



Australian
Charities and
Not-for-profits
Commission

Australian Charities 2013

**The first report on charities registered with the
Australian Charities and Not-for-profits Commission**

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Curtin's School of Accounting established the Curtin Not-for-profit Initiative in 2011 following a refocus of research objectives toward industry-ready research outputs that are readily applicable in practice. As such, the aims of the Initiative are to:

- 1) Develop a body of research focused on practical and implementable outcomes that will enhance the resilience, efficiency and the sustainability of the Not-for-profit Sector Australia-wide;
- 2) Build significant and effective industry engagement in order to identify and prioritise the topics of research, and to facilitate dissemination and discussion of the findings to the best effect for the sector; and
- 3) Build a body of up-to-date, Australia specific knowledge that can be used to inform policy and practice within government, the Not-for-profit Sector and the broader community with a view to enhancing policy outcomes to the greater benefit of all communities in Australia.

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Executive Summary

This report summarises the information collected via the first Annual Information Statements (AIS) submitted by charities to the Australian Charities and Not-for-profits Commission (ACNC) for the 2013 financial year. It has been supplemented with 2012-13 data from the Australian Taxation Office (ATO) and the Australian Business Register (ABR), making it the first comprehensive report on charities in Australia.

This report paints a picture of Australian charities that will be new for many readers. Firstly, it highlights the economic importance of the charity sector as a whole and, particularly, its significant contribution to national employment. The ATO records show that the charities in this study had a combined 2012-13 income of approximately \$100bn. This total is based on conservative calculations, and the income of the whole sector may, in fact, be much higher. Secondly, there were also 919,000 staff – or approximately 8% of Australia's workforce - employed by the 30,000 or so charities that provided employment data to the ACNC. Double this number - 2 million people - were supporting these charities as volunteers.

Importantly, this analysis also draws attention to the distribution of income and employment. Ten percent of charities account for \$90bn (90%) of income and 90% of jobs. At the other end of the scale, it appears that 20% to 30% of charities may be inactive or have very low incomes.

When the analysis of charity activities and beneficiaries is added, it is clear that it is an over simplification and inappropriate to treat Australian charities as a single sector. A hospital or higher education provider with income over \$500m, employing 2,000 staff and providing complex services is a completely different entity to a small religious group or volunteer fire brigade - they have different objectives, risks and impact. All of these provide vital and valuable services, but every aspect of their activities and their relationships with stakeholders, including governments is vastly different.

The need to understand the complexity of the sector is clearly evident in the analysis of the hours spent reporting to the Commonwealth and state/territory governments. AIS questions regarding reporting were not compulsory, but were answered by over 9,000 organisations - mostly larger charities. When ATO reporting was excluded, over a third of these charities reported that they spent no paid staff time reporting to governments. The median time spent by those with reporting obligations was 40 hours of paid staff time in the last year, or about one working week. At first glance this result is somewhat surprising given popular perceptions about reporting burden. However, detailed analysis shows that about 10% of these charities are experiencing 80% of the reporting burden and these are mostly the large organisations, which are more likely to have government contracts and/or are operating in the human services sectors, which are generally more highly regulated.

The findings in this report challenge policy makers, those running charities and others active in supporting Australian charities to deconstruct their understanding of the sector, examine received wisdoms, and determine strategies that better meet the needs or opportunities of each individual sub-sector.

The information assets built by the ACNC through the AIS and used to produce this report provide a wealth of information that now enables an evidence-based approach to the development of policy and regulation of the sector. This is an area of the economy for which we have had comparatively little understanding, and continued thoughtful investment in gathering essential information and improving data quality will pay dividends for policy makers, users and recipients of the benefits of these organisations and Australian society broadly.

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1. Introduction

From December 2012, Australian Not-for-profits that want to access Commonwealth tax concessions available to charities are required to be registered with the Australian Charities and Not-for-profits Commission (ACNC). From 1 July 2013, registered charities must submit an Annual Information Statement (AIS) containing basic information about their charity to the ACNC. Most AISs are published on the ACNC Register.¹

This document presents the first report analysing the data provided via these AISs. As the 2013 AIS is the first reporting obligation for charities, it is called a “transitional” AIS and it did not require the provision of financial information. The provision of financial information will be a requirement of the 2014 and subsequent AISs. To provide a more complete picture of these charities, this information has been supplemented with records from the Australian Business Register (ABR) and the Australian Taxation Office (ATO). As such, this report provides the first comprehensive summary of administrative data² on Australian charities.

Definition of charity

A not-for-profit (NFP) organisation is an entity formed to achieve a purpose and does not operate for the profit, personal financial gain or financial benefit of particular people. An NFP can make a profit, but that profit must be applied to the organisation's purpose. NFPs may have certain tax concessions available to them, including exemption from income tax.

A charity is a type of NFP defined for Commonwealth purposes by the *Charities Act 2013 (Cth)*. This Act states that a charity must be a NFP and have only charitable purposes that are for the public benefit and not pursue disqualifying purposes³.

Charities can apply to be registered in order to receive specific Commonwealth tax concessions. Prior to 3 December 2012, NFPs would apply to the ATO for endorsement to access charitable tax concessions and the ATO determined whether the NFP was a charity. Since 3 December 2012, charities are required to apply to the ACNC to be registered as charities if they want to access charitable tax concessions while the ATO remains responsible for assessing entitlement to tax concessions. On 3 December 2012, those charities that were endorsed by the ATO to receive charitable tax concessions were automatically included on the ACNC Register when it was created.

Only charities registered with the ACNC provide AISs, and so for the purposes of this report, a charity is defined as an ACNC registered charity.

¹ *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*

² Administrative data is data collected for reporting, record keeping or administrative processes rather than via other methods, such as a survey.

³ For the full definition, see *Charities Act 2013 (Cth)*

Structure of this report

The aim of this report is to provide readers with insight into the Australian charity sector and to support decision making. It is presented in two sections:

Section 1: The 2012-13 Australian charity information

This section provides an overview of all charities that submitted an AIS to the ACNC.⁴

Section 2: Differences between small, medium and large charities

This section disaggregates the data to identify differences between small, medium and large charities.

The ACNC and other datasets that underpin this report are extensive and provide opportunities for further analysis. The focus of this first report is to identify the main features of the Australian charity sector. Further information will be made available over the next year. The ACNC 2013 AIS data used in this report has also been published on www.data.gov.au.

Data sources

As stated above, the information for this report comes from three datasets.

The Annual Information Statement (AIS) dataset

The majority of the data used in this report is from the database holding AIS data. The ACNC Register is also the source of identifying charities to enable data to be extracted from other datasets.

Records included

Approximately 40,000 registered charities had submitted an AIS by 30 June 2014. Of this group, about 1,000 charities had requested to have data withheld from the ACNC Register for reasons such as commercial sensitivity, or where publication could endanger public safety. For example, Public and Private Ancillary Funds are organisations that provide a link between people who donate funds and organisations that can receive tax deductible donations, and some of these may wish to be anonymous. Organisations for which publication may cause harm include charities providing services in child protection or supporting victims of violence⁵. There were also a number of hardcopy and bulk records that could not be entered into the database by the date the data was downloaded. Therefore, the total number of charities published in the ACNC Register and included in the analysis undertaken for this report is 38,341.

Populations and response rates

Some questions in the AIS were not answered by all charities, even when the question was compulsory. In other cases, questions in the AIS were optional or did not apply to all charities. As such, the population included in each data category is not always 38,341. This reduces the capacity of the findings to be extrapolated to the whole dataset. To assist with interpretation, the total number of respondents to each question is provided with the particular data reported and advice provided on how the data may be used.

⁴ This report does not include data on charities whose information is withheld from publication on the Register.

⁵ For further information on the circumstances in which the ACNC will allow information to be withheld, see www.acnc.gov.au/2013AIS and the Commissioner's Policy Statement: "Withholding or removing information from the ACNC Register".

Reporting period

The 2013 AIS covers the 2012-2013 reporting period, which includes all financial year-ends that occur during 2013. The ACNC's standard reporting period is 1 July to 30 June and therefore for charities that use the standard reporting period, the data in this report represents the period 1 July 2012 to 30 June 2013.

Thirty seven percent of charities do not use the standard reporting period and made a request to report using a Substituted Accounting Period (SAP). The majority of charities using a SAP (29% of all the reporting charities) requested a reporting period based on the calendar year and so the data in this report relating to these charities reviews the period 1 January to 31 December 2013.⁶

Data collection methods and accuracy

The data in the AIS was provided to the ACNC by a representative of each charity, either online (approximately 79%) or in hardcopy (about 2%). Approximately 7,200 statements were provided to the ACNC as part of bulk lodgements (19%). Information submitted in hardcopy was entered into the database by ACNC staff and for both online and hardcopy submissions, it is possible that charity representatives entered erroneous data, or that some questions were skipped or answered incompletely. Neither online nor hard copy data has been audited or verified by Curtin University or the ACNC and the data has been assumed correct. However, our analysis of the data identified some obvious anomalies that made a material difference to the aggregated findings. If, after a brief investigation and discussion with the ACNC, these responses looked erroneous, we removed the data and made a note in the text. Less than 200 individual or bulk records were removed or altered. These anomalies have been reported back to the ACNC along with recommendations regarding how data quality might be improved. In addition, this is the first time that charities have submitted an AIS and the results suggest some variations in interpretation of terms and possible over counting. Reporting accuracy is likely to improve as data collection is continued.

Australian Business Register (ABR) dataset

The ABR is a database of the information provided by organisations when they register for an Australian Business Number (ABN). It contains information on an organisation's legal structure, legal name, location, activity type, Australian and New Zealand Standard Industrial Classification (ANZIC), authorised contact details, charity and Deductible Gift Recipient (DGR) status and Goods and Services Tax (GST) status⁷. The ACNC collected relevant data from the ABR and matched it, on a unit record basis, to the data collected via the AIS. The ABR data may not be as current as that sourced from the AIS or the ATO. Although entities are required to update ABR details within 28 days of any changes, this does not necessarily occur and, unlike the ACNC records, there is no annual reporting requirement.

The AIS data and the ABR data were combined to form a single dataset described in this report as the ACNC dataset.

The Australian Taxation Office dataset

The ATO has been very supportive of this project and provided a set of data on charities obtained from two sources.

⁶ For further information on Substituted Accounting Period, see Commissioner's Policy Statement: www.acnc.gov.au/ACNC/Publications/Policy_PDFs/CommSt_SAP.aspx

⁷ Source: <http://abr.gov.au/About-us/Our-work/ABR-explained>

Business Activity Statements

Charities are not generally required to submit annual tax returns to the ATO. However, charities that are GST registered and/or employ staff must submit a Business Activity Statement (BAS) to the ATO either monthly, quarterly or annually.

A charity with GST turnover above \$150,000 in a financial year must be GST registered, but many with turnover below this threshold also choose to be GST registered so they can claim back GST they pay on the goods and services they buy. (The ATO's definition of GST turnover and Sales are different. However, as an indicator, 52% of charities in the ATO data-set had sales of less than \$150,000 for 2012-13.)

In addition, all entities that employ staff must withhold tax from employees' pay (called Pay as You Go, or PAYG), report the amount withheld, and forward these amounts to the ATO. Both GST and PAYG data can be provided via activity statement submissions.

PAYG payment summary - Individual non-business

Employing entities must provide each employee with an annual PAYG payment summary – non-business; which is a summary of all wages and salaries, fringe benefits, reportable superannuation amounts and other payments made to or on behalf of each employee. A copy of this statement must be submitted to the ATO.

Records included and population

The ACNC provided the ATO with the ABNs of the 38,341 charities that are included in the analysis for this report. The ATO extracted data for these charities and found the following:

- Over 11,000 charities did not lodge a BAS for the 2012-13 reporting year and of these, less than 1,000 had lodged a BAS for the previous financial year. The majority of these charities will not have lodged a BAS because they were not registered for GST or did not have other reporting obligations. In other words, they had GST income of less than \$150,000 and no employees. Around 1,200 of the 11,000 that did not lodge a BAS had an active GST status, meaning they were registered but had not submitted GST information.
- The ATO had some data, such as accounting method and entity type for 1,600 charities but there was no income or employment data; likely because these charities were not required to report.

The result was that the ATO had 2012/13 BAS or PAYG payment summary information for 26,365 or 83% of the 31,888 charities for which the ATO had records.

Essentially, this means the charities with relevant data and included in the ATO data are a subset of the ACNC registered charities and the two populations are not the same. Importantly, the ATO dataset contains a higher ratio of large charities - those with annual income over \$1m - and a corresponding smaller proportion of charities with income below \$1m. As such, it cannot be extrapolated and used to draw conclusions about the whole population of registered charities, or the whole of the sector. To preserve taxpayer confidentiality, the BAS data was de-identified and therefore could not be matched on a unit record basis, so we could not examine this group in more detail.

Data accuracy

The ATO have highlighted to the ACNC the most reliable sources of data but also commented that due to differing accounting and other requirements, data is not always consistent⁸. The ATO have confirmed that the information provided is accurate according to their records - that is, the data reported was what was lodged by the charities - but Curtin University has not audited or verified the accuracy of the data and, for the purposes of this report, has assumed it is correct. The data has not been further processed by the ATO to remove anomalies. Curtin has removed obvious anomalies where they would make a material difference to results and could have created what we believe to be an incorrect understanding of the sector. We have identified in this report instances where individual records have been removed and where readers should be careful in drawing conclusions.

Despite these limits, the ATO data provides significant and important insights into the charity sector - particularly the larger charities - and therefore it has been included in this report. In addition, using this information allows readers to better understand the scope and quality of the datasets currently available (which is itself information about the charity sector) and it can support further discussion about the data needed to support policy development and regulation.

Interpretation

All data collections and research studies have limits. Readers should note the advice provided in this section and throughout this report on how to interpret and use the findings.

The number of registered charities in Australia in July 2014 is estimated to be around 60,000. Therefore, the 40,000 or so charities that lodged their AIS by 30 June 2014 represent approximately 67% of the known sector⁹. Data is not currently available on the estimated 20,000 charities that had not submitted an AIS and, until this information is available, we do not know the extent to which the population of charities included in this report is representative of the sector. As such, while we believe this report provides a good general understanding of the sector, readers should not extrapolate these results to all charities. Furthermore, as discussed above, a NFP organisation that undertakes charitable work does not have to be registered with the ACNC and may not provide information to the ATO unless it wishes to be registered to receive charitable tax concessions, it has GST turnover above \$150,000 or it has paid employees.

In addition, as the charities included in the ATO records are a subset of those in the ACNC's data, the datasets have been examined separately and cannot be consolidated nor can findings out of the ATO data be extrapolated to the wider charity sector. To highlight the difference between the ACNC and ATO data, the information from the ATO is reported and discussed in separate sections throughout this report. These sections are shaded so that readers can differentiate the results derived from the ATO data from those results derived from the ACNC data.

Rounding

In most cases, data is rounded to the nearest decimal point. In some cases, totals may not add to 100% due to rounding or multiple responses.

⁸ Inconsistencies may have arisen due to different information systems and because data has not been subject to ATO cross-checking.

⁹ The ACNC estimates that when adjusted for recently registered charities, charities registered with the Office of the Registrar for Indigenous Corporations, and other adjustments, the compliance rate with the 2013 AIS lodgement requirements to date is between 77-82%.

Other reports on the Australian charity sector

Several other studies can provide further information and context for interpreting this research, particularly the following, which are mentioned specifically in this report.

1.3.1 Australian Bureau of Statistics 2012-13, Australian National Accounts Non-profit Institutions Satellite Account, cat.no. 5256.0

This report, published by the Australian Bureau of Statistics (ABS) on 1 July 2014, identifies and measures 'non profit' activities within the national accounting framework to enable a complete set of national accounts to be compiled. The organisations included in the ABS data collection included both charities and other NFPs. The main source of data is the Economic Activity Survey, which included approximately 4,000 NFPs. Data was also obtained from the ATO. This study concluded that there were 56,894 nonprofit entities, but does not identify the number of registered charities. The ABS study and the results from ACNC data vary on key factors, including the populations included and data collection methods, and therefore are not directly comparable. For further information see www.abs.gov.au.

1.3.2 Ernst &Young, Research into Commonwealth Regulatory and Reporting Burdens on the Charity Sector, due for release in September 2014

Ernst and Young (EY) was commissioned by the ACNC to undertake research relating to the regulatory and reporting burden imposed on charities by the Commonwealth government. Their study was conducted in the first half of 2014 and included 15 case studies of charities operating in a range of key sectors and an online self-selection survey. The EY report provides information that may support interpretation of the findings of this report and makes recommendations for reducing the regulatory and reporting burden on charities.

2. Australian Charity Information 2012-13

This section of the report summarises the aggregate information available on all reporting charities. It starts by describing the size of charities in terms of income, employment and the engagement of volunteers. It then presents data on charitable purpose, activities, beneficiaries and location and includes information provided on charity reporting obligations to the Commonwealth government.

Section 3 breaks down this information in more detail and examines the differences between charities based on their size.

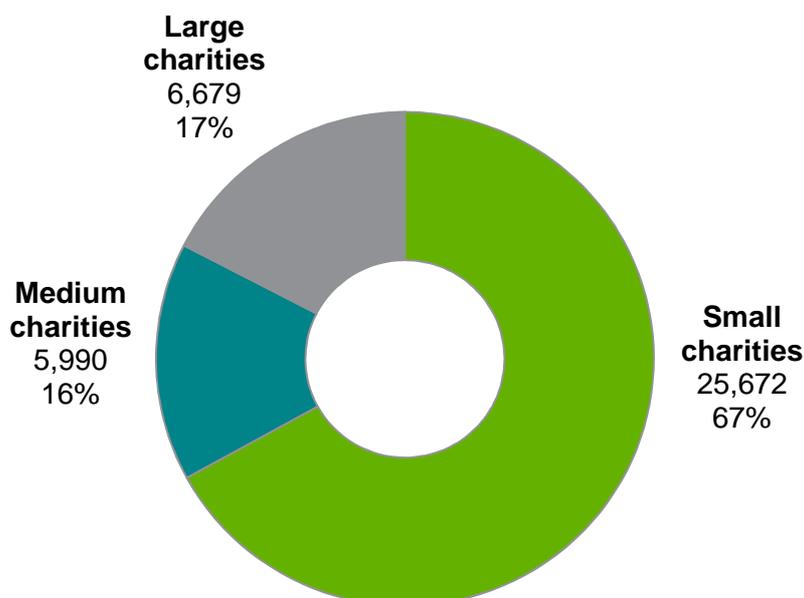
2.1. Income and size classification

For the 2012-13 reporting period, 67% of reporting charities were small, 16% medium and 17% large.

Under the ACNC Act,¹⁰ charities are classified as small, medium or large in a financial year depending on their total revenue generated during the reporting period. Charities with revenue of less than \$250,000 are classed as small; those between \$250,000 and \$1m are medium; and charities with revenue above \$1m are large¹¹. In this report the terms small, medium and large refer to these revenue groups.

Data on charity size provides contextual information essential to understanding the sector and policy development.

Figure 1 Size of charities – Revenue for the 2013 financial year (n: 38,341)



¹⁰ Australian Charities and Not-for-profits Commission Act (2012) (Cth).

¹¹ Revenue is defined as income that arises in the ordinary course of activities – see Glossary.

The ATO data on income, purchases and GST payments

The 2013 year is the first year of reporting of the AIS and charities were not required to provide financial information. Reporting of financial data will be included in the 2014 and subsequent AIS returns. Therefore, for this report, ATO data was used to gain an understanding of the sector by size of turnover.

The Business Activity Statements (BAS) and the annual Pay As You Go (PAYG) payment summaries submitted by charities to the ATO provide information via several income, expenditure and tax fields. The definitions of these fields can be found in the glossary of this report. We found some inconsistencies with the data provided and therefore it should be treated with caution¹². It is provided to support on-going discussion and to identify opportunities for improving data quality and for further research.

BAS and Annual PAYG payment summary data

The BAS collects data on a charity's Annual Total Sales (label G1 on the BAS form). This data gives an indication of the level of income, but is not the complete picture. Annual Total Sales includes items such as sales of goods and services, membership fees, income from government grants and some private sector grants. However, it does not include donations or certain supplies that are GST free or Input Taxed. There is also variation in the way charities report sales data. As such, the Annual Total Sales recorded for each charity is only a proxy for its income and is likely to be an understatement of charities' actual income. It, and the purchase data, should be used as an indicator of the lower boundary, and not considered a point measure. The BAS also collects data on capital, noncapital expenditure and other data.

The annual PAYG payment summary statement collects information on the total amount of salaries and wages paid and reportable superannuation payments.

Key findings:

- Of the 38,341 charities in the ACNC Register, the ATO had records for 31,888 or 83%. The remaining charities did not have an active GST registration or did not make any payments to staff. Therefore the ATO had no BAS or PAYG payment information relating to these charities. (GST registration is only compulsory for charities with GST income over \$150,000. Completion of BAS and PAYG payment summary is only required if charities are registered for GST and/or have paid staff.)
- For these 31,888 charities, the ATO had 2012-13 BAS or PAYG payment information for 26,365 charities or 83%. For the remainder, the ATO had a record of these organisations and some details, such as their method of accounting or registration type, but did not have income or payment data for 2012/13, or in most cases for the 2011-12 year either.

¹² Inconsistencies may have arisen from comparing data between different datasets. The ATO has advised that this data would undergo further cross-checking which may remove such inconsistencies.

As such, the ATO had some financial information such as sales and wages data for 69% of 38,341 ACNC registered charities in the dataset.

- Of the 26,365 that reported any income or payments, 23% or approximately 6,000 reported their income as \$0. This does not mean that they had no income, only that the income received did not fit into the categories required to be reported as turnover for BAS purposes. However, it is possible that many of these charities had no or little revenue.
- These results suggest that a significant proportion of charities - perhaps 20% to 30% of ACNC registered charities – may be very small or inactive. Further research needs to be done to explore this group.
- Noting the comments earlier in this report regarding data accuracy and reliability, the sum of the 2012-13 Annual Total Sales for the 20,316 charities that reported an income over \$1 was \$99bn. This amount under-estimates total income for these charities.¹³
- The median Annual Total Sales of the charities in the ATO records was \$285,000 (excluding those reporting \$0 in sales).
- Of the 26,365 charities reporting GST payment or refunds (BAS label 9), 14,259 or 54% received a refund. The net total GST payments for 2012/13 were \$2.7bn.
- Just over 11,200 charities reported making capital purchases (BAS label G10). The Total Capital Purchases for these charities was \$9.2bn and the median was \$31,000 (excluding those that reported \$0 capital purchases).
- The total non capital purchases (BAS label G11) were \$45bn. The median non capital purchases reported was \$122,000 (excluding those reporting \$0 in non capital purchases).
- There were 3,314 charities that applied for a refund of franking credits.¹⁴

Contribution of charities by Annual Total Sales

While the collective sales for this group of charities is large, analysis shows that it is heavily concentrated within a small proportion of charities.

- Of the total \$99bn in sales reported, \$79.6bn, or 80% was contributed by the 5% percent of the charities with sales of over \$11.6m.
- The next 5% of charities adds a further \$10bn,
- Approximately 90% (23,800) of charities contributed the remaining \$10bn or 10% of charity sales.

¹³ One charity reported annual total sales of more than \$10bn. This record has been excluded from all analysis, as the data could not be verified and this reduced the totals and averages across all measures.

¹⁴ Franking credits are available to charities that invest in shares and which entitled the shareholder to franked dividends.

Figure 2 Contribution to total Annual Total Sales (BAS G1). ATO data – see notes to interpret. (n: 26,364)

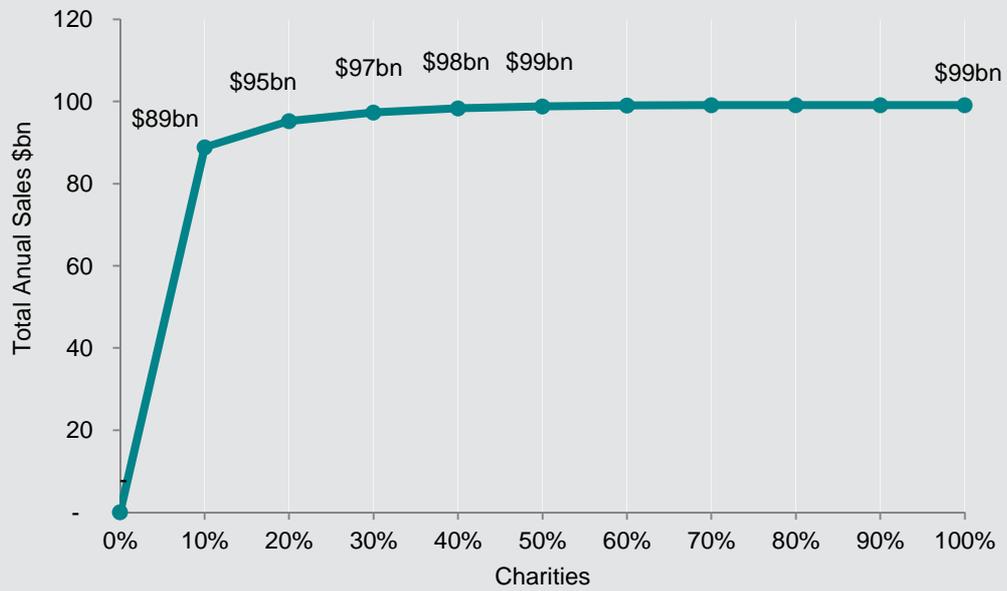


Figure 3 provides an alternative illustration of the extent to which Annual Total Sales are concentrated among a small percentage of charities.

Figure 3 Contribution to Annual Total Sales - largest 10% of charities (n: 26,364)

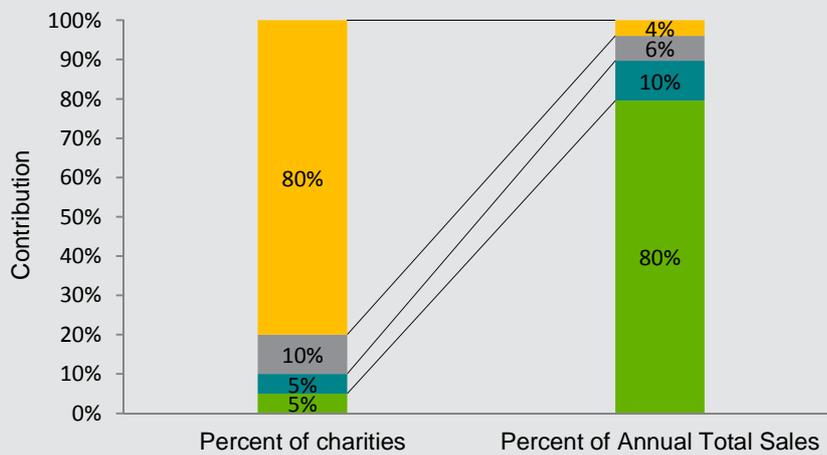
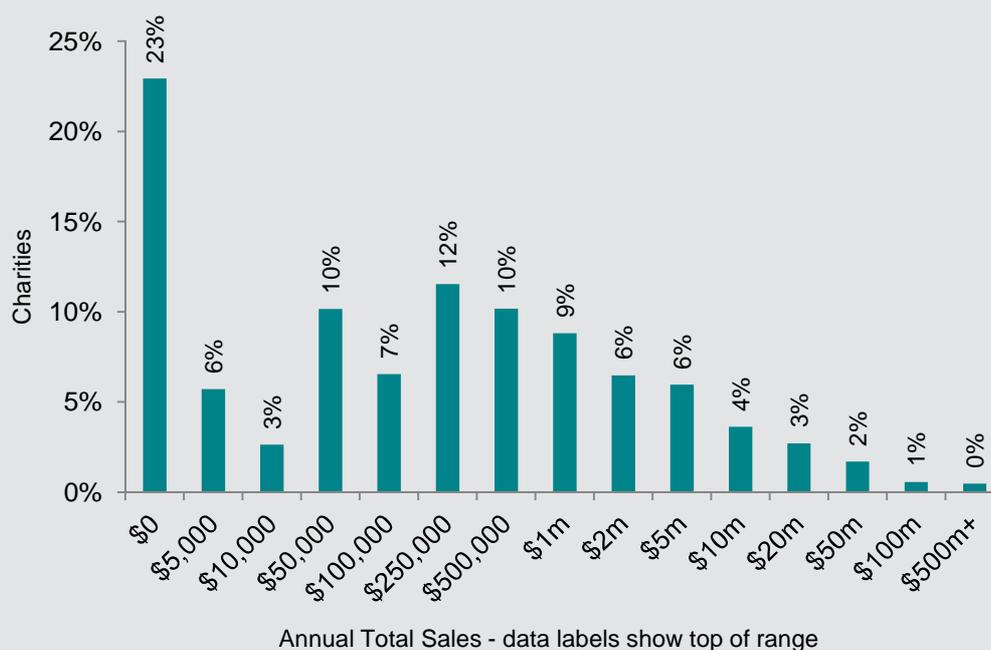


Figure 4 shows the distribution of the Annual Total Sales in more detail. This data shows that the ATO data includes a smaller proportion of small charities than is included in the ACNC records. Approximately 61% of charities in the ATO dataset had Annual Total Sales of less than \$250,000; 19% had sales of between \$250,000 and \$1m, and 20% had sales over \$1m. This could be expected given all charities have to complete the AIS whereas only some registered charities complete a BAS.

This chart also highlights the distribution of sales within the ACNC size categories. It shows that, although submitting a BAS, more than one in five (23%) of small charities reported \$0 of sales and, further, that 19% reported Annual Total Sales of between \$1 and \$50,000 (remembering income such as donations is not included in Annual Total Sales).

Three percent of charities reported Annual Total Sales above \$20m, with 125 charities (less than 1%) having sales of over \$500m in 2012-13. Once the 2014 financial year AIS data is available it will give us a greater understanding of these important organisations.

Figure 4 Distribution of Annual Total Sales. ATO data – see notes to interpret. (n: 26,364).



2.2. Employment – Full time and part time paid staff

The charities reporting staff numbers employed more than 919,000 full time or part time staff, equivalent to approximately 8% of the Australian workforce.¹⁵

Just over half (56%) of reporting charities had one or more full or part time employees.

