

Building on Ambition



the Centre
for Social
Impact

Business Plan 2008 – 2012

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1 EXECUTIVE SUMMARY

Executive Summary

The growing economic importance of the not-for-profit sector and rising levels of corporate community investment are not yet reflected adequately in the teaching and resourcing of management education in Australia. The Centre seeks to change that. It will provide first-class business teaching and research tailored to those who will be the social managers and entrepreneurs of the future. Its programs will enhance the professional capacity of individuals who seek to create social and environmental value through leadership of not-for-profit organisations.

At the same time the dynamism of the market needs to be directed toward social innovation. Companies should, in the words of the UN Global Compact, “embed environmental, social and governance concerns into their strategic thinking”. The Centre will provide the business leaders of today and tomorrow with academic support in integrating the goals of an inclusive and sustainable global economy into their corporate behaviours.

The Centre’s learning opportunities will focus on those who seek a leadership career in social enterprises and on those, already in the sector, who wish to enhance their skills. Its offerings will be equally attractive to those who wish to contribute their commitment and experience in a voluntary capacity to the governance of not-for-profit institutions.

Its strong commitment to practical research will enhance knowledge of the creation of social value, the dynamics of social enterprise, the foundations of social innovation and the measurement of social impact.

The Centre’s programs will also be targeted to those who aspire to hold executive positions in companies which are committed to maximising social benefit and meeting corporate responsibilities through their products and practices.

