

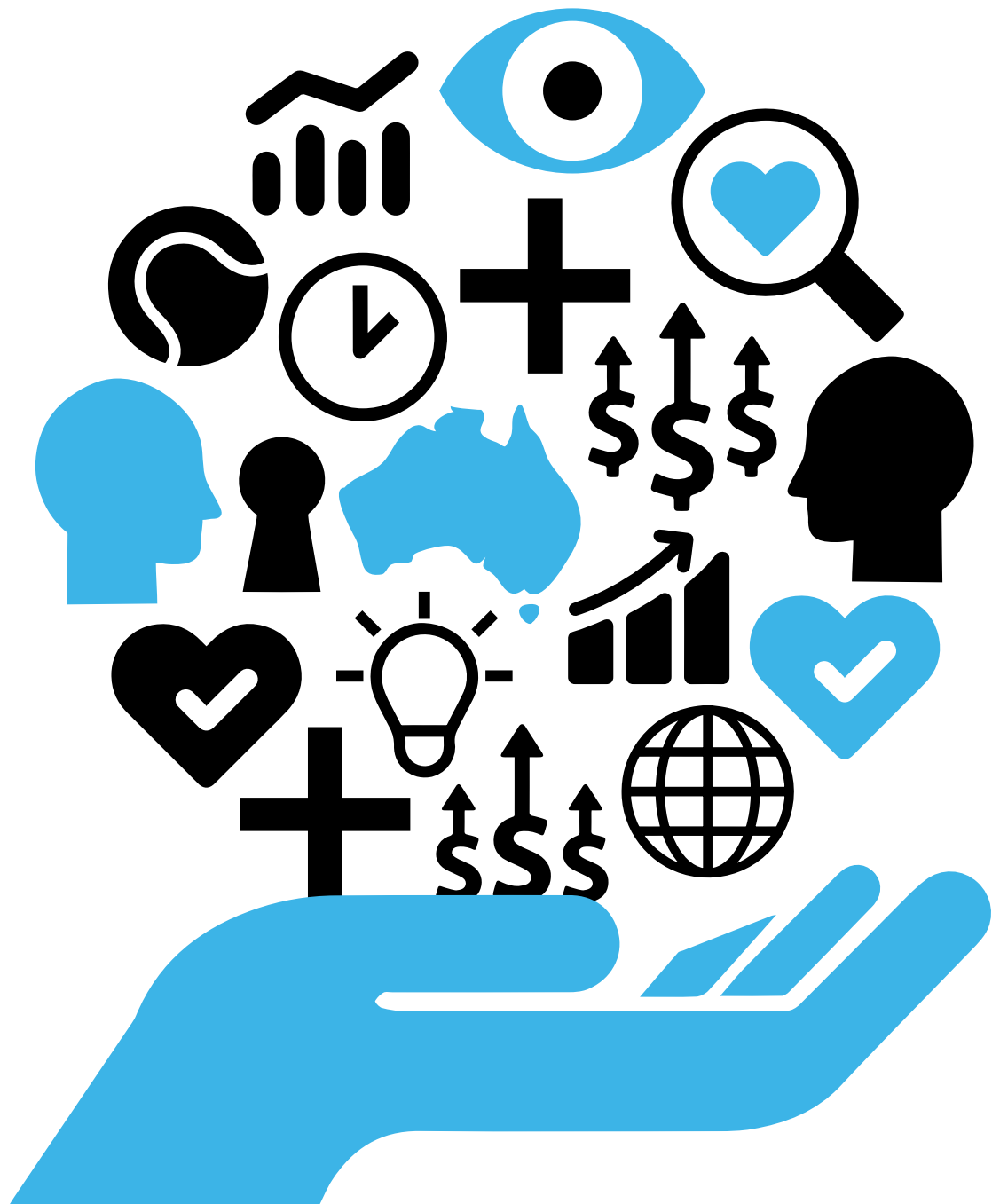
# The Cause Report

JBWere

20 years of (r)evolution in the not for profit sector

By John McLeod

April 2016



# Foreword



**Justin Greiner**

**Chief Executive Officer, JBWere**

This report is the culmination of many months of research and analysis into not-for-profit sector in Australia. What we hope to achieve with this report is to provide everyone in Australian society with a deeper understanding and appreciation of this critical sector. Amongst other insights, the report covers:

- the scale, scope and significance of the charitable and not-for-profit sector;
- the long term trends across the sector;
- the headwinds in relation to sustainability and volunteerism; and
- a breakdown of data at a sector level.

What becomes apparent is that the sector has grown significantly in the last 20 years and, although funding has also grown strongly, there is a concentration of income and assets in the top 10% of organisations. This effectively means that the vast majority of organisations are operating at a scale that does not allow them to convert their time, energy, passion and ideas into concrete, measurable results. And we are all poorer for this missed opportunity.

We hope you find this report insightful and useful as a strategic tool to inform your thinking – whether you lead a not-for-profit organisation, you work for or use the services of a not-for-profit, or you are a philanthropist seeking a greater understanding of your cause areas.

I urge you to contact the JBWere Philanthropic Services team if you wish to continue this vitally important conversation.

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# Executive summary

The report is broken up into two sections. The first part deals with the bigger picture of what the sector is, where it fits in an Australian and global context, and more significantly, the changes over the last 20 years and the implications of this into the future. The second part provides the first close look at the 26 individual charity subsectors made possible by the release of the latest ACNC annual information statements from charities themselves.

One of the most important aspects of the report is to demonstrate how important the not for profit (NFP) sector is to Australian society. Not only is its scale significant in relation to the other 3 sectors of Government, business and households, but its interaction to those sectors is underestimated. There needs to be greater recognition that society works better with a strong and sustainable NFP sector.

The dramatic increase in information available on the sector means both an increase in transparency and an increase in the opportunity for efficiency gains, both of which will produce positive impacts but will also see some organisations benefit at the expense of others.

We make the following observations based on the analysis of the data in this report:

- While there have been some large changes in growth rates between different charity sectors over time, there hasn't been much change in the names of the large organisations dominating the sector suggesting the ability to innovate and grow is limited, compared to the for-profit sector where availability of risk capital is higher.
- The number of NFPs has grown substantially over time with Australia now having one organisation for every 422 people, the lowest on record and which has accelerated over the past 50 years. The recent introduction of the ACNC has seen a significant number decide to cease but with 10 new charities commencing each business day, this may yet only be a once off adjustment.
- Funding growth for the sector has been strong, averaging 8.4% pa over the last 20 years.
- The mix of this funding has seen a shift with Government rising from 30% to 38% while self-earned income has fallen from 62% to 54% with philanthropy flat at 8%. A large proportion of this change has been a result of Government outsourcing to NFP organisations which can then have a limiting effect on profit margins.
- Although philanthropy has been flat as a proportion of income, it is within a growing total. Also within the philanthropic pie, there have been major changes, with structured giving (eg PAFs) and corporate support growing much faster than other forms. Individual giving which still comprises 50% of the total has seen good gains in average giving by existing donors but the proportion who donate is stuck at 36% of taxpayers, having peaked in 1983.
- The use of NFP funding has remained constant over this period with labour continuing to make up just over 50% of total spending and the rate of spending growing in line with revenue, keeping margins flat.
- The size of the volunteering component of NFP operations is underestimated and potentially undervalued. Its worth is double that of philanthropy but more visible effort goes into the latter. Without some change, the recent peaking in volunteering and an ageing team could signal growing difficulty in attracting this highly valuable "free" help.
- The asset base of the sector is strong but very concentrated with 92% of both assets and income controlled by the largest 8% of organisations. This means that the potential innovation sitting in the remaining people and organisations often doesn't see the funding needed to be realised. This risk capital blockage may be starting to break with the interest in social and impact investing and the continued blurring of the lines between for-profit and NFP and the focus and measure being much more correctly on achievement of impact. The fact that 2/3 of their assets are in property raises the question about how mission serving that asset mix may really be. Also, the annual depreciation costs were \$4.4B in 2013, almost as much as the total surplus for the sector.
- Within individual sectors a number of observations are now possible including the growth in philanthropy funding for culture and arts replacing a fall in Government's share of income over the last 20 years.
- International aid relies on philanthropy for around 75% of income and has one of the lowest levels of operational surplus plus a relatively low asset base compared to income. While providing an immensely important service to the most needy, it isn't a great formula for sustainability.
- Grant making organisations (structured philanthropy such as charitable trusts and PAFs) have built a strong asset base of around \$15B including all PAFs and the recent Paul Ramsay bequest. They are largely volunteer run and are providing a strongly growing level of funding to the NFP sector.
- Overall, for the NFP sector to remain as effective as possible and to maximise impact, it needs to continue to evolve and faster than in the past. Something has to change for continued sustainability and that involves a combination of where funding comes from and how it is used.

# Introduction

When trying to analyse the not for profit (NFP) sector, rather than examine what is included, some observers have preferred to define it by what it isn't. Leave out Government and government controlled organisations, businesses or organisations where profit can be distributed and individuals, communities or families and what you have left is the not for profit sector. The term "Third Sector" is common around the world and was the title of the late Mark Lyons' excellent 2001 text and included in his earlier work with Susan Hocking looking at the *Dimensions of Australia's Third Sector*. The term refers to its place as one of the four sectors in our society along with Government, business and households.

What this definition doesn't portray is that the NFP sector is intimately connected to each of the others in that they are the funders of it, purchasers of its products, beneficiaries of its services and very significant employees and volunteers in its organisations. The sector is the glue which holds much of Australian society together and allows it to function and prosper. Despite this, it has only been in recent years that the scale and breadth of the sector has begun to be measured and still, these values don't capture most of the social returns being achieved and certainly don't put a financial value on them.

“**The sector is the glue which holds much of Australian society together and allows it to function and prosper.**”

This report attempts to track the growth of the sector over the last 20 years using a variety of sources including the Australian Bureau of Statistics (ABS) satellite accounts and their earlier versions and then blends in the wealth of data being collected through the Australian Charities and Not-for-profits Commission (ACNC) annual information statements completed by charities to provide a breakup not previously seen within and across causes.

International comparisons are made where possible looking at the comparative size and type of charities, their income sources, expenditures and employees, growth and relative size compared to their overall economy.

The report then examines some significant trends over this 20 year time frame including growth and changes in funding mix, expenditure patterns and staffing. It then combines this with some significant emerging areas of activity such as:

- impact investment;
- shared value approaches to corporate engagement; and
- government and philanthropic funding capacity.

It looks at where opportunities and challenges for the sector may emerge.

Finally, each NFP sector is examined individually with similar analysis provided. For each subsector we provide:

- a profit and loss statement;
- balance sheet;
- details of staffing;
- a split of organisations into deciles to show the degree of concentration for income and assets;
- a list of the top 10 organisations by gross income;
- plus charts showing the sectors relationship between profit and income and between assets and income.

Often the overall NFP sector is analysed as a homogenous group when there is actually great diversity in the way individual causes operate and many lessons can be learnt across sectors.

In choosing the title *The Cause Report*, we wanted to move away from the currently used terms which often impose boundaries and perpetuate some myths about the sector. In this fast evolving sector, one of the only constants is that each organisation is seeking to enhance a particular cause by maximising the social return they can achieve. The methods they use and resources they gather to do that are expanding rapidly but still serving that cause.

We hope you enjoy reading this account of Australia's not for profit sector and its (r)evolution over the past 20 years. Most importantly, we hope that a deeper understanding of the history combined with detailed analysis of each subsector will help you benchmark your organisation and develop your strategy.

We would also like to acknowledge the excellent work of Isabel Lim in designing the report and Julia Malinovsky for her patience and accuracy in preparing the "400" charts.

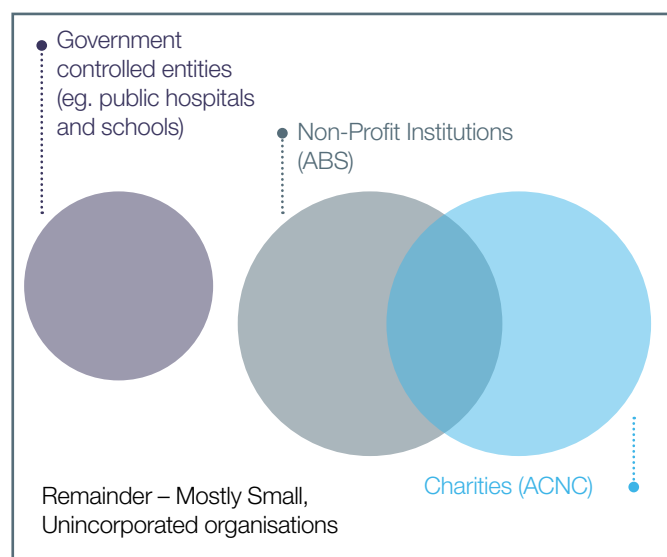
The JBWere Philanthropic Services team would be pleased to discuss and expand on any aspects of the report and the opportunities available for your organisation.

# What is the not for profit sector and where does it fit into Australian society?

One of the great difficulties in discussing the not for profit sector is definitions and seemingly synonymous terms. Most people equate the term, not for profit (or for purpose if you want to make the point that they can and should make a profit) with the term charity. Then if organisations do the same thing (eg private and public schools) most would expect them to be both under the same category. Also when we look at sub categories, would the Salvation Army be a religious or social services organisation and the Red Cross an emergency or International Aid organisation. Finally, why can I get a tax deduction for donating to an indoor swimming pool but not an extra teacher's salary at my child's school?

There are logical, if not tortuous, answers to each of these questions but in the interests of sanity and brevity the chart below describes the position of the organisations within the not for profit sector and then within each of the ABS and ACNC data sets we have used to compile most of the data for this report. Happily, both have used the International Classification of Non Profit Organisations (ICNPO) to categorise their respective organisation groups into subsectors. This breakup of causes used by the ICNPO is also the one we have used in the latter sections of our report with detailed descriptions included for each subsector.

## Not for Profit Sector Organisations



Source: ABS, ACNC, JBWere Philanthropic Services

The total not for profit sector comprises around 600,000 organisations, the majority (440,000 estimated by the Productivity Commission) of which are small, unincorporated, volunteer based and generally without legal status. This total excludes around 100,000 body corporates, financial and insurance mutuals and trading cooperatives. The legal status of the remainder varies but the majority (around 140,000) are incorporated associations and companies limited by guarantee (around 12,000). Depending on the activity of the organisation, they may be entitled to tax concessions, including income tax exemption. This may be self assessed for organisations who aren't charities and who are community organisations, cultural, education, health, employment, resource development, scientific or sporting organisations. Those who are endorsed as charities will have activities which have a particular charitable purpose as defined under the *Charities Act 2013* and can apply to become a tax concession charity. Further, these organisations may be able to give donors a tax receipt if they qualify and apply to be a deductible gift recipient (DGR). This can occur if their organisation, or part of it, falls into a category described in the *DGR Table* in the tax law.

More importantly, in terms of financial support and scale of operation, both the ABS surveys and ACNC reporting are focussed on the largest organisations.

The most recent ABS data in 2013 was compiled from the annual Economic Activity Survey of over 4,000 organisations and extrapolates this to almost 57,000 non profit institutions (NPIs). Significantly, the ABS data covers organisations who:

- have an ABN;
- are non profit distributing;
- are institutionally separate from Government; and
- are self-governing and non-compulsory.

The ACNC data set is self selecting as it only includes those organisations judging it worthwhile to register as charities and who qualify as having charitable purposes that are for the public (or a sufficient section) benefit. Those organisations with charitable status are now required to submit an annual information statement (AIS) containing varying levels of activity and financial details depending on size. There are a number of charity types who are exempt from supplying some data or it can be withheld from publication such as basic religious charities or private ancillary funds and some organisations where financial details are not yet published such as primary and secondary education.

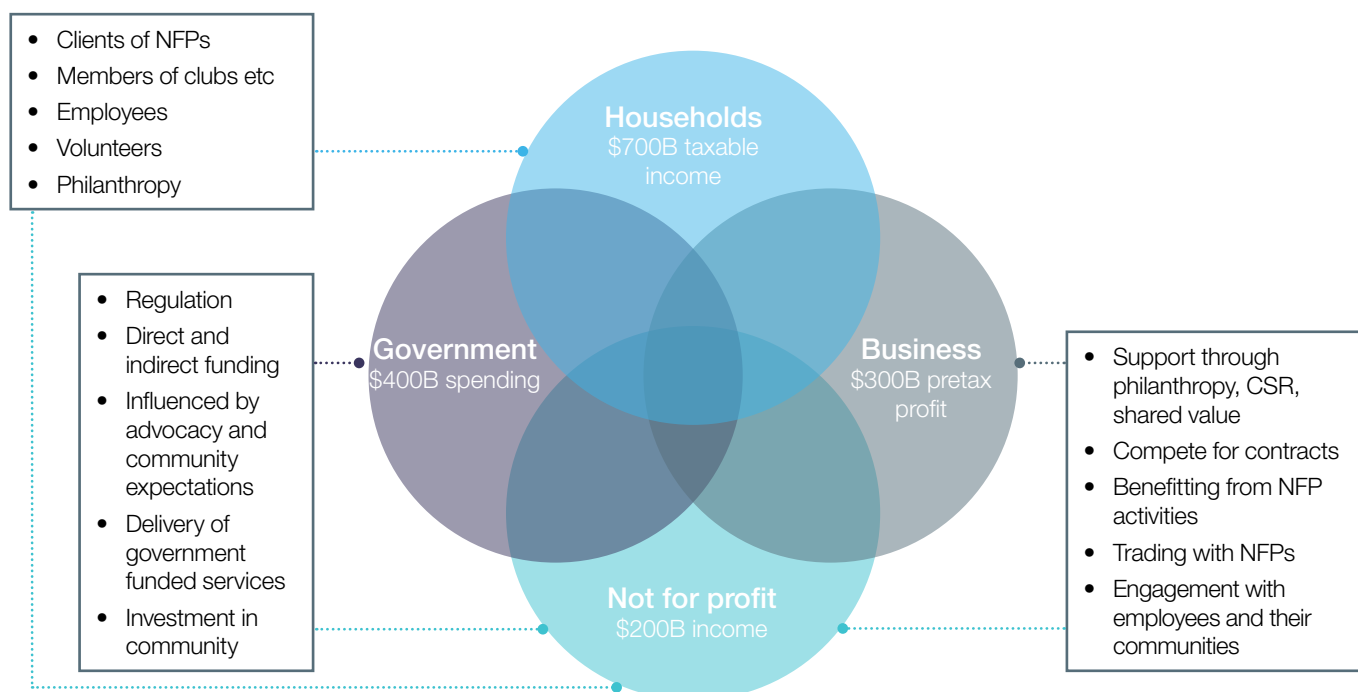
Comparing the ABS and ACNC sets of data, not surprisingly, shows a large overlap, and the totals for gross income and total assets are within 10% of each other. However, within sectors, there are some much larger differences mainly due to many more sporting organisations being NPIs but not qualifying as charities and many smaller organisations who are charities, not being large enough to qualify as NPIs. Also in some groups (predominantly religion), both the ABS and ACNC have very similar estimates for the number of organisations and employees but due to limited reporting requirements of financial data to the ACNC, the ABS financial estimates are significantly larger and better representative of this sector.

There is also a significant group of non profit organisations who don't qualify under either the ABS or ACNC definitions due to their level of Government control. The majority of these are either Government schools (6,651 organisations and \$32billion income) or public hospitals (747 organisations and \$43billion income).

Combining the ABS, ACNC (adjusting for overlap) and these Government controlled non profit organisations together would see annual revenues over \$200billion, total assets over \$350billion and around 1.9 million employees, about double the values recorded by the ABS or ACNC data alone.

We can compare this expanded version of the not for profit (or third sector) to business (first sector) which sees annual corporate pre-tax profits around \$300billion, Government (second sector) which has annual spending of around \$400billion and individual's (fourth sector) with annual taxable income of \$700billion. While these values highlight the significance of each sector, they don't highlight the inter-relationship between the sectors. The Productivity Commission's 2010 report on the *Contribution of the Not-for-Profit Sector* discussed the relationship between each of these sectors which is summarised below and highlights the heavy reliance of Australian society on a well functioning and funded third sector.

## Sectors interaction with not for profits



Source: Productivity Commission, JBWere Philanthropic Services



# How does the Australian not for profit sector compare internationally?

We have highlighted earlier the historical sparsity of data for the Australian not for profit sector and welcomed the growing detail provided in ABS surveys of NPIs and now the rich data available via the ACNC collection from charities themselves. When we seek to compare the Australian sector with similar international groups, many of the same issues arise. Questions around who are we including in the sector, does the degree of Government involvement in organisations matter and even do they collect data, what type and how consistent is it across nations. Recognising this, the United Nations Statistical Division and the John Hopkins Centre for Civil Society plus an International Technical Experts Group developed the Handbook on Nonprofit Institutions in the System of National Accounts. This requires each of the participating countries to produce a set of “satellite accounts” on non-profit institutions and volunteering in a consistent way. For most of the 16 countries participating, these accounts were first completed around 2002-03 with the next attempts 6-7 years later. While we are not yet in a situation where all data is collected from countries consistently or indeed all significant countries participate, it has been a major step forward and now allows some good global comparisons to be made.

The following table presents a summary of the UN Nonprofit Handbook findings in a range of areas and has added the UK, which is not included in the Handbook, from data published by their Charity Commission (England and Wales) and which is not therefore necessarily from the same consistently defined group of organisations. It has also included findings from an international comparative study on philanthropy from the Charities Aid Foundation in the UK.

These comparisons provide a number of interesting observations and must also be read in the context of dramatic differences across countries in who actually runs social activities (Government controlled organisations are excluded as NPIs) and who pays for them. For example, we often compare and envy the very high levels of individual philanthropy in the US which, when compared to GDP, is six and 13 times greater than in Australia and Norway respectively. However, if the next question is “where would you rather be homeless”, the answer may be reversed.

Comparing the number of NPIs and their workforce shows Australia sits in a similar position to Canada when adjusted for population (and geographical spread). The USA sees around a 50% greater population per NPI and over double the average revenue per NPI, despite a similar size of employment per NPI.

The contribution to country GDP from the NPI sector will depend on other strengths in the economy in the year being measured and this will vary for more cyclical industry based economies such as Australia, partially explaining the lower contribution to GDP values seen. These values also underestimate the true worth of the social output from the sector as they only capture the purchasers price of goods and services produced and not the true cost saving to society of their activities. The value of volunteers is highlighted in all countries with an additional GDP contribution of over 1% for all and over 2% in smaller countries. The cost of employees is around or over 50% of total expenses for all countries, except New Zealand where volunteering is much more significant (almost doubling the GDP measure of their sector).

**“These values underestimate the true worth of the social output from the sector as they do not capture the true cost saving to society of their activities.”**

The mix of activities within the NPI sectors of different countries is also interesting with smaller countries generally having a higher proportion of expressive (culture, art and sport) activities compared to larger countries who have a greater concentration of service (housing, social services, education and health) activities.

In terms of funding, for all countries except New Zealand, the USA sees the lowest proportion of funding coming from Government. It also sees the largest proportion coming from philanthropy. The Australian share from Government is still below that of Canada, the UK and Norway, despite it rising from 30% to 38% over the last two decades. In addition, the sector has grown faster than the economy in each of the seven countries from the late 1990s to the mid 2000s with the average being 7.3% versus a 5.2% annual growth rate for the overall economies.

Finally, the comparisons for philanthropy show Australia much lower than the USA, Canada, the UK and New Zealand when compared to GDP. It should be noted that this is only for individual tax deductible donations which in Australia only represents about one quarter of total philanthropy, including corporate support. It also doesn't include religious giving which unlike Australia, is tax deductible in several of the other countries, including the USA.



	Australia	USA	Canada	UK	New Zealand	Japan	Norway
<b>Not for Profit sector relative to economy</b>							
Organisations (no.)	<b>56,894</b>	499,845	85,600	165,188	27,380	330,750	na
NPI workforce (no.)	<b>1,081,900</b>	10,700,000	1,524,032	947,569	105,330	4,341,800	92,645
Workforce per NPI	<b>19</b>	21	18	6	4	13	na
Population (no. millions)	<b>24</b>	324	35	65	4.6	126	5.3
Population per NPI	<b>422</b>	648	409	393	168	381	na
NPI employees as % of total workforce	<b>8.5%</b>	7.7%	8.5%	3.1%	4.4%	6.8%	3.5%
NPI employees + volunteers as % of total	<b>11.5%</b>	10.2%	na	na	10.6%	10.0%	8.2%
Revenue	<b>A\$107B</b>	US\$2,160B	C\$168B	£69B	NZ\$17B	Y97,071B	NOK91B
Assets	<b>A\$176B</b>	US\$4,840B	na	£235B	na	na	na
Contribution to GDP (%)	<b>3.6%</b>	5.5%	7.1%	na	2.8%	4.2%	1.9%
Contribution to GDP incl. volunteers (%)	<b>4.9%</b>	6.6%	8.1%	na	5.3%	5.2%	4.6%
<b>Shape of sector</b>							
Service	<b>70%</b>	80%	85%	80%	54%	95%	57%
Expressive	<b>25%</b>	10%	10%	15%	29%	5%	40%
Other	<b>5%</b>	10%	5%	5%	17%	0%	3%
<b>Sector income sources</b>							
Government	<b>38%</b>	32%	51%	47%	9%	37%	53%
Fees/other	<b>54%</b>	55%	42%	45%	67%	59%	34%
Philanthropy	<b>8%</b>	13%	7%	9%	24%	4%	13%
<b>Sector expenditure</b>							
Employee expenses	<b>51%</b>	71%	58%	51%	41%	49%	na
Other expenses	<b>49%</b>	29%	41%	49%	59%	51%	na
<b>Sector growth</b>							
NPIs	<b>11.0%</b>	5.5%	6.4%	na	na	4.4%	8.7%
Economy	<b>7.5%</b>	4.4%	5.6%	na	na	-0.3%	7.8%
<b>Country individual giving</b>							
Individual Giving (US\$billion)	<b>\$2.3</b>	\$258.5	\$12.4	\$17.4	\$1.1	\$7.0	\$0.5
Individual giving as % of GDP	<b>0.23%</b>	1.44%	0.77%	0.54%	0.79%	0.12%	0.11%

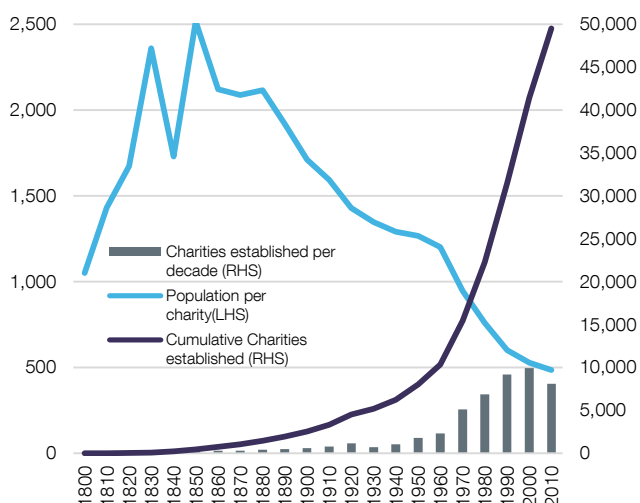
**Source:** The State of Global Civil Society [www.ccss.jhu.edu](http://www.ccss.jhu.edu), ABS 2013, [www.charitycommission.gov.uk](http://www.charitycommission.gov.uk), Urban Institute [www.urban.org](http://www.urban.org), [www.cafonline.org](http://www.cafonline.org)

# How has the not for profit sector changed over time?

From the early analysis of the sector by Mark Lyons and Susan Hocking in 1996 to the most recent ABS satellite accounts for Non Profit Institutions (NPIs) in 2013 and now the latest data collection from charities through the ACNC, we have seen huge changes in both the scale and make-up of the sector over 20 years. This section of the report highlights many of the more significant areas of change.

## Number of charities

**Number of charities established and cumulative per decade and population per charity**

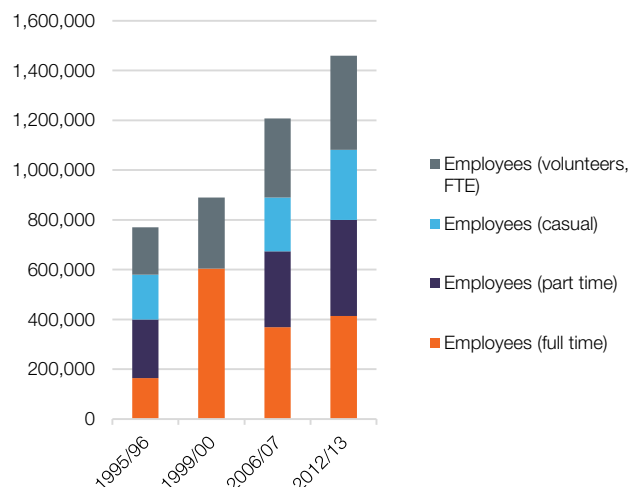


There is no doubt that the number of NPIs and charities has risen rapidly over time. Either measure shows a doubling every 20 years that stretches back at least 60 years. We have shown the cumulative number of charities by establishment date and compared that to Australia's population each decade back to 1800. This chart only shows currently registered organisations, so doesn't include any that have closed or the few that have merged. This clearly highlights the rapid rise in numbers since 1950 and the corresponding fall in the population per charity. Despite the recent cancelling and closure of some charities registrations by the ACNC, there are still around 10 new charities established every business day.

The more difficult question is "Do we have enough yet?" or "What is the right number?". The country comparisons given in the earlier section of the report compared the population per NPI across countries, however even this can be misleading as a country where Government collects large taxes and pays for everything, may not need many charities. Similarly, a geographically spread country like Australia may need a number of individual charities and volunteer teams in each town, rather than one centralised organisation serving a concentrated population. The real issue with charity numbers is the potential duplication of energies, ideas, incomes and assets and the lack of shared knowledge and potential public confusion and then inaction.

## Workforce

**All NPIs – Employees and volunteers**



The sector has a large and flexibly structured workforce with around an equal number of full time, part time and casual employees. Interestingly, the full time equivalent for their volunteer workforce is of a similar size to each individual paid group. The rate of growth in employee numbers has been 3.7% annually over the 20 years bringing the total to a significant 8.5% of the Australian workforce plus another 3% if volunteers were included. The rate of growth in volunteering over the same period was 4.1% annually although this is showing signs of slowing as the age of the volunteer workforce rises. Organisations are experiencing difficulty in attracting younger supporters to fill the same roles for the same hours. If we value volunteering at the rate of equivalent paid employees (ABS's methodology), then its value is \$17.3B annually, double that of philanthropy.

## Innovation

	1970	1980	1990	2000	2010
1	General Motors	Exxon Mobil	General Motors	General Electric	Exxon Mobil
2	Exxon Mobil	IBM	General Electric	Citigroup	Microsoft
3	IBM	General Motors	Ford Motor	SBC Communications	Wal-Mart Stores
4	Texaco	Mobil	IBM	Exxon Mobil	Procter & Gamble
5	Gulf Oil	ChevronTexaco	Exxon Mobil	Bank of America Corp.	IBM
6	Ford Motor	Texaco	Altria Group	Microsoft	Goldman Sachs Group
7	ChevronTexaco	Amoco	Dow Chemical	IBM	Merck
8	Mobil	General Electric	DuPont	DuPont	AT&T
9	Eastman Kodak	Gulf Oil	Texaco	Altria Group	Wells Fargo
10	DuPont	BP America	Atlantic Richfield	Intel	Johnson & Johnson
11	Amoco	Ford Motor	Mobil	Ford Motor	JP Morgan Chase & Co
12	Shell Oil	Atlantic Richfield	Coca-Cola	General Motors	General Electric
13	General Electric	Shell Oil	Amoco	Merck	Bristol-Myers Squibb
14	General Telephone & Elec	Eastman Kodak	Merck	Chase Manhattan Corp.	Chevron
15	ITT Industries	DuPont	Shell Oil	Wal-Mart Stores	Pfizer
16	Atlantic Richfield	ConocoPhillips	3M	American Intl. Group	Berkshire Hathaway
17	AT&T Technologies	Conoco	Procter & Gamble	Morgan Stanley	Hewlett-Packard
18	US Steel	Dow Chemical	Wyeth	Lucent Technologies	Coca-Cola
19	Procter & Gamble	Sunoco	Johnson & Johnson	Bell Atlantic	Google
20	Union Carbide	3M	Digital Equipment	Johnson & Johnson	Liberty Media



Rising industries, improved operations



Consistent organisation adapting in changing environments



Declining industries, poor adapting to circumstances

Source <http://money.cnn.com/magazines/fortune/>

While innovation is a more subjective area, we chose to compare the changes seen in markets where capital is readily available for innovation with the changes seen in the not for profit sector where that luxury is not usually available. For the former we simply used movements in the US stock market top 20 companies as a proxy for change, whether designed or brought on by market forces. The table shows those moving up and down the ladder and more significantly the large changes seen each decade.

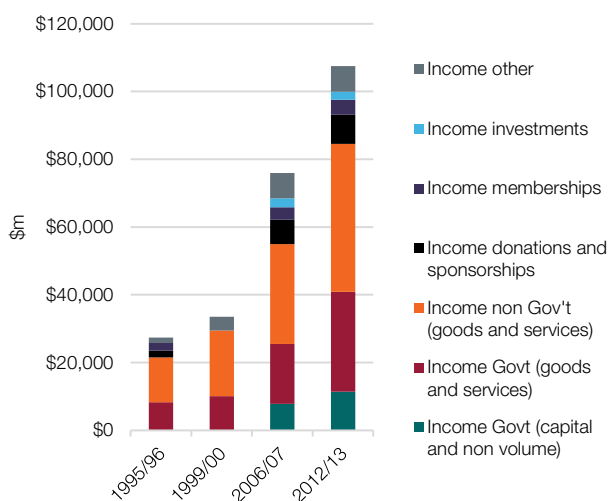
	1994	Income (\$m)	2014	Income (\$m)
1	Australian Red Cross Society	\$176	Australian Red Cross Society	\$1,109
2	Salvation Army – Southern	\$129	Unitingcare NSW.ACT	\$651
3	Salvation Army – Eastern	\$126	Blue Care: Head Office	\$605
4	World Vision of Australia	\$89	Salvation Army – Eastern	\$394
5	Wesley Mission Sydney	\$60	World Vision Australia	\$380
6	Silver Chain Group Limited	\$51	Salvation Army – Southern	\$377
7	CARE Australia	\$44	Life Without Barriers	\$345
8	Anglican Retirement Villages (Diocese Of Sydney)	\$43	Mission Australia	\$285
9	Endeavour Foundation	\$41	The Trustee for RSL (QLD) War Veterans' Homes Trust	\$257
10	Royal District Nursing Service Limited	\$34	BaptistCare NSW & ACT	\$253
11	BaptistCare NSW & ACT	\$31	Catholic Healthcare Limited	\$241
12	Sydney Anglican Home Mission Society Council	\$30	St John Ambulance Western Australia Ltd.	\$241
13	Activ Foundation Inc	\$28	Diabetes Australia	\$231
14	Scope (Aust) Ltd	\$27	Ozcare	\$220
15	Churches of Christ Community Care	\$27	ECH Inc	\$202
16	Mission Australia	\$27	Anglican Retirement Villages (Diocese Of Sydney)	\$200
17	Brotherhood of St Laurence	\$24	Endeavour Foundation	\$198
18	The Smith Family	\$24	Silver Chain Group Limited	\$186
19	Cerebral Palsy Alliance	\$23	Unitingcare Community	\$175
20	Minda Incorporated	\$22	Wesley Mission	\$164

Source: Charitable Organisations in Australia, Industry Commission 1995, ACNC, JBWere Philanthropic Services

In trying to compare these listed company movements to those in the not for profit space, we relied on the Industry Commissions 1994 list compiling the 50 largest community and social welfare organisations and compared it to a similar grouping from the recent 2014 ACNC data set. We have highlighted organisations who remained in the top 20. While there were changes, predominantly with aged care organisations rising in prominence and now comprising nine of the top 20 places, there was not the same turnover of names seen. This is partly due to solid, well trusted organisations being in a dominant position to gain Government contracts and expand operations, but it is also due to the inability of new ideas to be well resourced and bring innovation to the sector.

## Income

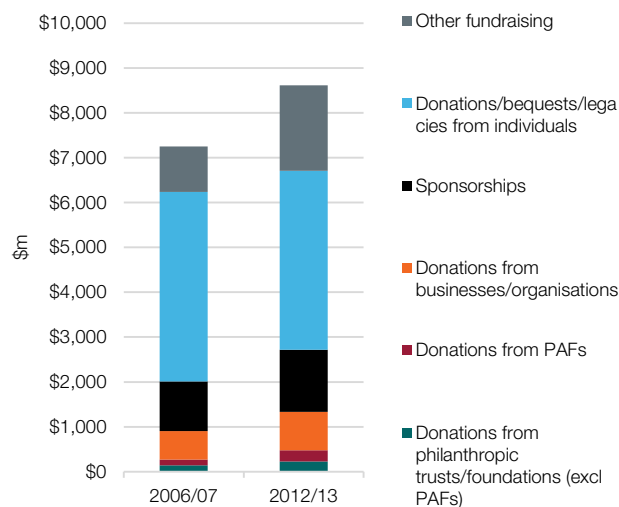
### All NPIs – Income mix



Income growth has been strong at 8.4% annually over the last 20 years and there have been significant changes to its mix. Earlier data didn't have the detailed breakup now provided by the ABS but we are still able to see that the share provided by Government has risen from 30% to 38% over this period (and in the ACNC data for 2014 was over 40%). At the same time, self-earned income fell from 62% to 54% reflecting a greater reliance on more outsourced Government work. While good for volumes and growth, it generally doesn't come with a large built in profit margin. The share provided by donations and sponsorships has remained steady at 8% over this period (also mirrored in the 2014 ACNC data).

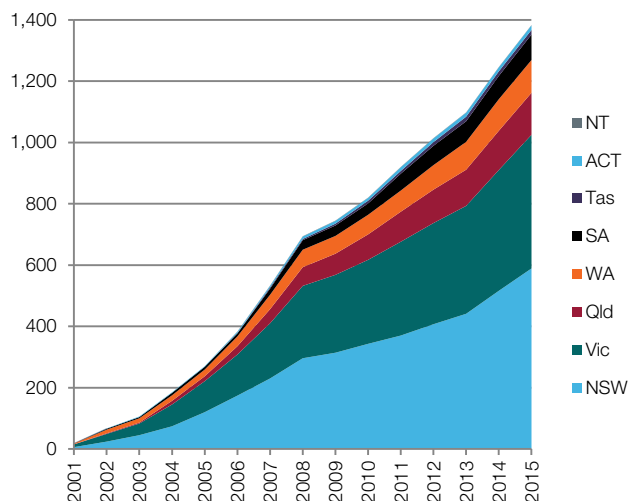
## Philanthropy

### All NPIs – Fundraising and sponsorship



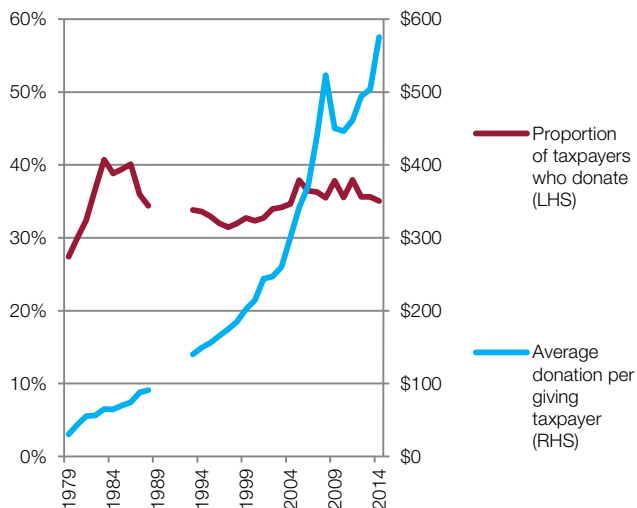
While earlier totals for donations and sponsorships are included in the previous income section, the last two ABS surveys have provided a more detailed breakup (we have separated PAFs from other trusts). It shows that the relationship between the NFP sector and business is stronger than most realise. When you combine donations (\$863m in 2013) and sponsorships (\$1,381m in 2013) it represents 26% of the fundraising total and even more impressively, both areas grew substantially faster than overall philanthropy since 2007.

### Cumulative total of current PAFs at 2015 by state and year (to June) of establishment



It also shows the growing importance of structured philanthropy which now makes up 6% of the total and has been boosted since the introduction of PAFs in 2001. Their assets alone rose to \$4B in 2014 before the addition of the Ramsay bequest and new ones also established since then which will provide a further boost to the 2013 ABS philanthropy totals.

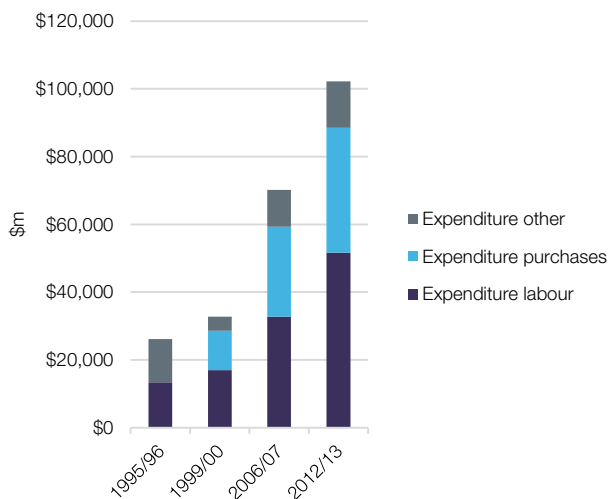
## Proportion giving and average donations 1979-2014



Although individual philanthropy remains the largest source of donations, its growth is being held back by the continued flat levels of participation which have been stuck at 35% of the tax paying public. Even at the highest tax brackets we only see 60% of donors claiming a tax deduction for gifts. The chart shows the growing divergence between the average amount donors give, which has risen to record levels and the flat lining of those choosing to donate. The data gap reflected ATO non collection of donations information. We have long advocated for a “slip slop slap” campaign for philanthropy to attempt to raise overall donor levels.