A small number of charities provide the majority of sector employment. When ranked by number of employees, 10% of reporting charities account for 90% of full time jobs and 85% of part time jobs.

This data represents the output from the questions on the AIS regarding the number of full time and part time paid employees during the last pay period of the charities' last financial year¹⁶. Although obligated to provide this data, not all charities complied and therefore the results are not completely representative of all charities in the ACNC dataset.¹⁷ The group of charities that provided this data included a slightly higher proportion of medium and large charities. This means that the totals may understate total employment and employment ratios. The AIS online and paper forms have been amended to encourage better compliance for the 2013-14 reporting period.

The ABS Non-profit Institutions Satellite Account¹⁸ reported similar employment numbers of both full and part time staff but for approximately 57,000 non-profit organisations, as per the ABS definition of nonprofit and within the scope of their study. This may be explained by the differences between the ABS data collection and the ACNC data in the population of organisations included and data collection methods. In particular, the ABS data is based on a survey of over 4,000 NFP organisations whereas the ACNC data is based on all data submitted to the ACNC through the AIS. Further research is needed to clarify the differences between the findings.

Table 1 The sample of charities providing employment information compared with the ACNC dataset

	ACNC dataset	Respondents Full time employment	Respondents Part time employment
Total	38,341	28,907	30,462
Small	67%	60%	61%
Medium	16%	18%	18%
Large	17%	22%	21%

Full time staff

Key findings:

- Half (49.5%) of the reporting charities employed full time staff.

¹⁵ This total is for 27,255 charities reporting on both full and part time staff. Australian Bureau of Statistics 6202.0 Labour Force, Australia, June 2014. Total employed persons 11.5718m.

¹⁶ Approximately 800 charities provided their AIS in a paper form. The paper form question asked for the number of paid employees and unpaid volunteers who worked for your charity during the last financial year, rather than in the last pay period of the financial year.

¹⁷ Charities that did not provide data are recorded as non-responses. Zero values counted only where the data entered was zero.

¹⁸ See Section 1.3 of this report.

- Sixteen percent of charities had only one full time employee and 7% had two full time employees. That is, of the 14,309 charities that employ full time staff, approximately a third employed only one full time member of staff.
- Nine percent of reporting charities (2,684) employed 20 or more full time staff (See Table 2). Over 700 charities (708) reported employing 100 or more full time staff.
- Of the charities that employ full time staff, the median number of full time employees was three.
- In total, these charities employed 428,549 full time staff.

Part time staff

Key findings:

- Fifty seven percent of reporting charities employed part time staff.
- Twelve percent of charities had only one part time employee and 8% had two part time employees. That is, of the 17,264 charities employing any part time staff, 22% employed one and a further 15% employed two part time staff.
- Eleven percent of reporting charities employed 20 or more part time staff (See Table 2). Nearly 800 charities (796) reported employing 100 or more part time staff.
- Of the charities that employed part time staff, the median number of part time employees was four.
- In total, the reporting charities employed 490,814 part time staff.

Figure 5 Distribution of full time and part time employment

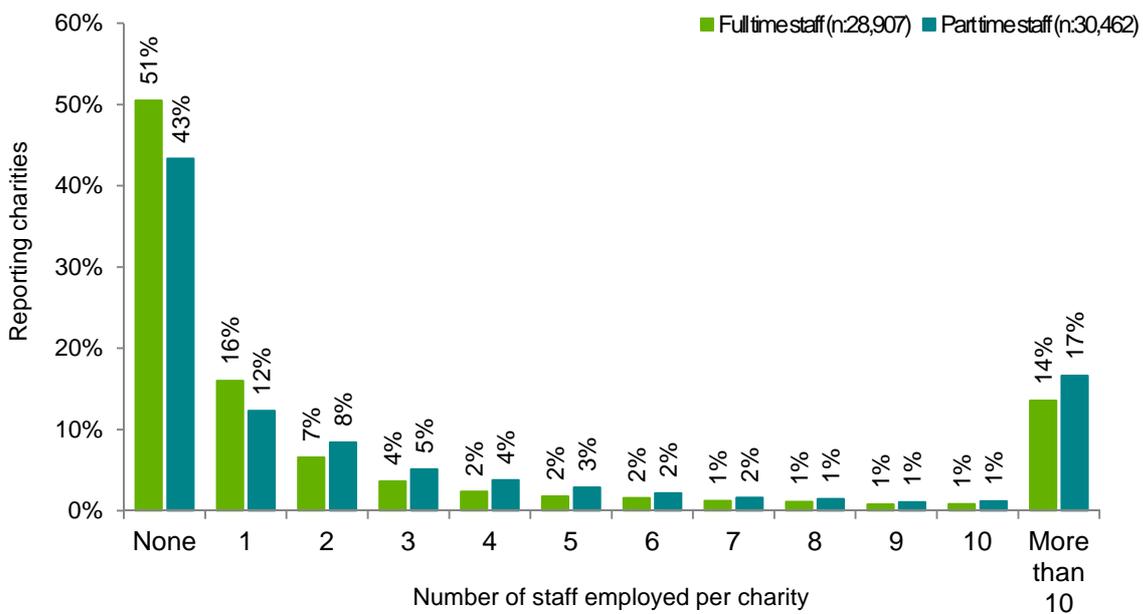


Table 2 Full time and part time staff

Number of staff per charity	Number of charities	
	Full time paid staff	Part time paid staff
0	14,587	13,190
1-4	8,280	9,031
5-19	3,359	4,882
20-49	1,283	1,755
50-99	690	808
100-199	412	440
200-499	193	221
500-999	49	68
1000+	54	67
Total charities	28,907	30,462

Charities that employ both full and part time staff

The data was analysed to enable an examination of employment relating to charities that employ both full and part time staff. In total, 27,255 charities provided information on both part time and full time employees.

Key findings:

- Forty four percent of reporting charities did not employ any staff. That is, 56% of responding charities employed at least one member of staff - either full or part time employees.
- Approximately 17% (2,459) of charities that had no full time employees had one or more part time employees.
- Employment of full time and part time staff is correlated. Of the 51% of charities that do not employ any full time staff, more than 80% also did not employ any part time staff.
- Large employers of full time staff are also large employers of part time staff. For example, approximately 60% of charities employing more than 200 full time staff also employ more than 200 part time staff.

Table 3 Charities that employ both full time and part time staff

Number of charities employing full and part time staff										
Part time employees	Full time employees									
	0	1-4	5-19	20-49	50-99	100-199	200-499	500+	Total	
	0	12,021	1,043	80	14	12	0	2	0	13,172
	1-4	1,879	3,699	752	113	16	7	3	5	6,474
	5-19	526	1,795	1,455	372	118	38	5	0	4,309
	20-49	47	295	610	421	222	95	18	1	1,709
	50-99	5	98	212	170	170	114	26	5	800
	100-199	1	22	96	102	96	72	42	4	435
	200-499	1	3	15	44	33	59	49	17	221
	500+	0	0	0	3	10	23	40	59	135
Total	14,480	6,955	3,220	1,239	677	408	185	91	27,255	

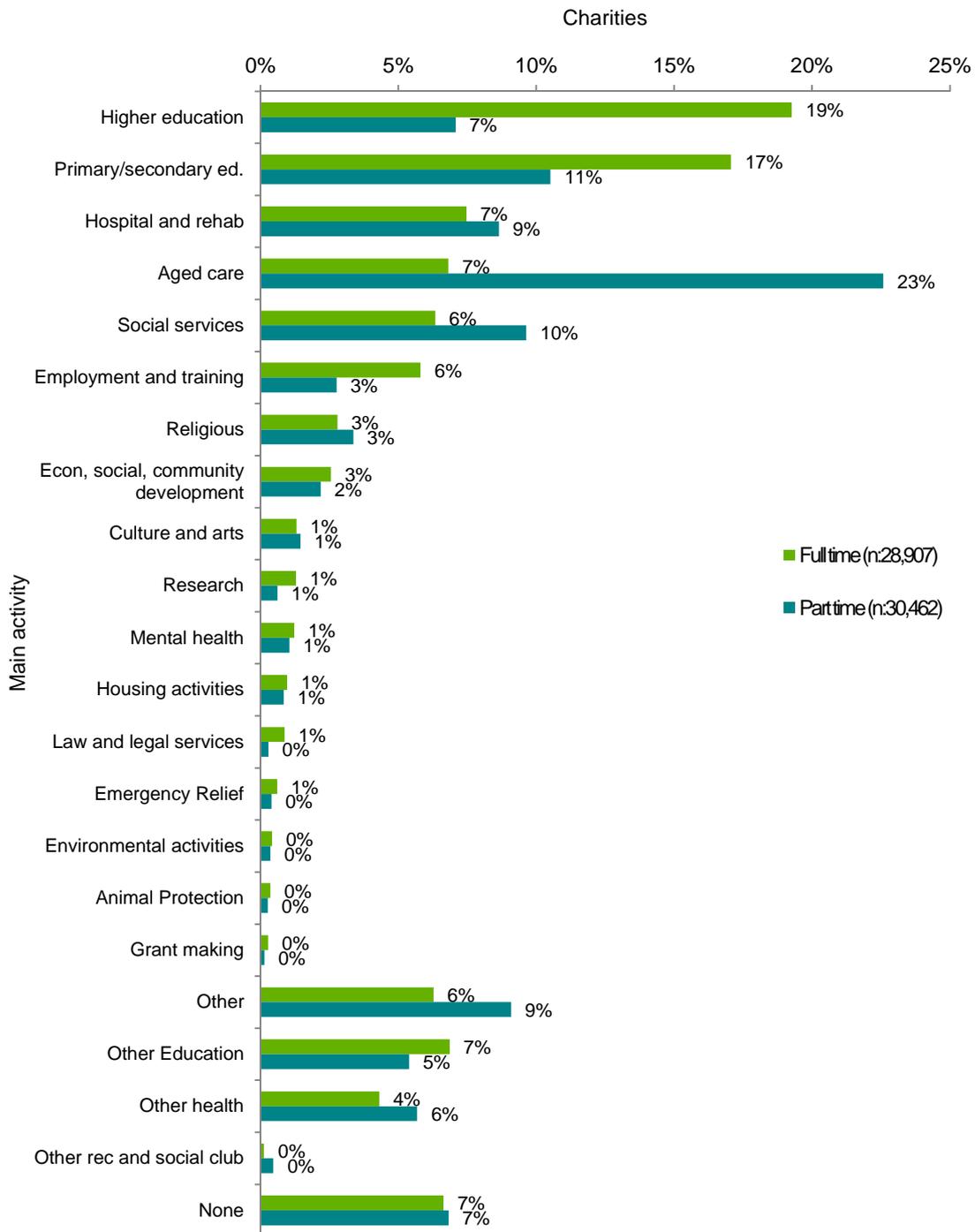
Employment by main activity sector

This data on employment should be read in conjunction with the data in Section 2.5 of this report on the number of charities operating in each activity area.

Key findings:

- Nineteen percent of all full time staff employed by these reporting charities are working for charities active in higher education, and 17% are working for charities in primary and secondary education. Charities whose main activity is operating hospitals and providing rehabilitation services, or aged care services each account for 7% of employment of full time staff.
- The largest employers of part time staff are charities whose main activity is aged care (23%). Charities with their main activity in primary and secondary education account for 11% of part time employees and those in social services and higher education account for 10% and 7% respectively.
- Of the 103 charities employing 500 or more full time staff (see Table 2), 31% have their main activity in higher education; 15% in hospital and rehabilitation; 9% in aged care, and 8% in social services. These social services include activities related to disability and other human services.
- Compared to the whole group average of 50.5%, higher proportions of charities in the sectors with the activities of grant making (91%), recreation and social clubs (76%), emergency relief (74%), income support (75%) and animal protection (72%) reported having no full time staff.
- Although 25% of charities (see Section 2.5) stated that their main activity is religious, religious charities are not significant employers of staff.

Figure 6 Full and part time employment by charity main activity



Note: Totals do not add to 100% due to rounding.

Table 4 Full and part time employees by charity main activity

	Staff employed by main activity and average staff per charity by main activity			
	Full time		Part time	
	Total	Average	Total	Average
Higher education	82,541	213.3	34,749	89.8
Primary/secondary ed.	73,108	37.2	51,616	24.3
Hospital and rehab	32,026	145.6	42,448	192.1
Aged care	29,215	29.3	110,834	103.1
Social services	27,180	27.3	47,328	44.0
Employment and training	24,886	66.5	13,564	36.3
Religious	11,959	1.7	16,556	2.4
Econ, social, community dev.	10,947	10.6	10,714	9.5
Culture and arts	5,608	5.5	7,121	6.4
Research	5,515	17.2	3,037	9.6
Mental health	5,249	19.6	5,156	18.7
Housing activities	4,139	8.6	4,147	8.1
Law and legal services	3,747	22.0	1,416	8.6
Emergency Relief	2,619	3.8	1,988	2.8
Environmental activities	1,809	3.9	1,758	3.5
Animal Protection	1,533	7.7	1,332	6.6
International activities	1,210	6.7	702	3.8
Civic and advocacy activities	918	4.0	1,029	4.2
Grant making	522	0.4	538	0.4
Sports	258	2.8	513	5.5
Income support and maintenance	61	0.9	219	2.9
Other Education	29,421	14.7	26,466	11.5
Other health	18,460	22.1	27,904	31.5
Other rec. and social club	557	1.9	2,310	6.9
Other	26,589	9.3	43,879	14.3
None	28,472	6.2	33,490	7.0
Total staff	428,549	14.8	490,814	16.1

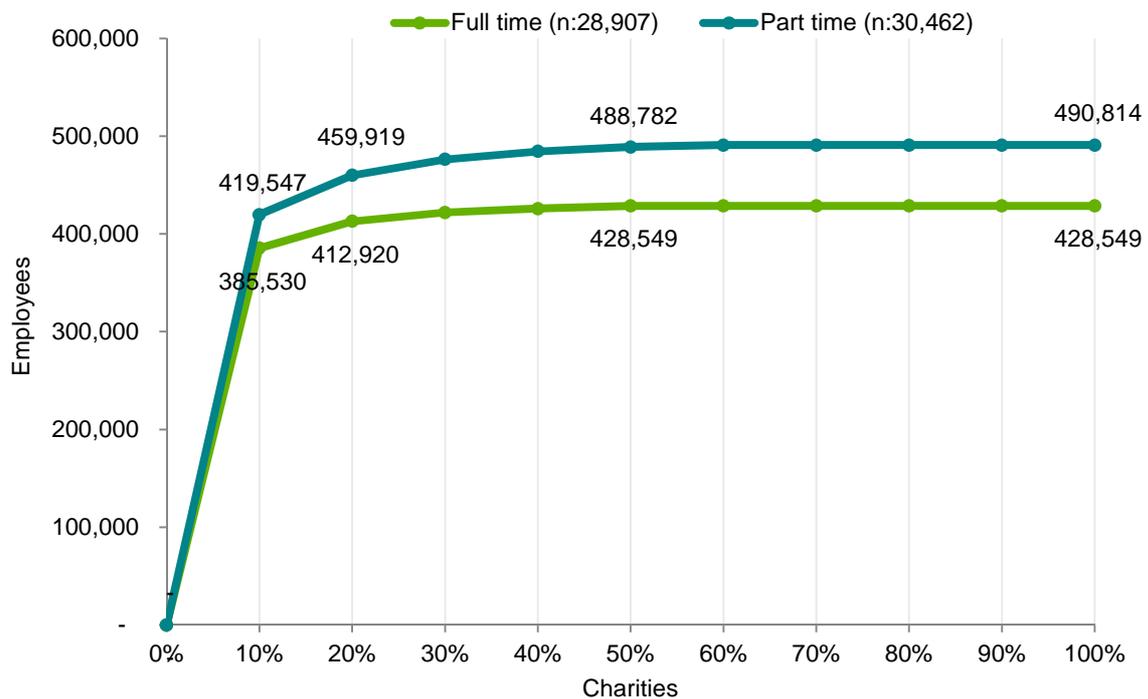
Note: Excludes political activities.

Contribution to employment

Employment is heavily concentrated in a small number of charities. Ninety percent of all full time staff (385,530) were employed by only 10% (2,981) of reporting charities.

Employment of part time staff is also heavily concentrated in a small number of charities. Of the total number of part time employees, 419,547 or 85% were employed by only 10% (3,045) of reporting charities.

Figure 7 Contribution to full and part time employment



ATO data on salaries and fringe benefits tax

Charities report information on their salaries, wages and fringe benefits payments to the ATO as part of their activity statements, PAYG reporting systems and/or through the annual PAYG payment summaries that they provide to employees and the ATO. The following data is sourced from the ATO dataset.

Salaries and wages

Salaries and wages include salaries, wages and other payments to staff and are reported as part of a charity's or individual payment summary data and/or at BAS label W1.¹⁹ Where payments summary data is available, this was used as the primary source of information. BAS Salaries and Wages data was only used if no payment summary data was available. There are some discrepancies in the datasets and these results should be used as an indicator not an absolute measure.

Key findings:

- The ATO had 2012-13 payment summary information or BAS salaries and wages data for 26,335 charities. Of these, 9,431 (36%) recorded \$0 in salaries and wages leaving 16,904 (64%) recording payments of wages and salaries of more than \$0.
- The total amount of wages and salaries recorded was \$41bn.²⁰
- Ten percent of charities with wages and salaries records (approximately 2,600) account for 89% of all salaries and wages paid.
- Excluding charities not recording wages and salaries in the year, the median amount of wages and salaries recorded was approximately \$178,000.

¹⁹ This category also includes leave loading and payments to labour hire firms for workers, but does include amounts subject to salary sacrifice arrangements or super contributions.

²⁰ This amount excludes a single data record that included a large amount of wages and salaries but which could not be verified.

Fringe benefits tax

Fringe benefits tax (FBT) is paid on certain benefits employers provide to their employees in place of salaries and wages and out of otherwise untaxed remuneration. FBT is complex and applies differently to charities depending on their exemption and rebate status.²¹ Essentially, if a charity is exempt from FBT it can provide fringe benefits to staff (up to a threshold) and not pay fringe benefits tax on these benefits. This is an important concession to charities as it enables them to offer more competitive remuneration packages to attract and retain staff.

The data on FBT was sourced from employer's payment summary statements. There are some areas in which this data does not provide a complete picture. For example, the data does not include entertainment, fringe benefits of less than \$2,000 per employee and some other fringe benefits. Therefore this data should be considered an indicator of the lower boundary rather than an absolute measure.

Key findings:

- Of the 26,335 charities with records, 6,226 charities (24%) reported providing fringe benefits in 2012-13.
- In 2012-13 these charities reported providing fringe benefits to a total of approximately 288,000 staff.
- The average amount of fringe benefits provided per staff member was approximately \$21,000 and the median \$22,000. Ninety percent of charities reporting fringe benefit payments provided less than \$28,400 in fringe benefits per staff member.
- From this data, the median number of staff per charity for whom the charity was providing fringe benefits was eight. Some charities reported having more than 1,000 staff receiving fringe benefits.
- The total amount of fringe benefits reported as provided by the 6,226 charities in 2012-13 was approximately \$6.4bn. The median amount provided was \$173,000 per charity.

²¹ For further information see the ATO website: www.ato.gov.au/non-profit/fringe-benefits-tax

2.3. Volunteers

Approximately 33,800 charities reported being supported by a total of more than 2 million volunteers²².

Seventy six percent of volunteers (1.6m people) worked for 10% of these charities.

Of charities with volunteers, the median number of volunteers was 15.

Volunteer numbers peak at five to nineteen per charity rather than show the downward curve evident in employment numbers per charity.

There were 33,840 charities that provided information on the number of volunteers that worked for their organisation during the last pay period of their financial year.²³ The ratio of small, medium and large charities that responded is similar to that of the full ACNC dataset. However, there may have been a higher response rate from charities with volunteers than others, so this data cannot be extrapolated to all registered charities. Further, charities may define the term volunteer differently. For example, surf life saving organisations or men's sheds may include members in their volunteer numbers.

Table 5 Sample of charities providing information on volunteers compared with the ACNC dataset

	ACNC dataset	Sample of charities reporting volunteer numbers
Total	38,341	33,840
Small	67%	68.4%
Medium	16%	15.4%
Large	17%	16.1%

Key findings:

- Of the charities reporting on volunteers, 29,156 or 86% reported having one or more volunteers during the last pay period of their last financial year. (Note: as mentioned above this data cannot be extrapolated to all charities.)
- In total, charities had more than twice the number of volunteers as paid employees.
- Of the charities reporting information on volunteers, more than a third (35%) had five to nineteen volunteers. As such, the distribution of volunteer numbers is quite unlike that for paid staff and peaks at five to nineteen volunteers.
- For charities with one or more volunteers, the median number of volunteers was 15.
- Overall, volunteer numbers are correlated with employment. The higher the number of full and part time staff, the higher the numbers of volunteers.

²² Volunteering numbers for one charity were removed, as it appeared to double count affiliated organisations. It is possible that other entities with parent and subsidiary bodies may have double counted volunteers. This data is being further investigated.

²³ One group of charities made an error in reporting of volunteers that resulted in a significant over-count. The reported results were adjusted accordingly.

Figure 8 Charity volunteers compared with full time and part time paid staff

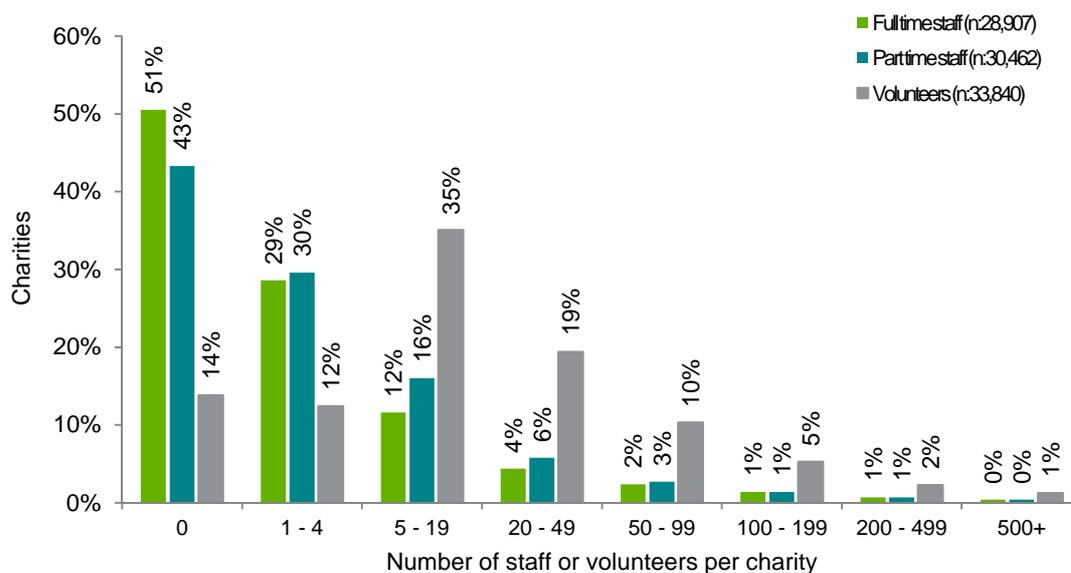


Table 6 Number of charities with volunteers, full time and part time staff

Number of charities employing staff and volunteers											
Volunteers											
	0	1 - 4	5 - 19	20 - 49	50 - 99	100 - 199	200 - 499	500 - 999	1000+	Total	
Full time staff	0	3,159	1,589	5,250	2,399	1,263	387	172	42	39	14,300
	1 - 4	553	947	2,318	1,738	955	508	216	37	29	7,301
	5 - 19	509	409	753	449	257	178	147	36	37	2,775
	20 - 49	213	112	257	167	81	88	51	28	29	1,026
	50 - 99	128	40	118	88	63	45	33	19	20	554
	100 - 199	56	19	63	49	37	43	39	10	19	335
	200+	44	6	19	27	17	28	38	22	42	243
	Total	4,662	3,122	8,778	4,917	2,673	1,277	696	194	215	26,534
Part time staff	0	3,114	1,423	4,734	2,118	1,141	253	114	42	37	12,976
	1 - 4	620	1,038	2,680	1,824	963	549	228	38	42	7,982
	5 - 19	546	574	1,308	764	415	303	196	45	42	4,193
	20 - 49	217	164	462	254	129	117	66	26	19	1,454
	50 - 99	100	45	209	138	78	54	35	17	16	692
	100 - 199	42	20	59	92	68	48	32	10	23	394
	200+	31	6	26	48	37	49	51	24	36	308
	Total	4,670	3,270	9,478	5,238	2,831	1,373	722	202	215	27,999

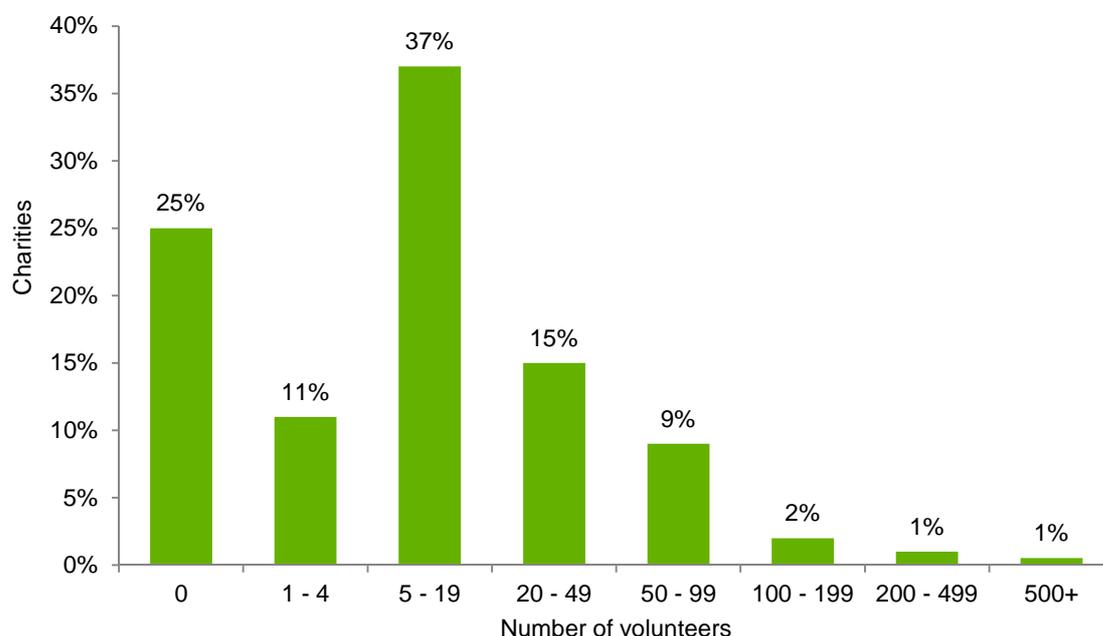
Note: Only charities that provided information on full and part time employees, and volunteers are included in this table.

Charities with volunteers but no paid staff

There were approximately 25,000 charities that provided data on full and part time staff and volunteers. Of these, approximately 48% (11,829) had no paid staff.

- Of the 11,829 charities without paid staff, 75% reported having volunteers.
- Eleven percent of reporting charities without staff had 1 to 4 volunteers, and 37% had 5 to 19 volunteers.
- A significant number of these organisations reported having more than 500 volunteers; for example, charities in neighbourhood watch and the volunteer fire brigades.

Figure 9 Volunteering with charities with no staff (n:11,829)



Volunteering by main activity sector

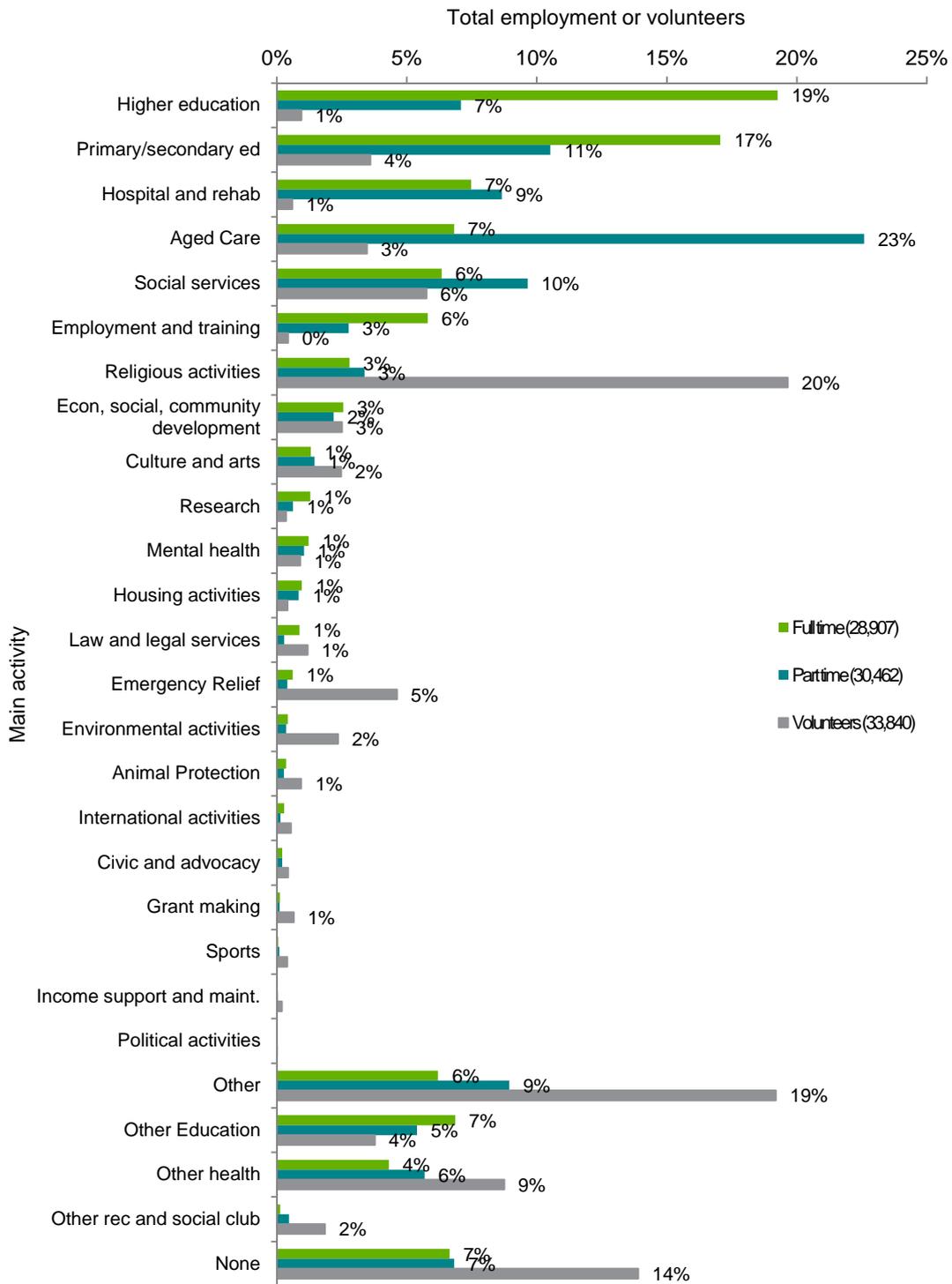
The data on employment should be read in conjunction with the data in Section 2.5 of this report on the number of charities operating in each activity area.

