

STATE OF PLAY REPORT

This paper sets out developments and activities of CSI in 2008. It deals with the following topics:

- Funding
- Advisory Councils
- Staffing
- Postgraduate program
- Undergraduate program
- Scholarships
- Research
- Executive programs
- Events
- Communications

FUNDING

1. Under the contract between the Commonwealth and UNSW the Centre is required to raise matching funding (in cash or in kind) of \$12.5 million from non-Commonwealth Government sources.
2. The goal of reaching matching funding for purposes of the Commonwealth agreement has been achieved.
3. Whilst this is a good outcome, further fund-raising is required. Since the Centre will draw down funds in the first years of operation, significant additional funding is required to build a capital base to secure the long-term sustainability of the Centre.

ADVISORY COUNCILS

4. Membership of the Advisory Councils in Melbourne and Sydney has been determined. Meetings were held in each city in August and November. The response to both meetings was positive. It was apparent from both discussions that research is a priority of the Advisory Councils. The next meetings are scheduled for November. The lists of members of the Advisory Councils are set out on the website at <http://www.csi.edu.au/advisory-council-members-sydney/> and <http://www.csi.edu.au/advisory-council-members-melbourne/>

STAFFING

5. *Associate Professor Cheryl Kernot* has commenced in the role of Director of Teaching and Learning. After a distinguished political career Cheryl has spent the last five years working in the UK as Director at the Skoll Centre for Social Entrepreneurs at the Said Business School at Oxford University and prior to that as Director of Learning at the School for Social Entrepreneurs in London. Her specialist role at the Skoll Centre was to assist and mentor start-up social businesses particularly in the delivery of innovative health services. She commenced work with CSI in September and has already participated in a number of events and is leading the design of courses and the overall project management of the Graduate Certificate program.

6. *Professor Mark Lyons* has joined the Centre on a half-time basis as Director of Research. Mark is Adjunct Professor of Social Economy at UTS, where he was previously the foundation chair of Australian and New Zealand Third Sector Research. He has researched and published widely in the fields of Australian history, social policy and social economy, and has explored the relationship between nonprofits and both government and business. He pioneered the study of nonprofit organisations and philanthropy in Australia. His book, *Third Sector – The Contribution of Nonprofit and Cooperative Enterprises in Australia*, is the first comprehensive study of Australia's third sector. He has been very successful in winning external research and development grants. He was Executive Director of ACOSS and has been a director of various nonprofit organisations.
7. *Associate Professor Gianni Zappala* has also commenced work on a half-time basis. He will design and teach the new Corporate Responsibility and Accountability course for the Graduate Certificate and will also conduct an executive program. Gianni, who has a doctorate in economics from Cambridge University, is an Adjunct Associate Professor in Government & International Relations at the University of Sydney. He has extensive experience in social science research across the university, government and nonprofit sectors in Australia and Europe. He is Director of Orfeus Research, a niche consultancy that assists organisations develop responsible citizenship strategies through research, evaluation and training. He will continue to work part-time for the Westpac Foundation.
8. *Barbara Merz* is the Editor of CSI's Knowledge Connect, which is a new quarterly journal review of information on social innovation, launched in November and available for download at <http://www.csi.edu.au/knowledge-connect/>. Barbara holds a J.D. from Stanford Law School, is a Fulbright scholar, an M.A in Political Science from Victoria University, and earned her B.A from Princeton University. She has previously worked as a business analyst at McKinsey & Company and in law firms, before joining the William and Flora Hewlett Foundation as a fellow. She was the Director of the Philanthropy Program at Harvard's Global Equity Initiative and is now an independent consultant in the not-for-profit sector in Sydney. She has edited New Patterns for Mexico: Remittances, Philanthropic Giving and Equitable Development (Harvard, 2006) and Diasporas and Development (Harvard, 2007).