## Expenditure

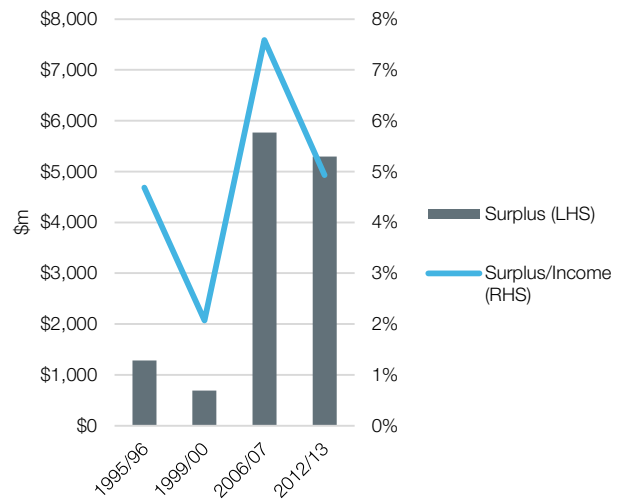
### All NPIs – Expenditure



Matching income growth, expenditure growth has also averaged 8.4% annually over the last 20 years. Of greater interest is that labour costs have consistently been around 50% of total sector costs. There is no doubt that the sector represents a more labour intensive range of operations but no change has been seen in this measure in two decades. With the potential for increased use of technology, a reduction in duplication between organisations (eg mergers or back office co-operation) and better use of volunteers, there may be room for either improved operational efficiency or some cost savings.

## Surplus

### All NPIs – Annual surplus



When income and costs rise at the same rate for 20 years, it is not surprising that the operating surplus of the sector has remained relatively flat. Whether this is a measure of a lack of pricing power or that of cost control will vary across sub sectors but in most cases it is some of each but more predominantly the former. Not for profits aren't rewarded for the social value they produce. Some newer forms of “payment by results” income are slowly being offered but these are still rare and small. The implications of continuing to operate on tight margins are that a store of capital isn't able to be built up for innovation or even adverse conditions. Indeed in tough economic times, when need is usually higher, often access to income is under most pressure. There also remains the underlying ethos that says we must spend all of our income on today's beneficiaries and while understandable, it ignores preparing to better support future beneficiaries. Not for profits can and should make a profit.

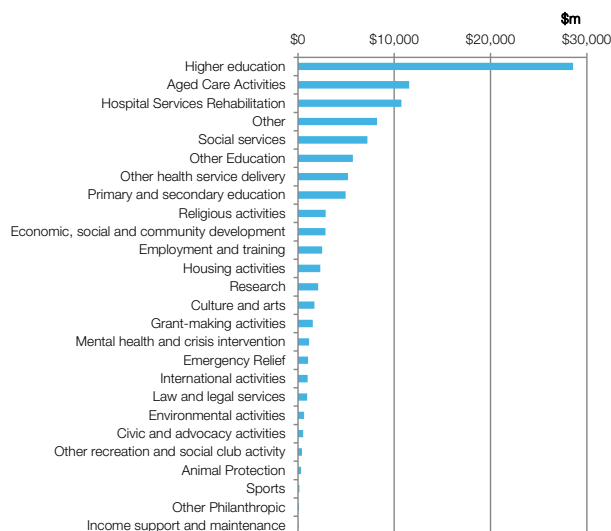
# Comparing different not for profit sectors

Although every not for profit organisation is driven by a mission and is trying to maximise their social return on investment to achieve the greatest impact, the size of the investment they make is largely determined by the choices of funders. Both Government and philanthropy can choose between supporting various sectors and then organisations within those sectors. Even applying resources within organisations offers some choice and groups have changed their cause area after re-examining how best to achieve their mission.

With the wide range of causes able to be supported, it is worthwhile to understand the relativities between each area in terms of size and breakup of funding, staffing and volunteering, financial surplus and assets. This can be useful in a variety of ways from helping donors look for areas they feel are underfunded or overlooked, to helping organisations to understand their sectors relativity to others in discussing priorities for Government funding. What it can't do is rank the impact of different causes. The seemingly simple but incredibly complex and subjective question of how many art galleries equals a hospital is one we will leave to a future paper. Suffice to say that the world of quantifying and comparing social returns across causes has made much progress in recent years.

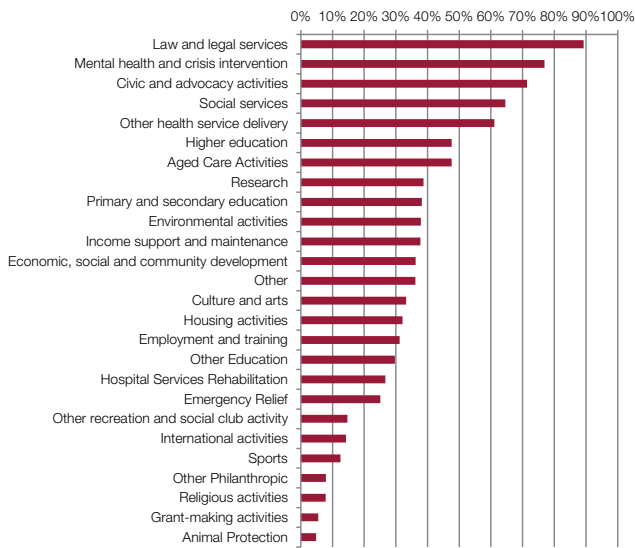
The following charts and comments refer to data from the December 2015 release of the charities annual information statement to the ACNC for their financial year ending 2014. This means it doesn't include some organisations such as Government controlled public hospitals and schools and some larger sporting organisations. It also means it doesn't include some groups that either weren't required to report financial data or who could apply to not have it published such as religious organisations or private ancillary funds, although many in these categories did provide public data which is included. It also doesn't include many schools who are part of a transitional reporting arrangement with the ACNC and the Department of Education and Training.

## Income



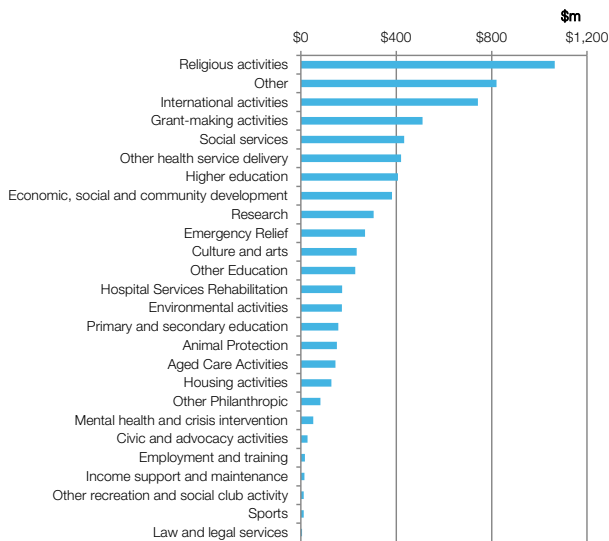
As reflected within individual cause areas, the 92/8 rule applies to overall income within the sector. Health and education dominate overall income levels even before adding the Government controlled hospitals and schools. With these included, it would push primary and secondary education into the top spot at over \$50B and hospitals into second at over \$40B. According to ABS estimates, religion would also grow, if all reported, to around \$4.3B and sport would be substantially larger if non charity, NPIs were included. Of the other sectors, (medical) research is a little ahead of culture and arts (to a much larger extent if research activity under universities and hospitals were included here) and both are well above emergency relief, international, environment and animal protection.

## Government grants as a share of total income



The share of that income coming from Government varies dramatically across the sectors. The average for all organisations was around 40%. As expected, welfare, health and education are among the sectors proportionally supported most by Government. If we include Government controlled schools, that support jumps from 38% to around 75% and for hospitals it jumps to an even greater share. Those sectors significantly below the average include emergency relief and international plus other sectors such as religion and grant making which wouldn't be expected to be significantly funded by Government. Interestingly, animal protection saw the least level of Government support.

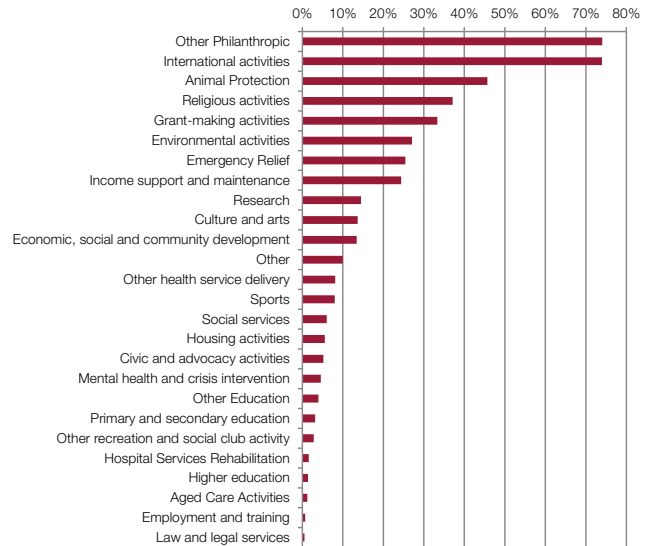
## Donations and bequests income



We have shown both the absolute level of donations and the proportion they are of income for each of the cause areas. As in the USA, donations to religion (basic religious charities, not including welfare groups run by religious organisations) represent the largest single cause area, even though they are not tax deductible in Australia. It is interesting that both causes at the top and near bottom of the list (other recreation and sport) contain many organisations which aren't DGRs. Apart from the large number of organisations under the "other" category, International aid is the next largest cause and is followed by donations into the growing number of grant making organisations (particularly PAFs)

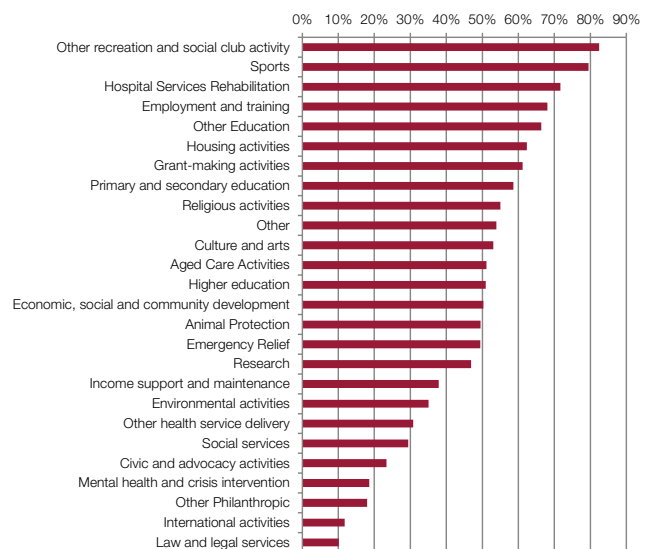
which are now forming a significant pool of philanthropic capital in Australia. Depending on both the economic climate (for grant making particularly) and the concentrated appeal campaigns being conducted by larger groups (such as Universities), there can be some large changes in individual years.

## Donations and bequests as a share of total income



While the absolute levels of philanthropy are interesting, the level of reliance on it as an income source, is perhaps more useful for individual cause areas. Although the overall sector average for philanthropy is around 8% of income, this is heavily influenced by some of the financially larger sectors in the health and education space. When we look at International aid, grant making, environment, animals and religion it becomes a major, or even dominant source of their income. Other areas see substantial movements in philanthropy depending on particular events with emergency relief a strong example during times of natural disasters. Research (predominantly medical) and Culture and arts enjoy philanthropic support almost double that of overall averages, although they are much more reliant on both Government and self earned income.

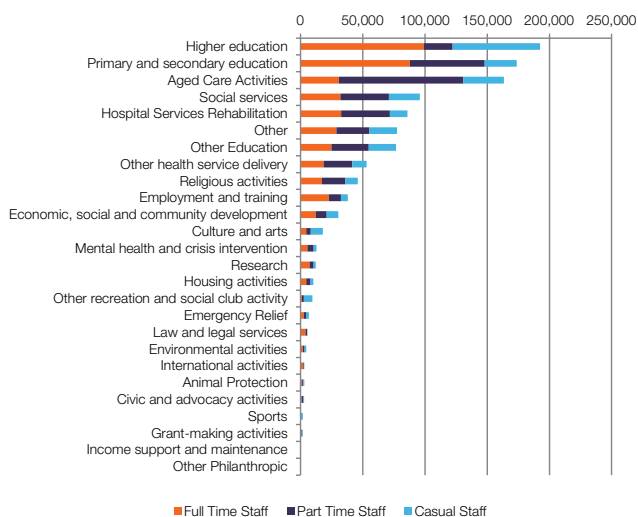
## Earned Income as a share of total income





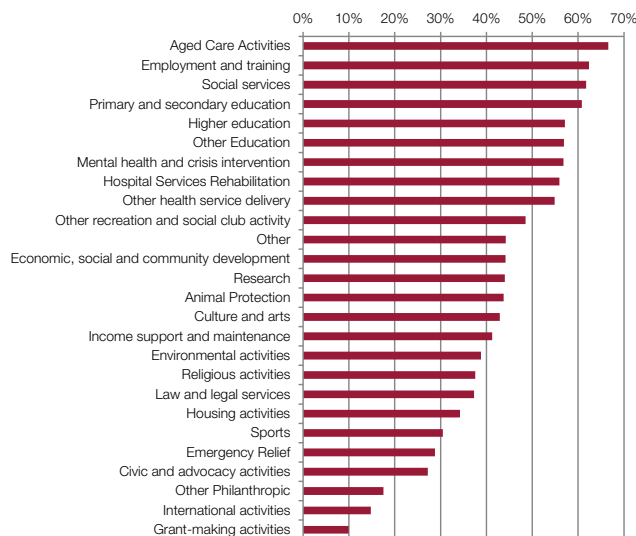
Many casual observers of the not for profit sector assume either Government or philanthropy pay for everything. The truth and the future of the sector is far from that. Despite falling from 62% to 54%, self earned income remains the largest source of funding for the sector and only 9 of our 26 cause areas receive under 40% of their income from self generated sources. The types of income vary widely and include membership dues, school fees, ticket sales, trading activities, interest and dividends on investments and rental income. Much of the broader interest in how to generate more impact is now focussing on how to operate a profitable business activity that will also generate the social returns which can enhance mission. The terms social enterprise and impact investing are currently used to define some of this activity, but a private school which was built using a combination of commercial and subsidised loans, philanthropy and government grants plus volunteering and now receives 80% of its income from school fees was an impact investment 50 years ago during construction. The challenge now for organisations is to find the next activity which will prove both financially viable and mission enhancing. While all cause areas should be exploring these opportunities, some that currently see low levels of self earned income, such as environmental and international, may need to investigate this with more urgency if they see threats to their currently dominant income sources.

## Employees



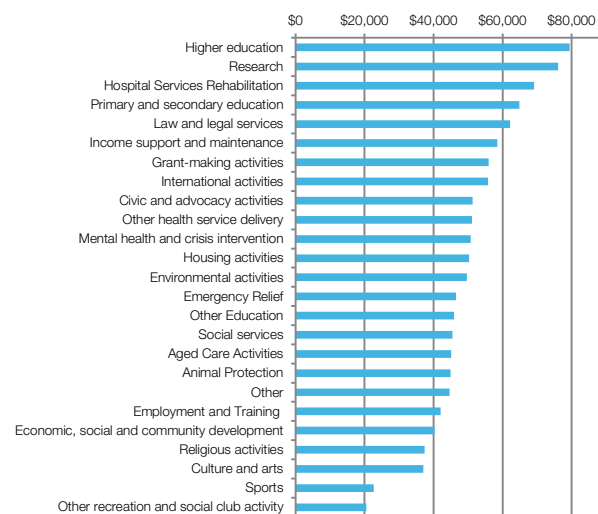
As expected, health and education dominate staffing in the not for profit sector with the latter dominating if Government controlled schools were included. They also tend to be some of the sectors that have the lowest ratios of volunteering to staff. While the sector average is 1.5 times the number of volunteers to paid staff, it averages around 0.5 for health and education, partly due to the nature of their activities. Across the sector there is a wide range of employment arrangements with an almost equal mix of full time, part time and casual.

## Employee costs as a percentage of total costs



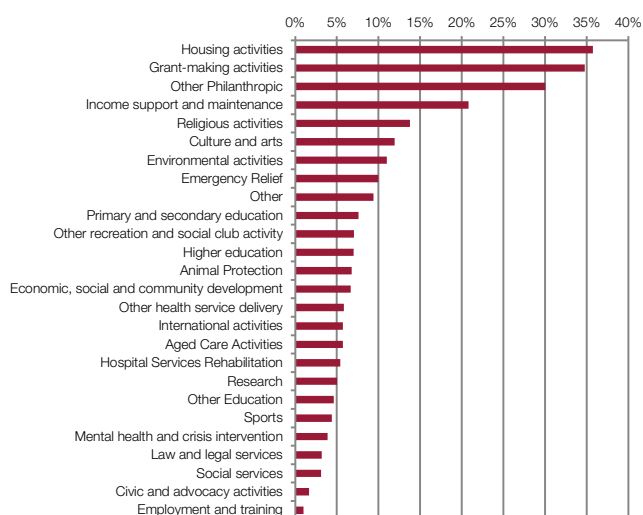
Overall employee costs are the largest component in not for profit expenses representing around 51% of total costs, a proportion that hasn't moved in the last 20 years. Apart from a few sectors, including where volunteering is high such as emergency relief, sports, religion and grant making, these costs represent at least 40% of total costs.

## Average annual wages



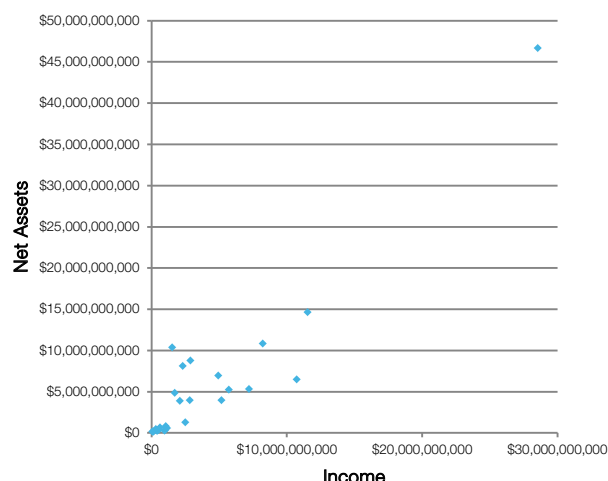
The average wage across the sector and across employment types is just under \$55,250 per annum which compares to the ABS all employees average earnings for Australia in November 2015 of \$59,500. While this partly reflects a high non full time cohort, it is more reflective of the perceived lower skill level of job types. It is also partly due to many sectors being able to attract employees because to the cause they are supporting rather than the remuneration they are providing. In a way, this is reflective of the broader sector issues where organisations (and employees) are only reimbursed for activities, rather than rewarded for their skills and social returns achieved. Not surprisingly, the higher average salaries are in sectors such as (medical) research, legal services and higher education.

## Operational surplus



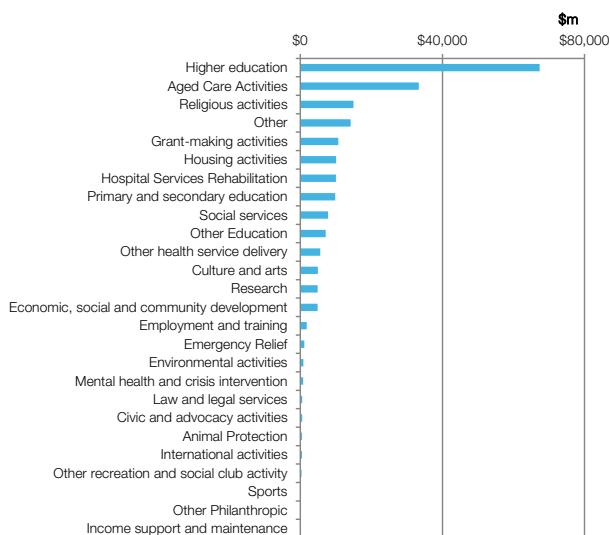
The overall surplus for not for profit institutions covered by the ABS was 5% in 2013, unchanged from its level 20 years earlier. This includes many sporting organisations with relatively low margins and so when we look at the individual sector margins in the charity returns to the ACNC, we see a higher average of 7.5%. This varies significantly across cause areas and as it is a single year measure, is subject to the timing of grants or fundraising versus expenditure, particularly for smaller, time related areas such as emergency relief. For grant making organisations, it is also subject to financial market performance in any particular year.

## Income compared to net assets



An interesting comparison is to examine sectors income compared to their net assets. Most organisations within individual sectors show a strong relationship across income and assets but the relationship between sectors varies considerably. Each of the individual sector relationships is seen in later sections of the report, showing each organisations net assets versus income within a particular cause. Relative to income, asset rich sectors are grant making, religion, culture and arts and aged care. Those relatively asset poor (compared to income) are international aid, mental health, hospitals and social services.

## Assets



As with income, sector assets are driven by the 92/8 rule with education and health dominating. This is even more so if Government controlled public hospitals and schools are included. Other sectors under represented in this list are sports (non charity organisations but which are included in not for profit groups), religion (not required to report financials) and grant making (a proportion of PAFs not included plus the \$3B Paul Ramsay bequest was subsequent to 2014). With two-thirds of the overall sector assets represented by property, questions around both its usefulness in achieving mission and the depreciation costs should always be considered by organisations.

# Predictions for the future

We saw in earlier sections of the report the large growth in almost every measure for the sector over the last 20 years and many of the significant changes. The temptation then is to just ‘fill right’ on the excel sheet for the next 20 years. This can’t and won’t happen as the trend in the current mix of sector funding is unsustainable. This final section of the first part of the report looks at some trends we feel will need to emerge to ensure the sector is able to continue to increase its impact.

## Finding new ways of operating

Although the pace of change in income, expenditure and organisation numbers has been big, the growth in innovation, radical ideas and collaborative partnerships hasn’t yet reached this level. New operating methods and delivery models, greater and more imaginative use of IT, better ability to inform others of both success and failure to allow quicker and wider knowledge sharing are all examples of the potential to alter the status quo. This is now beginning to change either by circumstance (eg NDIS) or in some cases led by a proactive decision to think differently. A greater increase in creative disruption in the sector would be valuable.

## Unlocking risk capital

To achieve some of these changes, funders also need to recognise the value of failure along the way to improving impact. Access to risk capital is slowly improving but greater knowledge around the potential uses of the now large pool of philanthropic capital could be dramatically improved. Another source of risk capital can also begin to come from organisations themselves, but only after they either improve margins or redeploy assets, particularly excess property.

## Using measurement

A greater focus on measurement during the steps along an organisation’s “theory of change” journey will help that change occur through both improving their operations and then as importantly, allowing them to better value the improvement they’ve created and argue for appropriate financial reward from funders or beneficiaries. There is an increasing body of work around this area, particularly from Europe and the UK that could be more utilised in Australia.

## Coping with increased transparency

The level of transparency for the sector has increased enormously in a very short time period. The Cause Report itself is a good example of the type of information that can be gained and how organisations, sub-sectors and the full cohort of NFPs can now be benchmarked. This can be either an opportunity or a threat for individual groups and the first movers to embrace that light will win support. Relations with media will become more important for all, but particularly for organisation heads and sector leaders to drive and inform the conversation.

## Easier NFP comparisons

The 92/8 rule (for income and assets) we currently see driven as much by incumbency might start to be influenced by comparison as better, more accessible data is available across the sector. Even more importantly, this transparency and ease of comparison should be seen as a welcome way for the sector to better highlight the breadth, depth and importance of its role.

## Growing self-earned income

The reliance on an increasing proportion of funding from Government is hazardous and generally doesn’t help margins and for most sectors philanthropy is under 15% of income. This means that self-earned income needs to be a growing focus for most organisations. The blurring of the line between for profit and NFP will continue. While some will have philosophical debates, there is little doubt that economic growth (along with technology) has been the greatest driver of rising living standards and poverty alleviation, particularly in developing nations with microcredit a leading example. Business with a mission focus needs to be a large part of the future of the sector

## Reimagining properties worth

We have seen some re-examination of the role of property amongst sector assets. Will Universities in 25 years need highly valuable sandstone campuses, or will the cream of the academic world be available to all online? The emergence of massive open online courses (MOOCs) has not only increased the potential scale of impact able to be provided, but it could spark the start of an equally dramatic change in asset requirements for that sector.

## Sharing property

The ability to share premises with the added benefit of better sharing of knowledge as well, opens further potential for gains. The value of property in NPIs balance sheets has grown from \$40B in 1990 to \$117B in 2013 (based on depreciation values), with better use of technology and increased collaboration, this trend might be slowed and some assets redeployed to more impact enhancing activities.

## Mergers and acquisitions

We and others have discussed the rapid increase in organisation numbers. While there is unlikely to be any requirement for individual groups to close or merge (except for non-reporting to the regulator), the financial incentives of doing so are being recognised and with more success stories being told, the current trickle is likely to grow, even at the very large end of the sector. As these benefits are seen, both related sector organisations and currently Federated groups will see the benefits and understand the risks and pitfalls giving them more confidence to act.

## Better corporate partnerships

The growth in shared value discussions and analysis inside for profit organisations will naturally lead to more meaningful partnerships with NFP organisations. To overcome the potential power imbalance, NFPs need to better value the knowledge they bring to the relationship and develop an understanding of how they are helping the for profit, while also enhancing their own mission.

## Improving volunteering

A part of this corporate relationship but part of a much bigger issue for NFPs, is the use of skilled volunteering. Knowledge gained in this relationship, could help them improve their overall offering to volunteers and could assist with the real issue of attracting the next generation of supporters as the current volunteer workforce ages. This is as true for their Boards (volunteers also) as it is for their much larger teams and may result in having a potentially smaller but more engaged and mutually useful volunteer workforce.

## Growing philanthropy

Finally, philanthropy. The first issue is recognising where the growth is and preparing the organisation to benefit, then also collaboratively trying to improve the areas where potential is still great. Corporate and structured philanthropy along with bequests will continue to grow and NFPs need to develop different skills for these discussions compared to the mass philanthropy market. Secondly, as a nation we need to improve public understanding, trust and support for the sector. The collaboration of the Canadian Centre for Philanthropy and the Coalition of National Voluntary Organisations to form Imagine Canada in 2005 provided a catalyst for change. With greater NFP transparency now in Australia, there is an opportunity and need for change here as well. Also, there should be more recognition that the philanthropic dollar is different to the Government or self-earned dollar. A greater promotion of its value as potential risk capital or its ability to do things that other dollars can't, can further highlight its worth and convince the public of its value..

# An analysis of individual not for profit sectors

In this second part of The Cause Report, we use data from both the growing multi-year analysis conducted by the ABS comprising the Non-Profit Institutions Satellite Accounts and the newly available ACNC annual information statements, collected from charities. While the organisations comprising the two data sets aren't identical, there is significant overlap. More detail on this relationship is covered in an earlier section of the report, "What is the not for profit sector and where does it fit into Australian society?"

There are eight groups we have covered with the ABS analysis and we provide a picture of the trends for each over 20 years comprising:

- income;
- fundraising;
- expenditure;
- workforce;
- profit margin.

Within each of those eight groups there are 26 subsectors where the ACNC data provides the first insight available for each subsector and the charities comprising it. For each subsector we detail:

- type of activities undertaken by those organisations;
- change in their number over time;
- profit and loss statement;
- balance sheet;
- details of the top ten organisations and sector mean and median organisation;
- state split of staffing and income;
- breakup by decile of Government, philanthropy and self-earned income plus assets; and
- an analysis of surplus versus income and assets versus income for organisations within that subsector.

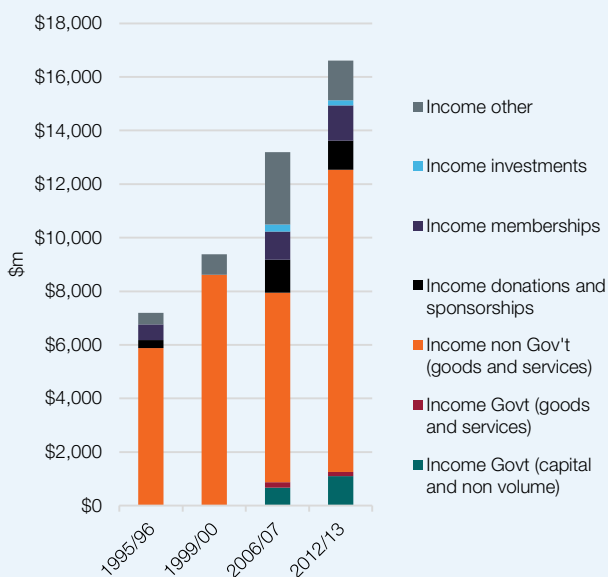
In both sets of data, the International Classification of Non-Profit Organisations (ICNPO) system has been used to define in which group and subsector they sit. It is fundamentally an activity classification system, although some purpose criteria have been included where activities are similar. The complete ICNPO is described before each of the subsectors.

It should be noted that despite using the same classification system, the ABS derived its data by surveying over 4,000 organisations in 2013 (and over 2,000 in 2007) and extrapolates this to 56,894 non-profit institutions while the ACNC information comes from charities themselves choosing in which category they belong. This means ACNC organisations may be included in a different subsector than observers might have first assumed. In addition, there are 586 charities that are not included as they have approval from the ACNC for their data to be withheld, such as PAFs and there are 9,795 charities that do not have financial details recorded such as some religious groups and primary and secondary schools.

# Culture and recreation

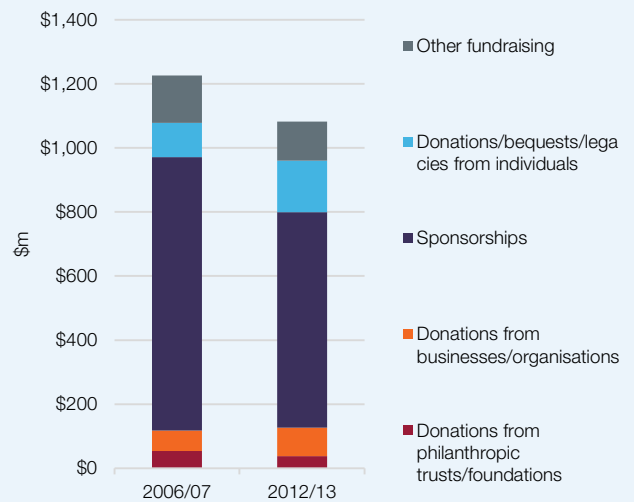
The ICNPO Group 1 comprises culture and recreation organisations. Their grouping is due to their similar types of activity in providing or participating in entertainment and receiving income from participants or spectators.

## Culture and recreation – Income mix



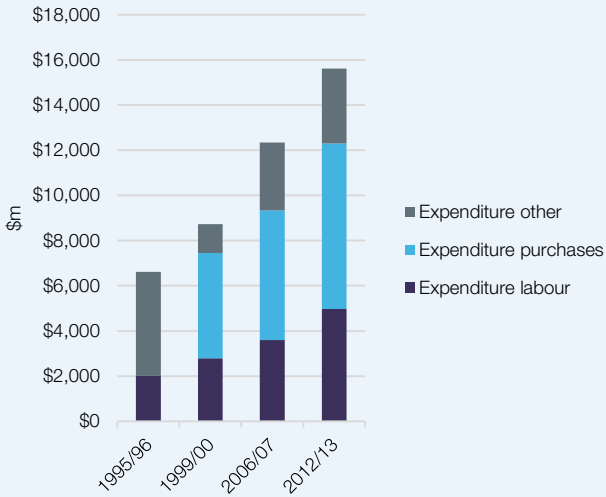
Income growth has been strong and steady over this 20 year period, although not as fast as the broader NPIs. As this grouping contains more and larger sporting organisations than the ACNC subsector data, it contains a much bigger income base of almost \$17B compared to the ACNC total of \$2B which mainly represents culture and arts organisations. As a result, there is a much bigger proportion of other revenue (ticket sales) than seen for culture and arts alone. The number of organisations covered by the ABS is also almost five times larger.

## Culture and recreation – Fundraising and sponsorship



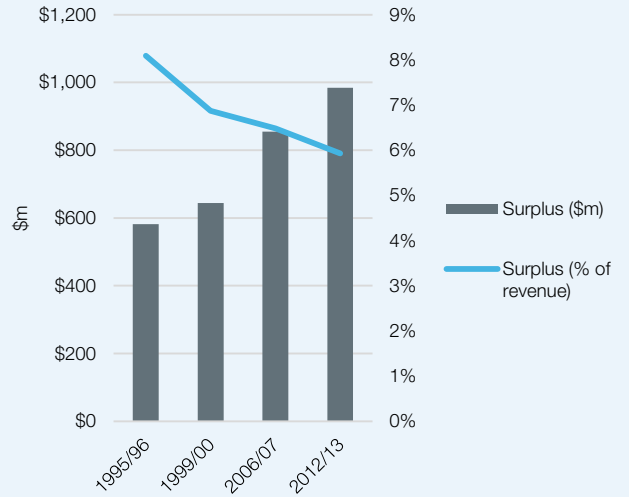
The other result of the inclusion of the larger sporting groups is that sponsorship represents a very significant part of the “fundraising” pie. In fact, sponsorships in this group accounted for almost 50% of all sponsorships to NPIs. More significantly, while total sponsorships have risen 25% from 2007 to 2013, those arranged in this sector have fallen in the same time period, requiring a change in future planning for fundraising income.

### Culture and recreation – Expenditure



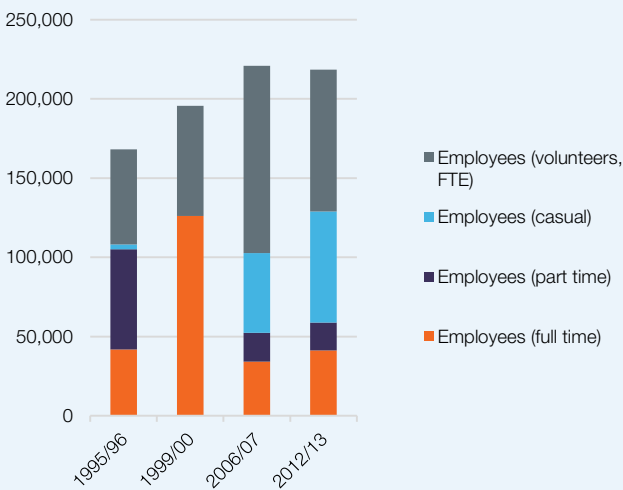
Costs have grown in a similar fashion to income with the labour component consistently around 30% of total costs.

### Culture and recreation – Annual surplus



While the annual surplus has grown over the 20 years, expressed as a percentage of income, the margin has steadily declined.

### Culture and recreation – Employees and volunteers



Employee numbers have been remarkably steady over this time period, reflecting some automation and some changing of service models. Interestingly, the volunteering component declined for the first time in 2013.



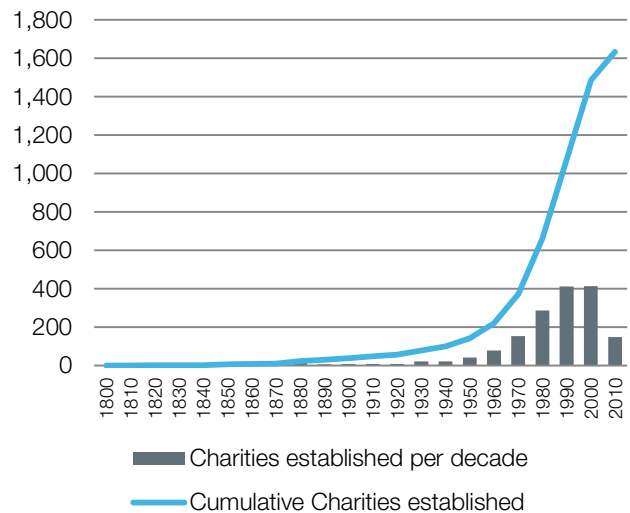
# Culture and arts

## ICNPO 1 100 Culture and arts

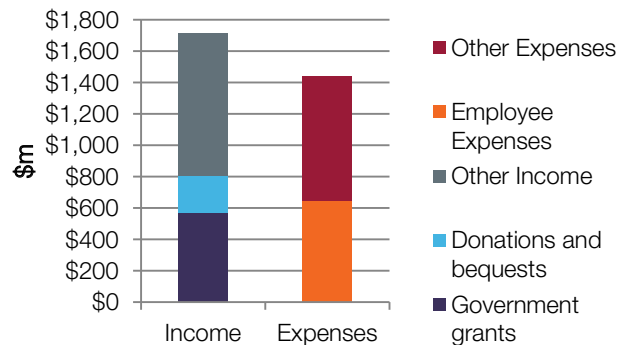
- **Media and communications** – Production and dissemination of information and communication; includes radio and TV stations; publishing of books, journals, newspapers and newsletters; film production; and libraries.
- **Visual arts, architecture, ceramic art** – Production, dissemination and display 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.**

The sector's income split between government, philanthropy and earned income is one of the closest to the overall mix seen in the total not for profit sector. However, over the last 20 years, while earned income has retained a steady share, government has fallen from 38% to 33% while philanthropy has risen from 8% to 14%. The emergence of PAFs as strong supporters of the sector has aided this transition. Future moves in income share growth probably need to come from earned income given both the nature of the sectors activities and the fact that they are only middle ranked in this measure of all not for profit organisations. Profit margins have improved to position the sector as one of the better financially performing groups. While only a middle ranking sector in terms of asset value, there is a healthy balance sheet with low liabilities. The growth rate in new organisations was quite high in the 1980s and 1990s, it has slowed a little in more recent years. There are 64% of organisations with DGR status.

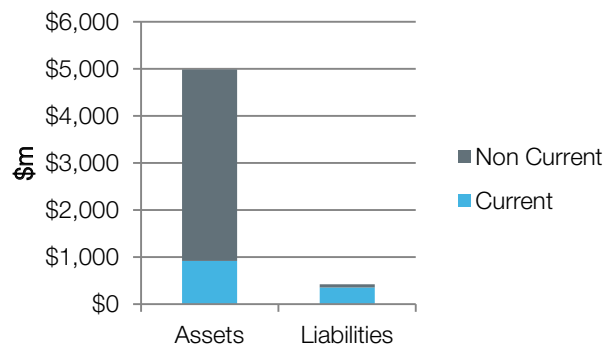
Culture and arts – Number of charities established and cumulative per decade



Profit and loss – Culture and arts



Balance sheet – Culture and arts



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Culture and arts \$m</b>	<b>\$1,711</b>	<b>\$569</b>	<b>\$234</b>	<b>\$908</b>	<b>\$4,984</b>	<b>17,935</b>
Library Council of NSW	\$129	64%	6%	30%	\$0	311
Opera Australia	\$108	23%	7%	69%	\$49	549
Art Gallery of NSW Trust	\$54	55%	15%	30%	\$1,377	411
The Australian Ballet	\$50	16%	19%	65%	\$69	443
Queensland Performing Arts Trust	\$47	19%	0%	81%	\$24	709
The Trustee for Australian Museum Trust	\$45	67%	1%	32%	\$767	410
Sydney Symphony Orchestra Holdings Pty Limited	\$39	36%	8%	57%	\$26	175
Sydney Theatre Company Ltd	\$37	14%	14%	72%	\$31	165
The Trustee for Historic Houses Trust of NSW	\$32	60%	25%	15%	\$241	225
The Trustee for the David Roche Foundation	\$32	0%	99%	1%	\$59	5

Culture and arts	Total income	Total expenses	Total assets
Mean	\$934,102	\$815,793	\$2,874,333
Median	\$70,268	\$64,109	\$112,060

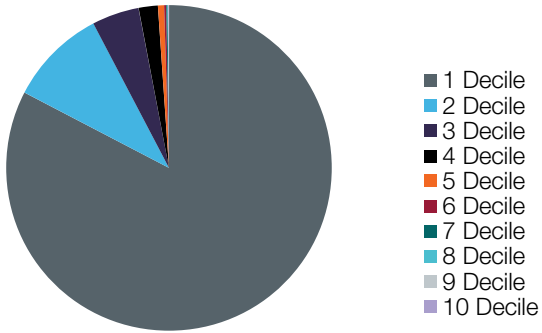
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Culture and arts</b>	<b>4,720</b>	<b>3,455</b>	<b>9,760</b>	<b>17,935</b>	<b>78,275</b>
ACT	62	100	256	418	2,175
NSW	2,151	1,265	3,818	7,234	24,510
NT	116	112	193	421	860
QLD	568	284	1,361	2,213	13,295
SA	261	180	660	1,101	4,145
TAS	111	81	276	468	2,580
VIC	1,123	1,262	2,603	4,988	21,250
WA	328	171	593	1,092	9,355

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	2%	2%	2%	0%	0%
NSW	54%	42%	49%	73%	77%
NT	3%	0%	2%	1%	0%
QLD	7%	8%	15%	4%	3%
SA	6%	19%	3%	3%	3%
TAS	3%	1%	1%	1%	1%
VIC	18%	24%	23%	16%	14%
WA	7%	4%	5%	3%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

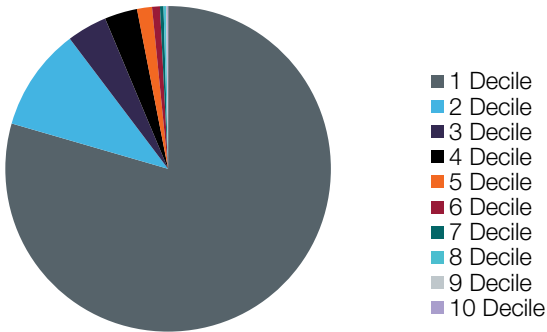
Low staff numbers compared to other sectors plus a healthy 4.4 volunteers per paid employee helps wage costs a little but a high proportion of casual staffing still sees 45% of costs in employee expenses. Relative to population, New South Wales enjoys a large share of sector income and particularly assets.