Key findings

- Charities whose main activity is religious account for 20% of all volunteers. The median number of volunteers for religious charities is 20 (compared with the 15 for all reporting charities) and as religious charities account for 25% of all charities by activity, these charities account for the largest share of volunteers (See Section 2.5).
- There are comparatively lower proportions of volunteers in charities active in higher education, and hospital and rehabilitation.

- The data shows a large number of volunteers working in 'other' categories or 'none'. This is partly the result of the structure of the online information form and is being investigated. At this stage, the data cannot be disaggregated further but it includes a broad range of other activity types including disability services, children's services and other human services.

Figure 10 Volunteers and full and part time employment by charity main activity

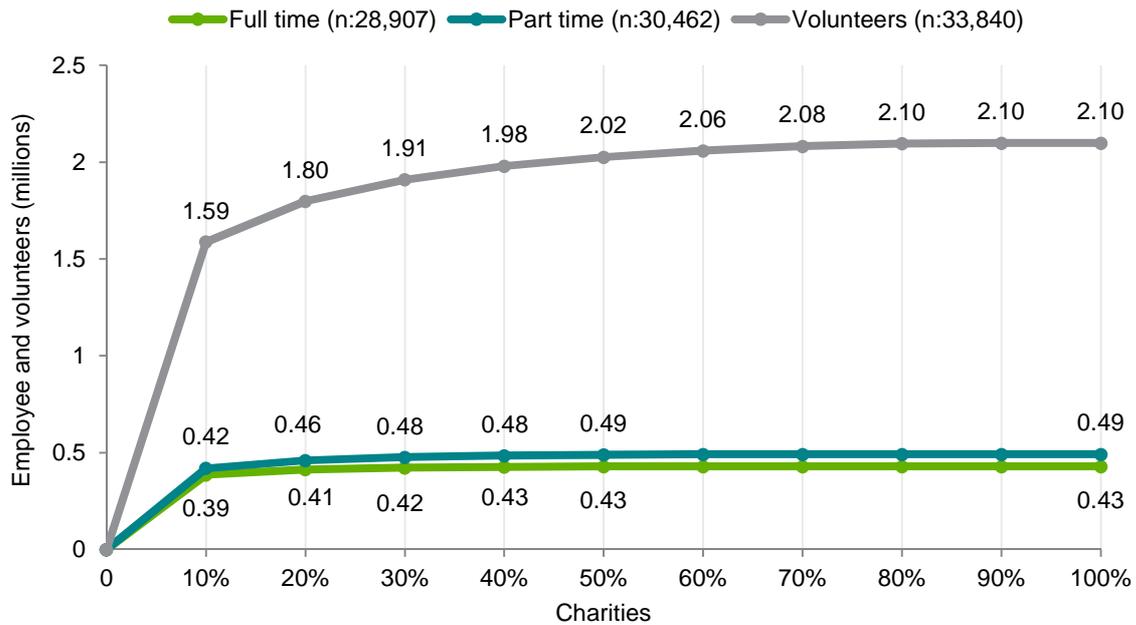


Note: Only shows activities that account for 1% or more of total volunteers. Bars without data labels are less than 1%. Total does not add to 100%

Contribution to volunteering

Charities that fall into the top ten percent in terms of volunteer head count (those with more than 85 volunteers) accounted for 76% of all volunteers. As such, the contribution to total volunteer numbers per charity is less concentrated in a small number of charities than the contribution towards employment.

Figure 11 Contribution to full time, part time employment and volunteers



2.4. Charitable purpose

For an NFP to be a charity it must be established to pursue one or more charitable purposes.

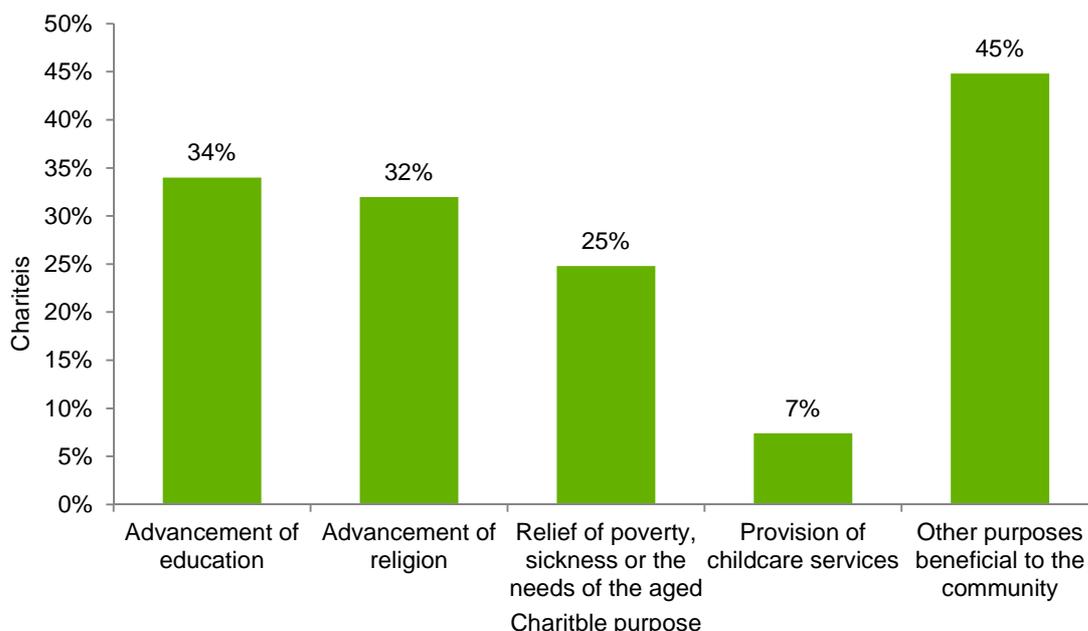
When lodging their AIS, charities could nominate one or more of their charitable purposes. A third of charities' purposes included the advancement of education and 32% aimed to advance religion.

A quarter of charities aimed to relieve poverty, sickness or the needs of the aged and 45% advanced one or more "other purposes beneficial to the community".

A charity's purpose is the main reason it exists and is usually described in its governing documents (that is the constitution or rules). Prior the introduction of the *Charities Act 2013 (Cth)*, there were essentially five broad classifications of charitable purpose recognised by general law and taken into account when identifying a charity's eligibility to be categorised into a subtype and receive additional tax benefits. The Charities Act lists 12 charitable purposes, and two additional subtypes (Health Promotion Charity and Public Benevolent Institution). Effectively the Act provides a codification of charities law relating to the recognition of charities. In future, charities will be registered under one or more of these charitable purposes, providing greater detail than is available under the old classifications.

The data relating to classifications provides an indication of the breadth of the charitable aims of organisations in the sector. Charities that completed the AIS were asked to identify all their charitable purposes and 35,450 responded to this question. Of these, 22,084 (62%) provided a single purpose, 8,758 (25%) two purposes, and 4,608 provided (13%) three or more purposes. As a result, this data does not provide clarity of main charitable purpose. The AIS is being revised to enable greater distinction in future.

Figure 12 Charitable purpose (n:35,450)



Note: The term "Other charitable purposes beneficial to the community" includes activities such as advancing arts and culture, health, animal welfare and the environment, and may include a wide range of other purposes. Total adds to more than 100% due to multiple responses.

Basic Religious Charities

Charities that reported that advancement of religion as one of their purposes were required to state if they met the criteria for a Basic Religious Charity as set out in the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*.

Basic Religious Charities are exempt from certain reporting obligations including the requirement to answer financial questions in the AIS from 2014 onwards, submit annual financial reports or to comply with ACNC governance standards. Of the 12,253 charities that listed the advancement of religion as their purpose, 9,809 or 80% self identified as Basic Religious Charities, which is equivalent to 26% of all charities in the ACNC dataset. An ACNC investigation has found that the actual percentage of Basic Religious Charities is likely to be under 20%, and therefore it appears that some charities have incorrectly reported as Basic Religious Charities. This is the first year that religious charities have had to self-assess their status and the ACNC has since provided more guidance to ensure charity representatives have a better understanding of the meaning of Basic Religious Charity as it pertains to reporting obligations.

Diversity of services to achieve charity purpose

The AIS provided a field for charities to describe how they pursued their charitable purpose(s) in the 2013 financial year.

The diversity in activity is enormous and examples of the information provided by charities are included here and in other sections of this report. Information for individual charities can be found on the ACNC Register.

How did your charity pursue its charitable purpose?

"We provide free, accessible and quality legal services to people in need focusing on disadvantaged individuals."

"We offer accessible gallery space, at no profit, for emerging and established artists and community groups. We are run entirely by volunteers. We also applied for government grants on behalf of artists and community groups."

"We provide breakfast and lunch to the school community."

"We have raised funds to support Veterans and their families in need; as well as continuing to support the [Name of regional city] Men's Shed."

"Retired volunteer teachers travelled to isolated and remote stations to provide educational support to the school children's tutor. Usually this freed the tutor (usually mother) for a well earned break or for other station operational activities"

"Teaching Buddhist meditation and the Buddha dhamma."

Source: 2013 Annual Information Statements

2.5. Main and additional activities

Religious activities were the main activity for a quarter of charities, making this by far the largest area of charity work - more than four times higher than any other single activity.

The distribution of charity activity across this broad range of services and the number of charities undertaking more than one activity illustrates the huge diversity and complexity of the sector.

In addition to identifying their charitable purpose, the AIS required charities to state whether they had been active in the reporting period and to identify the main activity they undertook. They were also given the opportunity to nominate additional activities they carried out. This information enables segmentation of the sector by activity and, particularly when used with other data, can be used to support policy evaluation and development.

The AIS included 25 categories of activity, plus an 'Other, please describe' option. Charity representatives marked the category that believed best described their main and other activities.

To enable comparison with other data, the categories provided were based on the International Classification of Non-profit Organisations (ICNPO) which is commonly used for examining this sector and was used by the ABS in the 2012-13 report on Australian National Accounts Non-profit Institutions referred to in Section 1.2 of this report. The ICNPO classifications can be found in appendix 2. The AIS categories had some minor variations from ICNPO, namely the inclusion of a category for aged care and the exclusion of business and professional associations and unions. The ICNPO category of philanthropic intermediaries and volunteerism promotion was replaced by grant-making activities. The ICNPO also includes a category titled 'political activities' which although appropriate for NFP organisations, is not a category of activity that a charity can pursue in Australia.

Despite being provided with a full list of categories, a significant proportion of charities used 'other categories' or none. This is the first time charities have had to provide this data and this is likely to be the result of a lack of familiarity with the categories and the design of the online form. The ACNC is providing more guidance for completion of the 2014 AISs and is updating the web interface to encourage more accurate representation of activities.

Main activity

Key findings:

- Eighteen percent of charities did not report a main activity type. This is most likely the result of a number of charities failing to complete the form accurately but may also indicate that there is significant percentage of charities are not active. The ACNC continues to investigate this finding.
- Religions have had a major impact on the development of charities and religious activities are the main activity for a quarter of all reporting charities.
- After the advancement of religion, primary and secondary education (6%) and grant making (5%) were the largest individual categories of activity nominated.

- Charities undertook a very broad range of activities in 2012-13. Excluding charities nominating religion as their main activity, no more than 6% of charities report undertaking the same main activity. Again, this data highlights the diversity and inherent complexity of the Australian charity sector.
- Although there were 23 headings provided, 20% of answers regarding main activity were identified as 'other'. For the main activity question, these fields cannot be broken down further. However, the 'other category' in the question related to additional activities can be analysed and it is evident that many had chosen to select the 'other' answer even though an appropriate category was provided. In some cases the field for 'other' was used to upload bulk entries that would have been better described using the specific fields. This is being addressed in the 2014 AIS.
- There were some areas of charity activity that charity representatives may have found difficult to allocate to a category provided. These include childcare, kindergarten and other early childhood activities (i.e. those that don't fall into primary education); activities for veterans; fundraising (as the principal activity itself); and the provision of information and training. The ACNC has revised the list to be more reflective of the full range of ICNPO categories and should support this with more guidance about the definition and scope of these categories and structuring the online form to ensure that answers such as 'none' and 'other' are less easy to access.

How did your charity pursue its charitable purpose?

"We provide services to people who are homeless or at risk of homelessness. This is combined with employment & training services to find stable accommodation. Many of our services users have mental health issues. They are referred to our in-house psychologist who provides counselling and referral services. We have an Indigenous Mentor Support Program with a male & a female Indigenous worker who provide one-to-one mentor support to Indigenous jobseekers. We also provide Disability Employment services and job services for Youth at Risk. The youth unemployment rate is over 20% and we have youth workers who provide assistance to help these clients participate in training/education or find employment. We also deal with their barriers to employment that includes homelessness, family breakdown, substance abuse and mental health issues. We also provide assistance to young people who were leaving Juvenile Justice Facilities. This support begins prior to their release."

Source: 2013 Annual Information Statements

Figure 13 Charities' main activity in the last financial year (n:38,341)

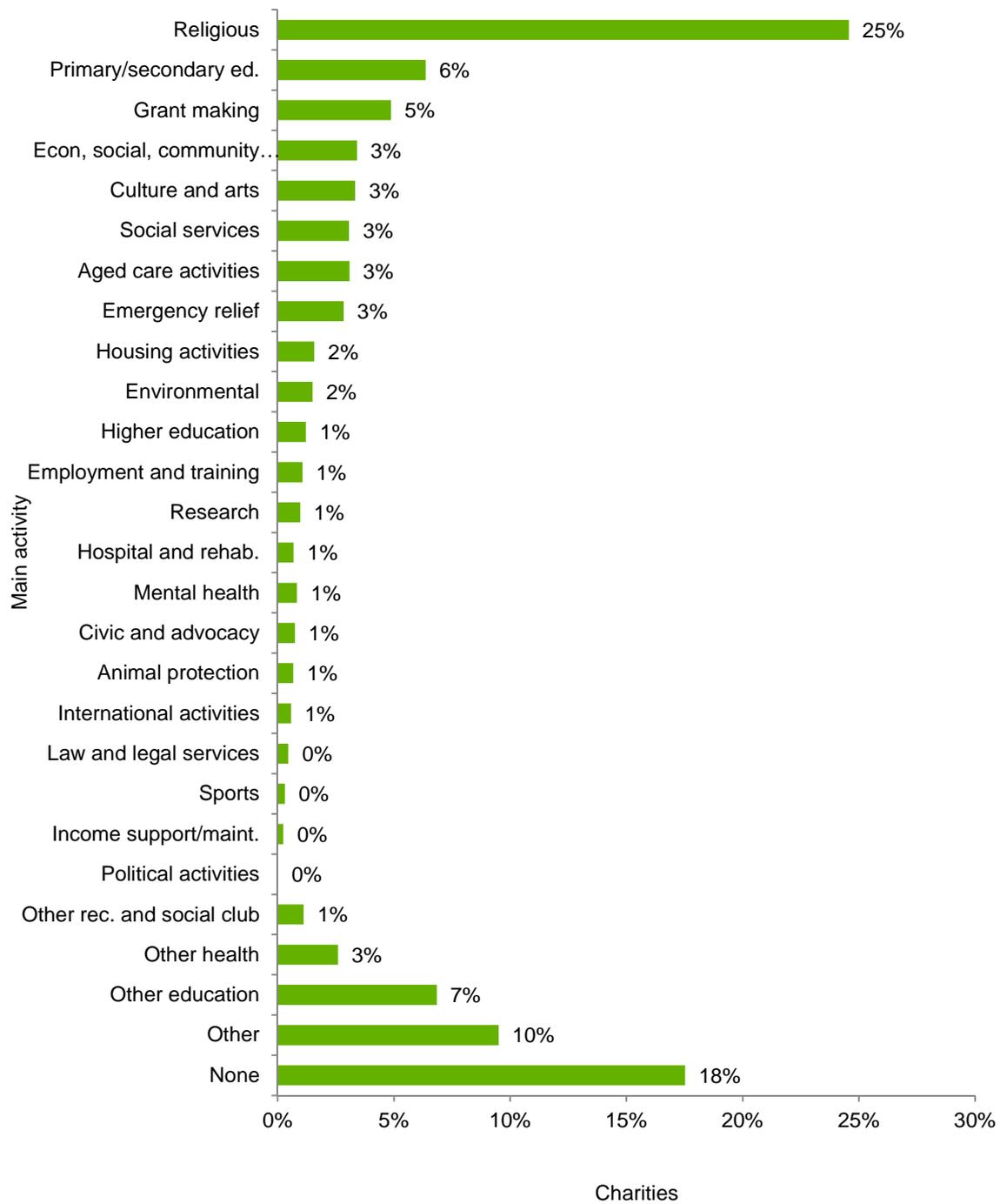


Table 7 Main activity

Main activity	No.	Main activity	No.
Religious	9,421	Civic and advocacy	284
Primary and Secondary Education	2,441	Hospital and rehab	263
Grant making	1,867	Animal protection	259
Economic, social and community development	1,309	International	218
Culture and arts	1,279	Law and legal services	176
Aged care activities	1,184	Sports	118
Social services	1,177	Income support and maintenance	93
Emergency relief	1,089	Political	4 ²⁴
Housing	605	Other	3,626
Environmental	576	Other education	2,642
Higher education	466	Other health service	994
Employment and training	410	Other rec and social club	430
Research	371	None	6,720
Mental health	319	Total	38,341

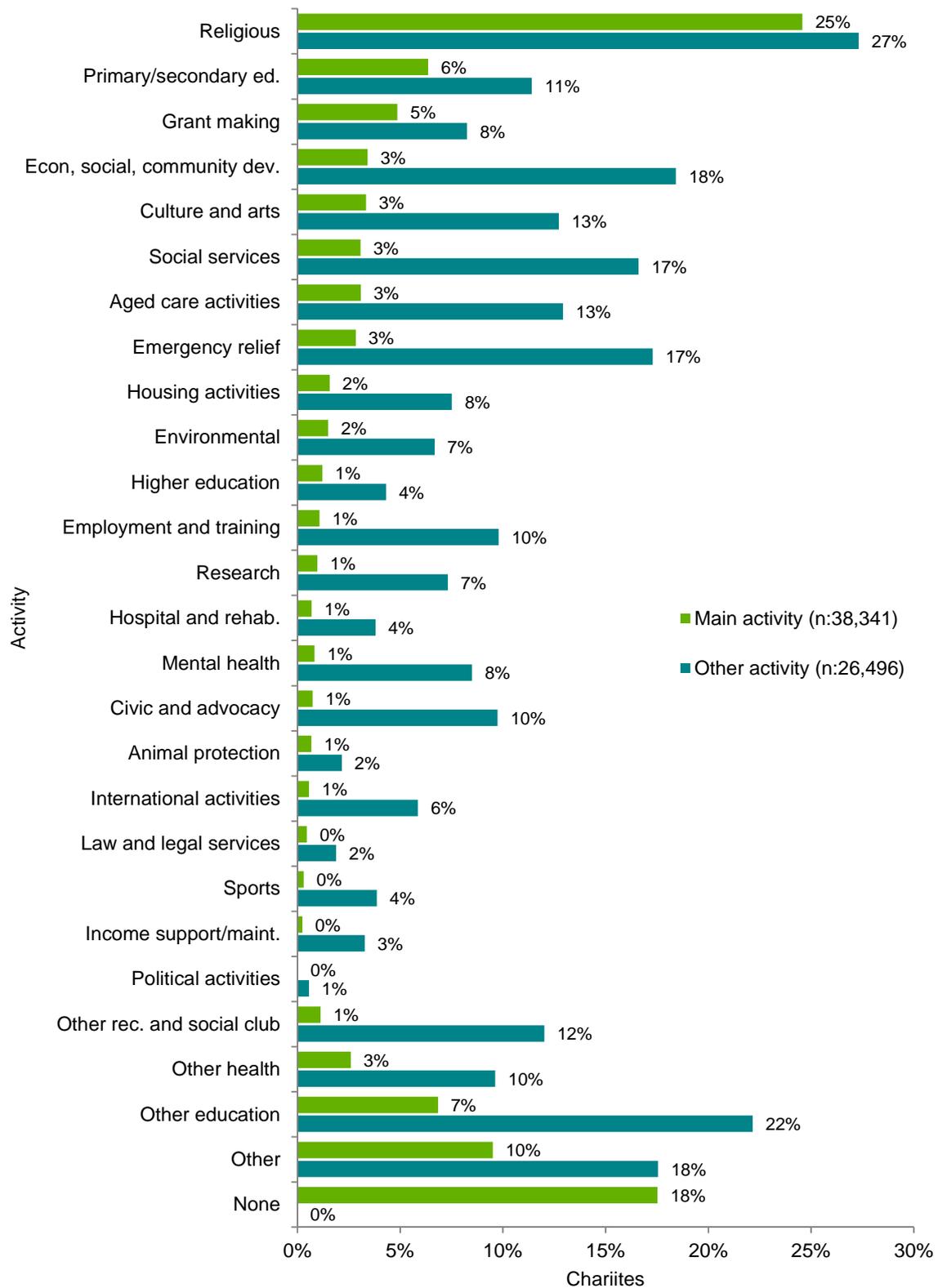
Additional activities

Key findings:

- Nearly 70% of charities reported that they worked in one or more areas in addition to that of their main activity - on average these charities nominated three additional areas. Again, this data highlights the diversity and complexity of the services provided by individual charities and of the sector as a whole.
- Religious activity was still the dominant category, but 18% undertook work in economic, social and community development, 17% in emergency relief, and 17% in social services. 'Other education' was also a significant area of activity with 22% of charities reporting being active in this sector.
- Thirteen percent of charities were active in aged care, and a further 13% in cultural and arts areas. The more specialist areas, such as law and legal services, and animal protection received fewer responses, indicating that these areas of work are less likely to be additional activities undertaken.

²⁴ The charity activity categories are based on the International Classification of Non-profit Organisations (ICNPO) used to classify all NFPs not specifically charities. In Australia, organisations undertaking political activities as their primary purpose could be NFPs but would not be registered as charities.

Figure 14 Main and other activities



Note: 'Main Activity' data adds to 101% due rounding. 'Other Activity' data adds to 200% due to multiple response.

Plans to change charity activity in the next financial year

Three percent (1,062) of charities reported that they intend to change the way they pursue their charitable purpose in the next financial year. Approximately a quarter of these charities reported that they intend to close and deregister. This is the first time information about charity closure has been available and could be an area for further research including longitudinal studies to determine the factors that influence charity closure.

Most of the charities reporting that they will change their charitable purpose are shifting their focus and activities in response to changing funding sources, changing needs, or aiming to grow or diversify.

Is your charity going to change the way it pursues its charitable purpose in the next financial year? If so, please describe.

"Funding arrangement cease to exist in 2015. We rely on one funding source and are currently searching for new revenue streams which may dictate the mode of delivery we undertake."

"Amalgamating with [name of entity]. Hence, deregistration of this entity is pending."

"[Name of entity] will be pursuing a self-supporting social enterprise model with the help of grants from various sources, so that we may continue addressing the efficiency and educational needs of [residents], in the absence of the [Name of] program."

"A Car Show is on the Agenda as well as Healthy Breakfast mornings at the School."

"We are re-evaluating the purposes of the PAF as the trustee of the fund to determine whether a change of purpose is appropriate or alternatively to close the fund."

"Not sure if will be finalised within the 12 months but working towards day respite services, dementia cafe and men's shed to be housed on neighbouring block of land. This area will also house additional independent living units, supported housing and community housing into the future."

"Last year our federal funding finished in December 2012. Next year we will be much smaller, with no federal funding. We will continue to promote primary health care via policy and engagement with stakeholders."

Source: 2013 Annual Information Statements

2.6. Beneficiaries

Charities provide services across the full breadth of Australian society.

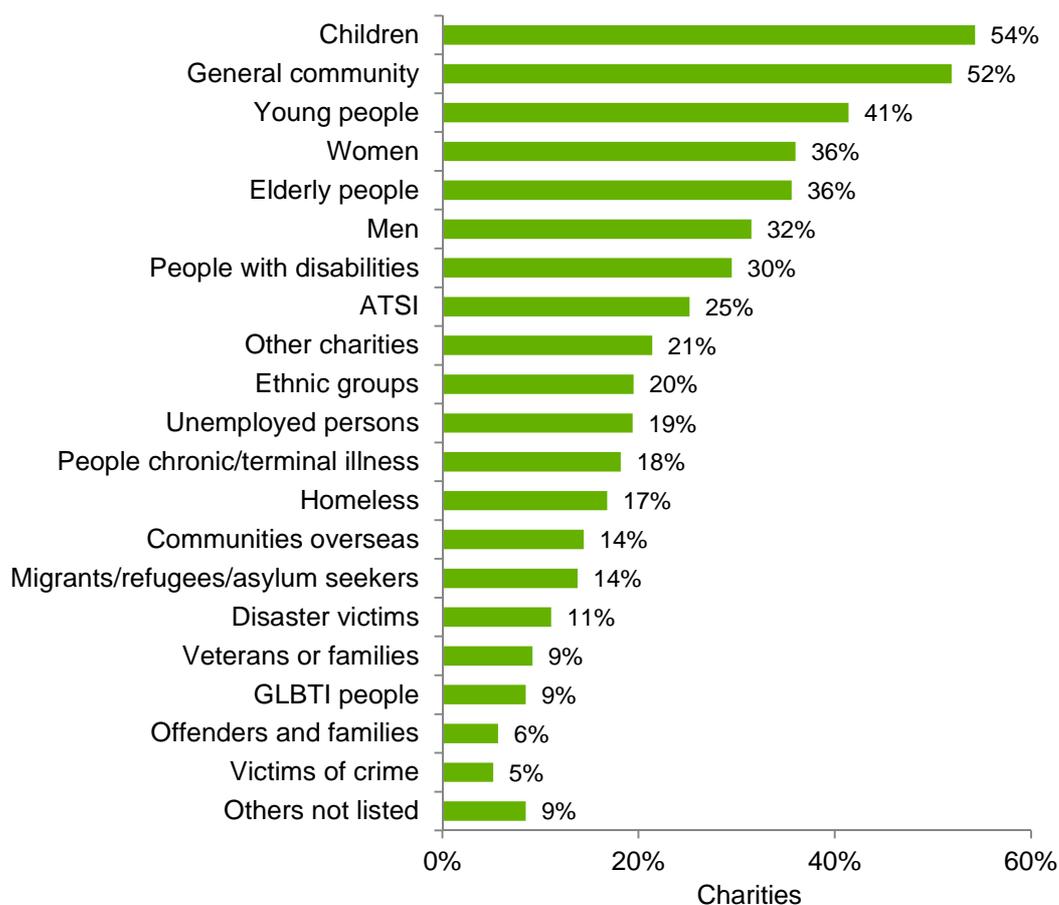
They serve both the general population and particular groups of people that have specific long or short term needs. In many cases, these populations intersect and it is not possible to accurately count the charities serving different groups. In general, more charities nominated children, young people, women and/or the elderly as beneficiaries of their work.

The number of charities supporting specific beneficiary groups may reflect both the relative size of that segment within the Australian population and the needs of that group. On average, charities nominated more than 4.1 different beneficiary groups and the definitions of these groups intersected.

Key findings:

1. Just over half of all reporting charities provide services to children and/or the general community, and a third are supporting young people, women, the elderly, and/or men.
2. Thirty percent provide services to people with disability.
3. A quarter of reporting charities benefit Aboriginal and Torres Strait Islander (ATSI) peoples.
4. One in five charities support other charities.
5. As might be expected, analysis shows that many charities provide services to communities of people with related challenges or needs, such as unemployed people and homeless people, or the elderly and those living with chronic illness. Others, such as those working with ATSI peoples, identified a broad range of beneficiaries, including children, women, men, elderly people, young people and the general community.
6. The beneficiary groups served by fewer, more specialised charities were: offenders and their families; veterans and their families; disaster victims; and victims of crime.

Figure 15 Beneficiaries of charities (n:34,556)²⁵



How did your charity pursue its charitable purpose?

“The practice and advancement of the Christian religion founded on the Holy Bible as understood by the denomination of Christians known as Jehovah’s Witnesses.”

“[Name of entity] is an independent Islamic co-education school...founded to provide boys and girls to acquire knowledge and education of Islamic ethical values and to excel in this life and the Hereafter through the provision of a wide range of learning experiences in a supportive, caring and intellectually stimulating environment...”

Source: 2013 Annual Information Statements

²⁵ GLBTI: Gay, lesbian, transgender, bisexual and intersex people ATSI: Aboriginal and Torres Strait Islander peoples

2.7. The location of charities and their operations – within and outside Australia

The distribution of charities across the states or territories is correlated with the Australian population. More than half of all reporting charities had their head office located in New South Wales or Victoria.

