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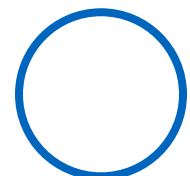
Final Consultation Report (SON3352211)

Prepared for the Department of Social Services

30 July 2024

About Synergistiq

Established in 1990, Synergistiq works to strengthen and measure social impact through education, employment, and engagement. We seek to contribute to an Australia where everyone has equitable access to opportunity to reach their potential.

Our work is guided by our values of collaboration, community, and learning, and underpinned by respect, ethics, reflection, and the courage to speak with integrity, even when challenging.

We acknowledge the Traditional Custodians of lands on which we work, land that has never been ceded. We pay our respects to all Aboriginal and Torres Strait Islander Elders, past, present, and emerging, and acknowledge their rich and continuing contribution to knowledge, learning and intergenerational understanding of those Elders.

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Executive Summary

The Community Services Advisory Group (CSAG) established a sub-group, the Blueprint Expert Reference Group (BERG), to develop a Not-For-Profit (NFP) Sector Development Blueprint (the NFP Blueprint), which is intended to provide an actionable road map for the sector over the next ten years.

In late May 2024, the Department of Social Services (DSS) contracted Synergistiq to undertake targeted consultations with representatives from the NFP sector who have not previously engaged in the development of the NFP Blueprint. The purpose of these consultations was to seek feedback on the appropriateness of the draft NFP Blueprint and the actions proposed. This Final Report details key findings from those consultations.

103 participants from 94 NFP organisations participated in the nineteen focus groups conducted either virtually or in-person around the country, or via interview.

Overall, the participants were grateful to have been invited to participate in the consultations and most had not heard of the NFP Blueprint prior to receiving the invitation. Many highlighted the importance of ensuring the perspectives and views of smaller or volunteer-run NFP organisations were heard, as they felt that strategic and/or government policy decisions affected them differently, when compared to larger NFP organisations.

When considering the vision proposed in the draft NFP Blueprint, there was general agreement from participants that aspects of it reflected their own aspirations for their NFP and the sector more broadly. However, many participants considered the vision too lengthy and could be refined to become a more inspiring view of the future. Specifically, participants suggested that the vision did not adequately acknowledge and encapsulate the existing achievements, expertise and efforts of the sector. In this regard, refining the vision using a strengths-based approach that recognises the existing expertise, leadership, achievements of the sector would be a respectful base upon which to build aspirations for the next 10 years.

Similarly, participants were broadly supportive of the actions put forward under the three pillars. Actions that supported the operation of NFP organisations in the short-term, such as financial stability, deductable gift recipient (DGR) reforms and revitalising volunteering garnered particular interest among participants. As did those which may reduce burden, such as improving the use and collection of data. Across actions, participants highlighted the additional challenges faced by smaller NFP organisations, particularly regarding their capacity to implement actions fully. For many of the actions, participants felt further clarity was required about what supports would be provided to implement them and who would be responsible for the actions being implemented. Tables 1-3 below provide an overview of key findings associated with actions for each pillar.

In addition to the specific feedback provided by participants on the vision and actions within each pillar, a higher-level synthesis of their feedback revealed three main themes driving participant feedback: **Respect**, **Sustainability** and **Diversity**.

The theme of **respect** relates to a desire from the sector for an explicit acknowledgment and valuing of its skills, experience and achievements, filling gaps not met by other sectors. The NFP sector is a major contributor to the social and economic fabric of Australia and should be treated as an equal partner by

government, in particular. The draft Blueprint contains several actions that recognise and foster this equal status, including improvements to the DGR system, advocacy and financial stability, to name a few.

The success of the abovementioned actions, amongst others, also contributes to **sustainability** for the sector, which was a key focus of participant feedback. Participants considered that actions, such as an effective volunteer strategy and strategies to improve workforce capability, contribute to the sustainability of the sector and can cultivate the image of the sector as a desirable career choice, providing a stable workforce into the future.

Diversity was considered a key strength of the sector. A strong theme that emerged through consultations was the role of the NFP sector in meeting the gaps in the market and addressing the niche and critical needs of the communities that they work with. Smaller NFP organisations are often well-placed to identify and address community needs through deep knowledge and engagement with their communities, allowing them to develop place-based, grassroots solutions.

When refining the draft Blueprint, the BERG should consider how each refinement impacts on the NFP sector through the prism of respect, sustainability and diversity. Viewing these guiding themes as interdependent can ensure that refinements to any action can be done in a balanced and considered way. For example, refinements to actions regarding digital transformation and data capability may contribute to a more sustainable sector, however, may also create an additional burden that drives smaller NFPs out of the sector, thereby reducing diversity.

This holistic view should also be supported by a staggered rollout of actions. As highlighted during the consultations, some initiatives emerged as priority areas in the short term, where action on these would have profound and tangible effects on the operation of NFPs, particularly smaller ones. These included actions such as changes to the DGR system, funding, the duration of grants and data collection.

Early progress on these priority actions would be seen as a sign that there is a real commitment and partnership on behalf of government and the sector to deliver the NFP Blueprint. In turn, the full implementation of the NFP Blueprint will build the trust and credibility of the sector with government and the community more broadly, as well as trust of the government from the sector.

Table 1. Summary of key reactions to the actions/initiatives as proposed in the draft blueprint, under the pillar, *An enabling operational and regulatory environment for the sector to thrive.*

Action / initiative	Key findings
Prioritise and advocate for cross-jurisdictional harmonisation of standards and industry regulations	**17 participants commented on this action.** Participants were positive about greater consistency and harmonisation of standards and regulations across states and territories. In some cases, this change was highlighted as better enabling the effectiveness of their work considerably at a national level. A few suggested that education around different standards and regulations was also needed to support small organisations.
Broaden and simplify the DGR system	**25 participants commented on this action.** DGR was a topic discussed at length at most focus groups and a *simplification* of the DGR system was seen as important to reduce the burden on organisations and enable greater access to funds. Participants shared mixed responses to the prospect of *broadening* the system, with participants very passionately advocating for this change and others sharing concerns over possible duplication in the sector.
Support NFP sector advocacy • **Amend legislation on NFP rights to advocate in relevant acts** • **Fund relevant sector peaks to support policy advocacy research in priority areas.**	**7 participants commented on this action.** Participants were supportive of the action, however it was not treated with the same level of priority as other actions under this pillar. Participants highlighted the need for increased funding to be directed towards advocacy, for NFPs of all sizes. For some participants their peak body was seen as very important for their sector, yet they were concerned that peak bodies have been progressively de-funded, leaving gaps in their support network and ability to advocate for their sector and communities. A number of participants, often from peak bodies themselves, were confused by this action. They felt that this action was "asking permission" when it is a basic right in any democracy to advocate and share the voices of those in the community.
Support the improvement of financial sustainability in the sector through government commitments to better resourcing practices • **Elicit and monitor government commitments to full cost funding, indexation, minimum grant funding, grant processes and duration in essential areas of service provision.** • **Commission benchmarking of costs and cost structures.** • **Promote benefits of full cost funding, procurement and pricing to governments, philanthropy and the sector.**	**39 participants commented on this action.** Concerns about the financial stability of the NFP sector were raised consistently across consultations. Participants strongly advised that this area needed improvement to ensure the sustainability and needs of the sector, as well as the wellbeing of staff, volunteers and the communities they serve. The way NFPs were funded was a primary concern of the discussions, with calls for better partnerships between NFPs, government and the private sector, as well as the need for funding to be allocated for core services, as well as sufficient funding required for the operations and overheads of running a business. Increasing the length of the grants provided was a consistent theme across organisations. Several participants also suggested that the grants system in its current form breeds competition, affecting sustainability. Adequately funding organisations for the work that they do was discussed by many participants, highlighting this as a key priority.

Embed co-governance, co-design and shared decision-making practices in policy development, program design and relevant services performance evaluation.	**20 participants commented on this action.** Participants had mixed responses to this initiative. Most were supportive, with some identifying this as a priority and aligned with their focus. Many, however, considered that the action needed further clarity on what co-governance, co-design and shared decision- making would actually look like in practice. Participants commented how this would also require adequate funding for this initiative to come to fruition.
Improve use of data and data collection • **re-establish routine data collection through the ABS** • **Inform and educate via public dissemination and reporting on major trends in the Sector** • **Invest in and promote effective supports that enable NFPs to achieve a minimum level of data capability and data-informed management decisions**	**31 participants commented on this action.** This initiative was one of the most discussed among pillar one actions. While most saw value in it, many expressed concerns about what this would mean for their organisation. Participants mentioned that there was often not the funding to employ appropriately skilled people in this area and they shared concerns that this action would place significant pressure on NFP organisations, especially smaller ones with more limited capacity and capability. Some participants commented on how reporting, while necessary, can sometimes require a disproportionate amount of resourcing compared to the funding amount, which can be a burden for smaller NFPs. These participants consider a redesign and simplification of reporting processes is required to enable meaningful data to be collected so that reporting could become an enabler, rather than an impediment. Suggestions also included providing greater access to available data to NFPs, as well as simple tools to collect and use data.

Table 2. Summary of key reactions to the actions/initiatives as proposed in the draft blueprint, under the pillar, *A strong people-led and purpose-drive sector*.

Action / initiative	Key findings
Profile and establish mechanisms to enable the shift to First Nations' community control of relevant NFP services	**16 participants commented on this action.** Participants had mixed responses to this initiative. Just over half expressed support and identified it as an important action for the sector. Participants highlighted how sufficient support was needed to assist the shift to community control and ensure its sustainability.
Formalise accountabilities in the National Agreement on Closing the Gap	**10 participants commented on this action.** Most were positive about this action, however emphasised the need for adequate support to be provided. Two were uncertain about the action or felt that it was not relevant to them, and rather the domain of federal and state/territory governments.
Invest in multicultural organisations to support intergenerational leadership, effective co-design and intermediation between CALD communities in policy, program design, implementation and evaluation	**10 participants commented on this action.** Most viewed this action as important. Participants spoke of the importance of multicultural organisations leading work, especially co-design processes, with CALD communities. A few participants – from CALD organisations – valued the inclusion of intergenerational leadership, in particular. Another participant suggested organisations that actively support CALD groups but are not a multicultural organisation themselves should also be included in this action.
Ensure disability experience and representation, and engagement in codesign of services and strategies that serve or affect people with disability	**10 participants commented on this action.** All were supportive of the initiative, however most identified changes they would like to see to strengthen it. These included mentioning age (suggesting the sector often focused on adults more than children), incorporating mental health and including disability leadership in addition to co-design.
Advocate for government and philanthropic funding practices that support decent work	**27 participants commented on this action.** This action elicited significant confusion among participants, with participants unsure what decent work means, and suggesting that it needed to be more clearly defined. Participants suggested that this include work that is rewarding, safe, supportive, fair, and well-paid.
Broker sector input into further education curricula and competencies in support of workplace need	**17 participants commented on this action.** Many participants considered this was a beneficial mechanism to open the doorway and create pathways for people of diverse experience and young people to work in NFP sector. As with other actions, a few suggested the language could be simplified. A few saw this action as closely intertwined with that on volunteering, highlighting the need for skilled Boards to support a strong sector.

Support and revitalise volunteering – National Strategy for Volunteering	**29 participants commented on this action.** This was the most discussed action under Pillar Two. Participants were supportive of this initiative, and many highlighted the need for substantive changes to volunteering. Many relied on volunteers for their organisation to operate, either as a major component of their service delivery model, or because they were completely volunteer run. Participants were concerned about the decline in volunteering. Participants suggested that funding was needed to support volunteering, and that efforts to support workforce capabilities may assist an increase in skilled volunteers.

Table 3. Summary of key reactions to the actions/initiatives as proposed in the draft blueprint, under the pillar, *An adaptive and dynamic forward-focused sector*.