## Income and asset split by decile

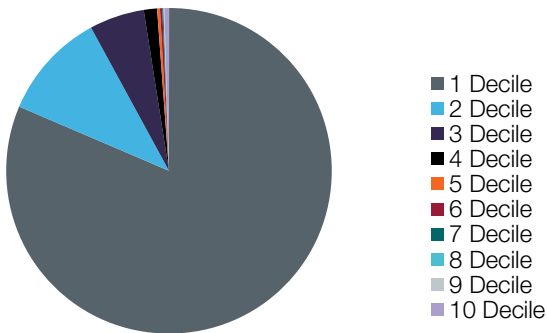
### Government grants



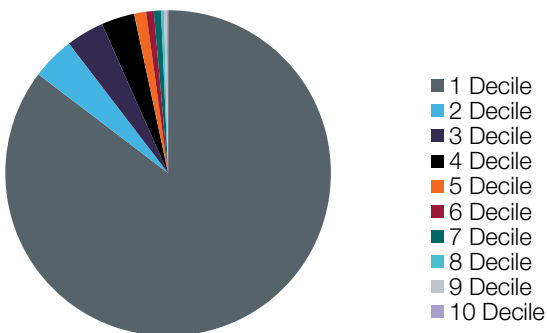
### Donations and bequests



### Other income

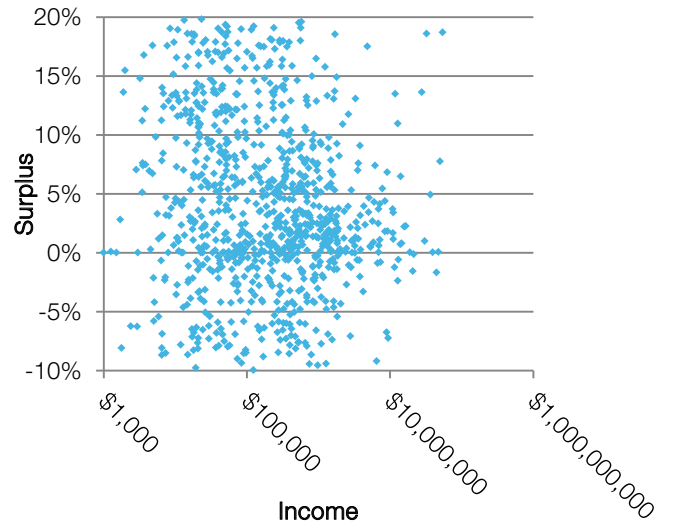


### Net assets

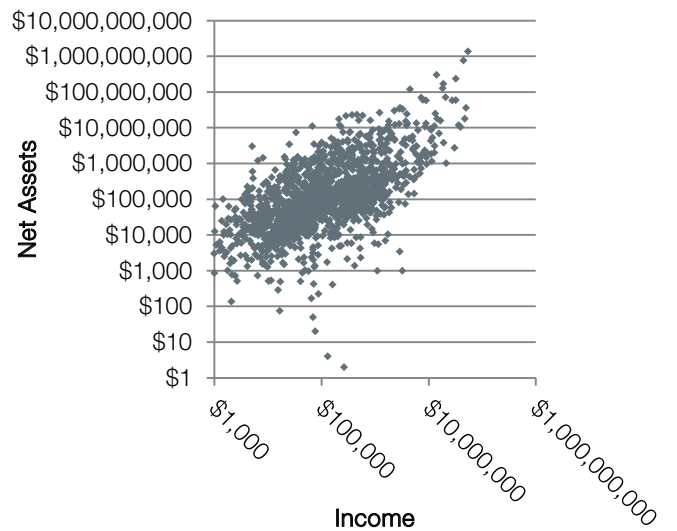


## Individual organisation positioning

### Culture and arts – Income vs Surplus



### Culture and arts – Income vs Net Assets



Compared to most sectors there is a reasonably good spread of each type of income and assets among organisations with even those in the fourth decile remaining visible to supporters. While there is a strong relationship between income and assets, it is especially positive at the upper end of the sector, which also corresponds with a number of particularly high margin organisations.

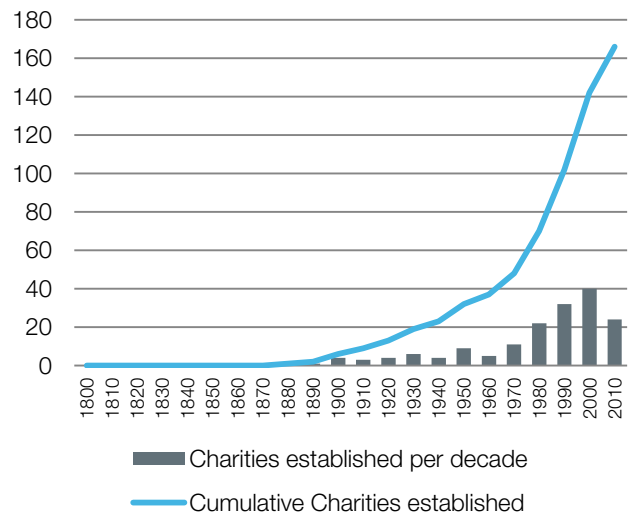
# Sports

## ICNPO 1 200 Sports

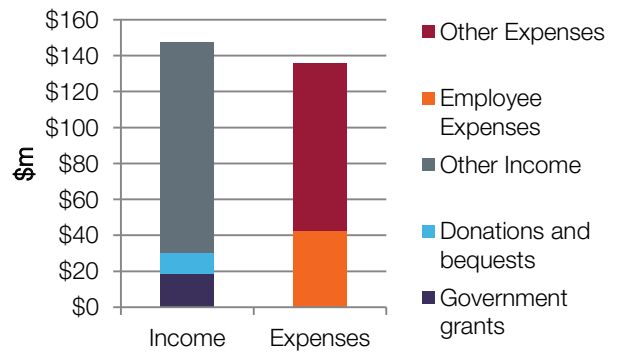
- **Provision of amateur sport, training, physical fitness and sport competition services and events** – includes fitness and wellness centres.

There is a relatively small subsection of overall sporting groups included in the ACNC data set as most are not charities, despite being tax exempt. Most are fee or membership based with only relatively small funding coming from Government or philanthropy. Many of the organisations represented are club based and except for the sporting nature of activities could be classified in the larger “Other recreation and social clubs” subsection. Wage costs are a relatively low component of costs. While profit margins are low, there is a small but clean balance sheet for the sector. Growth in the number of organisations has steadily increased in recent decades at a similar rate to the overall charity sector. There are 67% of organisations with DGR status.

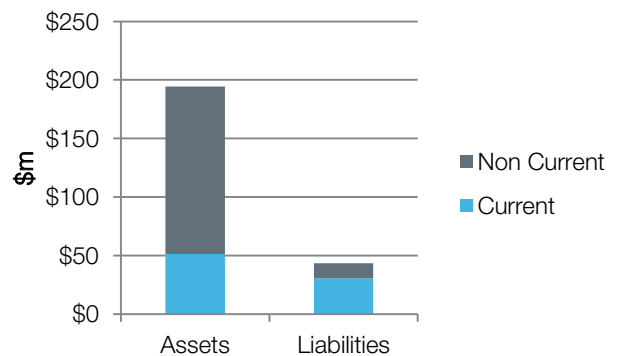
**Sports – Number of charities established and cumulative per decade**



**Profit and loss – Sports**



**Balance sheet – Sports**



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Sports \$m</b>	<b>\$47</b>	<b>\$18</b>	<b>\$12</b>	<b>\$117</b>	<b>\$195</b>	<b>1,967</b>
Police Citizens Youth Clubs NSW Ltd	\$36	32%	9%	59%	\$83	500
Sports 4 All	\$23	0%	0%	100%	\$9	–
Special Olympics Australia	\$20	6%	3%	91%	\$3	22
Sydney University Sport	\$12	0%	0%	100%	\$16	435
UQ Sport Ltd	\$9	0%	0%	100%	\$4	148
Tiwi Islands Adventures Charitable Trust	\$3	0%	0%	100%	\$6	20
Sport UNE Pty Ltd	\$3	0%	0%	100%	\$1	75
Churches of Christ Sport and Recreation Association Inc	\$3	27%	0%	73%	\$4	129
YMCA of Central Australia Inc	\$3	6%	1%	92%	\$1	54
Disability Sport and Recreation Limited	\$2	5%	88%	7%	\$4	26

Sports	Total income	Total expenses	Total assets
Mean	\$752,473	\$719,338	\$992,414
Median	\$67,152	\$58,763	\$89,708

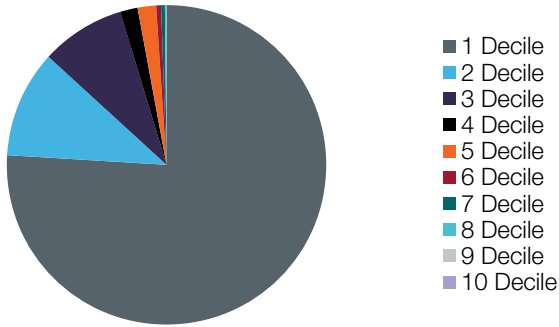
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Sports</b>	<b>418</b>	<b>426</b>	<b>1,123</b>	<b>1,967</b>	<b>14,880</b>
ACT	–	–	–	–	30
NSW	256	267	599	1,122	7,110
NT	36	7	49	92	85
QLD	70	18	151	239	1,755
SA	17	64	83	164	920
TAS	3	4	5	12	290
VIC	22	48	69	139	3,880
WA	14	18	167	199	810

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	0%	0%	0%	0%	0%
NSW	74%	44%	70%	65%	64%
NT	4%	2%	5%	4%	3%
QLD	4%	4%	9%	4%	4%
SA	3%	13%	3%	4%	4%
TAS	1%	6%	1%	2%	2%
VIC	7%	26%	8%	13%	15%
WA	7%	3%	4%	7%	8%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

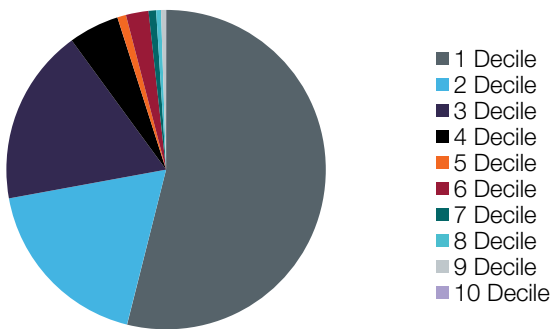
Average wages in the sector are relatively low and there is a very strong volunteering component to their activities. New South Wales dominates staffing, income and assets but this is also related to the small sample of overall sporting organisations represented.

## Income and asset split by decile

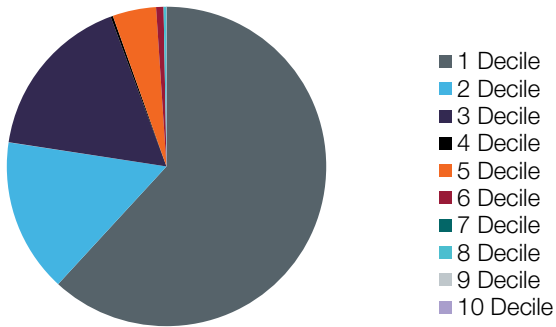
### Government grants



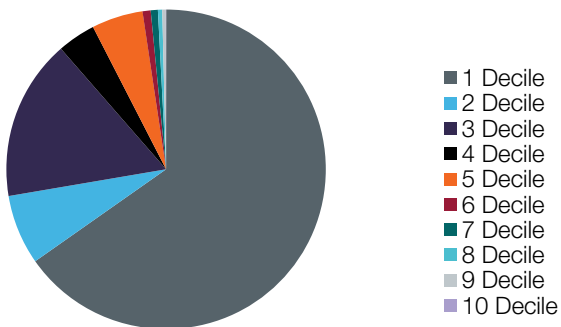
### Donations and bequests



### Other income

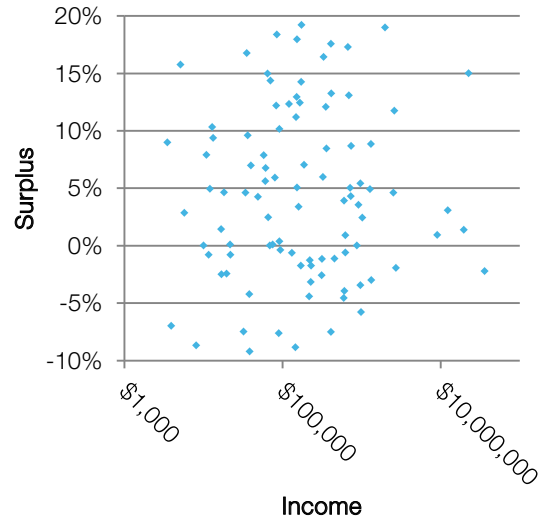


### Net assets

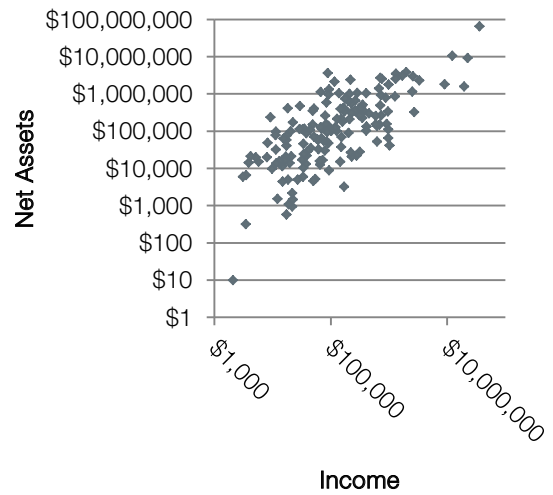


## Individual organisation positioning

### Sports – Income vs Surplus



### Sports – Income vs Net Assets



There is a much better spread of each type of income and assets among the organisations represented than seen in most other sectors, reflecting the lack of a few large national groups and the local allegiances of members/customers. While assets are small there is still a strong relationship with income, one that is not reflected in operating margins.

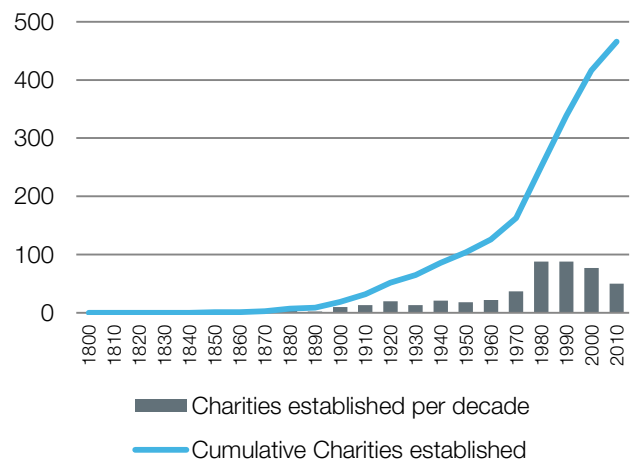
# Other recreation and social clubs

## ICNPO 1 300 Other recreation and social clubs

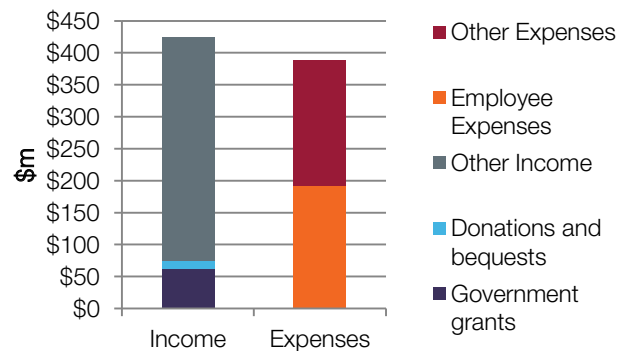
- **Recreation and social clubs** – Provision of recreational facilities and services to individuals and communities; includes playground associations, country clubs, men’s and women’s clubs, touring clubs and leisure clubs.
- **Service clubs** – Membership organisations providing services to members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

There has been a slowing in the growth rate of new organisations in recent years, partly due to many already existing for many years and already catering to customers/ supporters. Similar to charitable sporting groups, a large component of income comes from fees or memberships although there is a slightly higher Government component. Many of the YMCA’s are included in this category but not all as, for example, YWCA NSW has self-classified as a social service organisation due to the nature of their activities. Many of the community service clubs (eg Rotary, Lions etc), although large in total are often all separate organisations and therefore don’t feature as a single group or if they have an overseas aid arm will be in a different category. Operating margins are in mid-range in comparison to other sectors and also similar is that employment costs comprise around 50% of total costs. There is a relatively small asset base although liabilities are slightly higher than the charity average. There are 36% of organisations with DGR status.

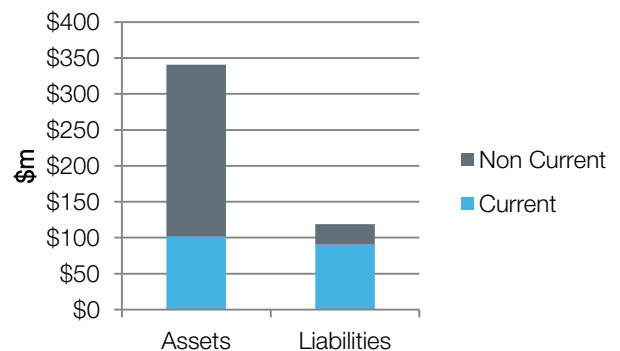
Other recreation and social club activity – Number of charities established and cumulative per decade



Profit and loss – Other recreation and social club activity



Balance sheet – Other recreation and social club activity





Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Other recreation and social club activity \$m</b>	<b>\$424</b>	<b>\$62</b>	<b>\$12</b>	<b>\$350</b>	<b>\$341</b>	<b>9,507</b>
Victorian YMCA Community Programming Pty Ltd	\$154	19%	0%	81%	\$25	4,586
University of Sydney Union	\$23	0%	0%	100%	\$10	166
The Young Men's Christian Association of Victoria Incorporated	\$22	1%	1%	99%	\$14	214
YMCA Aquatic Education Limited	\$18	0%	0%	100%	\$18	607
Bicycle Network Incorporated	\$15	13%	0%	87%	\$9	75
The University Club of Western Australia Pty Ltd	\$13	0%	0%	100%	\$4	215
Young Mens Christian Association of Ballarat Inc	\$12	5%	0%	95%	\$4	549
Dandenong-Cranbourne RSL Sub Branch Inc	\$12	0%	0%	100%	\$8	88
Young Men's Christian Association	\$11	17%	0%	83%	\$3	493
Casson Homes Inc	\$10	2%	0%	98%	\$27	109

Other recreation and social club activity	Total income	Total expenses	Total assets
Mean	\$781,564	\$727,910	\$627,192
Median	\$39,283	\$33,226	\$51,753

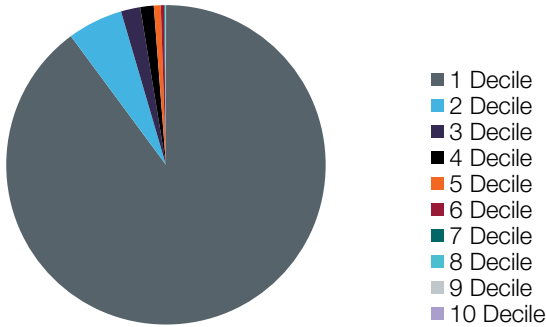
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Other recreation and social club activity \$m</b>	<b>1,193</b>	<b>1,560</b>	<b>6,754</b>	<b>9,507</b>	<b>26,190</b>
ACT	–	3	1	4	305
NSW	122	267	623	1,012	8,325
NT	4	2	1	7	160
QLD	96	115	272	483	4,690
SA	67	95	501	663	1,795
TAS	33	87	162	282	440
VIC	752	911	4,939	6,602	5,745
WA	119	78	254	451	4,720

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	0%	0%	0%	2%	3%
NSW	16%	17%	12%	15%	17%
NT	0%	1%	0%	0%	0%
QLD	10%	27%	9%	19%	24%
SA	5%	9%	5%	10%	12%
TAS	7%	3%	2%	3%	3%
VIC	58%	34%	63%	35%	19%
WA	3%	10%	8%	16%	21%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

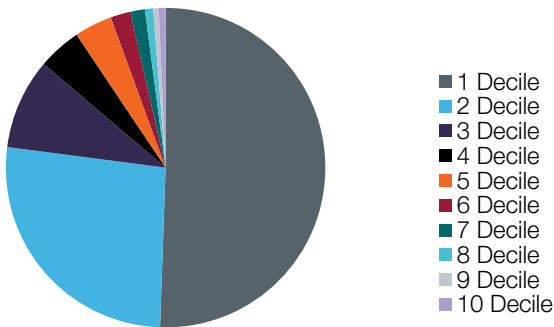
There is a good use of volunteers with almost three per paid staff member, although the strong representation in New South Wales boosts this total. There is also a reasonable spread among States in terms of income and assets, although Victoria seems well placed, again more due to a few larger groups in a relatively small sector.

## Income and asset split by decile

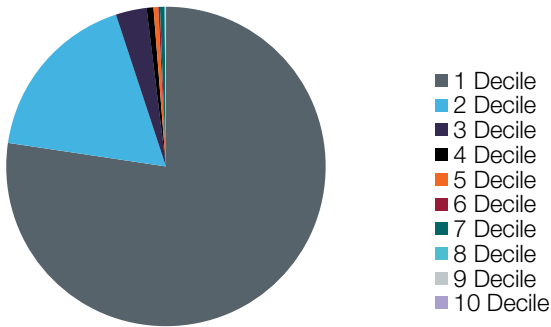
### Government grants



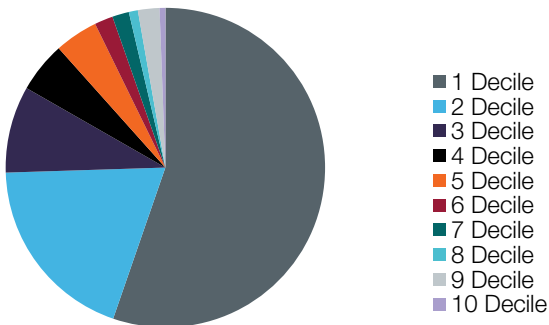
### Donations and bequests



### Other income

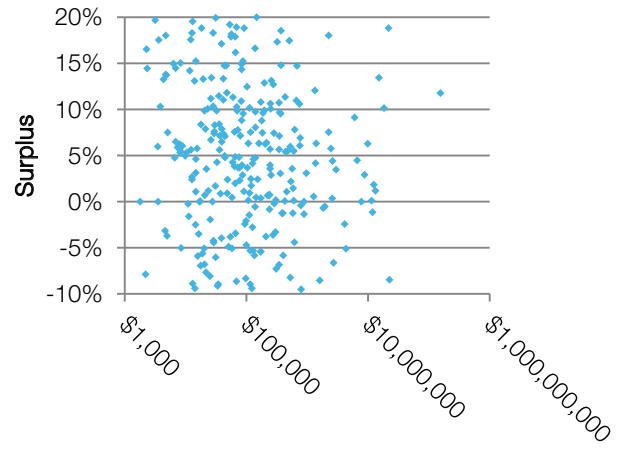


### Net assets

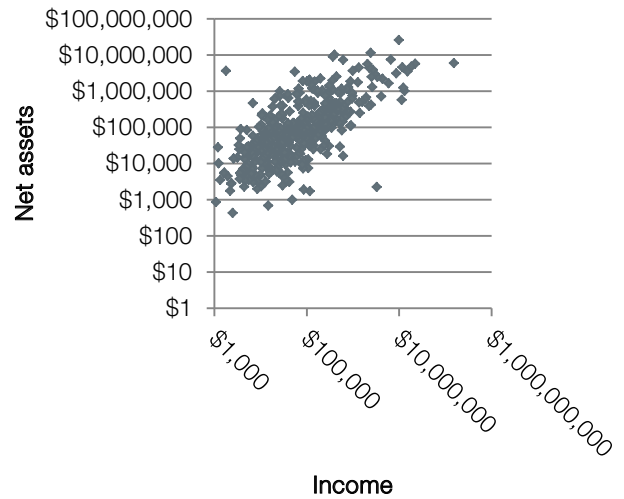


## Individual organisation positioning

### Other recreation and social club activity – Income vs Surplus



### Other recreation and social club activity – Income vs. Net Assets

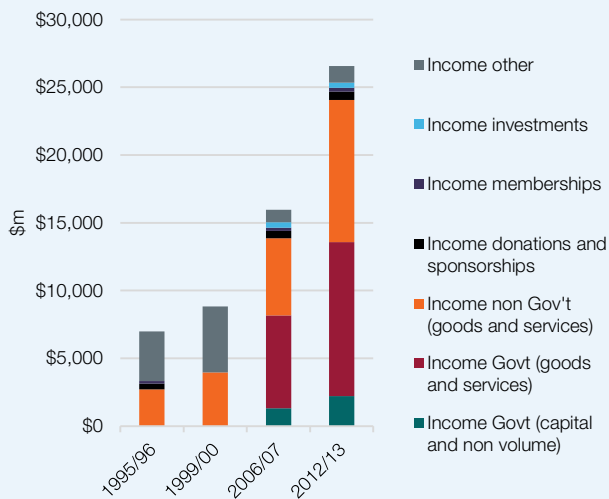


While Government grants are very concentrated, all other income streams are well spread among organisations. There is no relationship between income levels and profitability although, as expected, there is a good match with asset levels.

# Education and research

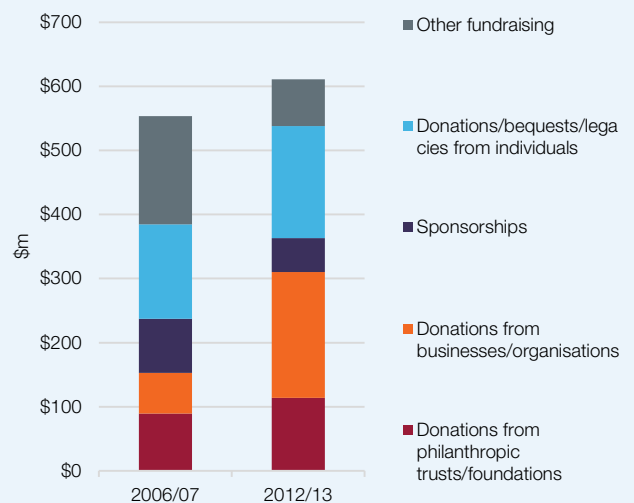
The ICNPO Group 2 comprises education and research organisations. Their grouping is due to their similar types of activity in providing formal educational activities for all ages and also includes medical, technical and social research. This group does not include Government controlled schools but does include Universities.

## Education and research – Income mix



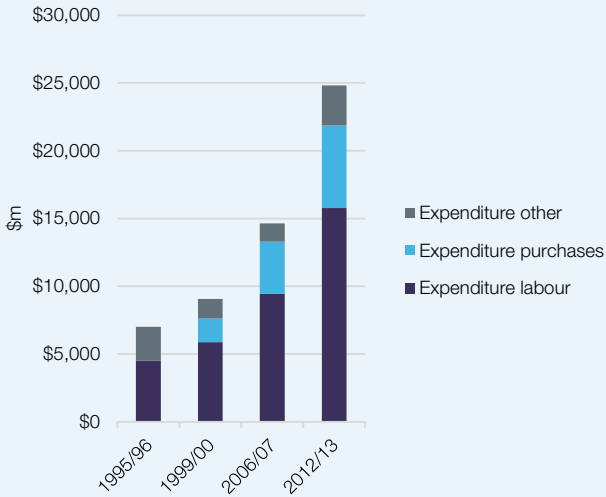
This is the largest of the groups as it includes each of the individually large primary, secondary and higher education sectors. Income growth has been very strong and not surprisingly, similar to the overall NPI totals. There haven't been large changes in the funding mix with Government steady at 51% of the total. Non-Government income from goods and services (fees) has remained steady at 40% of total income, with other self-earned income and a small philanthropy component making up the remainder. The number of organisations covered by the ACNC was larger with the inclusion of more schools, although many of these did not have financials recorded.

## Education and research – Fundraising and sponsorship



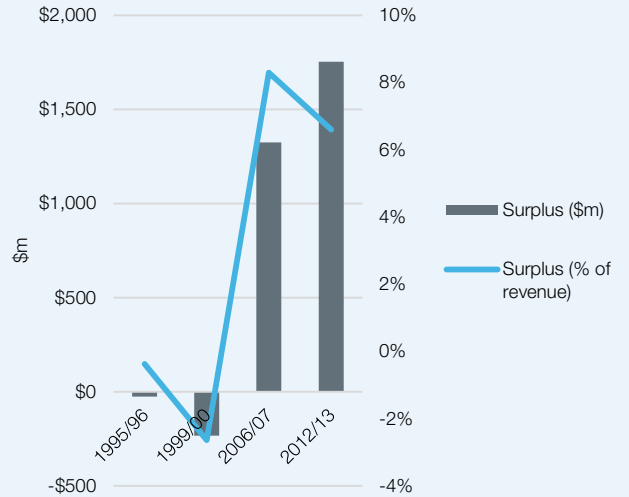
While philanthropy has grown steadily, the change in its mix has seen corporate support grow, mainly through donations (as sponsorships fell slightly). Some large and ongoing campaigns from Universities post 2013, should see these broad totals rise more solidly.

### Education and research – Expenditure



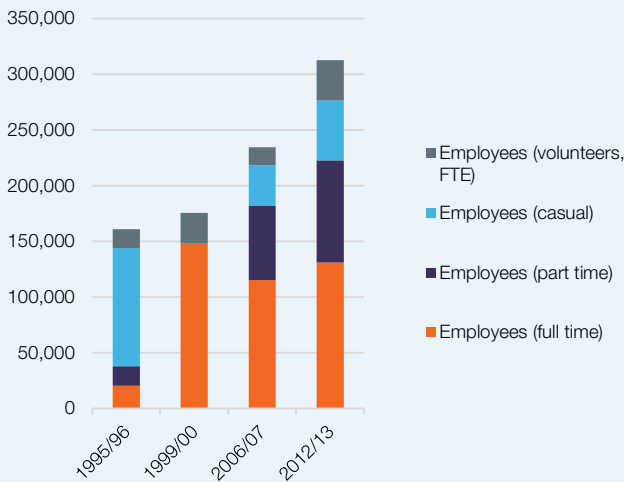
Expenses for the sector have increased fast with the labour component remaining fixed at 65% over the period, larger than over NPIs.

### Education and research – Annual surplus



The operating margin for the sector has improved in recent surveys and sits a little above the overall NPI average. With the large property holding in the sector, it is interesting to note that depreciation for the group represented 65% of the sectors overall profit margin.

### Education and research – Employees and volunteers



Staff numbers have also grown solidly with full time positions making up a larger proportion than seen in other groups. The use of volunteers has been relatively low.

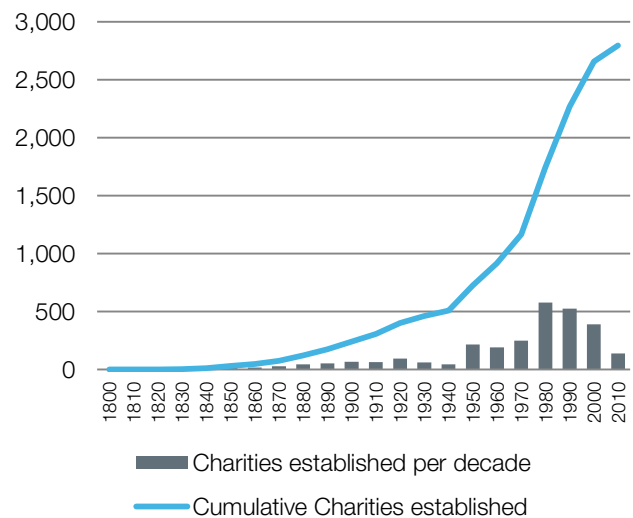
# Primary and secondary education

## ICNPO 2 100 Primary and secondary education

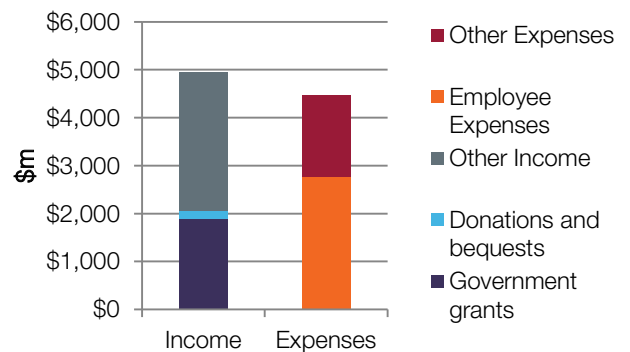
- Elementary, primary and secondary education –**  
 Education at elementary, primary and secondary levels; includes pre-school organisations other than day care.

An important reminder is that the financials for this category don't include Government schools and in around 75% of cases don't include catholic or independent schools as they are part of a transitional reporting arrangement with the ACNC and the Department of Education and Training. However, their organisations and staffing numbers are included. The growth in new organisations has certainly been slower than the sector as has continued to slow in recent decades. Obviously, the long history and some rationalisation in the sector has been a driving force. Given that there are a significant number that have separately reported financials, the shape of their profit and loss and balance sheet statements still provide a good guide to operations, if not the quantum of sector finances. It indicates that around 59% of income comes from school fees and we know this rises to 75-80% at the more expensive end of the sector. Overall philanthropy is small at 3% with Government funding comprising 38%. Wages make up a relatively high 64% of costs with only 0.7 volunteers per paid employee. Property comprises around 80% of sector assets. There are 40% of organisations with DGR status.

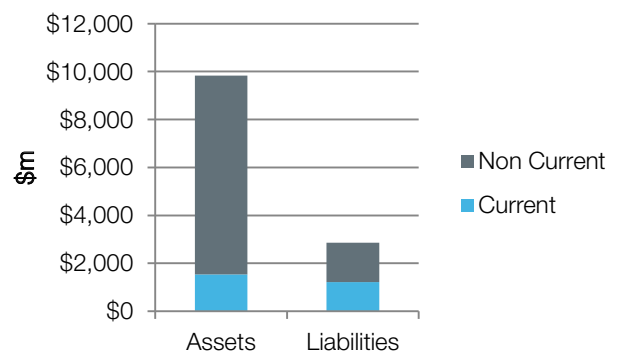
### Primary and secondary education – Number of charities established and cumulative per decade



### Profit and loss – Primary and secondary education



### Balance sheet – Primary and secondary education



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Primary and secondary education \$m</b>	<b>\$4,942</b>	<b>\$1,888</b>	<b>\$157</b>	<b>\$2,897</b>	<b>\$9,826</b>	<b>173,691</b>
Sydney Anglican Schools Corporation	\$246	46%	1%	53%	\$514	2,113
Mercy Education Limited	\$228	58%	1%	41%	\$409	16
Lutheran Schools Association of SA NT & WA Inc	\$136	0%	0%	100%	\$4	421
PMSA (Presbyterian & Methodist Schools Association)	\$135	23%	4%	73%	\$457	464
The Uniting Church In Australia Property Trust (NSW) – Knox Grammar School	\$85	9%	4%	87%	\$148	1,520
Barker College	\$63	12%	1%	87%	\$91	552
Lutheran Church of Australia Queensland District	\$62	55%	0%	45%	\$118	702
Trinity College Gawler Inc	\$56	61%	0%	39%	\$64	398
Swan Christian Education Assn Inc	\$54	62%	0%	38%	\$79	370
Sccegs Redlands Limited	\$52	8%	2%	90%	\$112	160

Primary and secondary education	Total income	Total expenses	Total assets
Mean	\$1,422,936	\$1,319,454	\$2,762,032
Median	\$11,156	\$6,318	\$0

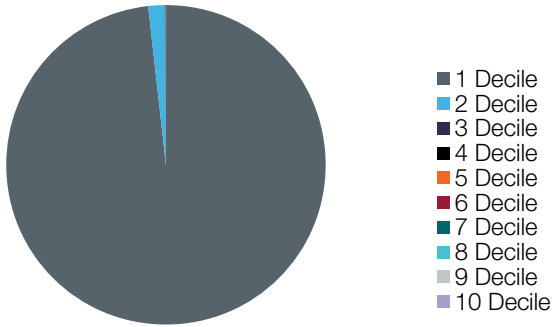
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Primary and secondary education</b>	<b>87,771</b>	<b>60,243</b>	<b>25,677</b>	<b>173,691</b>	<b>120,850</b>
ACT	1,974	1,127	674	3,775	3,680
NSW	27,278	17,319	8,036	52,633	37,230
NT	1,144	374	333	1,851	1,275
QLD	15,582	9,551	3,258	28,391	18,795
SA	6,307	5,472	3,126	14,905	4,055
TAS	750	853	246	1,849	1,570
VIC	24,446	17,900	6,808	49,154	37,540
WA	10,290	7,647	3,196	21,133	16,705

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	2%	9%	3%	3%	3%
NSW	32%	38%	36%	34%	34%
NT	1%	0%	0%	0%	0%
QLD	19%	14%	19%	20%	20%
SA	6%	2%	7%	3%	3%
TAS	1%	0%	1%	1%	1%
VIC	30%	30%	27%	32%	32%
WA	10%	7%	8%	7%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

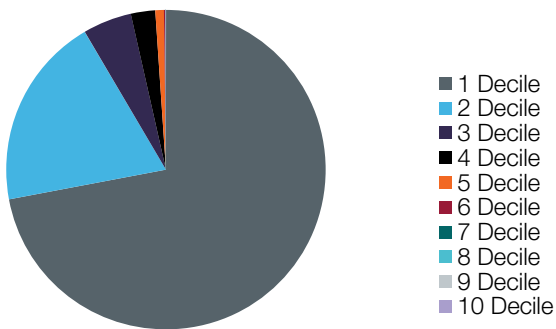
As mentioned earlier, many of the large organisations have not yet had financials included in the ACNC numbers so the organisation list will change significantly after this arrangement is complete. The split between States for staffing and income is, not surprisingly, closely linked to State population levels.

## Income and asset split by decile

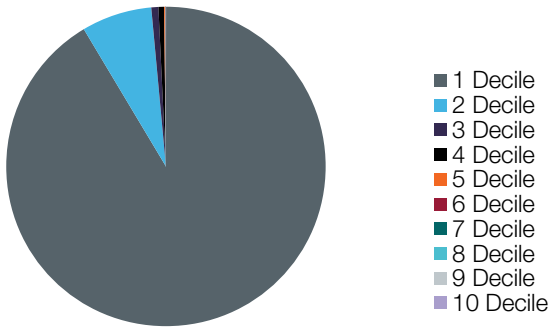
### Government grants



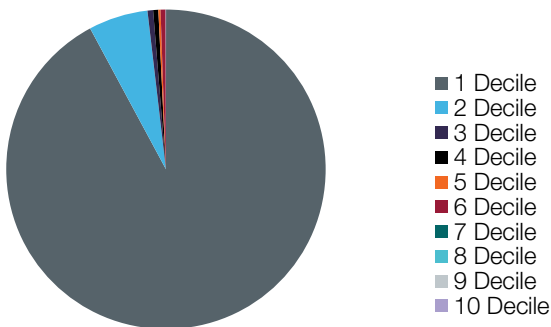
### Donations and bequests



### Other income

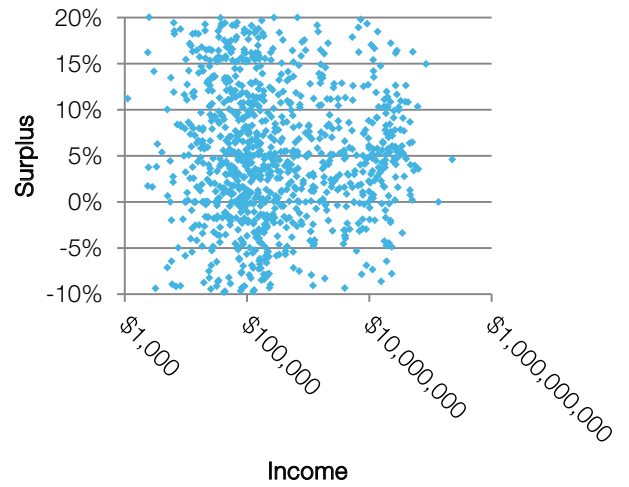


### Net assets



## Individual organisation positioning

### Primary and secondary education – Income vs Surplus



### Primary and secondary education – Income vs Net Assets



There is a very high concentration in Government, other income and assets in the larger schools and quite a long tail behind that. However, the philanthropy support is much more spread, even though the top 10% still receive 70% of the total. As with most sectors, there is a little relationship between income and profitability but a strong relationship between income and assets.



