

DIGITAL TECHNOLOGY IN THE NOT-FOR-PROFIT SECTOR REPORT

November 2024

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We are based on the lands of the Wurundjeri, Kurna and Turrbal peoples, the Traditional Custodians of the land, waters and knowledge for this place, where we gather to collaborate and strengthen communities.

In our work, we recognise the importance of Country – not just as a place, but how it also maintains community, family, kin, lore and language.

We pay our respects to Elders, past and present. This always was, and always will be Aboriginal land. We support the Uluru Statement of the Heart.



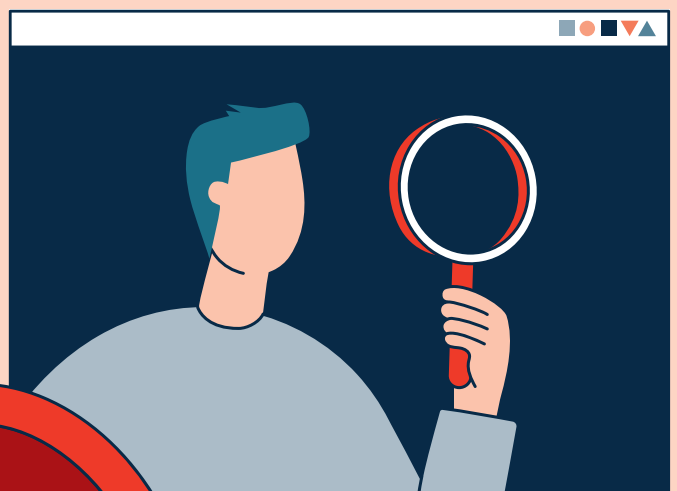
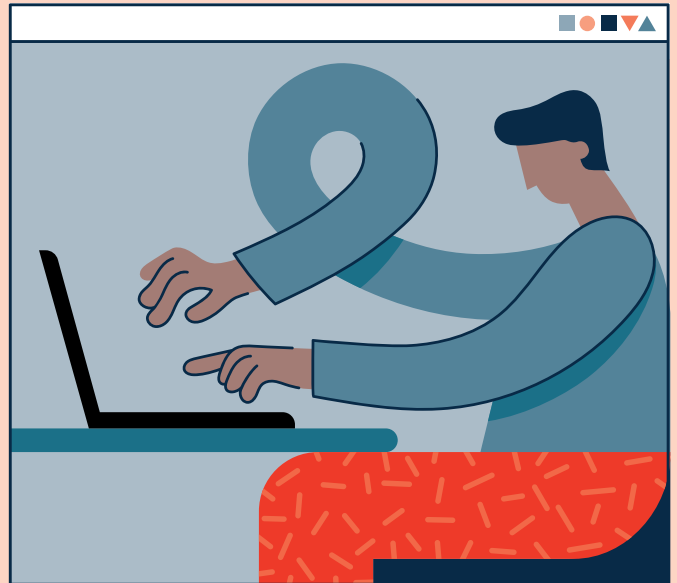
ABOUT THIS REPORT

The Digital Technology in the Not-For-Profit Sector Report is an annual research project conducted by Infoxchange, a not-for-profit social enterprise with a vision of technology for social justice.

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

Now in its ninth edition, this report provides a benchmark for all not-for-profit organisations to ensure they are making the most effective use of technology to achieve their mission.

This year, the report continues to explore emerging and critical topics such as artificial intelligence (AI), cyber security and data systems. The report also explores technology as an enabler of our sector's work in facets such as remote working, digital capability, marketing and communications and much more. The report concludes with a resource section to provide further guidance to not-for-profits on the explored topics.



WHO WE ARE



Infoxchange is a not-for-profit social enterprise that has been delivering technology for social justice for 35 years. With over 140 staff across Australia and New Zealand, we tackle the biggest social challenges through the smart and creative use of technology.

We work with community, government and corporate partners to solve issues around homelessness, family violence, mental health and disability, as well as supporting First Nations communities, women, youth and families.

Our products and services are used by over 38,000 government and community services. We provide the right tools to improve efficiency and deliver greater impact.

We believe no one should be left behind in today's digital world. Through our work in digital inclusion and social innovation, we use technology to empower people experiencing disadvantage, driving social inclusion and creating stronger communities.

We are Australia and New Zealand's leading not-for-profit dedicated to using technology to improve the lives of people experiencing disadvantage and the organisations that support them.

Infoxchange is an ACNC registered charity, and a certified Social Trader – a social enterprise existing to make the world a better place.



Infoxchange timeline

1989	Infoxchange begins life as <i>The Housing Bulletin Board Network</i>
1995	<i>The Service Directory</i> is born
1996	Infoxchange launches <i>IT services</i> to help improve the IT efficiencies of not-for-profits
1998	Infoxchange launches the first community sector jobs board in Australia
2001	<i>GreenPC</i> is established to provide refurbished computers to people in need
2004	S2S, the first web-based system that allows referral, assessment & client information sharing between agencies is developed
2007	Our SRS client and case management system is developed
2011	<i>The Specialist Homelessness Information Platform (SHIP)</i> is developed to support homelessness services
2016	<i>Ask Izzy</i> , a website to support people affected by homelessness is launched
2017	<i>The Australian Digital Inclusion Alliance (ADIA)</i> is established
2018	<i>Infoxchange</i> , <i>Connecting Up</i> and <i>TechSoup New Zealand</i> officially join forces
2021	<i>The Digital Transformation Hub</i> is created to help not-for-profits make the most of digital technologies
2023	<i>The Data Catalyst Network</i> is launched to better disrupt cycles of disadvantage
2024	After 30 years, the <i>Connecting Up</i> conference is rebranded as the <i>Technology for Social Justice</i> conference



A MESSAGE FROM THE CEO

The not-for-profit sector has continued to navigate an era defined by rapid change and increasing complexity. The challenges we face – whether they be rising demand for services, resource constraints, or the evolving landscape of digital threats – are significant. Yet, it's within this context that we find opportunities for growth, innovation and impact.

I'm delighted to launch the ninth edition of the Digital Technology in the Not-For-Profit Sector Report. It contains the most comprehensive insights into the sector's use of digital technology across Australia and New Zealand.

This year's report, informed by the insights of 765 participating organisations, provides a comprehensive view of how not-for-profits in Australia and New Zealand are navigating the rapidly evolving digital landscape. I extend my gratitude to all the organisations who participated in this year's survey and to our partners who continue to support our mission.

At Infoxchange, we have always believed in the power of technology to transform lives and strengthen communities. Over the past year, we've seen incredible strides forward in how not-for-profits are leveraging technology to enhance service delivery and improve outcomes for the communities they serve. From the adoption of AI-driven tools to the focus on improving cyber security and data systems, it's clear there is a real appetite for progress across our sector. We've witnessed this embrace of new technology by the sector in all of Infoxchange's offerings this year: in the uptake of our client and case management data tools, in the strong engagement of AI themes at our Technology for Social Justice conference in May, in the discussions held in our Data Catalyst Network, and in the record high attendance at our learning sessions via our Digital Transformation Hub.

But we have much to do. The need for continued investment in digital infrastructure, the importance of upskilling staff, and the ever-present threat of cyber attacks remind us that the journey towards digital maturity is ongoing. As we look ahead, it's clear that our sector must remain agile, adaptable and committed to leveraging technology in both innovative and responsible ways.

Budget limitations were identified as the top challenge this year, and 25% of organisations reported rising operating costs that further strain their digital capabilities. We support calls for meaningful technology investment from Federal government into a sector that does so much heavy lifting for the betterment of all Australians and New Zealanders.

The findings in this report offer a roadmap for the future and emphasise the need for continued investment in digital technology by all not-for-profits. I hope the insights contained within these pages inspire you to take the next steps in your digital journey. To further assist not-for-profits on their journey, we've provided a comprehensive page of helpful resources including guides, webinars and templates to help organisations upscale their digital capability in all areas and topics explored this year. You'll find the resources section via a QR code at the end of this report.

David Spriggs
CEO, Infoxchange



At Infoxchange, we have always believed in the power of technology to transform lives and strengthen communities.





EXECUTIVE SUMMARY

This report provides comprehensive insights into how the not-for-profit (NFP) sector in Australia and New Zealand have used technology during the past year. We are grateful to the 765 organisations that participated in the survey.

Budget is a key challenge for organisations this year, with many organisations reporting they're struggling to finance technology. Budget and funding opportunities are the top challenges identified by the sector, limiting their ability to deliver digital transformation projects. Twenty-five percent of organisations have experienced increased operating costs, further challenging their digital capability.

With volunteers and frontline staff working in a sector under pressure, NFPs must not lose sight of digital strategy despite financial constraints. This year's report found that when a technology plan or IT strategy is in place with an approved budget, staff satisfaction improves by 28%, underscoring the importance of strategic planning.

This year's report shows that NFPs expect more from digital technology to support efficient service delivery impact. Only 38% of organisations agree that their staff are satisfied or better with how they use technology. Staff satisfaction has decreased by 6% since last year and 15% since 2021.