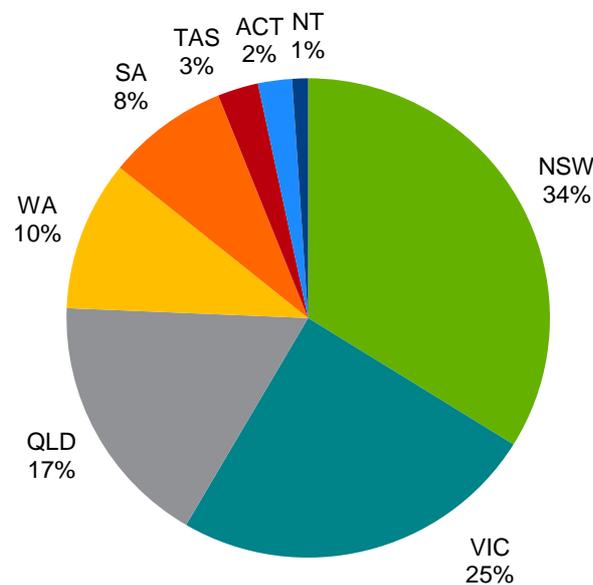
Approximately 13% of charities reported that they conducted activities in Australian states or territories outside their home jurisdiction.

The AIS collected information identifying the location of charities' primary business address and also asked charities to specify the Australian states or territories in which they operate, and if they operate overseas. Among other things, this data provides information on the extent to which charities may be affected by differences in state and territory based legislation.

Location of main business address

Overall, the number of charities in each jurisdiction is proportionate to the population. The exception is Queensland, which has a slightly lower count of charities per head of population than other states or territories.

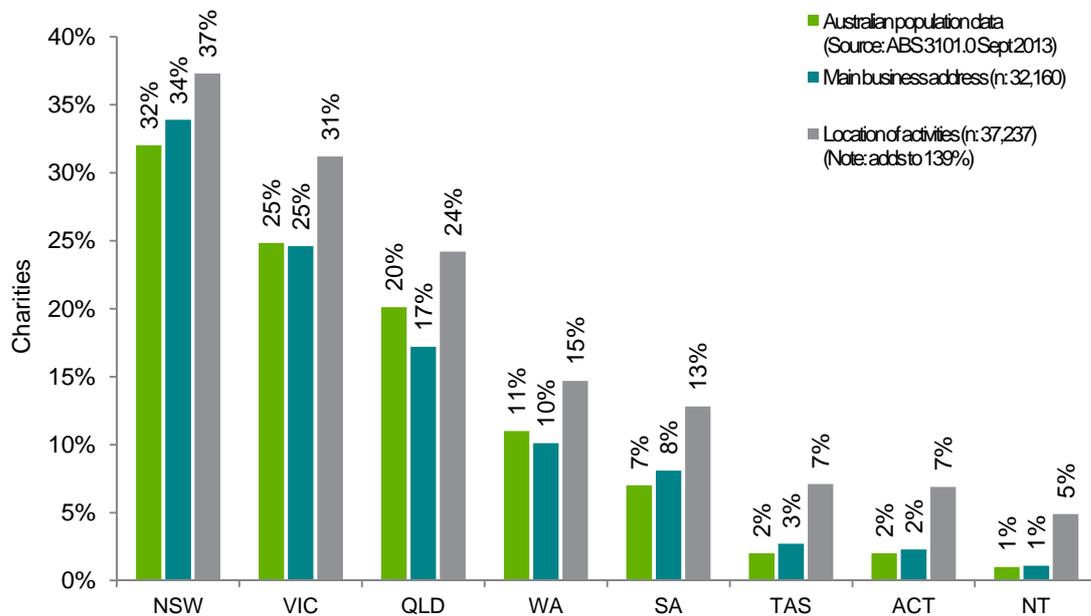
Figure 16 State or territory of primary business address (n:32,160)



Location of charity activity in Australia outside of home jurisdiction

The AIS asked charities where they operated in the 2013 reporting period. The states receiving the most service from charities outside their home jurisdiction are the Northern Territory (NT), the Australian Capital Territory (ACT) and Tasmania (TAS).

Figure 17 Location of charities primary business address and states/territories of operation



Information on the location of activity combined with data on the postcode of the main business address allows for an estimation of the number of charities operating outside their home jurisdiction.

Of the charities that provided both location and postcode information, these initial results indicate that approximately 13% of charities conducted activities in more than one Australian jurisdiction. The definition of 'activities' could include fundraising, donating, operating or providing services.

Activity outside home jurisdiction varies considerably between the states and territories. Charities located in the ACT are much more active outside their home jurisdiction than all others. Charities located in WA, TAS and the NT report the least activity in other jurisdictions.

This data provides important information regarding the development of centralised source of charity data and harmonisation of state/territory legislation.

Table 8 Charities active outside of home jurisdiction (n: 32,159)

		Percent charities main office location							
		NSW	VIC	QLD	WA	SA	TAS	ACT	NT
States active	NSW	99%	12%	7%	3%	6%	3%	38%	4%
	VIC	11%	99%	5%	3%	6%	4%	26%	4%
	QLD	11%	9%	100%	3%	5%	3%	25%	6%
	WA	7%	8%	4%	100%	4%	2%	22%	7%
	SA	7%	8%	4%	2%	100%	2%	22%	7%
	TAS	6%	7%	3%	1%	3%	100%	17%	2%
	ACT	9%	7%	3%	1%	3%	1%	98%	3%
	NT	6%	5%	3%	1%	5%	2%	18%	97%

Note: Totals do not add to 100% due to multiple response

Charities conducting activities outside Australia

Charities could indicate that they were involved with countries outside of Australia in three ways; by nominating 'international activities' as one of their activities, by nominating 'communities overseas' as one of their beneficiaries, or by advising that they operate outside of Australia.

In total, 6,476 charities or 17% of all reporting charities indicated they were involved in some way internationally. This could include sending donations or other aid or more active involvement.

Of the reporting charities, 2,402 (6%) specifically reported one more country outside Australia where they were active and most of these are developing countries. In total charities nominated more than 100 countries.

The countries in which charities reported they were involved in were India (5%), the Philippines (4%), New Zealand (4%), Papua New Guinea (4%), Indonesia (4%) Cambodia (5%) and the USA (3%).

These charities also reported having multiple beneficiaries. Sixty three percent of charities active overseas benefit children and 56% support young people. Just over half (55%) service the general community in these countries and 50% specifically benefit women.

Table 9 Countries conducting activities (n:2,402)

Country	No. Charities active in country	Charities active (%)
India	346	5%
Philippines	295	4%
New Zealand	258	4%
Papua New Guinea	246	4%
Indonesia	244	4%
Cambodia	231	3%
USA	207	3%
Thailand	186	3%
China	166	2%
Uganda	166	2%
Kenya	162	2%
Great Britain	155	2%
Fiji	143	2%
Nepal	119	2%
All others	3,765	56%
Total	6,689	98%

Note: Adds to 98% due to rounding

2.8. Reporting to the Commonwealth and state and territory governments

The AIS included three optional questions regarding reporting obligations to Commonwealth, state or territory governments. The AIS defined reporting obligations as including fundraising or grant acquittals and other reporting activities, but excluded reporting obligations to the ATO and state and territory corporate reporting obligations such as those set by state or territory regulators of associations.

The charities that answered these questions are a subset of those in the ACNC dataset as a whole and consist of a greater proportion of the larger charities. Reporting obligations are related to charity size (see Section 3), and this means these results provide a better indication of the experience of large organisations and cannot be extrapolated to apply to all charities in the ACNC dataset.

Reporting to Commonwealth agencies

Thirty one percent of responding charities reported to the Department of Education, Employment and Workplace Relations (DEEWR), 27% to the Department of Health and Aging (DoHA) and 25% to the Department of Families, Housing Community Services and Indigenous Affairs (FaCHSIA – now called the Department of Social Services).

Commonwealth agencies can change names or acronyms, merge or restructure from time to time, and most recently in the 2013 machinery of government changes. This may contribute to the relatively large number of 'other' responses at this question. The agency formerly known as FaCHSIA is now named Department of Social Services (DSS). The Department of Health and Ageing has now been renamed the Department of Health. We have retained the department names used in the 2013 AIS.

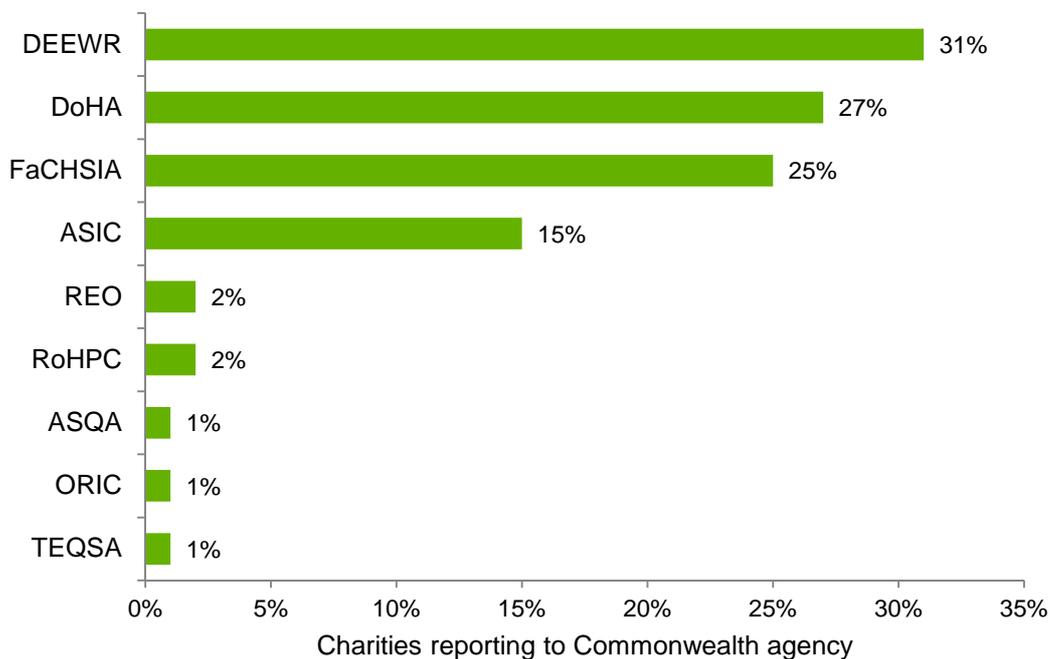
Key findings:

- There were 5,821 charities that answered that they had corporate or financial reporting obligations to a Commonwealth government department or agency over the last financial year. This represents a question response rate of 15% but does not represent a measure of the percent of charities that report to the Commonwealth government.²⁶
- More than half (52%) of this group were large charities, compared with 17% for the whole of the ACNC dataset, meaning this sample was strongly skewed towards, and is therefore more representative of, the large organisations.
- Just under a third of these charities report to DEEWR, and about a quarter reported to DOHA and/or FaCHSIA. It is important to note that these results reflect the number of charities that are operating in each of the relevant areas and not the amount of reporting burden. For example, the analysis of main activity found there are over 5,000 charities active in education and therefore may be reporting to DEEWR, compared with about 576 active in environmental sectors and potentially reporting to the Register of Environmental Organisations (REO).
- Of the charities reporting to the Commonwealth government, 25% reported to more than one agency.

²⁶ This data only measure charities that answered that they have reporting obligations. Charities that did not respond may or may not have reporting obligations.

- Figure 18 shows the responses to the pre-set answers provided on the AIS form. There was a large selection of 'other' for this question (26%). Analysis of the 'other' category shows charities also reported to a wide range of other Commonwealth agencies, including the Australia Council for the Arts, the Australian Attorney-General's Department, the Australian Children's Education and Care Authority, the Australian Agency for International Development (most often cited as AusAID), the Department of Foreign Affairs and Trade, the Department of Immigration and the Department of the Environment.²⁷
- Although this question was specific to Commonwealth government agencies, many of the responses were relevant to state or territory government organisations, which may indicate that charity representatives do not clearly distinguish between the two levels of government.

Figure 18 Commonwealth agencies to which charities report (n:5,821)



Note: Percentage of respondents. Adds to more than 100% due to multiple responses.

²⁷ The agencies included here are those nominated by the charities. A range of abbreviations were used and some of these may no longer exist or may have changed name.

Table 10 Reporting to Commonwealth Government agencies (n:5,821)

Commonwealth agency	Abbreviation	Charities reporting
Department of Education, Employment and Workplace Relations	DEEWR	1,817
Department of Health and Ageing	DoHA	1,560
Department of Families, Housing, Community Services and Indigenous Affairs	FaHCSIA	1,455
Australian Securities and Investments Commission	ASIC	901
Register of Environmental Organisations	REO	140
Register of Harm Prevention Charities	RoHPC	134
Australian Skills Quality Authority	ASQA	52
Office of the Registrar of Indigenous Corporations	ORIC	33
Tertiary Education and Standards Quality Authority	TEQSA	30
Other	-	1,496
Total responses		7,618
Total respondents		5,821

How did your charity pursue its charitable purpose?

“Research grants awarded to Kimberley Rock Art research projects; programs developed to interpret and record the rock art in remote Kimberley communities; hosting public lectures, lunches and dinners.

“Provided Chaplaincy services at prisons, hospitals, and educational institutions.”

“Provide Islamic special religious education to Public schools in NSW. Interfaith, multicultural and harmony activities.”

(Source: 2013 Annual Information Statements)

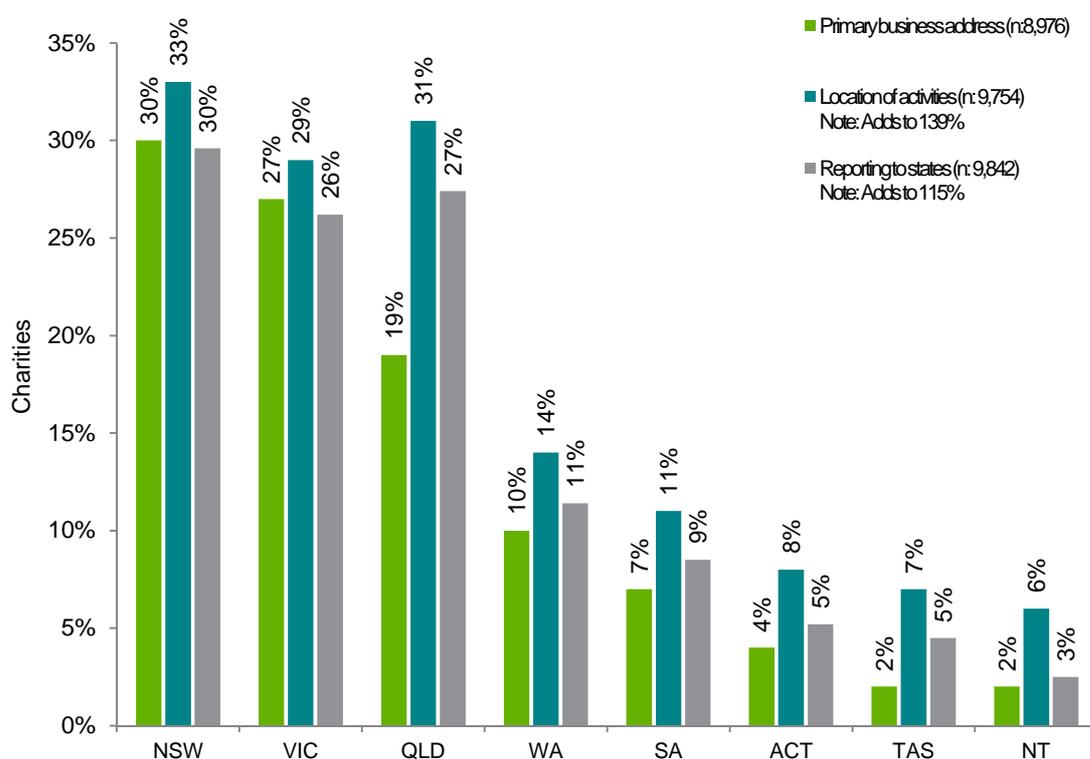
Reporting to state and territory governments

The proportion of charities required to report to state and territory governments is similar across the jurisdictions and reflects the location of charity activity.

Key findings:

- Over 9,800 charities stated they reported to state or territory governments (excluding reporting to their state or territory corporate regulator). This represents a question response rate of 26% but does not represent a measure of the percent of charities that report to state or territory governments. This cohort of charities is also skewed toward the larger charities; 36% were large and 22% were medium sized.
- The results show that the reporting obligations in each state or territory apply to a proportionate number of charities in each jurisdiction. That is, although more charities report to New South Wales government agencies than to the Tasmanian government agencies, there is little difference to the proportion of operating charities being asked to report in these states.
- This data indicates that there is a lower ratio of reporting by charities operating in the Northern Territory, the ACT and Tasmania. This may indicate that these 'out of state' charities are reporting to Commonwealth not local state agencies but more investigation is required to confirm this.

Figure 19 Reporting to state and territory government compared with business address and location of activities



2.9. Time spent meeting Commonwealth and state and territory reporting obligations

More than one in three charities (37%) did not use any paid staff time to meet Commonwealth and state / territory reporting obligations (excluding reporting to the ATO).

For charities that provided information on their reporting obligations (a sample of 50% small, 29% medium and 21% large charities), the median amount of paid staff time spent reporting to government was 40 hours per year, or about one working week.

One in five charities reported spending more than 100 paid staff hours (or two and a half weeks) reporting in the last year.

Reporting obligations for paid and unpaid staff were concentrated into a small group of charities. Eighty one percent of paid reporting hours and 85% of unpaid reporting hours were spent by 10% of charities.

Differences in reporting burden are related to charity size, the sector in which they operate, the range of activities they undertake, their entity and charity type.

Reporting in this context includes reporting to both Commonwealth and state/territory governments and includes time spent writing government funding acquittals but excludes reports to the ATO.²⁸ Charity representatives were asked to estimate the number of hours spent reporting over their last financial year. This is difficult to estimate and to divide into different tasks, such as separating ATO obligations from other types of reporting.

Importantly, this data also estimates all reporting obligations, not 'red tape' which is defined by Ernst and Young in its investigation of charities reporting burdens as "obligations that are excessive, unnecessary or confusing".²⁹ Many organisations, whether commercial, NFP or charities must undertake some reporting to government, particularly if they are operating in regulated sectors, such as in human services and education. Organisations undertaking work under grant or contract with governments are also required to provide additional information in order to acquit funding provided.

Time spent reporting – paid staff

Of the total 38,341 charities, 27% provided information on the time spent by paid staff to meet reporting obligations. Similar to respondents to the other questions about reporting obligations, the charities reporting on paid staff time are not representative of all ACNC registered charities and included more of the larger charities (29%) and fewer small charities (only 50%). This is expected as only a third of small charities had paid staff. Data on employment shows that charities operating in more regulated areas, such as education, social services and aged care are larger and are more likely to be spending time meeting reporting obligations and acquitting government funding.

Key findings:

²⁸ Note: For both paid and unpaid staff time, seven records were removed that appeared erroneous. For example, a medium sized charity reported over 1m paid reporting hours (125,000 days) and a small religious charity reported over 11,000 unpaid reporting hours (1,375 days). The total of the entries removed for paid and unpaid was 1.3m and 97,000 respectively.

²⁹ Ernst & Young, Research into Commonwealth Regulatory and Reporting Burdens on the Charity Sector 2014.

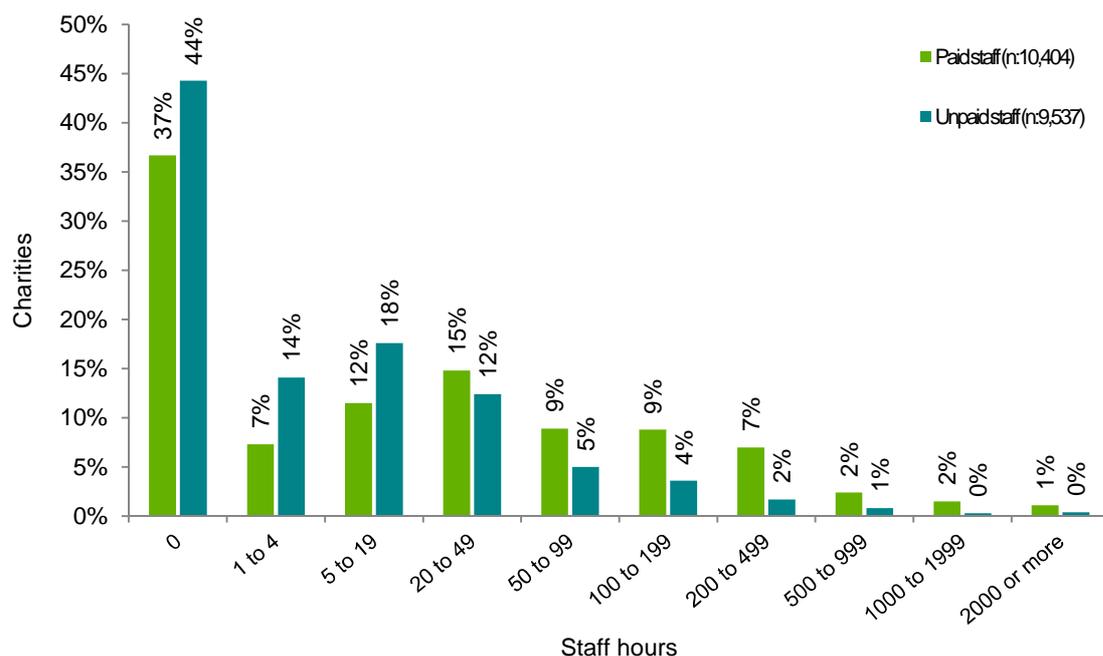
- More than a third (37%) of responding charities reported that they did not spend any paid staff time reporting to government.
- Excluding the 37% not using any paid staff time for reporting, the median amount of paid staff time spent reporting to government was 40 hours per year – about one working week.
- Approximately 19% of the responding charities spent more than zero, but less than 20 hours of paid time a year and a further 15% spent 20 to 49 hours a year. However, one in five (21%) stated they allocated over 100 hours - two and a half weeks - of paid staff time to reporting to governments.
- For the 10,404 charities that provided information, the total number of paid staff hours spent reporting in the last year was 1,384,416 hours.
- The mean reporting hours were higher than average for charities operating in the sectors of employment and training, law and legal services, social services or housing. It was lowest for charities whose main activity is grant making or religious. Similarly, mean reporting hours were higher than average for Companies Limited by Guarantee and Public Benevolent Institutions.
- Reporting obligations for paid staff were concentrated into a small group of charities. Eighty one percent of paid staff reporting hours were spent by 10% of charities.
- Charities active in mental health and crisis intervention, higher education, employment and training, and other health service delivery reported a higher than average number of paid staff hours in reporting.

Time spent reporting – unpaid staff

To examine the impact of reporting on volunteers, the AIS also requested information on the number of hours of unpaid staff time required to meet reporting obligations. Fewer charities answered this question (25%) but this group was more representative of the overall ACNC dataset in regard to size. Nearly 62% of this group of charities were small and 20% large, the balance (18%) being medium size.

- The median amount of time spent reporting by unpaid staff was 12 hours (1.5 days).
- Seven percent reported that they spent more than 100 hours (2.5 weeks) of unpaid staff time in the last year responding to reporting requirements.
- For the 9,537 charities that provided information, the total number of unpaid staff hours spent reporting in the last year was 388,000 hours.
- Reporting obligations for unpaid staff were concentrated into a small group of charities. Eighty five percent of unpaid staff reporting hours were spent by 10% of charities.

Figure 20 Time spent reporting in the last 12 months.



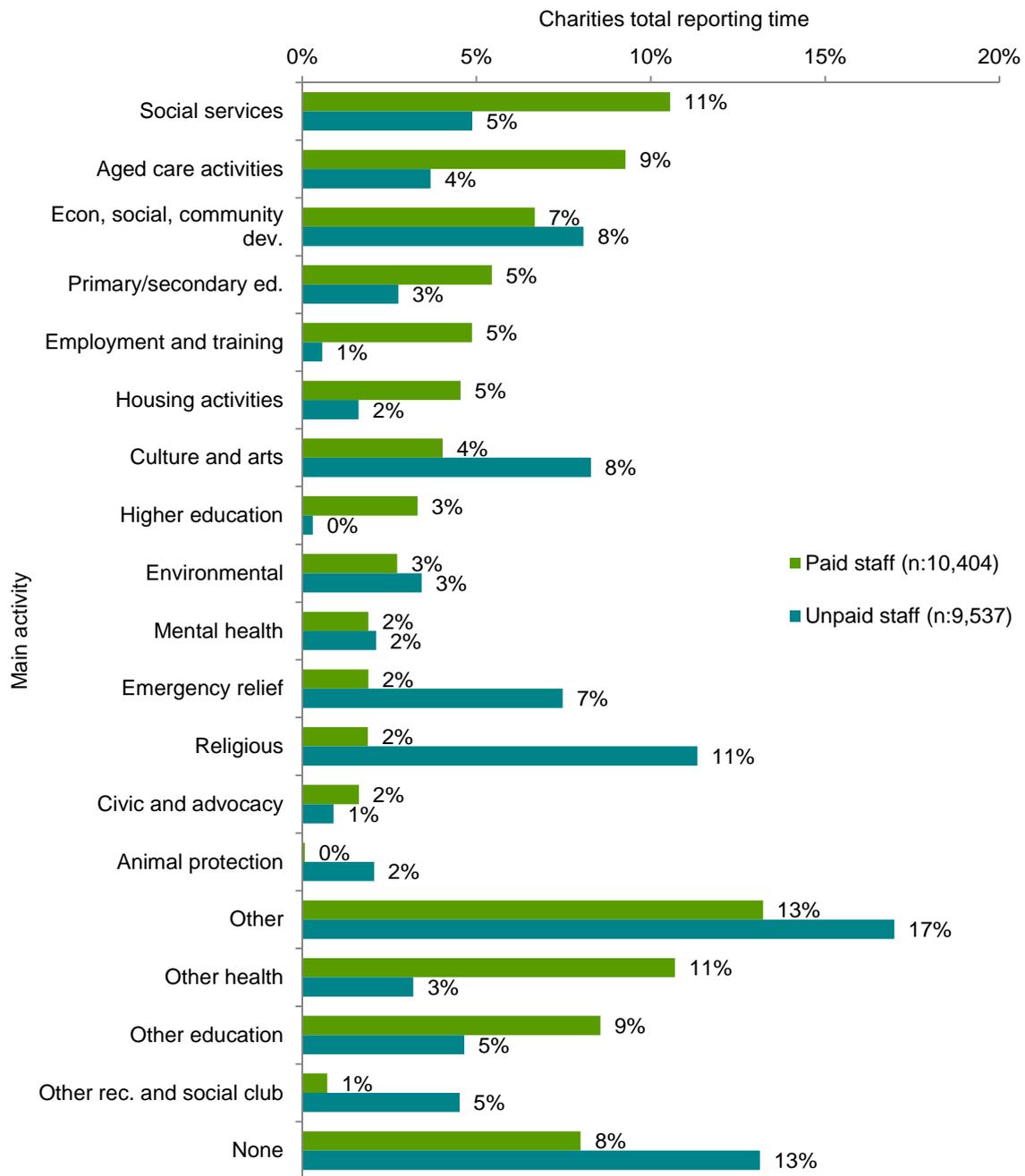
Time spent reporting – paid and unpaid staff

Just over one in five charities (22%) that provided data reported that they spent no paid or unpaid staff time reporting to governments.

Charities whose main activity is in social services, aged care, economic, social and community development and primary and secondary education report the highest percentage of paid reporting hours. Religious charities report the highest percentage of unpaid reporting hours, followed by charities operating in culture and the arts, and in economic, social and community development. It should be noted that the data in Figure 21 reflects both the number of charities in these activity sectors as well as their reporting burden.

Although this data does not represent all reporting charities and is based on charities estimating time taken in meeting reporting obligations, it shows that reporting obligations are not evenly distributed among charities and that a more disaggregated, tactical approach is required to identify the areas of greatest reporting obligations and to identify opportunities to reduce these. This data should also provide context to interpret the Ernst and Young report into reporting burden.

Figure 21 Percentage of total reporting time paid and unpaid staff by main activity



2.10. The age of charities and sector growth

The average age of reporting charities is 34 years and half of these charities were established before 1980.

There are 1,884 charities (5%) over 100 years old and 2,895 (8%) less than four years old.

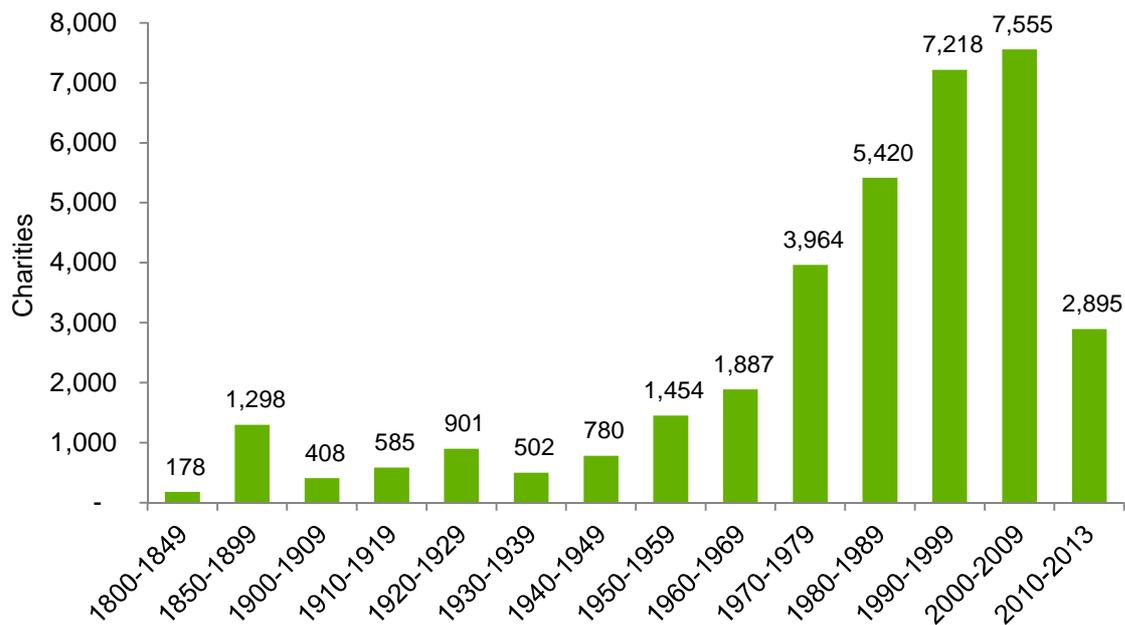
The date of establishment provides the age of currently registered charities and allows us to analyse the net growth in the number of charities. It also provides context for the development of policy as younger or older charities may be subject to different kinds of challenges.³⁰ Longitudinal analysis of charity age can also assist in evaluating policy in terms of net charity closures as the average age and number of charities shifts over time. Information on the date of establishment was extracted by the ACNC from the ACNC Register and was available for 35,045 (91%) of charities.