POSTGRADUATE PROGRAM

9. A new Graduate Certificate in Social Impact will be available at each of the partner universities. Four new postgraduate courses will be designed for this program on a distributed learning model. These will be available as part of the Graduate Certificate or as electives for the MBA, MCom and other degrees at each partner university. In order to gain the Graduate Certificate, students need to complete the Foundation course and three other courses, of which two must be the new courses while the fourth subject can be an existing elective from the university.
10. There are four courses in draft form as the basis for discussion at the working group that has been established by the Partnership Group. The continuing course development work will involve reaching an overall framework which ensures coherence and consistency across the courses and an integrated assessment regime. The courses are:
 - The Social Economy and its Impact (Foundation Course)
The course examines the accelerating economic relationship between government, business and the third sector to deliver social (including environmental) value in communities and the way in which this drives social innovation.
 - Corporate Responsibility and Accountability
The course covers the historical evolution and development of the concept of corporate social responsibility / corporate citizenship and why it is now a key part of managing the business

enterprise and what acting responsibly means for corporations in terms of the market, community, environment, workplace and government.

- Leadership in the Third Sector (Provisional title)
This course is designed to provide students with an introduction to the challenges and opportunities of leading in the third sector including new forms of organisations, changing business practices and a shift in philanthropic practices. It will present a model of leadership that can provide guidance in this context, assisting to identify adaptive challenges for leaders who engage in the sector and to consider ways in which they might be more effective.
- Introduction to Philanthropy, Fundraising and Social Enterprise (Provisional title)
This course will introduce the history, core concepts and current issues in the fields of philanthropy, fundraising and social enterprise.

11. Individual courses will be available for students in the second semester of 2009 and the Graduate Certificate will be on offer in 2010.

UNDERGRADUATE PROGRAM

12. CSI is planning to develop an undergraduate course on “The Social Economy” for delivery at UNSW as a general education subject which would provide an introduction to the social economy. Students would examine the blurring of boundaries between government, business and the third sector along with the key changes in each sector. They would also study the trends and drivers re-shaping the dynamics of social impact and be introduced to the concepts of social innovation, social enterprises, social investment and network governance.

SCHOLARSHIPS

13. CSI has provided a number of scholarships this year to young people to enable them to expand their horizons and their learning.
14. The Centre sponsored four students from the AGSM MBA to travel to Shanghai to participate in the Innovate China competition run by the China Europe International Business School. MBA students from business schools around the world participated in this year's challenge under the theme of Corporate Social Responsibility. Team CSI qualified as one of the top teams from round one with their report on sustainable social enterprises to benefit Chinese urban poor. They flew to China to join other finalists - as the only Australian team - to participate in the Grand Challenge in Shanghai. They presented a very well received proposition on defining a foundation that would make a sustainable difference to China. They were highly commended by the international panel of experts. On their return, the team presented to a well-attended meeting of the CSR club.
15. Two scholarships were awarded in conjunction with the Chain Reaction Foundation and Jobs Australia, to attend the PRIA International Internship Program in India. PRIA is the Society of Participatory Research in Asia and is an international centre for learning and promotion of democratic governance. The winners were Alicia Mollaun, an Executive Officer in the Office of the Deputy Prime Minister and Claire Hammerton, a solicitor at Deacons law firm. They have just returned from India and reported back enthusiastically about their experiences. They will present their experiences at several events, with their reports shared on our website. The eight-week PRIA program brings together people interested in development from across the world to share and study participatory approaches to development and governance. The scholarships

include the fees for the PRIA program, return airfares and additional funds for other travel expenses.