More than one in 3 organisations (38%) rate their organisation as "intermediate" when evaluating their overall approach to technology and technology-related decisions, a decrease of 5% since last year. Fifty percent of NFPs report that their staff and volunteers are confident or better with using the technology and systems required to perform their roles – no change since last year.

Cyber security remains a key challenge for the sector – 57% of responding organisations do not have multi-factor authentication (MFA) for all internet-facing information systems holding sensitive information. This is a critical concern, but it's an improvement from last year, when 62% reported not having MFA turned on for all internet-facing information systems.

Only 20% of organisations reported conducting regular cyber security awareness training for staff and volunteers on security-related threats and risks. This is up 8% from last year, but there is significant room for improvement, with a myriad of resources available for cyber security education. Only one in 5 organisations have a plan to improve their cyber security protections.

Overcoming the challenges of utilising data has rapidly become a top priority for NFPs. Nearly 80% of organisations' systems either don't enable or only partially enable the organisation to understand the impact of their services and outcomes, however 37% of NFPs now rank data and reporting for evidence-based decision-making as their top technology priority for the next 12 months, up from 17% last year.

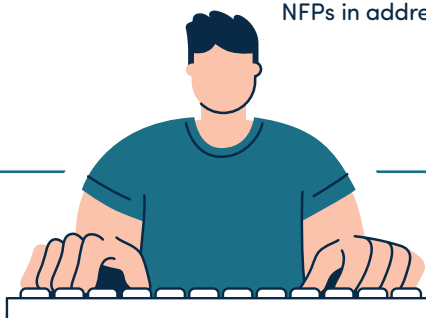
And while 76% of organisations reported they are now using generative or conversational artificial intelligence (AI), only one in 3 organisations are investing in AI within their organisation.

The resource section at the end of this report aims to support NFPs in addressing the discussed topics.

Key findings:

77%

of organisations don't have systems that allow them to effectively understand the impact of their services.



76% of organisations report that staff are using generative or conversational AI tools (a rise of **52%** from last year).

1 in 2

organisations don't have multi-factor authentication (MFA) for all internet-facing information systems holding sensitive information.

37%

of NFPs rank data and reporting for evidence-based decision-making as their top technology priority (up from **17%** last year).

28%

improvement in staff satisfaction when a technology plan or IT strategy is in place.

#1

Budget and funding is the top challenge organisations have building their digital capability.

THE BIG PICTURE



The cost-of-living crisis has continued to place enormous pressure on our communities. Over 7 million searches for help via Ask Izzy and our nationwide Service Directory – the highest on record – tell us that community services are seeing unprecedented demand. Over the past 12 months, we have seen an increase of over 30% in service demand from people experiencing hardship. In May 2024 alone, we logged over 300,000 searches for help, a new record number of searches in a single month. The top search categories for the year were food and emergency relief, homelessness services, mental health and family violence support.

While this crisis may be driving NFPs to consider how technology can create more effective service delivery and reporting, reduced funding has forced many organisations to make difficult choices between the immediate needs of their clients and the long-term investments necessary to secure their digital future. On top of this, cyber attacks are on the rise, and emerging technologies that can amplify impact like AI also introduce new risks.

The need for digital transformation in our sector has never been more urgent. Without the right technology to drive supporter engagement, empower staff to deliver services efficiently, measure outcomes and communicate successes effectively, our sector risks falling behind. The push for greater impact and efficiency makes digital transformation essential for our future sustainability and success.



THREATS & OPPORTUNITIES



In recent times, there has been daily news coverage about cyber security, cyber breaches, ransom events and emerging technologies and their potential dangers. The NFP sector is inherently vulnerable to cyber issues for several reasons which will be explored in this report, such as the lack of funding to invest in cyber security, reduced focus on cyber safety plans, the use of volunteers and more. Innovative technologies such as AI and digital data collection present additional challenges and concerns, but they also offer the potential for greater efficiencies and impact if integration can be managed well.

SECTOR FUNDING



In recent years, government budgets have seen a tightening of financial support for the NFP sector and increased cost of living has impacted donations, pushing organisations to diversify income streams and donor strategies. Governments are expecting increased sophistication in measuring and demonstrating impact. To meet these demands, we must adopt advanced, data-driven approaches that prove our value and effectiveness. Many organisations are exploring new revenue-generating streams, with philanthropy and corporate partnerships becoming a new avenue for funding as businesses seek aligned collaboration for their environmental, social and governance (ESG) goals.

SUPPORTER ENGAGEMENT



Many NFPs are seeing a decline in volunteer hires since the COVID-19 pandemic, while supporters today are expecting more transparency and clear evidence of the impact of their contributions. The public now demands detailed insights into the projects they fund, and donors often use social media to stay engaged. As social media continues to play a critical role in supporter engagement strategies, NFPs must adapt to meet the expectations of a younger generation that is becoming a key source of public investment. Keeping supporters engaged is crucial, not just for ongoing financial support but also for maintaining accountability and trust.

WHY DIGITAL TECHNOLOGY?



In an increasingly complex and challenging environment, digital technology remains vital for NFPs to enhance their impact and improve operational efficiencies. Ensuring that organisations across the sector maximise their digital infrastructure is more crucial than ever, especially in the face of rising demand, staff burnout and persistent funding challenges.






This can take various forms, from implementing advanced data capture methods to better measure your organisation's impact to adopting MFA that safeguards sensitive staff and client information. Automating routine tasks can free up valuable time and resources. Embracing cutting-edge technologies, like AI-driven tools, can provide access to powerful software that streamlines operations.

We know that effective use of digital technology can assist NFPs in responding appropriately to workforce challenges,

inadequate or inconsistent funding and evaluating our important work to drive more interest and investment to the sector. NFPs that have invested in strong digital systems have consistently shown greater resilience, particularly in adapting to remote work and maintaining essential service delivery during disruptions. Furthermore, as society becomes more digitally sophisticated, supporters and stakeholders increasingly expect an interactive online presence.

Staying ahead of digital trends and ensuring our technology is up to the task is essential for the continued success and sustainability of our sector, which this report aims to support.



	CHALLENGED	ADVANCED	BENEFIT
TECH FOUNDATIONS PCs, phones, infrastructure & NFP Cloud platforms 	Unreliable PCs with problematic information sharing.	Best practice remote working and collaboration. Staff and management highly satisfied.	Staff can collaborate, work productively and access information anywhere.
NFP APPLICATIONS Service delivery, operational systems & web applications 	Paper or document/ spreadsheet-based systems to support service delivery.	Integrated, accessible solutions support efficient processes, service delivery and track outcomes.	Efficient processes enable staff to achieve impact.
DATA & ANALYTICS Data storage, cleanliness, analytics and visualisation 	Data is not effectively managed, and a data plan is not in place.	Data is stored in a warehouse or lake. Machine learning and predictive analytics and data strategy is in place.	Services outcomes are understood and information drives decision making.
DIGITAL MARKETING Website, social media, events & fundraising 	Limited social media presence and basic, static website.	Engaging, responsive website & social media presence supported by electronic direct mail (eDM) campaigns achieves tracked outcomes.	Attract new funders, supporters, volunteers, staff and clients.
IT MANAGEMENT IT strategy, governance, planning, value, engagement & disaster recovery 	No ICT plan; ad hoc and reactive.	Strong partnership between IT, executives & staff delivers tangible (measured) value & regular innovation. Proven disaster and business continuity plan.	Maximise impact from IT investment.
CYBER SECURITY Tech protections, risk management, education, information classification, policies & compliance. 	We'll worry about it when a breach occurs.	Best-practice technology protections, educated staff and effective processes are proven to mitigate cybersecurity risks.	Reputation, client and staff information protected.

PARTICIPANT SNAPSHOT



765 respondents participated in this year's survey across Australia and New Zealand, representing a wide range of service areas.

The majority of organisations that participated in the survey work in the areas of community development, education, training, employment, youth and family services, counselling, food relief, financial services, medical health & wellbeing, and advocacy.

More than 60% of respondents regularly engage between one and 20 volunteers. One in 5 are 100% volunteer-led.

75% of the 765 survey respondents operate in Australia.

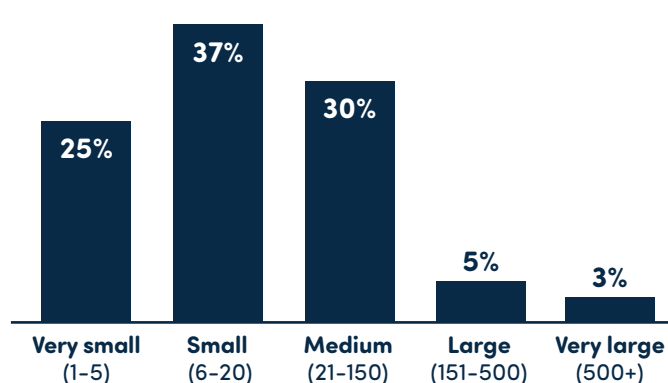
25% operate in New Zealand.