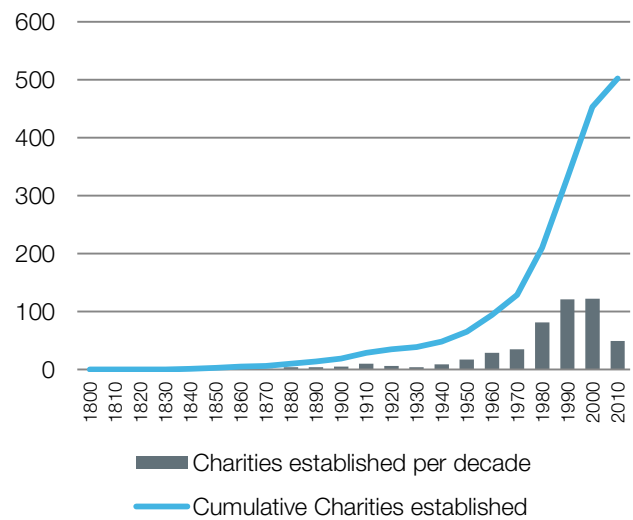
# Higher education

## ICNPO 2 200 Higher education

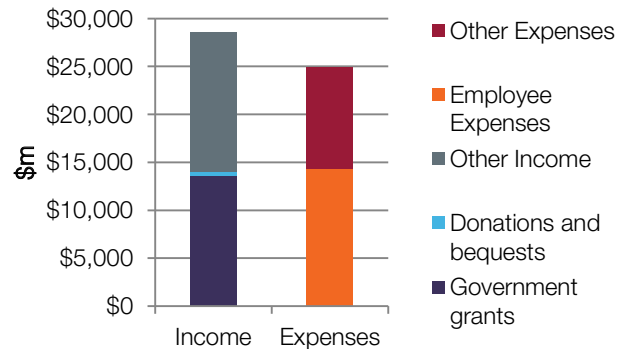
- **Higher education** – Higher learning, providing academic degrees; includes universities, business management schools, law schools and medical schools.

While generally thought of as populated by old and long established organisations, we have still seen over 60% in this subsector commence operation since 1970. It also sits in the top position when all sectors are compared for income, assets and average wage levels. We've commented earlier on the emergence of massive open online courses (MOOCs) and their potential to question the need for such a large level of property assets in achieving the sectors education mission. The profit margin for higher education is in the mid-range of all sectors. There have been, and continues to be, some very large levels of philanthropic support from both domestic and international funders, but it still represents only a very small part of overall sector income, although some support may also be seen inside other sectors such as research or grant making, related organisations. There is a very large, property based balance sheet with a relatively comfortable level of liabilities. There are 51% of organisations with DGR status.

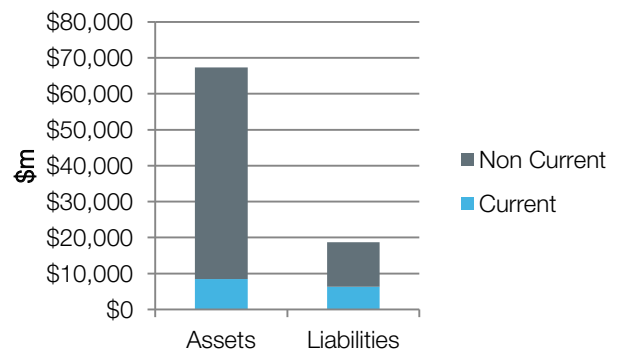
### Higher education – Number of charities established and cumulative per decade



### Profit and loss – Higher education



### Balance sheet – Higher education



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Higher education \$m</b>	<b>\$28,567</b>	<b>\$13,613</b>	<b>\$407</b>	<b>\$14,547</b>	<b>\$67,331</b>	<b>192,508</b>
University of Melbourne	\$2,211	35%	2%	63%	\$5,824	7,163
University of Sydney	\$1,898	52%	3%	45%	\$6,358	9,555
Monash University	\$1,875	54%	0%	46%	\$2,960	17,102
University of New South Wales	\$1,734	41%	2%	57%	\$4,276	15,437
The University of Queensland	\$1,689	58%	3%	39%	\$3,466	7,000
Australian National University	\$996	5%	1%	95%	\$3,157	8,919
Royal Melbourne Institute of Technology	\$989	57%	1%	42%	\$2,526	10,148
University of Western Australia	\$957	60%	3%	37%	\$2,121	4,656
Queensland University of Technology	\$907	39%	1%	61%	\$1,626	13,187
Curtin University of Technology	\$890	57%	0%	43%	\$1,488	7,475

Higher education	Total income	Total expenses	Total assets
Mean	\$53,196,864	\$49,518,524	\$125,383,191
Median	\$295,111	\$283,504	\$642,766

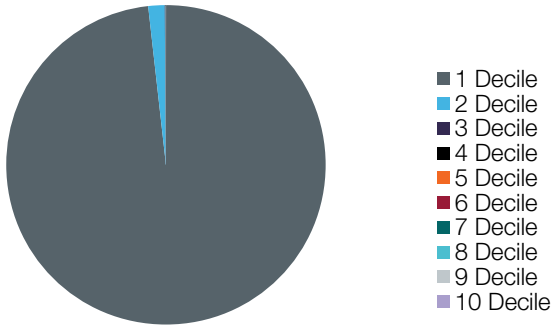
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Higher education</b>	<b>99,190</b>	<b>22,978</b>	<b>70,340</b>	<b>192,508</b>	<b>16,810</b>
ACT	4,390	932	6,974	12,296	1,485
NSW	27,773	7,055	18,491	53,319	5,325
NT	1,383	210	976	2,569	250
QLD	19,431	3,875	15,233	38,539	1,655
SA	7,562	2,459	6,001	16,022	3,025
TAS	2,017	741	700	3,458	325
VIC	27,718	4,462	16,929	49,109	3,720
WA	8,916	3,244	5,036	17,196	1,020

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	1%	3%	8%	6%	5%
NSW	32%	48%	28%	35%	27%
NT	2%	0%	1%	1%	1%
QLD	20%	18%	16%	15%	19%
SA	6%	2%	7%	6%	7%
TAS	3%	1%	1%	2%	2%
VIC	25%	21%	30%	26%	28%
WA	11%	8%	8%	9%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

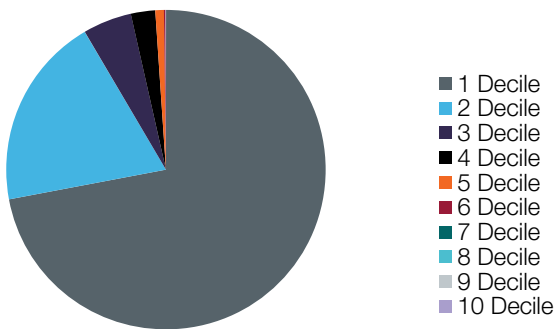
Naturally the G8 dominate this large sector. As with primary and secondary education, population levels provide the best indicator of both sector staffing and income and asset splits between the States. The level of volunteering is very low compared to paid employee levels.

## Income and asset split by decile

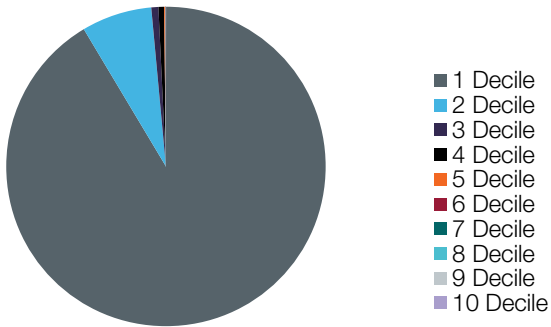
### Government grants



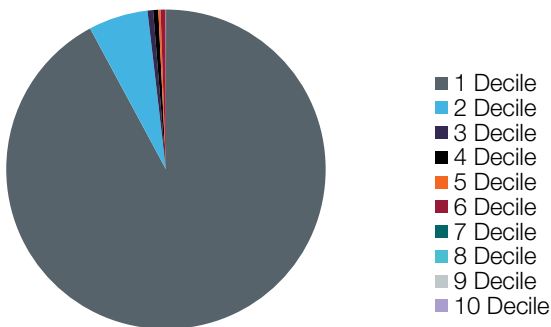
### Donations and bequests



### Other income

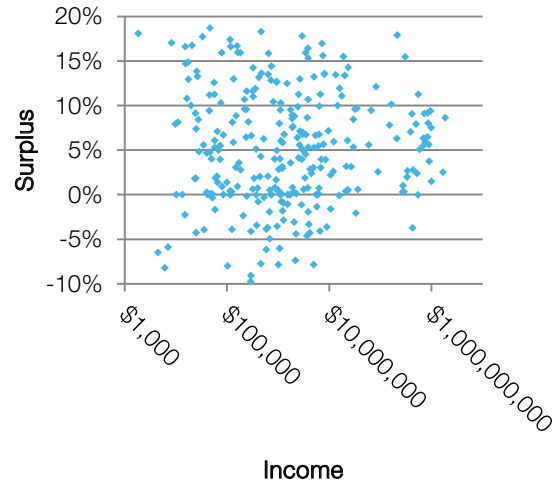


### Net assets

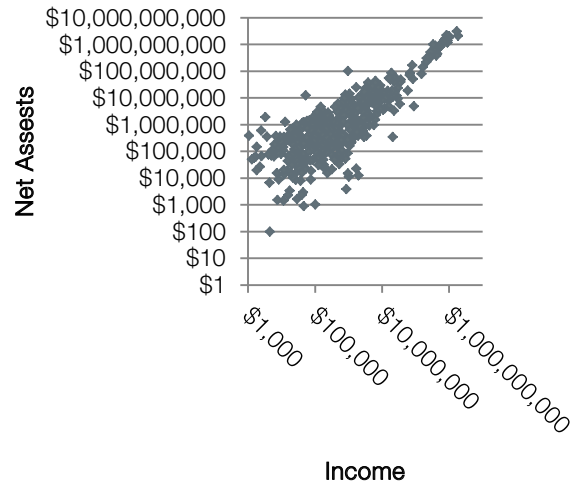


## Individual organisation positioning

### Higher education – Income vs Surplus



### Higher education – Income vs Net Assets



There is an extremely high concentration of all but philanthropy in the top decile of organisations, which, when funding is directly linked to student numbers, is expected. There is also a very strong relationship between income and assets within the sector, but less so with profitability.

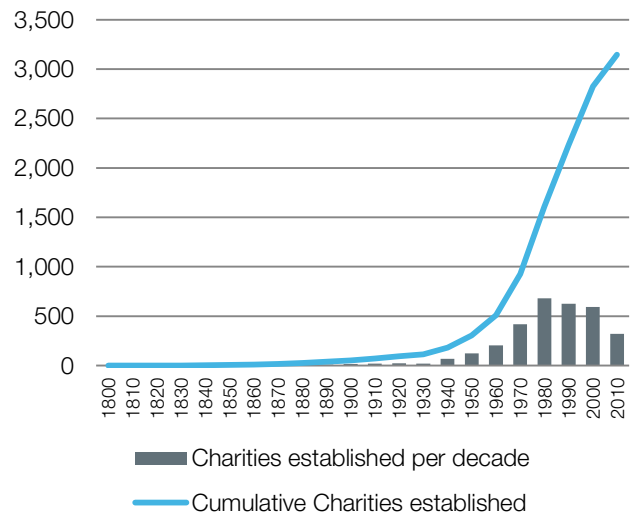
# Other education

## ICNPO 2 300 Other education

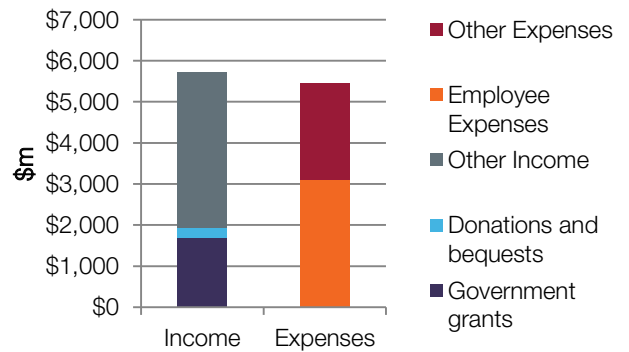
- **Vocational/technical schools** – Technical and vocational training specifically geared towards gaining employment; includes trade schools, paralegal training and secretarial schools.
- **Adult/continuing education** – Institutions engaged in providing education and training in addition to the formal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

The sector is dominated by preschool groups, despite the ICNPO descriptions suggesting they sit in primary and secondary education with more trade oriented activities here. Given the main activity is self-selected by charities, the subsector titles may have led to this selection. There has been strong growth in sector numbers in recent decades. This is a strong self-earning sector with 66% of income coming from this source. The fact that Goodstart Early Learning is the largest in the sector and was previously a for profit organisation, before restructuring via one of the earliest and high profile examples of impact investing in Australia, shows this model of the future can and does work. Despite that, sector margins are low and employee costs represent a relatively high 57% of costs. The sector balance sheet is reasonably strong. There are 34% of organisations with DGR status.

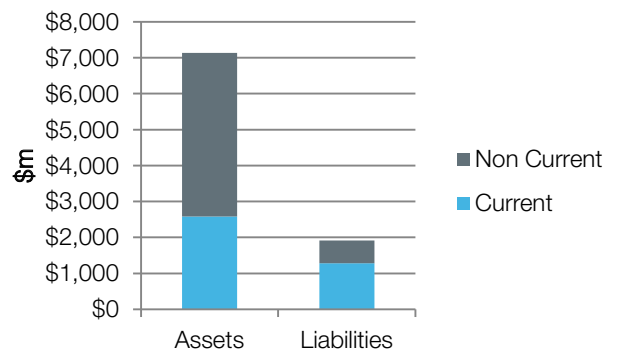
Other education – Number of charities established and cumulative per decade



Profit and loss – Other education



Balance sheet – Other education



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Other education \$m</b>	<b>\$5,714</b>	<b>\$1,696</b>	<b>\$228</b>	<b>\$3,791</b>	<b>\$7,129</b>	<b>76,731</b>
Goodstart Early Learning Ltd	\$875	9%	0%	91%	\$235	15,762
The Roman Catholic Trust Corporation for the Diocese of Rockhampton	\$238	71%	1%	29%	\$293	2,219
General Practice Education and Training Limited	\$234	97%	0%	3%	\$30	69
DMP Child Care Assoc Inc	\$124	0%	0%	100%	\$132	21
Top End Early Learning Centre Incorporated	\$122	7%	0%	93%	\$70	20
The Creche and Kindergarten Association Limited	\$83	31%	0%	69%	\$51	2,151
Aarnet Pty Ltd	\$77	10%	0%	90%	\$239	70
The Australian Council for Educational Research Limited	\$67	0%	0%	100%	\$61	381
Goulburn Ovens Institute of Tafe	\$62	55%	0%	45%	\$126	525
The Royal Australasian College of Physicians	\$56	6%	3%	91%	\$110	277

Other education	Total income	Total expenses	Total assets
Mean	\$1,659,739	\$1,583,192	\$2,070,700
Median	\$224,128	\$204,810	\$200,308

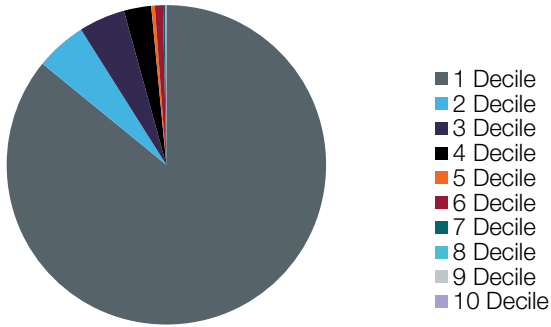
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Other education</b>	<b>24,779</b>	<b>30,108</b>	<b>21,844</b>	<b>76,731</b>	<b>99,745</b>
ACT	422	372	187	981	2,890
NSW	7,087	6,660	5,801	19,548	35,765
NT	760	263	196	1,219	215
QLD	6,747	12,559	8,146	27,452	16,415
SA	801	1,073	791	2,665	5,900
TAS	799	1,025	379	2,203	1,160
VIC	6,878	7,212	4,879	18,969	29,360
WA	1,283	929	1,463	3,675	7,960

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	14%	1%	2%	2%	2%
NSW	25%	63%	26%	33%	32%
NT	6%	0%	4%	4%	4%
QLD	27%	9%	33%	20%	18%
SA	2%	2%	3%	4%	5%
TAS	1%	2%	5%	4%	4%
VIC	21%	19%	23%	29%	30%
WA	4%	3%	4%	5%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

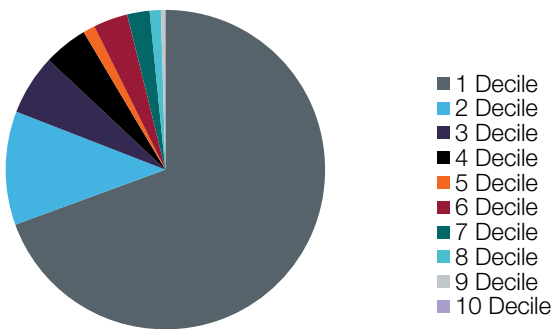
With Goodstart Early Learning being reformed as a charity, it dominates the sector but after that there are many medium sized groups in both the preschool and trade fields. Volunteering is reasonably good with 1.3 volunteers per paid employee. The strong relationship to State population is shown in sector staffing plus income and asset levels.

## Income and asset split by decile

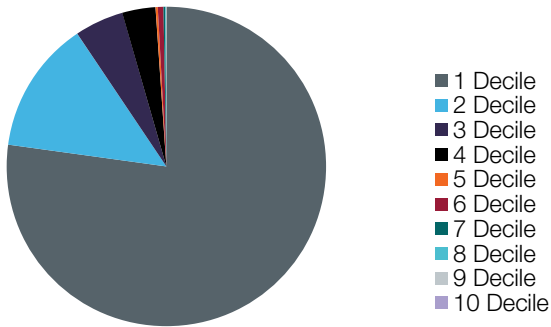
### Government grants



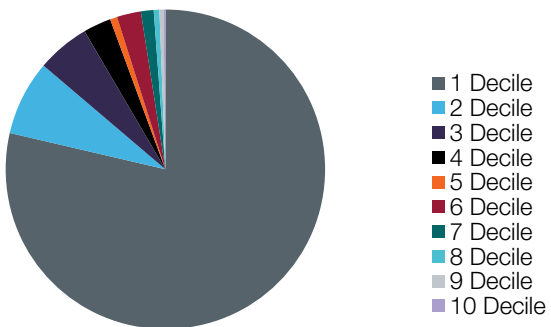
### Donations and bequests



### Other income

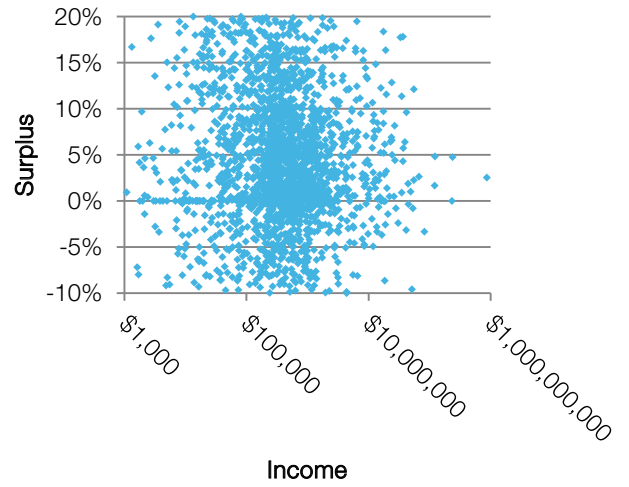


### Net assets

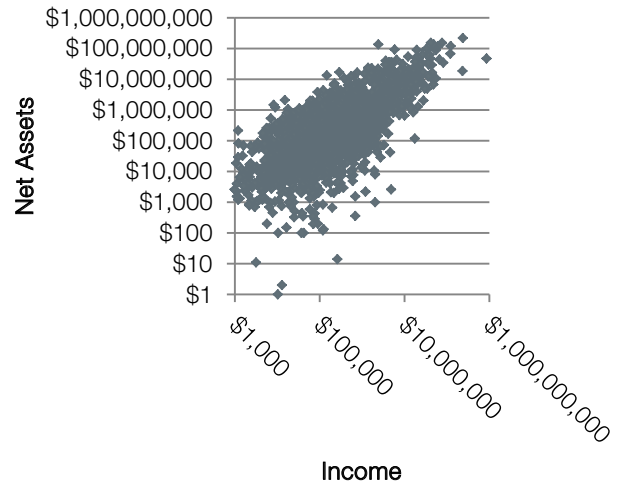


## Individual organisation positioning

### Other education – Income vs Surplus



### Other education – Income vs Net assets



Despite the few large organisations in the sector, the decile splits show the reasonably large spread in the sector, certainly compared with most other NFP areas. This may indicate further potential for mergers and acquisitions among participants. While the level of surplus is unrelated to income size, that chart does show the large number of medium sized organisations involved in other education activities. The strong relationship, seen in other sectors, between income and assets is also evident.

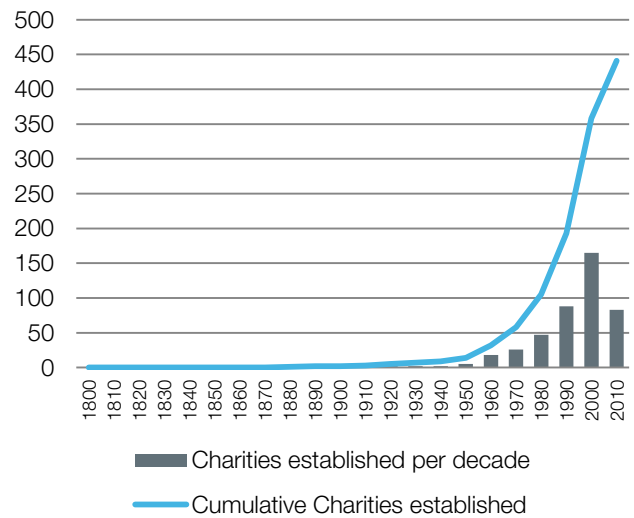
# Research

## ICNPO 2 400 Research

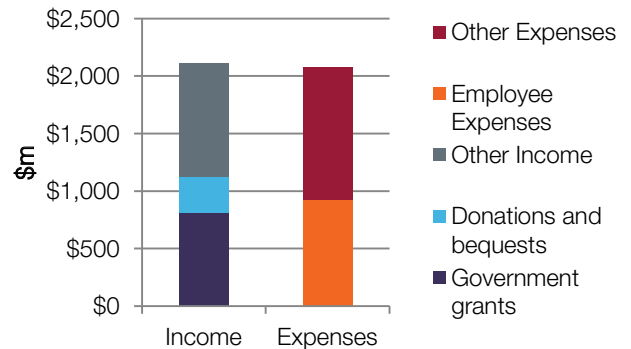
- **Medical research** – Research in the medical field; includes research on specific diseases, disorders or medical disciplines.
- **Science and technology** – Research in the physical and life sciences and engineering and technology.
- **Social sciences, policy studies** – Research and analysis in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

While the sector also includes science and technology, it is dominated by medical research. It must also be recognised that much science and technology research is conducted by for profit organisations and is not included in this data. Balancing this, a significant amount of medical research is conducted within Universities and Hospitals and in some cases will be included in their finances rather than in the medical research institutes generally highlighted here. The sector enjoys a good spread of income with philanthropy almost double the broad charity average at 14% assisted by good levels of international donations which are driven to follow the best research and not done with a country based bias. The combination of NHMRC and other Government funding plus the newly established medical research future fund (\$3.1B at Dec 2015 growing to \$20B) also aides sector support in a truly internationally competitive field. Profit margins are reasonably tight but there is a good sector balance sheet. There has been a significant jump in organisation numbers in the last two decades. There are 68% of organisations with DGR status.

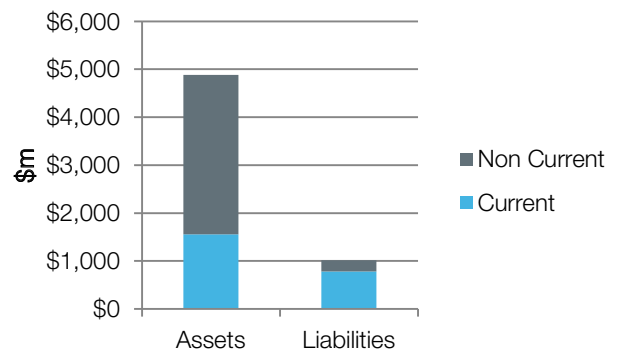
## Research – Number of charities established and cumulative per decade



## Profit and loss – Research



## Balance sheet – Research



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Research \$m</b>	<b>\$2,202</b>	<b>\$816</b>	<b>\$305</b>	<b>\$1,081</b>	<b>\$4,882</b>	<b>12,240</b>
The Walter and Eliza Hall Institute of Medical Research	\$112	53%	6%	42%	\$447	1,002
The Council of the Queensland Institute of Medical Research	\$101	50%	14%	36%	\$428	521
National ICT Australia Limited	\$93	60%	0%	40%	\$32	351
Murdoch Childrens Research Institute	\$88	41%	14%	45%	\$166	886
The Garvan Institute of Medical Research	\$75	36%	29%	35%	\$173	462
Cancer Council Victoria	\$66	36%	50%	14%	\$88	460
Baker IDI Heart and Diabetes Institute Holdings Limited	\$59	55%	15%	31%	\$100	379
The George Institute for Global Health	\$59	49%	0%	51%	\$40	477
The Florey	\$54	64%	8%	28%	\$114	434
South Australian Health and Medical Research Institute Limited	\$50	45%	4%	51%	\$316	195

Research	Total income	Total expenses	Total assets
Mean	\$4,584,887	\$4,563,548	\$10,612,383
Median	\$251,483	\$190,883	\$490,462

Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Research</b>	<b>7,343</b>	<b>3,271</b>	<b>1,626</b>	<b>12,240</b>	<b>7,315</b>
ACT	36	26	4	66	440
NSW	2,489	702	514	3,705	1,905
NT	132	117	168	417	–
QLD	676	251	68	995	905
SA	547	243	100	890	360
TAS	4	3	–	7	155
VIC	2,987	1,516	624	5,127	2,720
WA	472	413	148	1,033	830

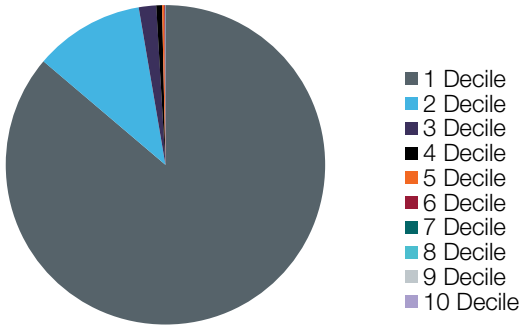
State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	0%	2%	1%	0%	0%
NSW	32%	46%	27%	27%	26%
NT	3%	0%	2%	1%	1%
QLD	8%	13%	13%	14%	15%
SA	10%	4%	12%	11%	12%
TAS	0%	0%	0%	0%	0%
VIC	42%	26%	37%	35%	35%
WA	4%	8%	9%	11%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The mix in funding can be quite different between sector participants. Groups such as the State cancer councils raise a significant proportion of the philanthropy in the sector and then invest in both research and prevention activities often in partnership with the medical research institutes. Although New South Wales is well represented, Victoria leads the States in terms of staffing, income and assets for medical research.

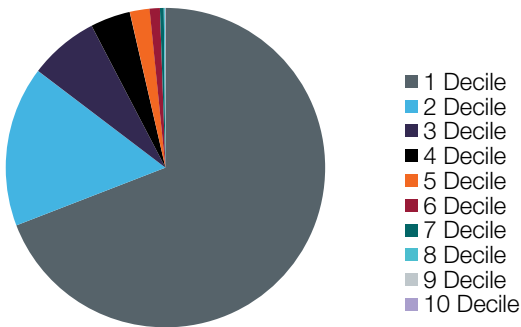


## Income and asset split by decile

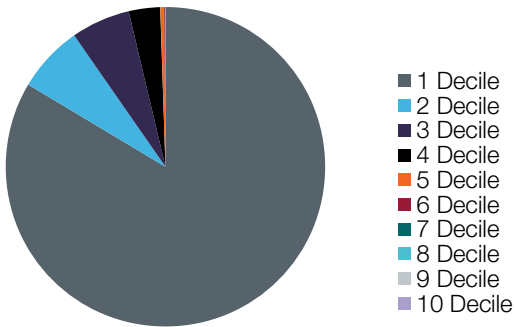
### Government grants



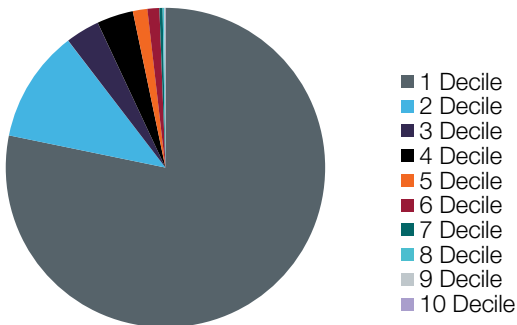
### Donations and bequests



### Other income

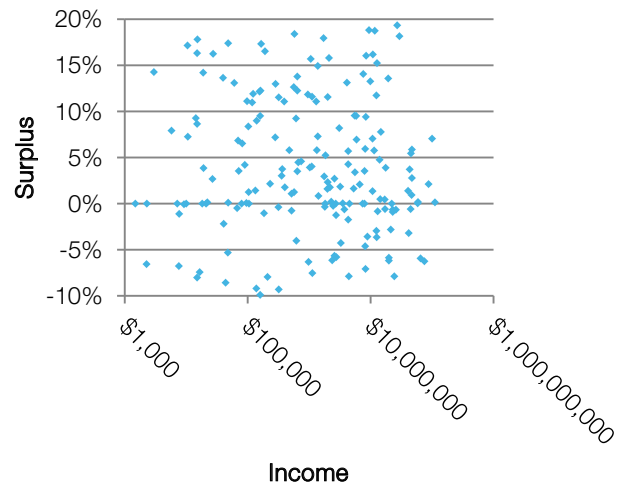


### Net assets

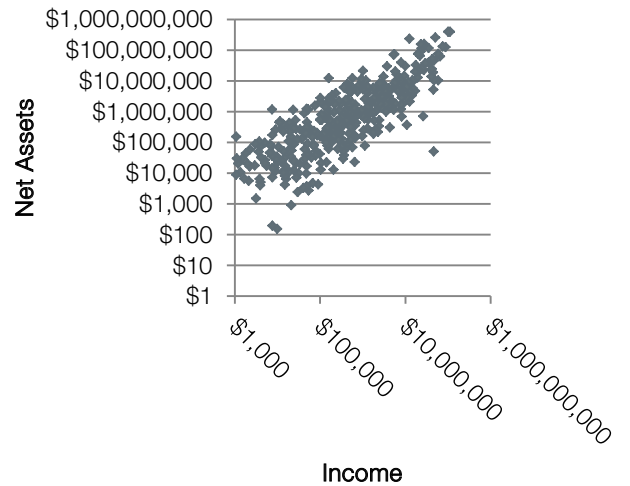


## Individual organisation positioning

### Research – Income vs Surplus



### Research – Income vs Net Assets

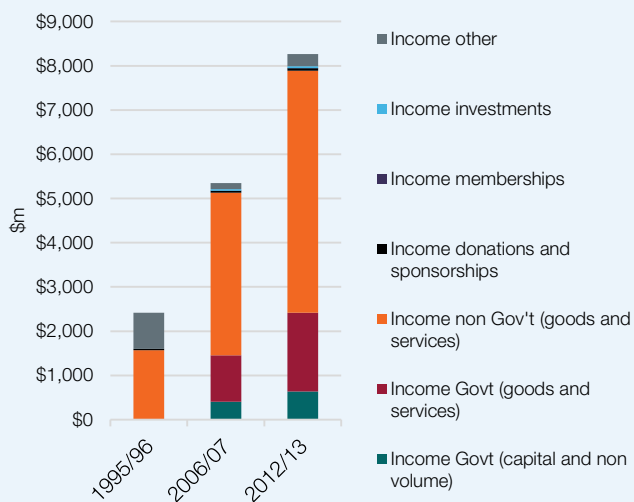


There is a reasonable spread in philanthropic support between sector deciles but less so for Government and other income. Again the relationship between income and assets is strong, while profit and income is very weak.

# Hospitals

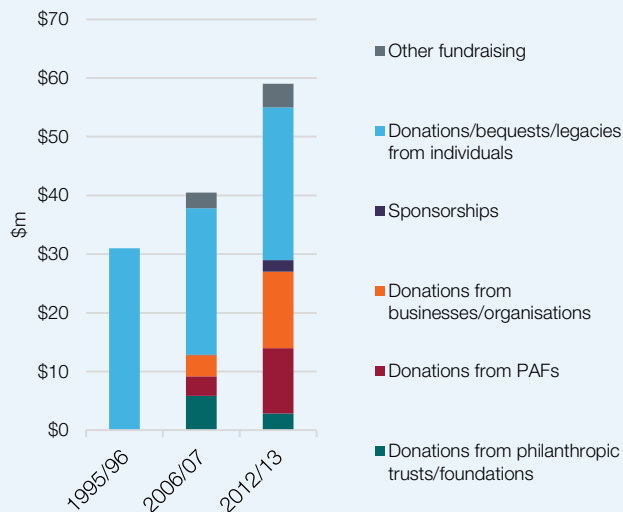
Part of the ICNPO Group 3 comprises hospitals which the ABS has separated from other Group 3 health related activities. This group does not include Government controlled hospitals.

## Hospitals – Income mix



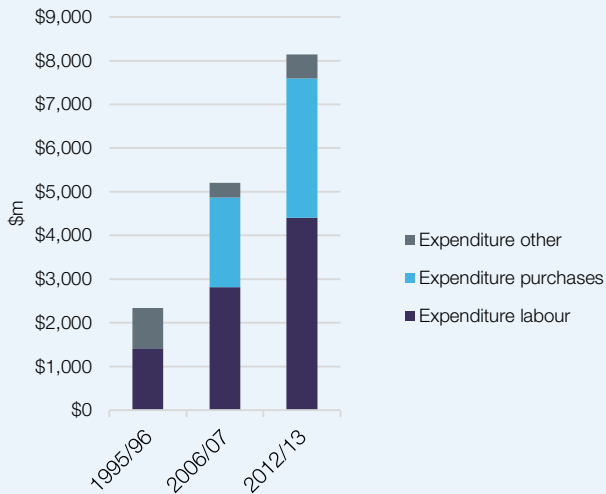
The 2000 ABS survey did not break up hospitals and health so hasn't been included here. Income has risen a little faster than over NPIs since 2007 but about 10% slower over the 20 years. The non-Government goods and services component of income has remained very steady at around two thirds of the total in each survey.

## Hospitals – Fundraising and sponsorship



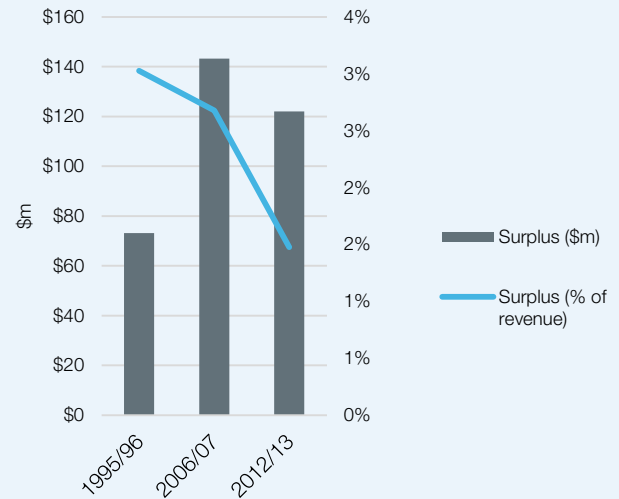
Fundraising directly to hospitals is relatively small with much more going through separate Foundations. Despite that, there has been reasonable growth with much of that coming from business donations and PAFs.

## Hospitals – Expenditure



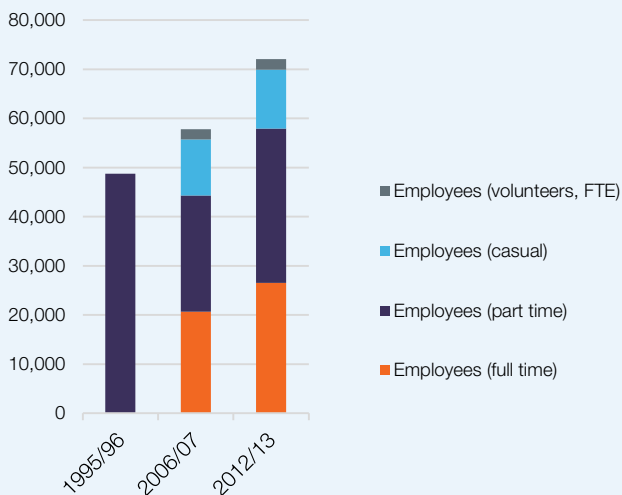
In keeping with the theme for all sectors, expenditure growth has kept pace with income growth over the period. Labour costs have fallen a little as a proportion of the total since 1996, but have been flat at 54% in the two most surveys.

## Hospitals – Annual surplus



Sector margins have been low and continued to slide over this period. This isn't aided by depreciation costs which have been around double the profit margin since 2007.

## Hospitals – Employees and volunteers



Employee numbers have risen steadily over time. Volunteers have only represented a small component of the workforce in this sector.

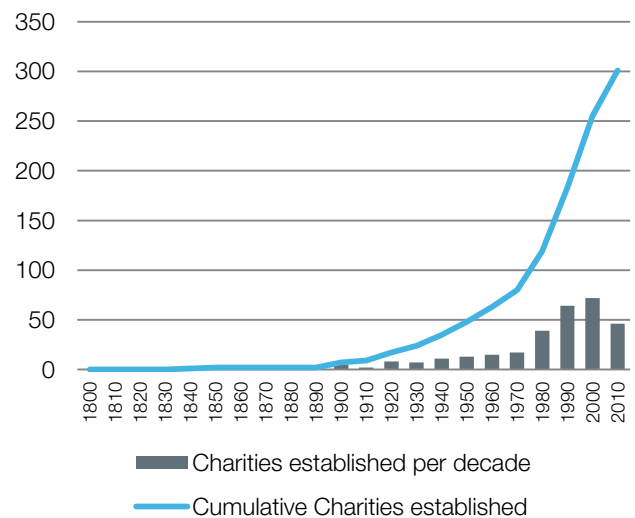
# Hospital services rehabilitation

## ICNPO 3 100 Hospitals and rehabilitation

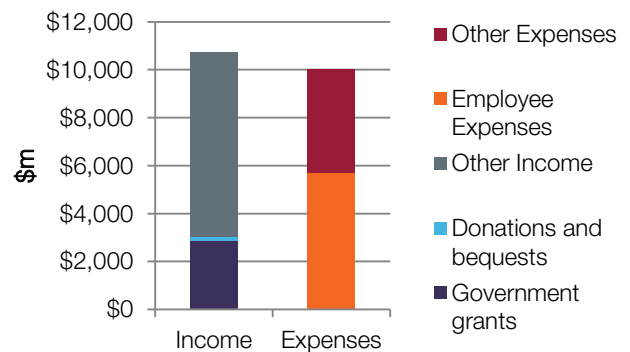
- **Hospitals** – Primarily inpatient medical care and treatment.
- **Rehabilitation** – Inpatient health care and rehabilitative therapy to individuals suffering from physical impairments due to injury, genetic defect or disease and requiring extensive physiotherapy or similar forms of care.

There has been a steady but relatively slow increase in the number of organisations in the sector. Total income among these hospitals represents about 20% of hospital income if Government controlled groups were also included. Over 70% of income is self-earned and only a small amount comes from philanthropy, although there is a larger amount which goes through various grant making organisations (Foundations) directly linked to these hospitals. Employee expenses make up almost 60% of costs and volunteering, given the nature of operations is low at only one for every five paid staff. The sector sees relatively low profit margins but has a large asset base, although significant liabilities, compared to the overall NFP sector. There are 74% of organisations with DGR status.

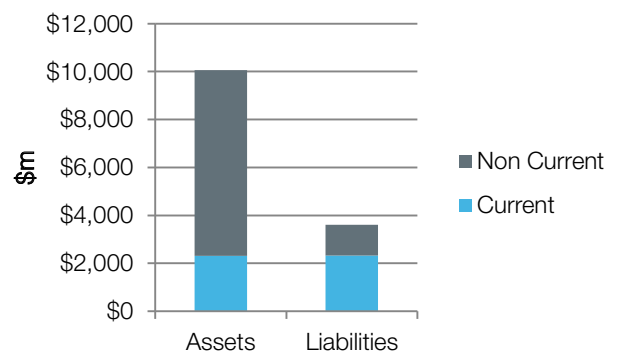
Hospital services rehabilitation – Number of charities established and cumulative per decade



Profit and loss – Hospital services rehabilitation



Balance sheet – Hospital services rehabilitation



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Hospital services rehabilitation \$m</b>	<b>\$10,741</b>	<b>\$2,867</b>	<b>\$174</b>	<b>\$7,700</b>	<b>\$10,063</b>	<b>85,998</b>
WA Country Health Service	\$1,470	23%	0%	77%	\$2,248	9,052
St John of God Health Care Inc	\$1,158	3%	0%	97%	\$1,117	10,248
Little Company of Mary Health	\$1,110	35%	1%	65%	\$1,056	10,594
Mater Misericordiae Health Services Brisbane Limited	\$920	0%	0%	100%	\$1,092	7,375
Seventh-day Adventist Church (Greater Sydney Conference) Ltd	\$722	0%	4%	96%	\$443	4,387
The Sydney Children's Hospitals Network (Randwick and Westmead) (Incorporating the Royal Alexandra Hospital for Children)	\$652	76%	5%	19%	\$667	5,762
UnitingCare Health	\$630	1%	1%	99%	\$593	4,151
St. Vincent's Hospital (Melbourne) Limited	\$622	75%	1%	24%	\$327	5,802
St. Vincent's Hospital Sydney Limited	\$497	78%	2%	20%	\$261	3,604
Royal Rehab	\$375	86%	0%	14%	\$111	645

Hospital services rehabilitation	Total income	Total expenses	Total assets
Mean	\$33,883,546	\$32,057,221	\$31,745,208
Median	\$170,390	\$116,759	\$287,114

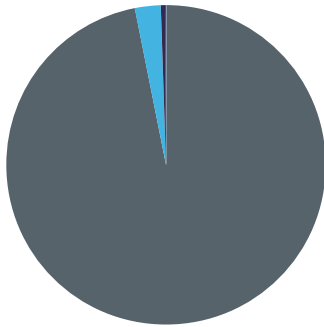
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Hospital services rehabilitation</b>	<b>32,622</b>	<b>39,136</b>	<b>14,240</b>	<b>85,998</b>	<b>19,365</b>
ACT	26	18	8	52	285
NSW	11,652	9,890	5,439	26,981	6,180
NT	18	4	1	23	5
QLD	6,169	7,250	2,702	16,121	3,530
SA	754	1,644	900	3,298	1,475
TAS	14	29	10	53	505
VIC	7,236	8,298	3,596	19,130	4,930
WA	6,750	11,994	1,584	20,328	2,450

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	0%	0%	0%	0%	0%
NSW	60%	57%	22%	29%	29%
NT	0%	0%	0%	0%	0%
QLD	1%	6%	26%	22%	18%
SA	0%	2%	5%	3%	2%
TAS	0%	0%	0%	0%	0%
VIC	25%	30%	15%	11%	9%
WA	15%	4%	32%	35%	42%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

As only "charitable" hospital operations are included in ACNC numbers, the State split can be misleading in terms of overall hospital facilities. Also the choice of Hospitals or Health for a category by large diverse groups may skew some of the State based comparisons (WA is well represented here but less so in the health category).