RESEARCH

16. Two research projects have commenced and the appointment of Prof. Mark Lyons as Director of Research will enable development of a robust research program for the Centre.
17. The Workplace Giving Research Project is jointly commissioned by PricewaterhouseCoopers, the Centre for Social Impact, and all three workplace giving providers; The Australian Charities Fund, United Way and the Charities Aid Foundation. Workplace Giving is relatively new in Australia and the research project aims to understand the drivers and barriers to Workplace Giving and will provide statistical data on key success factors and the current state of play for workplace giving programs across the Australian corporate sector. On the basis of the research it is anticipated that a major Workplace Giving initiative will be launched next year.
18. CSI is joining with United Way and the NSW Community Relations Commission on a research project called 'Sydney Outside In: Making Sydney a great city for everyone'. The project seeks to draw together the philanthropic community, socially responsible corporations, local councils, NSW government agencies and community organisations to identify key community needs within the Sydney metropolitan area, and then develop and fund projects to address these needs.
19. CSI is considering running a major research conference in 2009 on the theme of 'Fundamental issues in social innovation: a research agenda'. This would involve the leading scholars from Australia and around the world setting out the framework for research in the area of social innovation. It would inform the research projects for CSI and would also probably result in a book publication.
20. CSI is entering into a pilot program with the InnovationXchange Network to provide intermediary services. The project will focus on establishing the baseline for existing research in the area of measurement and evaluation of social innovation outcomes. The intermediary will work across the CSI partner organisations, and not just the business schools, to gather cross-disciplinary research that has been targeted at the very difficult area of measurement of social innovation outcomes. The work is expected to form the basis for a strong research capability for CSI. Other participants in the pilot program are the Smith Family, and the Victorian Department of Innovation, Industry and Regional Development. Other partners are expected to join soon.
21. Peter Shergold is working with Professor Terry Andrews and Assoc. Prof. John Taylor (School of Business Law and Taxation) in the preparation of an ARC Linkage Grant proposal on the role of franchising and tax incentives in indigenous business development.
22. *Assistant Professor Thomas Schillemans*, of the School of Governance at Utrecht University, is to come as a Visiting Research Fellow to CSI (UNSW) in the second half of 2009. He is to examine the relationship between government agencies and third sector organisations in Australia as part of a comparative research project.
23. Peter Shergold has written two articles for forthcoming publication:
 - "Governing through Collaboration" to appear in John Wanna ed., Collaboration in Government
 - "Social Enterprises in Public Policy" to appear in Peter Saunders ed., Supping with the Devil? Governments and Community Organisations.

EXECUTIVE PROGRAMS

24. CSI has embarked on an ambitious range of executive programs in Sydney and Melbourne. Eight programs have been conducted between August and November. Registration numbers are building as the Centre's profile increases. Feedback from participants has generally been very positive and the courses completed to date have rated successfully in evaluations. Descriptions of each program can be found at <http://www.csi.edu.au/past-courses/>.
25. 'Preparing a compact: experience from around the world' was the first course in Sydney and was led by *Prof. John Casey*, an Australian academic who is now at Baruch College of the City University of New York. This course was conducted to inform participants in light of the Federal government's consultation on the development of a national compact with the not-for-profit sector and framework agreements that have been signed or are currently being developed in all States. The workshop, which included presentations from senior public and not-for-profit executives in South Australia, Victoria and NSW, analysed the development and implementation of existing compact process overseas and Australia. Participants analysed lessons learnt and their implications for future compact development in Australia.
26. 'Making CSR strategic' was conducted in Melbourne and Sydney in August. It was taught by *Prof. Andrew Kakabadse*, from the Cranfield School of Management and *Prof. Nada Kakabadse* from the University of Northampton Business School. The role of the CSR manager was explored and the skills required to negotiate through resistance and diversity in organisations were identified. The ethics of the CSR manager and their skill of managing dynamic executive relationships was a focal area of discussion. The teaching was based on extensive international research across eight countries which highlights that CSR attracts extensive rhetoric but little in terms of strategic application.
27. *Prof. Paul 't Hart* from the ANU and Utrecht School of Governance delivered an exciting new course called 'Exercising leadership in a shared power world'. He has trained top public servants not only from Australia but also from the UK, New Zealand and Canada. His expertise and engaging presentational skills were of enormous value in exploring how not-for-profit leaders can build more collaborative partnerships with the public servants who oversight their grants and contracts. Public and not-for-profit leaders attended together and learnt from each other's perspective. This course was conducted in Sydney and Melbourne. Cheryl Kernot and Peter Shergold participated.
28. The Centre offered a course on 'Measuring the Return on Social Investment' in both Melbourne and Sydney. This dealt with the important questions of the metrics of social value and public good. Participants were asked to analyse value from the stakeholders' perspectives to assess social return on investment. *Prof. Göran Roos* from the Helsinki School of Economics and Cranfield University will present this course, introducing his latest research and its practical implications.
29. The final program for this year was 'The Financial Management of Social Enterprises'. This was taught in Sydney by UNSW academics *Prof. Ken Trotman*, *Kevin Clarke* and *Emeritus Prof. Jack Flanagan*. It examined the financial consequences of decision-making, the ethics of financial management and introduced the concept of responsibility accounting. The course links closely with the work being done with PwC on the Transparency Awards.
30. The Centre has agreed to collaborate in the PwC Transparency Awards. These are designed to recognise the quality and transparency of reporting in the not-for-profit sector. All submissions are reviewed by a panel of experts and receive an individual feedback report. The winner in 2007 was the Juvenile Diabetes Research Foundation. Its accounts are used as a major part of CSI's Financial Management executive course.