Key findings:

- Since 1990, the number of active charities has grown at a steady rate of approximately 2% per year, which represents a net increase of an average 736 charities per year.
- Of the 10,450 charities established since 2000, religious activities were the main activity for 18%, and 6% were working in either economic, social or community services; grant making; or 'other education'. Just over 4% were charities in the cultural and arts sectors.
- Since 1980, the rate of establishment of charities advancing religion has slowed compared with charities active in other areas. Half of the charities established between 1900 and 1909 stated their main activity is religious, compared with 30% of those established in the ten years from 1950 to 1959, and 18% in period from 2000 to 2009.
- Since 2000, there has been a higher rate of establishment of charities providing services in the areas of income support, mental health, environment, and law and legal services. However, this growth is from a low base.
- Charities can have long lives and the sector grows slowly. Data on deregistration was not available for this study, but these results show that any changes in law or regulation that apply only to newly registered charities rather than all charities (that is, those changes in law that "grandfather" new arrangements) are likely to take more than 20 years to impact the majority of organisations. Again, this finding is an important consideration about the speed and extent of impact of any changes in government policy.

³⁰ Note: This data includes charities established up to December 31, 2013.

Figure 22 Year of establishment (n:35,045)



Note: Last period is only four years - from 2010 to 2013.

How did your charity pursue its charitable purpose?

"[Name of entity] provides national programs, education and facilitates research to bring the Arts into health and aged care environments. A strong research program contributes to knowledge of the impact of Arts in health and aged care environments."

."Administration of an overseas aid fund"

"[Name of entity] Accommodation Services continued to provide rental accommodation to [.....] University students, generating rental revenue and government incentive payments under NRAS. The 600 bed accommodation facility was occupied at full capacity in 2013."

"Through the provision of residential aged care, community based aged care, rehabilitation programmes for individuals with acquired brain injuries, supported housing for ABI sufferers, specialist Huntington's disease facilities and support programmes, provision of respite and palliative care facilities."

"Technological innovations efficiently translated to direct value for dairy farmers, through partnerships with commercial organisations."

(Source: 2013 Annual Information Statements)

2.11. Legal structure, charity subtype and tax status

Forty one percent of charities are reported to be incorporated associations and 33% unincorporated associations.

Twenty percent of charities are classified as Public Benevolent Institutions or Health Promotion charities.

For 2012-13, 20% were exempt from paying fringe benefits tax and 63% were eligible to receive a rebate of fringe benefits tax.

Along with other data, the Australian Business Register (ABR) provides information on the legal structure, charity subtype and tax registrations and exemptions applicable to the charities registered with the ACNC. The data in this section was sourced from the ABR and the information provided by charities on their AISs.

Legal structure

A charity's legal structure determines how it is regulated and governed, who it reports to, how it can operate, what it can do, and, to an extent, if it is eligible for certain tax exemptions. There are seven common legal structures and a few other specialist legal structures that charities can adopt. These legal structures can have different names in different databases, so this can be a complex area³¹.

Most charities are structured as either an Association (Unincorporated or Incorporated), a Company Limited by Guarantee or a Charitable Fund.

- An Incorporated Association is a separate legal entity (a corporation) and can continue to operate regardless of changes to membership. The liability of members of an Incorporated Association is generally limited.
- Unincorporated Associations are an association of individuals and are not recognised as a separate legal entity to the members associated with it. Significant liability can attach to members in these organisations.
- A Company Limited by Guarantee (Australian Public Company) is an entity incorporated under Commonwealth legislation (the *Corporations Act 2001*), which is administered by the ASIC and, therefore, all of these charities have the same rights and obligations regardless of where they are located.
- A Charitable Fund (Other trust) is a trust established for charitable purposes and has different obligations again.

Associations are established under state or territory laws, meaning that they are likely to have different rights and obligations depending on the states in which they were established. To be able to be active outside their state of registration, associations must take additional legal steps and typically they will register with ASIC as a Registered Australian Body, which means it will be regulated by ASIC as well as its state/territory regulator.

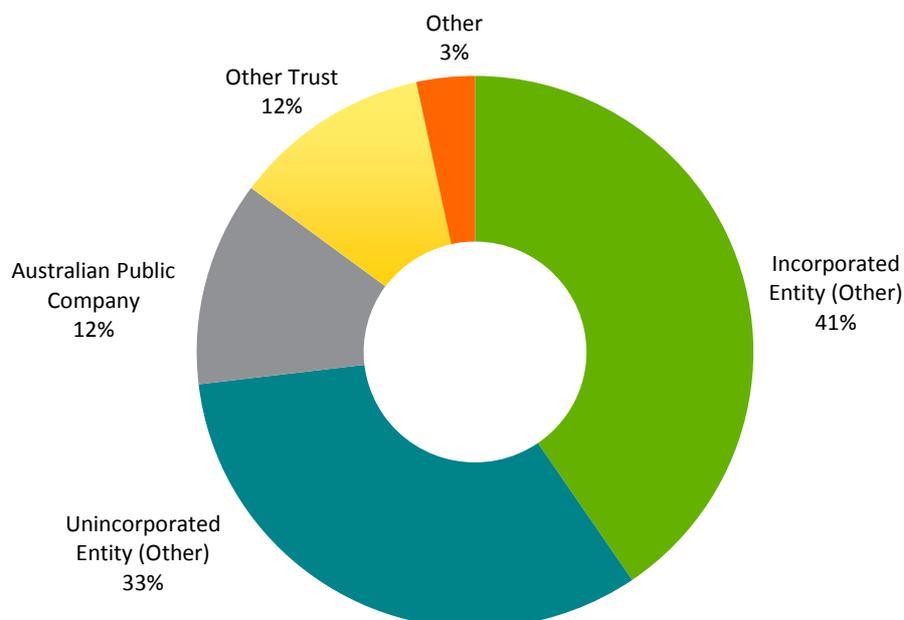
³¹ The Productivity Commission recommended simplification of charity legal structures in its report *Contribution of the Not-for-Profit Sector*, Research Report, Canberra, 2010.

For completeness' sake, it should be noted that organisations can be also incorporated by a private Act of Parliament. Such organisations are mostly churches and their attendant charitable organisations. These organisations were often incorporated under this manner before any alternative enabling legislation was put in place or were established as churches which subsequently undertook charitable work. By and large, the Acts of Parliament establishing such organisations do not provide for significant regulatory arrangements.

Key findings:

- ABR records show that 41% percent of charities are recorded as Incorporated Associations and 33% are Unincorporated Associations. There is no way to assess the extent to which this figure represents the proportion of unincorporated associations compared to all other unincorporated charities as there is no register and no way to identify them. In addition, it is possible that organisations originally established as Associations have subsequently changed status and not updated ABR records.
- Twelve percent of charities are Australian Public Companies (Company Limited by Guarantee)³² and 12% are Trusts (Other Trust). The remaining 3% are charities with other legal structures.
- Thirty eight percent of Unincorporated Associations are charities whose main activity is religious, and 11% are charities mainly active in primary and secondary education.
- There are some differences in the representation of legal structures in the different areas of activity. For example, 40% of charities reporting research is their main activity are Australian Public Companies (Company Limited by Guarantee) compared with only 5% of grant making organisations.

Figure 23 Charity Legal structure (n: 36,927)



³² The ASIC does not differentiate between charities and other Not-for-profit entities. The ACNC data identifies charities as a population separate from other NFPs.

Charity subtype

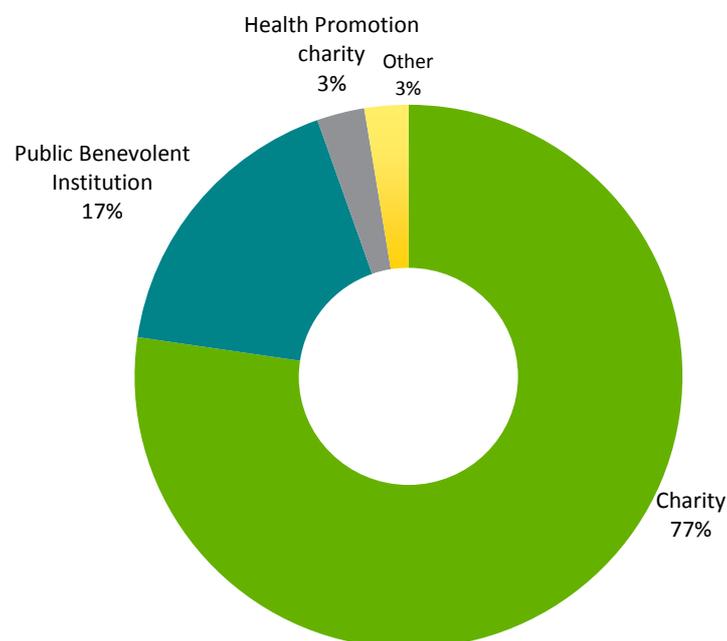
The charity subtype relates to its purpose and activities, and among other things, is used to determine charities' eligibility for tax concessions. Prior to the introduction of the *Charities Act 2013 (Cth)*, there were five main categories of charity identified and listed in the ABR records. The ACNC Act recognises 14 subtypes of charity – the 12 purposes listed in the Charities Act, plus Public Benevolent Institutions (PBI) and Health Promotion charities. All new charities will be registered under these subtypes.

The data in the chart below shows the currently available information on charity subtypes. PBIs are organisations that help relieve poverty or distress for a particular class of people and are not providing services to the whole community. PBIs are often organisations providing hospital, disability, aged care or housing support. Health Promotion charities promote disease prevention and control and can include certain medical research organisations, community health providers, and health education organisations. In addition to the other tax concessions, both PBIs and Health Promotion charities may be eligible for exemption from fringe benefits tax.

Over three quarters (77%) of organisations are classed as charities (but not PBIs or HPCs), 17% are PBIs, and 3% are Health Promotion Charities.

Thirteen percent of all PBIs reported their main activity is in aged care, 12% in social services and 8% in emergency relief.

Figure 24 Charity sub-type (n:38,007)



Tax status

Registered charities can apply to the ATO to access charity tax concessions available under income tax, Goods and Services Tax (GST) and fringe benefits tax (FBT) laws. These include exemption from income tax, and concessions up to a set value for GST and FBT. Charities that are exempt from income tax can also apply for a refund of franking credits if they receive dividends from tax paying companies.

As mentioned in Section 2, all charities can apply to be registered for GST, which enables them to claim a refund for the GST component of the goods and services they buy. However, it is only compulsory for charities to be registered for GST if their turnover for GST purposes exceeds \$150,000 in the relevant financial year.

In addition to obtaining tax benefits, certain charities may apply to be registered as a Deductible Gift Recipient (DGR), which means that people or organisations that make donations to that charity can deduct the donation from their taxable income, reducing the tax payable by the donor.

Key findings:

- It would be expected that all entities in the ACNC dataset are income tax exempt and are registered for GST concessions. Instead the ABR data shows that 96% are recorded as income tax exempt and 94% as GST exempt, indicating there may be some errors in the ABR or ACNC data.
- Seventy one percent of charities are registered for GST. This supports the finding in Section 2.1 of this report that a significant proportion of the small charities have income below the \$150,000 threshold, and/or that there are a number of charities that are inactive. Over half of the charities that reported no sales or payment summary information were also not registered for GST.
- The majority (63%) of charities are recorded as eligible for a rebate for FBT paid and 20% for exemption from FBT³³. The ATO data on FBT shows significantly fewer charities reported paying fringe benefits in 2012-13.
- Eighty four percent of charities exempt from FBT (up to a set limit) are PBIs and 13% are Health Promotion charities. The remaining 3% appears to be a discrepancy in the ABR data.
- Fifty eight percent of charities exempt from FBT are classified as 'other incorporated entities' (most commonly incorporated associations) and 22% are Australian Public Companies.

³³ FBT exemption or rebates are usually subject to capping.

Figure 25 Tax status (n: 38,341)

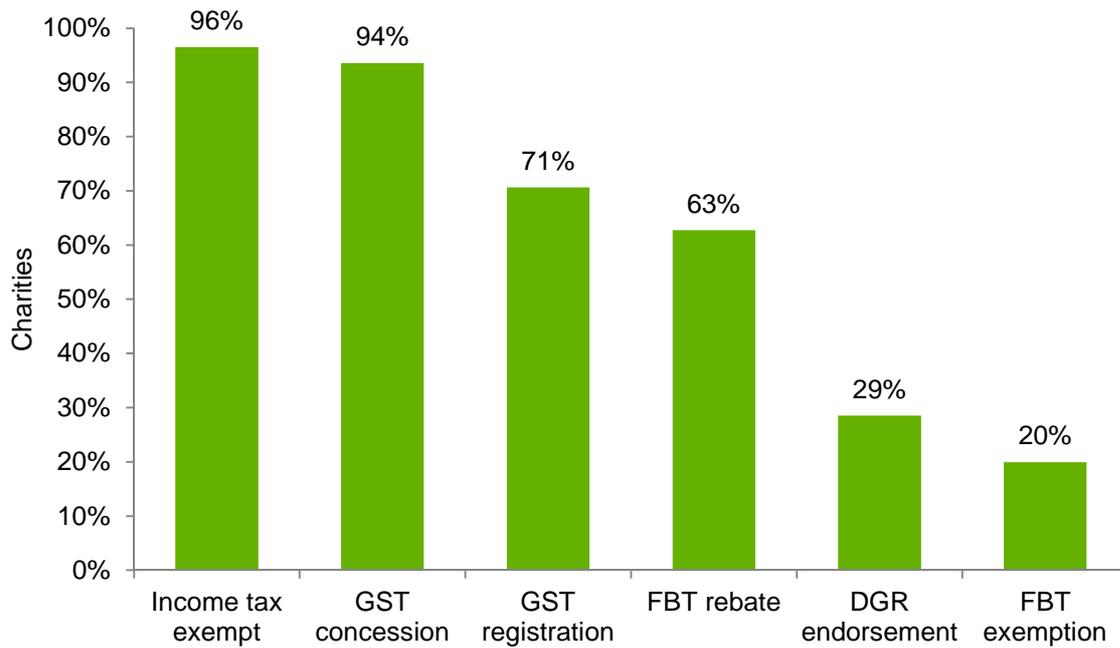


Table 11 Tax status

Tax status	Number charities
Income tax exempt	36,993 ³⁴
GST concession	35,880
GST registration	27,077
Fringe benefits tax rebate	24,052
Deductible gift recipient (DGR) registration	10,938
Fringe benefits tax exemption	7,648

³⁴ All charities should be recorded as exempt from income tax, therefore this appears to be a discrepancy in the ABR data.

3. Differences between small, medium and large charities

This section disaggregates the ACNC data to identify any differences between small, medium and large charities in regard to their structure or activity. Small charities are those with revenue in a financial year of less than \$250,000, medium size charities have revenue of \$250,000 to \$1m and large charities are those that have revenue above \$1m. This section highlights any differences within the charity sector that may be caused by or related to charity size.

3.1. Charity size and employment

As might be expected, employment of full time and part time staff is correlated with charity size.

Twenty five percent of small charities, 76% of medium size charities and 94% of large charities employ full time staff.

Full time staff

Key findings:

- Three quarters of small charities do not employ full time staff and 24% employed one to four staff. Only one percent of small charities reported employing five or more full time staff.
- Around two thirds (63%) of medium size charities employ between one and four full time staff. Fourteen percent employ more than five staff and the remainder have no full time staff.
- Thirty two percent of large charities employ five to nineteen full time staff and a further 24% employ 20 to 49 full time staff. Six percent of large charities (approximately 300 charities) employ more than 200 full time staff.
- Large charities show a broader distribution in their employment of full time staff.

Part time staff

Key findings:

- Two thirds (64%) of small charities do not employ part time staff and 31% employed one to four staff. Only 5% of small charities reported employing five or more part time staff.
- Forty four percent of medium size charities employ between one and four part time staff. Forty one percent employ more than five part time staff and the remainder have no part time staff.
- Forty percent of large charities employ five to nineteen part time staff and a further 19% employ 20 to 49 part time staff. Five percent of large charities (approximately 300 charities) employ more than 200 part time staff.

Figure 26 Charity size and employment of full time staff and part time staff (see table below for sample sizes)

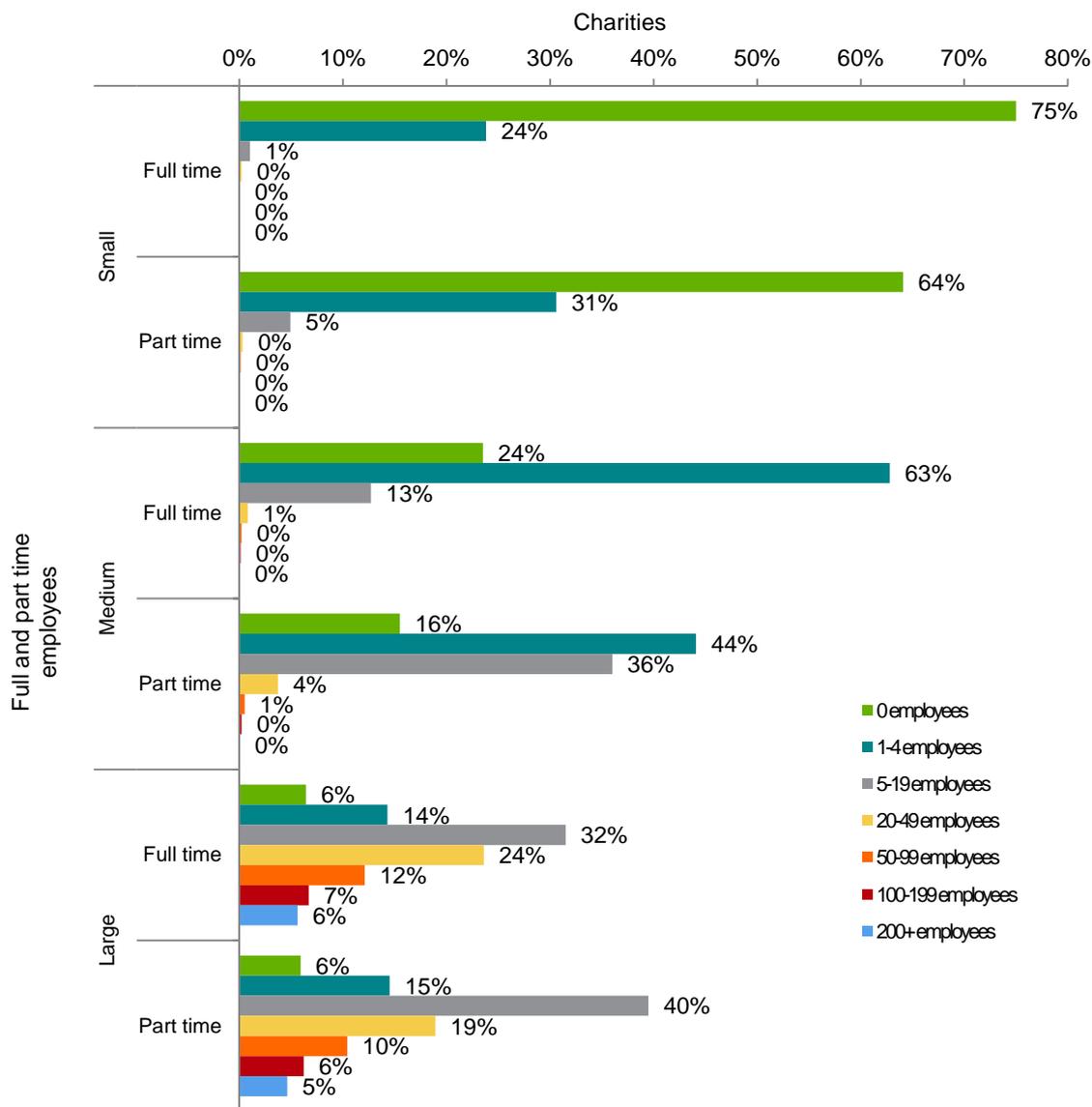


Table 12 Charity size and employment

Staff per charity	Number of charities employing					
	Small		Medium		Large	
	Full time	Part time	Full time	Part time	Full time	Part time
0	13,001	11,932	1,207	853	378	404
1-4	4,127	5,697	3,218	2,429	935	905
5-19	168	909	649	1,980	2,542	1,993
20-49	29	59	40	203	1,214	1,493
50-99	8	12	10	27	672	769
100-199	8	7	3	9	401	424
200+	2	5	0	2	294	349
Total	17,343	18,621	5,127	5,503	6,436	6,337

Note: One charity did not provide data on size.

Charities that employ both full time and part time staff

The data was analysed to identify charities employing both full and part time staff and then compared across charity size.

Key findings:

- Sixty nine percent of small charities had no part time or full time staff.
- Thirteen percent of medium size charities had no part time or full time staff.
- Five percent of large charities have no full time or part time staff.

3.2. Charity size and volunteers

The peak in volunteer numbers in the five to nineteen range is highest for small charities, but is still evident in medium and large charities. Within this range there may be a natural or most functional size when considering volunteer workforce.

It was reported in Section 2 that the number of volunteers is correlated with the number of employees. Therefore volunteer numbers would also be expected to correlate with charity revenue.

Key findings:

- The chart shows the distribution of volunteer numbers and the degree these reflect charity size for 33,839 charities that provided both size and volunteer data. Fifteen percent of medium size charities and 19% of large charities had 100 or more volunteers. Close to 400 large charities had over 500 volunteers.
- As was shown in the aggregate data in Section 2, there is a peak in volunteer numbers in the five to nineteen range. This peak is most evident in small charities.
- About 21% of large charities had no volunteers and there were over 300 small charities that reported having over 200 volunteers; several of these have no paid staff. These results indicate that subsectors may exist within the size categories and this warrants further research. In addition, it would be interesting to determine why volunteer numbers cluster in the five to nineteen range.

Figure 27 Charity size and volunteers

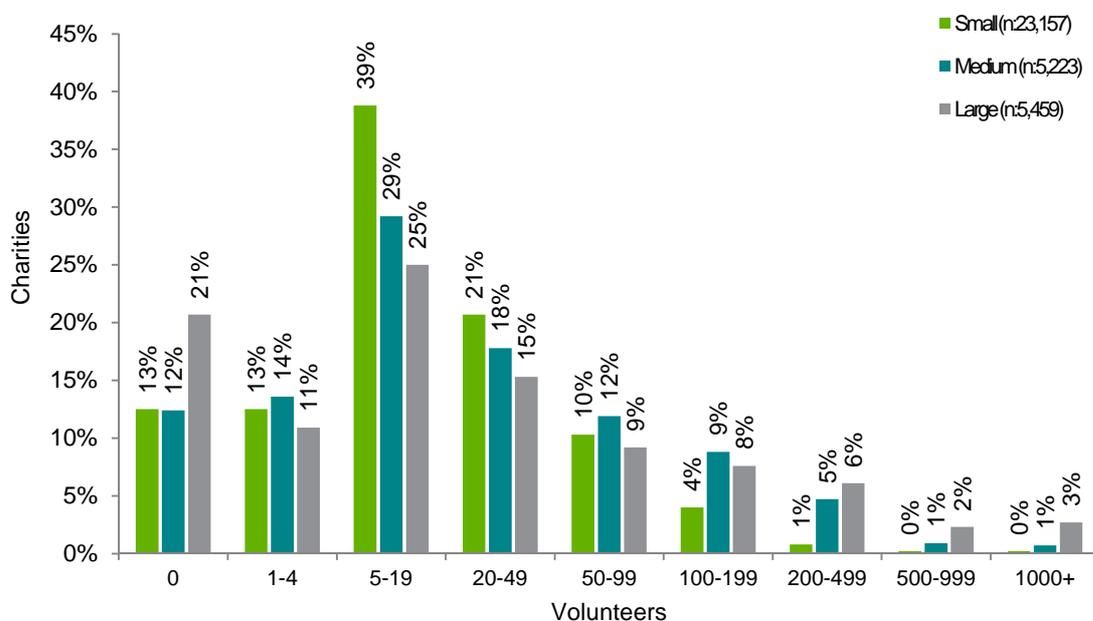


Figure 28 Charity size, employment and volunteers (See table below for sample sizes)

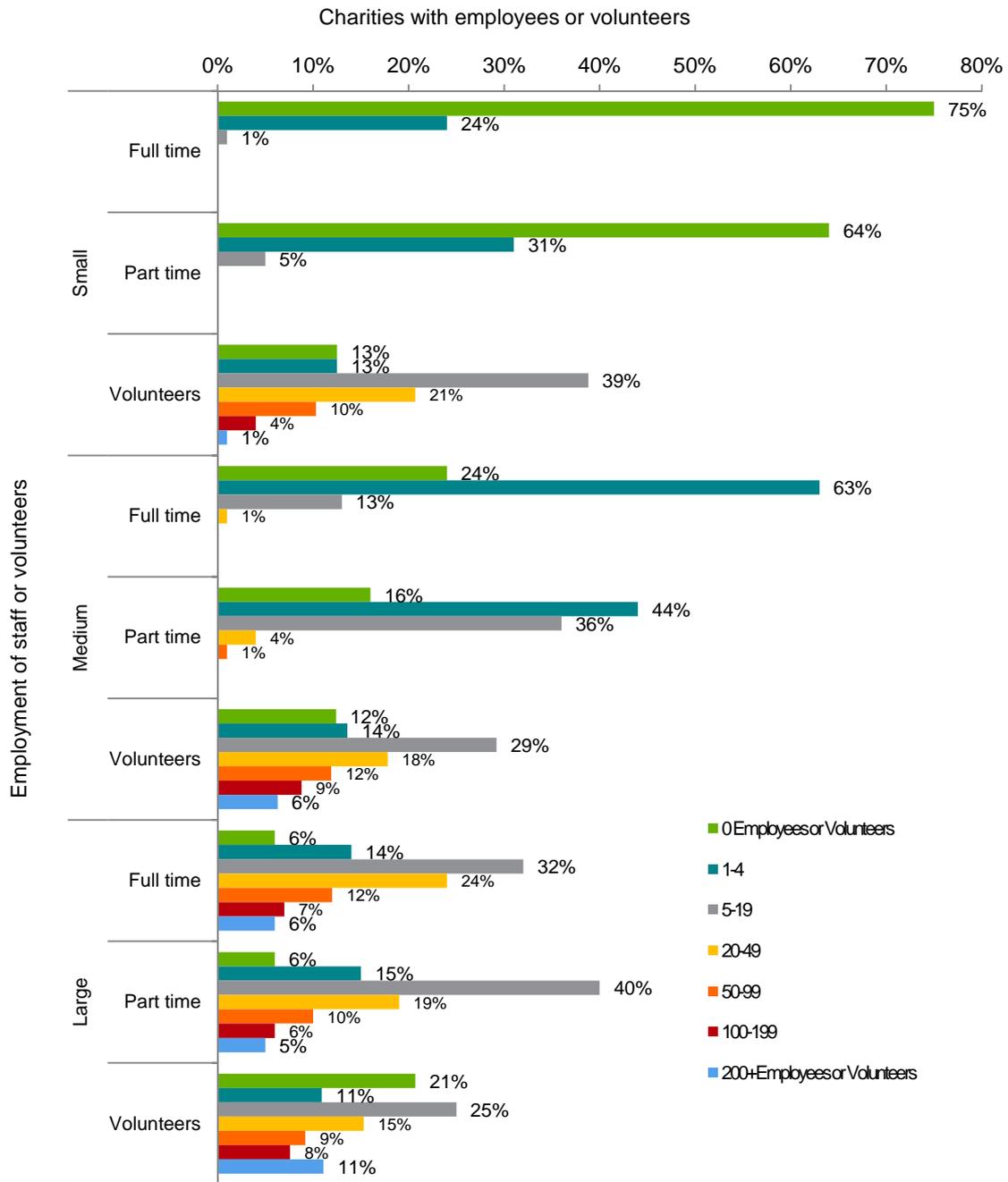


Table 13 Charity size, employment and volunteers

Employees or volunteers	Number of charities employing								
	Small			Medium			Large		
	Full time	Part time	Volunteers	Full time	Part time	Volunteers	Full time	Part time	Volunteers
0	13,001	11,932	2,906	1,207	853	648	378	404	1,130
1-4	4,127	5,697	2,904	3,218	2,429	710	935	905	597
5-19	168	909	8,978	649	1,980	1,526	2,542	1,993	1,366
20-49	29	59	4,804	40	203	932	1,214	1,493	836
50-99	8	12	2,374	10	27	619	672	769	503
100-199	8	7	918	3	9	461	401	424	417
200+	2	5	273	0	2	327	294	349	610
Total	17,343	18,621	23,157	5,127	5,503	5,223	6,436	6,337	5,459

Note: One charity did not provide data on size.

How did your charity pursue its charitable purpose?

“We have [...] properties scattered around the local community. We place families (couples or single parents with their children, not adults only) in these properties as a temporary solution to their accommodation needs. While these families are with us we support them by identifying services that help them to address whatever issue contributed to them being homeless. We also support them to find a more permanent solution to their housing needs. Part of the support encourages them to develop links to the local community (schooling, other support organisations, service providers, etc). We develop activities that cater for the needs of the families.”

(Source: 2013 Annual Information Statement)

3.3. Charity size and location

Nearly one in five (19%) of large charities and 15% of medium size charities reported that they are active in more than one state or territory. This finding has implications in support of a strategic red tape reduction strategy that takes a national view.