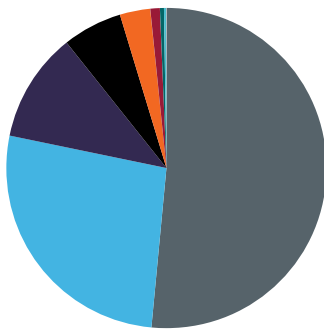
## Income and asset split by decile

### Government grants



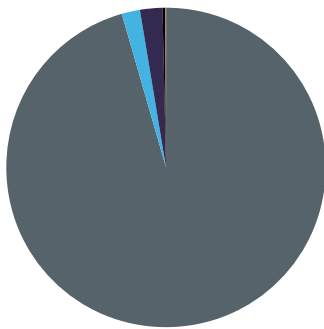
- 1 Decile
- 2 Decile
- 3 Decile
- 4 Decile
- 5 Decile
- 6 Decile
- 7 Decile
- 8 Decile
- 9 Decile
- 10 Decile

### Donations and bequests



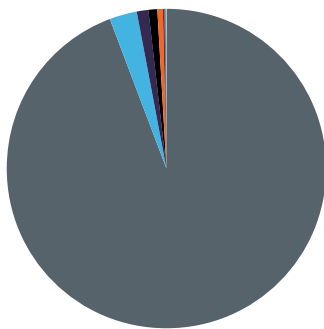
- 1 Decile
- 2 Decile
- 3 Decile
- 4 Decile
- 5 Decile
- 6 Decile
- 7 Decile
- 8 Decile
- 9 Decile
- 10 Decile

### Other income



- 1 Decile
- 2 Decile
- 3 Decile
- 4 Decile
- 5 Decile
- 6 Decile
- 7 Decile
- 8 Decile
- 9 Decile
- 10 Decile

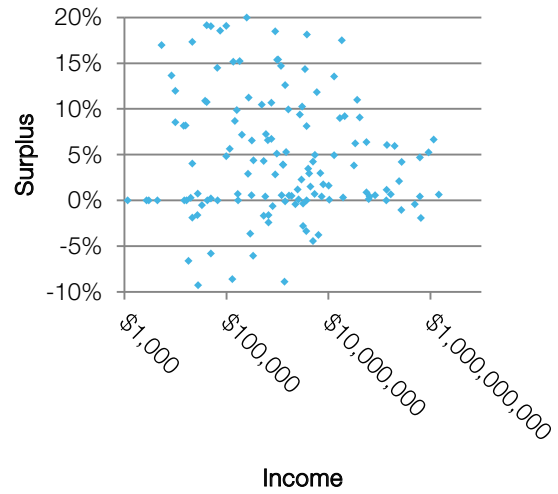
### Net assets



- 1 Decile
- 2 Decile
- 3 Decile
- 4 Decile
- 5 Decile
- 6 Decile
- 7 Decile
- 8 Decile
- 9 Decile
- 10 Decile

## Individual organisation positioning

### Hospital services and rehabilitation – Income vs Surplus



### Hospital services and rehabilitation – Income vs Net Assets

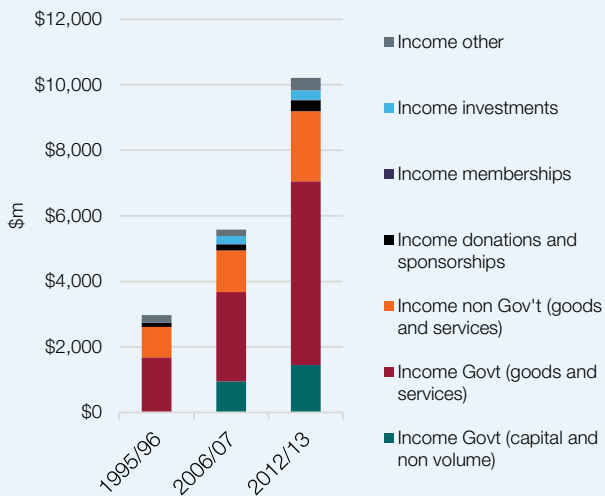


The concentration in all but philanthropy is extremely high as individual, personal experiences often influence donations, rather than organisational size. Again we see a very strong relationship between income and assets and very little for income and profitability.

# Health

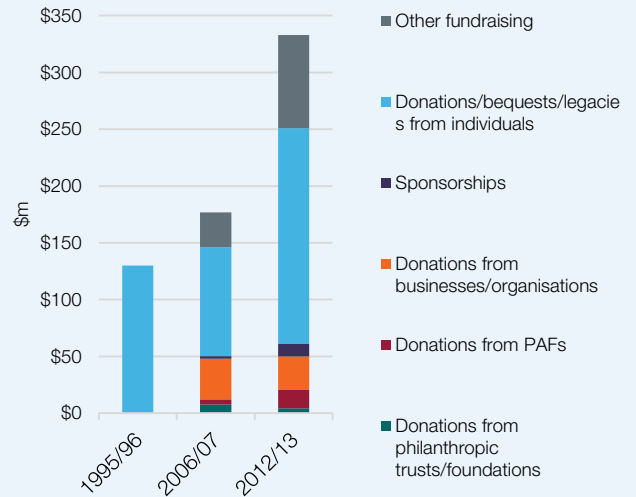
The remainder of the ICNPO Group 3 comprises all other health related activities, including nursing home (termed aged care in the ACNC data).

## Health – Income mix



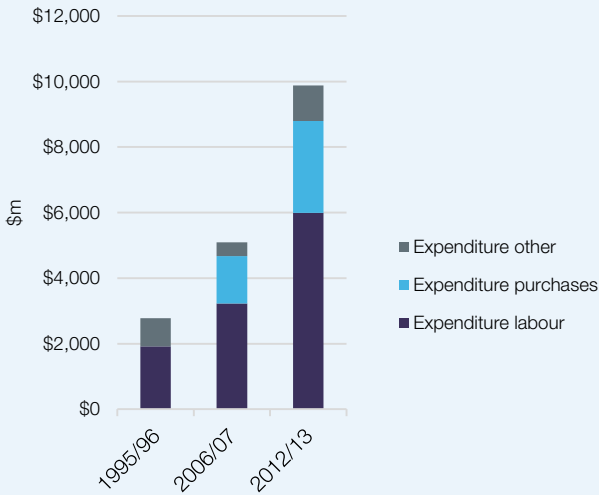
The 2000 ABS survey did not break up hospitals and health so hasn't been included here. Income growth has been above overall NPI levels since 2007 but a little below over the 20 years. Reliance on Government funding has increased as non-Government goods and services have fallen from 31% in 1996 to currently 21% of income. Volume related Government funding jumped from 49% to currently 55% of the total just since 2007.

## Health – Fundraising and sponsorship



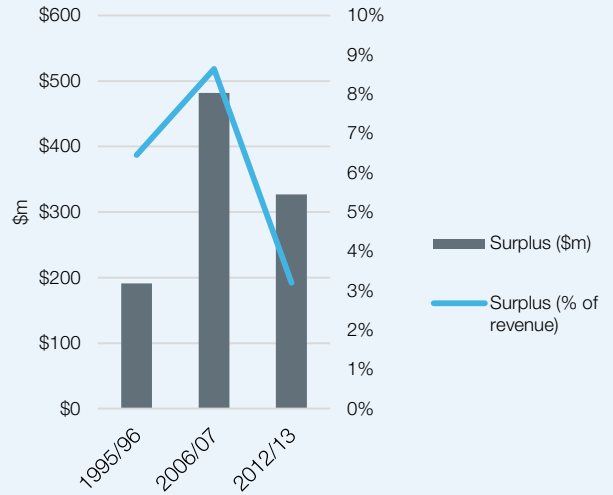
Fundraising has seen strong gains particularly in recent years and unlike many other sectors, this has been led by individuals.

### Health – Expenditure



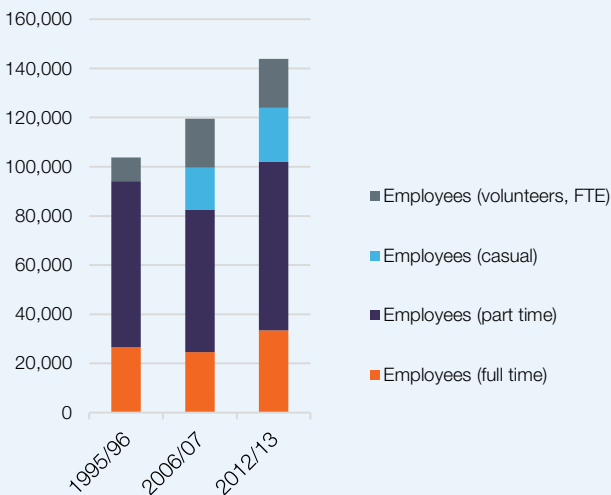
Expenditure growth has also been rapid but has also seen the proportion of costs from labour fall from 69% to currently 61%, still above overall NPI averages.

### Health – Annual surplus



Similar to hospitals, there is a relatively low margin and depreciation levels are above profitability.

### Health – Employees and volunteers



Employee numbers have increased and are large in both aged care and other health service delivery areas. They are expected to continue rising with demand increases in both areas. The previous growth in volunteer numbers has flattened in recent years.



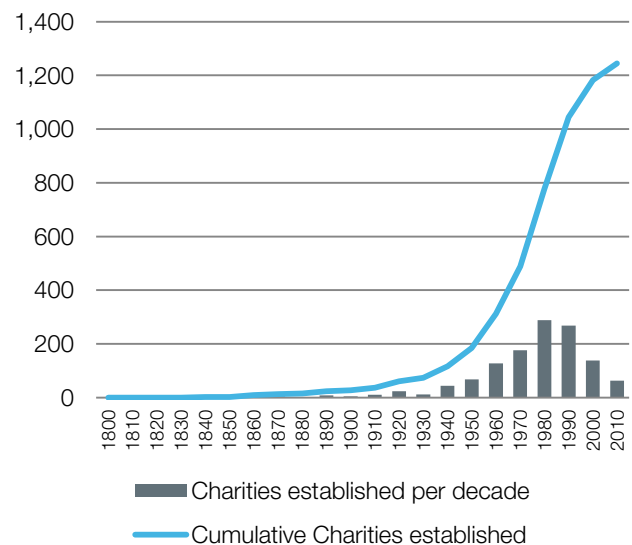
# Aged care activities

## ICNPO 3 200 Nursing homes

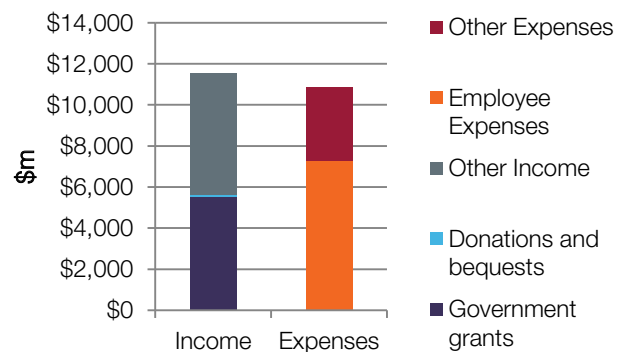
- **Nursing homes** – Inpatient convalescent care and residential care, as well as primary health care services; includes homes for the frail elderly and nursing homes for the severely handicapped.

Aged care has been one of the fastest growing segments of the charity field both in number of organisations but particularly for sector income and assets. Given demographic changes in Australia (and other western nations), this is only likely to accelerate. We saw in an earlier section of the report looking at changes over the past 20 years that one of the only significant moves in the list of the top 20 community sector organisations, was the growth in aged care providers moving onto this list. The sector has the largest asset base after higher education, and significant liabilities, although much of that is current and often represents resident bonds. Income is equally split between fees and Government payments with only a small proportion coming from philanthropy. Wage costs are a significant part of total expenses at 67%. There are 77% of organisations with DGR status.

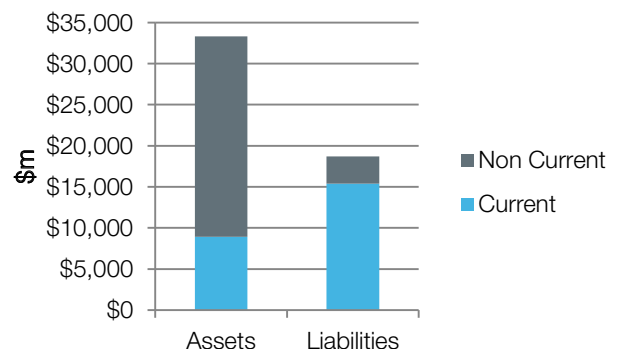
## Aged care activities – Number of charities established and cumulative per decade



## Profit and loss – Aged care activities



## Balance sheet – Aged care activities



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Aged care activities \$m</b>	<b>\$11,537</b>	<b>\$5,494</b>	<b>\$146</b>	<b>\$5,897</b>	<b>\$33,330</b>	<b>163,355</b>
Unitingcare NSW ACT	\$651	68%	1%	31%	\$1,455	7,910
Blue Care: Head office	\$605	78%	3%	19%	\$956	8,412
The Trustee For RSL (QLD) War Veterans' Homes Trust	\$257	0%	0%	100%	\$930	3,342
BaptistCare NSW & ACT	\$253	69%	0%	30%	\$508	3,909
Catholic Healthcare Limited	\$241	26%	0%	74%	\$657	4,028
Ozcare	\$220	78%	0%	22%	\$393	2,914
ECH Inc	\$202	41%	0%	59%	\$316	752
Anglican Retirement Villages (Diocese of Sydney)	\$200	56%	0%	44%	\$1,067	2,337
Silver Chain Group Limited	\$186	84%	3%	12%	\$155	2,467
Royal District Nursing Service Limited	\$155	61%	1%	38%	\$68	1,591

Aged care activities	Total income	Total expenses	Total assets
Mean	\$8,648,059	\$8,220,381	\$24,985,150
Median	\$1,058,093	\$1,009,953	\$1,603,035

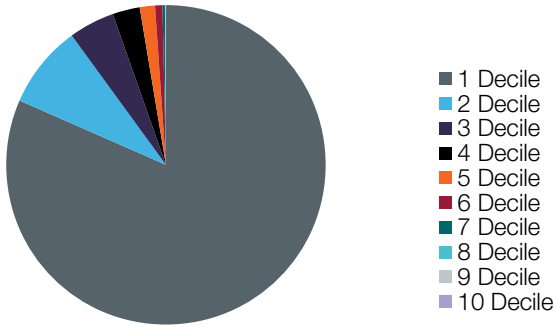
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Aged care activities</b>	<b>30,691</b>	<b>100,058</b>	<b>32,606</b>	<b>163,355</b>	<b>88,885</b>
ACT	433	859	289	1,581	330
NSW	11,908	35,433	11,660	59,001	34,740
NT	9	7	–	16	5
QLD	6,169	18,256	5,454	29,879	18,870
SA	2,436	10,265	4,201	16,902	8,030
TAS	730	4,126	1,289	6,145	2,920
VIC	4,807	19,814	6,726	31,347	15,920
WA	4,199	11,297	2,987	18,483	8,045

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	1%	2%	1%	2%	1%
NSW	40%	37%	35%	42%	36%
NT	0%	0%	0%	0%	0%
QLD	21%	23%	15%	14%	16%
SA	7%	2%	14%	11%	14%
TAS	2%	2%	4%	2%	2%
VIC	20%	26%	18%	17%	19%
WA	10%	7%	13%	11%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

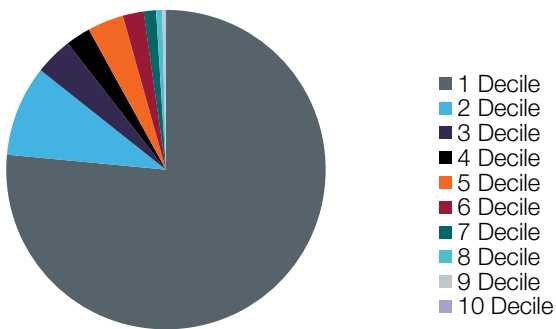
While there are a few large sector organisations, there are many medium sized ones with the average sized group still holding assets of \$24m and annual income of \$9m. The State split is somewhat along population statistics, although Queensland is quite well represented.

## Income and asset split by decile

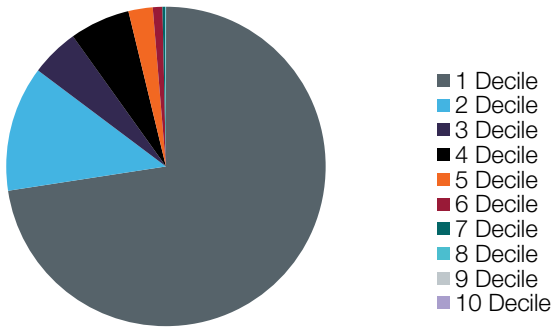
### Government grants



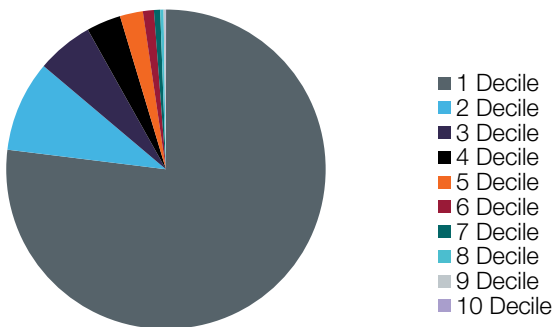
### Donations and bequests



### Other income

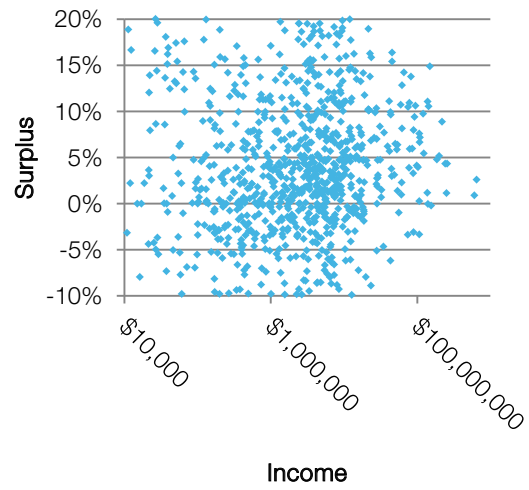


### Net assets



## Individual organisation positioning

### Aged care activities – Income vs Surplus



### Aged care activities – Income vs Net Assets



Unlike the Higher education sector which has equally large incomes and assets, the spread of these is reasonably wide in the aged care sector for each of the different income streams and for assets themselves. This could potentially present the opportunity for mergers and acquisitions in the future. There is a very strong relationship between income and assets but again, not between profitability and income.

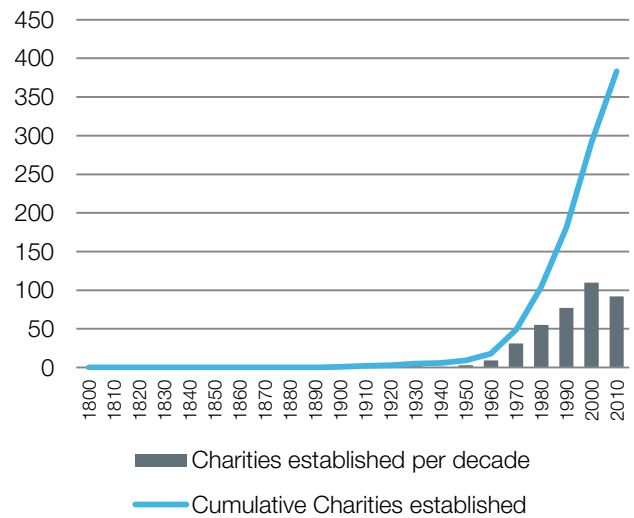
# Mental health and crisis intervention

## ICNPO 3 300 Mental health and crisis intervention

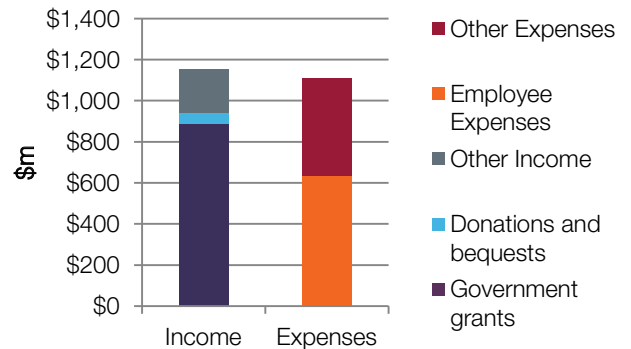
- **Psychiatric hospitals** – Inpatient care and treatment for the mentally ill.
- **Mental health treatment** – Outpatient treatment for mentally ill patients; includes community mental health centres and halfway homes.
- **Crisis intervention** – Outpatient services and counsel in acute mental health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

There has been a very fast rise in organisation numbers over the last 30 years indicating the recognition and need for support in this sector. While it is still only a mid-ranking sector in terms of income, its growth has pushed it passed some better known sectors such as international aid and emergency relief. Despite a high proportion of participants having DGR status, only 5% of income comes from philanthropy with Government providing almost 80%. There have been some more high profile organisations able to gain a much larger share of philanthropic support but they are rare. Profit margins are very tight in the sector and are amongst the lowest of all sectors. They have a relatively small asset base compared to income, leaving this fast growing sector highly reliant on continued Government funding. There are 87% of organisations with DGR status.

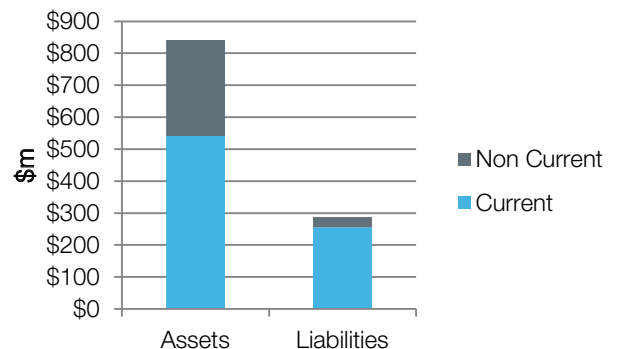
Mental health and crisis intervention – Number of charities established and cumulative per decade



Profit and loss – Mental health and crisis intervention



Balance sheet – Mental health and crisis intervention



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Mental health and crisis intervention \$m</b>	<b>\$1,155</b>	<b>\$888</b>	<b>\$52</b>	<b>\$214</b>	<b>\$842</b>	<b>12,870</b>
Unitingcare Community	\$175	65%	1%	34%	\$90	2,520
Headspace National Youth Mental Health Foundation Ltd	\$96	97%	0%	3%	\$75	268
New Horizons Enterprises Limited	\$72	91%	0%	9%	\$64	820
Mind Australia	\$60	93%	2%	5%	\$39	790
Beyond Blue Limited	\$58	67%	22%	12%	\$69	104
Neami Limited	\$48	99%	0%	1%	\$25	607
RichmondPRA Limited	\$47	88%	0%	12%	\$33	635
On Track Community Programs Ltd	\$35	90%	0%	10%	\$26	369
Aftercare	\$31	93%	0%	7%	\$21	338
Schizophrenia Fellowship of NSW Inc	\$24	61%	1%	38%	\$9	271

Mental health and crisis intervention	Total income	Total expenses	Total assets
Mean	\$2,783,096	\$2,676,986	\$2,028,365
Median	\$232,012	\$214,560	\$162,917

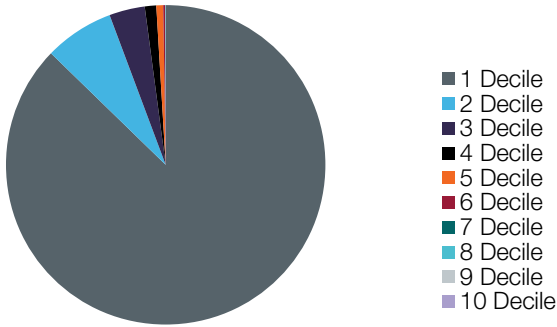
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Mental health and crisis intervention</b>	<b>5,587</b>	<b>4,987</b>	<b>2,296</b>	<b>12,870</b>	<b>20,260</b>
ACT	101	64	23	188	860
NSW	1,736	1,268	494	3,498	5,595
NT	7	8	2	17	30
QLD	1,586	1,690	933	4,209	5,515
SA	239	288	163	690	2,040
TAS	61	117	77	255	400
VIC	1,543	1,243	404	3,190	4,310
WA	275	280	163	718	1,430

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	3%	8%	3%	2%	2%
NSW	25%	25%	32%	28%	28%
NT	0%	0%	0%	0%	0%
QLD	26%	18%	36%	23%	23%
SA	7%	3%	5%	5%	3%
TAS	1%	0%	3%	1%	1%
VIC	34%	41%	18%	37%	39%
WA	3%	4%	3%	3%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

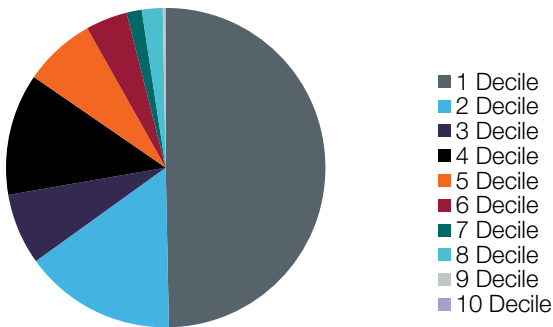
There are a large group of medium sized organisations with few dominant groups in the sector. There is a reasonable split across States although Victoria does well in Government funding and particularly so in philanthropy and assets. Volunteers provide good support with 1.5 volunteers for each paid employee.

## Income and asset split by decile

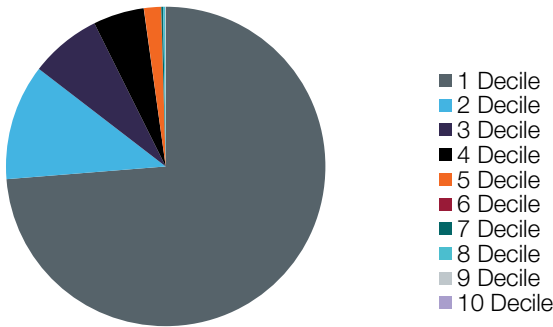
### Government grants



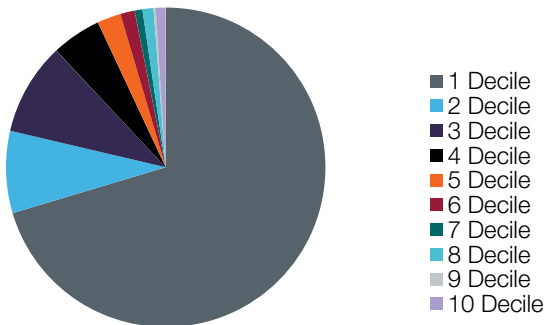
### Donations and bequests



### Other income

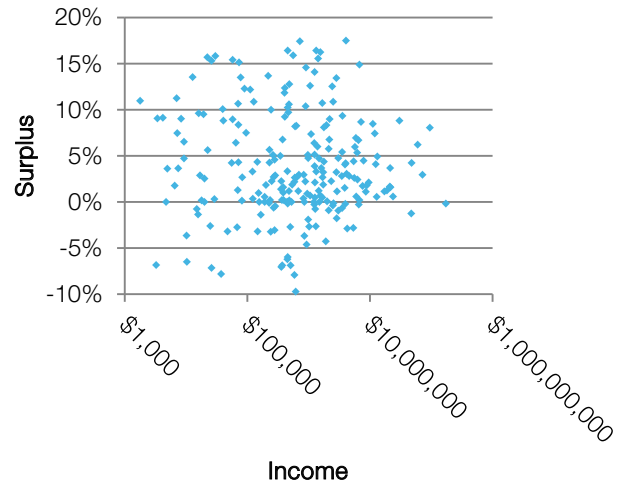


### Net assets

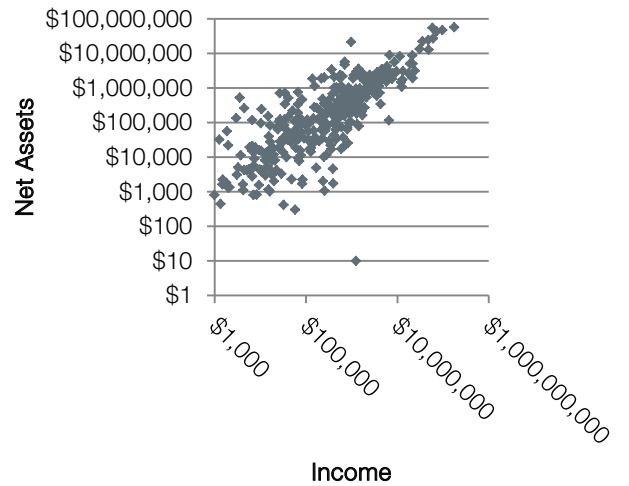


## Individual organisation positioning

### Mental health and crisis intervention – Income vs Surplus



### Mental health and crisis intervention – Income vs Net Assets



Government funding is quite concentrated in the largest decile but other income and especially philanthropy is very well spread among the sector. There is a very strong relationship between income and assets but again, not between profitability and income.

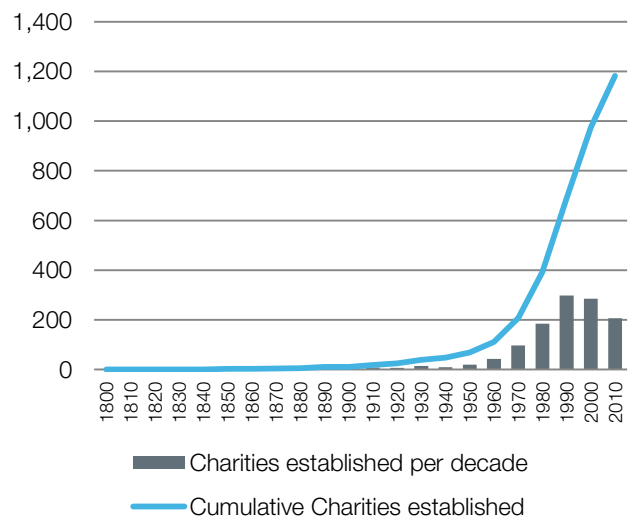
# Other health service delivery

## ICNPO 3 400 Other health services

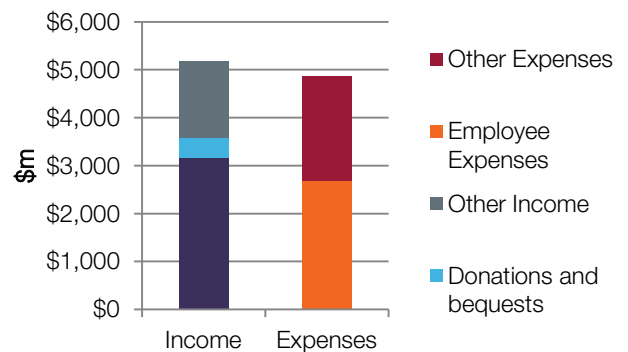
- **Public health and wellness education** – Public health promotion and health education; includes sanitation screening for potential health hazards, first aid training and services and family planning services.
- **Health treatment, primarily outpatient** – Organisations that provide primarily outpatient 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.

There are a mix of organisations in this subsection including ambulance, flying doctor, some State cancer councils and some disease specific groups. The growth rate in organisation numbers has been fast but only in line with the total sector. Given the reasonably large number of organisations, they are reasonably highly ranked in overall income but lower in terms of assets and even lower in profit margin with that sitting only a little over 5%. Philanthropy makes up 8% of income, the same as the total NFP sector but given the diversity of groups, this ranges from over 80% to virtually zero. Income from Government is high at over 60% but again that varies widely between organisations. There are 84% of organisations with DGR status.

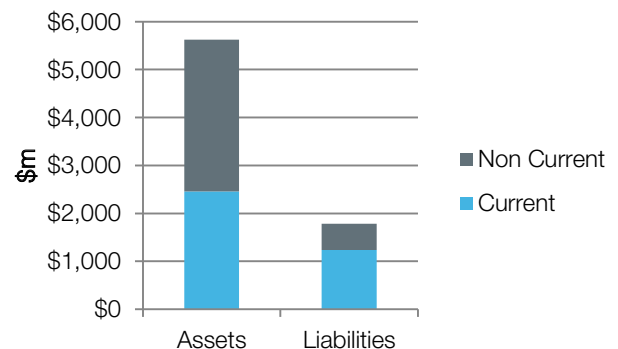
Other health service delivery – Number of charities established and cumulative per decade



Profit and loss – Other health service delivery



Balance sheet – Other health service delivery



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Other health service delivery \$m</b>	<b>\$5,183</b>	<b>\$3,165</b>	<b>\$421</b>	<b>\$1,598</b>	<b>\$5,623</b>	<b>53,155</b>
St John Ambulance Western Australia Ltd	\$241	47%	0%	53%	\$220	1,545
Yooralla	\$107	81%	1%	19%	\$79	3,115
Royal Flying Doctor Service of Australia (Western Operations)	\$101	71%	15%	14%	\$122	265
The Trustee for Australian Home Care Services Unit Trust	\$96	0%	0%	100%	\$25	2,925
Royal Flying Doctor Service of Australia (Queensland Section)	\$92	84%	12%	4%	\$140	398
The Cancer Council NSW	\$74	1%	81%	18%	\$98	375
The Trustee for Mater Hospitals Trust	\$64	0%	24%	76%	\$36	141
Each	\$61	91%	0%	9%	\$42	962
Perth Home Care Services Inc	\$61	95%	0%	5%	\$28	1,130
The Cerebral Palsy Association of Western Australia Ltd	\$61	79%	6%	15%	\$59	873

Other health service delivery	Total income	Total expenses	Total assets
Mean	\$4,068,441	\$3,836,404	\$4,413,773
Median	\$511,665	\$462,111	\$500,668

Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Other health service delivery</b>	<b>18,573</b>	<b>23,061</b>	<b>11,521</b>	<b>53,155</b>	<b>60,050</b>
ACT	277	232	468	977	870
NSW	4,015	3,497	2,061	9,573	16,010
NT	390	137	84	611	225
QLD	3,058	1,540	1,163	5,761	11,225
SA	1,221	1,670	1,119	4,010	3,810
TAS	554	993	592	2,139	3,130
VIC	5,479	11,653	4,888	22,020	20,250
WA	3,567	3,335	1,144	8,046	4,475

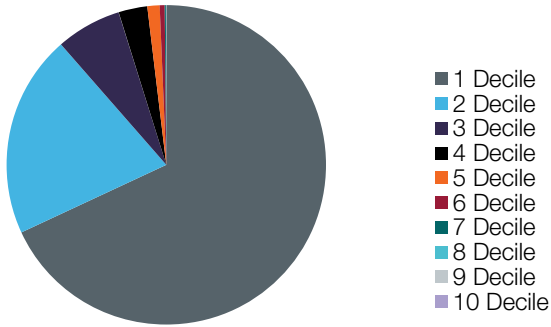
State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	2%	1%	2%	1%	0%
NSW	18%	42%	22%	35%	34%
NT	2%	0%	1%	1%	1%
QLD	17%	17%	14%	12%	13%
SA	7%	7%	10%	9%	10%
TAS	4%	1%	2%	3%	2%
VIC	31%	15%	32%	24%	24%
WA	20%	16%	17%	15%	16%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

For such a large sector there are virtually no dominant organisations but many groups at all different income levels. The potential for mergers and acquisitions in similar cause areas would appear to be large. There is a reasonable ratio of volunteering to paid staff and the State split of income and assets is in line with population numbers, although Western Australia is well represented.

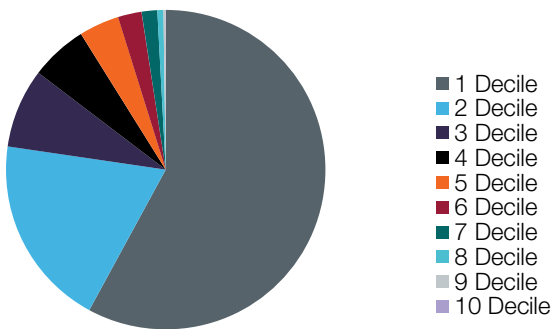


## Income and asset split by decile

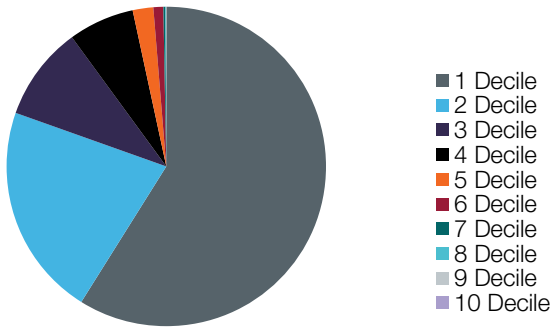
### Government grants



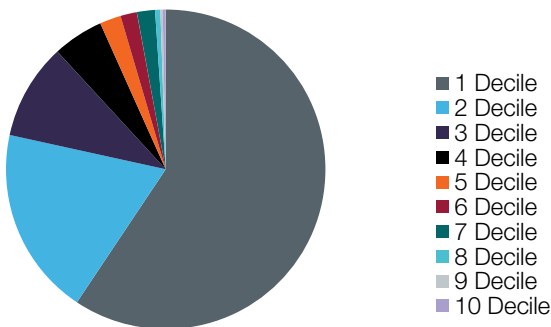
### Donations and bequests



### Other income

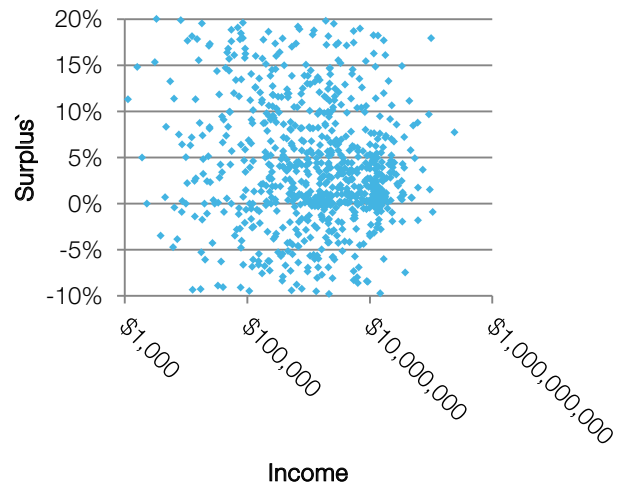


### Net assets

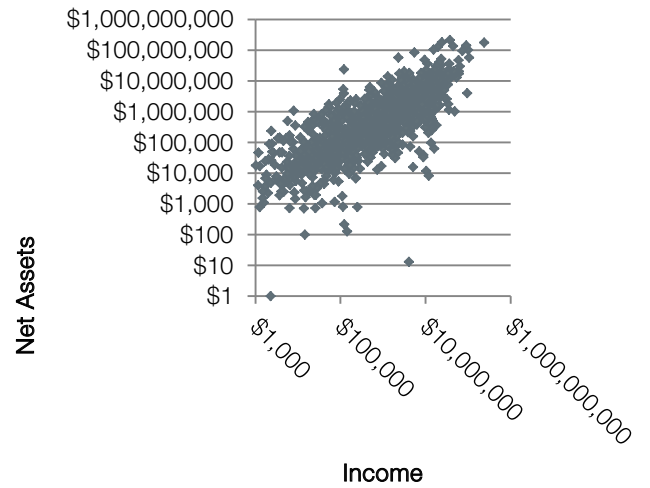


## Individual organisation positioning

### Other health service delivery – Income vs Surplus



### Other health service delivery – Income vs Net Assets

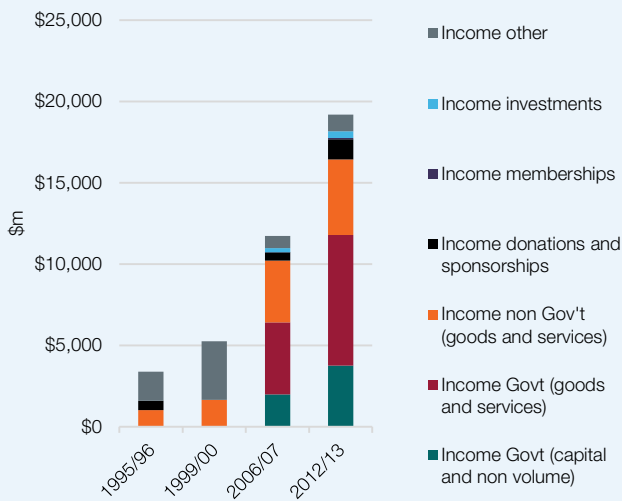


The decile split in each of their income streams and in assets is quite diverse compared to most other sectors, reflecting the large number of organisations across all income levels. There is a very strong relationship between income and assets but again, not between profitability and income.