31. A full program of executive courses is being developed for 2009 in consultation with the partner business schools.

EVENTS

32. CSI is also arranging a number of events to foster debate about emerging issues in social enterprise. Many of these events are offered in collaboration with partners and most are invitation-only occasions, reflecting their nature as opportunities for discussion with a presenter. Thirteen of these events were conducted between August and November. CSI is taking the opportunity to invite an increasingly wide range of guests to these events.
33. The Hon Julia Gillard MP, Deputy Prime Minister, launched CSI in February and hosted a lecture on social innovation which brought together the private and not-for-profit sector and senior leaders from government and academia. A number of leading social innovation thinkers and practitioners attended. Dr Geoff Mulgan, the director of the London Centre for Social Innovation, also presented.
34. CSI hosted a *CEO's dinner* in May which brought together the not-for-profit and corporate sector to engage in open discussion about issues facing the not-for-profit sector and CSI's potential in helping to address them. It was clear from the discussion that not-for-profits face shared challenges, and also that CSI can be a valuable neutral meeting place for debate generating new ideas and collaborative approaches.
35. *Charles Leadbeater* addressed a well-attended CSI seminar hosted by the Melbourne Business School on 16 September. It explored approaches to social innovation. Charles is a senior advisor to government and business who writes regularly for the Financial Times and has most recently authored *We-think: The Power of Mass Creativity*. He reflected on radically new approaches to public innovation in the UK that move beyond the 'industrial public sector' of the past. He spoke about regarding the recipients of programs as principals able to promote their own solutions to social problems and the centralising of relationships to improving outcomes. The seminar was followed by a small dinner hosted by CISCO.
36. The first Canberra event was held on 17 September when *Geoff Mulgan* addressed dinner guests from not-for-profits, corporates and government to hear his ideas about the complex relationship between governments and civil society. He considered how to open up public services and the potential danger of scale. He looked at more flexible and responsive approaches to working with local community organisations as a means of promoting social innovation. Geoff is Director of the Young Foundation in the UK and previously held various roles in the UK government including director of the Government's Strategy Unit and head of policy in the Prime Minister's office. He most recently authored *Good and Bad Power*.
37. *Steven Rathgeb Smith*, a Professor at the University of Washington, addressed a dinner in Sydney on 18 September. Steven discussed the changing role of not-for-profit agencies in providing public services and responding to social problems in the USA. He talked of the challenges presented to governments, public services and not-for-profit organisations by the contracting out of public programs. His analysis of American experience is highly relevant to Australia. He wrote *Nonprofits for Hire: The Welfare State in the Age of Contracting*.
38. The Macquarie Group Foundation organised a number of events for CSI at which *Woody McCutchen* spoke to audiences of philanthropists and not-for-profits. Two events were held in Melbourne and two in Sydney. Woody is at the Edna McConnell Clark Foundation in New York. He described the Foundation's capacity building initiative (based on capital creation) and spoke about improving funding models in Australia.
39. In October, Peter Shergold, Cheryl Kernot and Michelle Haber, Executive Director of the Children's Cancer Institute Australia, hosted a panel of discussion on the new world of social

enterprise a *UNSW Brainfood* event. The discussion was moderated by Richard Spencer, CEO of the Benevolent Society and was presented to an audience of The University of New South Wales Alumni.