Charity size and location of main business address

Key findings:

- The proportion of small, medium and large charities varies to some degree across the states and territories. Compared with the average, the Northern Territory, the ACT and to a lesser extent Victoria, have bigger proportions of large charities.
- Of the 6,308 large charities in Australia, Victoria is the home state for 1,909 (30%) and 1,809 (29%) reside in New South Wales.

Figure 29 Charity size and location of primary business address. (See table below for sample sizes)

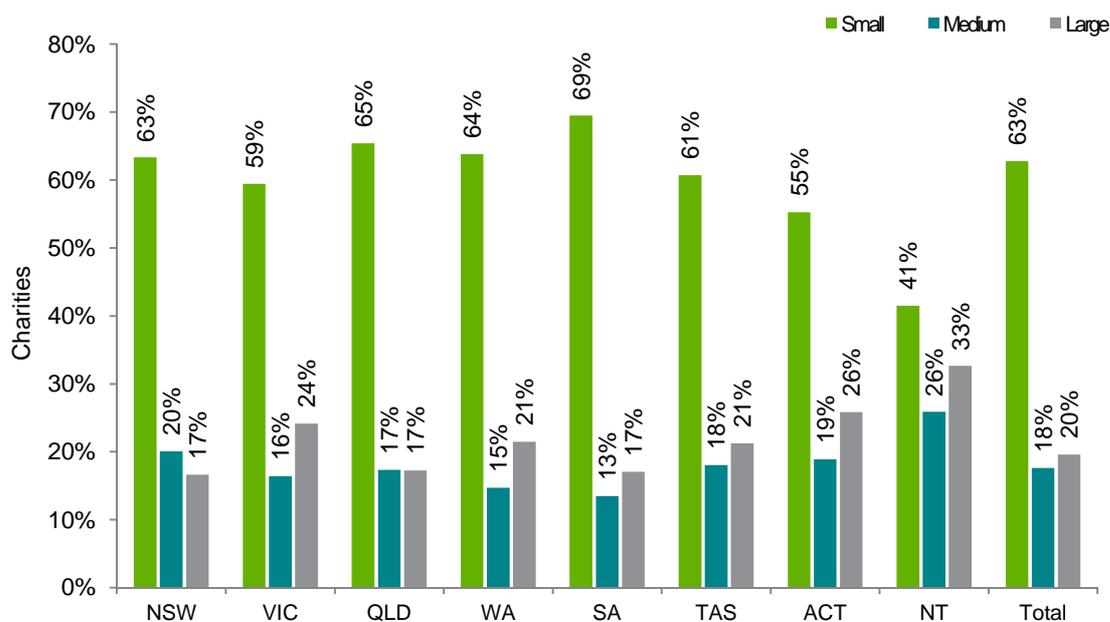


Table 14 Charity size and location of primary business address

Location	Charities location of primary business address			Total
	Small	Medium	Large	
NSW	6,893	2,185	1,809	10,887
VIC	4,695	1,296	1,909	7,900
QLD	3,623	961	956	5,540
WA	2,082	480	701	3,263
SA	1,818	353	446	2,617
TAS	535	159	187	881
ACT	404	138	189	731
NT	141	88	111	340
Total charities	20,191	5,660	6,308	32,159

Charity size and states/territories conducting activities

Larger charities are more active outside their home jurisdiction, and that activity is often located in states and territories with smaller populations.

Charities provided the postcode of their main business address and information on the states and territories in which they are active. Analysis of this combined data provides initial information on the extent to which charities are active outside their home jurisdiction.

Key findings:

- Initial data indicates that, overall, 13% of charities are active in more than one state or territory, but as could be expected, this varies with the size of the charity. Approximately one in five (19%) of large charities, 15% of medium size charities and 10% of small charities are active in more than one jurisdiction.
- In addition to having a slightly higher ratio of larger charities, the states and territories with the smaller populations, are also more likely to be receiving support from large charities outside their state. Of the charities operating in the Northern Territory and the ACT, 39% and 33% respectively are large. Similarly, 30% of charities operating in Tasmania are large.

Figure 30 Charity size and location of activity

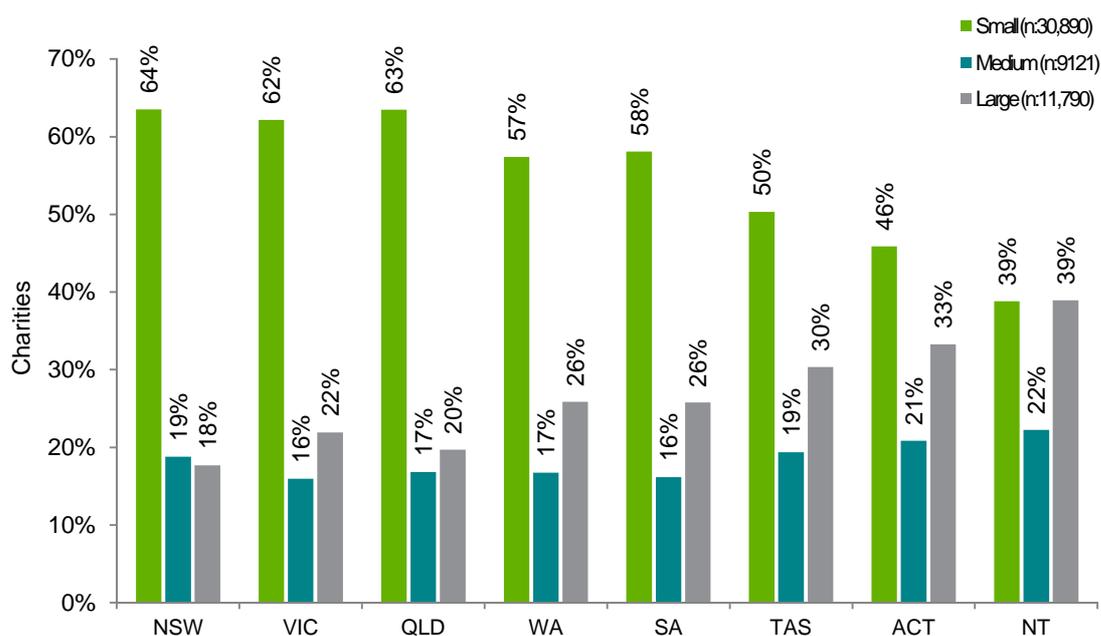


Table 15 Charity size and location of activities

Location	Number of charities active in each jurisdiction			
	Small	Medium	Large	Total
NSW	8,824	2,613	2,455	13,892
VIC	7,209	1,849	2,542	11,600
QLD	5,714	1,515	1,774	9,003
WA	3,147	917	1,419	5,483
SA	2,777	773	1,232	4,782
TAS	1,333	513	804	2,650
ACT	1,178	535	854	2,567
NT	708	406	710	1,824
Total responses	30,890	9,121	11,790	51,801

Charity size and activities outside Australia

In contrast with the extent to which they operate in multiple jurisdictions within Australia, charity size is not strongly correlated with the level of activity in relation to those charities reporting that they are active overseas.

3.4. Charity size and purpose

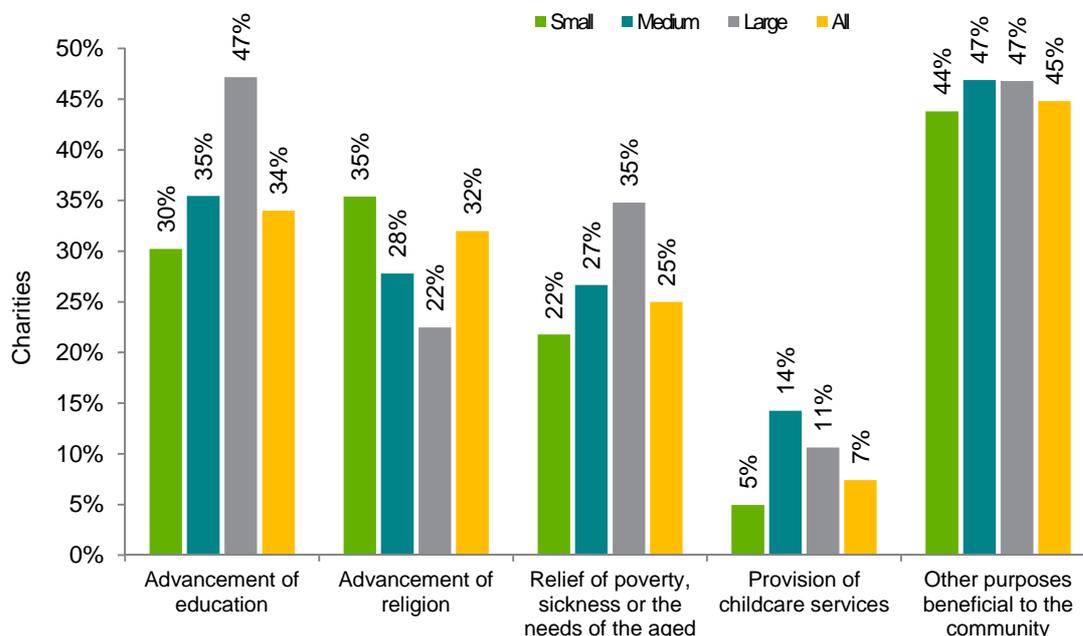
Large charities were nearly twice as likely as smaller charities to nominate more than one charitable purpose.

Advancement of religion was nominated as a purpose mostly by small charities, and advancement of education; and the relief of poverty, sickness or the needs of the aged, were nominated mostly by large charities.

Key findings:

- Nearly half of all large charities reported that their purposes included the advancement of education and/or 'other purposes beneficial to the community'.
- Just over a third of small charities aim to advance religion compared with only 22% of large charities.
- Medium size charities are the largest group in the provision of childcare services.

Figure 31 Charity size and charitable purpose (See table below for sample sizes)



Note: Totals add to more than 100% due to multiple response.

Table 16 Charity size and charitable purpose

Purpose	Number of charities nominating as purpose			Total
	Small	Medium	Large	
Advancement of education	7,759	2,123	3,151	13,033
Advancement of religion	9,087	1,665	1,500	12,252
Relief of poverty, sickness or the needs of the aged	5,590	1,596	2,323	9,509
Provision of childcare services	1,274	853	709	2,836
Other purposes beneficial to the community	11,244	2,809	3,126	17,179
Total responses	34,954	9,046	10,809	54,809

How did your charity pursue its charitable purpose?

"[Name of entity] Community Care provides support to the frail aged and younger people with disabilities or needing special care, including support for carers, to enhance their quality of life, and assist them to continue to live in the community. This is achieved by providing packaged care, nursing services to eligible veterans, domestic assistance, home and garden maintenance, nursing care, personal care assistance, in-home respite, respite for carers through day centres operated by our social support, transport to non urgent medical appointments, foot care service and provision of equipment on short term loan."

(Source: 2013 Annual Information Statement)

3.5. Charity size and main activities

There is considerable variation in the proportion of small, medium and large charities operating in each of the main activity sectors.

This data illustrates the significant diversity of activities and charity sizes within the sector. It can be used to inform the development and implementation of regulatory and sector development policy.

Key findings:

- Charities operating in the environmental sector show a proportion of small, medium and large charities that most closely matches that of the whole population of charities in the ACNC dataset.
- The emergency relief sector is dominated by small charities; examples include the many volunteer fire brigades and state emergency service units.
- Approximately 80% of charities whose main activity is religious, grant making, animal protection or 'other recreation and social club' are small.
- Charities operating in primary and secondary education are split nearly evenly between small and large charities, with only 7% of charities medium sized.
- Social services and 'other health services' are similarly split, with around 40% of these charities small and a similar number being large.
- Half of charities in the aged care sector are large.
- The employment and training sector has the highest proportion of large charities.

How did your charity pursue its charitable purpose?

"By managing, investing and distributing the property of the assets of the trust in accordance with the religious charitable purposes for which they are held.

"Our charity directly relieved the suffering of persons receiving aged care services who experience depression, spiritual or existential distress."

(Source: 2013 Annual Information Statement)

Figure 32 Charity size and main activity

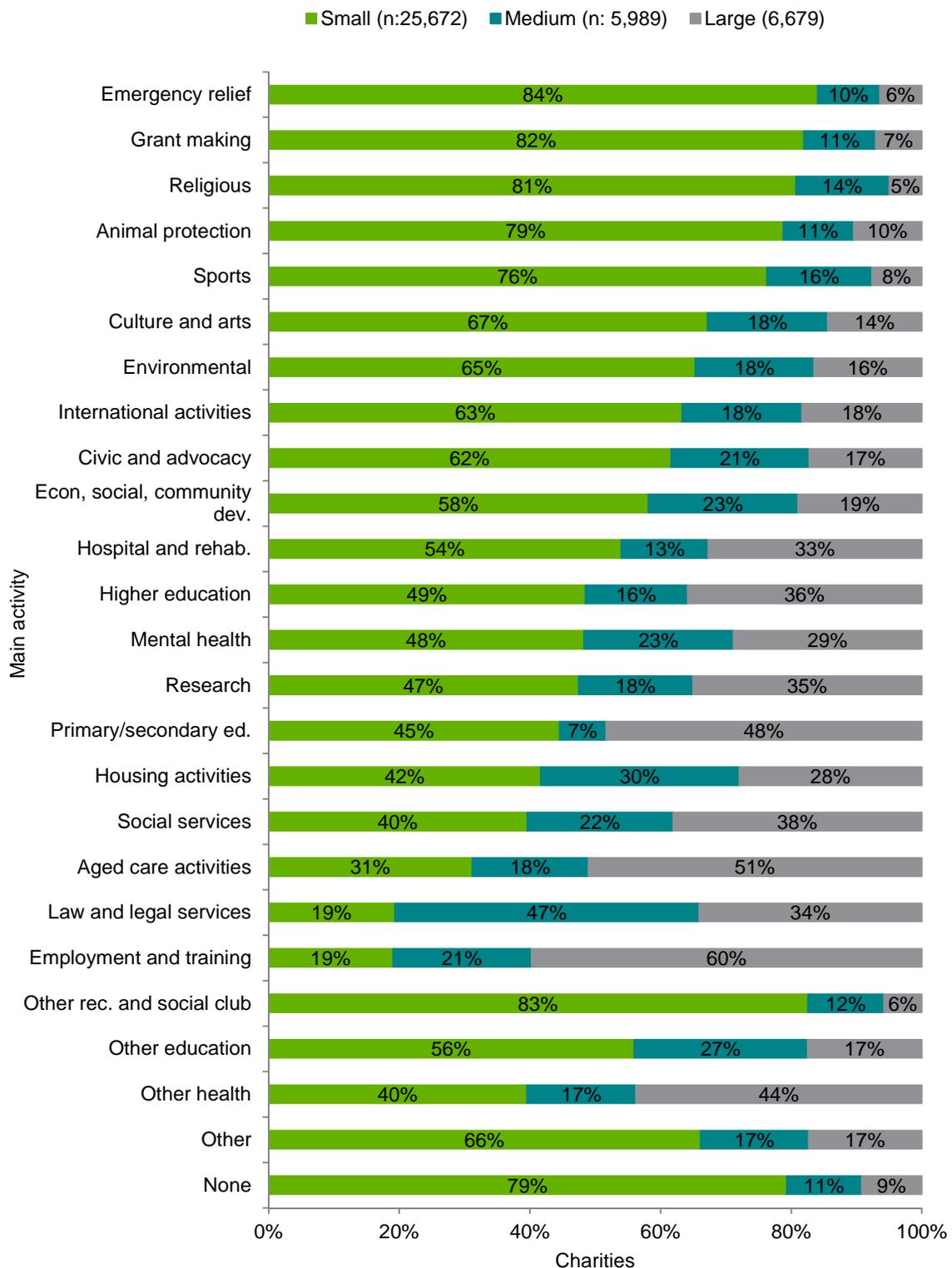


Table 17 Charity size and main activity

Activity	Number of charities nominating activity			Total
	Small	Medium	Large	
Religious	7,602	1,348	470	9,420
Other education	1468	697	459	2,624
Primary / Secondary education	1,087	174	1,180	2,441
Grant making	1,530	205	132	1,867
Econ, social, community development	761	300	248	1,309
Culture and arts	859	236	184	1,279
Aged care activities	369	211	604	1,184
Social services	466	263	448	1,177
Emergency relief	915	104	70	1,089
Other health service	393	166	435	994
Housing activities	252	184	169	605
Environmental	376	105	95	576
Higher education	226	73	167	466
Other recreation and social club	355	50	25	430
Employment and training	78	87	245	410
Research	176	65	130	371
Mental health	154	73	92	319
Civic and advocacy	175	60	49	284
Hospital and rehabilitation	142	35	86	263
Animal protection	204	28	27	259
International activities	138	40	40	218
Law and legal services	34	82	60	176
Sports	90	19	9	118
Income support and maintenance	78	10	5	93
None	5330	771	619	6,720
Other	2414	603	631	3,648
Total charities	25,672	5,989	6,679	38,340

3.6. Charity size and other activities

Charities of all sizes undertook a very wide range of activities, with many active in three or more sectors.

This question on the AIS allowed charities to select one or more additional activities. The results are similar to the main activity data, but show less variation due to the option of multiple responses. The average number of responses per charity was very similar for charities of all sizes.

Figure 33 Charity size and other activities

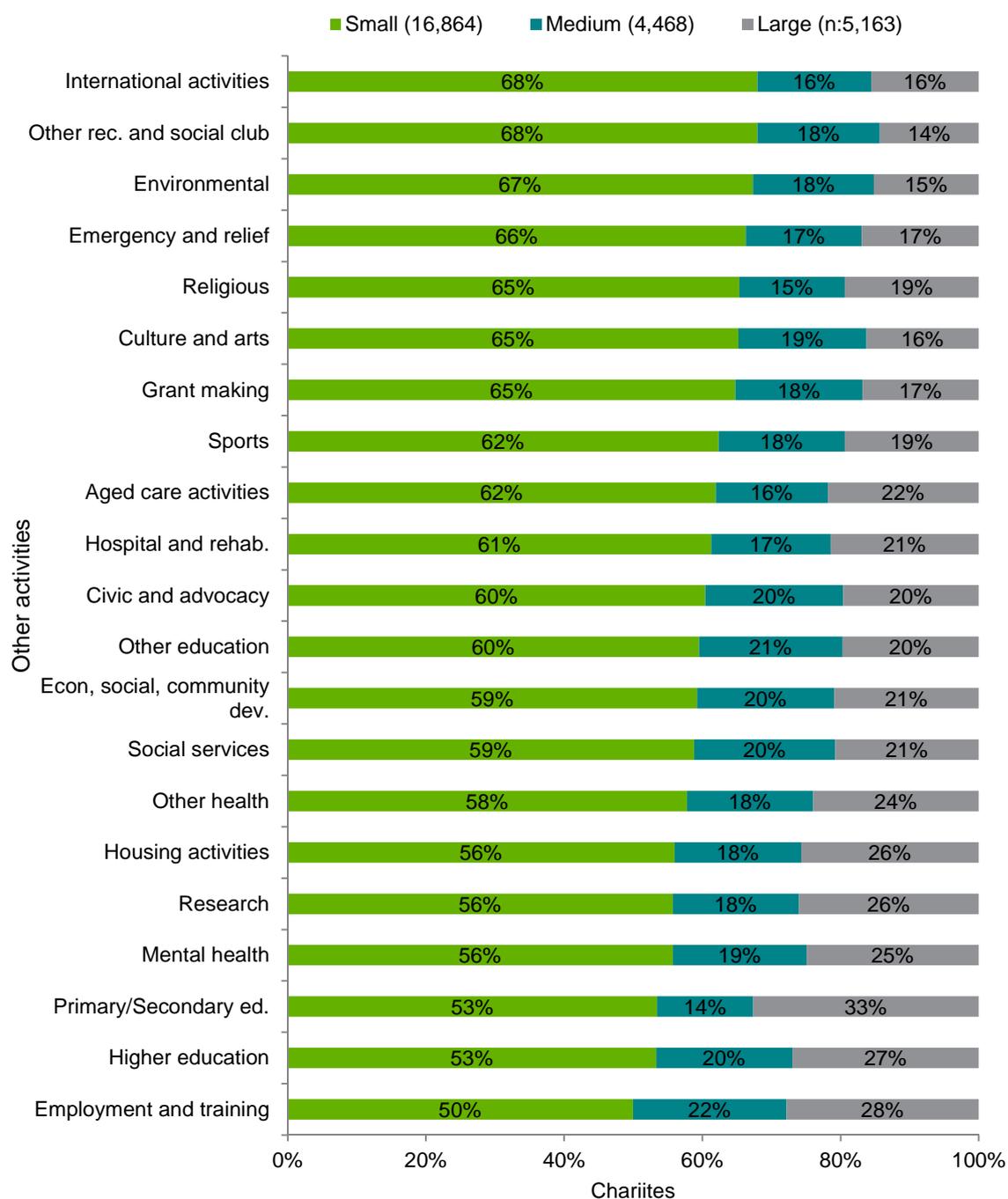


Table 18 Charity size and other activities

Activity	Number of charities nominating activity			Total
	Small	Medium	Large	
Religious	4,729	1,103	1,406	7,238
Emergency and relief	3,036	770	776	4,582
Econ, social, community development	2,891	968	1,022	4,881
Social services	2,588	897	914	4,399
Culture and arts	2,198	624	548	3,370
Aged care activities	2,121	555	748	3,424
Primary/Secondary education	1,616	420	987	3,023
Civic and advocacy	1,559	515	506	2,580
Grant making	1,416	402	368	2,186
Employment and training	1,296	577	722	2,595
Mental health	1,255	436	561	2,252
Environmental	1,192	310	269	1,771
Housing activities	1,115	365	512	1,992
Research	1,082	354	505	1,941
International activities	1,057	256	242	1,555
Sports	639	187	199	1,025
Hospital and rehab	617	174	216	1,007
Higher education	609	225	308	1,142
Income support and maintenance	537	155	176	868
Animal protection	401	90	82	573
Law and legal services	281	119	100	500
Political activities	91	30	27	148
Other education	3,494	1,221	1,157	5,872
Other health	1,475	465	612	2,552
Other recreation and social club	2,163	564	456	3,183
Other	3,143	762	745	4,650
Total responses	42,601	12,544	14,164	69,309

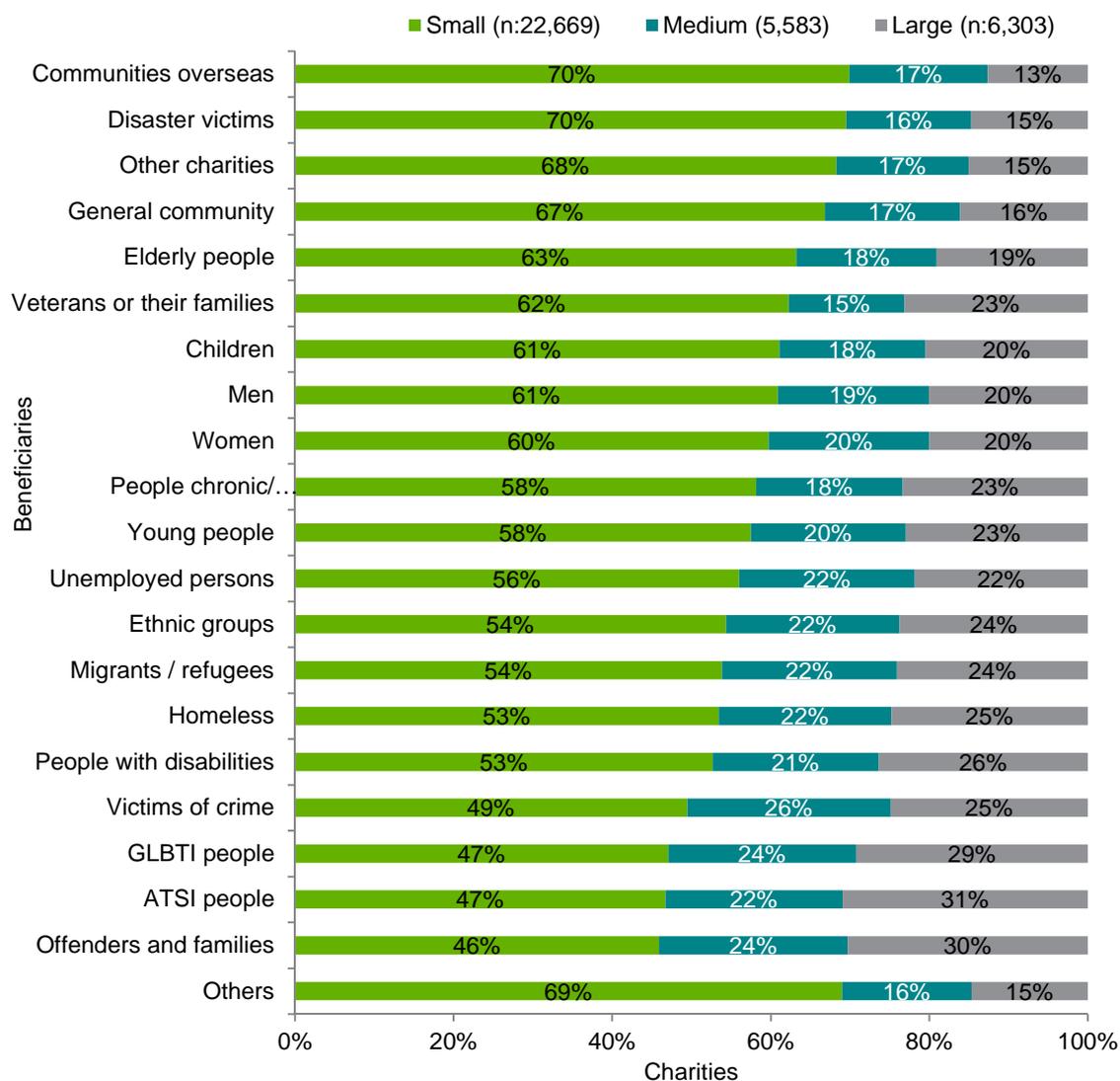
3.7. Charity size and beneficiaries

There was a small degree of variation in the ratio of each size of charity serving each beneficiary type.

Key findings:

- The beneficiaries served by most charities are children, the general community, young people, women, people with disability, and elderly people (see Section 2). For all these groups, the ratio of small, medium and large charities is similar, except for charities serving people with disability. Just over a quarter of the charities benefiting people with disability are large.
- Charities supporting each of these beneficiary groups vary. Seventy percent of charities supporting communities overseas are small, compared with to 46% of those serving offenders and their families.

Figure 34 Charity size and beneficiaries³⁵



³⁵ ATSI: Aboriginal and Torres Strait Islander peoples; GLBTI: gay, lesbian, bisexual, transgender and intersex people

Table 19 Charity size and beneficiaries

Beneficiary	Number of charities nominating beneficiary			
	Small	Medium	Large	Total
Children	11,477	3,459	3,844	18,780
General community	11,985	3,059	2,890	17,934
Young people	8,235	2,796	3,289	14,320
Women	7,440	2,523	2,493	12,456
Elderly people	7,782	2,176	2,350	12,308
Men	6,621	2,072	2,179	10,872
People with disabilities	5,369	2,132	2,688	10,189
Aboriginal and Torres Strait Islander peoples	4,073	1,949	2,695	8,717
Other charities	5,051	1,237	1,113	7,401
Ethnic groups	3,658	1,473	1,599	6,730
Unemployed persons	3,757	1,488	1,464	6,709
People chronic or terminal illness	3,652	1,158	1,468	6,278
Homeless	3,100	1,264	1,437	5,801
Communities overseas	3,470	867	627	4,964
Migrants / refugees	2,572	1,055	1,150	4,777
Disaster victims	2,655	603	561	3,819
Veterans or families	1,978	464	735	3,177
Gay, lesbian, bi-sexual, transgender and intersex people	1,383	697	858	2,938
Offenders and families	907	470	598	1,975
Victims of crime	884	459	444	1,787
Others not listed	2,024	451	450	2,925
Total responses	98,073	31,852	34,932	164,857

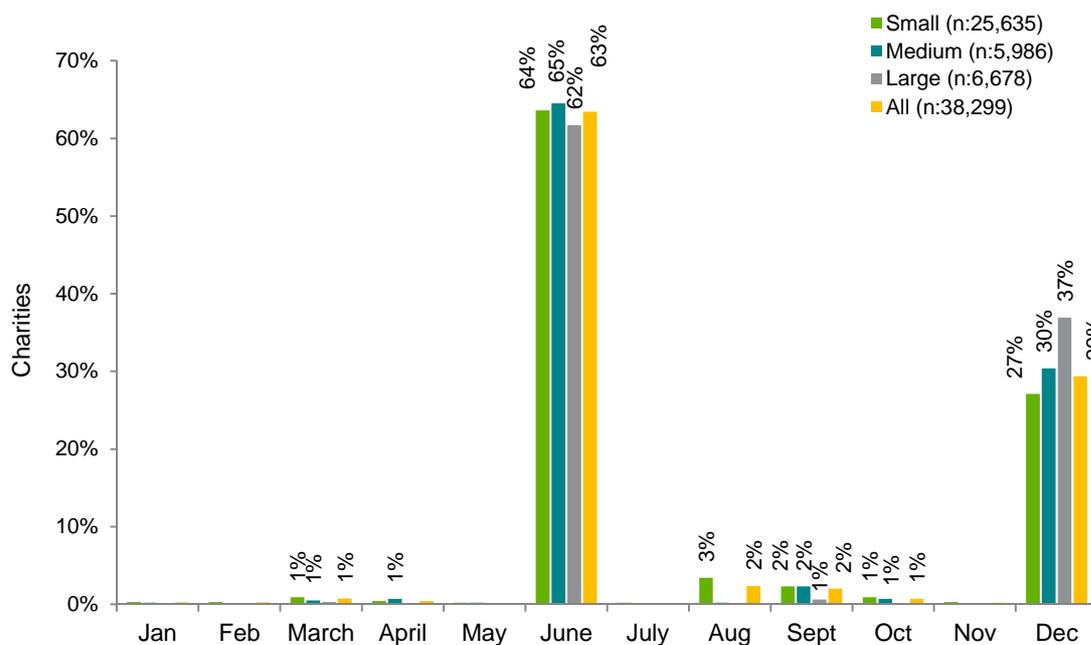
3.8. Charity size and reporting period year end

Over one third (37%) of large charities use a January to December reporting period.