# Social services

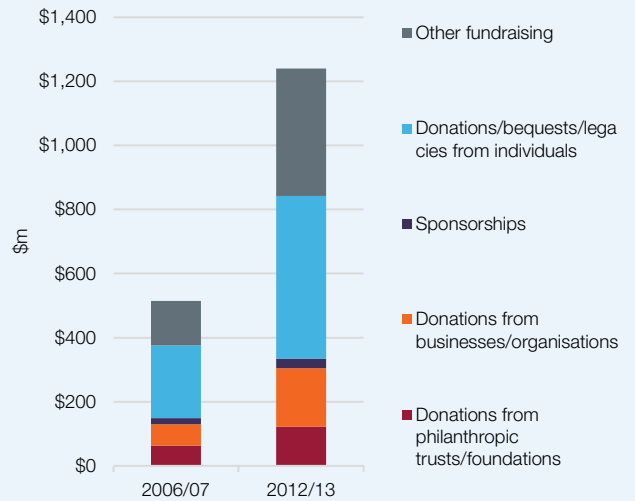
The ICNPO Group 4 comprises a wide range of social service and welfare activities including emergency aid and relief conducted in Australia.

## Social services – Income mix



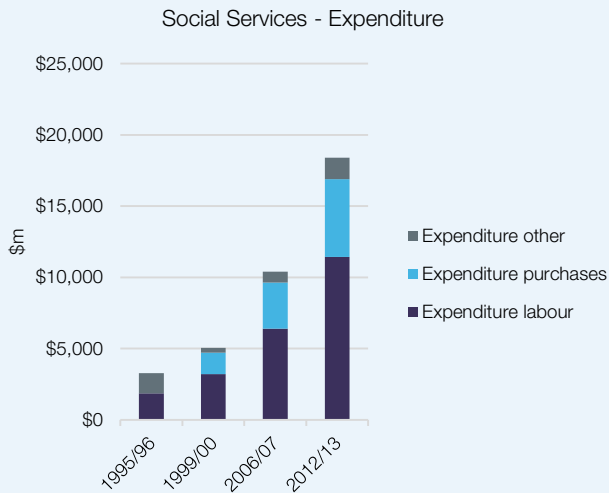
Growth in income has been faster than the full NPI sector over the past 20 years with an almost six-fold rise during that time compared to four-fold overall. After staying flat around 30% of the total, non-Government goods and services fell to under 25% in 2013, partly as a result of accepting more Government contracts.

## Social services – Fundraising and sponsorship



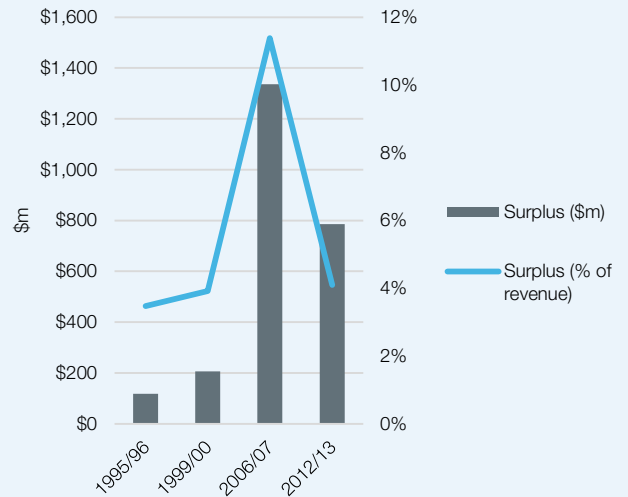
Fundraising support has grown in almost all categories at around double the rate seen for all NPIs, admittedly from a low base.

## Social services – Expenditure



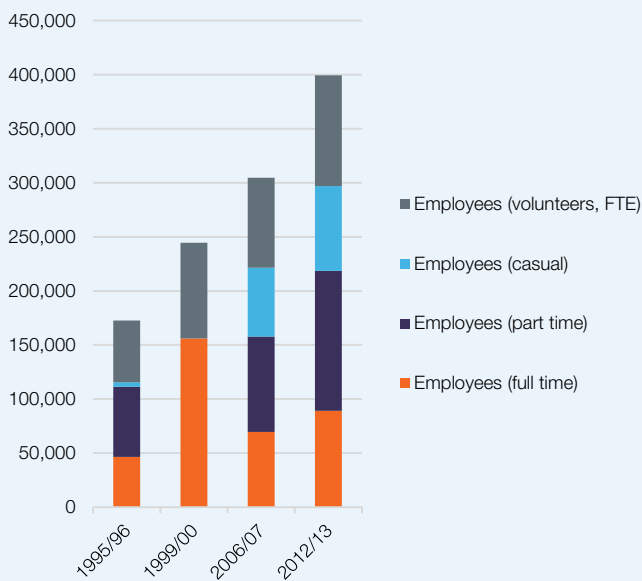
Costs have also risen strongly, matching gains in income. The labour proportion of these costs has remained higher than the sector average and was 62% of the total in 2013.

## Social services – Annual surplus



Margins have fallen back to long term averages after what seemed an unusually positive 2007

## Social services – Employees and volunteers



Employee numbers have also increased significantly and volunteers continue to make a significant contribution to those numbers.

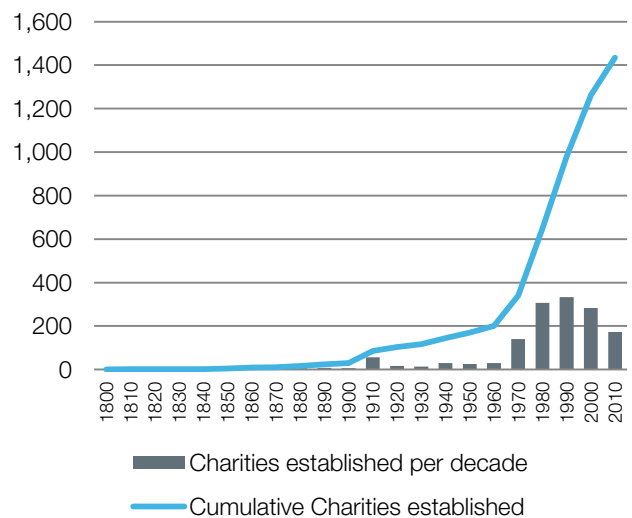
# Social services

## ICNPO 4 100 Social services

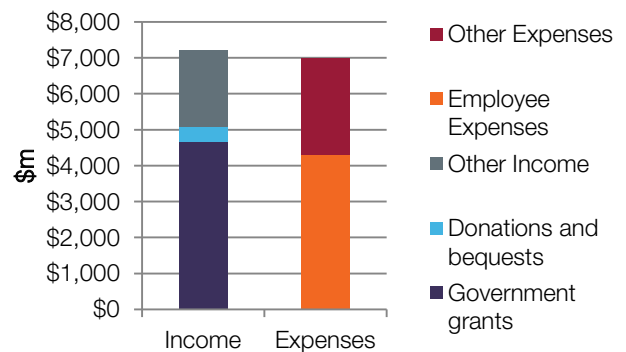
- **Child welfare, child services and day care** – Services to children, adoption services, child development centres, foster care; includes infant care centres and nurseries.
- **Youth services and youth welfare** – Services to youth; includes delinquency prevention services, teen pregnancy prevention, 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.

Very strong growth in organisation numbers in the 1980's and 1990's has slowed a little in recent years but still sees large well known, long established groups at the top of income tables. Income comes predominantly from Government with philanthropy making up 6% of the total, although some of the larger sector groups see around 15% from philanthropy. The sector has one of the smallest margins and has employee costs as the third highest proportion of overall costs of all sectors, despite annual wages being below NFP averages. It is also relatively asset poor compared to others with liabilities proportionally in line with other sectors. There are 74% of organisations with DGR status.

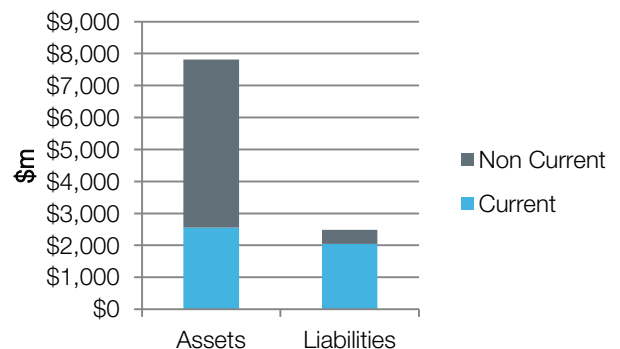
Social services – Number of charities established and cumulative per decade



Profit and loss – Social services



Balance sheet – Social services



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Social services \$m</b>	<b>\$7,208</b>	<b>\$4,656</b>	<b>\$430</b>	<b>\$2,122</b>	<b>\$7,812</b>	<b>95,880</b>
Salvation Army – Eastern	\$394	51%	16%	33%	\$637	4,088
Salvation Army – Southern	\$377	37%	12%	51%	\$457	4,823
Life Without Barriers	\$345	97%	0%	3%	\$98	3,881
Endeavour Foundation	\$198	54%	1%	45%	\$121	3,546
Wesley Mission	\$164	62%	3%	36%	\$404	2,029
The Corporation of the Synod of the Diocese of Brisbane	\$164	82%	0%	18%	\$256	2,009
Wesley Mission Brisbane	\$158	1%	0%	99%	\$353	2,436
The Trustees of the Society of St Vincent De Paul (NSW)	\$144	28%	15%	57%	\$413	1,408
St Vincent De Paul Society NSW	\$131	31%	13%	56%	\$136	1,406
Anglicare SA Ltd	\$120	77%	2%	21%	\$192	1,637

Social services	Total income	Total expenses	Total assets
Mean	\$4,683,762	\$4,538,580	\$5,075,868
Median	\$394,271	\$367,923	\$339,695

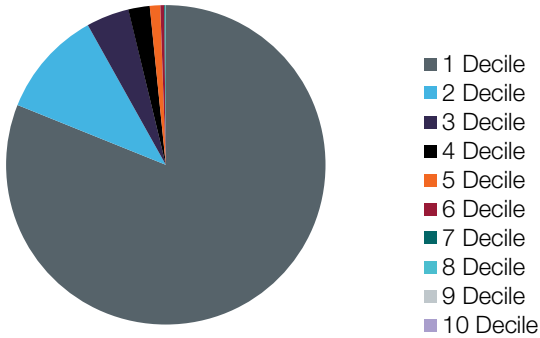
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Social services</b>	<b>32,101</b>	<b>38,925</b>	<b>4,854</b>	<b>95,880</b>	<b>96,010</b>
ACT	748	1,119	602	2,469	1,290
NSW	10,925	12,259	8,704	31,888	32,515
NT	841	318	379	1,538	830
QLD	6,213	9,213	4,250	19,676	16,455
SA	2,343	2,896	2,035	7,274	7,200
TAS	854	585	565	2,004	2,605
VIC	7,690	10,010	6,425	24,125	24,095
WA	2,284	2,353	1,814	6,451	10,145

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	3%	1%	4%	2%	1%
NSW	35%	47%	31%	34%	34%
NT	2%	0%	1%	1%	1%
QLD	19%	15%	28%	21%	18%
SA	9%	3%	8%	7%	8%
TAS	2%	1%	2%	2%	2%
VIC	22%	19%	16%	20%	22%
WA	8%	13%	8%	11%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

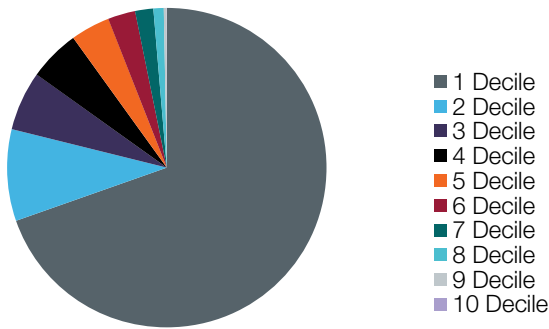
It is interesting that four of the five largest organisations in the sector currently were in the top five from this sector in 1994. With such a large sector, as expected, the split of income, assets and workforce is along State population lines. There is almost a one to one ratio of paid staff to volunteers.

## Income and asset split by decile

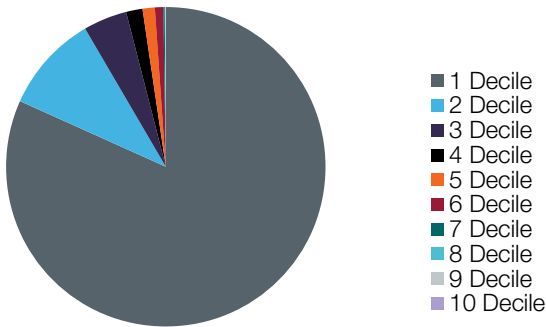
### Government grants



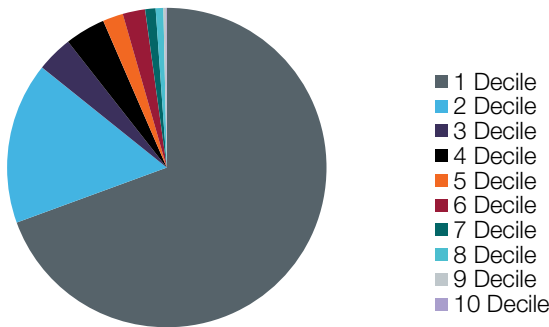
### Donations and bequests



### Other income

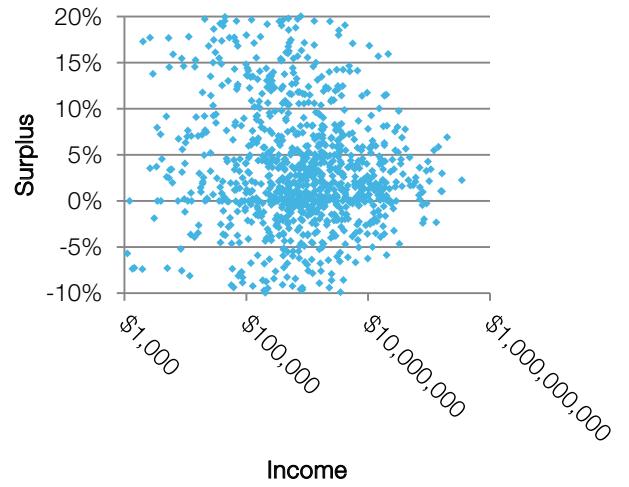


### Net assets

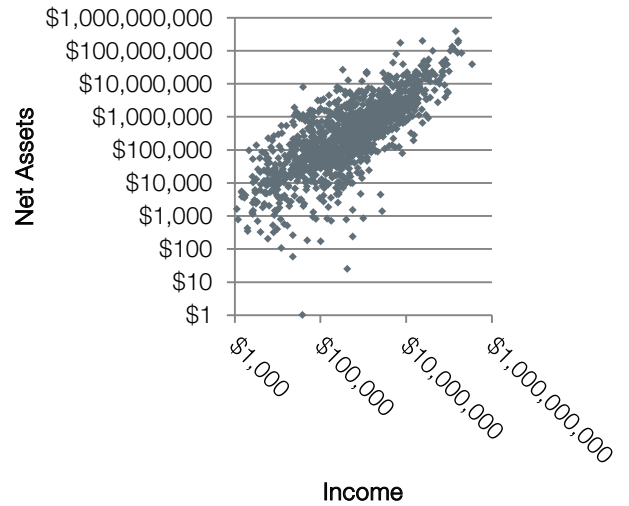


## Individual organisation positioning

### Social services – Income vs Surplus



### Social services – Income vs Net Assets



While it is reasonably concentrated, donations and assets are more spread than for most sectors. There is also a very strong concentration of organisations with annual income around the \$1m to \$5m level. There is a very strong relationship between income and assets but again, not between profitability and income.

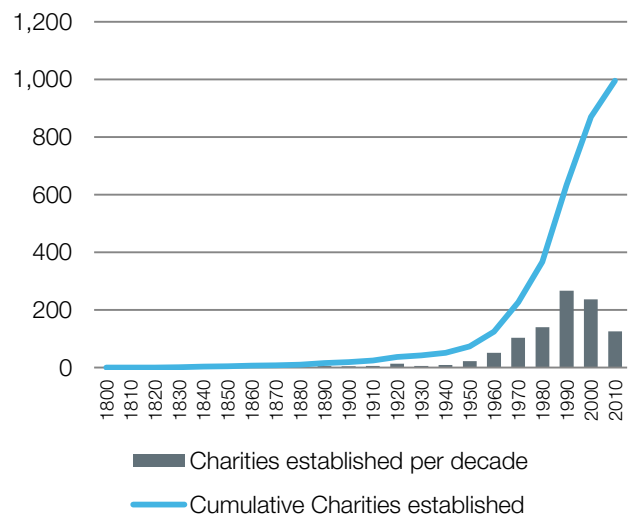
# Emergency relief

## ICNPO 4 200 Emergency relief

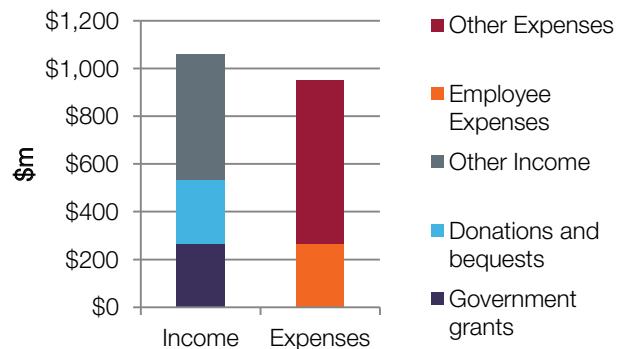
- **Disaster/emergency prevention and control** – Organisations that work to prevent, predict, control and alleviate the effects of disasters, to educate or otherwise prepare individuals to cope with the effects of disasters, or to provide relief to disaster victims; includes volunteer fire departments, 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.

We have seen reasonable levels of growth in organisational numbers but not quite as large as for the NFP sector in total. Some organisations that might be thought of as involved in International aid have chosen to select their main activity as Emergency relief and the largest of all, Australian Red Cross Society is listed under Other. Philanthropy provides a large proportion of income at around 25%, particularly for organisations involved in overseas work. Employee expenses were one of the lowest of all sectors at only 28% of total expenses. Profit margins for the sector were mid-range in 2014 but depending on the timing of support for disasters and the related expenditures, this could vary widely from year to year. The sector is relatively asset poor although liabilities are proportionally above sector averages. There are 70% of organisations with DGR status.

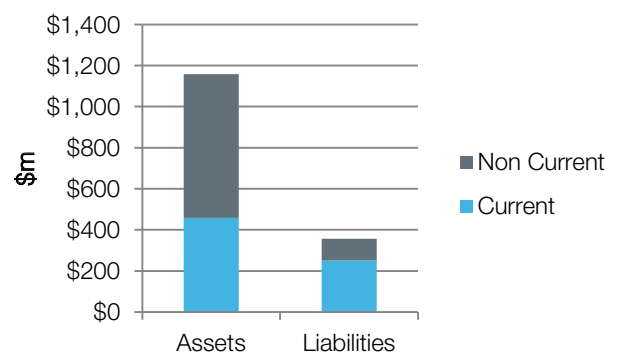
Emergency relief – Number of charities established and cumulative per decade



Profit and loss – Emergency relief



Balance sheet – Emergency relief



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Emergency relief \$m</b>	<b>\$1,060</b>	<b>\$266</b>	<b>\$270</b>	<b>\$524</b>	<b>\$1,158</b>	<b>6,703</b>
Save the Children Australia	\$145	78%	19%	3%	\$57	758
State Emergency Service (NSW)	\$91	0%	1%	99%	\$50	308
Medecins Sans Frontieres Australia	\$76	0%	95%	5%	\$19	125
Careflight Limited	\$73	0%	8%	92%	\$42	202
CARE Australia	\$59	36%	25%	40%	\$47	134
St Vincent De Paul Society Queensland	\$54	28%	13%	59%	\$101	344
Islanders Board of Industries & Services	\$44	0%	0%	100%	\$40	153
St John Ambulance Australia NT Inc	\$31	0%	0%	100%	\$16	250
Surf Life Saving Queensland Inc	\$30	17%	1%	82%	\$31	580
Geelong Ethnic Communities Council Inc	\$19	87%	0%	13%	\$12	391

Emergency relief	Total income	Total expenses	Total assets
Mean	\$946,619	\$881,107	\$1,034,007
Median	\$39,837	\$35,562	\$39,021

Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Emergency relief</b>	<b>2,777</b>	<b>1,568</b>	<b>2,358</b>	<b>6,703</b>	<b>79,120</b>
ACT	126	43	21	190	565
NSW	889	308	282	1,479	22,690
NT	223	21	30	274	380
QLD	537	281	789	1,607	19,530
SA	99	113	105	317	6,240
TAS	77	102	57	236	2,555
VIC	727	545	524	1,796	16,235
WA	82	126	541	749	10,745

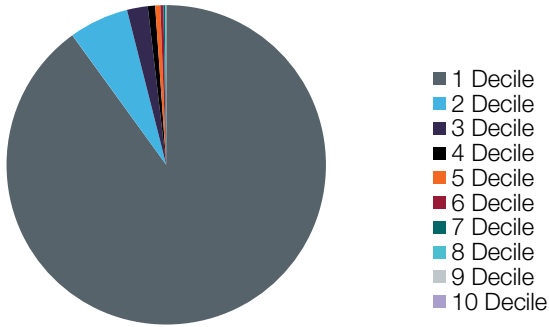
State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	9%	6%	5%	5%	3%
NSW	8%	56%	45%	33%	33%
NT	0%	0%	6%	2%	1%
QLD	18%	15%	24%	25%	27%
SA	3%	2%	3%	9%	13%
TAS	2%	1%	2%	2%	3%
VIC	56%	17%	8%	14%	10%
WA	3%	4%	7%	10%	10%
<b>Total</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

There are a lot of relatively small organisations with the average size seeing annual revenue of around \$1m. In addition, if the predominantly overseas serving organisations were removed, it would reduce total income by about one third, further highlighting the “many small groups” nature of the sector. This is understandable to a degree as many are not continually in operation due to the nature of the activities. Volunteering is very strong with almost 12 volunteers per paid employee. Queensland is well represented in State numbers.

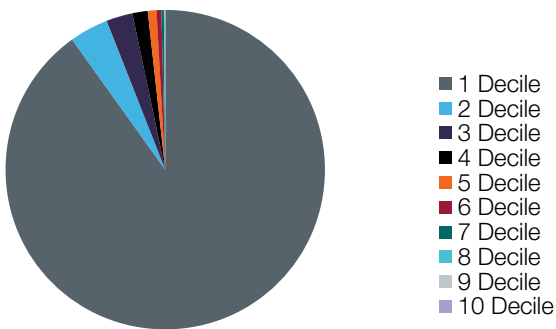


## Income and asset split by decile

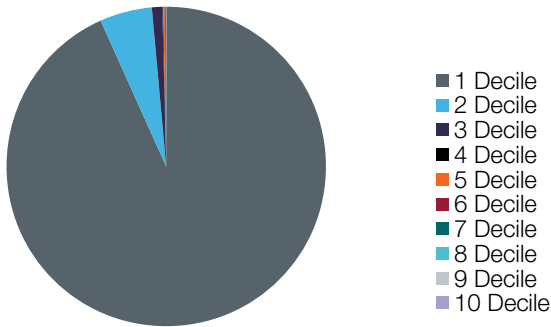
### Government grants



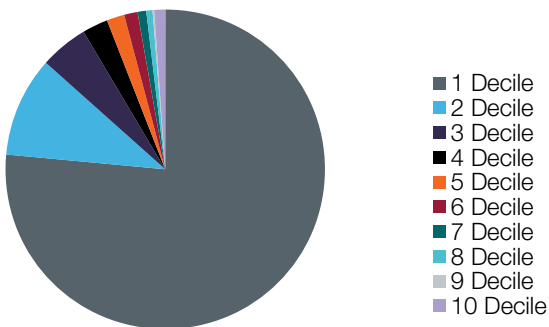
### Donations and bequests



### Other income

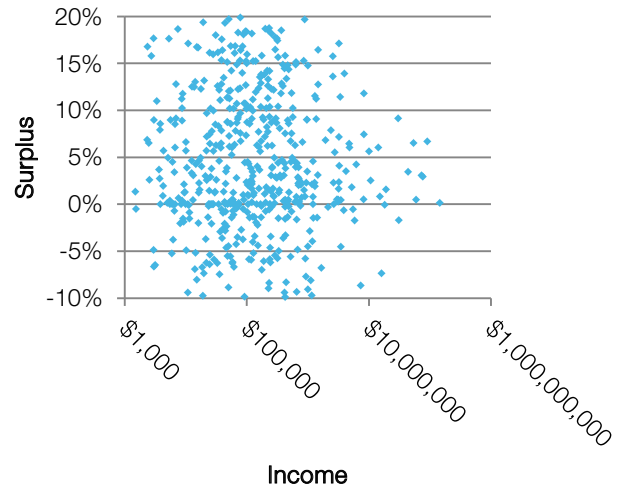


### Net assets



## Individual organisation positioning

### Emergency relief – Income vs Surplus



### Emergency relief – Income vs Net Assets



For a sector with many small to medium sized organisations, the spread of income from each source is quite concentrated. This is less so for assets, recognising that the sector is asset poor. There is a very strong relationship between income and assets but again, not between profitability and income.

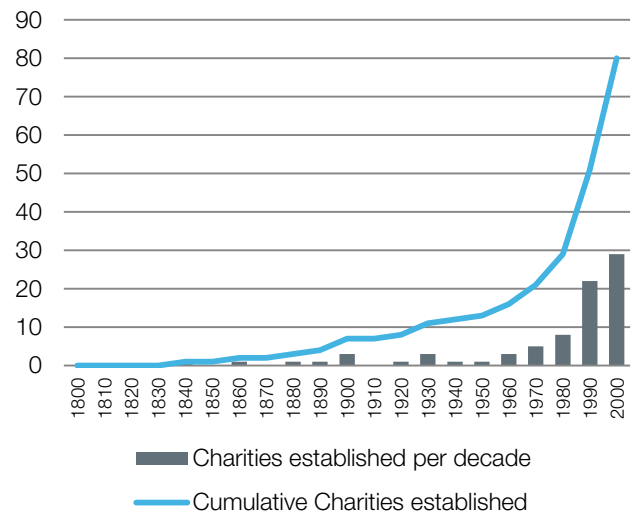
# Income support and maintenance

## ICNPO 4 300 Income support and maintenance

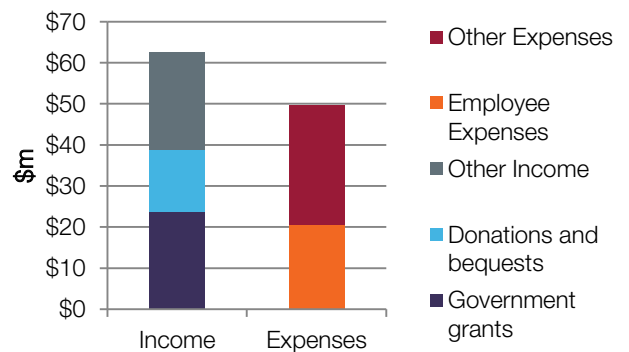
- **Income support and maintenance** – Organisations providing cash assistance and other forms of direct services to persons unable to maintain a livelihood.
- **Material assistance** – Organisations providing food, clothing, transport and other forms of assistance; includes food banks and clothing distribution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

This is quite a small but growing and diverse subsector with most organisations starting in the last 10 years. A number of the groups have started with a significant and possibly “once off” grant. How they shepherd that startup capital and begin to develop more sustainable business models will be the challenge for many. There has also been a high proportion of philanthropy which comprises 24% of income with Government and self-earned income providing the remainder. Profit margins are very strong but again reflects the timing of some larger initial grants. There is a quite strong and low liability balance sheet making the sector asset rich compared to income. Again, converting this strong starting position into sustainability is the opportunity for this sector. There are 63% of organisations with DGR status.

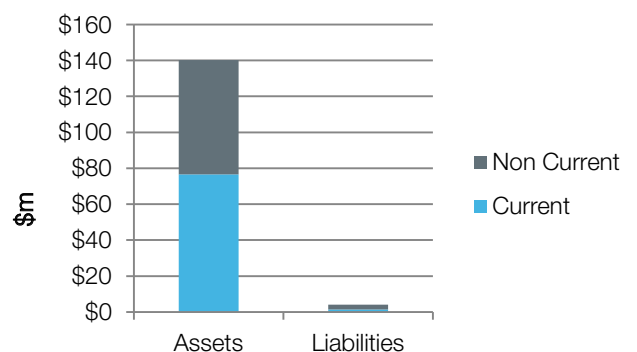
Income support and maintenance – Number of charities established and cumulative per decade



Profit and loss – Income support and maintenance



Balance sheet – Income support and maintenance



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Income support and maintenance \$m</b>	<b>\$63</b>	<b>\$24</b>	<b>\$15</b>	<b>\$24</b>	<b>\$140</b>	<b>358</b>
Resource & Toy Library Broken Hill & Western Region Inc	\$14	78%	1%	21%	\$0	4
Cam Can Incorporated	\$9	99%	0%	1%	\$0	219
Stand by You Cancer Foundation Inc	\$6	0%	12%	88%	\$0	0
The Trustee for Jaam Foundation	\$5	0%	98%	2%	\$7	0
St Georges College Foundation Incorporated	\$4	0%	72%	28%	\$10	3
Bobby Goldsmith Foundation	\$3	59%	7%	34%	\$3	30
Queensland Blind Association Inc	\$2	0%	28%	72%	\$25	5
The Trustee for the Melbourne Jewish Community Charity Fund	\$2	0%	89%	11%	\$1	0
The Trustee for Da Costa Samaritan Fund Trust	\$2	0%	0%	100%	\$11	1
Priests Retirement Foundation Archdiocese of Melbourne	\$1	0%	43%	57%	\$0	3

Income support and maintenance	Total income	Total expenses	Total assets
Mean	\$517,647	\$412,213	\$1,158,752
Median	\$33,244	\$23,452	\$75,934

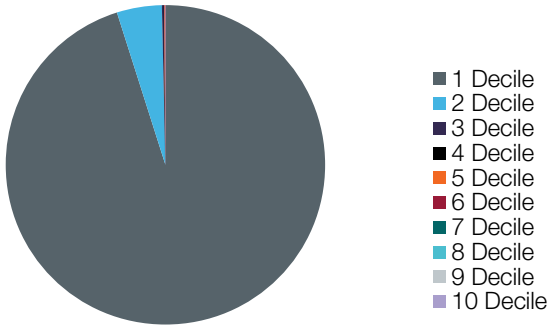
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Income support and maintenance</b>	<b>60</b>	<b>44</b>	<b>254</b>	<b>358</b>	<b>1,465</b>
NSW	33	11	15	59	400
NT	0	0	0	0	0
QLD	3	7	3	13	205
SA	0	0	1	1	50
TAS	0	0	0	0	25
VIC	7	17	34	58	440
WA	17	9	201	227	340

State Split Table	Government grants	Donations and bequests	Other income	Total assets	Net assets
NSW	54%	52%	31%	27%	26%
NT	0%	0%	0%	0%	0%
QLD	0%	7%	13%	23%	24%
SA	0%	0%	8%	13%	13%
TAS	0%	0%	0%	1%	1%
VIC	7%	22%	36%	15%	15%
WA	38%	19%	11%	21%	21%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

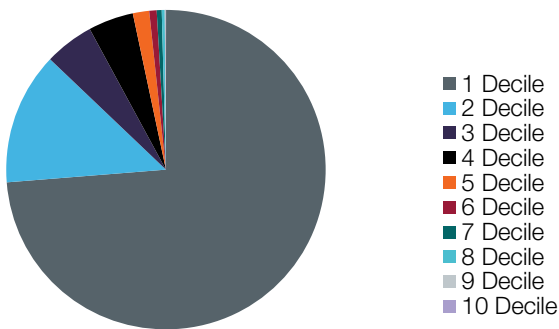
The good variety of State assets, reflects the diverse nature of the sector while the much more concentrated income and staffing is due to some individual organisations. There is very strong volunteering in the sector with four volunteers per paid employee

## Income and asset split by decile

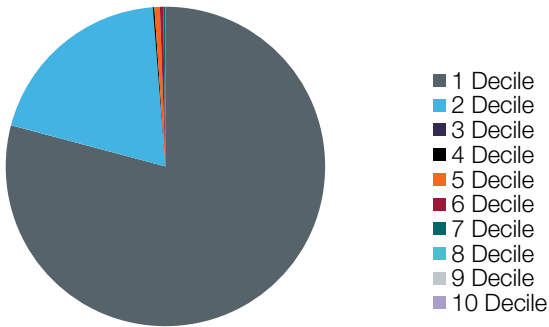
### Government grants



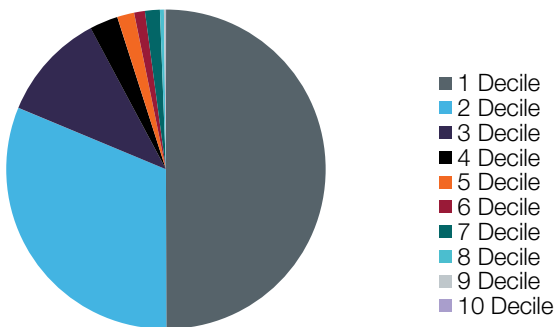
### Donations and bequests



### Other income

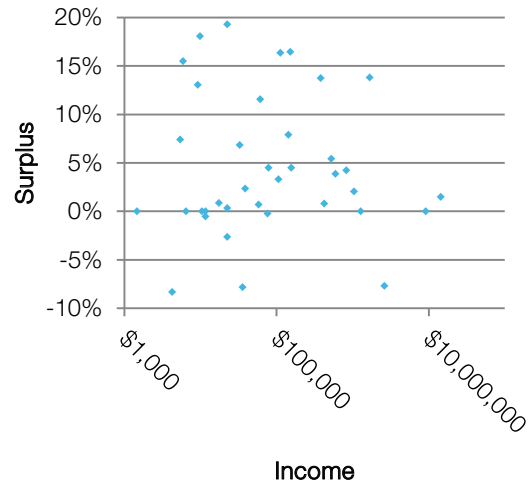


### Net assets

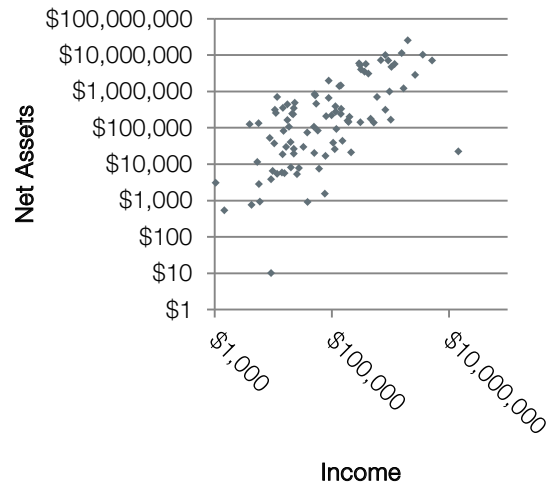


## Individual organisation positioning

### Income support and maintenance – Income vs Surplus



### Income support and maintenance – Income vs Net Assets

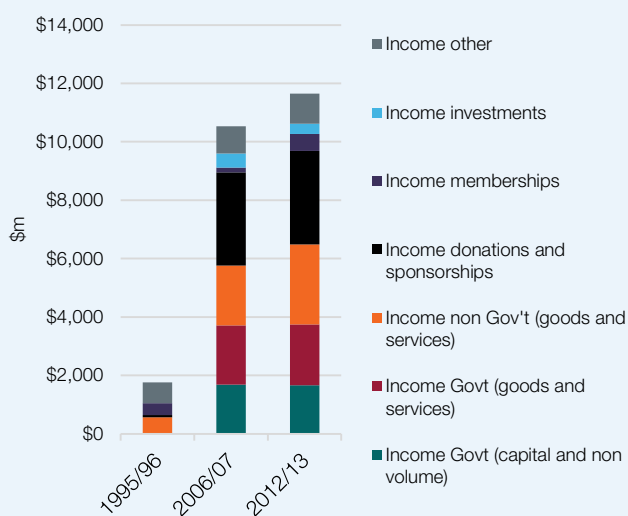


There is a big spread in assets when examined by decile but other income and philanthropy is more concentrated with Government grants highly concentrated. There is a very strong relationship between income and assets but again, not between profitability and income.

# Environment, development and housing, law, advocacy, philanthropic, international

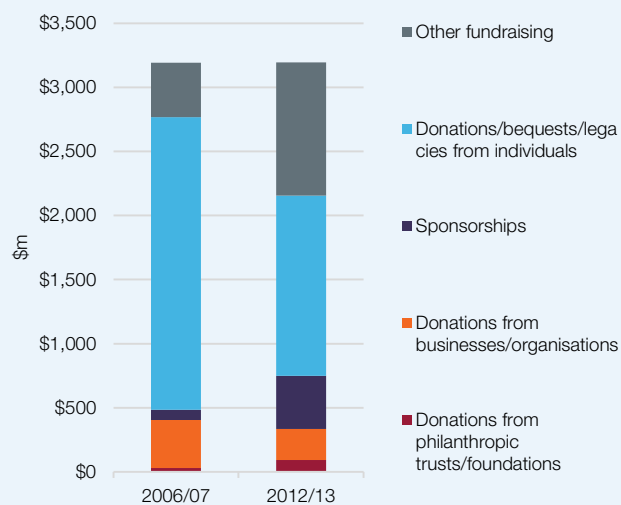
The ABS has combined ICNPO Groups 5 to 9 in a very diverse sector, meaning the overall combined multiple group trends may not be as meaningful as some of the more closely related groupings.

## Environment, development and housing, law, advocacy, philanthropic, international – Income mix



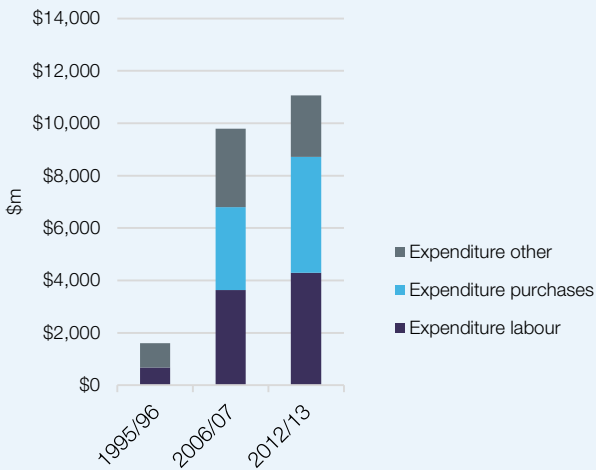
This diverse field has seen relatively flat income levels over the past two ABS surveys, although this masks individual non related sector moves. There is a real mix in income sources with philanthropy representing a strong 27%, much higher than broad NPIs and boosted by a number of sectors which are heavily reliant on that source such as International aid and grant making. The 1996 data did not include the full group of sectors covered in the more recent ABS surveys.

## Environment, development and housing, law, advocacy, philanthropic, international – Fundraising and Sponsorship



While fundraising has provided a strong share of sector income, its shape is changing with sponsorships replacing a fall in individual donations.

**Environment, development and housing, law, advocacy, philanthropic, international – Expenditure**



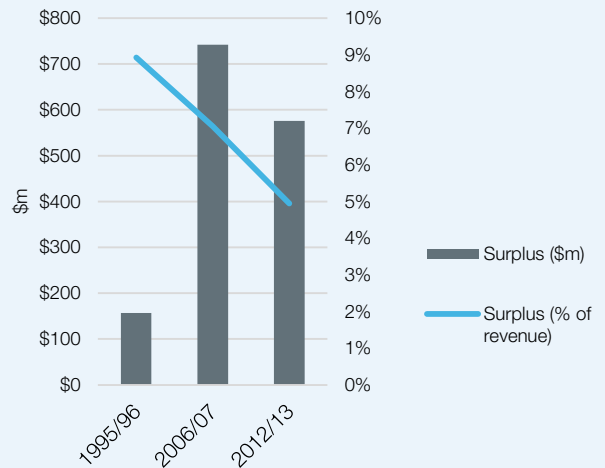
Costs have risen but in line with income. Labour is steady around 39% of total expenditure, well below overall NPI averages.

**Environment, development and housing, law, advocacy, philanthropic, international – Employees and volunteers**



Aiding the low labour cost component has been a fall in staffing, although some of this was replaced by a rise in volunteering.

**Environment, development and housing, law, advocacy, philanthropic, international – Annual Surplus**



Profit levels and margins have been reasonably good over this period and generally above average. The mix of high margin sectors such as Grant making, alongside lower margin ones such as International aid, masks some changes.