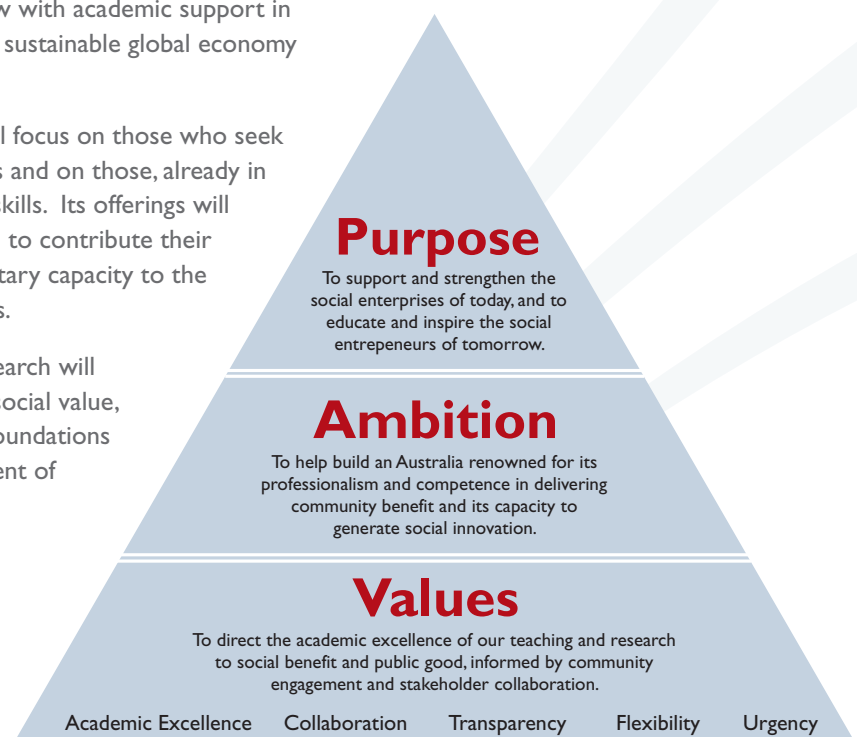


Figure 1. Purpose, Ambition, Values

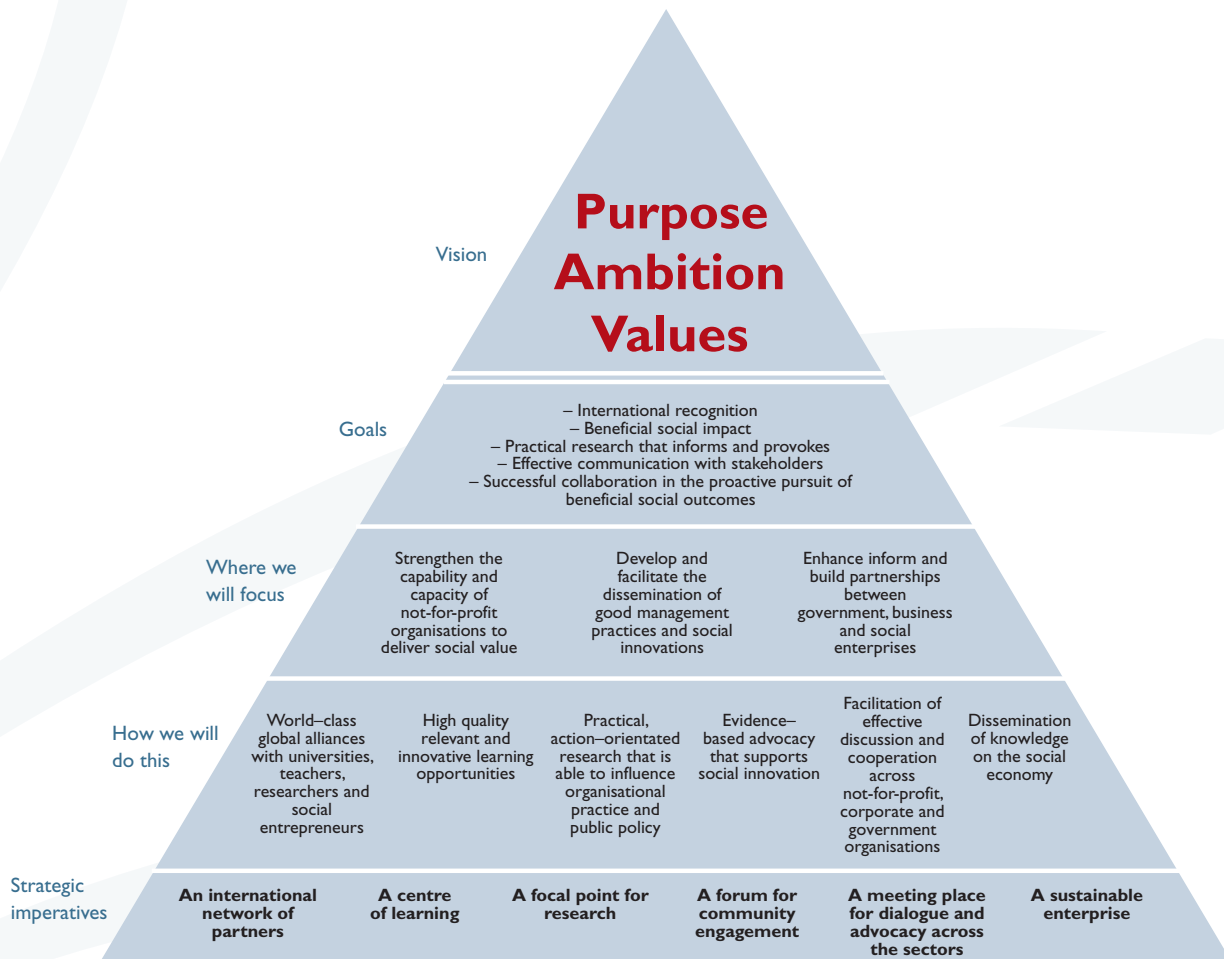


Figure 2. Goals, Strategies, Activities

It will focus, too, on those who wish to become senior public administrators working with community groups or public service executives with responsibility for developing the public policy and government framework within which they work. Equally, it will provide academic support to those individuals and foundations who seek to ensure that their philanthropic gifts and grants are applied to greatest effect.

The Centre, in pursuing social impact, will seek nothing less than the creation of a new generation of leaders who, in varying ways, will pursue innovation directed toward the long-term

sustainability of civil societies – women and men working in social enterprises, private companies or government agencies or supporting not-for-profit endeavour through their voluntary effort and financial commitment.

What follows is based on the Business Plan for the Centre for Social Impact. It reflects an extensive consultation process with a wide range of key leaders across sectors, including structured focus group discussions in Sydney, Melbourne and Canberra. The Business Plan is summarised in Figures 1 and 2. An account of the focus groups can be found in the Appendix.

2. VISION

Our Founding Partners

The Centre for Social Impact is an exciting joint venture. It brings together the established excellence of three of Australia's most well-regarded business schools in a bold collaboration. Out of it will emerge a genuinely national institution, committed to the promotion, sustainment and advancement of socially responsible business management of international calibre. The longer term goal of the Centre is to attract more university partners and to forge a variety of collaborations with leading institutions around the world.

The [Melbourne Business School at The University of Melbourne](#) is a regional leader in management education and executive development, committed to providing a top-rank learning experience. A newly created Asia-Pacific Centre for Leadership for Social Impact will focus on not-for-profit management.

The [Australian School of Business at The University of New South Wales](#) is also a centre of academic excellence. It has a strong reputation based on outstanding staff, students and alumni. The School, which will be the administrative headquarters of the Centre, is one of the leading research business schools in the region.

The [Faculty of Business and Enterprise at Swinburne University of Technology](#) provides high-quality business degrees. The Faculty provides teaching in a warm and intimate atmosphere. It incorporates an Asia-Pacific Centre for Philanthropy and Social Investment which has been an Australian leader in the area of grant-making and fundraising.

The Centre will draw on the considerable strengths of the founding universities to build an [Australian](#) Centre for Social Impact.

While the three universities will each retain their distinctive qualities, they will co-operate in providing cross-university learning and research opportunities. They will work together to design an integrated core of postgraduate courses on not-for-profit management, corporate social responsibility and philanthropy. Courses will be delivered in both Melbourne and Sydney.

“(This is) a Centre which can bring together research, teaching and cross-sector partnerships to create positive social impact at the intersections between government, business and community life. I am confident that the Centre will be a great source of answers and of practical initiatives.”

The Hon. Julia Gillard MP
Deputy Prime Minister

Students who successfully complete the core subjects, together with electives chosen from the offerings of the individual schools, will be awarded a Graduate Certificate of Social Impact. The Certificate will be awarded by the home university on behalf of the Centre. Subjects may contribute to the requirements for an MBA or MComm degree.

There will also be a joint program of Executive education, building on the well-established reputation that each university possesses in this area. The program will attract internationally renowned scholars and practitioners to present challenging and thought-provoking short courses. In most instances, Executive courses will be delivered in both cities.

In addition, there will be an active program of collaborative research undertaken across the three partner institutions. The Centre will bring together a growing network of distinguished researchers working on all aspects of the social economy. It will ensure that the academic research and its practical relevance is disseminated widely to the third sector, philanthropists, business and governments.

Finally, the Centre and its partners will provide a meeting place between the sectors. The Centre will instigate discussion, challenge ideas and promote change in the field of sound investment, philanthropy and social innovation. It will always seek to make a difference.

Our Purpose

The purpose of the Centre is:

- to support and strengthen the social enterprises of today, and
- to educate and inspire the social entrepreneurs of tomorrow.

Our Ambition

We have as our ambition:

- to help build an Australia renowned for its professionalism and competence in delivering community benefit and its capacity to generate social innovation.

Our Values

The values of the Centre will be:

to direct the academic excellence of our teaching and research to social benefit and public good, informed by community engagement and stakeholder collaboration.

Central to our values is our commitment to:

- **Academic excellence:** The Centre will aspire to academic excellence in its teaching, research and thought leadership.
- **Collaboration:** The Centre is an academic partnership which will collaborate with its diverse stakeholders in setting and delivering its goals.
- **Transparency:** The Centre will ensure transparency of its operations, accountability for decisions and be answerable to its stakeholders.
- **Flexibility:** The Centre will maintain flexibility to respond to the rapidly evolving needs of the third sector and its relationship to government and business.
- **Urgency:** The Centre will convey a sense of urgency to the task of building and maintaining a civil society that is open, inclusive and sustainable.