Key findings:

- More than a third (37%) of all charities registered with the ACNC did not use a 1 July to 30 June reporting year end. Of these nearly all (29%) used a 1 January to 31 December period.
- Nearly 60% of large charities with a 31 December year end operate in the education sector, and 9% are religious charities.
- Smaller charities had a wider range in the reporting periods used. Nine percent had a reporting year end other than June 30 or December 31.
- Nearly all large charities used either 30 June or 31 December as their year end.

Figure 35 Charity size and reporting period year end



3.9. Charity size and reporting to Commonwealth and state and territory governments

Disaggregating data on reporting obligations demonstrates the variations in the types of charities reporting to each Commonwealth agency. For example, three quarters of all charities reporting to Department of Education and Workplace Relations (DEEWR) are large, whereas only 16% of charities reporting to the Register of Environmental Organisations are large.

This information provides a starting point for examining the differences in charity reporting obligations and developing more targeted strategies for reducing the reporting burden. Achieving meaningful reductions in red tape is likely to flow from focusing on key operating areas rather than implementing whole-of-sector policy frameworks.

Section 2.8 included a summary of the data on reporting obligations for all charities that provided information. As mentioned in Section 2.8, reporting obligations include preparing funding submissions and acquittals, and other reporting activities, but excluded reporting obligations to the ATO and state or territory corporate reporting obligations to state/territory regulators of associations.

When interpreting the results in this section, it is important to note that only 5,821 charities provided information on reporting, and that the charities that responded included a higher proportion of large charities.

Reporting to Commonwealth government

The proportion of small, medium and large charities reporting to each Commonwealth agency reflects the number of agencies operating in the areas regulated by these agencies.

Figure 36 Charity size and reporting to Commonwealth government agencies

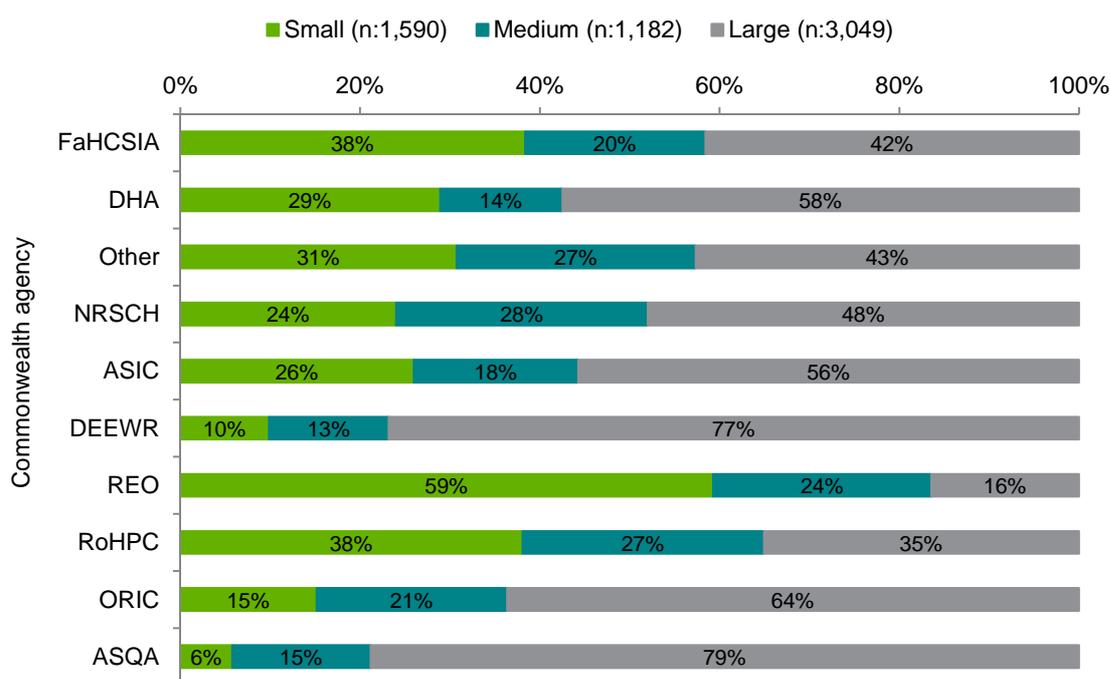


Table 20 Charity size and reporting to Commonwealth government agencies

Commonwealth agency	Abbreviation	Number of charities reporting to each agency		
		Small	Medium	Large
Department of Families, Housing, Community Services and Indigenous Affairs	FaHCSIA	558	292	605
Department of Health and Ageing	DoHA	451	212	897
Australian Securities and Investments Commission	ASIC	234	165	502
Department of Education, Employment and Workplace Relations	DEEWR	179	242	1,396
Registers of Environmental Organisations	REO	83	34	23
Register of Harm Prevention Charities	RoHPC	51	36	47
National Regulatory System for Community Housing	NRSCH	6	7	12
Office of the Registrar of Indigenous Corporations	ORIC	5	7	21
Australian Skills Quality Authority	ASQA	3	8	41
Tertiary Education Quality and Standards Agency	TEQSA	2	10	18
Overseas Aid Gift Deduction Scheme	OAGDS	1	1	7
Other	-	449	390	623
Total (multiple responses)		2,022	1,404	4,192

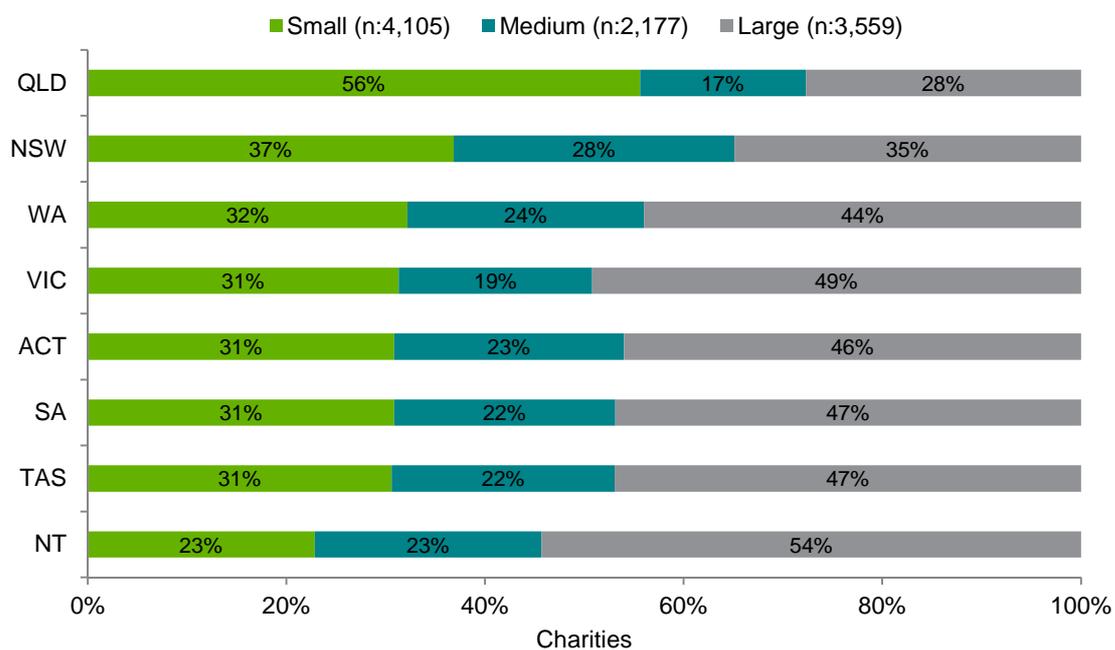
Reporting to state and territory governments

Figure 39 shows the proportion of charities by size that report to each state.

Key findings:

- Queensland appears to have a proportionally higher number (56%) of small charities reporting to state and territory government whereas the Northern Territory has the lowest (23%)
- This data reflects the number of small, medium and large charities operating in each jurisdiction.

Figure 37 Charity size and reporting to state/territory governments



3.10. Charity size and time spent meeting Commonwealth and state and territory reporting obligations

Nearly all large, nine out of ten medium size and a third of small charities used paid staff time to meet Commonwealth or state or territory government reporting obligations.

The median amount of paid staff time spent on reporting obligations by small charities was 16 hours, for medium size charities was 40 hours, and for large charities was 80 hours (excludes reporting to the ATO).

This data again reflects the significant variations in the experiences of charities of different sizes in their relationships with governments

As explained in Section 2.9, reporting in this context includes reporting to both Commonwealth and state/territory governments and includes time spent writing government funding acquittals but excludes reports to the ATO.³⁶ Charity respondents were asked to estimate the number of hours spent reporting over their last financial year. It is difficult to estimate reporting obligations and the data includes all reporting obligations, not just amounts of time that would be considered 'red tape'.³⁷

Of the total 38,341 charities, 27% provided information on the time spent by paid staff to meet reporting obligations. There are clear differences in the amount of paid staff time spent reporting for small, medium and large charities. As might be expected, larger charities used higher amounts of paid staff and less unpaid staff time to report to governments.

Time spent reporting – small charities

A third of small charities responding to this question used paid staff time and two thirds used unpaid staff time to report to governments. Excluding the charities that used no paid or unpaid staff time from this data, the average amount of reporting time for small charities in the last year was 16 hours paid staff time and ten hours of unpaid staff time.

Time spent reporting – medium sized charities

Nearly nine out of ten of the medium sized charities that responded used paid time to report to governments and 53% used unpaid time. For the charities reporting using paid or unpaid staff, the median number of hours was 40 for paid staff and 16 for unpaid staff.

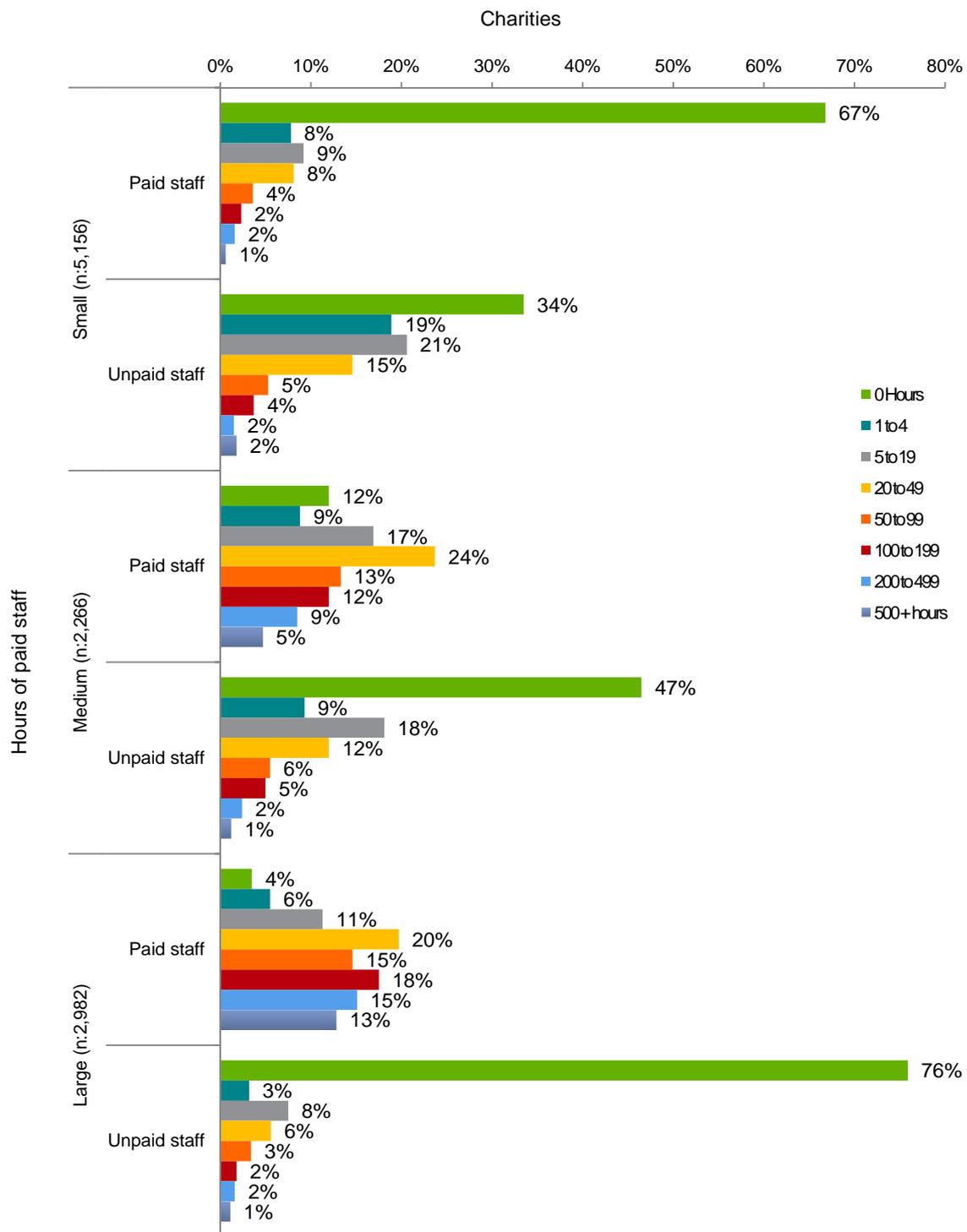
Time spent reporting – large charities

Nearly all large charities used paid staff to report to governments, and 24% reported using unpaid staff. For the large charities using paid or unpaid staff, the median amount of time used was 80 hours of paid staff time and 20 hours of unpaid staff time.

³⁶ Note: For both paid and unpaid staff time, five records were removed that appeared erroneous. For example, a medium sized charity reported over 1m paid reporting hours (125,000 days) and a small religious charity reported over 11,000 unpaid reporting hours (1,375 days). The total of the entries removed for paid and unpaid was 1.3m and 97,000 respectively.

³⁷ Defined by Ernst and Young in their report on Commonwealth reporting obligations as "obligations that are excessive, unnecessary or confusing"

Figure 38 Charity size and paid staff hours spent reporting to government



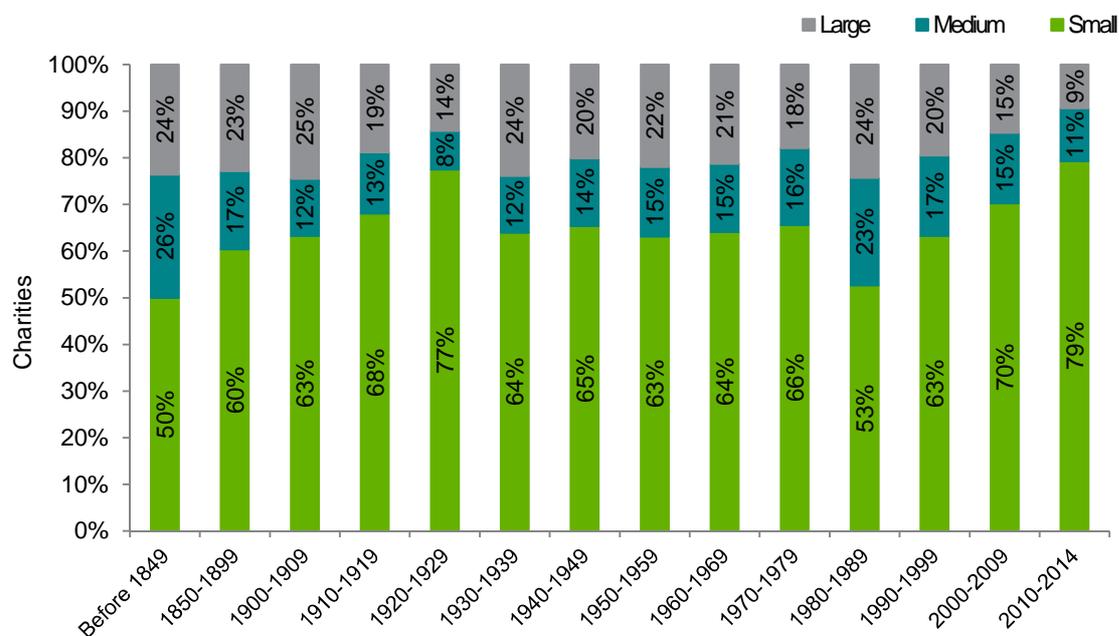
3.11. Charity size and age

It could be expected that older charities are larger, however, there is little correlation between the age of a charity and its size.

Key findings:

- The overall mean age of charities is 34 years, and this is only slightly higher (36 years) for large charities.
- Of the charities established since 2010, 79% are small, 11% are medium size, and 9% are large.
- This may be an area for further research to identify the causes of charity longevity and growth.

Figure 39 Charity size and year of establishment (See table below for sample sizes)



Note: Last period is only four years - from 2010 to 2013.

Table 21 Charity size and year of establishment

Year established	Small	Charities Medium	Large	Total
Before 1849	89	47	42	178
1850-1899	784	217	297	1,298
1900-1909	258	50	100	408
1910-1919	398	77	110	585
1920-1929	698	75	128	901
1930-1939	321	61	120	502
1940-1949	510	113	157	780
1950-1959	918	217	319	1,454
1960-1969	1,209	276	402	1,887
1970-1979	2,599	654	711	3,964
1980-1989	2,852	1,251	1,316	5,419
1990-1999	4,564	1,245	1,409	7,218
2000-2009	5,305	1,142	1,108	7,555
2010-2014	2,296	331	271	2,898
Total	22,801	5,756	6,490	35,047

3.12. Charity size and legal structure, entity type and tax status

A charity's legal structure is as recorded on the Australian Business Register³⁸. Charities also have a charity 'subtype' for the purpose of the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and *Charities Act 2013 (Cth)* that is used to determine its eligibility for specific tax concessions. See section 2.11 for a description of the different legal structure, subtypes and tax status.

Charity size and legal structure

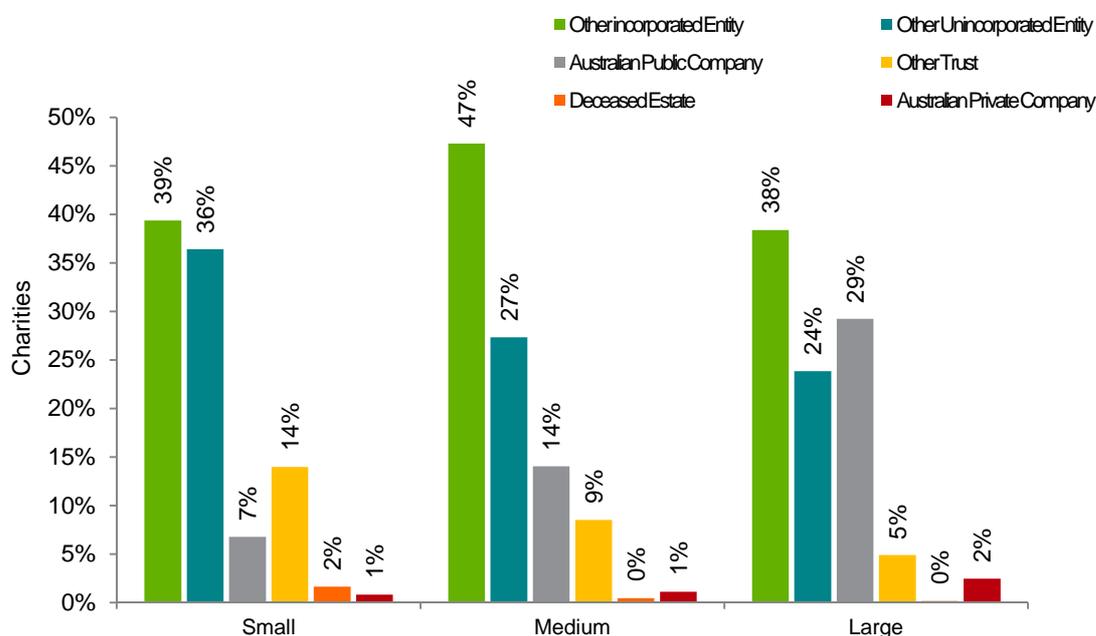
Incorporated association is the dominant legal structure for all sized charities.

Key findings:

- Due to issues related to member and director liability and perceived limits on inter-jurisdictional operation, large entities are more likely to be a Company Limited by Guarantee (Australian Public Company). Therefore it is not surprising that 29% of large charities have this legal structure. However, this data indicates that nearly one in four large charities is recorded as an unincorporated entity.
- Over a third of small charities and a quarter of both medium sized and large charities are Unincorporated Associations, that is, they do not function as a separate legal entity to their members.

The numbers of Unincorporated Associations is surprising and warrant further investigation. There may also be some errors in the data resulting from ABR data not being updated by charities when changes occur.

Figure 40 Charity size and legal structure (See table for sample sizes. Not all entities types graphed)



³⁸ The information contained in the ABR about legal structure is recorded at the time of applying for an ABN and may not reflect current legal structure.

Table 22 Charity size and legal structure

Type of legal structure	Number of charities with legal structure			
	Small	Medium	Large	Total
Other incorporated Entity	9,592	2,806	2,549	14,947
Other Unincorporated Entity	8,866	1,621	1,584	12,071
Australian Public Company	1,654	833	1,941	4,428
Other Trust	3,405	506	325	4,236
Deceased Estate	401	28	12	441
Australian Private Company	197	67	163	427
Cooperative	134	55	54	243
Others	107	16	10	133
Total	24,356	5,932	6,638	36,926

Charity size and subtype

A higher proportion of charities that are Public Benevolent Institutions and Health Promotion charities are large and these entities receive additional tax concessions and rebates.

Figure 41 Charity size and subtype

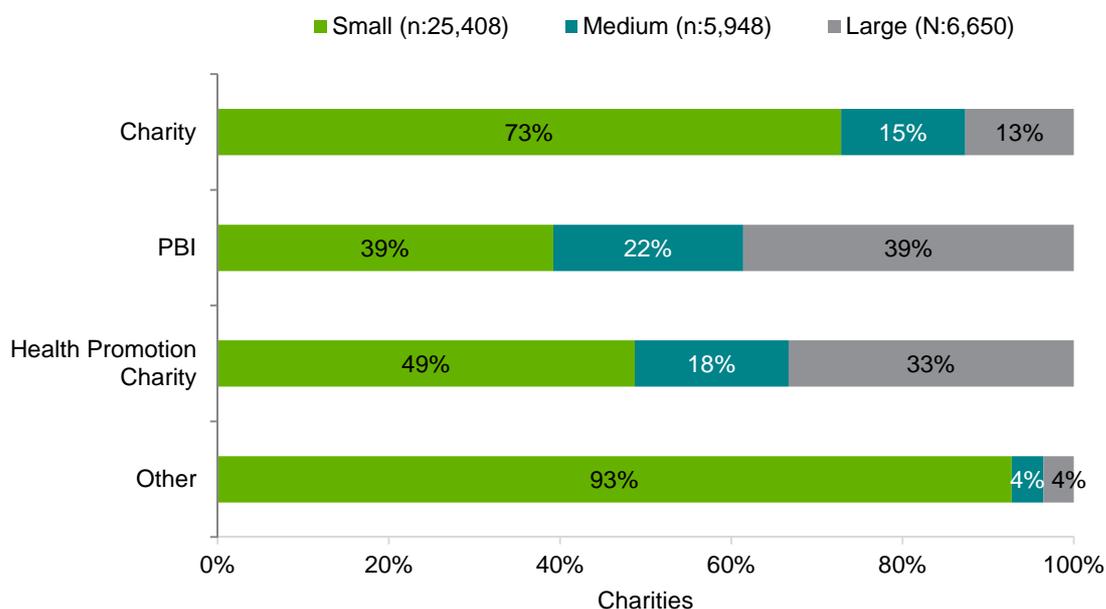


Table 23 Charity size and subtype

	Number of charities by subtype			Total
	Small	Medium	Large	
Charity	21,400	4,264	3,728	29,392
Public Benevolent Institution	2,577	1,458	2,537	6,572
Health Promotion Charity	512	189	350	1,051
Other	919	37	35	991
Total charities	25,408	5,948	6,650	38,006

Charity size and tax status

There are differences between the tax status of small, medium and large charities. Only 21% of small charities are endorsed as Deductible Gift Recipients, compared with 36% of medium size charities and 51% of large charities

Key findings:

- As all charities should be exempt from income tax this initial data indicates discrepancies in the ABR data, which appears to be more evident with small charities.
- Nearly all of the medium sized and large charities are registered for GST, compared with 58% of small charities.
- Higher portions of large and medium charities, rather than small charities, are endorsed as a DGR. Only one in five small charities is endorsed as a DGR compared with half of the large charities.³⁹ Without DGR status, small charities may find it more difficult to attract donations and grow.
- Half of large charities are endorsed as a DGR and 43% are exempt from paying FBT⁴⁰.

³⁹ Eligibility for DGR endorsement is not dependent on charity size, but rather based on the charity's activities and governing rules.. There is no category of DGR for religious purposes other than for funds established to assist with providing instruction in government schools.

⁴⁰ Subject to capping.

Figure 42 Charity size and tax status⁴¹ (See table below for sample sizes)

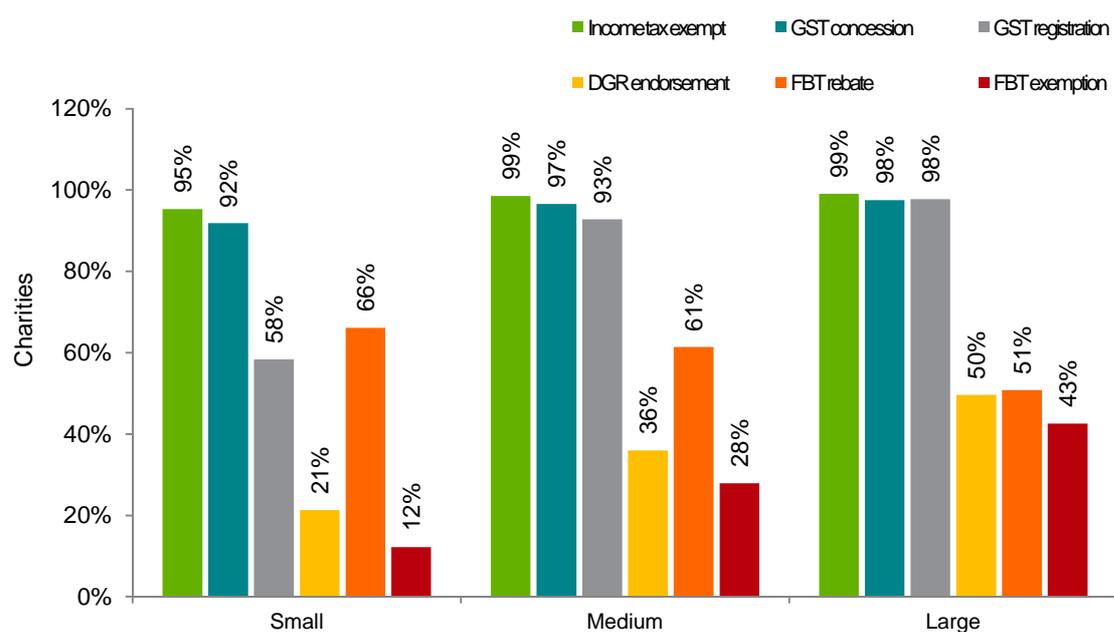


Table 24 Charity size and tax status⁴²

	Number of charities with each tax status			
	Small	Medium	Large	Total
Income tax exempt	24,473	5,902	6,617	36,992
GST concession	23,579	5,786	6,514	35,879
GST registration	14,986	5,561	6,529	27,076
FBT rebate	16,978	3,677	3,396	24,051
DGR endorsement	5,467	2,155	3,316	10,938
FBT exemption	3,131	1,671	2,846	7,648
Total charities	25,672	5,990	6,679	38,341

^{41,43} All charities should be recorded as exempt from income tax; therefore this appears to be a discrepancy in the ABR data.

4. Glossary

Most of the definitions and explanations in this glossary have been sourced from the ACNC or ATO websites. See www.acnc.gov.au or www.ato.gov.au/non-profit. Definitions and explanations can change over time and these are provided as a guide only. Readers should seek clarification with the relevant authority.

ASIC

See Australian Securities and Investments Commission

ACNC Act 2012

See *Australian Charities and Not-for-profits Commission Act 2012 (Cth)*

Australian Charities and Not-for-profits Commission Act 2012 (Cth)

The *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* can be found at www.comlaw.gov.au/Details/C2014C00015

Annual Information Statement -2013

The 2013 Annual Information Statement (AIS) was completed by registered charities to provide non-financial information about their operations for the 2012-2013 reporting period. The 2013 AIS contains 17 mandatory and three optional questions.

Annual Total Sales

This includes all GST free sales, input taxed sales and taxable sales.

ASIC

See Australian Securities and Investments Commission

Australian Business Number (ABN)

An Australian Business Number (ABN) is a single identifier for all business dealing with the ATO and for other government department or agencies.

See www.ato.gov.au/Business/Australian-business-number/

Australian Business Register

The Australian Business Register is a central collection, storage and verification system for basic business identity information for all entities with an ABN. See www.abr.gov.au/

Australian Private Company

An Australian Private Company is a private company not listed on the stock exchange and is not included in the description of Australian public company or cooperative.

Australian Public Company

A public company is a company other than a proprietary company. It includes:

- listed and unlisted companies that have more than 50 non-employee shareholders
- non-profit companies
- statutory corporations and their subsidiaries
- friendly society dispensaries
- mutual life assurance companies.

The financial reporting obligation of a public company is more onerous than that of a proprietary company.

Australian Securities and Investments Commission

The Australian Securities and Investments Commission (ASIC) regulates the corporate, market and financial services sector.