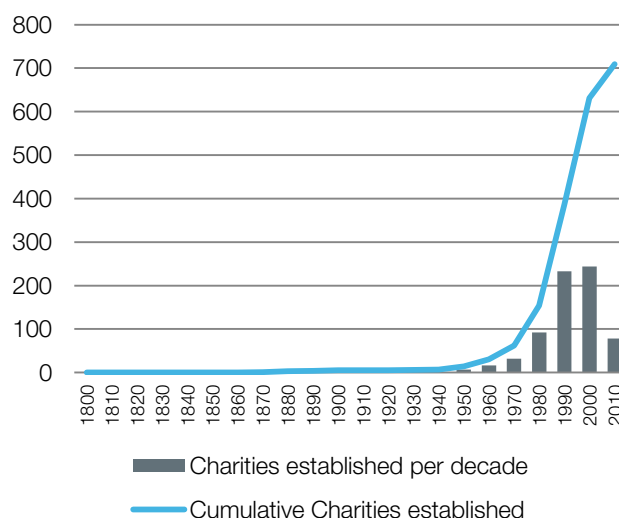
# Environmental activities

## ICNPO 5 100 Environmental activities

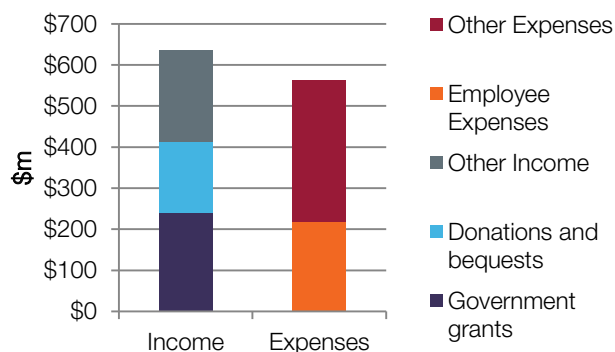
- **Pollution abatement and control** – Organisations that promote clean air, clean water, reducing and preventing noise pollution, radiation control, treatment of hazardous wastes and toxic substances, solid waste management and recycling programs.
- **Natural resources conservation and protection** – 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.

As expected, strong growth was seen in organisation numbers in the last two decades. While Government and self-earned income provide a similar level of income, the sector enjoys good levels of philanthropy providing 27% of total income, although many groups receive almost all income from donations. There is a good level of profit margin in the sector. Also a relatively large (compared to income) asset base and liabilities proportionate with sector averages. Much of the liabilities are current with some linked to property holdings. Employee costs are below NFP averages at 39% of total expenses. There are 51% of organisations with DGR status.

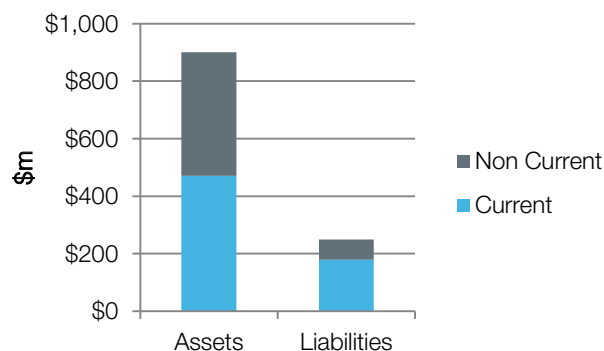
Environmental activities – Number of charities established and cumulative per decade



Profit and loss – Environmental activities



Balance sheet – Environmental activities



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Environmental activities \$m</b>	<b>\$635</b>	<b>\$240</b>	<b>\$172</b>	<b>\$222</b>	<b>\$901</b>	<b>4,531</b>
World Wide Fund for Nature Australia	\$30	1%	97%	2%	\$11	111
Australian Wildlife Conservancy	\$22	12%	70%	19%	\$82	98
Greenpeace Australia Pacific Limited	\$20	0%	95%	5%	\$11	63
Bush Heritage Australia	\$18	2%	85%	13%	\$45	81
The Trustee for the Nature Conservancy Australia Trust	\$16	51%	14%	35%	\$15	41
Fitzroy Basin Association Inc	\$15	100%	0%	0%	\$9	36
The Trustee for The RRA Environment Trust	\$13	2%	0%	98%	\$53	3
The Wilderness Society Inc	\$13	0%	98%	2%	\$5	85
Tasmanian Land Conservancy Inc	\$13	2%	10%	87%	\$42	23
Australian Conservation Foundation Incorporated	\$12	0%	83%	16%	\$16	70

Environmental activities	Total income	Total expenses	Total assets
Mean	\$861,196	\$766,496	\$1,221,908
Median	\$76,116	\$72,018	\$98,544

Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Environmental activities</b>	<b>1,938</b>	<b>1,330</b>	<b>1,263</b>	<b>4,531</b>	<b>58,805</b>
ACT	15	34	12	61	2,170
NSW	507	263	258	1,028	13,915
NT	21	27	64	112	135
QLD	412	186	252	850	9,035
SA	115	76	74	265	7,405
TAS	86	120	69	275	1,385
VIC	515	459	359	1,333	15,170
WA	267	165	175	607	9,590

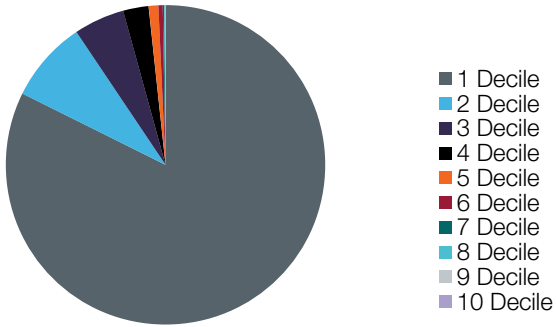
State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	1%	0%	8%	7%	9%
NSW	9%	49%	24%	22%	23%
NT	2%	0%	1%	1%	0%
QLD	48%	5%	20%	18%	16%
SA	4%	2%	5%	7%	8%
TAS	4%	9%	8%	7%	7%
VIC	13%	25%	24%	23%	19%
WA	20%	10%	12%	16%	17%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

There is a wide range of organisations in terms of income levels with none dominating the group. There is also a good and even spread of State based activity based more on land size than population. Volunteering provides a large component of sector support with around 13 volunteers for each paid employee.

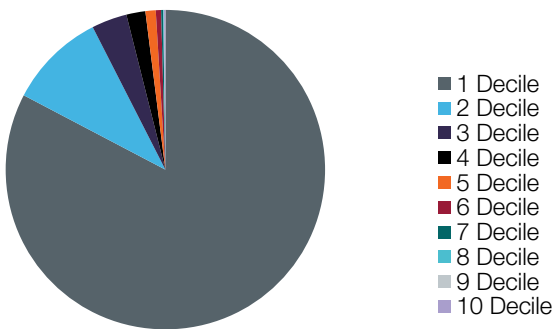


## Income and asset split by decile

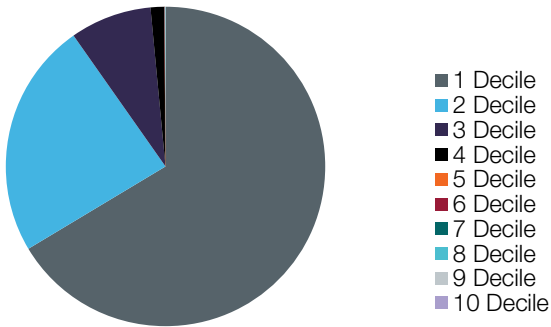
### Government grants



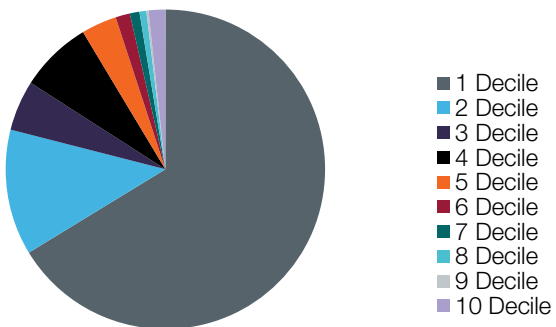
### Donations and bequests



### Other income

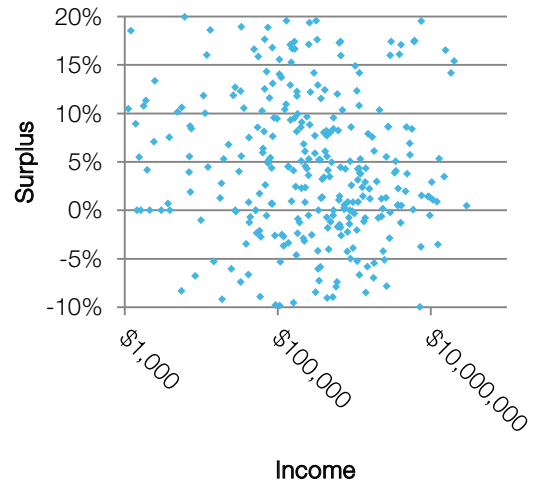


### Net assets



## Individual organisation positioning

### Environmental activities – Income vs Surplus



### Environmental activities – Income vs Net Assets



Other income and assets show a relatively good spread by organisational decile compared to Government support and donations which are more concentrated. There is a reasonably strong relationship between income and assets but again, not between profitability and income.

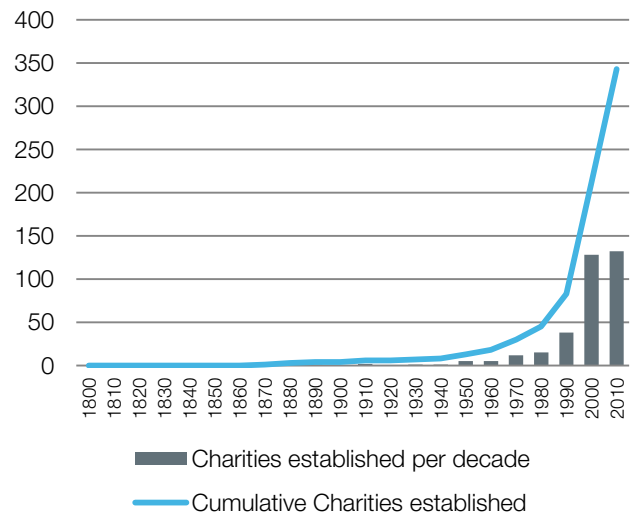
# Animal protection

## ICNPO 5 200 Animal protection

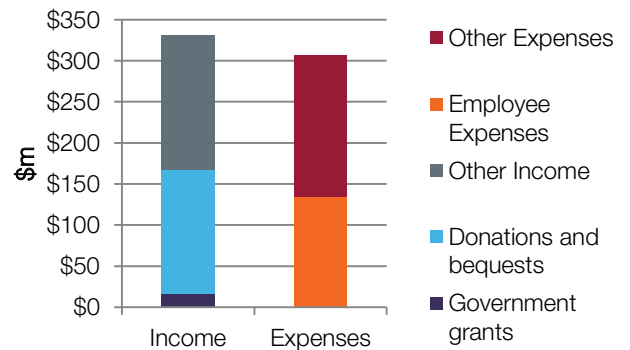
- **Animal protection and welfare** – Animal protection and welfare services; includes animal shelters and humane societies.
- **Wildlife preservation and protection** – Wildlife preservation and protection; includes sanctuaries and refuges.
- **Veterinary services** – Animal hospitals and services providing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

There has been a large increase in organisation numbers in the last 10 years, faster than for the overall NFP sector. There is little Government income support with the sector sitting in last place for income share from that source. However, philanthropy is large, providing 46% of total income with a significant share coming from bequests. Sector margins are mid-range compared to others. There is good balance sheet strength compared to income and low liabilities. There are 79% of organisations with DGR status.

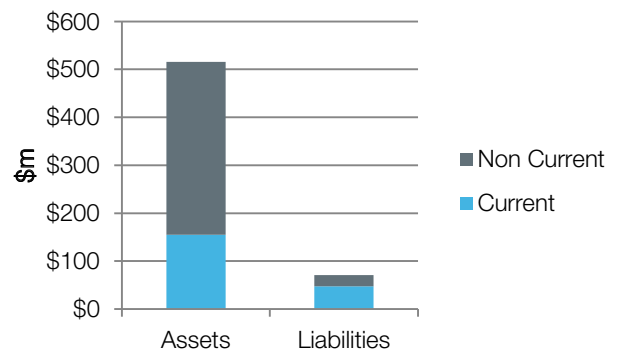
Animal protection – Number of charities established and cumulative per decade



Profit and loss – Animal protection



Balance sheet – Animal protection



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Animal protection \$m</b>	<b>\$330</b>	<b>\$16</b>	<b>\$151</b>	<b>\$164</b>	<b>\$516</b>	<b>3,080</b>
RSPCA – New South Wales	\$49	2%	42%	57%	\$104	449
RSPCA – Queensland	\$38	2%	42%	56%	\$45	311
RSPCA – Victoria	\$29	3%	50%	46%	\$55	420
Royal Zoological Society of South Australia Inc	\$23	32%	3%	65%	\$53	237
The Lost Dogs' Home	\$19	0%	52%	48%	\$25	264
Homeless Hounds	\$14	0%	38%	62%	\$0	–
World Animal Protection Limited	\$14	0%	99%	1%	\$2	64
Animal Welfare League of South Australia Inc	\$12	0%	51%	49%	\$33	80
Animal Welfare League of Qld Inc	\$10	0%	5%	95%	\$5	168
Sea Shepherd Australia Limited	\$9	0%	80%	20%	\$4	15

Animal protection	Total income	Total expenses	Total assets
Mean	\$912,347	\$850,764	\$1,424,910
Median	\$53,564	\$42,850	\$25,515

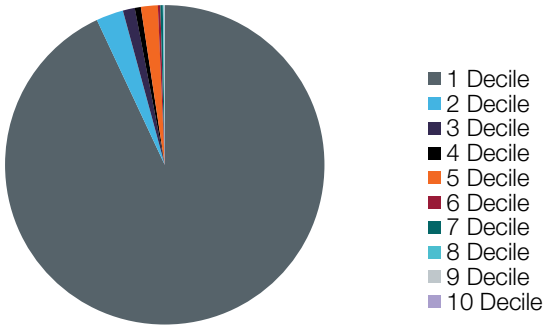
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Animal protection</b>	<b>1,394</b>	<b>831</b>	<b>855</b>	<b>3,080</b>	<b>25,675</b>
ACT	61	11	14	86	810
NSW	446	207	56	709	6,380
NT	13	2	11	26	175
QLD	190	146	188	524	4,515
SA	203	117	108	428	3,780
TAS	12	31	27	70	410
VIC	357	240	366	963	5,810
WA	112	76	85	273	3,660

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	4%	2%	4%	1%	1%
NSW	6%	32%	23%	33%	35%
NT	11%	1%	0%	1%	0%
QLD	7%	13%	21%	11%	9%
SA	52%	9%	15%	20%	18%
TAS	0%	2%	2%	2%	2%
VIC	11%	34%	27%	26%	27%
WA	9%	8%	7%	6%	7%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

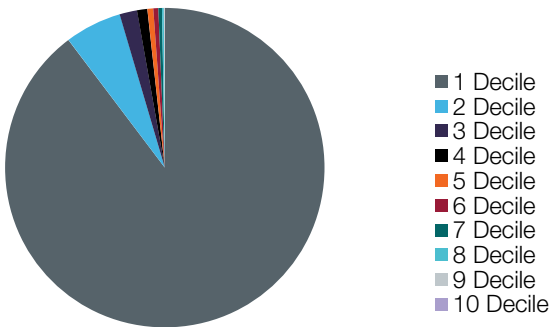
There is a good spread between States on income (although Government support of South Australia's Zoological Society influenced that particular measure). Volunteering is strong with over eight volunteers for each paid employee.

## Income and asset split by decile

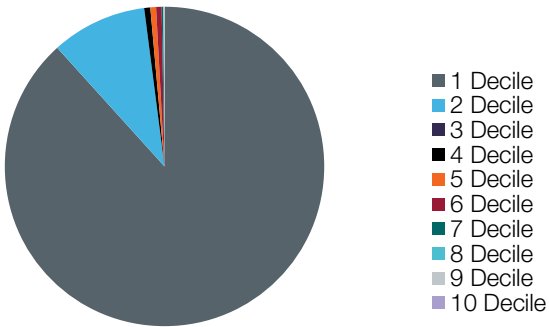
### Government grants



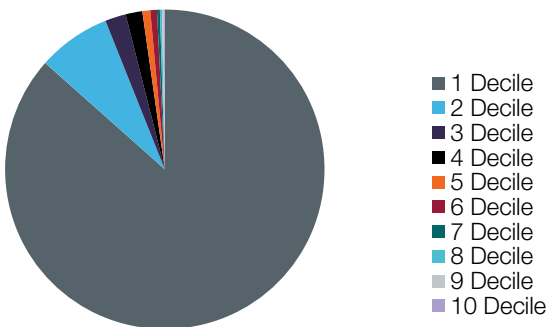
### Donations and bequests



### Other income

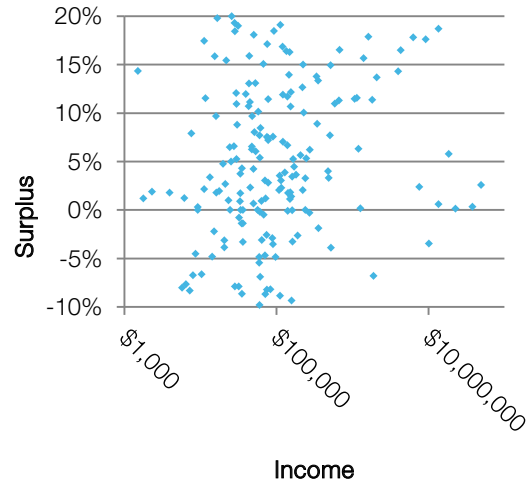


### Net assets



## Individual organisation positioning

### Animal protection – Income vs Surplus



### Animal protection – Income vs Net Assets



The concentration for each type of income and for assets is high among the top decile of organisations. There are a number of relatively large groups in the sector and although there is a very strong relationship between income and assets there is not between profitability and income.

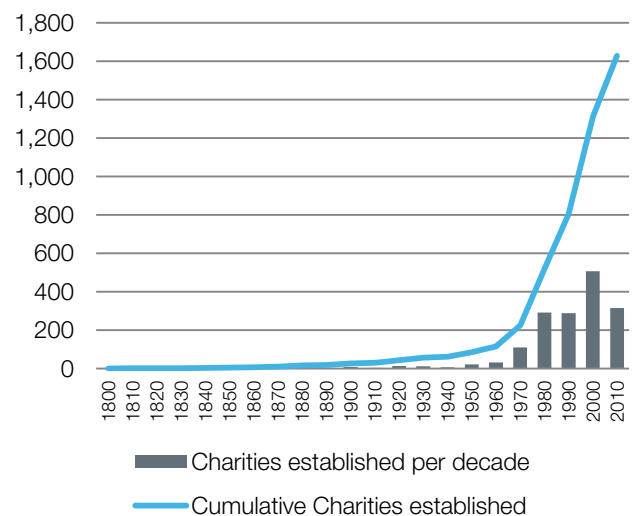
# Economic, social and community development

## ICNPO 6 100 Economic, social and community development

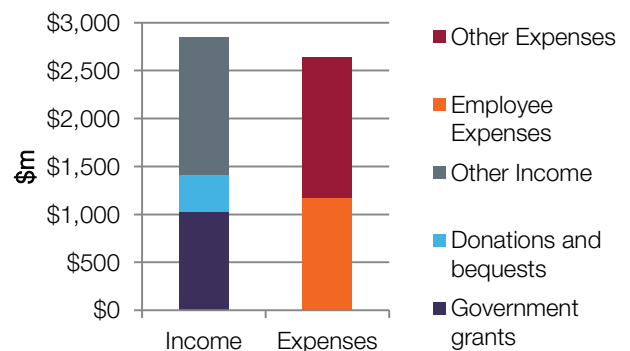
- **Community and neighbourhood organisations –** Organisations working towards improving the quality of life within communities or neighbourhoods, e.g., squatters' associations, local development organisations and poor people's cooperatives.
- **Economic development –** Programs and services to improve 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.

This is a relatively large and diverse sector with organisations covering quite a range of activities. It has seen significant and steady organisational number increases over the past four decades. Income from donations is a little above the average at 13% but is heavily influenced by groups supporting international efforts with many of the remainder seeing little or low levels of philanthropy. Self-earned income is the largest source with Government at 36% although again, this varies significantly across organisations. Employee expenses are a little below other sectors at 44% of total expenses. The profit margin for the sector is in line with NFP averages. There is a strong balance sheet relative to income and low liabilities although a few individual groups have added significantly to asset totals. There are 51% of organisations with DGR status.

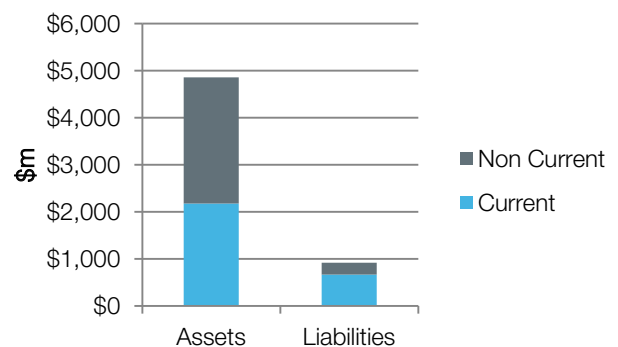
**Economic, social and community development – Number of charities established and cumulative per decade**



**Profit and loss – Economic, social and community development**



**Balance sheet – Economic, social and community development**



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Economic, social and community development \$m</b>	<b>\$2,842</b>	<b>\$1,030</b>	<b>\$382</b>	<b>\$1,430</b>	<b>\$4,859</b>	<b>30,317</b>
Mission Australia	\$285	51%	8%	41%	\$158	2,645
The Benevolent Society	\$143	58%	1%	41%	\$160	1,459
Boystown	\$82	12%	3%	85%	\$61	524
Minda Incorporated	\$81	68%	1%	31%	\$111	1,267
New South Wales Aboriginal Land Council	\$79	0%	0%	100%	\$719	110
Chamber of Commerce and Industry of Western Australia Inc	\$67	8%	0%	92%	\$25	566
Plan International Australia	\$62	21%	49%	30%	\$12	71
Childfund Australia	\$50	17%	67%	15%	\$15	59
Apprenticeships Australia Pty Ltd	\$46	1%	0%	99%	\$28	–
Mission Australia Early Learning	\$44	8%	1%	91%	\$2	749

Economic, social and community development	Total income	Total expenses	Total assets
Mean	\$1,622,330	\$1,517,145	\$2,773,332
Median	\$166,463	\$152,833	\$142,922

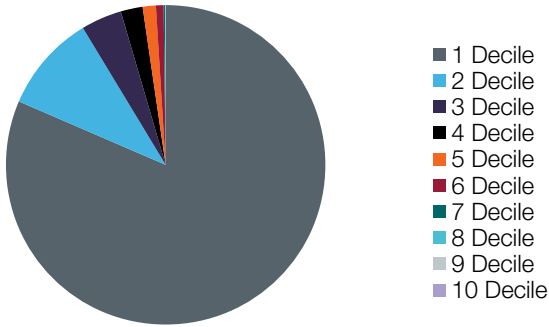
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Economic, social and community development</b>	<b>12,257</b>	<b>8,699</b>	<b>9,361</b>	<b>30,317</b>	<b>71,340</b>
ACT	285	286	119	690	3,695
NSW	4,655	2,648	3,429	10,732	19,285
NT	804	292	423	1,519	1,470
QLD	1,275	659	1,532	3,466	9,040
SA	955	599	412	1,966	5,550
TAS	92	248	116	456	2,200
VIC	2,683	3,342	2,552	8,577	25,170
WA	1,508	625	778	2,911	4,925

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	2%	1%	3%	3%	3%
NSW	36%	51%	31%	44%	47%
NT	8%	5%	10%	9%	9%
QLD	12%	6%	14%	10%	8%
SA	8%	1%	3%	5%	5%
TAS	2%	1%	1%	1%	1%
VIC	23%	27%	18%	15%	14%
WA	10%	8%	19%	14%	14%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

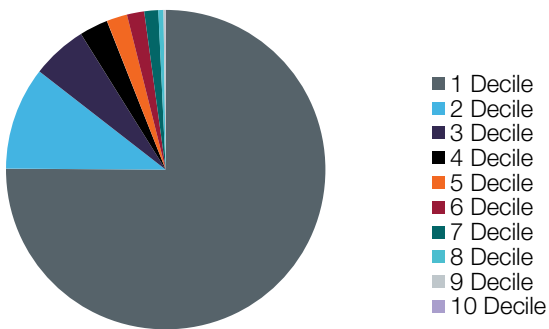
Apart from a few larger organisations, there is big grouping of participants around the \$1m annual income range. Sector staffing is in line with State populations although for income and assets, New South Wales is more dominant. Volunteering is good at 2.4 times volunteers to paid employees.

## Income and asset split by decile

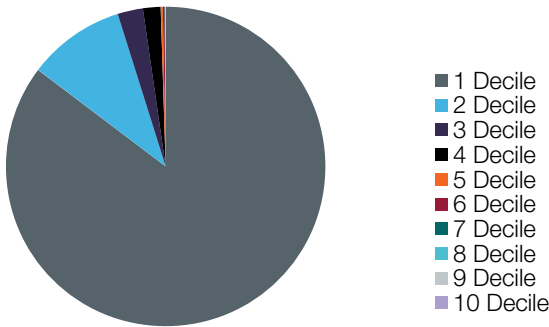
### Government grants



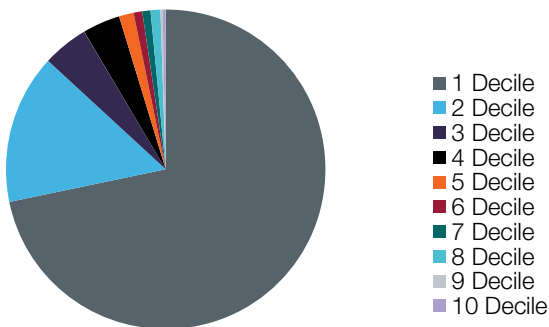
### Donations and bequests



### Other income

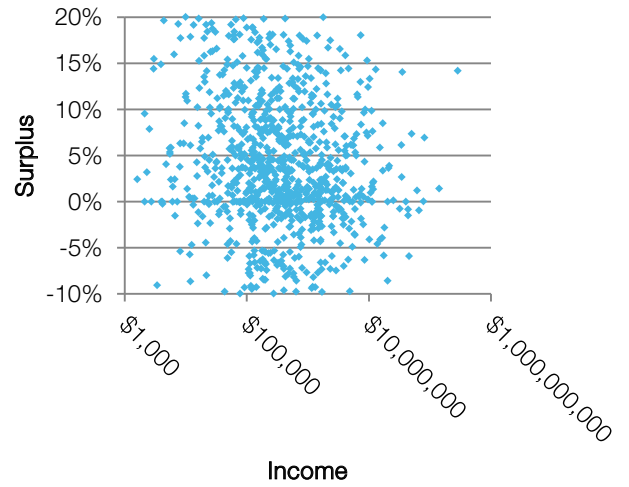


### Net assets



## Individual organisation positioning

### Economic, social and community development – Income vs Surplus



### Economic, social and community development – Income vs Net Assets



The concentration of income and assets is high but in line with NFP sector averages. There is a very strong relationship between income and assets but again, not between profitability and income, although the data does highlight the wide spread in organisational size.

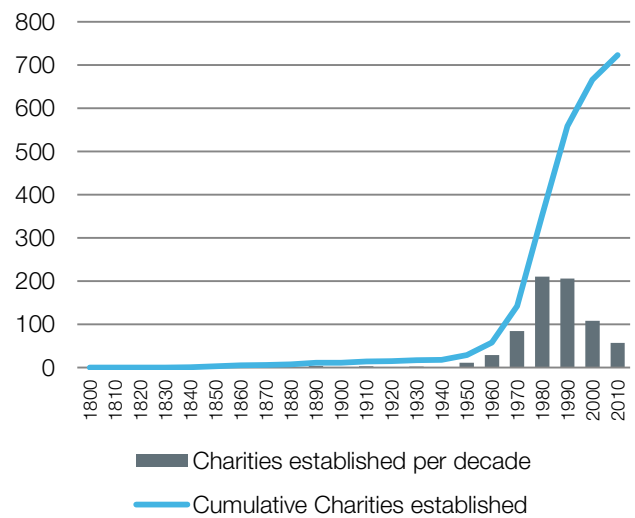
# Housing activities

## ICNPO 6 200 Housing

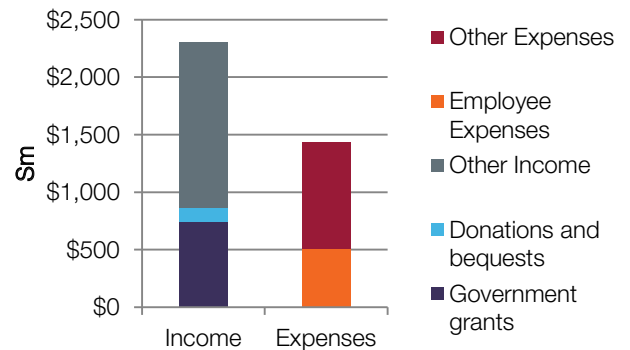
- **Housing associations** – Development, construction, management, leasing, financing and rehabilitation of housing.
- **Housing assistance** – Organisations providing housing search, legal services and related assistance.

Very large growth in organisation numbers in the 1980s and 1990s has slowed in recent years. Self-earned income is the largest source at 62% of the total with philanthropy under NFP averages at 6%. The degree of control this gives the sector over their financial outcome has meant profit margins have been the strongest of all sectors. Given the nature of activities, assets are also very strong in the sector with relatively low liabilities. The average size of organisation is large at \$13m in assets which is also reflected in the spread of groups by income. There are 65% of organisations with DGR status.

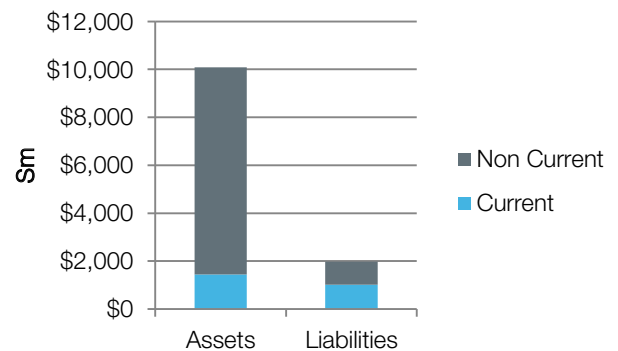
Housing activities – Number of charities established and cumulative per decade



Profit and loss – Housing activities



Balance sheet – Housing activities





Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Housing activities \$m</b>	<b>\$2,307</b>	<b>\$741</b>	<b>\$128</b>	<b>\$1,438</b>	<b>\$10,080</b>	<b>10,300</b>
St George Community Housing Limited	\$191	5%	0%	95%	\$494	115
Affordable Community Housing Limited	\$138	73%	0%	27%	\$206	62
BlueCHP Limited	\$121	34%	52%	14%	\$207	13
City West Housing Pty Limited	\$59	0%	0%	100%	\$449	24
Aboriginal Hostels Limited	\$55	74%	0%	26%	\$158	487
Bridge Housing Limited	\$55	24%	1%	75%	\$94	44
Brisbane Housing Company Limited	\$54	18%	0%	82%	\$328	46
Compass Housing Services Co Ltd	\$53	9%	0%	90%	\$230	86
Junction and Women's Housing Ltd	\$45	0%	0%	100%	\$52	36
Community Housing Canberra Ltd	\$42	0%	0%	100%	\$188	15

Housing activities	Total income	Total expenses	Total assets
Mean	\$2,938,290	\$1,889,934	\$12,840,242
Median	\$298,657	\$299,417	\$780,494

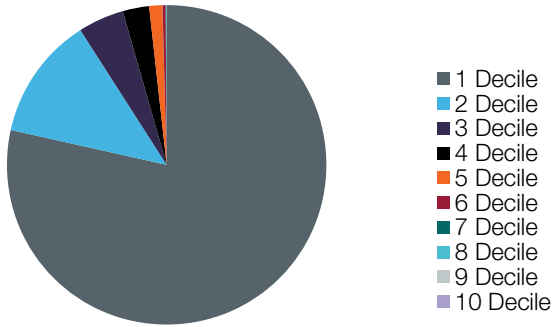
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Housing activities</b>	<b>4,542</b>	<b>3,446</b>	<b>2,312</b>	<b>10,300</b>	<b>12,155</b>
ACT	309	153	133	595	170
NSW	1,394	1,161	1,030	3,585	3,950
NT	115	34	40	189	40
QLD	791	496	250	1,537	1,815
SA	200	163	53	416	1,515
TAS	237	186	94	517	280
VIC	968	535	400	1,903	3,280
WA	492	645	276	1,413	805

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	6%	0%	4%	4%	3%
NSW	50%	60%	45%	32%	34%
NT	1%	0%	1%	1%	0%
QLD	10%	16%	14%	10%	11%
SA	3%	6%	9%	9%	8%
TAS	2%	0%	1%	1%	1%
VIC	13%	8%	18%	33%	33%
WA	13%	9%	7%	11%	10%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

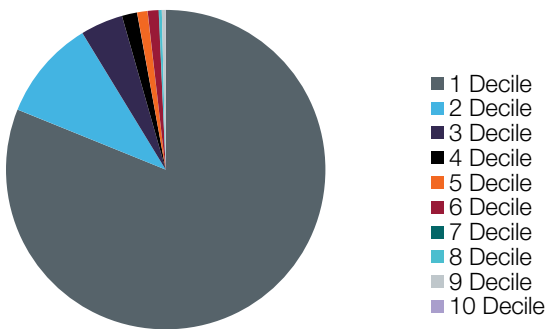
Community housing organisations are a large part of this sector. Volunteering is reasonable at 1.2 time volunteers to paid employees. While New South Wales dominate sector funding, other measures such as staffing and assets are more evenly distributed between the States.

## Income and asset split by decile

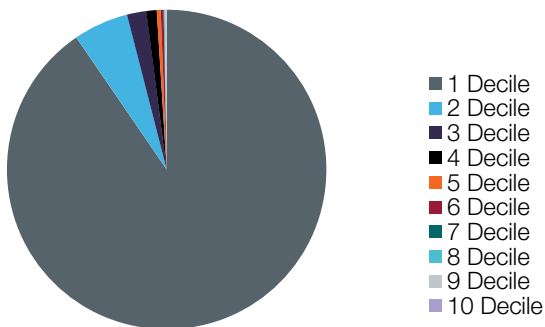
### Government grants



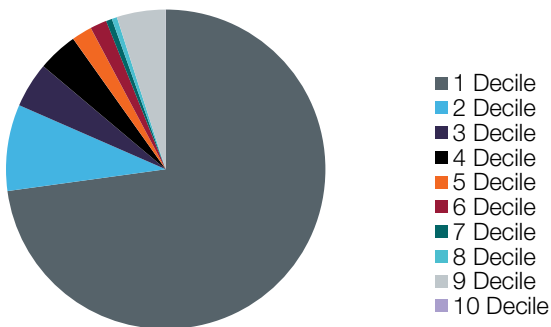
### Donations and bequests



### Other income

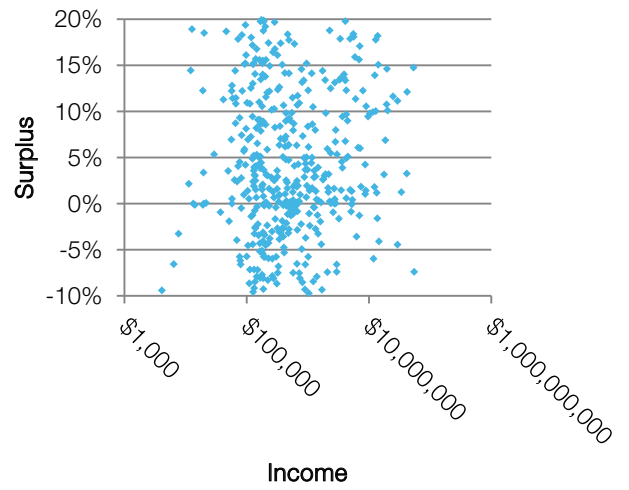


### Net assets

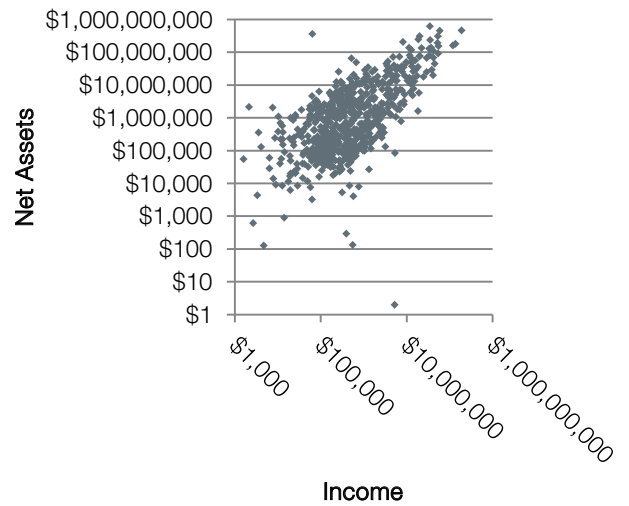


## Individual organisation positioning

### Housing activities – Income vs Surplus



### Housing activities – Income vs Net Assets



Assets are more evenly spread between organisations than for the full NFP sector, however the main source of income, self-earned, is quite concentrated. There is a very strong relationship between income and assets but again, not between profitability and income.

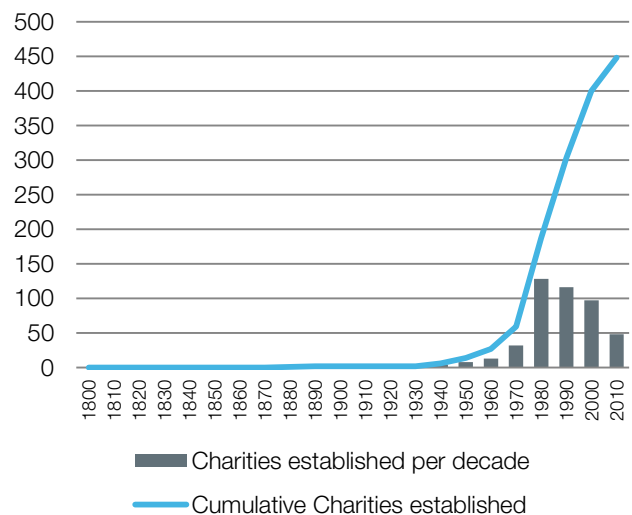
# Employment and training

## ICNPO 6 300 Employment and training

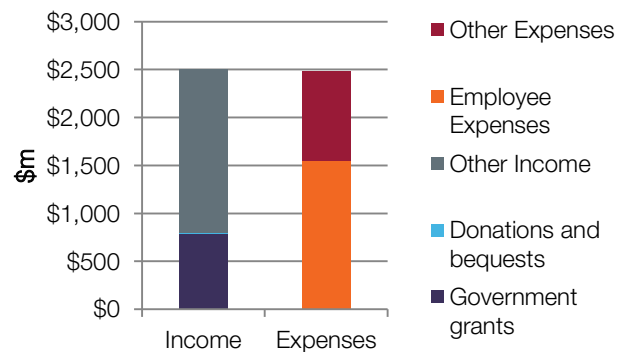
- **Job training programs** – Organisations providing and supporting apprenticeship programs, internships, on-the-job training and other training programs.
- **Vocational counselling and guidance** – Vocational training and guidance, career counselling, testing and related services.
- **Vocational rehabilitation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

Strong growth in sector numbers has slowed in recent decades. Most income is self-earned with very little coming from philanthropy and the balance of around 31% from Government. Employee costs make up a relatively high 62% of overall costs (in line with primary and secondary education costs). Profit margins are quite low for the sector. It is also relatively asset poor with liabilities around NFP sector averages. There are many organisations of similar mid-range size in the sector, meaning there may be the potential for rationalisation. There are 56% of organisations with DGR status.

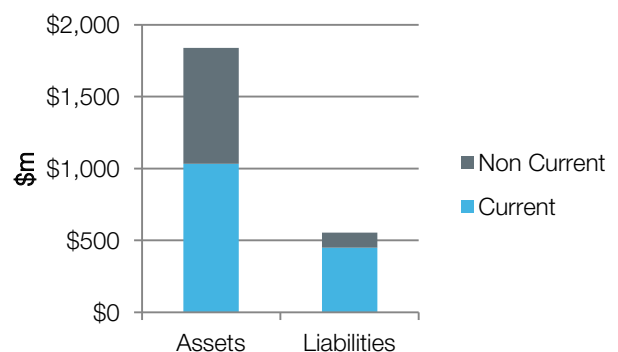
Employment and training – Number of charities established and cumulative per decade



Profit and loss – Employment and training



Balance sheet – Employment and training



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Employment and training \$m</b>	<b>\$2,507</b>	<b>\$783</b>	<b>\$17</b>	<b>\$1,707</b>	<b>\$1,839</b>	<b>37,937</b>
Megt (Australia) Ltd	\$105	51%	0%	49%	\$59	584
Job Futures Ltd	\$70	97%	0%	3%	\$8	50
Campbell Page Limited	\$65	7%	0%	93%	\$26	508
Break Thru People Solutions	\$53	99%	0%	1%	\$17	661
Hunter Valley Training Company Pty Ltd	\$50	4%	0%	96%	\$23	1,035
The Trustee for the Building & Construction Industry Training Fund (Qld)	\$50	6%	0%	94%	\$122	84
Bedford Group Incorporated	\$49	21%	1%	79%	\$51	1,050
Wise Employment Ltd	\$49	0%	0%	100%	\$17	647
MTC Australia Limited	\$45	12%	0%	88%	\$18	540
Workskil Australia Incorporated	\$39	2%	0%	98%	\$16	417

Employment and training	Total income	Total expenses	Total assets
Mean	\$5,334,494	\$5,278,723	\$3,912,745
Median	\$1,350,519	\$1,303,267	\$1,164,628

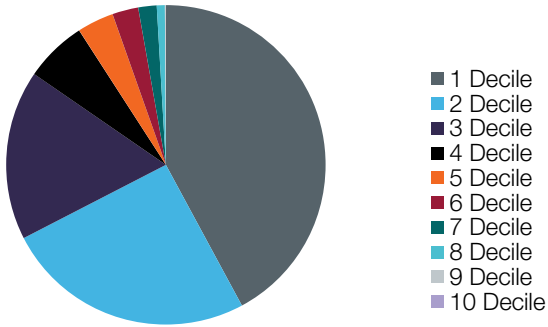
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Employment and training</b>	<b>22,677</b>	<b>9,831</b>	<b>5,429</b>	<b>37,937</b>	<b>8,550</b>
ACT	144	49	16	209	20
NSW	8,202	3,054	1,705	12,961	1,380
NT	527	36	31	594	10
QLD	3,538	1,150	751	5,439	835
SA	2,664	1,519	191	4,374	185
TAS	377	266	126	769	405
VIC	5,105	3,002	1,610	9,717	4,820
WA	2,120	755	999	3,874	895

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	0%	3%	1%	0%	1%
NSW	43%	30%	30%	29%	29%
NT	1%	0%	1%	2%	2%
QLD	6%	7%	19%	19%	20%
SA	8%	5%	10%	9%	10%
TAS	2%	0%	2%	2%	2%
VIC	34%	49%	28%	28%	25%
WA	7%	5%	10%	11%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

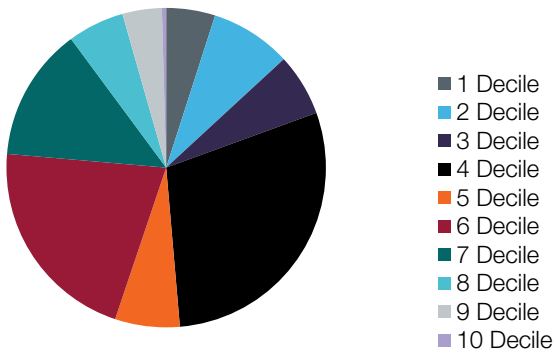
Income and assets are both in line with State based populations reflecting the customer/student usage of the activities provided. There is only a small volunteer component to the sector with 4.4 paid employees for each volunteer.