Action / initiative	Key findings
Invest in sector-led initiatives, peer networks and CoPs to support digital transformation	**10 participants commented on this action**. All agreed that this initiative was important. Participants commented on the pivotal role of peak bodies and one suggested that supporting digital transformation may reduce the burden of reporting. The importance of funding for this was emphasised.
Support digital transformation and data capability demands	**19 participants commented on this action.** This was the most discussed action under Pillar Three, with many viewing this action as important. Some, however, raised concerns about being over-burdened with increased data requests, and that supporting digital transformation may come at the cost of a people-centered sector. A few rural/regional participants also highlighted the digital divide and low digital literacy in their areas, impacting on their ability to address this action. Similar concerns were raised about smaller organisations who lack capacity. Participants suggested that these organisations would require additional support.
Develop agreed sector standards of shared decision-making and co-design	**Four participants commented on this action.** Three participants suggested the action lacked clarity, and that co-design could be further defined. One suggested this action was already being done by the sector.
Explore potential for agreed sector standards for outcomes measurement	**15 participants commented on this action.** Participants had mixed responses to this action. Some were positive about greater standardisation of outcomes measurement and the usefulness of this, with one suggesting this would reduce the burden at the individual level caused by continual changes by funders regarding outcomes measurement. However, several participants highlighted the need to tailor data collection to different organisation types and cohorts. Again, the need for additional support for organisations was highlighted.
Support take-up of impact measurement tools and frameworks	**12 participants commented on this action.** This initiative also saw mixed responses. Like the previous initiative, many organisations considered they currently lacked the capacity and capability needed for this take-up. With adequate support, organisations saw the value in the initiative. One participant wanted greater clarity on what this action would look like in practice and another suggested that the take-up of impact measurement and frameworks was already in process.

Improve philanthropic fund distribution regulation and support smoothed multi-year distribution	**12 participants commented on this action.** Improvements in this area were welcomed by participants with several commenting on difficulty in applying for grants, commenting that professional grant writers were needed in order to secure funding. Some, however, queried whether this action was achievable, feeling that changes would be at the discretion of philanthropic organisations.
Seek commitment from government on sector's contribution across innovation processes	**Seven participants commented on this action.** No participants expressed explicit support for this initiative. A few felt the action lacked clarity and wanted further information on what it means, the thinking behind it and the level of commitment expected.
Improve networking and knowledge sharing	**18 participants commented on this action.** Most participants saw value in increased networking and knowledge sharing and described it as an important focus for the sector. Many noted barriers faced by smaller organisations and suggested additional support was needed to facilitate this. Others commented that the sector engages in these practices where possible, but that additional opportunities for networking and knowledge sharing needed to be funded by government.
Sector-wide climate risk and opportunity review to inform climate change mitigation and adaption	**11 participants commented on this action.** Participants viewed climate change mitigation and adaption as critical. However, some felt that this action lacked substance.

Introduction

The Not-For-Profit (NFP) sector is a vital element of Australian life, supporting the health, wellbeing, cohesion, creativity and vibrancy of the community, animals and environment. The NFP sector in Australia is diverse and wide-reaching. It is a major employer in Australia, delivers services and functions that would otherwise not be delivered, and engages Australians from all walks of life. While the term "sector" is often used, it is important to note that within the NFP sector there are many sub-sectors, groups, and branches. There are many NFPs that may not consider themselves as a part of the '*NFP sector'*, and many organisations that may consider that they have limited elements in common.

Despite these differences, all NFPs in Australia share a common purpose of supporting better outcomes within their subject areas. Concurrently, Australian NFPs are also navigating new and emerging dynamics that impact all areas of society, including economic, financial, cultural, social, and environmental. With this in mind, the Australian Government tasked the CSAG to develop an NFP sector Blueprint. In December 2022, CSAG established the BERG, comprising of representatives and expert advisors from the NFP sector.

The BERG is leading the development of the NFP Blueprint to deliver advice to government, charting out a better future for the Australian NFP sector. It is expected that the NFP Blueprint will include:

- a vision statement, drawing the sector together under a cohesive goal for its future
- identified pillars with relevant priorities and outcomes
- a suite of actions for government and the sector to strengthen and reform the sector over the next 10 years.

According to the BERG:

> *"The Blueprint is to be owned by the sector, with the sector providing the ongoing expertise, acumen and advice to ensure its success over time."* **Draft Blueprint documentation.**

The NFP Blueprint is intended to provide an actionable road map for the next ten years for the sector and government, holding both accountable to each other, and comes after more than 30 years of consultations with the sector about what is, and is not, working, and what stakeholders envisage the future of the sector to look like.

Consultations with the NFP sector, led by the BERG, took place in 2023 to gather feedback on the principles and priorities to inform the development of a sector Blueprint, with over 160 public submissions received and participation by 97 NFP organisations in online roundtables. To inform these consultations, an NFP Sector Development Blueprint Issues Paper was developed for stakeholders to respond. As an outcome of the consultations, a synthesis paper was produced.

Some of the major challenges highlighted in these papers, and from previous consultations are:

- legislative and compliance issues/challenges, and differences between jurisdictions
- decline in volunteerism in Australia
- low trust of, and from, government, with the sector not often included in policy considerations or leveraged as a source of sound knowledge for policy.

Opportunities identified through the recent and previous consultations include:

- the importance of creating a strong, cohesive vision for the future of the sector
- seeking to strengthen workforce attraction, retention, and development
- increasing the opportunity for the sector to engage with, and inform, policy and decisions
- enhancing the capacity, opportunities, and positioning of First Nations organisations, and for the sector to record its contribution to the Closing the Gap initiative
- enhancing volunteerism and philanthropy in Australia.

The issues canvassed during the 2023 consultations, including the challenges and opportunities described above, have informed the development of a draft NFP Blueprint. In late May 2024, the BERG commissioned Synergistiq to undertake targeted consultations with representatives from the NFP sector who have not previously engaged in the process to date, to get feedback on the appropriateness of the draft NFP Blueprint and the actions proposed. Building on the Draft Report provided on 24 June 2024, which provided a snapshot of emerging findings, this Final Report presents a synthesis of key findings from the consultations.

Methodology

In keeping with the scope specified in the Request for Quotation (Ref: SON3352211), Synergistiq developed a three-staged methodology to design and conduct focus groups with a diverse range of individuals and NFP organisations, in order to provide the BERG with informed feedback on the efficacy of the draft NFP Blueprint.

Stage 1: Project Inception

A Project Inception meeting of the BERG and Synergistiq was held on 30 May 2024 to agree:

- the scope of the project, timeframes and deliverables
- the number, format and location of focus groups to be conducted
- the key themes the BERG wished to be canvassed at focus groups.

At this meeting, the BERG confirmed its preference for consultations to occur with NFPs that had not previously engaged in NFP Blueprint discussions, with a particular focus on:

- smaller NFPs, including those not/not yet registered with the Australian Charities and Non-For-Profits Commissions (ACNC)
- youth-led organisations
- "volunteer-powered" organisations – with significant, majority or all volunteer staff
- First Nations and Aboriginal and/or Torres Strait Islander-owned organisations, or organisations working towards transitions to being an Aboriginal Community Controlled Organisation
- organisations focused on supporting people with a disability
- organisations supporting people from culturally and linguistically diverse backgrounds
- organisations located in and/or focused on rural and regional locations and communities.

The BERG also clarified timeframes for reporting, with a draft of the Consultation Report due on 24 June 2024 and a final Consultation Report due by 15 July 2024. Note: On 17 June 2024, the BERG agreed to modify the reporting timeframes so that the draft final Consultation Report would be due by 22 July 2024, with the final Consultation Report now due by end July 2024.

The deliverable from this stage of the project, the Project Plan, was provided to the BERG on 6 June 2024 and finalised by 11 June 2024. Amongst other things, the Project Plan details the schedule of virtual and face-to-face focus groups, as well as the Focus Group Discussion Guide.

Stage 2: Conduct Focus Groups

Stage 2 of our methodology involved conducting in-person and virtual focus groups across the country. This followed a few overlapping stages (due to the timeframe), of stakeholder engagement, participant registration and participation, and data analysis.

Engagement

To support the recruitment of focus group participants, Synergistiq has:

- sent focus group invitations to NFPs within its own networks
- targeted invitations to other NFPs that fall within the categories preferred by the BERG
- leveraged the networks of our First Nations facilitator to promote focus groups to First Nations-run and/or led NFPs
- approached local councils to promote focus groups amongst their networks
- undertaken intensive engagement through individual emails and/or phone conversations to increase the reach of participants through snowballing, where those we contacted were encouraged to promote the project and send the invitation to their contacts and networks.

812 NFP organisations and/or individuals were contacted about the consultations. 780 NFP organisations and/or individuals were invited directly to participate in either face-to-face or virtual focus groups, via either email or telephone call. The remaining 32 were contacted to promote the consultations across their networks, which included grant makers, local councils and peak bodies. The snowballing strategy was also successful with some participants who registered being invited by referrals from those we had contacted.

In addition, a post to social media (Facebook and Instagram) was created and boosted, reaching a targeted audience of 3,466. A post to LinkedIn was created and viewed 195 times. It was also re-posted or copied by two large philanthropic organisations.

Registration and participation

154 individuals registered their interest in participating in the consultations, with a total of 103 taking part during the one month of consultations (67% attendance rate). Among the 103 participants, 94 NFP organisations were represented (Note: many participants wore multiple 'hats', and therefore, the actual number of NFP organisations reached is higher than this figure). A list of NFP organisations represented in the consultations can be found in Appendix A.

NFP organisations from across the country took part in the consultations, with New South Wales and Victorian-based NFPs most represented. A breakdown of participating NFP organisations, by location, can be seen in Table 4.

Table 4. Locations of NFP organisations consulted.

Location	Percentage of organisations consulted
New South Wales	21% (n=20)
Victoria	19% (n=18)
Queensland	16% (n=15)
National	16% (n=15)
South Australia	12% (n=11)
Western Australia	6% (n=6)
Northern Territory	5% (n=5)
Australian Capital Territory	2% (n=2)
Tasmania	2% (n=2)
TOTAL	100% (n=94)

When registering, individuals were asked to share details about their NFP, including:

- organisation size
- organisation characteristics (i.e. volunteer run, youth-led)
- ACNC themes.

Most participants (90%, n=93) provided these details, which are summarised below. Over half of participants came from small NFP organisations (58%, n=54), with 33% (n=31) from medium and 9% (n=8) from NFP organisations considered large.

Approximately one third of participants represented volunteer-run NFP organisations (30%, n=28). Other participants identified the following organisation characteristics:

- 4% (n=4) were from youth-led organisations
- 3% (n=3) were from organisations with youth boards
- 2% (n=2) were from First Nations-led organisations.

There were 46 participants that provided further detail to describe their organisations, including:

- CALD and multicultural organisations
- Disability-led organisations
- LGBTQIA+-led organisations
- Women and gender diverse people-led organisations
- Parent-led organisations
- Organisations with volunteer boards.

Participants also identified the ACNC themes relevant to their organisation, with 'children' being the most represented theme (31%, n=29). The full breakdown of ACNC themes identified by registrants can be seen in Table 5.

Table 5. ACNC themes identified in focus group registration.