Organisation size

Volunteer-led organisation	21%
Very small (1-5 employees)	28%
Small (6-20 employees)	23%
Medium (21-150 employees)	19%
Large (151-500 employees)	7%
Very large (501+ employees)	3%

Regular volunteer size



Organisation by significant service area

Community development	31%	Housing & shelter services	11%
Education, training, business support & employment	27%	Environment, conservation, & animal welfare	10%
Counselling, youth/family, financial help & food relief	27%	Māori, Aboriginal & Torres Strait Islander services	9%
Medical, health & wellbeing	21%	Childcare services	9%
Advocacy, services for membership organisations, peak bodies	21%	Religion	8%
Disability services	17%	LGBTIQA+ support and education	7%
Aged care	15%	Creative/performing arts & media	6%
Social, sport & recreation	14%	Law & advocacy services	6%
Domestic violence services	14%	Historical society, museum, library and genealogy	6%
Philanthropy & volunteering	13%	Other^	14%

****Please note that this does not add up to 100% as many organisations provide services across multiple areas.**

^Other services include international aid, emergency and disaster relief, road safety, research, job-seeking services, tourism, fire protection, criminal justice, financial advisory, digital skills and literacy training, migrant inclusion initiatives, library services, women's services, refugee and migrant support, baby loss support services, agriculture, and veterans' welfare.

HYBRID WORKING & TECHNOLOGY FOUNDATIONS



Seventy-six percent of organisations offer hybrid working opportunities. However, less than half have all the required systems, software and infrastructure in place for technology to work well, marking a 23% reduction since 2022.

When the pandemic swept across Australia in 2020 with lockdowns keeping staff home, our sector worked urgently to support remote working for staff. Between 2021 and 2022, we saw a massive 45% increase in NFPs stating that “We have all the required systems, software and infrastructure in place and it is working well for our staff”. However, since this peak, adequate remote work infrastructure has fallen by 23%. This short-term reversion could represent a sector gradually moving back to onsite work or a sector struggling to sustain digital progress in the absence of COVID-19 funding. Over a longer timeframe, the data reveals our sector is 16% better at supporting hybrid working since 2020.

Hybrid working in some form is here to stay for most of the sector, with 76% of NFPs offering partial to fully remote work (this is particularly true for volunteer-led organisations, 69% of which report operating fully remotely). However, only 46% of NFPs have the technology they need to work remotely effectively.

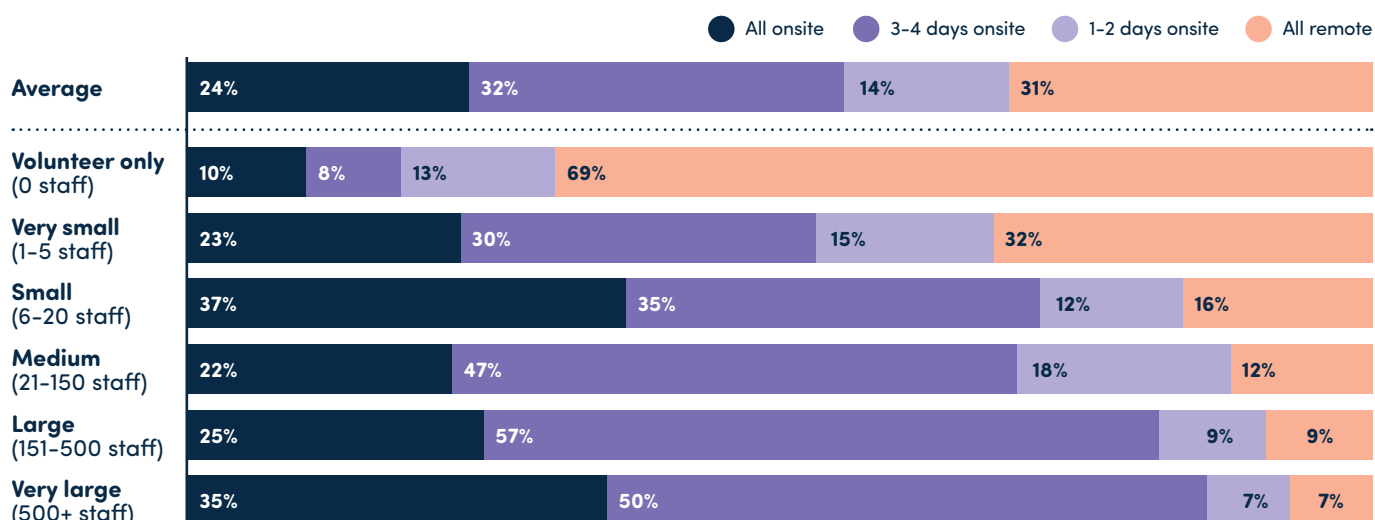
Technology foundations cover core technology components, including hardware, infrastructure, file storage and collaboration within technology environments such as Microsoft 365 or Google Workspace. They are essential

for NFPs to work efficiently and collaborate. Sixty-nine percent of respondents reported using cloud collaboration platforms to email, share files, and communicate virtually.

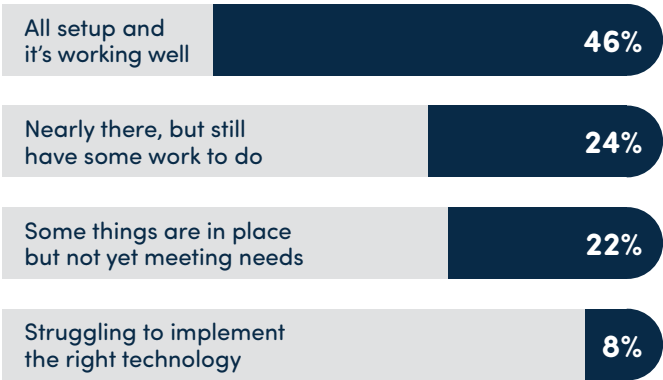
Forty percent reported that Microsoft 365 is their preferred collaboration platform. Surprisingly, one in 5 organisations reported using individual emails, including Outlook or Gmail, to collaborate. These email tools alone are not designed for efficient collaboration between teams.



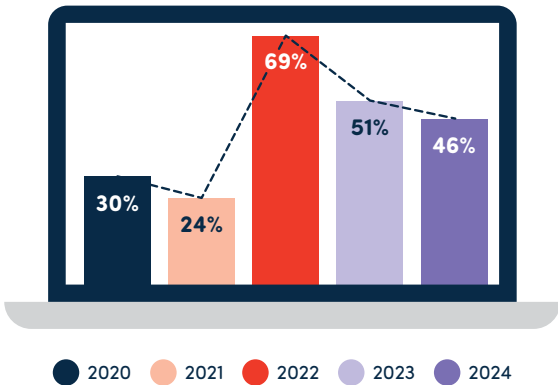
Staff work locations



How well the technology environment supports staff to work remotely



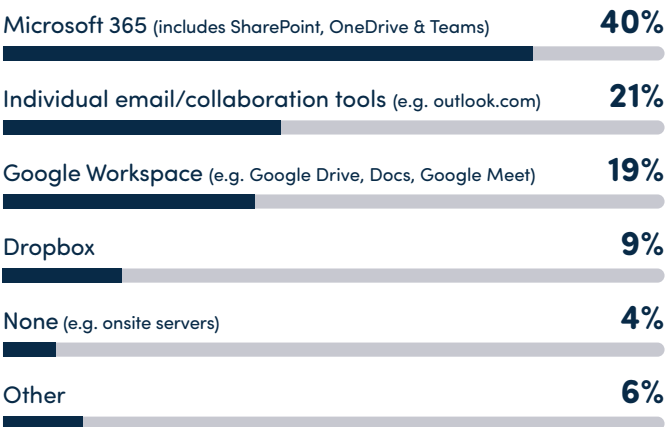
Our technology environment is "all setup and it's working well"



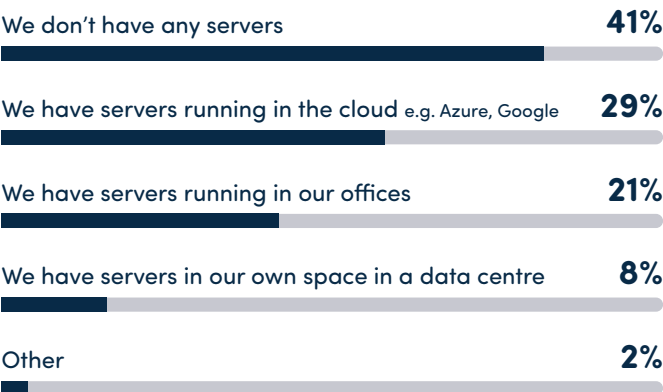
69%

of organisations are using cloud collaboration platforms to email, share files, & communicate virtually

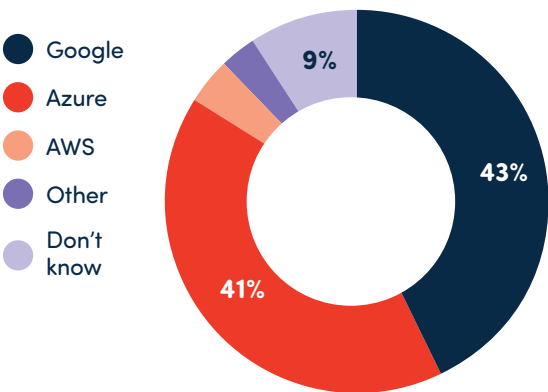
Primary cloud platform in use



Server infrastructure



Of the 29% running servers in the cloud, organisations are using:



ARTIFICIAL INTELLIGENCE



In 2024, 76% of organisations use generative or conversational AI tools, a 52% increase over the previous year.

