

The Problem

Contributed by Hugh Morrow
Monday, 28 May 2007

Since 1995/96 Australian government policy at both Federal and State levels has resulted in the provision of many social functions and infrastructure being out-sourced to the not-for-profit sector. The Government's role is moving to become more of that of a regulator and provider of funds, with actual service delivery being provided by the not-for-profit sector. This shift in approach has generated significant growth in the not-for-profit sector.

At first glance, the not-for-profit sector appears to be quite qualified, with a ratio of students in post-graduate courses to employees of 0.5 compared to 0.2 for the total economy. However, the bulk of the post-graduate programs catering for the not-for-profit sector are specialist courses dealing with the issues of sports, arts or health management. The ratio of students enrolled in specialist not-for-profit post-graduate programs to employees is a paltry 0.03, almost 1/6th of that for the economy as a whole. In addition to the for-profit focused graduate degree programs there are many short executive education programs, both here and overseas, that cater for government and the for-profit sectors, and yet are relatively non-existent for the not-for-profit sector.

There has been a long history of government stimulation of research and development activity in this country through tax incentives as well as research grants. The industry focus has been on the private sector areas of agriculture, mining, IT&T etc. To date there has been little focus on the not-for-profit / third sector.

So while the not-for-profit sector is a very significant proportion of our economy, employing in excess of 8% of the total workforce, only 0.03% of these employees attend post-graduate programs focused specifically on the sector each year.

Therefore, a significant boost in not-for-profit management education is required to deliver the six-fold increase capacity required to match the rest of the economy and to make up for the legacy of under-investment to date. The argument above does not ignore the outstanding work in this area, over many years, of some of our academic institutions and educators, representatives of which are members of this initiative. It is simply meant that in addition to the excellent work already underway, much more activity is required in order for Australia to have a world class non profit sector.