ACNC theme	Percentage of participants
Children	31% (n=29)
People with Disabilities	27% (n=25)
Youth	27% (n=25)
Aged Persons	26% (n=24)
Families	26% (n=24)
Purposes beneficial to the general public and other analogous	25% (n=23)
General Community in Australia	24% (n=22)
Advancing Education	23% (n=21)
Advancing social or public welfare	22% (n=20)
Adults	22% (n=20)
Early Childhood	22% (n=20)
Advancing Health	20% (n=19)
Financially Disadvantaged	20% (n=19)
Males	20% (n=19)
Females	18% (n=17)
Rural Regional Remote Communities	18% (n=17)
Migrants Refugees or Asylum Seekers	17% (n=16)
Ethnic Groups	15% (n=14)
Aboriginal and/or Torres Strait Islander	14% (n=13)
Promoting or protecting human rights	13% (n=12)
People at risk of homelessness	12% (n=11)
Unemployed Person	12% (n=11)
Advancing Culture	11% (n=10)
Advancing natural environment	9% (n=8)
Gay Lesbian Bisexual	9% (n=8)
Other Charities	9% (n=8)
Victims of crime	8% (n=7)
People with Chronic Illness	6% (n=6)
Victims of Disasters	5% (n=5)
Promote or oppose a change to law government policies or practices	4% (n=4)
Promoting reconciliation mutual respect and tolerance	4% (n=4)
Communities Overseas	4% (n=4)
Other Beneficiaries	4% (n=4)
Veterans or their families	4% (n=4)
Advancing security or safety of Australia or Australian public	3% (n=3)
Pre-Post Release Offenders	2% (n=2)

Nineteen focus groups (six face-to-face and thirteen virtual) took place over this period, as seen in Table 6. In addition to tailored focus groups engaging participants from rural/regional, youth, First Nations and CALD NFP organisations, an early years focused session was created due to specific interest from a collective of organisations in this space. A focus group specific to Northern Territory (NT) organisations was scheduled in place of a face-to-face session in Darwin, to aid higher levels of engagement and a broader reach from NT NFPs.

Synergistiq offered flexibility in participant involvement in the consultations, with participants re-booked into other sessions of interest if no longer able to attend their original focus group, and interviews were

also offered where the timing of focus groups did not suit. Four interviews were conducted, as well as an audio recording.

Table 6. NFP Blueprint Focus Group Schedule

Focus groups	Date	Venue/Format
Face-to-face Melbourne	12-Jun	552 Victoria St, North Melbourne VIC 3051
Face-to-face Canberra	18-Jun	L2, 10 Moore St, Canberra ACT 2601
Face-to-face Sydney	19-Jun	L13, 60 Margaret St, Sydney NSW 2000
Face-to-face Brisbane	20-Jun	L24, 288 Edward St, Brisbane City QLD 4000
Face-to-face Adelaide	1-Jul	McGregor Hall, Scots Church, 237 North Terrace, Adelaide
Face-to-face Perth	2-Jul	Parmelia House, 191 St Georges Terrace, Perth WA 6000
Virtual - General	13-Jun	Microsoft Teams
Virtual - Rural/regional	18-Jun	Microsoft Teams
Virtual - Youth	20-Jun	Microsoft Teams
Virtual - First Nations	27-Jun	Microsoft Teams
Virtual - CALD	2-Jul	Microsoft Teams
Virtual - Rural/regional	3-Jul	Microsoft Teams
Virtual - General	3-Jul	Microsoft Teams
Virtual – Early Years	4-Jul	Microsoft Teams
Virtual - General	4-Jul	Microsoft Teams
Virtual – NT/General	5-Jul	Microsoft Teams
Virtual - General	8-Jul	Microsoft Teams
Virtual - General	9-Jul	Microsoft Teams
Virtual - General	10-Jul	Microsoft Teams

Data analysis

An iterative, thematic analysis of qualitative focus group and interview data was conducted throughout the consultation period. This enabled the identification of emerging findings, as detailed in the Draft Report provided on 24 June 2024. This iterative analysis supported a robust analysis of the entire data, the findings from which are outlined in this Final Report.

Stage 3: Final Consultation Report

During this last stage, we have undertaken a final analysis of all demographic data and key themes emerging from the consultations. Themes consistently raised by particular cohorts of stakeholders have been highlighted, as well as issues that have been identified for further development, and suggestions offered to strengthen the draft NFP Blueprint.

A draft version of the Final report was provided to DSS on 18 July. A Reflection Workshop was then held with DSS on 22 July, where Synergistiq presented key findings from the consultations. The Final Consultation Report (this report) will be provided by the end of July 2024, along with a final wrap-up meeting, and a presentation of key findings to the BERG.

Notes on Methodology

Timeframes

The initial methodology anticipated commencing the project in early May 2024, which would have allowed time to implement an awareness raising and communication strategy with NFP organisations that had not previously engaged in the NFP Blueprint process. Due to unforeseen circumstances, the project commenced at the end of May 2024, with the Project Inception meeting being held on 30 May 2024. At that stage, the initial timeframes for the completion of the project remained unchanged. Given these timing parameters, Synergistiq implemented the communication strategy described above, including individualised invitations to identified NFPs.

The constricted timeframe contributed to an incremental uptake of NFPs accepting the invitation to participate in focus groups. Other compounding factors that NFP organisations raised with Synergistiq include:

- a crowded consultation period, with NFPs also being consulted on other Department of Social Services initiatives at the same time
- the consultations occurring during the busy end-of-financial-year period.

In recognition of the impact of the constrained timeframes on NFP participation in focus groups, on 17 June 2024 the BERG agreed to an extension of timeframes. This enabled additional virtual focus groups to take place in the week commencing 8 July 2024.

Data Validity

Noting that there are approximately 60,000 charities registered with the Australian Charities and Not-for-Profits Commission (ACNC), the focus group methodology prescribed in the Request for Quotation was not designed to provide statistically reliable data, particularly within the timeframes set. Rather, the focus groups aimed to provide the BERG with an indication, from a diverse group of NFPs not previously consulted, of whether the draft NFP Blueprint is broad enough to capture their unique ambitions for their specific NFP and the broader NFP sector, and to test whether the proposed initiatives will support these ambitions.

The emergence of consistent themes arising from these focus groups, either across the full diversity of consulted NFPs, or within specific sub-sectors (such as those NFPs located in rural and remote areas), provides some weight as to the broader applicability of the findings in this draft report.

Feedback and reflections on the consultation process

Engaging stakeholders in this consultation proved challenging for a number of reasons including the short timeframe, time of year and consultation fatigue. Synergistiq employed a number of approaches to adapt to these circumstances, which supported participant involvement in the consultations. There were an impressive number of participants and organisations reached in the context. Key enablers and barriers identified from phone conversations or written feedback about the engagement process, or on the consultation itself, are detailed in Tables 7 and 8 below.

Table 7. Consultation enablers.

Enabler	Description
Widespread email invites	Many who participated had heard about the consultations from the email invites sent by Synergistiq.
1:1 engagement	Synergistiq either called or sent personalised emails to a large number of organisations. This proved very successful in engaging participants, who appreciated this direct invite. Participants commented that they valued the clear explanation of the consultations provided in the phone calls.
Flexibility	Flexibility in consultation participation, with offering interviews and an accepting audio submission, was appreciated by participants.
Sector knowledge and experience	Synergistiq team having experience in and insight into NFP has been viewed positively by those in the sector.
Tailored focus groups	Having the option of attending tailored focus groups (First Nations, CALD, Youth and rural/regional organisations) enabled fruitful discussions grounded in many shared experiences and visions for the sector. This was especially true of rural/regional organisations.

Table 8. Consultation barriers.

Barrier	Description
Timeframe	The timeframe for consultation was very short, allowing for limited time to engage participants and notice.
Time of year	The time of year was inconvenient for many in the sector, due to end of financial year and many significant days/events. There was added limitation for First Nations organisations, with NAIDOC and Coming of the Light Festival. Some mentioned that this feedback had been provided many times and did not feel it was being heeded.
Over-consulted	Many organisations felt the sector was over consulted, with previous and concurrent consultations, such as consultations on the philanthropic sector in Australia.
Remuneration	In this consultation and many others, NFP organisations have not been remunerated for their time, which often is time taken away from pressing work.

Findings

Analysis of qualitative data was analysed against the following areas:

- current sector challenges and priorities
- the vision statement
- the draft Blueprint
- the pillars and actions.

Key findings across these areas are outlined in the following sections, along with the number of participants who commented on each action to demonstrate their level of priority/interest among participants.

Current sector challenges and priorities

During the focus groups, participants shared current challenges their NFP organisations are facing and their priorities for the sector moving forward. Many challenges overlapped with issues identified in the Issues Paper released in 2023. The most common among these were:

- how NFPs are funded
- financial instability, primarily due to short-term funding cycles
- sector terminology and identity.

Many NFPs wanted to see changes in the approach to funding, so that organisations would be funded for the full costs of operating, including overheads. Participants also wanted funding to be reframed as a longer-term investment in NFPs to support their communities over an extended period, rather than a short-term project.

> *"Funders will fund the chair, but not a person to sit in it and actually do the job." NFP Blueprint consultation participant.*
>
> *"I'm wanting to take a 40-50 year view around not for profits and the way in which charities used to exist, to advocate for systemic change over time. As governments have reduced their role, the not-for-profit sector has had to pick up the slack in terms of dealing with the consequences of government failure. It doesn't come with the funding and the supports required to actually to do that in the way that we would want to be able to do it." NFP Blueprint consultation participant.*

Participants also pointed to the financial instability driven by the current funding approach, where short-term grants are the norm across the sector. This was a challenge identified by most participants, regardless of NFP organisation size and type. Participants felt that guaranteed funding would allow for:

- an increased ability to be strategic and focus on longer-term, sustainable solutions
- reduced the burden and greater job security for all staff
- improve staff retention across organisations.

The label of 'not-for-profit' itself was also reflected on many participants. Several participants shared that they prefer the term 'for purpose' as opposed for 'not-for-profit', feeling that this more aptly represented

their organisations by placing their mission at the forefront rather than profit, or a lack of. Participants felt that this would represent positive rather than deficit language. In line with this, one participant also suggested the use of 'civil society' rather than 'not-for-profit'.

> *"[I] suggest using civil society or for purpose sector - rather than not for profit … we are too often defined by what we are not - rather than what we are." NFP Blueprint consultation participant.*

One participant voiced a counter opinion to the above sentiments, feeling that keeping the current terminology was important in order to draw a distinction with for profit organisations who are also 'for purpose'.

> *"[I've] got a contrary opinion on NFP/for purpose. There are for purpose for profits coming into sector that don't add the same value … [an] Important distinction to keep." NFP Blueprint consultation participant.*

For many participants, this point about terminology was closely linked to a need for greater respect to be afforded to the sector.

Vision

Participant visions

All who participated in the consultations shared their vision of their organisation, the sector, and what the NFP Blueprint could and should aim to achieve. Participants were largely pleased to see that their vision for the sector broadly aligned with the draft NFP Blueprint vision proposed by the BERG. In articulating their visions, participants highlighted wanting:

- adequate funding
- reduced compliance and reporting requirements to allow space for delivery
- improved staff and volunteer attraction, recruitment and retention
- greater capacity building support for both those new to the sector and established organisations
- skilled and quality staff
- to grow to expand their reach and impact
- to foster community connection
- a recognition of smaller organisations' contribution to the sector and their deep community knowledge from operating at the grassroots level
- greater sector collaboration and complementary delivery
- to be seen as an equitable partner to government and the private sector
- greater government accountability
- NFPs to be trusted, respected and recognised as central to Australia's cultural identity.

> *"If we're talking about what I'd like to see the sector look like in 10 years time, then the obvious answer for me is that it would be well respected and well-funded." NFP Blueprint consultation participant.*

Blueprint vision

Many participants felt that the draft NFP Blueprint vision acknowledged the sector's importance and was a tribute to its efforts and contributions to the community. Several expressed explicit satisfaction with the vision, stating that it's "pretty good", "great" or they "love it". A few others suggested that it offered a good umbrella summary.

A few pointed to specific aspects of the vision, such as "a nonprofit sector that is strongly supported" and "highly regarded", feeling that these points resonated the most with their aspirations for the sector to be respected. That said, while some liked the reference to being a "highly regarded voice", many felt that the need for the sector to be respected could come through more explicitly in the vision.

Some participants felt that the vision was broadbrush and not specific enough, describing it as consisting of "motherhood statements". Many also found it too wordy and long, suggesting breaking the vision down into dot points. Participants also suggested that it was important to simplify the language, especially to improve its accessibility for those with low levels of English proficiency.