AI can offer Australia and New Zealand's NFP sector great benefits. Use cases include generating draft content for proposals and reports, predicting future outcomes, reducing administrative efforts to allow more time for face-to-face client services and more. These benefits shed light on why 76% of organisations now report that staff are using generative or conversational AI tools.

However, the space is moving rapidly, and challenges abound. NFP discounts on AI products are rare, and many free AI tools do not commit to keeping information confidential. Standards are limited, skilled resources are difficult to find, and the functionality of individual tools is changing exponentially, meaning today's "best of breed" may be tomorrow's laggard. Key AI insights from the sector include:

- » Only one in 3 organisations are exploring or already investing in AI across their organisation.
- » Twenty percent of organisations are hesitant to use AI as they don't know enough about it, and 13% are concerned about their data security, sovereignty or privacy.
- » Forty-two percent of organisations do not see it as a priority for their organisation, potentially due to the lack of budget, skilled resources and rapidly changing AI environment.
- » Eighty-nine percent of organisations have not implemented a guideline, framework or policy to manage data and ethical risks.

Only 32% of organisations are exploring or already investing in AI across their organisation



How are NFPs using AI?

GENERATIVE / CONVERSATIONAL AI

Utilising generative AI tools (e.g. ChatGPT, CoPilot and Gemini) to produce and review relevant content – including text, images, videos and translations.

In 2023 only 24% of organisations were using generative AI; In 2024, 76% of organisations are using generative or conversational AI tools, a rise of 52%.

APPLICATIONS & PRODUCTS WITH AI BUILT-IN

Engaging with some of the systems, applications and products with embedded AI available on the market (e.g. Microsoft 365, OtterAI, Salesforce and Xero) to dramatically increase efficiency, reach, capabilities and impact in the digital space.

One in 5 organisations are currently using applications and products with AI built-in.

CUSTOM-BUILT AI APPLICATIONS

Building their own AI tools to automate and create personalised experiences and deploy interactive user-facing products that enhance service delivery.

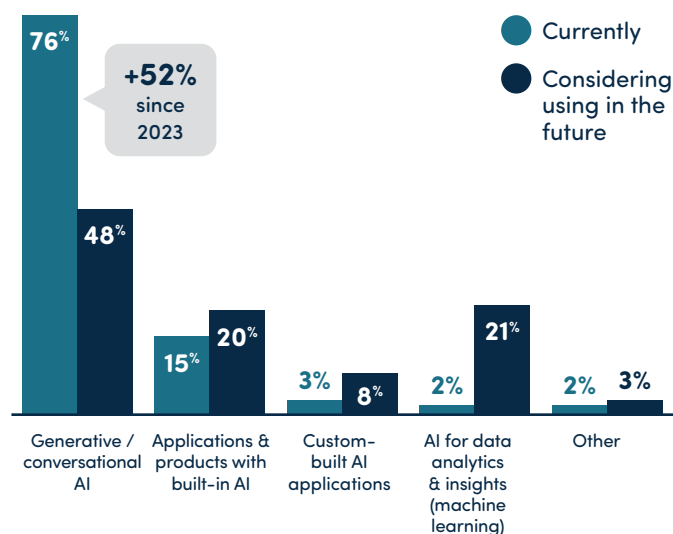
Three percent of organisations are building their own custom AI application (e.g. chatbots).

DATA ANALYTICS & INSIGHTS

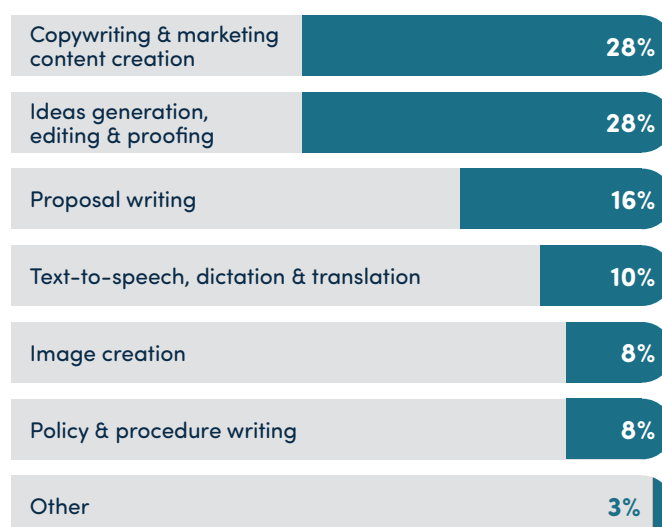
Managing, manipulating and gaining insights from organisational data to identify trends and predict future patterns and eliminate service gaps to more effectively meet their community's needs.

Twenty-one percent are considering using AI and machine learning for data analytics and insights in the future.

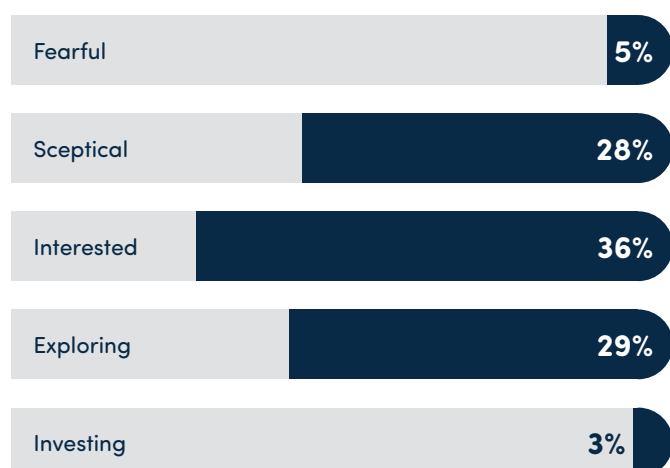
What type of AI are NFPs using and considering using in the future



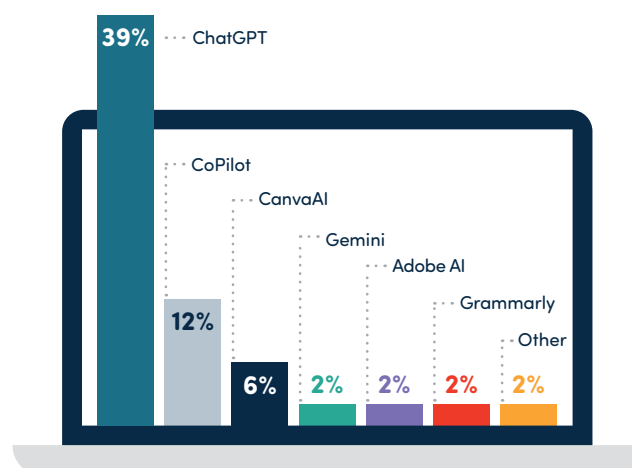
Of those using generative AI, how do they benefit from its functionality



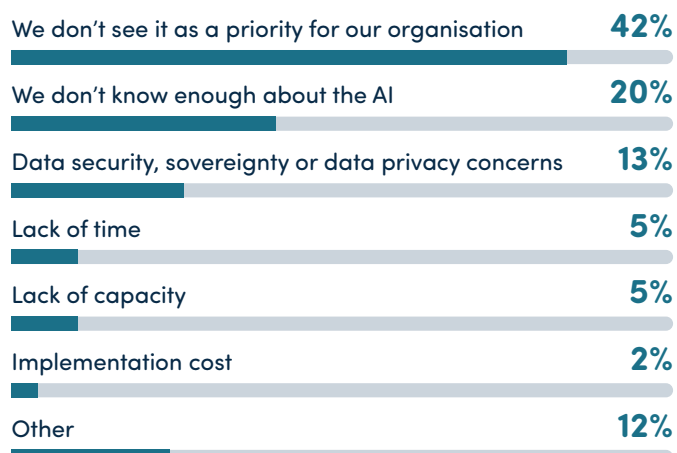
Responding organisations' appetite for utilising AI



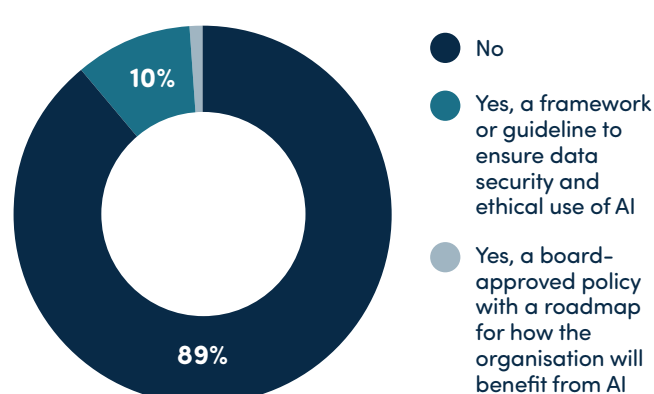
Generative AI platforms respondents would recommend to other NFPs



What is preventing NFPs from exploring AI?