Basic Religious Charity

A basic religious charity is one that meets particular ACNC requirements that are defined in the ACNC Act 2012. A Basic Religious Charity is exempt from meeting some of the reporting obligations and governance standards. See

www.acnc.gov.au/ACNC/Manage/Ongoing_Obs/Basic_rel_ent/ACNC/Edu/Basic_rel_char.aspx

BAS

See Business Activity Statement

Beneficiaries

People or entities that receive benefit

Business Activity Statement (BAS)

Businesses and charities report a number of tax obligations via a BAS, including GST, pay as you go (PAYG) instalments and fringe benefits tax (FBT). Charities registered for GST will submit a BAS monthly, quarterly or annually. For further information see www.ato.gov.au/Business/Activity-Statements

Total sales (BAS G1)

Total sales includes GST free sales, input taxed sales and taxable sales.

In includes:

- gross fees for services
- gross sales
- trade-ins and barter transactions
- the sale, lease or rental of land and buildings
- interest earned
- membership fees and subscriptions
- government grants and certain private sector grants
- the sale of business assets such as office equipment
- amounts recovered as a result of a lay-by sale being cancelled
- holding or security deposits forfeited by customers.

The following are not included in total sales

- dividends
- private sales not related to your business
- salary and wages you receive
- hobby activities
- gifts
- trust and partnership distributions you receive
- tax refunds
- government pensions, allowances and payments.

Capital Purchases (BAS G10)

Capital purchases are money spent on assets such as property plant and equipment, building, goodwill and patents. It includes inventories.

Non capital purchases (BAS G11)

Non capital purchases re things like trading stock and the normal running expenses such as stationery and repairs, equipment rentals and leases.

See www.ato.gov.au/Business/Activity-statements

Charitable trust or fund

A charitable fund is a fund established under an instrument of trust or a will for a charitable purpose. The purposes set out in the will or instrument of trust must be charitable. Charitable funds mainly manage trust property, or hold trust property to make distributions to other entities or people. If the trustee mainly carries on activities that are charitable, the fund will be treated as a charitable institution and not as a charitable fund. See www.ato.gov.au/Non-profit/NP/List-of-definitions---Tax-basics-for-non-profit-organisations/

Charities Act 2013 (Cth)

The *Charities Act 2013 (Cth)* came into effect on 1 January 2014. The Act can be found at www.comlaw.gov.au/Details/C2013A00100

Charity

The *Charities Act 2013 (Cth)* specifies the definition and the legal meaning of charity, and came into effect on 1 January 2014. Previously, the definition of charity was defined by common law. Charities can choose not to register with the ACNC, however, only registered charities can access charitable tax concessions. See www.acnc.gov.au

Charity Subtype

The ACNC Act sets out 14 categories or 'subtypes' of charity that the ACNC can register. These include the 12 charitable purposes as set out in the Charities Act, as well as public benevolent institutions and health promotion charities. The 14 subtypes are:

- advancing health
- advancing education
- advancing social or public welfare
- advancing religion
- advancing culture
- promoting reconciliation, mutual respect and tolerance between groups of individuals that are in Australia
- promoting or protecting human rights
- advancing the security or safety of Australia or the Australian public
- preventing or relieving the suffering of animals
- advancing the natural environment
- promoting or opposing a change to any matter established by law, policy or practice in the Commonwealth, a state, a territory or another country, and
- any other purpose beneficial to the general public that may reasonably be regarded as analogous to, or within the spirit of, any of the purposes mentioned above
- Health promotion charity
- Public benevolent institutions.

Company Limited by Guarantee

A Company Limited by Guarantee is a public company incorporated under the Corporations Act 2001. It has a separate legal entity separate from its members and can operate anywhere in Australia.

A company limited by guarantee can continue regardless of changes to membership. The liability of company members is limited to the amount the members undertake to contribute to the property of the company if it ceases operation. See www.ato.gov.au/Non-profit

The *Corporations Act 2001* is administered by the Australia Securities & Investments Commission (ASIC).

Deductible Gift Recipient (DGR)

An entity is a gift deductible entity if gifts or contributions made to it can be deductible under the income tax law. A charity can apply for endorsement as a DGR which enables donations to the charity to be tax deductible. The donor can deduct the amount of their donation from their taxable income.

See www.ato.gov.au/Non-profit/NP/List-of-definitions---Tax-basics-for-non-profit-organisations/

Franking credits

Franking credits arise for shareholders when certain Australian-resident companies pay income tax on their taxable income and distribute their after-tax profits by way of franked dividends. These franked dividends have franking credits attached. Franked dividends are received either directly as a shareholder or indirectly as a beneficiary of a trust. Franking credits may be refundable for registered charities. See www.ato.gov.au/Non-profit/Franking-credits

Fringe benefits tax (FBT)

FBT is a tax payable by employers who provide fringe benefits to their employees or associates of their employees. For example, a fringe benefit is generally provided when an employer:

- allows an employee to use a work car for private purposes
- gives an employee a cheap loan
- pays an employee's private health insurance costs.

See www.ato.gov.au/Non-profit/NP/List-of-definitions---Tax-basics-for-non-profit-organisations/

Fringe benefits tax exemption

Public benevolent institutions, health promotion charities, not-for-profit hospitals and some charities advancing religion can access FBT exemptions. See www.acnc.gov.au/ACNC/register_my_charity/ACNC

Fringe benefits tax rebate

Registered charities can apply for a rebate of fringe benefits tax (capped at \$30,000)

Goods and Services Tax (GST)

Goods and services tax (GST) is a broad-based tax of 10% on most goods, services and other items sold or consumed in Australia. See www.ato.gov.au/Business/GST

Goods and services tax concession

Goods and services tax (GST) is a tax on transactions. Where goods and services are sold, the amount received for the sale may be subject to GST. Similarly, where goods and services are purchased, the purchaser may be able to claim a GST credit for the GST included in the amount paid. Charities that are registered with the ACNC may apply to access a number of GST concessions if they are also registered for GST.

Health Promotion Charity

A Health Promotion Charity is 'a charitable institution whose principal activity is to promote the prevention or the control of diseases in human beings'. Examples of health promotion charities include some community health care providers, medical research organisations and organisations that work to raise awareness of human diseases.

See www.acnc.gov.au/ACNC/FTS/Fact_HPC.aspx

Income tax exemption

Non profit organisations including charities may be exempt from income tax. If so, they do not pay income tax or lodge income tax returns (unless requested to do so by the ATO)

Incorporated Entity / Association

Associations are incorporated under state and territory associations incorporation legislation, which is administered state and territory authorities. An incorporated association is a legal entity separates from its individual members and can hold property, sue and be sued.

Pay as You Go (PAYG)

PAYG instalments are a system for paying amounts towards the expected tax liability on employment business and investment income for the financial year.

See www.ato.gov.au/Business/Activity-statements

Public Benevolent Institution

A Public Benevolent Institution is a type of charitable institution whose main purpose is to relieve poverty or distress. Examples of charities who may be public benevolent institutions include those that:

- directly provide relief to people in need, such as:
- some hospitals and hospices
- some disability support services
- some aged care services, or
- providers of low rental or subsidised housing, for people in need
- directly engage others to provide relief to people in need, such as a charity that promotes benevolent relief by entering into contracts with service providers to deliver that relief in different areas, or
- provide relief within a relationship of collaboration, such as a charity that raises funds in order to channel these funds to specific programs that provide benevolent relief, through a collaborative arrangement with another organisation that delivers those programs.

See www.acnc.gov.au/ACNC/FTS/Fact_PBI.aspx

Public or private ancillary fund

Ancillary funds are funds that provide a link between people who want to give ('donors') and organisations that can receive tax deductible donations ('deductible gift recipients' - DGRs). Ancillary funds are set up for the purpose of providing money, property or benefits to DGRs. Ancillary funds can be public in that they can receive donations from the general public or private, in that they can receive donations only from specified individuals or entities.

See www.acnc.gov.au/ACNC/FTS/Fact_Type_PAF.aspx

Revenue

The ACNC defines revenue for the purposes of the AIS as income that arises in the ordinary activities of a charity. Revenue can also be called sales, fees, interest, dividends or royalties. Revenue needs to be calculated by using the Australian Accounting Standards (AAS). See www.acnc.gov.au/ACNC/FTS/Fact_CharSize.aspx

Total Salary, Wages and Other Payments (BAS W1)

Include at W1 the total gross payments from which you are required to withhold amounts. These payments could include any of the following:

- salary, wages, allowances and leave loading paid to employees
- director fees
- salary and allowances paid to office holders, including members of parliament, statutory office holders, defence force members and police officers
- payments made by a labour hire firm to workers under a labour hire arrangement
- employment termination payments
- payments for unused annual or long service leave
- payments to religious practitioners
- superannuation (super) income
- super lump sum
- Commonwealth education and training payments.

See www.ato.gov.au/Business/Activity-statements

Substituted Accounting Period

Charities can apply for and be granted a substituted accounting period. This is an accounting period other than 1 July to 30 June. See www.acnc.gov.au

Unincorporated Association

An unincorporated association is not recognised as a separate legal entity to the members associated with it. It is a group of people who agree to act together as an organisation and form an association. The group can remain informal and its members make their own rules on how the group is managed. The rules may also be referred to as a constitution. See www.ato.gov.au/Non-profit

Appendix 1 – The 2013 Annual Information Statement

The hardcopy of the 2013 AIS

2013 Annual Information Statement



CHARITIES

Important information:

- All registered charities are required to complete this statement.
- This statement must be lodged no later than six months after the end of your financial year.

Instructions for completing this statement

- Please ensure you complete all relevant sections of this statement. Failure to complete all sections might mean the ACNC cannot accept your statement, and you will be required to re-submit it.
- Please complete this statement in conjunction with the associated guidance notes.
- Print clearly, using a pen only.
- Use BLOCK LETTERS.
- Place an (X) in the relevant boxes.
- Do not use whiteout or covering stickers.

1 All of the information you provide on this statement (apart from the details of the ACNC contact person and the details in Section E: Declaration) will be published on the ACNC Register. You can request that information be withheld from the ACNC Register. Before you submit this statement, refer to the guidance on acnc.gov.au for more details on when information may be withheld, and instructions about how to request that information be withheld.

Lodging this statement

Make a copy of your completed statement for your records.

Post to:

Australian Charities and Not-for-profits Commission
GPO Box 5108
MELBOURNE VIC 3001

Email it to:

advice@acnc.gov.au

Fax it to:

1300 232 569

Section A: Charity information

1 What is your organisation's Australian Business Number (ABN)?

<input type="text"/>							
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

2 What is your charity's legal name?

3 Please provide details of any other names your charity is known by (such as a trading name).

<input type="text"/>
<input type="text"/>
<input type="text"/>

4 What is your charity's address?

1 Please provide your charity's email, postal and business address. Both the email and business address will appear on the ACNC Register. Please provide the details you wish the public to use to contact you.

Email address:

<input type="text"/>
<input type="text"/>

Postal address:

<input type="text"/>
<input type="text"/>

Suburb or town

State/territory

Postcode

Country (if not Australia)

CHARITIES

Business address:

Suburb or town

State/territory

Postcode

Country (if not Australia)

5 What is your charity's contact and address for service?

i Provide the details of the contact person and the address that you want the ACNC to send all correspondence to, including legal documents. We refer to this as your "address for service". This address can be the same as your postal and/or business address. The address for service will appear on the ACNC Register, but the contact person's details will not.

Title

Given name

Other given names

Family name

Date of birth

 / /

Daytime phone number

Mobile phone number

i If you provide an email address below, the ACNC will treat this as your primary address for service and send all correspondence to this email address. The email and postal "address for service" will be published on the ACNC Register.

Address for service email address:

Address

Suburb or town

State/territory

Postcode

6 Does your charity have a financial year ending 30 June?

Yes

No On what date does your financial year end?

Day / Month

Refer to the guidance note about what to do if you haven't already applied for a substituted accounting period.

7 Based on your revenue for the last financial year, is your charity:

Small Medium Large

Size	Revenue estimate for the last financial year
Small	Revenue less than \$250,000
Medium	Revenue of \$250,000 to \$999,999
Large	Revenue of \$1 million or more

i Detailed guidance on how to calculate revenue can be found on the ACNC's website www.acnc.gov.au

CHARITIES

8 What are the charitable purposes of your charity?

Select all that apply.

- The relief of poverty, sickness or the needs of the aged
- The advancement of education
- The advancement of religion
- The provision of child care services
- Other purposes beneficial to the community

If you selected 'Other purposes beneficial to the community', describe your charity's purpose:

9 If your charity's charitable purpose is the advancement of religion, do you meet the criteria of a 'basic religious charity', as set out in the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act)?

[▶ See guidance note 9 for more information.](#)

- Yes
- No
- Not applicable

10 Is your charity part of a reporting group that has been approved by the ACNC?

- Yes
- No

Section B: Activities

11 Has your charity conducted any activities in the last financial year?

- Yes
- No ▶ Complete Question 14 and Section E only

12 What were your charity's activities in the last financial year?

Please select one main activity from the list below and enter it into the provided box, then select as many general activities as needed from the checklist.

Main activity

--

- Animal protection
- International activities
- Aged care activities
- Law and legal services

- Civic and advocacy activities
- Mental health and crisis intervention
- Culture and arts
- Political activities
- Economic, social and community development
- Primary and secondary education
- Emergency and relief
- Religious activities
- Employment and training
- Research
- Environmental activities
- Social services
- Grant-making activities
- Sports
- Higher education
- Other education
- Hospital services and rehabilitation activities
- Other health service delivery
- Housing activities
- Other recreation and social club activity
- Income support and maintenance
- Other (please describe in the box below)

--

13 Describe how your charity pursued its charitable purposes in the last financial year:

Please limit your response to 300 words. You can attach your 300 word response if completing a hard copy of this statement.

14 Is your charity going to change the way it pursues its charitable purposes in the next financial year?

- Yes ▶ Please describe what changes are planned in the box provided below.
- No ▶ Go to Question 15.

Please limit your response to 300 words. You can attach your 300 word response if completing a hard copy of this statement.

CHARITIES

15 Who was helped by your charity's activities in the last financial year?

Select all that apply.

- | | |
|--|---|
| <input type="checkbox"/> Aboriginal & Torres Strait Islander people | <input type="checkbox"/> People at risk of homelessness/the homeless |
| <input type="checkbox"/> Children | <input type="checkbox"/> People with disabilities |
| <input type="checkbox"/> Communities overseas | <input type="checkbox"/> People with chronic or terminal illness |
| <input type="checkbox"/> Disaster victims | <input type="checkbox"/> Pre/post release offenders and their families |
| <input type="checkbox"/> Elderly people | <input type="checkbox"/> Unemployed persons |
| <input type="checkbox"/> Ethnic groups | <input type="checkbox"/> Veterans or their families |
| <input type="checkbox"/> Gay, lesbian, bisexual, transgender, intersex persons | <input type="checkbox"/> Victims of crime |
| <input type="checkbox"/> General community in Australia | <input type="checkbox"/> Women |
| <input type="checkbox"/> Men | <input type="checkbox"/> Young people |
| <input type="checkbox"/> Migrants, refugees or asylum seekers | <input type="checkbox"/> Other charities |
| | <input type="checkbox"/> Others not listed
Please describe in the box provided below |

Section C: Resources and operating locations

16 What is the number of paid employees and unpaid volunteers who worked for your charity during the last financial year?

If exact figures are not available, please provide your best estimate.

- Full time employees
- Part time employees
- Volunteers

17 Please indicate where your charity operated during the last financial year:

Select all that apply.

- | | |
|------------------------------|--|
| <input type="checkbox"/> ACT | <input type="checkbox"/> SA |
| <input type="checkbox"/> NSW | <input type="checkbox"/> TAS |
| <input type="checkbox"/> NT | <input type="checkbox"/> VIC |
| <input type="checkbox"/> QLD | <input type="checkbox"/> WA |
| | <input type="checkbox"/> Overseas/outside of Australia
(Please list the relevant countries) |

Section D: Reporting and regulatory obligations - this section is optional

i Any information you voluntarily provide will be used by the ACNC to identify ways to reduce unnecessary regulatory obligations and cut red tape in the future.

18 Did you have a corporate or financial reporting obligation to a Commonwealth department or agency over the last financial year?

For instance, did you report on funding you received from a Commonwealth agency? Do not include reporting obligations to the ATO.

If you need more space to complete this question, please attach a separate page.

Yes > Please list the Commonwealth department or agency and the relevant program (if applicable) below.

No > Go to Question 19.

19 Apart from any corporate reporting obligation you may have to a state or territory regulator (under associated incorporations or cooperatives legislation), did you report to any state or territory department or agency over the last financial year?

For example, reporting in respect of fundraising or grant acquittals.

Yes > Please indicate which state or territory you had non-corporate reporting obligations to.

No > Go to Question 20.

- | | |
|------------------------------|------------------------------|
| <input type="checkbox"/> ACT | <input type="checkbox"/> SA |
| <input type="checkbox"/> NSW | <input type="checkbox"/> TAS |
| <input type="checkbox"/> NT | <input type="checkbox"/> VIC |
| <input type="checkbox"/> QLD | <input type="checkbox"/> WA |

20 If you had corporate or financial reporting obligations to a Commonwealth, state or territory department or agency in the last financial year, how many hours do you estimate your charity spent completing these reporting obligations over that 12-month period?

Include time spent reporting to Commonwealth, state and territory regulators, as well as time spent writing government grant acquittals, government fundraising reporting, etc. Do not include time taken to meet reporting obligations to the ATO.

- Approximate hours spent reporting – by paid staff (a)
- Approximate hours spent reporting – by unpaid volunteers (b)
- Total hours spent reporting (add the totals for (a) and (b))

Section E: Declaration

21 Please complete the declaration below

i It is a serious offence to give false or misleading information. Penalties may be imposed.

Please tick the declaration relevant to you.

'Responsible person' has the same meaning as 'responsible entity' which is defined in s.205-30 of the Act.

A responsible person is a person (or in some limited cases an organisation) responsible for directing a charity, and who is a member of the charity's governing body (including directors or committee members) or who is a trustee (including insolvency trustees or administrators).

Authorised person's declaration

We accept that you are authorised to sign on behalf of the charity if you:

- are a responsible person of the charity, or
- hold a position in the charity which gives you authority to do so.

I declare that:

- I am authorised to sign on behalf of the charity whose ABN appears on this form about the contents of this form, and
- the information given on this form and any attached document is true and correct.

OR

Agent's declaration

An agent is a person (or entity) who has been authorised by the charity to complete and submit this form (for example, a professional adviser such as a lawyer or an accountant).

I declare that:

- I have a signed, written authorisation from a responsible person of the charity (whose ABN appears on this form) to complete and submit this document as an agent, and
- this form has been prepared in accordance with information supplied by a responsible person of the charity who has advised me that the information on this form and any attached document is true and correct.

OR

Lodging entity declaration

This form is being provided by a lodging entity as an agent of the charity whose ABN appears above. A lodging entity within the meaning of section 190-40 of the Act is another charity which can amend the governing rules of the charity or charities on whose behalf it is lodging.

I declare that:

- I have authority to sign on behalf of the lodging entity whose name and ABN appear below on this form, and
- the information given on this form and any attached document is true and correct.

Name of lodging entity

ABN of lodging entity

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22 Who is the person signing this declaration?

Title

Mr Mrs Miss Ms Other

Family name

Given name

Other given name(s)

23 Phone number

Business hours phone number (including area code)

Mobile phone number

24 Email address

25 Position held

Please tell us your relationship to the charity and where appropriate include the position you hold in the charity. If you are completing the form as an agent of the charity, please provide details of your relationship to the charity (such as 'legal representative' or 'accountant' and include the name of your firm).

Signature

Date

Day	Month	Year
/	/	

Privacy

The ACNC is required to handle information we collect in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* (the ACNC Act) and the *Privacy Act 1988*. For more information about our information-handling policies please see acnc.gov.au or contact us.

The ACNC is authorised by the ACNC Act to collect the information requested in this form. We may use information we collect to help us administer the ACNC Act, update our records about your organisation, maintain the ACNC Register or provide information to other government agencies when authorised to do so.

Appendix 2 – The International Classification of Non-profit Organisations

The main and additional activity categories used in the AIS are based on the International Classification of Non-profit Organisations (ICNPO). The AIS does not include all ICNPO categories, but the full list is provided here for completeness. This list was sourced from the Australian Bureau of Statistics 2012-13, Australian National Accounts Non-profit Institutions Satellite Account, cat.no. 5256.0 and can be found at www.abs.gov.au

GROUP 1: CULTURE AND RECREATION

1 100 Culture and arts

- Media and communications - Production and dissemination of information and communication; includes radio and TV stations; publishing of books, journals, newspapers and newsletters; film production; and libraries.
- Visual arts, architecture, ceramic art - Production, dissemination and display of visual arts and architecture; includes sculpture, photographic societies, painting, drawing, design centres and architectural associations.
- Performing arts - Performing arts centres, companies and associations; includes theatre, dance, ballet, opera, orchestras, choirs and music ensembles.
- Historical, literary and humanistic societies - Promotion and appreciation of the humanities, preservation of historical and cultural artifacts and commemoration of historical events; includes historical societies, poetry and literary societies, language associations, reading promotion, war memorials and commemorative funds and associations.
- Museums - General and specialised museums covering art, history, sciences, technology and culture.
- Zoos and aquariums.

1 200 Sports

- Provision of amateur sport, training, physical fitness and sport competition services and events; includes fitness and wellness centres.

1 300 Other recreation and social clubs

- Recreation and social clubs - Provision of recreational facilities and services to individuals and communities; includes playground associations, country clubs, men's and women's clubs, touring clubs and leisure clubs.
- Service clubs - Membership organisations providing services to members and local communities, for example, Lions, Rotary Club.

GROUP 2: EDUCATION AND RESEARCH

2 100 Primary and secondary education

- Elementary, primary and secondary education - Education at elementary, primary and secondary levels; includes pre-school organisations other than day care.

2 200 Higher education

- Higher education - Higher learning, providing academic degrees; includes universities, business management schools, law schools and medical schools.

2 300 Other education

- Vocational/technical schools - Technical and vocational training specifically geared towards gaining employment; includes trade schools, paralegal training and secretarial schools.
- Adult/continuing education - Institutions engaged in providing education and training in addition to the formal educational system; includes schools of continuing studies, correspondence schools, night schools and sponsored literacy and reading programs.

2 400 Research

- Medical research - Research in the medical field; includes research on specific diseases, disorders or medical disciplines.
- Science and technology - Research in the physical and life sciences and engineering and technology.
- Social sciences, policy studies - Research and analysis in the social sciences and policy area.

GROUP 3: HEALTH

3 100 Hospitals and rehabilitation

- Hospitals - Primarily inpatient medical care and treatment.
- Rehabilitation - Inpatient health care and rehabilitative therapy to individuals suffering from physical impairments due to injury, genetic defect or disease and requiring extensive physiotherapy or similar forms of care.

3 200 Nursing homes

- Nursing homes - Inpatient convalescent care and residential care, as well as primary health care services; includes homes for the frail elderly and nursing homes for the severely handicapped.

3 300 Mental health and crisis intervention

- Psychiatric hospitals - Inpatient care and treatment for the mentally ill.
- Mental health treatment - Outpatient treatment for mentally ill patients; includes community mental health centres and halfway homes.
- Crisis intervention - Outpatient services and counsel in acute mental health situations; includes suicide prevention and support to victims of assault and abuse.

3 400 Other health services

- Public health and wellness education - Public health promotion and health education; includes sanitation screening for potential health hazards, first aid training and services and family planning services.
- Health treatment, primarily outpatient - Organisations that provide primarily outpatient health services, e.g., health clinics and vaccination centres.
- Rehabilitative medical services - Outpatient therapeutic care; includes nature cure centres, yoga clinics and physical therapy centres.
- Emergency medical services - Services to persons in need of immediate care; includes ambulatory services and paramedical emergency care, shock/trauma programs, lifeline programs and ambulance services.

GROUP 4: SOCIAL SERVICES

4 100 Social services

- Child welfare, child services and day care - Services to children, adoption services, child development centres, foster care; includes infant care centres and nurseries.
- Youth services and youth welfare - Services to youth; includes delinquency prevention services, teen pregnancy prevention, drop-out prevention, youth centres and clubs and job programs for youth; includes YMCA, YWCA, Boy Scouts, Girl Scouts and Big Brothers/Big Sisters.
- Family services - Services to families; includes family life/parent education, single parent agencies and services and family violence shelters and services.

- Services for the handicapped - Services for the handicapped; includes homes, other than nursing homes, transport facilities, recreation and other specialised services.
- Services for the elderly - Organisations providing geriatric care; includes in-home services, homemaker services, transport facilities, recreation, meal programs and other services geared towards senior citizens (does not include residential nursing homes).
- Self-help and other personal social services - Programs and services for self-help and personal development; includes support groups, personal counselling and credit counselling/money management services.

4 200 Emergency and relief

- Disaster/emergency prevention and control - Organisations that work to prevent, predict, control and alleviate the effects of disasters, to educate or otherwise prepare individuals to cope with the effects of disasters, or to provide relief to disaster victims; includes volunteer fire departments, life boat services etc.
- Temporary shelters - Organisations providing temporary shelters to the homeless; includes travellers' aid and temporary housing.
- Refugee assistance - Organisations providing food, clothing, shelter and services to refugees and immigrants.

4 300 Income support and maintenance

- Income support and maintenance - Organisations providing cash assistance and other forms of direct services to persons unable to maintain a livelihood.
- Material assistance - Organisations providing food, clothing, transport and other forms of assistance; includes food banks and clothing distribution centres.

GROUP 5: ENVIRONMENT

5 100 Environment

- Pollution abatement and control - Organisations that promote clean air, clean water, reducing and preventing noise pollution, radiation control, treatment of hazardous wastes and toxic substances, solid waste management and recycling programs.
- Natural resources conservation and protection - Conservation and preservation of natural resources, including land, water, energy and plant resources for the general use and enjoyment of the public.
- Environmental beautification and open spaces - Botanical gardens, arboreta, horticultural programs and landscape services; Organisations promoting anti-litter campaigns; programs to preserve the parks, green spaces and open spaces in urban or rural areas; and city and highway beautification programs.

5 200 Animal protection

- Animal protection and welfare - Animal protection and welfare services; includes animal shelters and humane societies.
- Wildlife preservation and protection - Wildlife preservation and protection; includes sanctuaries and refuges.
- Veterinary services - Animal hospitals and services providing care to farm and household animals and pets.

GROUP 6: DEVELOPMENT AND HOUSING

6 100 Economic, social and community development

- Community and neighbourhood organisations - Organisations working towards improving the quality of life within communities or neighbourhoods, e.g., squatters' associations, local development organisations and poor people's cooperatives.
- Economic development - Programs and services to improve economic infrastructure and capacity; includes building of infrastructure, such as roads, and financial services, such as credit and savings associations, entrepreneurial programs, technical and managerial consulting and rural development assistance.

- Social development - Organisations working towards improving the institutional infrastructure and capacity to alleviate social problems and to improve general public well-being.

6 200 Housing

- Housing associations - Development, construction, management, leasing, financing and rehabilitation of housing.
- Housing assistance - Organisations providing housing search, legal services and related assistance.

6 300 Employment and training

- Job training programs - Organisations providing and supporting apprenticeship programs, internships, on-the-job training and other training programs.
- Vocational counselling and guidance - Vocational training and guidance, career counselling, testing and related services.
- Vocational rehabilitation and sheltered workshops - Organisations that promote self-sufficiency and income generation through job training and employment.

GROUP 7: LAW, ADVOCACY AND POLITICS

7 100 Civic and advocacy organisations

- Advocacy organisations - Organisations that protect the rights and promote the interests of specific groups of people, e.g., the physically handicapped, the elderly, children and women.
- Civil rights associations - Organisations that work to protect or preserve individual civil liberties and human rights.
- Ethnic associations - Organisations that promote the interests of or provide services to members belonging to a specific ethnic heritage.
- Civic associations - Programs and services to encourage and spread civic mindedness.

7 200 Law and legal services

- Legal services - Legal services, advice and assistance in dispute resolution and court-related matters.
- Crime prevention and public policy - Crime prevention to promote safety and precautionary measures among citizens.
- Rehabilitation of offenders - Programs and services to reintegrate offenders; includes halfway houses, probation and parole programs, prison alternatives.
- Victim support - Services, counsel and advice to victims of crime.
- Consumer protection associations - Protection of consumer rights and the improvement of product control and quality.

7 300 Political organisations

- Political parties and organisations - Activities and services to support the placing of particular candidates into political office; includes dissemination of information, public relations and political fundraising.

GROUP 8: PHILANTHROPIC INTERMEDIARIES AND VOLUNTARISM PROMOTION

8 100 Grant-making foundations

- Grant-making foundations - Private foundations; including corporate foundations, community foundations and independent public law foundations.

8 200 Other philanthropic intermediaries and voluntarism promotion

- Volunteerism promotion and support - Organisations that recruit, train and place volunteers and promote volunteering.
- Fundraising organisations - Federated, collective fundraising organisations; includes lotteries.

GROUP 9: INTERNATIONAL

9 100 International activities

- Exchange/friendship/cultural programs - Programs and services designed to encourage mutual respect and friendship internationally.
- Development assistance associations - Programs and projects that promote social and economic development abroad.
- International disaster and relief organisations - Organisations that collect, channel and provide aid to other countries during times of disaster or emergency.
- International human rights and peace organisations - Organisations which promote and monitor human rights and peace internationally.

GROUP 10: RELIGION

10 100 Religious congregations and associations

- Congregations - Churches, synagogues, temples, mosques, shrines, monasteries, seminaries and similar organisations promoting religious beliefs and administering religious services and rituals.
- Associations of congregations - Associations and auxiliaries of religious congregations and organisations supporting and promoting religious beliefs, services and rituals.

GROUP 11: BUSINESS AND PROFESSIONAL ASSOCIATIONS, UNIONS

11 100 Business associations

- Business associations - Organisations that work to promote, regulate and safeguard the interests of special branches of business, e.g. manufacturers' association, farmers' association and bankers' association.

11 200 Professional associations

- Professional associations - Organisations promoting, regulating and protecting professional interests, e.g., bar associations and medical associations.

11 300 Labour unions

- Labour unions - Organisations that promote, protect and regulate the rights and interests of employees.

GROUP 12: NOT ELSEWHERE CLASSIFIED

12 100 Not elsewhere classified

- All other NPIs.