A few described the vision as aspirational. While supportive of its intents, they wanted to see how this would practically be achieved.

> *"First of all, we want dot points …secondly, it's just a whole lot of motherhood statements ... I mean, I can't disagree, but how the hell are we going to do that." NFP Blueprint consultation participant.*

Several participants found the vision too weak, passive and not aiming high enough. These participants felt that it did not adequately recognise the current work, expertise and leadership of the sector and could be improved by incorporating positive, strengths-based language. One commented that the vision felt paternalistic, with another suggesting the vision seemed like it was "asking".

> *"It needs to be written in positive language about 'these are the things that we already do. These are the things which are aspirational' … so it's not just like we have passive recipients of whatever is left over from the other things that government decides to spend its money on … So starting with the positive recognition of how amazing everyone is and then moving to what we already do." NFP Blueprint consultation participant.*

> *"It sounds a bit paternalistic to me. I think it would be better if it was 'the not-for-profit sector is important and should be strongly supported to fulfil its mission' rather than we want this thing to happen … I'm not super happy with how it's framed." NFP Blueprint consultation participant.*

One participant wanted to see an acknowledgment of the role of the NFP sector in "having an influential voice around system change or public policy change, utilising the grassroots evidence of the sector". A couple of participants took issue with phrases of the vision, such as "We want the nonprofit sector to be a tightly inter-woven part of the diverse Australian community", feeling that this already exists and is not adequately acknowledged.

> *"We are already interwoven – it's the value we have but it's not accepted or appreciated." NFP Blueprint consultation participant.*

A few participants felt that the invaluable role NFPs play in society could be referenced more directly, noting how they often recognise and meet needs not met by government. One participant expressed a desire for specific acknowledgment of the sector's economic contribution.

> *"It would be wonderful to have some part of it talking about the economic contribution that NFPs make through and as an outcome of their work – e.g. mental health, disability, aged care - without NFPs providing these services with a highly skilled and purpose-driven workforce with significant 'on the ground' community connection, government simply would not be able to meet that need, it would cost them significantly more to try to do so and those who wouldn't receive services would cost significantly more in the long term to our communities." NFP Blueprint consultation participant.*

Several also wanted to see an acknowledgment of the workforce and how it is affected by financial instability, and explicitly state the importance of adequate funding. For some, this was also closely linked to sustainability, which they felt should also be mentioned. In line with this sentiment about the burden felt by the sector, several participants suggested that the vision placed high expectations on a sector already at capacity.

> *"We gotta do a lot, don't we? Yeah, I read that, and I think as a small not for profit … so much of the onus gets put back on us, and so other than maybe 'clear and simple environment', everything else is very much about the sector, about us doing more and more and more … I think we're all pretty much at capacity." NFP Blueprint consultation participant.*
>
> *"You need to do this, then you need to do this, and you also need to do this … it feels overwhelming." NFP Blueprint consultation participant.*

In highlighting this, a few participants also made the distinction between larger and smaller NFPs, feeling that this would place excessive burden and expectations that small NFPs would not be able to meet. One described how larger organisations have greater access to the support required to fulfil this vision, whereas small organisations must "fight tooth and nail" for this.

A few participants welcomed the specific reference to First Nations people in the vision, however some felt that acknowledgement of other groups was also important. A few were less supportive of this reference, feeling that First Nations people should not be the only group singled out in the statement.

Conversely, several participants identified a need to clearly define diversity, and suggested that the vision should articulate diversity in terms of gender, disability, and cultural backgrounds. Others also highlighted a need to specify the diversity of organisation type, with a variation in size, focus areas and operating structures in the sector.

> *"It says we want a strong NFP sector - we want a diverse sector as well. We want a sector that has big and little, arts, crafts, social, women. We don't want it to be homogeneous." NFP Blueprint consultation participant.*
>
> *"When it talks about the Australian community diversity, making sure we're clear it takes in disability, migrants … we're probably broader than most countries when it comes to*

Some welcomed the inclusion of the commentary around "decent work", noting it was important to acknowledge the professionalism and expertise of the staff and volunteers of the sector. Two participants commented that they would like to see the vision include the notion that working in the NFP sector should be viewed with high esteem and as a desirable career option. A few participants suggested that importance should be placed on those in the sector being "fairly compensated".

Several participants stated that an acknowledgement of the role of government was missing in the vision. These participants felt that specific reference to the need for government to listen to the sector, and how government would support and work in partnership with the sector, was important. Similarly, one participant wanted the vision to make mention of the role of the for profit sector as a partner as well, acknowledging how both government and the for profit sector benefit from the NFP sector. While recognising the roles of these sectors, one participant also felt it was important that the vision reinforced the independence of the NFP sector and suggested referring to it as having an "independent voice" rather than a "courageous and highly regarded voice".

Another aspect participants identified as missing from the vision was the role of NFPs in advocating and protesting to support civil society and a robust democracy. One participant commented that the line on "advocating for public benefit" feels "a bit lonely", suggesting this could be strengthened to adequately reflect the myriad of NFPs who advocate for policy change.

When asked what needs to happen for the NFP Blueprint vision to be realised, the majority of participants emphasised DGR reforms and changes to funding. Others reflected that longer-term actions, such as current research processes to create a framework for the sector's future, need to be coupled with short-term actions to support work on the ground now.

Blueprint

Participants were presented with the draft Blueprint diagram and asked for their reflections and feedback. Several participants indicated that they found the connection between the Blueprint pillars, priorities and outcomes logical and aligned with their priorities for the sector. A few participants commented on the importance of these connected actions in developing the leadership pipeline in the sector and providing a framework to support smaller organisations to continue to exist. Some participants described feeling heartened by a Blueprint that signalled respect for the sector. In particular, participants valued the inclusion of points around improved resourcing, co-design, sector collaboration, and the focus on specific cohorts, such as First Nations people, in the people-led and purpose-driven sector pillar. A few participants appreciated the inclusion of actions centred around digital transformation and innovation, and an improved regulatory environment.

Many others, however, were less positive about the Blueprint, with these participants echoing sentiments aired in discussion around the vision statement, including that it:

- does not acknowledge the value of the sector, its expertise and the need to afford it greater respect
- uses language too complex for some cohorts

- is vague and lacks clarity about what will actually be done
- is overloading NFPs, who are at capacity, with additional work
- feels patronising as NFPs are already doing a lot of these actions
- is not aspirational enough – NFPs have been saying these things for years
- does not explicitly state the roles of government and the private sector
- seems orientated to service delivery organisations and advocacy organisations do not feel reflected
- does not have enough of a focus on adequate funding and resourcing, and by extension, sustainability.

Overall, a valuing of the role of the NFP sector and an explicit mention of the sector being seen as a respected partner by government were strong sentiments when reviewing the draft NFP Blueprint. One participant suggested that there should be a specific pillar on this point about being partners to government.

Other key feedback from participants on the draft NFP Blueprint diagram included:

- there needs to be an appropriate governance structure to guide implementation, with transparency on who is responsible for driving these changes and that ensures that all levels of government are aware and have buy-in
- digital inclusion, capability and transformation action areas are critically important and smaller organisations must be supported to a level playing field in this space
- adjustment to the regulatory environment is vital in reducing burden and affecting real change in the sector
- there needs to be a specific focus in the NFP Blueprint on ensuring that organisations are inclusive and accessible, and on the mental health of staff and volunteers
- the mental health of staff and volunteers needs to be acknowledged and considered
- respect for the sector needs to be reflected in funding increase, as government has continually expanded expectations of the sector without increasing funding
- the sector and government need to be held accountable.

Some participants felt the Blueprint needed to be more specific in outlining who would be undertaking what action, with one commenting that it needed to include a "protagonist".

> *"You need named people at named organisations who are responsible for driving this forward with a clear timeline to report and talk about any progress made. Sometimes these things done by consensus and then no one really owns it." NFP Blueprint consultation participant.*

A few others felt that the Blueprint's mission, and the purpose of the sector, were not front and centre in the Blueprint.

> *"This is like 'we want a non-for-profit sector that is strongly supported' … yeah, that's great, but the headline is actually the importance of what we do, and then everything else flows through to say, 'how do we make that easier' … [it could have] a bit more heart?" NFP Blueprint consultation participant.*

Some participants emphasised the need for a prioritisation of some actions over others, in a sequential roll out, suggesting starting with DGR reforms and having core running costs funded.

Actions

Key findings associated with each pillar overall, and by action, are summarised below. The number of participants who commented on each action is included ahead of the findings for each initiative. This illustrates the level of engagement and commentary on a given action.

An enabling operational and regulatory environment for the sector to thrive

Overall view of the actions

Most participants were satisfied with the actions outlined under this pillar. Many participants felt it aligned with their priorities for the sector. One commented that the pillar spoke to their concerns around sustainability and was therefore satisfied with the actions.

> *"Pillar is pretty much on point. Nothing missing." NFP Blueprint consultation participant.*
>
> *"Pretty good. Feels reflective." NFP Blueprint consultation participant.*

This pillar was discussed the most by participants across the consultations, with participants highlighting the actions around DGR status and financial stability as the primary concerns, as noted above.

Some participants suggested changes to the pillar, including:

- changing the title to an "enabling political operating environment"
- making a clear distinction between large and small organisations, and their differing capacity
- incorporating the role of peak bodies, as leaders who can drive evaluation and build the sector, rather than just support and advocate
- adding an action on educating the broader society on the role and value of the NFP sector
- including the standardisation and simplification of reporting, in addition to consistency in standards and regulations
- making it clear who is responsible for driving which action, and how government will work with the sector
- adopting a strengths-based approach, which acknowledges the work of the sector.

These initiatives were viewed as achievable with the appropriate level of government commitment.

> *"Anything is doable where there's the right commitment at all levels." NFP Blueprint consultation participant.*

Prioritise and advocate for consistency/harmonisation of standards and regulations across states/territories

17 participants commented on this action. Participants were generally positive about greater consistency and harmonisation of standards and regulations across states and territories. As an example, some participants highlighted the difficulty currently faced by many organisations with varying child safe

standards across different states/territories. A few participants also commented on how inconsistency in standards and regulations constituted a heightened challenge for smaller NFPs in navigating these complexities, particularly for those organisations with limited capacity and support. Therefore, harmonisation of regulations such as these was viewed as an important step to alleviate excessive workload and barriers to operation.

> *"I love that you've picked up the harmonisation, working with children's check is a great example of that very, very different processes and costs state by state." NFP Blueprint consultation participant.*

The need for greater clarity around regulations and mandatory reporting was also raised by a participant who suggested that smaller organisations often find it difficult to gain a clear understanding of what is required.

> *"Child safety standards … the new legislation in Tassie is really unclear for us … whether we're part of the new mandatory reporting right side of things or not. I don't think we are, because we're not running a child-based activity. We're running a service where we have occasionally have children attend." NFP Blueprint consultation participant.*

A few participants identified the important role education has to play under this action, to help the sector understand different regulations and standards. Participants described confusion around which area of government may apply for different matters, with projects crossing multiple areas of government and could therefore apply under many areas.

> *"How do we work out these differences? It's on the organisations, without any support." NFP Blueprint consultation participant.*

While there was general enthusiasm for changes in this space, some participants expressed uncertainty as to whether they would be realised, with a few commenting that this and other initiatives would need to be underscored by multiple sub-initiatives.

> *"We just don't have an appetite in this country to work together it seems, at a government level, unless it's a pandemic, and even then, we do different things. So, I think the first bullet is aspirational. If that gets broken down into what are the specifics, then maybe, but I would hate us to get to the end of 10 years and go - actually, we didn't get standardisation, we didn't get consistency, we didn't get harmonisation, because we're just back to trying to do things nine different ways, eight for the branches and states and territories and one for any national organisation." NFP Blueprint consultation participant.*

Extending the concept of harmonisation, some participants requested that a harmonisation of reporting requirements across different funders and government would also be welcome.