Our Goals

The Centre has set itself the following six goals, against which it will measure its performance:

- To gain **international recognition** for responsible and ethical management education by being the centre of excellence in Australia in the area of philanthropic enterprise, not-for-profit business, corporate social responsibilities and the social economy.
- To have a **beneficial social impact** through the influence of its opportunities for learning and dialogue.
- To **undertake and publish practical research** that informs public debate and, where necessary, provokes and challenges the status quo.
- To create **effective channels of communication** between the Centre and its diverse stakeholders.
- To facilitate successful **collaboration between not-for-profit, business and government sectors** in the proactive pursuit and advocacy of beneficial social outcomes.
- To build a sustainable **base of expertise and funding** to achieve our purpose over the long-term.

Our Performance

The Centre's performance will be continuously assessed. Each of its programs will be evaluated on a regular basis with participants. There will be an annual impact survey of stakeholders. In addition to qualitative assessments, the Centre's performance will be reported upon against twelve key metrics.

Goal	Measure	Metric
International Recognition	1. Ranking against business schools in terms of commitment to socially responsible management and education	Ranking
	2. Relationships with institutions and groups	Number
Social impact	3. People attending academic and executive programs	Number
	4. Participant assessment of programs and willingness to recommend CSI to others	Net Quality Score
Practical Research	5. Research projects underway and case studies developed	Number
	6. Ability to attract research funding	Dollar Value
Communication	7. Newsletter distribution, website access, periodic publications and responses	Number
Collaboration	8. Annual impact survey of stakeholders	Survey Outcomes
Sustainability	9. Retention of intellectual expertise	Retention Rate
	10. Ability to attract funding to match the Commonwealth Government endowment	Dollar Value
	11. Interest on capital endowment	Proportion of Core Costs Covered by Interest
	12. Net program contribution (after allocated development costs)	Net Revenue

3. APPROACH

Our Focus

The Centre will direct its attention to three key areas.

The Centre will:

Strengthen the capability and capacity of not-for-profit organisations to deliver social value

Rapid growth and innovation place both capacity and capability constraints on the not-for-profit businesses that deliver social value in Australian communities. The Centre will focus on strengthening the organisational capacity, leadership capability and governance of social enterprises.

Capture, develop and facilitate the dissemination of good management practices and social innovations

There are a wide range of management practices and many sources of innovation in the large and fragmented third sector. The Centre will focus on capturing and making more widely known good management practices and social innovation. It will provide thought leadership and will facilitate dissemination of knowledge, tools and practices to the wide range of government, business and not-for-profit participants involved in the third sector.

Enhance, inform and build partnership between government, business and social enterprises

There is an evolving relationship between government, business and the not-for-profit sector to deliver social value in communities and a need for the three sectors to coordinate and partner better. The Centre will seek to build collaborative partnerships between businesses, governments and social enterprises. It will focus on enhancing the strategic significance of corporate social responsibility. It will inform the decision-making of philanthropic donors, grant-makers and social investors.

“The Centre for Social Impact will contribute a great deal educationally. It will maintain sustainable financial and operational growth within the not-for-profit sector and ensure social and community development.”

Danny Lester
Chief Executive
Aboriginal Employment Strategy

“The Centre for Social Impact will meet a critical need in this country. The nonprofit sector in Australia lacks for the kind of practical research and quality management programs that the CSI is committed to building. The Centre brings a perspective and understanding of the three pillars of government, the nonprofit sector and business that will ensure the development of the kind of partnership model needed.”

Michael Traill
Chief Executive Officer
Social Ventures Australia

“The Centre for Social Impact brings the opportunity for a genuinely national approach to the provision of solid academic excellence in the nonprofit sector – a true cross-sectoral partnership with collaboration and integration of nonprofit, business and government organisations.”

Jennifer Dobbin
General Manager
Nonprofit Australia

Our Method

The Centre commits itself to six key methods of achieving its goals:

- World-class **global alliances** with universities, teachers, researchers and social entrepreneurs.
- High-quality, relevant and **innovative learning** opportunities.
- Practical, **action-oriented research** that is able to influence organisational practice and public policy.
- **Evidence-based advocacy** that supports social innovation.
- **Facilitation** of effective discussion and cooperation across not-for-profit, corporate and government organisations.
- **Dissemination of knowledge** on the social economy.

4. OPERATIONS

Our Governance

The CEO will have responsibility for the day-to-day administration of the Centre, working with the executive team (the Director of Teaching and Learning, Director of Research, Senior Advisor and General Manager). The CEO will lead in collegiate fashion across the collaborating universities through chairmanship of a Partnership Group (comprising the Deans of the Business Schools of the collaborating universities and their nominees). The Partnership Group will meet monthly, rotating between Melbourne and Sydney.

Governance Board

The Centre will be governed by a Board comprising the CEO, the Vice-Chancellors of the partner universities and senior representatives of the not-for-profit or corporate sectors, selected from across Australia. It will be appointed in July 2008, initially for a period of 2 years. The Board will set strategic directions, agree the business plan and approve major decisions with regard to academic and executive programs, research and financial commitments.

Advisory Council

The Centre will establish two Advisory Councils, which will meet in Sydney and Melbourne respectively. The Councils will provide advice to the CEO on teaching and research priorities, stakeholder relationships and the public policy issues on which the Centre should facilitate discussion. Each Council will comprise around 40 senior representatives from the not-for-profit, corporate and government sectors. They will be chaired by one of their membership. They will meet 3 times a year. Senior staff of the Centre, and its CEO, will attend on an ex-officio basis. A Secretariat will be provided.

Annual Report

The Centre will issue an Annual Report to ensure that there is a high level of transparency of, and accountability for, CSI activities. It will be a public document. The report will provide the basis for annual discussions with the Centre's major funder, the Department of Employment, Education and Workplace Relations on the Centre's performance.

