

Introduction

The intent of this paper is to present the business case for the potential for ICT to enable nonprofit organisations and to enhance their effectiveness and operational efficiency.

The nonprofit sector in Australia encompasses over 700 000 organisations. They play an important role in developing Australia's economy and social wellbeing. Nonprofit organisations cover a wide field of activities such as education and research, culture, leisure, health, community services, business, trade and professional associations. They vary from small local sporting associations to industry representative bodies, regional development organisations, arts and cultural societies, charities and community assistance agencies.

A majority of Australians is involved in the sector through participation as volunteers or as members of clubs and associations. As much as 65 per cent of the population belong to some type of nonprofit organisation.

The common feature among nonprofit organisations is the role they play in developing and nurturing both geographic communities and those formed on the basis of shared interests, common purpose, professional practice or life circumstances. These organisations use established social networks and are entrenched as focal points within local communities. They act as important centres of trust, connection and support for the people they serve.

This paper treats nonprofit organisations as a priority sector for the Australian economy and society. As a group, nonprofit organisations attract varying definitions, concepts and names—such as the third sector, community sector, voluntary sector and the not-for-profit or nonprofit sector. Its diversity makes it difficult to establish a generally agreed definition (Lyons 2001; Melville 2003). Common to all the definitions, however, is a set of values, voluntary participation or contribution and service to members or to the wider community. The term 'nonprofit sector' is used for the purpose of this paper.

The Australian Government is committed to assisting nonprofit organisations. Since 1999 the Prime Minister's Community Business Partnership, consisting of prominent community and business figures, has advised the government on collaboration between their sectors. At the Prime Minister's Awards for Excellence in Community Business Partnerships in December 2002 Prime Minister John Howard stated:

We need to continue to nurture and encourage the great welfare organisations of Australia whose coalface understanding and experience of people's adversity and life's challenges is unrivalled and unmatched by the experience of other sectors of the community. We need also to harness the generosity of individuals and we need of course to tap the generosity and the spirit of those within the business community who wish to play a full role in our community.

(Howard 2002)

Australia's Strategic Framework for the Information Economy 2004–2006 (DCITA 2004d) identifies the nonprofit sector as a priority area. It notes, however, that the technological skills, facility and knowledge of many nonprofit organisations, as well as many small and medium enterprises (SMEs), are still underdeveloped. Small enterprises are those with up to 20 employees and medium enterprises have 20 to 199 employees.

A key priority for the strategic framework is to develop the capability of nonprofit organisations and SMEs to participate in the information economy.

Some nonprofit organisations provide a supportive environment in which people facing disadvantage can acquire the ICT skills and confidence to improve their quality of life and prospects. Many more nonprofit organisations, with their high level of community engagement, are uniquely placed to further extend the economic and social benefits of ICT to their members, volunteers, the people they serve and the wider community.

Increased use of ICT would benefit the many millions of Australians assisted by nonprofit organisations and potentially those many Australians who are volunteers or are members of clubs, associations and organisations. The reliance on volunteers is a unique quality of the nonprofit sector. Section 2 of the paper examines the economic and social contribution of the sector including the value of volunteering, which in Australia is estimated to be worth billions of dollars annually.

Why is ICT important to the nonprofit sector?

The use of ICT, in particular use of the Internet, email and related online technologies, can bring people together in active community participation as well as enhance networking opportunities. ICT can impact on many parts of an organisation's work—from fundraising to finance, from campaigning to internal communications—whether the organisation is a charity, a sporting club, a small voluntary group or a large incorporated agency.

While nonprofit organisations have different objectives from those of businesses operating commercially, a significant number of nonprofits are moving to adopt a comparable standard of operational efficiency through improved use of ICT. For some nonprofit organisations this is in recognition of their size and financial operations, while for others it is to perform better in an increasingly competitive environment in the services marketplace. Examples of organisations facing the latter imperative are The Salvation Army and Mission Australia, which compete with private sector agencies in offering government-funded employment services.

The strategic use of ICT can significantly enhance financial and administrative activities, communications with other organisations and the provision of services to clients and members.

There is also considerable potential for the nonprofit sector to use ICT, particularly online technologies, to create economic and social benefits for individuals and communities through enhanced community capacity, social capital (or social connectedness) and cohesion. A high level of community connectivity can break down

isolation, enhance ICT skill levels, aid the acquisition and transfer of knowledge and promote mutually beneficial partnerships and alliances.

While nonprofit organisations are increasingly adopting ICT to transform their operations and the ways in which they engage with stakeholders, deployment remains uneven. Many small organisations struggle to acquire the means and capabilities to become effective users. *The Community manifesto – Valuing Australia's community groups* notes that:

The technological revolution offers enormous opportunities for community groups, as well as enormous stress. The falling prices of computer-based equipment and the increasing electronic interconnection of society have brought powerful instruments within the reach of any group that knows how to use them; however, much of that knowledge has not been taken up by community groups. High costs and poor training have meant that many of the socially marginalised grassroots groups who need the technology most are instead falling still further behind ...

Many community groups lack the knowledge, skills and funding to make full use of the potential of the new technology for increasing participation, improving advocacy, providing social support, and transferring strategies across the sector.

(Our Community 2003, pp. 16, 18)

This is reflected in the very high demand by community groups for recycled computers and for assistance such as the Australian Government's Volunteer Equipment Grants Program administered by the Department of Family and Community Services (FaCS). Experience from initiatives such as the New South Wales Government's Better Service Delivery Program, a collaboration with the New South Wales Council of Social Services (NCOSS), also supports the view that many small community organisations and groups have very low ICT capability.

The current picture of the adoption of ICT, impediments to uptake and the potential of new technologies is presented in Section 3, which also considers government initiatives that encourage communities to go online and the motivation for the sector to improve its capacity.

Section 4 further explores the motivation for nonprofits to move online, with case studies that demonstrate effective applications of ICT by nonprofit organisations in Australia and draws on their experience to raise some observations and points for discussion.