Broaden and simplify the DGR system

25 participants commented on this action. At most focus groups, DGR reform was a topic discussed at length, with all those who discussed it welcoming the idea that the Blueprint would seek to broaden and simplify the system. Overall, a simplification of the DGR system was seen as important to reduce the

burden on organisations and enable greater access to funds. Participants shared mixed responses to the prospect of broadening the system, with some concerns over duplication in the sector.

Participants suggested that DGR status was considered important because:

- it enabled them to seek more donations
- it was a requirement of a range of philanthropic and community grants
- it helped "legitimise" their organisation, in the perception of the public – one noted that without it they felt like a "second-rate charity".

A few participants shared that they did not currently have DGR status, commenting that they were either not eligible or found it too complicated.

Many participants commented that seeking DGR status was a burdensome, time-intensive and costly process. Many recognised that this was likely to impact smaller organisations more than larger ones, who had the capacity, capability and specialist knowledge to complete such processes. Some noted that recent changes (moving it into the Australian Taxation Office) had improved the process somewhat.

> *"Straight off the bat, the DGR system, I'm pretty sure that goes through a committee similar to ethics, which is just a pain. So, I guess simplifying that would be a pretty actionable one, or even just speeding up the process of it all." NFP Blueprint consultation participant.*
>
> *"To get DGR status was one of the most horrific experiences of my life … at one point it was going to be the closure of our organisation … that doesn't bode well for organisations out there just trying to make things better for the community, and that ultimately helps government." NFP Blueprint consultation participant.*

One participant reflected on the replication of efforts in the DGR system for organisations that operate across multiple branches in several states/territories.

> *"The DGR system applies to the legal entity … We have eight branches in each of the states and charities who are legal entities, and each of them have to apply for DGR status. Some organisations even have it at a lower level. So local soccer clubs are actually incorporated in their own right … so there could be hundreds of them … this not only clogs up the volunteer system, it surely must clog up the government system to where it could take potentially months to get DGR … So [simplifying DGR] is something I would absolutely support … it's about kicking this up a level and starting to simplify it to say, 'Well, if you're an organisation, but you're operating in a number of jurisdictions, how can we best scoop that up so we only have to do something once, not 10, 20, 50, 100 times." NFP Blueprint consultation participant.*

One participant highlighted the position in the United Kingdom, where they said most organisations can receive a similar tax endorsement without a lengthy application. They felt that structural changes to the corporate taxation system would also achieve increased economic benefits for organisations and promote the value and importance of the NFP sector.

A few participants wanted to ensure a diverse range of organisations could access DGR status, suggesting that this would lead to an overall increase in charitable giving in Australia, with more options for the community. One commented on the challenges faced by peak bodies in getting DGR status and wanted to see a greater acknowledgment of this.

> *"I think the DGR status is like a massive one, particularly for peak bodies who can't access DGR status...even to review the DGR system so it can be more accessible for people like peak bodies. And I'm sure there's other organisations who, because of their setup, can't access that system. It's great to see it in there. I wonder if it could be kind of articulated slightly more in terms of that [difference in access]."* NFP Blueprint consultation participant.

A few participants were concerned about the replication of efforts in the NFP sector and suggested that the broadening of the DGR system may cause the system to become "flooded".

> *"Don't know about number two … the absolute explosion in charitable entities has definitely impacted the sector pretty broadly… There is a lot of replication, and there is a lot of, I suppose, bright and shiny new charities starting up that could probably actually have a much greater impact if they work collaboratively with people already doing things. So, I don't know that necessarily making it easy for anyone to start a charity, just because there does need to be some rigor around that."* NFP Blueprint consultation participant.
>
> *"I think those the broader and simplifying, probably two quite different things. The DGR system needs assessment. But whether you can both broaden and simplify at the same time … [it] might be that there is a process to simplify for those that access it, but not necessarily broaden the access to it."* NFP Blueprint consultation participant.

Support the right to advocacy and enable sector peaks to support policy, advocacy and research in priority areas

7 participants commented on this action. Participants were supportive of the action, however it did not spark as much conversation as other actions under this pillar. Of note, however, in addition to supporting the right to advocate, participants highlighted the need for increased funding to be directed towards advocacy, for NFPs of all sizes, recognising the limited capacity and capability for advocacy in small, often volunteer-run organisations.

> *"The government just expect us to provide advice for no funds all the time, which, as a tiny organisation, is really challenging, because we want to improve the community for the people that we support ... they want our valid and valuable opinion, but they don't really want to provide any funding for it."* NFP Blueprint consultation participant.
>
> *"Advocacy is a real problem I think in volunteer organisations, if you're going to be a true advocate, you really have to be almost professional … we've got 6000 members spread over 145 different groups in the state, where are you going to find an advocate in each of those groups that exist? They know how to go out and plant and do weeding, but they're not advocates for the environment as such. They can't go to a meeting like this and give professional consideration to what's happening."* NFP Blueprint consultation participant.

Some participants from peak body organisations expressed a degree of confusion at this action, noting that advocacy is a core part of their work and the action sounded like "asking permission" to undertake their role.

> *"I was just interested in the statement there about supporting the right to advocacy and enable sector peaks to support policy, advocacy and research and priority areas ... it doesn't seem to quite hit the mark for me ... I come from a sector peak and they're all core functions that of things that we're meant to do ... It would be enough to say, 'support the right to advocacy [for all organisations]' ... It's a bit like we need help to do it, when we are just allowed to and get out of our way. It's patronising." NFP Blueprint consultation participant.*

Improve financial stability through government commitment to full cost funding, indexation, and minimum amounts, processes and duration of grants

39 participants commented on this action. Financial stability was raised consistently across consultations and was the most discussed action under pillar one, with participants in favour of improvements in this area. A primary concern was the duration of grants. This was an issue that was highlighted from small to large NFPs, with organisations of vastly different sizes feeling aligned in their frustrations with short-term funding cycles. Participants cited the significant impact this instability has on staffing, the effective implementation of initiatives, and their ability to drive impact in their communities. One participant commented that these short-term funding cycles also restrict vision at the Board level, who are forced to focus on annual priorities.

Participants identified short-term funding as contributing to entrenched instability, which affected workplace culture and staff wellbeing. One organisation was continually forced to sign 6-month long office leases, leaving them vulnerable to rent increases, creating instability for staff and having prevented them from purchasing necessary office equipment, such as a photocopier. Several participants also discussed negative impacts on staff, with limited job security, and management, who felt the burden of being unable to offer security to their staff. One organisation noted that there was less than four weeks left on a funding round before they found out that their next round had been approved. This had negatively impacted on staff morale and wellbeing.

Another participant reflected on how short-term funding cycles contribute to the replication of efforts in the sector and a lack of sustainability, where initiatives are started and stopped (due to funding), and similar initiatives are subsequently instigated later. The participant identified that this often causes a loss of knowledge and expertise when re-creating efforts.

Several participants suggested that the grants system in its current form breeds competition, with one commenting that this results in a NFP sector that "cannibalises" itself. Some also highlighted the disproportionate difficulty faced by smaller organisations, who may lack the capacity and capability of bigger players in the sector.

Many participants emphasised the need for changes in grant duration to be prioitised by government in order for real changes to be felt in the sector.

> *"[These] things are achievable, but it's around political will, and within durations of grants, there needs to a really big shift in, like a whole systems change in how the process*

is done around grants and funding and contract service agreements." NFP Blueprint consultation participant.

Two other participants proposed changes to legislation to formalise changes to grant cycles and provide greater stability to the sector.

"If there was a process in place, no matter who was currently in government or who was in power, because that's what I've seen in my time in this sector, that one government will promise one thing and then deliver it, and then the next government will take it on and then either cancel it or shift it, or do something new or promise something different." NFP Blueprint consultation participant.

In addition to the duration of grant funding, providing adequate funding for the work to be done by organisations was also discussed by many participants, highlighting this as a key priority. In this regard, participants felt funding often did not cover the full cost to deliver a service or program, or did not cover basic "back-of-house" costs. A few noted that in the corporate sector, it was expected that the general cost to run a business would be built into rates, but that this was often not possible in the NFP sector where itemised funding requests were required. Changes to the current grant funding approach that would result in core costs being funded was seen as critical for many participants.

A few participants commented on the need for how NFPs are funded to be reconceptualised. They suggested a move towards a place-based model, investing in communities rather than short-term projects with stipulated outputs. Participants commented that building relationships takes time, as does developing an understanding of what works in a given community. Greater community ownership, and government acting in partnership with NFPs, was viewed as a way to support sustainable outcomes.

"The processes are key to whether communities really can take ownership of this, and part of that is developing their own capabilities, so becoming learning communities … [any funding] should be to support communities in achieving those ends ... And that is not a straight line that involves trying things out. It involves things that don't work. It involves learning from that experience and building that over time. So, it's not a one-off thing, it's over time and it's a long-term commitment … Philanthropy in general is really a corporate model that's essentially investing in particular outcomes … Metrics are applied to it, and milestones are put in place … all of that is put together in terms of what's been called social impact … [it's] not only misconceived, it's damaging. So, for a start, it's project-focused and not community-focused… [we propose a] partnership model, which is more than just funding. Yes, they're bringing money in, but that's only one part of the structure that we're putting in place. Our invitation to funders is to be there with us, to be alongside, not at a distance, not just putting money in and sort of assessing outcomes in whatever measures they decide to put in place, but to be there with us and with the communities and see what's going on, to actually understand." NFP Blueprint consultation participant.

Embed co-governance, co-design and shared decision making into policy and program development, design and evaluation

20 participants commented on this action. Participants had mixed responses to this initiative. Most were supportive of it, with some identifying this as a priority and aligned with their organisation's focus. Others, however, felt that the action needed further clarity on what co-governance, co-design and shared decision making would actually look like in practice. In discussions, some participants expressed confusion on this point, particularly around the concept of co-governance. Participants were also interested in further detail on the level of participation involved in these processes.

Some participants expressed scepticism at the practicality and realisation of this action, and emphasised the need for adequate investment in the time these processes take to be done properly. As one participant commented, "government often want quick wins". Another expressed that co-design and co-governance processes should not be prescribed as this would dilute their value. Rather, they should be employed in a context-specific fashion and when appropriate.

Participants outlined how this would also require adequate funding for this initiative to come to fruition. This included creating opportunities and avenues through which small organisations' voices can be heard. Furthermore, participants suggested that if government wants effective and meaningful co-design, then they must give reasonable timeframes for consultations and remunerate participants for their time. One participant highlighted the need for this when consulting with First Nations organisations, in particular, who are often over-consulted. A further participant wanted to see a move beyond these processes, to an NFP landscape with greater community ownership.

> *"Even in experienced and large not for profit organisations, there's very little understanding of what communities are, how they work and how they can be supported. There have been attempts to look at this, using ideas of co-production and co-responsibility, but they've not come to terms, by and large, with the fact that communities vary in all these different ways … they haven't really grasped the idea of the importance of community ownership and community priority." NFP Blueprint consultation participant.*

Improve use of data and data collection

31 participants commented on this action. This initiative was one of the most discussed among pillar one actions. While most saw value in it, many expressed a degree of nervousness, citing the difficulty in finding appropriately skilled people to support this and sharing concern that this could place significant pressure on organisations, especially smaller ones with more limited capacity and capability. In this regard, one participant expressed a concern that this could represent an expectation government would have of NFPs without increasing the funding support. Despite hesitance, many smaller organisations were interested in capturing and using data to a greater extent, but felt support was needed to facilitate this.