Have organisations introduced an AI policy, framework or guideline?



NFP APPLICATIONS & DATA



Only one in 4 organisations agree that the quality of their data is good and readily supports their reporting and analytical needs to increase their impact.

NFP applications help organisations capture, process, analyse and report on data. They enhance efficiencies, making the most of staff time and their ability to accelerate outcomes.

Nearly half of organisations reported using a commercially available application as their primary solution to store information about their clients, members or stakeholders. This has increased by 19% since 2019 as organisations continue to move away from paper documents or spreadsheets to platforms that effectively support data collection and analytical capability.

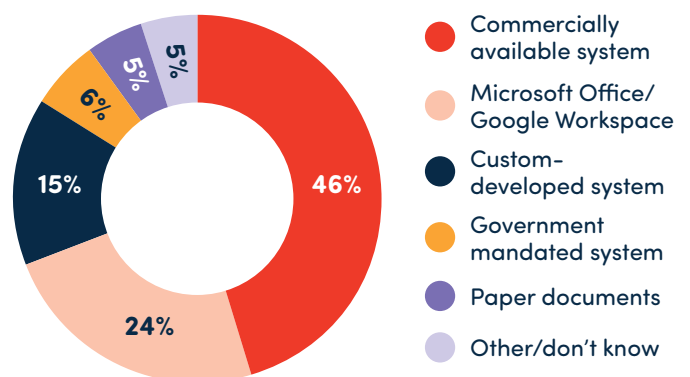
Organisations use an average of 3 concurrent platforms to store information about clients, members and stakeholders.

More than half the responding organisations agree that their systems capture valuable information about their clients. However, only 23% have systems that enable them to understand the impact of their services and outcomes.

Just one in 4 organisations agree that their data is good and readily supports their reporting and analytics. These statistics have not changed significantly since last year, but it's encouraging to see that data and reporting for evidence-based decision-making is the top technology priority, with 37% of organisations listing it at the top of their priority list on page 20.

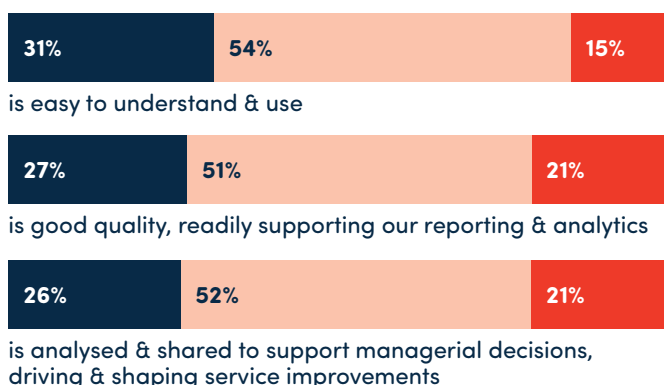


Primary system used to capture information



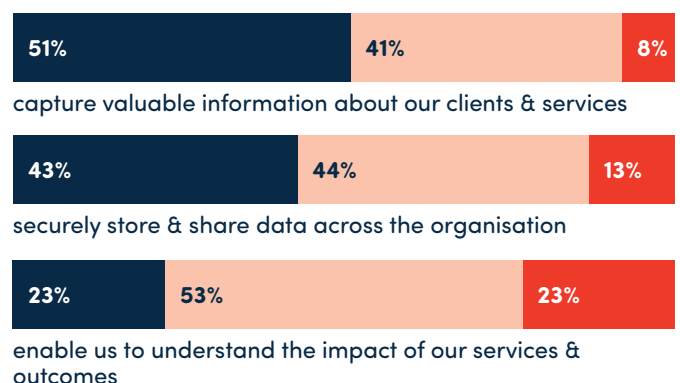
Our data ...

● Agree ● Partially agree ● Disagree



Our systems ...

● Agree ● Partially agree ● Disagree



CYBER SECURITY



Only one in 5 organisations have a plan to improve their cyber security protections.

The cyber security capabilities of the sector are at a concerning level. As cyber security incidents become more complex and common, NFPs must continue to invest in cyber protection, policies and practice.

Scams are becoming increasingly sophisticated, and no organisation is immune from the wide-ranging tactics of aggressors. Only one in 5 organisations regularly conducts cyber security awareness training for staff and volunteers on security-related threats and risks. This is an improvement of 8% from last year, but there is still significant room for improvement, especially with free resources being readily available for staff (see our resource section at the end of this report). Nearly 60% of responding organisations don't have MFA for all internet-facing information systems holding sensitive information. While this is a 14% improvement from 2022, when 62% of organisations reported they did not have MFA, it's still far short of ideal.

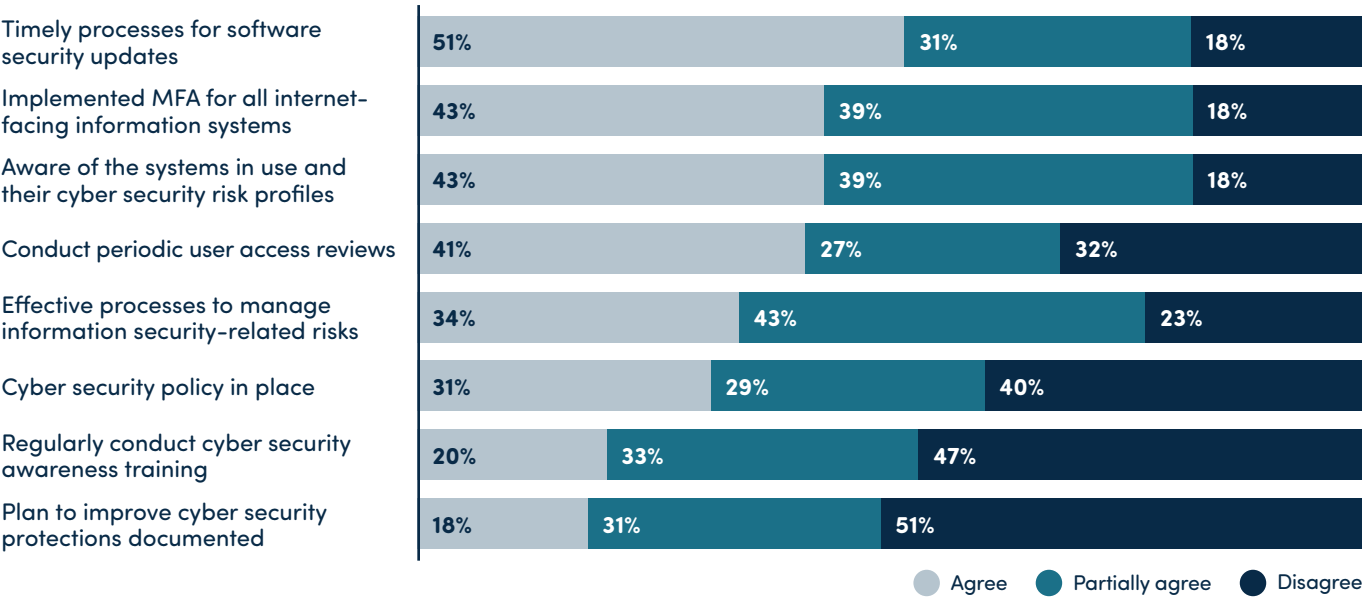
More than 40% of organisations conduct periodic user access reviews to ensure only current staff and volunteers can access organisational systems and information. One in 2 have processes to ensure software security updates are applied in a timely manner, and one in 3 have effective processes to manage information security-related risks.

Only 31% of organisations have a cyber security policy that outlines what the organisation has in place to protect its information from cyber security threats covering staff obligations, organisational processes and technical protections. Just one in 5 organisations have a documented plan to improve their cyber security protections.

It's critical that NFPs step up and implement a cyber security improvement plan, including regular cyber security training for staff and volunteers.



Cyber security processes implemented by organisations



DIGITAL CAPABILITY & SKILLS



Forty-two percent of organisations have an IT plan or digital transformation strategy in place, representing a 26% increase in 5 years. When a technology plan or IT strategy is in place, staff satisfaction improves by 28%.

On average, staff are only “slightly satisfied” with how their organisation uses technology. Over the previous 5 years of this report, most NFPs surveyed considered themselves “intermediate” when evaluating their overall approach to technology and technology decisions. This year, we saw that trend change, with most (47%) organisations now considering their organisation “basic”. This may indicate an inadequately resourced sector, or it could be capturing the sentiment of a sector struggling to keep up with a rapidly changing digital environment.