40. In October, CSI collaborated with the Qantas Foundation to host the inaugural Qantas Foundation Lecture in Social Impact. This was presented by Lord Michael Hastings, International Director for Corporate Citizenship at KPMG.
41. In Canberra in November, CSI brought together senior public servants and not-for-profit leaders for a discussion of new, community-based approaches to the making of public policy. This dinner was addressed by *Martha McCoy* and *Patrick Scully* from Everyday Democracy, an internationally-renowned American social enterprise that helps communities find ways for all kinds of people to think, talk and work together to achieve the challenges that they face.
42. In Sydney in November, CSI brought together emerging leaders from the not-for-profit sector and philanthropic endeavour to discuss the challenges associated with leadership in the social enterprise space.
43. Goldman Sachs JBWere hosted events in Sydney and in Melbourne. These were offered in conjunction with the Asia-Pacific Centre for Philanthropy and Social Investment at Swinburne. The events brought together some leaders in this field to explore the issues presented by the present economic crisis and its implications for how the community sector sources and spends philanthropic funds and how philanthropists decide what to do with less.
44. CSI anticipates that it will hold 50 executive programs and events in 2009.

COMMUNICATIONS

45. Website. The website went live in the middle of July for the opening by the Governor-General. It has been designed to encourage partners and contributors to browse the site to find information of interest in breaking news and to access resources. It is updated regularly and users are reporting it is easy to navigate. One of the new components of the site is 'Conversations', a series of a series of informal podcasts, each five to ten minutes, on the big issues in social impact. Speakers are leaders in their fields. Those uploaded to date have spoken at our events: Woody McCutchen, Steven Rathgeb Smith, Geoff Mulgan, Charles Leadbeater, Paul 't Hart, Goran Roos and Kevin Clarke.
46. Newsletter: a monthly electronic newsletter, entitled 'CSI Update', is now sent to about 1,800 subscribers. This contains items about activities of the Centre and also news related to social enterprises.
47. Knowledge Connect: is a quarterly literature review of the latest thinking on social impact. It provides succinct summaries of publications noteworthy to social sector leaders and innovators. Through its editorial selection from a broad and eclectic swath of international sources, Knowledge Connect seeks to stimulate dialogue within the social sector. Editions will be distributed electronically each quarter with the CSI update and are available on the website at <http://www.csi.edu.au/knowledge-connect/>.
48. Public Profile. Between May and December Peter Shergold will have spoken at 40 major events in order to increase the visibility of CSI and to build interest in its activities. These include the major conferences of Philanthropy Australia, Volunteering Australia, Jobs Australia and the Associations Forum. Among the keynote addresses are the Neil Walker Memorial Lecture (CPA Australia), the Kenneth Jenkins Oration (National Disability Services Conference) and the Spann Oration (Institute of Public Administration). The full list is set out in the attachment.

Prof. Peter Shergold – 2008 Public Presentations

3 April	“Occasional Address” UNSW Conferring of Awards, Sydney NSW
13 May	“Shaping the Future: The Big Ideas” Future Summit, 2008, Sydney NSW
21 May	“Living with and Advising Political Leaders” Australia New Zealand School of Government Seminar, Melbourne, Vic.
5 June	“Harnessing Social Impact: The Challenge of Working for Community Benefit” Australia’s Disability Employment Network Conference, Canberra, ACT
6 June	“Touch Your Heart. Challenge your Mind” SVA Circle Lunch, Sydney, NSW
11 June	“Managing Crises at the Centre of Government” Public Service Leadership Across Borders (Australian module), Sydney, NSW
12 June	“The Challenge Facing Social Enterprises” (panel discussion) CSR Club, Australian Graduate School of Management, Sydney, NSW
15 June	“Tradition and Reform: Modernising Public Service” Government of the Future Seminar, Kuala Lumpur, Malaysia
3 July	“New Challenges for Not-for-Profit Organisations” Perpetual Foundation Forum
22 July	“The Future of CSI” UBS Lunchtime Dialogue, Sydney, NSW
29 July	“The Distinctive Challenges of Social Enterprises” Coleman & Greig Breakfast Seminar, Parramatta, NSW
3 August	“The Centre for Social Impact” Nonprofit Leaders Workshop 2008, Terrigal, NSW
5 August	“Opportunity Knocks? The Uneasy Relationship Between Public Purpose and Community Benefit” Harvard Club of Australia AGM, Sydney, NSW
6 August	“Preparing a Compact: Future Directions in Australia” the Centre for Social Impact, Executive Program, Sydney, NSW
20 August	“New Approaches to Public Policy: The Emergence of the Third Sector” Executive Leadership Group Victoria Conference, Torquay, Vic.
28 August	“Social Impact: Harnessing the Vision of Non-Profit Associations” Associations Forum National Conference, Sydney NSW