> *"It's important that we have and collect good data. But the government want that data collection and we'll have to do it, but they are not going to give us any more money to do it. It would be like a company with a cleaning contract to clean a building once a week, but then is asked to clean the top floor twice a week. It would be reasonable that the amount paid for their service would increase. That's not how government funds not-for-profits. It comes down fundamentally to a recognition, or lack of recognition that we're*

actually running a business and that we have the same demands and expectations as businesses, and we need to be compensated for that." NFP Blueprint consultation participant.

"I think it's really difficult when you're small to do meaningful evaluations, and we don't have the capacity or the skill set when you're small, so we can't prove the outcomes that we do. So, more support to organisations to be able to partner with universities, or whoever it takes, to actually do research on their work to prove meaningful outcomes would be amazing." NFP Blueprint consultation participant.

Some participants commented on how reporting, while necessary, can be a drain on resources if not done efficiently. They wanted to see a redesign and simplification of reporting processes to enable meaningful data to be collected. As noted previously, this would also involve greater consistency in reporting across funding providers, which would support effective data collection and reduce burden on organisations.

"It's not just the harmonisation of standards and regulations, it's also around reporting and so particularly for those of us who have reporting obligations at both state and Commonwealth levels, depending on programs and such, I can literally have to provide the same information to upwards of four to five different government departments, and it drives me crazy, and I have way better things to do with my time." NFP Blueprint consultation participant.

A few participants also commented on how it is often difficult to access government data, suggesting that an agreement on this was a necessary part of this action.

"How do you build a case when you don't have that [data], and particularly if you're a small provider in a rural community … So that's really important to have that access." NFP Blueprint consultation participant.

A few participants did not see the value in data collection and felt that it represented a compliance burden. One participant, from volunteer-run organisation without any paid staff members, did not feel it was the responsibility of their organisation to gather data, but rather felt that funders, including government, should just "come and see for themselves" the impact of their work.

A strong people-led and purpose-driven sector

Overall view of the actions

Overall, most participants had a positive view of this collection of actions, feeling that they aligned with their priorities for the sector. A few, however, felt that the actions lacked clarity, with more detail needed on what they would entail to truly understand whether these initiatives would address the current needs of the sector.

"We do concrete stuff…we want stuff done…at the moment it's just words." NFP Blueprint consultation participant.

Volunteering was the centre-point among these actions that many focused on, as most participants came from organisations that were either volunteer-run or had large volunteer pools through which they delivered their services. Funding practices that support decent work were also discussed widely by participants.

Participants expressed mixed views on the inclusion of actions specific to different groups. Many were supportive of actions pertaining to First Nations, disability and CALD communities, feeling that these were important actions for the sector. One participant from a First Nations organisation pointed to culture and people as central to the way they do their work and felt that this was reflected in these actions. Another participant suggested that actions to support First Nations people should be their own category, noting the large scope of work in this area.

While some participants wanted to see specific cohort references removed, arguing that including specific groups would be, in a counter-intuitive way, exclusive of others. On the other hand, many felt that there should be actions tailored to different groups, with several identifying the need for additional actions specific to young people, rural/regional communities and LGBTQIA+ people.

One participant also highlighted the importance of representation – ensuring that the workforce is reflective of the communities in which they worked.

Other participants suggested that a focus on mental health should be incorporated into these initiatives, as well as on moving towards net zero emissions as this is intrinsically linked to everyone.

Profile and establish mechanisms to enable the shift to First Nations' community control of relevant NFP services

16 participants commented on this action. Participants had mixed responses to this initiative. Just over half expressed support for it and identified it as an important action for the sector, whilst others felt it needed more consideration to ensure that communities were adequately supported over time.

One participant described this action as a key process for their organisation over the next several years. Another highlighted its importance due to the need for contextualised support for many First Nations people, citing a lack of this currently.

> *"Number one, big tick. Please keep that." NFP Blueprint consultation participant.*

Two participants highlighted how sufficient support and funding was needed to support the shift to community control and for this action to be sustainable.

> *"When they run well, they run well. But the issue is, I've seen four of them in the region now implode and then get back on their feet again. That's just a historical way that it just operates around family and the mob. And so there does have to be empowerment in that space. But how you support that empowerment is another issue." NFP Blueprint consultation participant.*
>
> *"I love seeing the shift for First Nations community control with appropriate support so it succeeds, not so that we can let it fail and then point fingers." NFP Blueprint consultation participant.*

Formalise accountabilities in the National Agreement on Closing the Gap

10 participants commented on this action. Four were positive about this action, however emphasised the need for adequate support to be provided. One participant commented that greater value needs to be placed on the knowledge of First Nations people and the need for adequate remuneration for seeking this knowledge, rather than an expectation that this is provided for free.

Two participants felt that thsi action was not relevant for the NFP sector, as it lies in the domain of federal and state/territory governments.

Invest in multicultural organisations to support intergenerational leadership, effective co-design and intermediation between CALD communities in policy, program design, implementation and evaluation

10 participants commented on this action. Many participants viewed this action as important, with comments mostly coming from those from multicultural organisations themselves. Participants spoke of the importance of multicultural organisations leading work, especially the co-design processes, with CALD communities. Participants highlighted how multicultural organisations are best placed to lead this work as they are usually well-established in their communities, trusted and have in-depth expertise, including with relevant languages. Two participants valued the inclusion of supporting intergenerational leadership, noting that young people are often not in leadership positions.

> *"I really love 'invest in multicultural organizations to support intergenerational leadership'. That's something that is really necessary. We work with young people, but, when we talk about community leaders, they're not always young people. Having that encouragement of intergenerational collaboration and leadership, effective co-design, is perfect." NFP Blueprint consultation participant.*

While supportive of this action, one participant was of the view that the definition should be broadened to include organisations that actively seek multicultural engagement in addition to multicultural organisations.

Ensure disability experience and representation, and engagement in codesign of services and strategies that serve or affect people with disability

10 participants commented on this action. All were supportive of the initiative, however most identified changes they would like to see to strengthen it. Two participants suggested there should be mention of age, with one commenting that the sector has tended to focus on adults more than on children. Another two participants commented on the need for the use of current terminology, that describes people with disability or living with disability. One participant wanted to see this action reframed to have a focus on leadership as well as co-design, as seen in other actions under this pillar. Two participants suggested that a focus on mental health should also be incorporated.

Advocate for government and philanthropic funding practices that support decent work

27 participants commented on this action. This action elicited significant confusion among participants, with participants querying what decent work means and suggesting that it needed to be more clearly defined.

> *"Decent work … like, what's decent?" NFP Blueprint consultation participant.*

A few participants identified changes they would like to see to add more clarity to this action, suggesting the wording be changed to include reference to:

- not just decent, but rewarding work
- safe, secure and healthy workplaces
- a well-paid workforce
- a fair and supportive workplace culture
- less of an external focus on outputs, but rather on practices that support the workforce.

Broker sector input into further education curricula and competencies in support of workplace need

17 participants commented on this action. Many participants felt this was an important action, seeing it as a beneficial mechanism to open the doorway and create pathways for young people and people of diverse experience to work in the NFP sector. However, a few took issue with the language and suggested this needed to be simplified. Participants suggested using words such as "facilitate" or "promote" instead of broker to improve the action's clarity. Another participant felt that using terminology such as "workforce capability" would make the action clearer.

A few viewed this action as closely intertwined with that on volunteering, highlighting the need for building capacity to support a strong sector. Similarly, one participant commented that this would also support succession planning in NFP organisations by equipping NFP staff with skills to take up these roles.

Participants also discussed the difficulty in finding adequately skilled volunteer Board members as a key challenge in the sector. Noting that these were volunteer roles, with many organisations unable to fund paid Board positions, participants welcomed an action that could provide training support to people in these roles.

One participant suggested that investment in programs to build sector competencies could be a beneficial way to lift the esteem of NFP careers, citing the example of the 'Future Charity Leaders Program' in the UK.

Support and revitalise volunteering – National Strategy for Volunteering

29 participants commented on this action. This was the most discussed action under pillar two. Participants were supportive of this initiative, and many highlighted the need for substantive changes to the ways in which volunteers are supported, promoted and recruited in the sector. Many relied on volunteers for their organisation to operate, either as a major component of their service delivery model, or because they were completely volunteer run. Participants expressed concern at the decline in levels of volunteering in Australia in recent years, with one participant commenting that there is "no one in the wings" to take on their role. A few participants discussed how operating a volunteer-run organisation is becoming increasingly hard to sustain, with one suggesting that volunteer burnout is high. Increased difficulties engaging volunteers in rural/regional areas were also noted by two participants.

While supportive of the action, many participants emphasised that volunteering should not replace paid roles. For example, where specific knowledge and expertise is being sort, this should be renumerated and

not expected for free. It was also highlighted that managing volunteers can come at a high cost to organisations that needs to be included in the thinking around this action.

Participants commented on the need for volunteering to be valued and respected. One felt that this would draw more people to these roles, while two others pointed to the need for financial incentives to support volunteering, like fuel vouchers.

> *"When we talk about support for and revitalising volunteering, I think somewhere along the line you have to put in the word financial. Well, there is no mention of financial. That's what we lack. What we are doing is saving the clients thousands of dollars [including legal work, like humanitarian sponsorship] … so we need to be supported so that we can get people to do that job. So, I strongly feel that the word financial must be mentioned somewhere."* NFP Blueprint consultation participant.

A few participants suggested that having training available on sector competencies would support them in finding skilled volunteers, especially for Board positions. One participant also identified a need for organisations to adapt to provide online volunteering opportunities.

> *"[The National Strategy for Volunteering] has been signed off by the federal government. One hopes they'll put some money behind it. But I think the big realisation is that the face of volunteering is changing. It's moving more to micro or informal volunteering … how do you develop a blueprint that acknowledges that and supports that, as opposed to formal volunteering … the other concerning statistic is the significant fall off of participation in the volunteer sector. Covid contributed to that, but since then, it's really not strongly recovered. So, there's been this fall off of people wanting to give time, wanting to volunteer, lots of reasons for that, including current cost of living pressures … [the] whole sector is just going through an enormous change at the moment. I don't think we yet know where we're going to land."* NFP Blueprint consultation participant.

An adaptive and dynamic forward-focused sector

Overall view of the actions

Pillar three received the least enthusiasm and comment from participants. Participants had mixed responses to the actions, seeing value in some and feeling overwhelmed by others.

> *"I think a lot of those would result in extra work … which, if there was a benefit at the end, could be worth it, but it would still take that extra work."* NFP Blueprint consultation participant.

> *"For where we are at the moment, this is very blue sky. Like I look at it and go 'I'd love to do all these things', but we're too often in survival mode to be able to have that kind of concentration on most of the things. There are some things in there we definitely do … I think it probably maybe fails to sort of understand that there are a lot of organisations that aren't up to this yet. Not because they don't want to be, but because we're just concentrating on survival right now. So forward-focused is great, but I think sometimes

forward-focused is also just being sustainable to get here." NFP Blueprint consultation participant.

Participants tended to focus their feedback on supporting digital transformation, improving philanthropic fund distribution and improving networking and knowledge sharing.

Considering the pillar as a whole, participants expressed:

- a view that this pillar was not as cohesive as the others
- that significant investment from government is needed to realise these initiatives as the sector is resource strapped
- that greater trust needs to be fostered in the sector to enable increased collaboration
- a concern that approaches to measurement will be applied across the board without recognising the sector is very broad and has differing capacity and capability
- that all actions under this pillar are a priority and should not be staggered across the next decade.

A few participants did not think that the actions under this pillar were innovative or transformational, with one commenting that it "doesn't make [their] heart sing". These participants felt that the sector was already adaptive and dynamic, where NFPs do their best with limited funding, getting by "on the smell of an oily rag" and greater recognition of the leadership of the sector was needed. A few expressed frustration, commenting that they had seen these types of actions many times before and expressed a degree of cynicism at whether they would be supported and come to fruition.