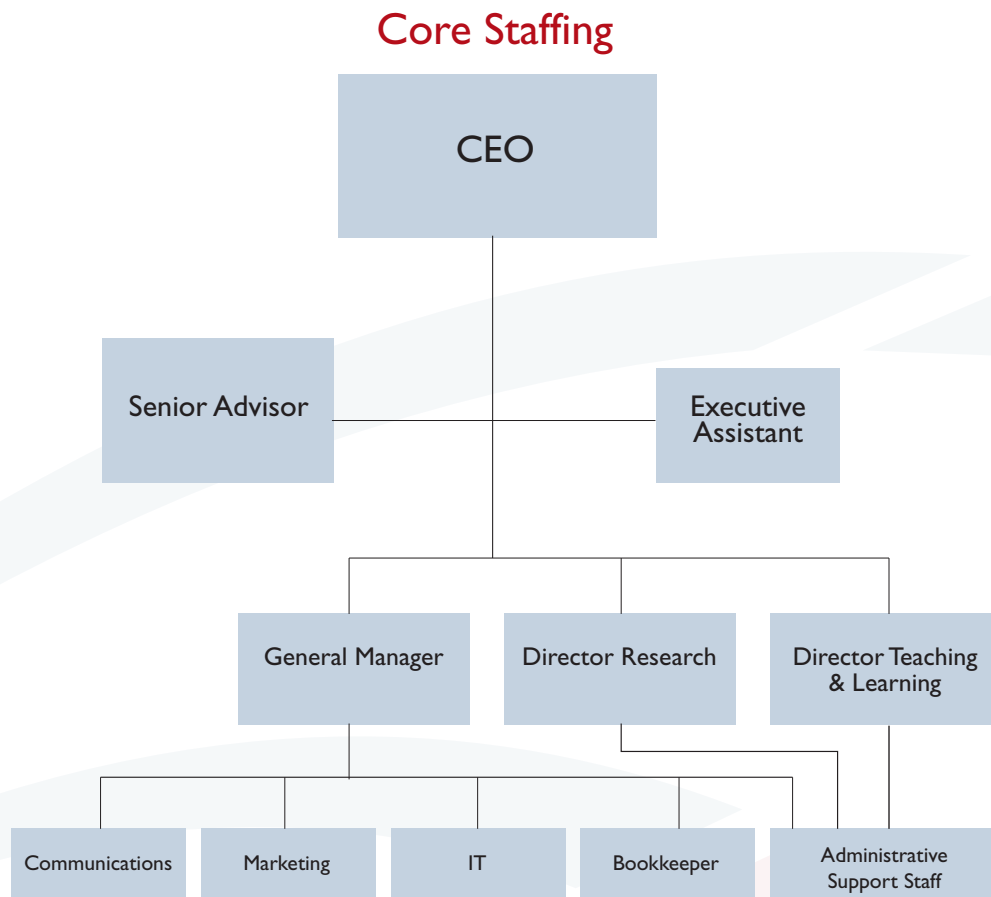


Figure 3. Core Staffing

Our Executive Team

The Centre will rely on a small core organisation consisting of four executive roles: the CEO, General Manager, Director of Research, and Director of Teaching and Learning (see Figure 3). The executive team will have a small support staff. The General Manager will contract out and oversight support for communications, marketing, website maintenance and book-keeping. During 2008, a Senior Advisor, paid for by the University of Melbourne, will provide strategic, marketing and fund raising support to the CEO.

The goal of the Centre is to maintain only a small core team, with low fixed costs, building a virtual organisation of leading academics and practitioners from Australia and around the world to undertake teaching and research. The intention is to cover the Centre's core costs with a sustainable base of funding. Program delivery, including much of the teaching and research, will not form part of the normal Centre payroll, but will be contracted for the period of development and delivery. However, further staff may be recruited on a full-time or part-time or contract basis, to strengthen the Centre's capacity as funds permit.

Our Supporting Infrastructure

The Centre's administration will be situated at the University of New South Wales, within the Australian School of Business. UNSW will provide the infrastructure to support the Centre's operations. This includes the physical office environment on the Kensington campus, which provides a suitably attractive public face for the Centre. The University will also provide the support services, such as library resources, human resource management, Occupational Health and Safety advice, risk management systems, Information Technology services, cleaning and maintenance. Finance and accounting (including for payroll, corporate expenses and travel) will be conducted through UNSW systems, with all associated financial controls.

Course and event offerings will be delivered from various locations in Melbourne, Sydney and elsewhere, including in the central business district. Facilities of the university partners will be used where appropriate and available.

Our Supporting Strategy

The marketing strategy of the Centre will be developed in close consultation with the not-for-profit, corporate and government sectors. The Centre will develop its distinctive identity but will always acknowledge that it is based on the collaboration between the university partners. The profile of the Centre will be established nationally and internationally.

Communications

A website and monthly electronic newsletter will be used to assist in raising the Centre's visibility. The Centre will grow and maintain a database of interested individuals and organisations, who will be kept informed of Centre developments and be provided with a wide range of opportunities to become involved in the programs.

Our Stakeholders

There are five key stakeholder groups with which CSI will develop working partnerships:

Social enterprises committed to enhancing their organisational capacity, leadership capability and advocacy influence.

Socially responsible corporate businesses seeking to integrate social responsibility and environmental sustainability into their company goals and, in particular, to derive maximum benefit from their investment in not-for-profit activities.

Government agencies committed to managing an effective ongoing relationship with the non-government organisations to whom they provide grants or contracts to deliver public services.

Philanthropic foundations, trusts and individuals seeking to improve their capacity to make the most effective use of their assets.

Universities, and individual academics, who are interested in directing their teaching, research and consultancy activities to the social economy.

"Through its role in teaching, research and community engagement, the Centre for Social Impact offers the potential for much-needed collaborative efforts across the philanthropic, not-for-profit, business and government sectors. We look forward to increased levels of understanding across the sectors as we all move forward in building social capital for the benefit of the Australian community."