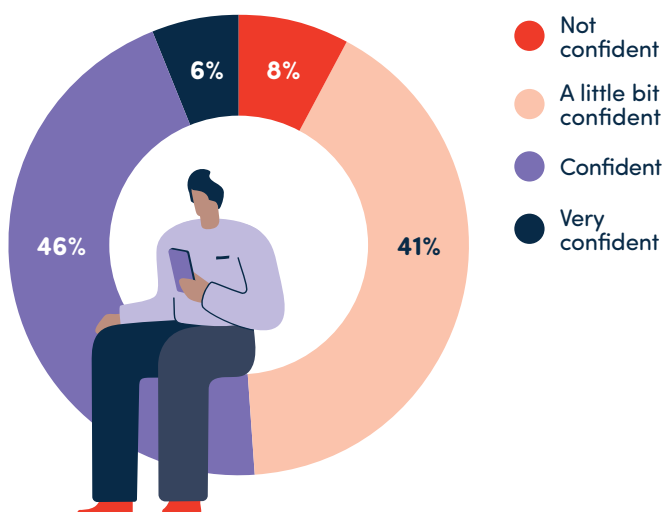
More than one-third (38%) of organisations agree that their staff are satisfied or better with how they use technology. Staff satisfaction has decreased by 6% since last year and 15% since 2021. This correlates with the 5% decrease since last year in the number of organisations stating that overall technology is intermediate. This might be due to an increased expectation of how digital technology should support client service delivery.

Organisations that are volunteer-led struggle the most with their digital capability, stating that 78% of organisations consider their digital environment as challenged or basic.

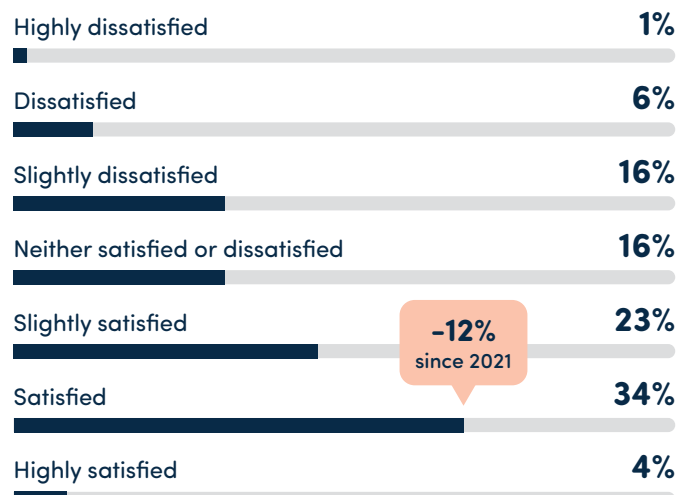
We’re seeing a positive trajectory towards proactive and robust digital/IT strategies, but our sector must do more. While we have seen an encouraging 26% improvement since 2019, only 42% of organisations have an IT plan or digital transformation strategy in place. Only 9% of organisations with a digital/IT strategy covering the next three years have their strategy endorsed by the board and aligned with their organisational strategy.



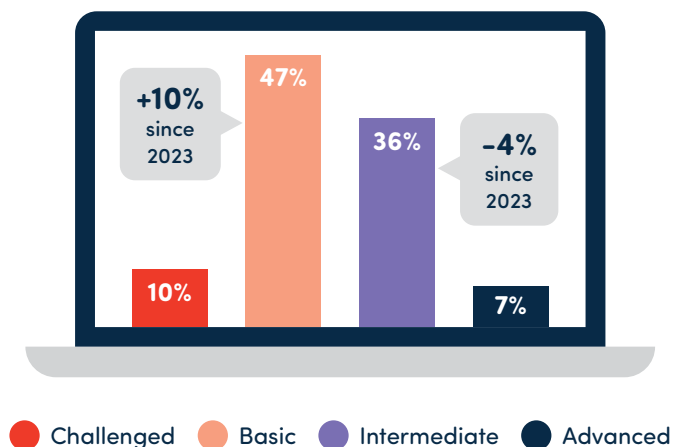
How confident are staff & volunteers with your digital technology?



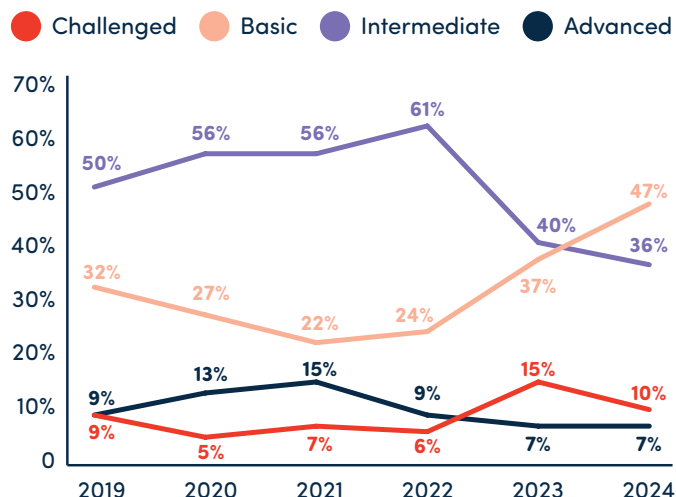
How satisfied are staff & volunteers with your digital technology?



How do you rate your organisation's technology environment?



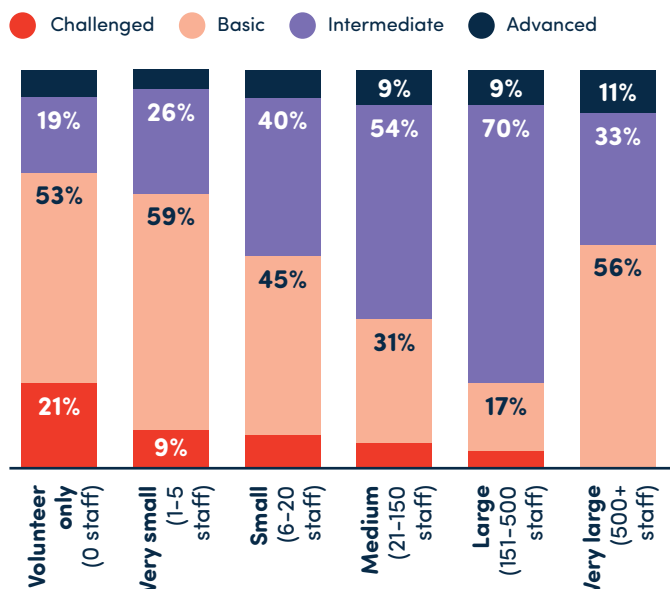
How organisations rated their technology environment over time



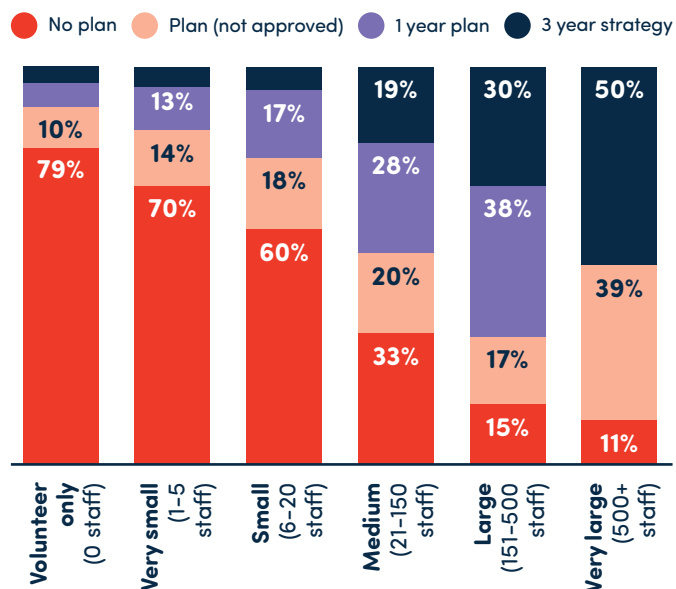
IT plans help NFPs to prepare for technological advancements as well as disruptions such as fire or cyber breaches. Without an IT plan, organisations are at greater risk of poor and potentially disastrous digital incidents and costly outcomes. Additionally, respondents reported a 28% improvement in staff satisfaction when a technology plan or IT strategy is in place. Infoxchange's Digital Transformation Hub experts recommend that NFPs of every size develop a simple technology plan focused on the budget year ahead at a minimum.



How does digital capability vary according to organisation size



Organisation's digital/IT strategy



MARKETING & COMMUNICATION



On average, organisations use 3 concurrent digital marketing tactics to communicate with their supporters, donors and clients. Twenty-seven percent of organisations use generative AI to help develop new and relevant content.