"It's completely not inspirational to tell you the truth. It just makes me feel exhausted. A lot of it makes me feel exhausted, and I've seen it before and not much changes. So, I'd rather see less. Less initiatives and then be something we all believe we want ... So, I think we need to be clear, if we can, about what we really want to happen and how and so that we can get that job done and then get on to the next job ... I do feel a bit cross with that approach of these endless sort of statements that we've read before, but they're not supported ... What are they really going to support? What is the real budget there for them to give us? And then what can we do with that?" NFP Blueprint consultation participant.

Many others found the language used in the actions unclear, commenting that it consisted of jargon, buzzwords and motherhood statements. They suggested that active language was needed to demonstrate a solid commitment and tangible outcomes. One participant felt that using "invest" rather than "support" would strengthen the actions. Several suggested that greater detail on who was accountable was needed.

"There's lots of buzzwords. I'd love to know what they actually mean." NFP Blueprint consultation participant.

"It's not clear what it all means. Is this the stuff that makes for an adaptive and forward-focused sector? Needs words that are meaningful. The actions need a protagonist – what is it about and what are we trying to achieve." NFP Blueprint consultation participant.

Invest in sector-led initiatives, peer networks and CoPs to support digital transformation

10 participants commented on this action. All agreed that this initiative was important.

Two participants spoke of the pivotal role of peak bodies with this initiative, with one commenting that this role of peak bodies should be acknowledged in the Blueprint. One other participant suggested that supporting digital transformation may enable improved reporting, making it simpler and more efficient.

Support digital transformation and data capability demands

19 participants commented on this action. Most saw it as important, with one commenting on how this may reduce the burden of reporting and free up the sector's workforce to focus on working with their communities. Some, however, raised concerns about being over-burdened with increased data requests, and that supporting digital transformation may come at the cost of a people-centered sector.

While many participants saw this action area as beneficial, concerns were raised about the capacity and capability gap for smaller and rural/regional organisations, with adequate funding deemed essential to support this process.

Participants also highlighted the differing capacity of smaller organisations in contrast to larger NFPs, with one participant suggesting that additional requirements, such as increased data requests, may cause smaller organisations to collapse.

A few participants from rural/regional organisations commented on the complexities associated with digital transformation for NFPs in their areas. While all were positive about this priority, two noted that there would be many practical actions required to enable this to be achieved. Participants highlighted the patchy access to internet in rural/remote areas as a primary concern, and noted how this, in turn, has caused low levels of digital literacy among some individuals in these communities. One participant also commented on the current need for many to travel to access adequate wifi or digital devices. In considering these factors, participants noted that the capacity gap is going to be a primary issue in implementing this action. With the size of this task, one participant suggested strengthening the wording and commitment made in this action to explicitly state an 'investment' in digital transformation, rather than just 'support'.

Others highlighted the need to upskill specific cohorts, with investment needed in training to build the digital capabilities of older people. One participant highlighted this as critical, as a large portion of the volunteer workforce are older Australians.

> *"If we look at data, there are three peaks of ages in volunteering in Australia, 16, 33, and the 60-year-olds plus. So, the 16-year-olds are being encouraged through their school environment … 33 years is the next one, that's the mums and dads that are participating with their children. And then there is the retired sector that has a lot of time on their hands and want to put back. And that is maybe that sector where more education in digital capabilities, perhaps is something that needs to be explored a bit deeper." NFP Blueprint consultation participant.*

As with other actions, a few commented on the need for further clarity on what this action would entail.

Develop agreed sector standards of shared decision-making and co-design

Four participants commented on this action. Three participants felt the action lacked clarity and suggested that co-design could be further defined. One elaborated, pointing to the need for this co-design to be meaningful and appropriate.

> *"The communities that we're trying to serve, we keep saying we want to co-design and consult with them, yet we expect them to do it for free. Essentially, a $20 gift card for a two-hour consultation is not a payment. So, what we're asking is to leverage their knowledge and their lived experience and make them really tap into difficult times of their lives to help us better improve our services, without real recognition." NFP Blueprint consultation participant.*

A fourth participant felt that this action was already being done by the sector.

Explore potential for agreed sector standards for outcomes measurement

15 participants commented on this action. Participants had mixed responses to this action. Some were positive about greater standardisation of outcomes measurement and felt this would be useful. One participant suggested this would reduce the burden at the individual level caused by continual changes around outcomes measurement at the government level. Several participants highlighted the need to tailor data collection to different organisation types and cohorts.

> *"Even within where we work, we've got so many different measurement tools. Because for instance, someone with a disability is not going to want to fill out a survey that will be a most significant change, or someone in a domestic violence situation is going to have more privacy than a student, so the outcomes measurement, it's difficult." NFP Blueprint consultation participant.*
>
> *"Makes me nervous because so much of this work is contextual. Guarantee that you will dumb things down." NFP Blueprint consultation participant.*

A few emphasised the need for support to enable organisations, particularly smaller ones, to adapt to this.

> *"If there was sufficient support to embed these things simply for small organisations and like, 100% love to do more measurement. Just don't have time or money … So, the idea of having agreed standards for outcomes measurement would be great because the amount of times time I've spent teaching stuff and the difference between outputs and outcomes." NFP Blueprint consultation participant.*

One participant was less enthusiastic and stated, "Why and to whom do we need to prove our worth?".

Support take-up of impact measurement tools and frameworks

12 participants commented on this action. This initiative also saw mixed responses. Like the previous initiative, many participants felt their organisation currently lacked the capacity and capability needed to achieve this action. With adequate support, organisations saw the value in the initiative, with one participant commenting that they were open to greater uptake of impact measurement tools and frameworks, if not too onerous. Another suggested that the provision of free tools that would assist NFPs in capturing their impact would be helpful.

One participant felt that this placed extra burden on smaller organisations and would detract from their ability to deliver for their community. Instead, they suggested that funders should visit and see the impact of their organisation's work for themselves.

> *"If we have to now demonstrate our "success", I'd just like to invite people to come along and just watch. Don't listen to [the performance], but look at the audience. They come into the room, head down, and they are just sitting quietly. And then when things get underway, they smile, they sing, you can just see the enjoyment. They are chatting, they talk to us, and they leave on a high."* **NFP Blueprint consultation participant.**

One participant wanted greater clarity on what this action would look like in practice and another suggested that the take-up of impact measurement tools and frameworks was already in progress.

Improve philanthropic fund distribution regulation and support smoothed multi-year distribution

12 participants commented on this action. Improvements in this area were welcomed by participants with several commenting on the difficulty in applying for grants. A few were of the view that professional grant writers were now needed for organisations to secure grant funding, with smaller organisations, in particular, finding this challenging. One participant also commented on how grant assessment processes can be limiting and focus on the wrong areas. Therefore, improvements to this process were seen as beneficial.

Some, however, queried how achievable this point was and commented that any changes are at the discretion of philanthropic organisations.

> *"Improved philanthropic fund distribution, and that's tricky, because philanthropy is very much private sector driven, and they'll choose who they want to support."* **NFP Blueprint consultation participant.**

A few felt that this action was shifting focus and responsibility from government to improve their relationship with the NFP sector and make adjustments to the way funds are dispersed.

Seek commitment from government on sector's contribution across innovation processes

Seven participants commented on this action. No participants expressed explicit support for this initiative. A few felt the action lacked clarity and wanted further information on what it means, the thinking behind it and the level of commitment expected.

Improve networking and knowledge sharing

18 participants commented on this action. This was the most discussed action under pillar three, with participants seeing value in increased networking and knowledge sharing and describing it as an important focus for the sector. Some, however, noted that differences faced by smaller and larger organisations in this respect, with participants commenting the following:

- smaller organisations can often be excluded from networking and/or knowledge sharing processes. For example, one participant highlighted how small organisations are not represented as part of the BERG
- while there are many opportunities available, such as conferences, smaller organisations often lack the time and resources to make full use of these. This can also be compounded by the types of people working in this space, especially smaller organisations, who are often sitting on multiple boards or have multiple volunteer roles

- personality is really key in driving networking, as this side of things is rarely funded and often relies on those in the sector to spearhead it
- local networking and knowledge sharing opportunities, such as those facilitated by local council (i.e. networking events, providing free advice, workshops) were seen as something able to be taken up by smaller organisations and have enabled tangible benefits.
- government should incentivise collaboration between organisations
- flexible funding and trust is needed to support knowledge sharing, and the pivoting of projects if needed.

Two participants felt that these processes were already being undertaken by organisations, where feasible, and instead it was the support and encouragement from funders to facilitate this that was lacking.

> *"We do a lot of networking in our sector… We do it really well in many ways, but I think sometimes funding processes and things like that don't always encourage it well."* NFP Blueprint consultation participant.

Sector-wide climate risk and opportunity review to inform climate change mitigation and adaption

11 participants commented on this action. Participants viewed climate change mitigation and adaption as critical. However, some felt that this action lacked substance, with one suggesting that it felt like it had been tacked on to this pillar. Another participant commented that this action should be part of its own pillar.

> *"The last point on climate – what does it actually mean? It's just a 'we need to do something about climate so let's chuck that in'."* NFP Blueprint consultation participant.

A few participants felt the wording could be strengthened. Participants suggested using words such as 'lead' when describing the role of the sector, with a few uncomfortable with the use of 'opportunity', instead preferencing a focus on building climate resilience.

Governance considerations

Approximately one quarter of participants offered perspectives on how the Blueprint should be governed. Many participants identified a need for government commitment and accountability to these actions. A few participants from across all consultations noted that they had participated in multiple rounds of consultations previously, at the local, state/territory and federal level, and had seen limited, if any, changes or outcomes eventuate. Some expressed uncertainty that the Blueprint would be realised or result in meaningful changes if released.

A few participants identified a need for a governing body that would oversee the implementation of the Blueprint. Among participants, a few structures were proposed:

- having specified roles at specified units within government or NFP representative organisations who would provide reports and updates on a clear and published timeline
- a governing body that would sit alongside, but be independent of government
- having mandatory, anonymous feedback processes on every NFPs' website or a group whose purpose is to monitor feedback

- having a board or panel overseeing Blueprint implementation that includes lived experience, CALD, LGBTQIA+, youth, rural/regional and disability representation, and include a mix of those working in the NFP sector and those who engage with the sector
- it should be led by the ACNC, with close connection to government and a reference group.

A few organisations felt that they could not comment on the governance structure for the delivery of the Blueprint, viewing this as the remit of government. A few also emphasised the need for the Blueprint to have measurable outcomes, suggesting that this was not yet clear.

> *"First step is measurable outcomes- what does fit for purpose or effective mean? They're a vision, not an outcome. It's not clear who is responsible … [it needs] clear measurable goals, and proof." NFP Blueprint consultation participant.*

Overall reflection

Participants were asked for their reflections on the draft Blueprint and their experience of the consultations. Most participants had not heard about the BERG and/or Blueprint prior to being invited to take part in the consultations. Participants were all thankful for the opportunity to participate and welcomed the inclusion of smaller organisations' perspectives and experiences in the development of the Blueprint.

> *"It's the same people sitting around the same tables having the same conversations. No disrespect to them, and I'm not diminishing their work, but the voice of the smaller players isn't being heard. There is a fundamental difference between how big and small organisations operate." NFP Blueprint consultation participant.*

While valuing this chance for input, a few identified consultation fatigue in the sector and the need to compensate participation.

> *"You've pulled all of us out of our roles and organisations [for a consultation process]. That's a lot of time and effort. Would you do that to people from PwC without actually compensating them for their time? No. But we have to participate, because if we do not, we're left out. So, we need to stay at the table, but at our own cost." NFP Blueprint consultation participant.*

Most were positive about the future of the sector and felt encouraged by the initiatives put forward as part of the Blueprint. One participant noted that they were more impressed with the initiatives than they had expected to be, with another commenting that they were now more hopeful. A few felt that, with this NFP Blueprint led by the BERG, government was now listening to the sector.