Gina Anderson
Chief Executive Officer
Philanthropy Australia

5. STRATEGY

“The not-for-profit sector in Australia is important, large and diverse. It needs and deserves a national world class centre to provide it and its participants with teaching, research and assistance in policy formation. The Centre for Social Impact has been established to fulfil that need. I have no doubt that it will achieve and surpass the expectation of it from both within the sector and outside”.

David Gonski
Chairman Investec Bank
(Australia) Limited

Chairman Coca-Cola Amatil
(Australia) Pty Ltd

Our Aspiration

The Centre’s aspiration is to provide academic excellence fit for social purpose.

The overall strategy for the Centre will be based on harnessing scholarship to the needs of the not-for-profit sector so as to drive the greatest public good and community benefit. Developing outstanding learning opportunities and influential research requires that the Centre locate itself at the hub of national and international thinking. Its knowledge base will not only draw upon cutting-edge academic thought but also on the best in management practices and corporate strategy. The Centre will bring together the not-for-profit, private and government sectors so that each can enhance the building of social impact and pursuit of social innovation.

The elements of this strategy for the Centre are outlined below.

An International Network of Partners

To deliver the Centre’s commitment to the highest standards of excellence, the Centre will form a network of partnerships across Australia. It will also develop relationships with international partners and, as required, rank its performance against universities in the area of socially responsible management education.

By structuring an international visitors’ program, drawing to Australia some of the best thinkers and practitioners in the field, the Centre will be able to deliver excellent learning opportunities. The Centre will stay abreast of global developments in the field of social enterprise and innovation through membership of international bodies and the networks that they bring. Through such avenues, and the teaching and research that is being conducted here, the Centre will also raise the global profile of innovative practices that are taking place in Australia.

Programs/initiatives

- Visitors’ program
- Membership of international bodies

A Centre For Learning

The delivery of excellence to the not-for-profit, corporate and government sectors requires a diverse range of courses and programs. Academic programs will be developed in consultation with partner universities. Undergraduate courses will be developed to enable students to gain a broader understanding of the social economy. New postgraduate elective courses will focus on core curriculum areas considered essential for a good awareness of not-for-profit management, corporate social responsibility, public policy and social innovation and entrepreneurship. A wide range of thought-provoking executive education courses will also be delivered by the Centre. The development of these initiatives will respond to needs identified through regular consultation with and feedback from stakeholders.

A range of teaching methods will be used to create a rich, engaging and dynamic learning experience, incorporating experiential learning and including opportunities for coaching and mentoring. Programs will be developed that enable university students and corporate executives to work for not-for-profit organisations in Australia and beyond and,

concomitantly, to allow not-for-profit leaders from overseas to access learning opportunities in Australia.

Programs/initiatives

- MBA and MComm electives
- Executive courses
- Undergraduate education
- Experiential learning (including internships)
- Coaching and mentoring

“The Roundtable is delighted to see the strong focus of the Centre for Social Impact on collaboration with the nonprofit sector in the design of its programs. The CSI learning and research program offers great potential for the nonprofit sector in Australia. It will facilitate better and more effective linkages between socially responsible business and the nonprofit sector in Australia.”

David Thompson
Chair
National Roundtable of
Nonprofit Organisations
CEO Jobs Australia Ltd

A Focal Point For Research

Research programs will produce high-quality, methodologically-sound research targeted to the strengthening of social enterprise in Australia. Research with practical relevance to not-for-profit organisations and able to influence evidence-based public

policy will be a particular strength of the Centre. Australian case studies will be developed for use in a variety of programs and courses. The Centre will also develop a role as an information repository, acting as a ‘clearing house’ of new knowledge in the areas of not-for-profit enterprise, corporate responsibility, social innovation, public policy and the social economy.

Programs/initiatives

- Research
- Australian case studies
- Publications
- Information repository

“Given the centrality of not-for-profit organisations to our future community wellbeing – including in new forms of partnership with governments and business – it is essential we build the highest possible quality of research and professional development. I see the Centre for Social Impact and its partner organisations playing a critical role in enhancing our national capacity in this area.”

Geoff Allen
Chairman
Australian Centre for Corporate
Public Affairs

A Forum For Community Engagement

A particular strength of the Centre will lie in its ability to involve the community in the development of learning activities, teaching courses, research and advocacy. The goal is to create a Centre in which academic excellence can be tailored to the needs of social enterprises and directed to public good. The development of new areas of knowledge is important. So, too, is the drawing together of the existing knowledge base that, too often, is scattered across the third sector and based upon experience rather than academic research. The Centre will develop an active program of community consultation by using diverse modes such as public forums, annual conferences on public policy and research, a website and regular newsletters. Stakeholder meetings, in many different forms, will be a staple of Centre life: community engagement our goal.

Programs/initiatives

- Newsletter
- Website
- Public forums
- Annual Conferences

A Meeting Place For Dialogue and Advocacy

The Centre will be a meeting place. One of its pivotal roles will be as a facilitator for effective discussion and cooperation within and across the not-for-profit, corporate, and government sectors. The goal is to increase mutual understanding. Advisory Councils (with representatives from each sector) will be established in Melbourne and Sydney to work closely with the Centre. Dialogue seminars, discussion workshops and consultancy facilitation are some of the forms of cross-engagement that will be developed by the Centre.

Programs/initiatives

- Advisory Councils
- Dialogue seminars
- Consultancy facilitation

“The establishment of the Centre for Social Impact is an exciting development for Australia. I am confident it will contribute to the building of effective collaborations between the private sector and the not-for-profit sector.”

Robert Tickner
Chief Executive Officer
The Australian Red Cross

A Sustainable Enterprise

The Centre will not be successful if it raises expectations that founder on the reefs of financial insecurity. The Centre will develop a range of activities which will enable it to be sustainable in the long term. Engagement of the not-for-profit sector in Centre activities will be limited both by time and money. It will be necessary not only to rely upon fees for attendance at the Centre’s programs but to seek scholarships, corporate sponsorship and funding subsidies. Its operations will be subject to the highest professional standards of accountability. These will include annual reporting against the business plan and annual evaluation of performance against stated goals.