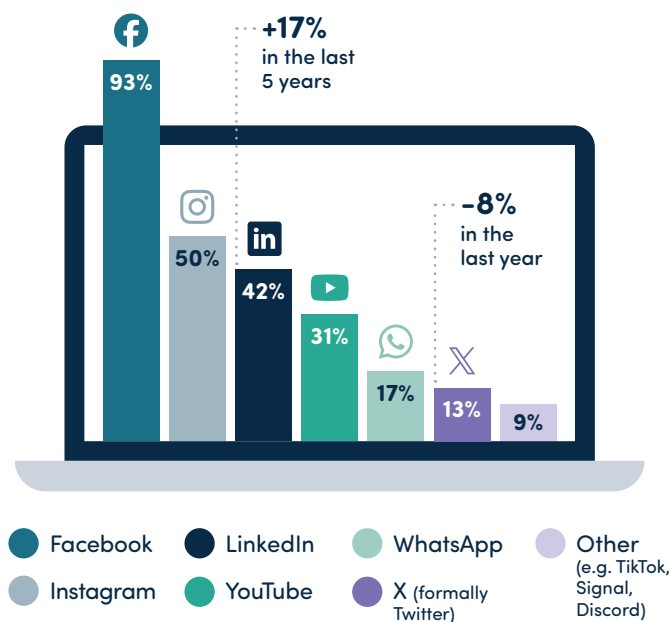
NFPs continue to see the importance of digital marketing in growing the reach and impact of their organisation's work. On average, organisations use at least 3 social media platforms.

Facebook is still the most popular social media platform for NFPs to communicate with their supporters, clients and donors. LinkedIn and WhatsApp have grown in use over the last 5 years, increasing in popularity by 17% and 11%, respectively.

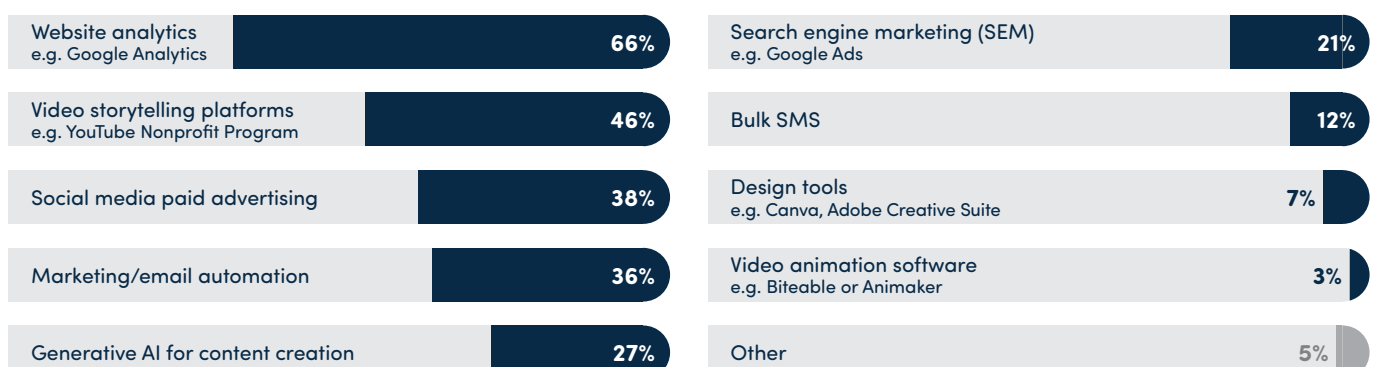
X (formerly Twitter) is decreasing in popularity. Only 13% of organisations use the platform, compared to 21% last year.

Twenty-eight percent of organisations agreed that their social media delivers value, it's worth investing time in, they get outcomes and are happy with how they use it. Only 38% of organisations, though, agreed that their website delivers value. One in 3 organisations are happy with the look and feel of their email newsletters and consider them to be integral to how they communicate with stakeholders.

Social media platforms used



Digital marketing tool/tactic



Thirty-four percent of organisations use MailChimp as their preferred email marketing system, and 13% use the email marketing feature in their preferred customer management system – an increase of 10% since 2019.

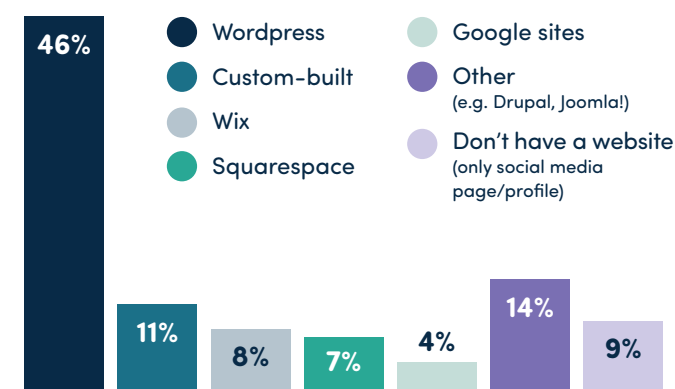
Most organisations use website analytics tools such as Google Analytics to understand their website marketing performance, and WordPress has remained the most prevalent content management platform in the last 5 years at 44% in 2023. Only 21% of organisations use Search Engine Marketing tools, such as Google Ads.

Forty-four percent of organisations seek the support of an external website developer or a web/communications agency to manage their website. Only one in 4 have a staff member or volunteer manage their website, with 17% having someone in-house with coding expertise. More than one in 4 organisations (27%) use generative AI to develop new and relevant content.

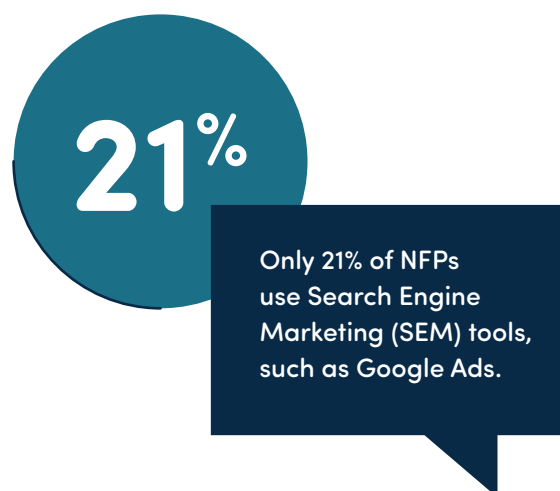
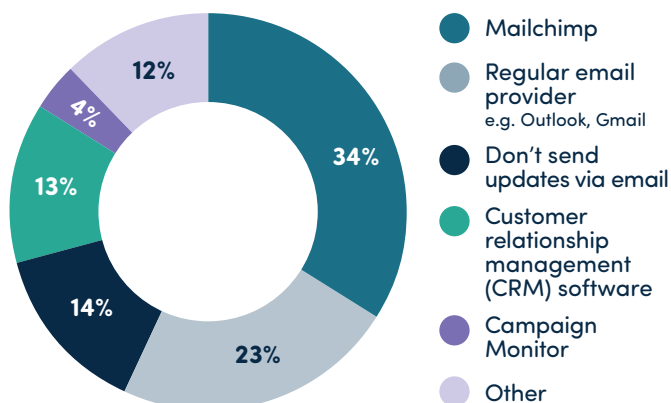
Who manages your website?



Content management systems



Email marketing systems



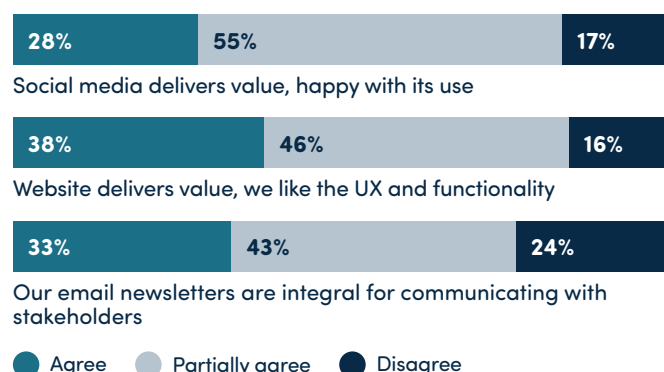
Reporting



42% of NFPs report digital marketing activities to their boards.

20% want to but aren't sure where to start.

Our marketing efforts deliver value...





PRIORITIES & CHALLENGES

Budget and funding opportunities are the top challenges facing NFPs' capability to deliver digital transformation. Organisations of all sizes face this challenge, which has increased in priority by 19% in the last two years.

While it's positive that most of the sector is increasingly conscious of the benefits of improving their technological capabilities, budget and funding to support these improvements remain a concern.

The top 3 challenges facing NFPs for 2024 are:

- » Budget and funding issues, up 11% from 2023 (61%)
- » Access to affordable and skilled technical resources (37%)
- » Staff capacity and capability (26%)

Data and reporting for evidence-based decision-making has risen to be the equal top priority, alongside improving the organisation's website. This has increased by 20% since last year.

The desire to explore new technologies and innovations to achieve social missions has doubled in priority, with 24% of organisations seeing this as a top technology priority. For organisations with over 20 staff up to over 500 staff, the top priorities are the same: improved data and reporting for evidence-based decision-making, improved data protection and cyber security practices, and exploring new technologies and innovations to achieve a social mission.

It's becoming increasingly challenging for organisations to finance their technology. Sixty-one percent of organisations reported that lack of budget and funding opportunities are the top challenges facing their organisation's capability to deliver digital transformation. This is up by 19% in the last two years.

One in 5 organisations is facing increasing operational costs, further decreasing their ability to focus on digital transformation and increase their impact.