> *"I want to say that this is a good process that is being initiated and I think it will bear fruit." NFP Blueprint consultation participant.*

One reiterated a comment that the Blueprint felt like "politely asking for permission", commenting on the need for greater clarity around actions and the level of resourcing that would be provided. Another commented that they were "worried" after the consultation, and wanted to see further detail on how the BERG were going to be accountable for the Blueprint.

Participants also reflected on the consultation process, with a few commenting that they enjoyed connecting with others in the sector. One participant shared that engaging in the Blueprint consultations had afforded them – as a small NFP – a greater awareness of sector changes that they may not have been otherwise. A few reflected on the similarity of the challenges across larger and smaller NFPs that had been raised in the focus group, and with some suggesting they were now more motivated to pursue further collaboration across the sector.

Participants were interested in hearing further details on the Blueprint, with concerns raised that they are often consulted but no action comes from it.

Discussion

National consultations on the draft NFP Blueprint were held throughout June and July 2024 with a diverse range of small and medium-sized NFP organisations that had not engaged in the earlier development of the NFP Blueprint. Focus group participation included 103 participants from 94 organisations, with broad and varied representation across the sector in location, size, type and focus. For the majority of participants, this was the first time they had heard about the BERG, or the NFP Blueprint. Overall, the findings showed that the draft NFP Blueprint has covered a range of issues of significance, which resonated with the NFPs that were consulted, albeit with some nuances to be included from their perspectives and experiences.

In addition to the specific feedback provided by participants on the vision and actions within each pillar, a higher-level synthesis of their feedback revealed three main themes driving participant feedback: **Respect**, **Sustainability** and **Diversity**. Figure 1 displays how proposed actions in the draft Blueprint align to these three themes.

Within the context of **respect**, while the response to the draft vision was generally positive, some participants suggested that the vision did not adequately acknowledge and encapsulate the existing achievements, expertise and efforts of the sector. Should the BERG wish to refine the vision, applying a strengths-based approach which recognises the existing expertise, leadership, achievements and impact of the sector would be a respectful base upon which to build an aspiration for the next 10 years.

The desire to be respected and valued is also implicit in several of the actions that resonated with participants. For example, key actions such as addressing the DGR system, and ensuring adequate funding (full cost funding, indexation, and minimum amounts) and improving grant processes and duration, are important elements of respect. These offer stability and commensurate remuneration for the sector, enabling longer-term strategic planning and action and support for advocacy. Similarly, community-led end-to-end co-design actions (involving NFPs, community members and government) are important and can reflect and acknowledge the significant impact of the work and expertise of the NFP sector. Equally important is a sector voice that feels genuinely heard and respected as a valued partner to the government.

The success of the abovementioned actions also contributes to **sustainability** for the sector, which was a key focus of participant feedback. Participants considered that actions, such as an effective volunteer strategy and strategies to improve workforce capability, contribute to the sustainability of the sector and can cultivate the image of the sector as a desirable career choice, providing a stable workforce into the future. Supporting digital transformation is also an essential element to this, to bridge the digital divide – especially for smaller, rural/regional organisations – allowing NFPs to continue to serve their communities.

Similarly, actions to harmonise standards and regulations across jurisdictions and the improve the use and collection of data will reduce the burden on NFPs currently impacting delivery. The collection of meaningful data and access to government data sources would support a more strategic approach to planning and delivery.

Diversity was considered a key strength of the sector. A strong theme that emerged through consultations was the role of the NFP sector in meeting the gaps in the market and addressing the niche and critical needs of the communities that they work with. These smaller NFP organisations are often established to address local issues and provide avenues for local leadership and empowerment of communities. Small

organisations are often well-placed to identify and address community needs through deep knowledge and engagement with their communities, allowing them to develop place-based, grassroots solutions.

The importance of diversity was reflected by participants throughout the consultations. Many participants felt that the vision should articulate diversity more broadly in terms of gender, disability, cultural background, identities, rurality, and ages, as well as diversity of organisation type, with a variation in size, focus areas and operating structures in the sector.

Actions that reflected this passion for diversity including initiatives to support the representation of First Nations and Culturally and Linguistically Diverse people, and people with disability. Extending the remit of diversity, participants suggested the BERG may consider additional actions that recognise the differing capacity and capability between small and large NFPs by providing differentiated support across the sector and to invest in youth, rural/regional and LGBTQIA+ development, co-design and leadership.

When refining the draft Blueprint, the BERG should consider how each refinement impacts on the NFP sector through the prism of respect, sustainability and diversity. Viewing these guiding themes as interdependent can ensure that refinements to any action can be done in a balanced and considered way. For example, refinements to actions regarding digital transformation and data capability may contribute to a more sustainable sector, however may also create an additional burden that drives smaller NFPs out of the sector, thereby reducing diversity.

This holistic view should also be supported by a staggered rollout of actions. As highlighted during the consultations, some initiatives emerged as priority areas in the short term, where action on these would have profound and tangible effects on the operation of NFPs, particularly smaller ones. These included actions such as changes to the DGR system, funding, the duration of grants and data collection. Prioritising these as initial actions in a staged rollout of Blueprint rollout would aid the financial stability of NFPs and reduce burden. Early progress on these priority actions would also be seen as a sign that there is a real commitment and partnership on behalf of government and the sector to deliver the Blueprint. In turn, the full implementation of the Blueprint will build the trust and credibility of the sector with government and the community more broadly, as well as trust of the government from the sector.

As identified by participants, greater simplification and clarity are needed on what each action will entail, and the implementation of the Blueprint as a whole is needed. Detail on what implementation will look like over the next 5, 7 and 10 years, in accessible language and tailored to the contexts of different organisations, would aid the Blueprint's meaningfulness to the sector and a sense of collective ownership.

Diversity

- Profile and establish mechanisms to enable the shift to First Nations' community control of relevant NFP services
- Formalise accountabilities in the National Agreement on Closing the Gap
- Invest in multicultural organisations to support intergenerational leadership, effective co-design and intermediation between CALD communities in policy, program design, implementation and evaluation
- Ensure disability experience and representation, and engagement in codesign of services and strategies that serve or affect people with disability.
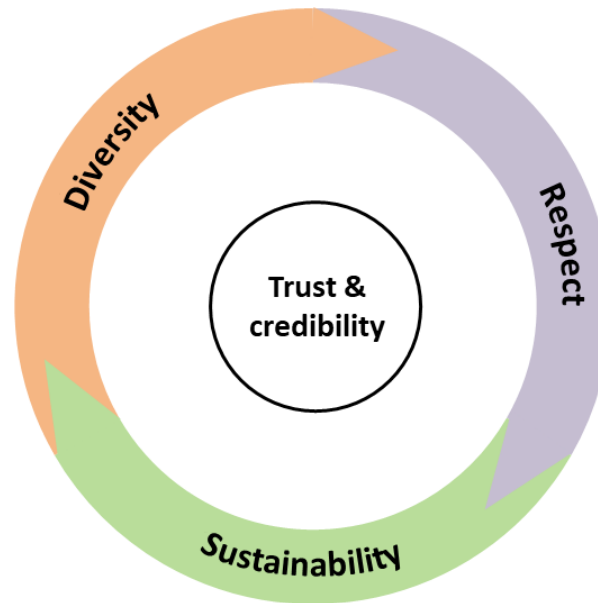
Respect

- Broaden and simplify the DGR system
- Support right to advocacy and enable sector peaks to support policy, advocacy and research in priority areas
- Improve financial stability through government commitment to full cost funding, indexation, and minimum amounts, processes and duration of grants.
- Advocate for government and philanthropic funding practices that support decent work
- Embed co-governance, co-design and shared decision making into policy and program development, design and evaluation.

Sustainability

- Prioritise and advocate for consistency/harmonisation of standards and regulations across states/territories
- Improve use of data and data collection
- Broker sector input into further education curricula and competencies in support of workplace need
- Support and revitalise volunteering – National Strategy for Volunteering
- Support digital transformation and data capability demands
- Sector-wide climate risk and opportunity review to inform climate change mitigation and adaption.

Figure 1. Key themes emerging from consultations and aligned Blueprint actions.

Appendix A: Organisations Consulted

Table 9. Name and location of organisations consulted.

Organisation Name	State/Territory
ac.care	South Australia
Access2Arts	South Australia
Adult, Community and Further Education Regional Councils	Victoria
Act for Kids	Queensland
ADHD Foundation Australia	National
ARACY	National
Artists 4 A Cause	South Australia
Arts Industry Council of South Australia	South Australia
Association for Children with Disability	Victoria
Ausdance ACT	Australian Capital Territory
Australian Community Transport Association	National
Australian Youth Affairs Coalition	National
Beyond the Bell	Victoria
Big Group Hug	Victoria
Bikes for Refugees SA	South Australia
Book Links Qld	Queensland
Bridges for Learning	New South Wales
Brunswick Zebras	Victoria
Carlton Neighbourhood Learning Centre	Victoria
Child and Family Focus - SA	South Australia
Climate Council	National
Community Migrant Resource Centre	New South Wales
Community Resource Unit	Queensland
COTA SA	South Australia
Creators of Community Ownership	New South Wales
Cubberla-Witton Catchments Network Inc	Queensland
Cultural Development Network	Victoria
Darwin Wildlife Sanctuary	Northern Territory
Down Syndrome Victoria	Victoria
Early Education (EarlyEd) Inc	New South Wales
Earthwise Community Association	Western Australia
Eden Community Access Centre Inc	New South Wales
Ethni	Queensland
Ethnic Communities Council of Queensland	Queensland
Fearless Women	Australian Capital Territory
Financial Basics Foundation	Queensland
Firstchance Ltd	New South Wales
Friends of Parks SA	South Australia
GiveOUT	National
Gran's Van	Tasmania
GSGLLEN	Victoria
Hervey Bay Neighbourhood Centre	Queensland
Healthy Mind Menu	Western Australia
indelabilityarts	Queensland
Indooroopilly Uniting Church Refugee and Asylum Seeker Support Hub	Queensland

Islamic Women's Association of Australia	National
Koorana Child & Family Services Ltd	New South Wales
Landcare NT Incorporated	Northern Territory
Landcare Tasmania	Tasmania
Little Sparklers Ltd	New South Wales
Macquarie Community College	New South Wales
Melbourne Writers' Theatre	Victoria
Mental Illness Fellowship of Australia NT	Northern Territory
MultiLink Community Services Inc.	Queensland
No BS Nonprofit Solutions	Western Australia
Noah's Ark	Victoria
Noro Music Therapy	Victoria
NT Working Women's Centre	Northern Territory
Northern Territory Council of Social Service	Northern Territory
Numabulla Mens Shed Inc.	Queensland
Ochre Education	National
Orana Early Childhood Intervention	South Australia
Orange and District Early Education Program	New South Wales
Pivot Support Services	Western Australia
Playgroup NSW	New South Wales
Plumtree Childrens Services	New South Wales
Project Respect	Victoria
Protect All Children Today	Queensland
Pushing Barriers	Queensland
Refugee Association of Logan	Queensland
Regional Financial Counselling NSW Inc	New South Wales
Robinvale Euston Workforce Network	Victoria
Royal Far West	New South Wales
Rural Communities Australia	National
Scouts Australia	National
SDN Children's Services	New South Wales
Shaping Outcomes	New South Wales
South West Community Foundation	Victoria
Surf Life Saving Foundation	National
System 2	New South Wales
Tender Funerals Australia	National
The Brite Notes	Victoria
The Embroiderers Guild, Victoria	Victoria
The Infants Home	New South Wales
The Whadjuk Foundation Inc.	Western Australia
Third Culture Australia	National
Thirrili	National
Victim Support Service	South Australia
We Are Mobilise	National
Western Sydney Regional Information and Research Service	New South Wales
Wheatbelt & Beyond Youth Mentoring	Western Australia
WNOW	New South Wales
Youth Affairs Council of South Australia	South Australia
Youth Affairs Council Victoria	Victoria