- 3 September "The Social Impact of Volunteering"
National Conference on Volunteering, Gold Coast, Qld
- 10 September "The Future of the Non-profit Sector"
Jobs Australia National Conference, Brisbane, Qld
- 16 September "Social Innovation, Social Impact; A New Australian Agenda" (panel discussion)
the Centre for Social Impact, Melbourne, Vic
- 18 September "Dealing with Governments: The View from the Not-for-Profit Sector"
Australian New Zealand School of Government, Sydney, NSW
- 23 September "Leadership in a Changing Environment"
Gippsland Community Leadership Program, Morwell, Vic.
- 25 September "Public Entrepreneurship: Public Servants, Community Leaders & Citizens"
Victorian Department of Human Services, Melbourne, Vic.
- 13 October "The New World of Social Enterprise"
UNSW Brainfood, Sydney, NSW
- 15 October "Financial Crisis and Corporate Responsibility: A Conversation Starter", PWC
Executives Seminar, Sydney, NSW
- 15 October "Contracting out Government – Collaboration or Control?"
The Neil Walker Memorial Lecture
CPA Annual Conference, Melbourne, Vic.
- 17 October "Rules of the Sandbox: Can Corporate Grantmakers and Governments Play
Together?" (panel discussion)
Philanthropy Australia Conference, Sydney, NSW
- 23 October "The Social Economy"
European Australia Business Council Lunch Forum, Sydney, NSW
- 24 October "The CSI: Building a New National Institution"
Philanthropy Australia Corporate Network, Melbourne, Vic.
- 27 October "Articulating Animal Welfare: Challenges and Opportunities"
RSPCA Annual Conference, Canberra, ACT
- 30 October "Exercising Leadership in a Shared Power World"
CSI Executive Program, Melbourne, Vic.
- 30 October "Improving the Political Effectiveness of Social Enterprises"
Annual Government Relations Summit, Canberra, ACT
- 7 November "What Makes a Good Leader?"
FaHCSIA Seminar, Canberra, ACT

- 10 November "Building the Capacity of Not-for-Profit Management"
NSW Council of Social Services AGM, Sydney, NSW
- 12 November "Brave New World? Challenges for the Future"
International Not-for-Profit Convention, Brisbane, Qld
- 12 November "Is Remote Australia a 'Failed State'?"
Australian Rural Leadership Foundation, Canberra, ACT
- 13 November "Exercising Leadership in a Shared Power World"
CSI Executive Program, Sydney, NSW
- 19 November "Collaboration for Public Good? The State and the Third Sector"
The Spann Oration, Institute of Public Administration NSW, Sydney, NSW
- 26 November "The Role of Small Community Organisations and Locally-based Charities"
Western Sydney Community Forum, Parramatta, NSW
- 27 November "The Importance of Social Responsibility"
Pymble Ladies College Speech Night, Pymble, NSW
- 29 November "The Changing Nature of the Humanitarian Response" (panel discussion)
Australian Red Cross Annual Conference, Brisbane, Qld
- 1 December **The Kenneth Jenkins Oration**
The National Disability Services Conference, Canberra, ACT