, particularly in light of the increase in cyber security challenges during COVID-19.

However, almost half of the organisations surveyed are yet to develop information security policies. Only 61% of respondents provide security awareness training to their staff about common security-related threats.

This year's survey has also highlighted growth in organisations having or planning to have a security incident response plan, seeing a 7% increase from 49% in 2020 to 56% in 2021.

Recovering from a security incident or data breach can take weeks or months of effort, cause damage to an organisation's reputation and impact its revenue. Ensuring organisations have critical cyber security protections in place, including training staff about common threats, can go a long way to protecting information of a sensitive nature such as client information.

Fortunately, there are a growing number of resources available for not-for-profits looking to improve their information security practices. Free guides, policy templates, consultation sessions and training webinars are available via our Digital Transformation Hub.

77%

of organisations rated their data protection measures as "good" or "excellent"

50%

of organisations are using multi-factor authentication to protect their core information systems

56%

of organisations either have a security incident response plan or are planning to have one

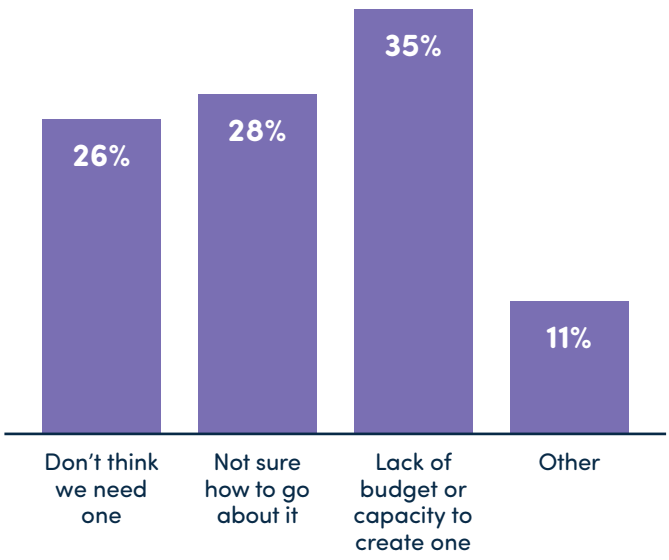
81%

of organisations either have a privacy policy or are planning to develop one

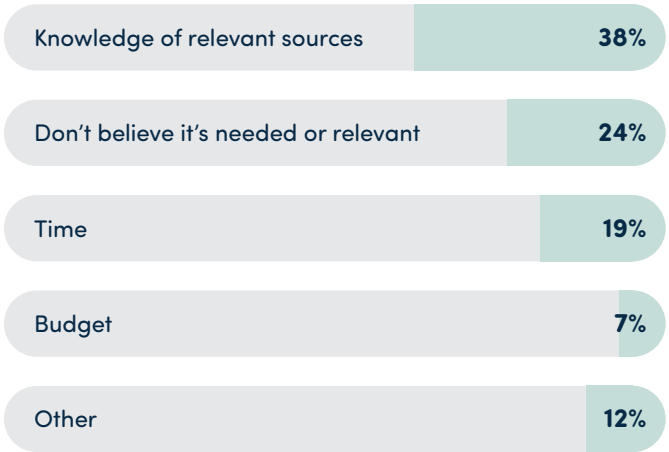
61%

of organisations provide information security awareness content to staff on security-related threats and risks

Reasons for not having a security incident response plan



Reasons for not providing information security awareness content to staff on security threats and risks



PRIORITIES AND CHALLENGES

This year's data shows that information security, improving data collection and making better use of websites and digital marketing are top priorities for the sector.

Access to impartial technical advice and affordable, skilled and technical resources remain the top challenges for not-for-profits. But other challenges faced by respondents have shifted noticeably this year.

Information security and disaster recovery are areas that pose a much bigger challenge to not-for-profits compared to previous years, showing a greater need to invest in security, risk management and business continuity plans.

Responses to new fields added in this year's survey reflect changes in ways of working that many organisations have made during COVID-19 – at least 10% of respondents selected enabling staff to work effectively from home, supporting delivery of services online and online fundraising as priorities.

It is encouraging to see that fewer not-for-profits selected IT infrastructure, staff capability, capacity and training as their biggest challenges this year, indicating that organisations are benefiting from moving to the cloud, better IT infrastructure, and improved staff technical capability and confidence.

It's also great to see that there's appetite for not-for-profits to learn more about data security and privacy, which is crucial to ensuring organisations and their client information are protected. Organisations also expressed an increased interest in exploring emerging technologies to support their work and mission.

Top priorities

	2020	2021
Improve website	41%	44%
Make better use of social media &/or digital marketing	37%	38%
Improve data & information security	24%	24%
Improve the digital capabilities of staff	25%	23%
Implement a new client, stakeholder or member information management system	20%	20%
Move to the cloud	22%	17%
Upgrade IT infrastructure	22%	15%
Explore new technologies/ innovations to help achieve social mission	22%	15%
Supporting online fundraising	-	14%

Biggest challenges

	2020	2021
Budget/ funding	49%	43%
Access to affordable, skilled technical resources	34%	37%
Staff capacity & capability	38%	36%
Keeping abreast of technology changes & identifying where to invest IT spend	25%	28%
Making the most of the cloud	24%	23%
Affordable staff training	22%	16%
Improving ability to recover in the event of an IT disaster	9%	15%
Refreshing IT infrastructure	15%	11%
Impartial technical advice	11%	11%

CAN WE HELP?

Infoxchange, Connecting Up and TechSoup New Zealand have decades of experience in helping the Australian and New Zealand not-for-profit sectors get the most out of technology.

If you're looking to improve efficiency and service delivery through better use of technology, we're here to help.

Whether you're a tiny team running on a shoestring budget or a large organisation operating across multiple locations and service areas, we have scalable options to suit your needs.

Our new Digital Transformation Hub brings together practical guides, not-for-profit technology discounts and tailored advice to help you create an even greater impact. Learn more at **digitaltransformation.org.au**

Some of the things we can help with include:

Digital Transformation Hub

Managed IT services

Client & case management

Discounted & donated technology

FIND OUT MORE

infoxchange.org | connectingup.org | techsoup.net.nz

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