Programs/initiatives

- Annual report against our business plan
- Annual evaluation of performance against our goals
- On-going corporate sponsorship and funding program
- Marketing program

6. ECONOMICS

Our Funding

The Centre has received a \$12.5m Commonwealth Government endowment (the Funding). The Funding must be matched by 30 June 2012 by a further \$12.5m of contributions from outside the Commonwealth Government (the Matching Funding).

The Centre is established under Appropriation Bill (No. 3) 2007–2008 to enhance business engagement with the not-for-profit sector and build the capacity and effectiveness of the not-for-profit sector. The Funding is restricted and is not to be drawn down. The interest earned on the Funding is available for use by the Centre for meeting the costs of operation and program development.

Investment Plan

The University of New South Wales will invest the funding in low risk securities that do not involve capital risk, over a five year time horizon. The aim is to provide the maximum secure income stream in the early years of the Centre so that it can confidently fund start up and early stage activities. Investments might include bank or bank guaranteed debt of highly rated debt, potentially including hybrids with definitive maturity dates. In the longer term, as agreed with the Department of Employment, Education & Workplace Relations, the University of New South Wales will likely move to a more balanced portfolio.

Fundraising Plan

The Centre has already secured Matching Funding through a combination of cash and benefits in kind. This Matching Funding is made up of the following:

- in kind funding comprising a contribution from the University of New South Wales towards facility and fit-out costs; from The University of Melbourne to pay a Senior Advisor's salary until December 31 2008; and from Bain and Company for the costs of their consultancy support.
- restricted funding from the Melbourne Business School as a cash contribution to the funding of a Chair of not-for-profit management.

- restricted funding from the Helen McPherson Smith Trust as a cash contribution endowment to the funding of a Chair of not-for-profit management at the Melbourne Business School.
- unrestricted cash funding committed by four Sydney philanthropists to be delivered annually over 4 years to 31 December 2011.

It is anticipated that additional matching funding will be received prior to 30 June 2012 through a combination of sponsorships, scholarships, subsidies and philanthropic contributions. This will satisfy the contractual terms of the Commonwealth Government Funding.

Centre Operating Funds

During the four year establishment period, it is intended to draw down from the \$4.0 m of unrestricted funding to supplement the interest from the Commonwealth Government capital endowment, in order to meet administrative, teaching and program development costs. No call will be made upon the Commonwealth endowment. Given the draw down, the Centre will endeavour to secure further additional funding in order to build a capital base of \$25m by 30 June 2012. It is estimated that the interest on such an amount, together with program revenues, will be sufficient to meet the on-going core costs of the Centre.

Our People

CSI will be operated on the principle of flexibility. The Centre will minimise fixed costs by maintaining only those staff and resources necessary to run the business, and adding additional variable costs only as required to deliver and develop particular programs.

With a flat organisational structure, CSI can use the experience of the core team, advisory councils and board. The simplicity of this organisational structure will minimise fixed overhead costs in line with the principles discussed above.

The following core costs are expected:

- Salaries and associated payroll costs of the core executive team and support staff
- Contracting out of marketing, website development and maintenance, book-keeping and other business management costs paid on a fee-for-service basis
- On-costs including travel, accommodation, rent, utilities and other costs such as IT services, legal advice and audit.

Program Development and Delivery

Over the first four years it is anticipated that significant funds will be invested in program development. These costs of program development will be drawn down from unrestricted funding already pledged. Such costs will decline progressively.

CSI will identify and prioritise program development and delivery based on expected impact and alignment with the overall vision of the Centre. Program income from fees, subsidies, sponsorships and scholarships will increase progressively from \$50k in 2009 to \$400k in 2012.

It is expected that programs will:

- fully meet costs of program development and delivery within three years (by 31 December 2011)
- in aggregate, be at least cost neutral in delivery after recovery of development costs
- encourage partnership with organisations that would assist in the development of programs that are in line with the vision of CSI
- attract sponsorship from the corporate sector to assist in financing of program development and delivery
- be developed in line with the vision of CSI.

There are 3 broad program categories that CSI will establish.

Academic Programs

Academic programs will facilitate the continuing education and learning of individuals either presently involved or aspiring to be involved with the not-for-profit sector. The programs will be developed in partnership with universities in accordance with academic guidelines.

Executive Programs

Executive programs will engage with both profit and not-for-profit strategic partners to help develop and educate awareness and understanding of the impact of social awareness. Programs may be developed in partnership with corporate, not-for-profit and government organisations.

Research Programs

Research programs will produce high quality research that is methodologically sound. It will also be practical, relevant to improving the effectiveness of the not-for-profit sector and understanding the operation of the third sector.

Our Financial Target

On the basis of the funding parameters set out above, it is anticipated that the Centre will reach its initial objectives as follows:

Matching of the Commonwealth Government endowment

Achieved by 30 June 2012

Income, including interest on capital funds, to meet all core operating expenses

Achieved by 31 December 2012

Note: *The commercial-in-confidence version of the Business Plan contains a detailed financial statement.*

7 APPENDICES

An Environment For Change

The number, scale and significance of not-for-profit and non-government organisations is rising. While still undervalued (and under-researched) there is growing recognition that these institutions, sometimes referred to collectively as 'the third sector', play a key role in building a civil society and energising citizen democracy at the community level.

Many of these institutions are organised for the mutual benefit of their members. A growing proportion is founded on commitment to community benefit. Driven by a sense of mission, and sustained in large measure by voluntary effort and philanthropic impulse, the 'charitable' organisations promote a wide range of activities in the public interest.

In Australia their role is expansive – from promotion of artistic endeavour and community-based sport to social welfare, health care, child and family support, consumer protection, environmental sustainability, educational access, heritage protection and the rights of indigenous people and refugees.

To varying extents not-for-profit organisations recognise that they are businesses. They need to be professional. Those who lead them, and contribute to their goals, know that they must use their limited resources efficiently, effectively and ethically. Their operations must stand public scrutiny. As businesses they need to be answerable and accountable to the fullest extent to their stakeholders for the returns they deliver on social investment.