Priorities change significantly based on size



Volunteer-led (0)

- » Improve our website
- » Make better use of social media and/or digital marketing
- » Explore new technologies/innovations to help us achieve our social mission



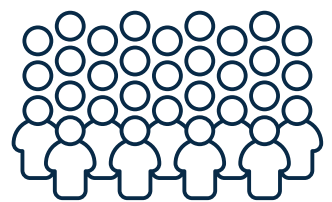
Very small (1-5) & Small (6-20)

- » Data and reporting for evidence-based decision-making
- » Improve our website
- » Improve our data protection and cyber security practices
- » Make better use of social media and/or digital marketing



Medium (21-150)

- » Data and reporting for evidence-based decision-making
- » Improve our data protection and cyber security practices
- » Explore new technologies/innovations to help us achieve our social mission













Large (151-500) & Very large (501+)

- » Data and reporting for evidence-based decision-making
- » Improve our data protection and cyber security practices
- » Explore new technologies/innovations to help us achieve our social mission

Top priorities

	2022	2023	2024
 Data and reporting for evidence-based decision making	–	17%	37%
 Improve our website	44%	38%	37%
 Improve our data protection and cyber security practices	25%	28%	25%
 Make better use of social media and/or digital marketing	35%	32%	25%
 Explore new technologies/innovations to help us achieve our social mission	12%	12%	24%
 Implement a new client, stakeholder, or member information management system	20%	17%	19%
 Finding better ways of storing files and information	–	21%	19%
 Improve the digital capabilities of our staff and volunteers	29%	20%	17%
 Updating and maintaining our IT infrastructure	15%	26%	15%
 Enable staff and volunteers to work remotely effectively	7%	13%	14%

Biggest challenges

	2022	2023	2024
 Budget/funding	42%	50%	61%
 Access to affordable, skilled technical resources	35%	35%	37%
 Staff capacity and capability	33%	45%	26%
 Increased operating costs (new this year)	–	–	25%
 Improving the user experience and accessibility of our apps and websites	27%	23%	21%
 Keeping abreast of technology changes & identifying where to invest our IT spend	18%	22%	19%
 Affordable staff training	18%	18%	17%
 Refreshing our IT infrastructure	10%	17%	12%
 Making the most of the Cloud	20%	15%	10%
 Impartial technical advice	10%	9%	9%

Please note that this does not add up to 100% as organisations provided up to 3 top challenges facing their organisation.



FINANCES & IT SPEND

Australian NFPs spent A\$3,942 per full-time equivalent (FTE) on technology, while New Zealand NFPs spent NZ\$2,537 per FTE on average last financial year.

Environmental, conservation, animal welfare, historical societies, museums, libraries and genealogy, advocacy and services for membership-focused organisations (including peak bodies) spent the highest percentage of their operating expenses on digital technology (10–15%).

Creative and performing arts, media, housing and shelter services, youth and family services, counselling, financial assistance and food relief services spent only 4% of their operating expenses on digital technology.

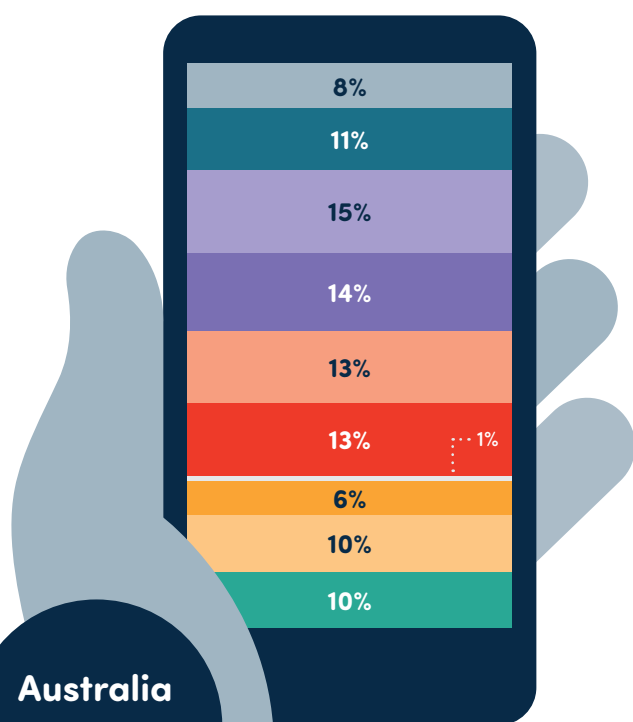
Economies of scale usually apply to digital technology spending as a percentage of operating expenditure (OpEx).

The data shows that, as organisations grow larger, this percentage tends to decrease. Among surveyed participants, volunteer-led organisations spent 11% of their OpEx on digital technology, while very large organisations with 501+ employees spent around 3% of their OpEx on such expenses.

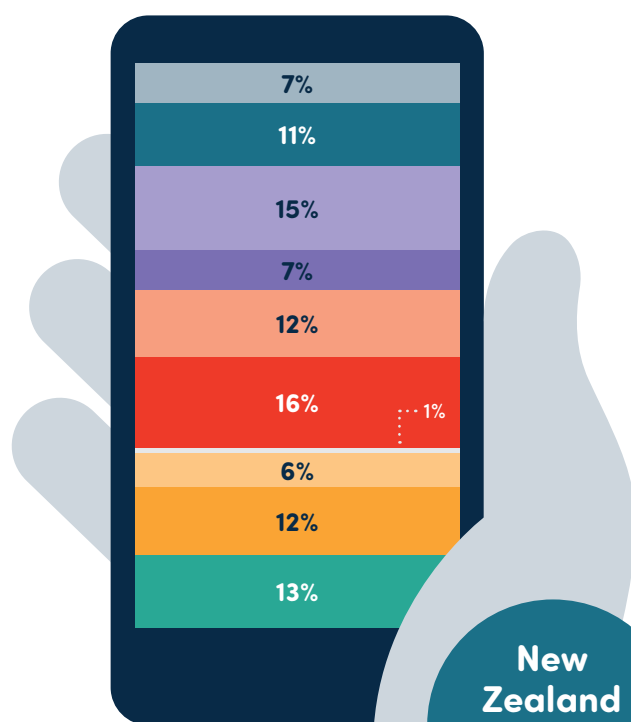
Despite indications from our 2023 report that improving IT training, staff skills and development was a priority, it remains the lowest reported spending category for both Australian and New Zealand-based NFPs, with spending accounting for about 1% of their operational expenditure.

Average spend per FTE in each area for Australia (AUD) and New Zealand (NZD) per annum

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



Australia
\$3,942



New Zealand
\$2,537

UPGRADE YOUR IMPACT



Infoxchange's vision is “Technology for Social Justice”, with a social objective focused on building the technological capability of the NFP sector to deliver greater impact into the communities it serves.

From our IT services and enterprise client and case-management systems to discounted technology products, service directories and digital capability training for staff and volunteers, we are here to support Australia and New Zealand's NFP sectors with their technology needs.

Over 38,000 government and community services currently use our products and services. We understand the needs of NFPs because we are one, too. Whether you're a small team of volunteers operating on a shoestring budget or a large organisation operating across multiple locations and service areas, we have scalable solutions that can adapt to suit your needs.



We help NFPs with



DONATED & DISCOUNTED TECHNOLOGY

We help eligible NFPs access donated and discounted technology through the Connecting Up and TechSoup New Zealand platforms.



IT SERVICES

We offer best-in-class IT services, cyber support and training to the NFP sector, building technological capacity and helping organisations achieve their greatest impact. We are dedicated to serving the NFP sector and offer our services exclusively to for-purpose organisations.



CLIENT AND CASE MANAGEMENT

Our enterprise client and case management (CCM) systems help organisations manage and measure their program performance and client outcomes, and simplify the process of complying with requirements from funders. Our technology has helped more than 5,800 community, NFP and government services and organisations in the last financial year. Our CCM systems are 100% Australian-built, owned and operated.



SERVICE DIRECTORY

Our service directory is Australia's largest and most up-to-date directory of community services, featuring over 450,000 service listings across Australia. This directory powers Ask Izzy and is used by multiple NFPs and government departments. We also deliver the SAcommunity directory, supported by the South Australian Government.



DIGITAL TRANSFORMATION HUB

Our Digital Transformation Hub and expert team have helped over 28,000 organisations improve their digital capabilities since it launched in 2021 by providing consulting, coaching and access to resources.



TECHNOLOGY RESOURCES FOR THE SECTOR

This report outlines significant technological challenges and trends for our sector, but support is available. Follow the QR code below for helpful resources for not-for-profits seeking to address the top priorities and barriers identified in our survey.

You'll find tips, toolkits, policy templates, webinars, technology discounts and more for topics including digital transformation, cyber security and scams, AI, data, and digital marketing.

Use the QR Code to visit our Digital Technology in the Not-For-Profit Sector Report resource page.



Infoxchange is a not-for-profit social enterprise that has been delivering technology for social justice for 35 years. We tackle the biggest social challenges through the smart and creative use of technology.

The Digital Technology in the Not-For-Profit Sector Report, now in its ninth year, aims to recognise areas of strength, growth and improvement by understanding how not-for-profit organisations across Australia and New Zealand use technology.

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