What distinguishes such social enterprises from corporate organisations are the citizen-centric values which drive them and their commitment to reinvesting any financial surpluses in pursuit of social, environmental, welfare or cultural objectives. The managerial challenges they face are no less than in the private sector. Indeed it can be argued that the not-for-profit operating environment is not only different but in many ways more complex.

The challenge is to ensure that social ventures can be created, grown and sustained over time. The managerial and leadership skills required

in the private sector need to be adapted to, and adopted in, the third sector. While many social enterprises perceive their role as a necessary response to market or government failure, their success depends on harnessing market mechanisms and government programs to meet public interest.

This is no easy task. Australia's not-for-profit organisations face challenges that can only be met through committed management and inspired leadership driven by a strong sense of social purpose. To be successful they must raise funds, harness volunteers, recruit and retain staff who could earn more in easier jobs, assess their social returns on capital investment, and decide when and how to scale up their enterprise. They need to pursue and advocate their mission while maintaining strong relations with a diversity of stakeholders.

While sustainability and growth depend on the professionalisation of social enterprise, it would be wrong to assume that organisational capacity can be enhanced simply by transferring management skills and a market orientation from the corporate sector. Indeed improving the effectiveness of social enterprise, and generating greater social innovation, depends on learning within and between the sectors.

Businesses driven by profit need to assess the efficacy and strategic capability of their investment in corporate social responsibility and corporate citizenship. Governments need to value the contribution of not-for-profit organisations beyond the grants they receive and the contracts they administer.

Building Community Capacity

Community capacity is the infrastructure that equips a society to solve its own problems more effectively. Within the social enterprises that turn community activity into organisational structure, there are at least five key areas in which performance can be improved:

Efficient fundraising, financial management and capital allocation

Acquiring, growing and retaining talent

Consistent reporting and regulation

Scaling the work of social entrepreneurs

Creating best practice organisations.

The Centre can play a role in each of these areas, through a combination of research, teaching, collaboration and influence.

Efficient fund-raising, financial management and capital allocation

The environment within which not-for-profit businesses seek to raise funds for the delivery of community benefit is changing. Financial support from governments increasingly comes in the form of contracts for the delivery of programs rather than grants. Philanthropic foundations and corporate supporters now seek to make social investments rather than to give charitable donations. Commercial activities, not just membership fees and donations, are a crucial part of raising revenues. The management of scarce resources, and the allocation of capital, present significant challenges to social enterprises as they seek economic viability over the long term without compromising the mission of community benefit that drives them.

Acquiring, growing and retaining talent

The not-for-profit sector in Australia accounts for 7% of employment. Around 40% of adults volunteer during the course of a year. An increasing number of business leaders join the boards of social enterprises and, in recent years, a small number of business leaders have also taken up executive roles. Large numbers of young people are attracted to work in social

enterprises by the ideals espoused but, relatively poorly paid, often risk 'burnout' from the pressures they place upon themselves. In this environment the challenge of acquiring, growing and retaining talent is considerable. There are only limited facilities to train and coach the social entrepreneurs of the future and minimal infrastructure to attract new recruits, match existing talent to organisational needs or retain managers within a rewarding career in social entrepreneurship. There is an urgent need for executive programs, development structures and mentoring support.

Consistent reporting and regulation

Government has played an enabling role in unlocking philanthropy through changes to our tax framework. The results have been significant. However, unlike the UK, US or NZ, Australia, in the words of the Charities Definition Enquiry (June 2001) "lacks a clear and consistent accountability framework (that) would help to maintain and enhance public confidence in the integrity of charity and provide scope to develop a common framework of reporting requirements ...". This framework is a critical enabler for efficient capital allocation, building best practice and ensuring transparency of operation. In the

meantime, there is an obligation on social entrepreneurs to provide effective outcomes-based reporting to the diverse stakeholders who support their mission.

Scaling the work of social entrepreneurs

Social entrepreneurs have the potential to unlock new solutions to long-standing social problems. However, the majority of human and financial resources are within a small number of well-established, large not-for-profit organisations. Many other organisations survive on little but energy, enthusiasm and good ideas. The result is that social entrepreneurs are often under-resourced, and their operations are subscale, fragmented and barely sustainable. It is not known what is the rate at which new social ventures are created and fail, nor to what extent – and in what circumstances – competition, collaboration or consolidation between not-for-profit organisations will improve social outcomes. It is clear that there needs to be expanded support for organisations that are approaching social-sector problems in a fundamentally new way. Greater attention needs to be devoted to scaling community-based activity to build sustainable organisations.

Creating best practice organisations

The result of subscale, fragmented social enterprises and suboptimal capital allocation is that many organisations are not reaching their full potential. Too often good practice is not shared across the sector. There is an urgent need for teaching and research that can provide evidence-based support to measure the returns on social investment and assess how efficiently and effectively organisational capacity is delivering public benefit. Collaboration needs to be facilitated.

Feedback From Focus Groups

The Centre for Social Impact organised a series of five focus groups in Melbourne, Sydney and Canberra in April 2008. The meetings were facilitated by Richard Fleming, Michael Woodbury and Chris Yoo of Bain and Company. Peter Shergold, Vijoleta Braach-Maksvytis and Danielle Begg attended from CSI.

Following the focus groups, a working dinner was held with not-for-profit leaders and corporate executives in Sydney. What follows is feedback indicating the significant manner in which the open and robust discussions shaped views on the role of the Centre. Account has also been

taken of the views of a number of people who have emailed written comments on the first draft of the Centre's planning framework.

Inevitably there were differences of perspective expressed at the workshops. That was to be expected given the calibre, diversity and experience of those attending. On occasion there were disagreements. The issues that dominated focus groups varied. Nevertheless, a number of key messages were shared to varying degrees by most participants.

A recurring and strong concern was that the role of the Centre could be mistakenly characterised as 'fixing' not-for-profit organisations, 'smartening them up' or 'cleaning up the third sector'. It was accepted that the operating environment of social enterprises had changed significantly in the last decade. The private sector, increasingly espousing 'social responsibility', 'sustainability' or 'corporate citizenship' is now providing donations based on social investment rather than traditional philanthropy. Governments, whose funding of not-for-profit businesses has become increasingly significant, are now more likely to enter into contracts for the delivery of public services than provide grants on the basis of community benefit.

There was strong support for acknowledging the significance of not-for-profits in the teaching of socially responsible business administration. Conversely there was general recognition of the way in which the Centre's business-oriented teaching and research could enhance the organisational capacity of social enterprises.

However, discussion sometimes evoked suspicion of motives. Most focus group participants argued strongly that the effectiveness and professionalism of not-for-profit management was not simply a matter of applying market mechanisms and a corporate ethos to community-based organisations. They noted that social enterprises, driven by values of the heart, face particular and distinctive challenges. They need to harness voluntary effort, operate flat management structures, raise funds, retain employees on the basis of mission rather than remuneration and work to and with multiple stakeholders – all of this without compromising organisational goals. It was, many participants believed, a balancing act at least as difficult as safeguarding the interests of shareholders. The achievement of many not-for-profits in turning these obstacles into opportunities needs to be acknowledged and respected.

Some participants were concerned that the Centre's strategic direction might be couched in terms that could be read as patronising. The Centre should articulate its purpose not as 'helping' not-for-profits to improve their effectiveness but as providing a rigorous learning structure within which their existing capacity can be enhanced. It was considered important that the Centre explicitly recognise the existing skills and dedication of social enterprises. The role of the Centre should be couched in terms of strengthening – not creating – capacity.

Learning was seen as a two-way – indeed a three-way – process. If the Centre was to contribute to social impact, in large part it would be through focussing attention on the intersection of public, private and community interests which frame the social economy and set the bases for social entrepreneurship.

Academic excellence was seen to be a cornerstone of the Centre's foundation but, many participants argued, it should be directed to the creation of public value. Programs should contribute to generational change in the organisational capacity of not-for-profits by strengthening the skills of existing leaders and helping to educate those who would succeed them. Whilst there was a need for professionalisation of

skills in areas such as fundraising, financial and people management, scalability and governance the Centre's intellectual construct needed also to embrace greater understanding of the nature of community engagement and public policy. Many participants believed that the organisational capacity of social enterprises would necessarily be constrained by virtue of the fact that their ambitions always outstripped resources.

The issue of corporate social responsibility aroused some controversy. There was a general view that the Centre should move beyond 'CSR training' and instead focus critically on assessing and building the strategic integration of social investment and corporate sustainability into business planning and operations.

A number of focus group discussions emphasised the need for the Centre to look beyond the university campuses and 'textbook learning'. Teaching should not be confined to lecture hall and seminar room. There should be ample opportunity for experiential approaches including internships, coaching, mentoring and peer-to-peer review. A suite of Australian case studies should be developed. The Centre should seek to teach 'the next generation of people prepared to go out and give it a go' in a variety of modes and settings.

The capacity of the Centre to oversight rigorous research was seen as significant. It was beyond the capacity of most not-for-profit organisations. Research should be of high quality and academic credibility but also practical, tailored to community need and able to influence. Evidence-based empirical research is needed to underpin both the managerial ethos and political voice of social enterprises. Research should provide 'a solid foundation for action' and 'an informed basis for change'.

The issues of metrics bubbled to the surface of many discussions. There was a view across sectors that the Centre could do a great service by generating research on the measurement of social impact, the returns on social investment and qualitative evaluation of value-based goals.

The Centre, a number of participants suggested, could also play a useful role in helping the not-for-profit sector to engage globally. Its teaching and research should be linked to overseas activity. Indeed it could play a valuable role by providing an Australian clearing-house for ideas from around the world. Its role, with a small academic executive, should be to build a 'virtual' faculty of distinguished academics and leading practitioners, networked together.

Indeed, within Australia and beyond, the Centre was perceived by many participants to provide a 'meeting point' which could 'bring together' government officials, corporate executives, academics and not-for-profit leaders in a forum which – through collaboration – added value. It could disseminate best practice, increase mutual respect across the sectors and (at least indirectly) build the capacity for advocacy and social innovation. The Centre could act as a facilitator in helping to 'bridge the gaps' within and between sectors.

In conclusion, the focus groups indicated strong and enthusiastic support for the establishment of the Centre. However, like any good not-for-profit organisation, participants said, it needs to listen to its diverse stakeholders, to consult with them on a regular basis and to be answerable for its activities.

Yet the Centre should be willing to take risks. It should be ready 'to challenge the status quo'. In seeking to employ its teaching, research and facilitation capabilities to find more effective ways to achieve beneficial social outcomes, it should not be deterred – on occasion – from 'treading on toes'. Indeed that, in a real sense, would be the test of an academic Centre committed to having social impact.

The Centre would like to acknowledge the following people for their feedback on the Centre's Planning Framework:

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About our Logo

The three stems of our logo represent social enterprises, corporations and governments engaging together through the Centre to generate social innovation. Their combined strength and individuality in the collaboration help build a dynamic future.



“The Centre for Social Impact is an extraordinarily important initiative. It will make a major contribution to the effectiveness of the non profit sector as well as opening the channels of communication between business, government and the sector; and enabling that sector to play a more significant role in addressing future challenges.”

Professor Fred Hilmer AO
Vice Chancellor
University of New South Wales



“Linking business, philanthropy and the academy around a shared social responsibility agenda is a crucial task. The Centre for Social Impact will help Australians think afresh about how people and institutions work together. The University of Melbourne is proud to be a founding member of the CSI.”

Professor Glyn Davis AC
Vice Chancellor
The University of Melbourne



“The not-for-profit sector is a large and critically important part of our society. Philanthropy, service and social enterprise will significantly define Australia for the future. The Centre for Social Impact is an outstanding example of collaboration between three major Australian Business Schools to assist to develop and study this important sector.”

Professor Ian Young
Vice Chancellor
Swinburne University of Technology