## Income and asset split by decile

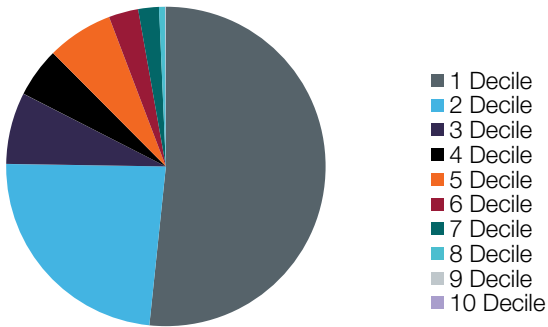
### Government grants



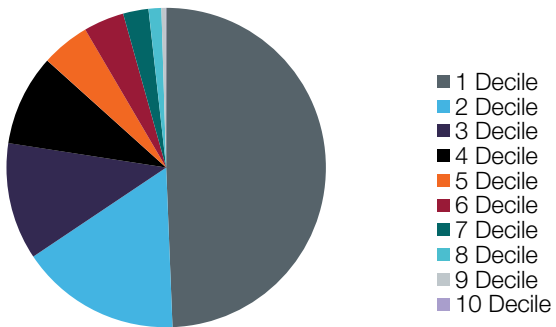
### Donations and bequests



### Other income

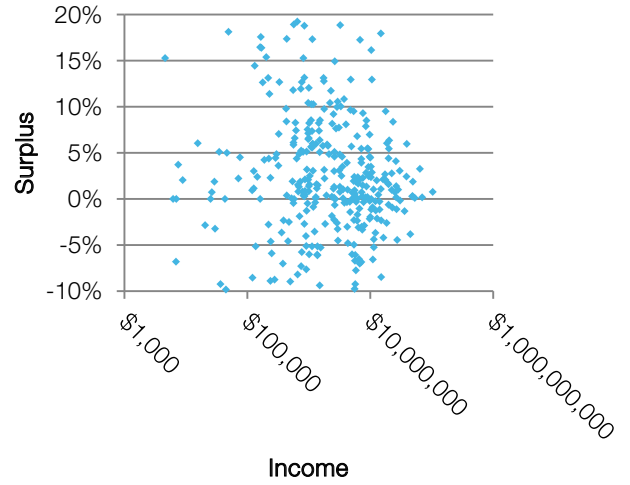


### Net assets

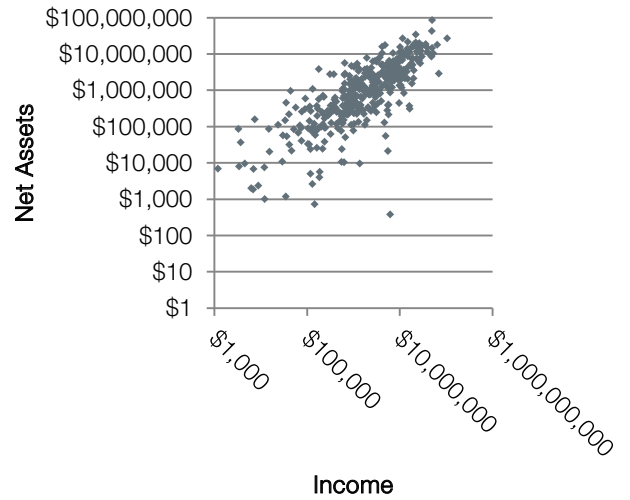


## Individual organisation positioning

### Employment and training – Income vs Surplus



### Employment and training – Income vs Net Assets



Given the large number of similar sized organisations, there is very large diversification in the decile split for each of the various income streams and for sector assets. There is a very strong relationship between income and assets but again, not between profitability and income.

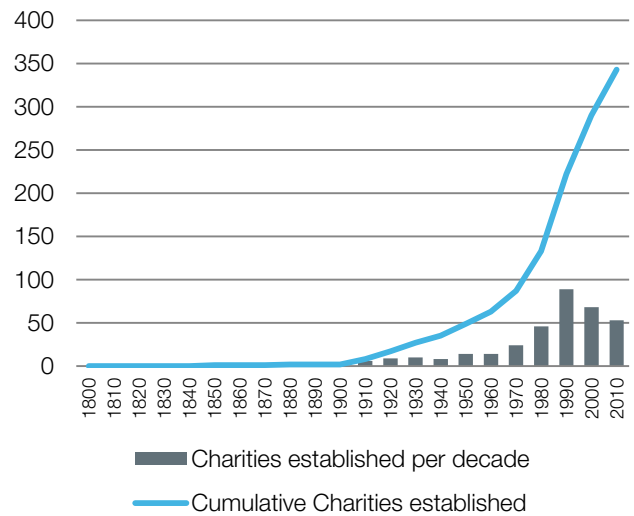
# Civic and advocacy organisations

## ICNPO 7 100 Civic and advocacy organisations

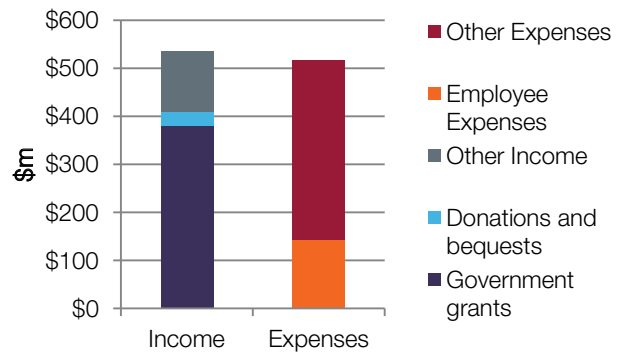
- **Advocacy organisations** – Organisations that protect the rights and promote the interests of specific groups of people, e.g., the physically handicapped, the elderly, children and women.
- **Civil rights associations** – Organisations that work to protect or preserve individual civil liberties and 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.

Growth in organisation numbers has slowed in recent years after a strong increase seen in earlier decades. The sector is populated by a wide range of interest areas ranging from groups with a medical, education, age or location focus. Funding is mainly provided by Government with only a relatively small amount coming from philanthropy. Only one large organisation has self-selected this category with many smaller groups making up the bulk of the sector. Employee expenses are relatively low at 29% of costs but they are aided by a large volunteering force. Margins are reasonably low for the sector as are assets to income ratios. There are 52% of organisations with DGR status.

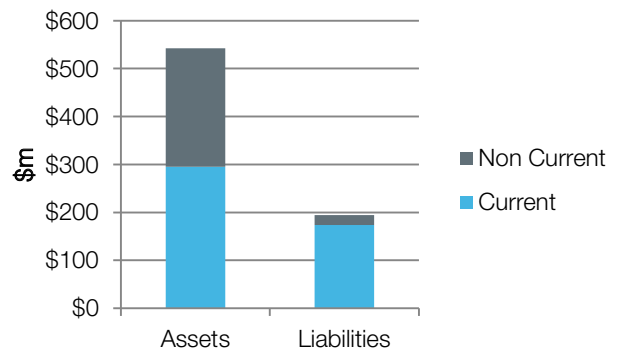
Civic and advocacy activities – Number of charities established and cumulative per decade



Profit and loss – Civic and advocacy activities



Balance sheet – Civic and advocacy activities



Top 10 organisations by income	Total gross income \$m	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Civic and Advocacy Activities \$m</b>	<b>\$534</b>	<b>\$381</b>	<b>\$28</b>	<b>\$125</b>	<b>\$542</b>	<b>2,905</b>
Diabetes Australia	\$230	97%	1%	2%	\$49	23
National Disability Services Limited	\$30	72%	0%	28%	\$57	146
National Stroke Foundation	\$18	31%	52%	18%	\$24	92
Anglicare North Queensland Limited	\$13	84%	1%	14%	\$2	136
Flintwood Disability Services Ltd	\$12	94%	0%	6%	\$12	178
Guild of Undergraduates University of WA	\$11	0%	0%	100%	\$10	146
National Seniors Australia Ltd	\$10	14%	0%	86%	\$12	51
National Trust of Australia (Victoria)	\$9	3%	5%	92%	\$92	126
Queensland Country Women's Association	\$9	17%	7%	76%	\$70	104
Community Child Care Cooperative Ltd	\$8	75%	0%	25%	\$3	32

Civic and advocacy activities	Total income	Total expenses	Total assets
Mean	\$1,484,224	\$1,463,909	\$1,510,292
Median	\$171,446	\$167,808	\$137,779

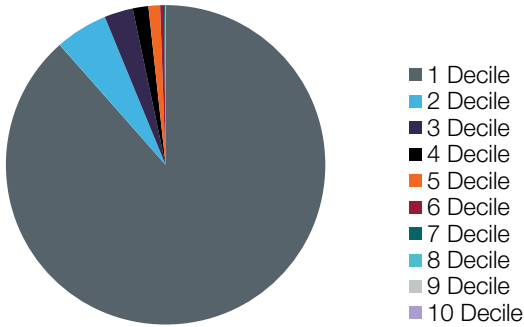
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Civic and advocacy activities</b>	<b>1,070</b>	<b>1,135</b>	<b>700</b>	<b>2,905</b>	<b>15,880</b>
ACT	226	109	21	356	825
NSW	273	376	115	764	2,935
NT	1	3	3	7	55
QLD	174	175	150	499	4,030
SA	38	34	101	173	635
TAS	29	46	23	98	265
VIC	268	319	178	765	6,200
WA	61	70	109	240	880

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	68%	8%	15%	23%	6%
NSW	14%	24%	18%	14%	9%
NT	0%	0%	0%	0%	0%
QLD	5%	18%	25%	24%	33%
SA	1%	1%	3%	4%	6%
TAS	1%	1%	1%	1%	1%
VIC	9%	46%	27%	31%	41%
WA	1%	1%	11%	4%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

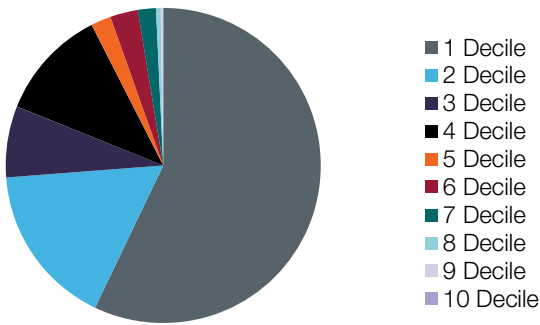
There is a good split between States for staffing levels but some organisations skew funding between States. Volunteers provide strong support with 5.5 volunteers for each paid employee.

## Income and asset split by decile

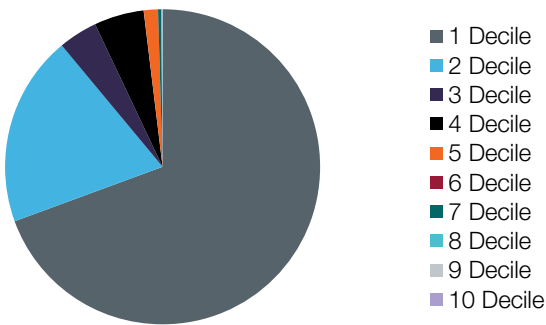
### Government grants



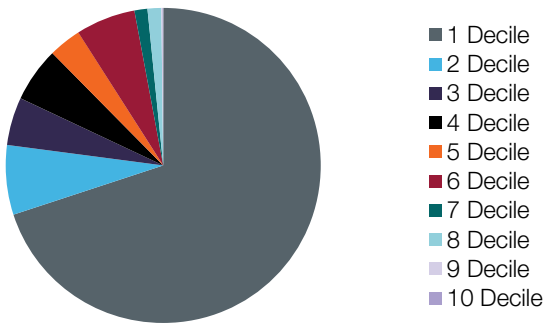
### Donations and bequests



### Other income

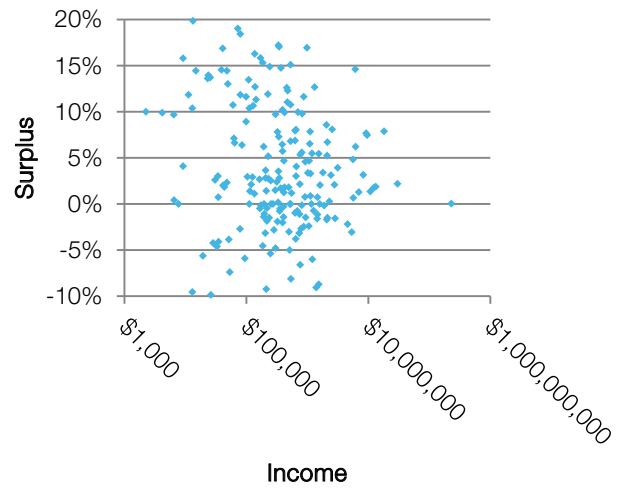


### Net assets

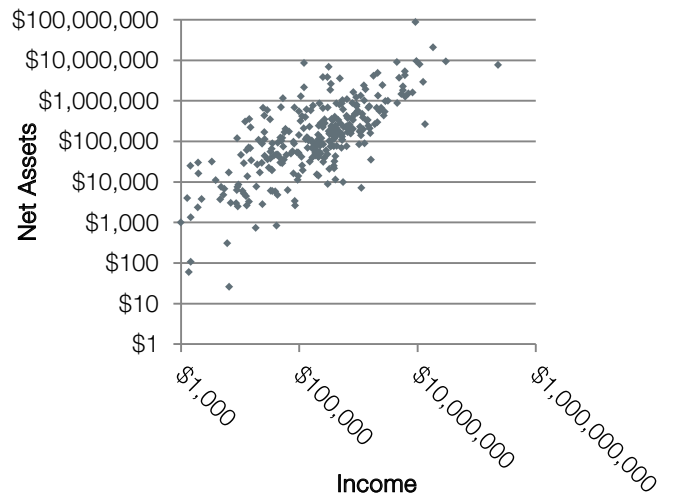


## Individual organisation positioning

### Civic and advocacy activities – Income vs Surplus



### Civic and advocacy activities – Income vs Net Assets



Government grants are quite concentrated in the top decile of organisations while other income streams and assets are more spread. There is a strong relationship between income and assets but again, not between profitability and income.



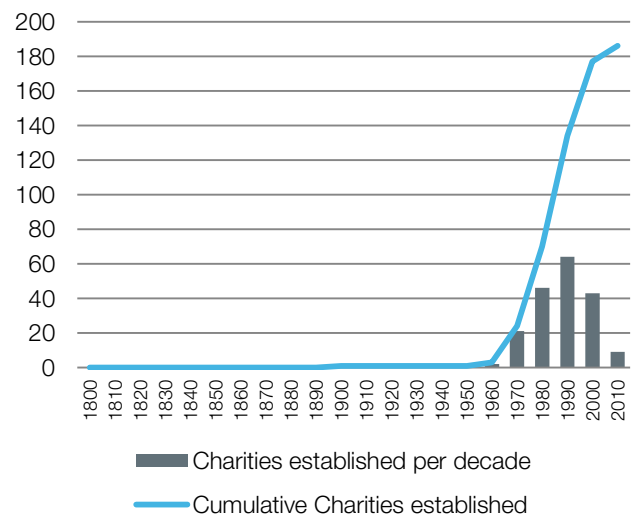
# Law and legal services

## ICNPO 7 200 Law and legal services

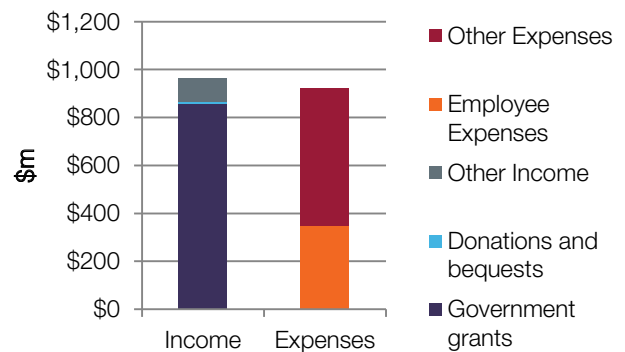
- **Legal services** – Legal services, advice and assistance in dispute resolution and court-related matters.
- **Crime prevention and public policy** – Crime prevention to promote safety and precautionary measures among citizens.
- **Rehabilitation of offenders** – Programs and services to reintegrate 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.

The establishment of many new organisations in the 1980s and 1990s has slowed in the last 10 years. The sector is largely Government funded with little philanthropy and only a small, 10%, amount of self-earned income. While there are a small number of large organisations, there are a significant number with annual incomes around \$1m – \$5m. Employee expenses are relatively low at 38% of overall costs, suggesting that a reasonable proportion of skilled volunteering (pro bono legal assistance) is provided. As expected with such a large Government component to funding, sector profit margins are very tight. The sector is also relatively asset poor compared to income with liabilities above NFP sector averages. There are 85% of organisations with DGR status.

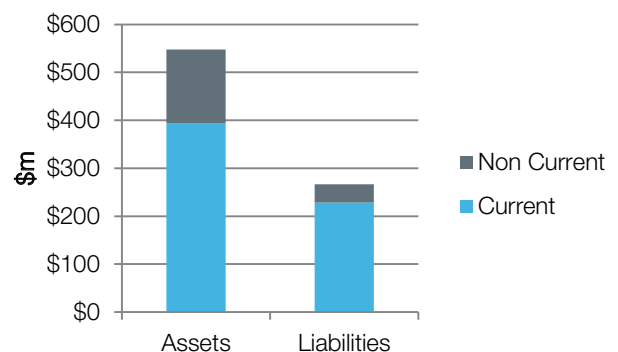
Law and legal services – Number of charities established and cumulative per decade



Profit and loss – Law and legal services



Balance sheet – Law and legal services



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Law and legal services \$m</b>	<b>\$963</b>	<b>\$859</b>	<b>\$5</b>	<b>\$98</b>	<b>\$548</b>	<b>5,614</b>
Legal Aid Commission of NSW	\$248	96%	0%	4%	\$106	829
Victoria Legal Aid	\$162	97%	0%	3%	\$67	603
Legal Aid Queensland	\$114	97%	0%	3%	\$62	485
Legal Aid Commission of WA	\$68	89%	0%	11%	\$41	328
Legal Services Commission of SA	\$43	87%	0%	13%	\$31	218
Aboriginal Legal Service (NSW/ACT) Limited	\$20	94%	0%	6%	\$9	212
Aboriginal & Torres Strait Islander Legal Service (Old) Ltd	\$20	99%	0%	1%	\$11	194
Law Institute of Victoria Limited	\$18	0%	0%	100%	\$29	113
Legal Aid Commission of Tasmania	\$17	86%	0%	14%	\$4	99
Aboriginal Legal Service of WA Inc	\$15	87%	0%	13%	\$12	116

Law and legal services	Total income	Total expenses	Total assets
Mean	\$4,886,054	\$4,730,541	\$2,780,958
Median	\$713,079	\$688,463	\$417,250

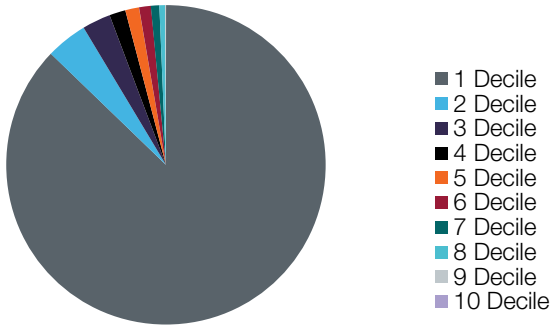
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Law and legal services</b>	<b>4,039</b>	<b>1,325</b>	<b>250</b>	<b>5,614</b>	<b>9,350</b>
ACT	68	25	6	99	110
NSW	1,270	318	89	1,677	2,545
NT	208	31	9	248	220
QLD	682	205	50	937	1,045
SA	287	115	12	414	460
TAS	73	64	2	139	65
VIC	896	329	52	1,277	2,485
WA	524	216	17	757	1,660

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	2%	0%	2%	2%	1%
NSW	35%	47%	21%	28%	19%
NT	3%	0%	3%	3%	3%
QLD	18%	19%	10%	17%	19%
SA	7%	1%	8%	9%	13%
TAS	2%	1%	3%	1%	1%
VIC	22%	22%	35%	25%	28%
WA	11%	8%	17%	15%	15%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

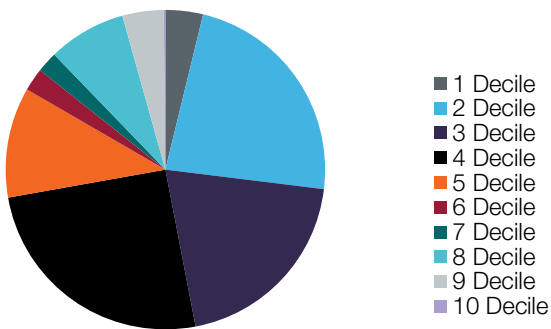
While the use of volunteers is reasonable at 1.7 times volunteers for each paid employee, the real value comes in the skill level provided and the cost saving generated. The mainly Government funded sector sees income and assets spread broadly along State population lines

## Income and asset split by decile

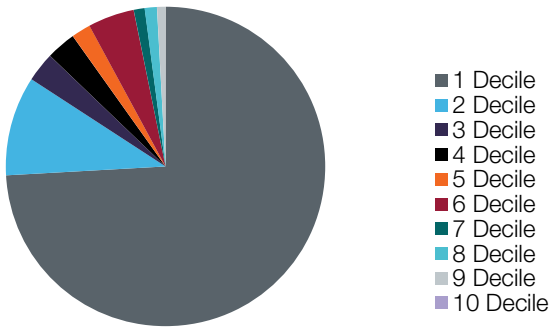
### Government grants



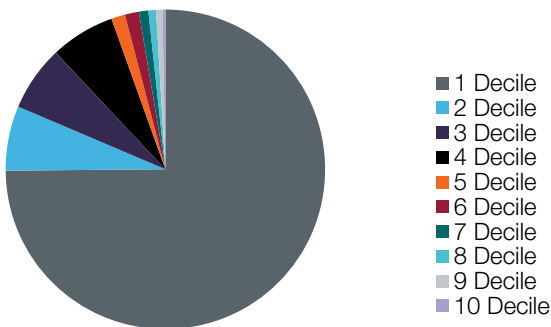
### Donations and bequests



### Other income

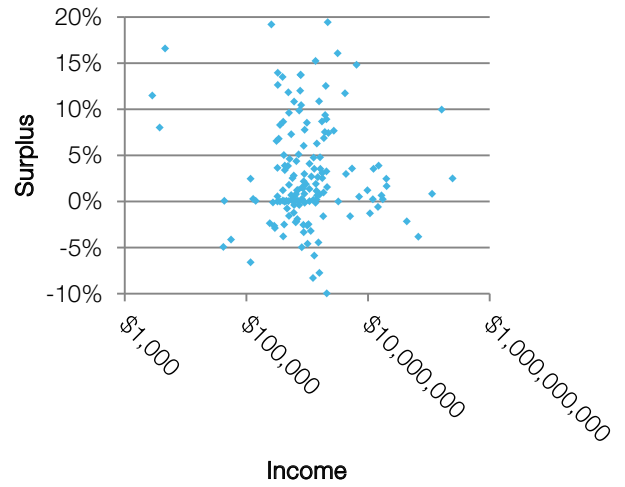


### Net assets



## Individual organisation positioning

### Law and legal services – Income vs Surplus



### Law and legal services – Income vs Net Assets



The only meaningful decile split on income is for Government funding and it is in line with the level of concentration we see in other sectors. There is a very strong relationship between income and assets but again, not between profitability and income, although the chart highlights the cluster of mid-sized organisations in the sector.

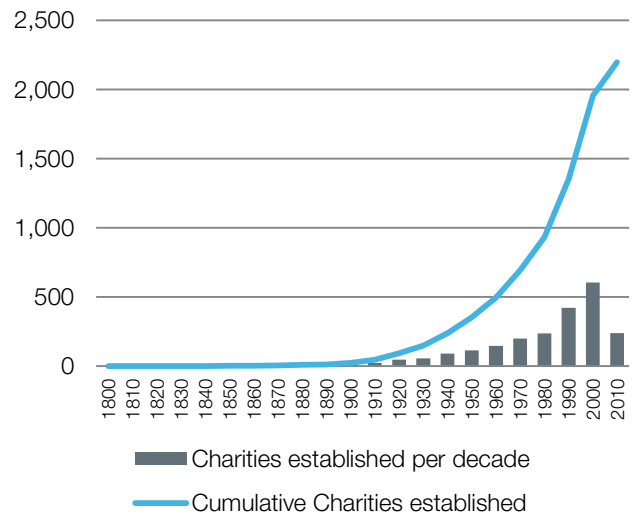
# Grant-making activities

## ICNPO 8 100 Grant-making foundations

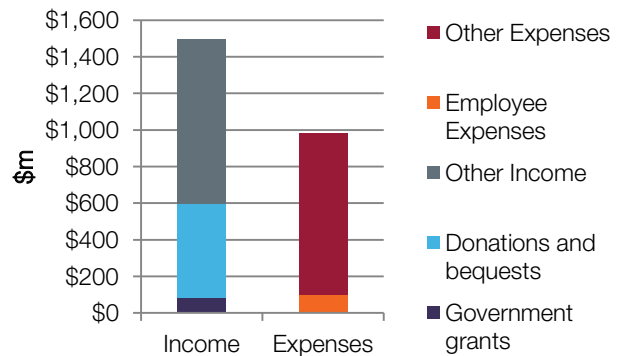
- **Grant-making foundations** – Private foundations; including corporate foundations, community foundations and independent public law foundations.

The number of grant making charities has grown in line with overall not for profit numbers but also saw an early spike in from the 1920s with particularly Victorian based organisations formed due to the combination of wealth creation and death duties. Another spike has been seen following the establishment of Private Ancillary Funds (PAFs, formerly Prescribed Private Funds) from 2001, although ironically they can choose to have information withheld from publication despite being the first form of charitable trust required to complete annual ATO information returns. This means the total assets of grant making organisations is underrepresented here and (including the \$3B Paul Ramsay bequest) is likely to exceed \$15B. While a small number, generally linked to a “doing” charity, receive government funding, the vast majority receive most of their income from earnings on their assets and depending on financial markets generally manage a relatively high surplus which further grows their asset base. Income from new donations into the funds provides around a third of total income but again, for linked organisations, can be their major source of income. There is also only a very small liabilities component on balance sheets making it a very strong and fast growing force in the sector. There are only 32% of organisations with DGR status, reflecting the large proportion of charitable trusts that some PAFs have had information withheld.

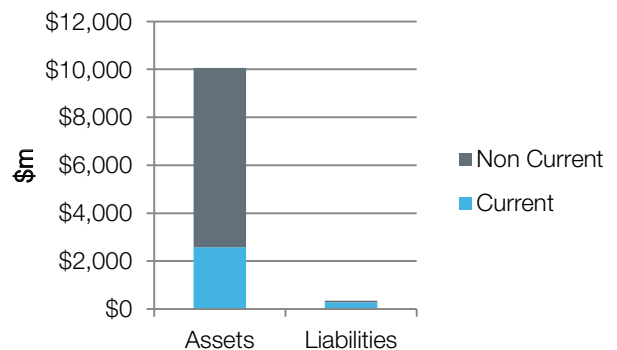
Grant-making activities – Number of charities established and cumulative per decade



Profit and loss – Grant-making activities



Balance sheet – Grant-making activities



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Grant-making activities \$m</b>	<b>\$1,496</b>	<b>\$85</b>	<b>\$511</b>	<b>\$901</b>	<b>\$10,063</b>	<b>1,922</b>
The Movember Group Pty Limited as Trustee for the Movember Foundation	\$101	0%	94%	6%	\$174	140
LDS Charitable Trust Fund	\$68	0%	99%	1%	\$43	0
Lord Mayor's Charitable Foundation	\$64	0%	61%	39%	\$219	18
F P Archer Charitable Trust	\$52	0%	0%	100%	\$52	0
The Trustee for the Ian Potter Foundation	\$38	0%	0%	100%	\$592	13
The Royal Children's Hospital Foundation Limited	\$32	0%	71%	29%	\$150	24
Diabetes Australia – Victoria	\$27	58%	9%	34%	\$14	158
The Trustee for Viertel S and C Charitable Foundation	\$25	0%	0%	100%	\$168	0
The Trustee for Colonial Foundation Trust	\$25	0%	0%	100%	\$192	2
Equity Trustees Charitable Foundation	\$24	0%	32%	68%	\$125	0

Grant-making activities	Total income	Total expenses	Total assets
Mean	\$657,212	\$443,734	\$4,697,955
Median	\$47,299	\$38,435	\$617,665

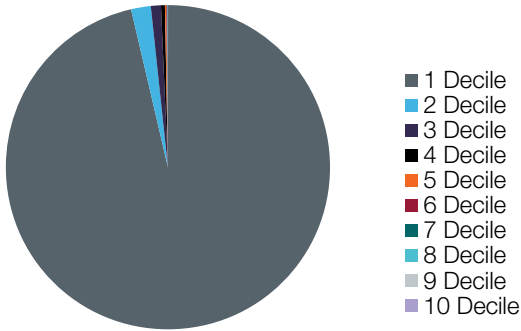
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Grant-making activities</b>	<b>869</b>	<b>592</b>	<b>461</b>	<b>1,922</b>	<b>15,700</b>
ACT	11	14	8	33	320
NSW	230	182	298	710	4,465
NT	3	2	0	5	290
QLD	158	46	57	261	2,955
SA	28	40	9	77	1,275
TAS	5	5	2	12	145
VIC	375	271	84	730	5,715
WA	56	32	3	91	505

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	4%	0%	3%	1%	1%
NSW	12%	41%	32%	29%	30%
NT	0%	0%	0%	0%	0%
QLD	15%	7%	5%	3%	3%
SA	0%	1%	5%	3%	1%
TAS	0%	1%	1%	1%	1%
VIC	61%	45%	53%	59%	59%
WA	7%	2%	1%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

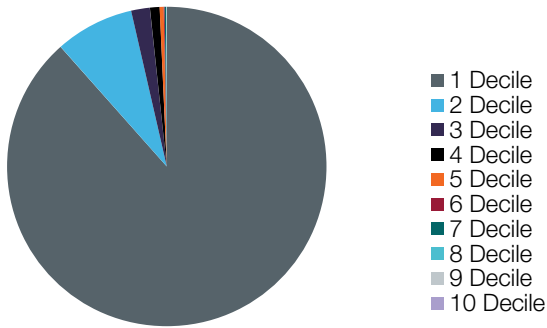
Due to the history of charitable trusts, it is no surprise that Victoria dominates in both assets and income and also similar to the sector overall, enjoys a very high ratio of eight times volunteers to paid staff. This also helps keep employee costs to only 10% of overall expenses.

## Income and asset split by decile

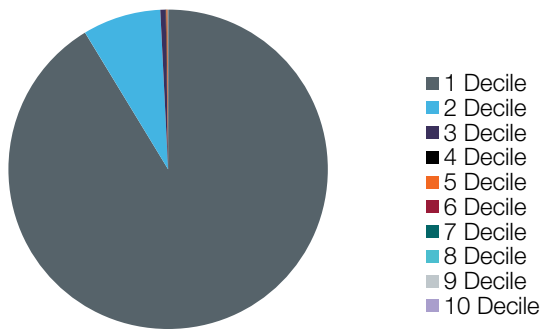
### Government grants



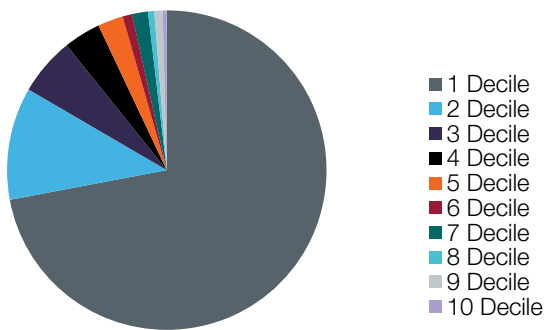
### Donations and bequests



### Other income

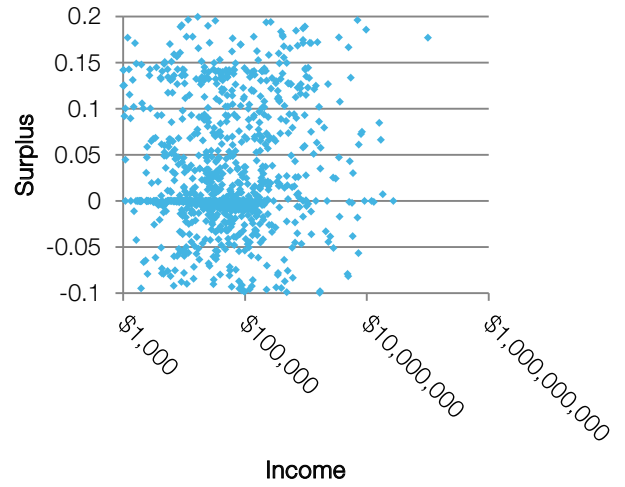


### Net assets



## Individual organisation positioning

### Grant-making activities – Income vs Surplus



### Grant-making activities – Income vs Net Assets



There is a strong correlation between income and assets and relative to income, the sector is one of the most asset rich, again reflecting the nature of its operations. As some of the larger income generators in the sector raise and then spend (grant) a large proportion of that income, there is not the concentration of assets compared to each of the income sources.

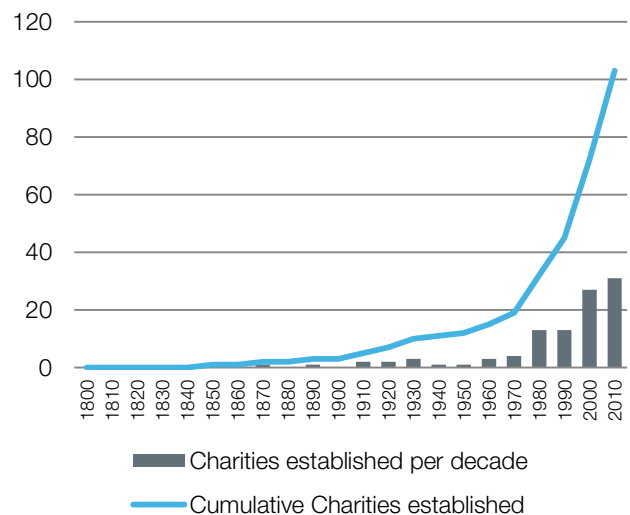
# Other philanthropic intermediaries and voluntarism promotion

## ICNPO 8 200 Other philanthropic intermediaries and voluntarism promotion

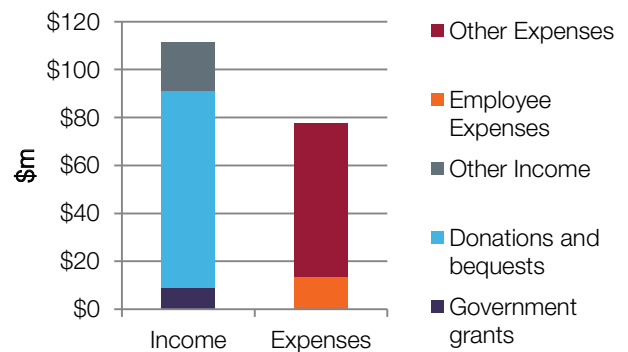
- **Volunteerism promotion and support** – Organisations that recruit, train and place volunteers and promote volunteering.
- **Fundraising organisations** – Federated, collective fundraising organisations; includes lotteries.

There has been a much slower recent build in organisation numbers than seen for the overall NFP sector and many have been established for some time. Apart from a couple of large medical and overseas aid intermediary groups, most are small and of under \$1m income and who are either collecting funds for others or facilitating support in some other way. The majority of funding comes from philanthropy, 74%, with self-earned next and only a small amount from Government. Profit margins are good for the sector, largely aided by low staff numbers and high volunteers which see their wage costs at only 18% of total costs. Compared to income there is quite a strong balance sheet and low levels of liabilities. There are 66% of organisations with DGR status.

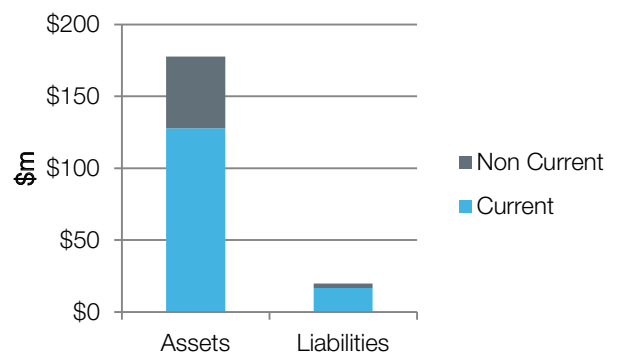
Other philanthropic – Number of charities established and cumulative per decade



Profit and loss – Other philanthropic



Balance sheet – Other philanthropic



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Other philanthropic \$m</b>	<b>\$111</b>	<b>\$9</b>	<b>\$82</b>	<b>\$20</b>	<b>\$178</b>	<b>333</b>
The Trustee for Peter MacCallum Cancer Foundation	\$39	0%	95%	5%	\$45	19
Rotary Australia Overseas Aid Fund	\$36	0%	100%	0%	\$7	2
Girl Guides Association of NSW	\$5	10%	1%	89%	\$30	32
Interchange Bathurst Inc	\$5	84%	0%	16%	\$1	75
St Michael's Assoc Inc	\$4	69%	1%	29%	\$8	65
The Trustee for the Foundation for the Islamic Museum of Australia	\$4	8%	90%	2%	\$8	5
Philanthropy Australia Inc	\$3	0%	12%	88%	\$1	14
The Trustee for Ellis Charitable Trust	\$2	0%	0%	100%	\$3	0
The Trustee for Karma Currency Foundation	\$1	0%	72%	28%	\$0	5
The Trustee for the Vera Moore Foundation	\$1	0%	0%	100%	\$13	1

Other philanthropic	Total income	Total expenses	Total assets
Mean	\$1,011,249	\$708,551	\$1,614,465
Median	\$51,598	\$31,587	\$104,710

Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Other philanthropic</b>	<b>97</b>	<b>138</b>	<b>98</b>	<b>333</b>	<b>6,915</b>
ACT	0	3	0	3	780
NSW	20	54	38	112	2,585
QLD	15	11	23	49	420
SA	13	12	3	28	230
TAS	23	19	25	67	1,055
VIC	26	37	9	72	1,010
WA	0	2	0	2	825

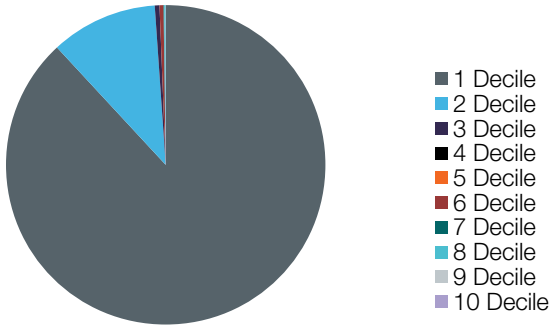
State Split Table	Government Grants	Donations and Bequests	Other Income	Total Assets	Net Assets
ACT	0%	0%	3%	1%	0%
NSW	50%	2%	31%	27%	29%
QLD	1%	1%	4%	3%	3%
SA	6%	0%	4%	4%	4%
TAS	35%	44%	7%	12%	7%
VIC	8%	52%	35%	49%	51%
WA	0%	0%	15%	4%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>	<b>99%</b>

State based staffing numbers are well spread but income is skewed by the two largest sectors organisations domiciles. Volunteer number are very strong with over 20 volunteers for every paid employee.

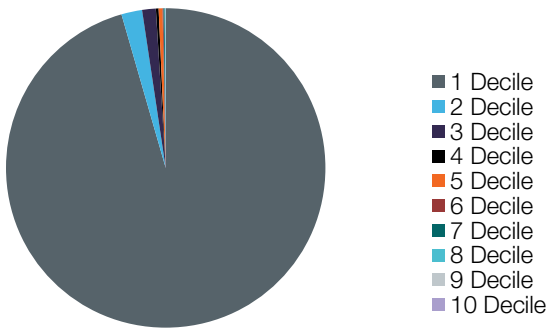


## Income and asset split by decile

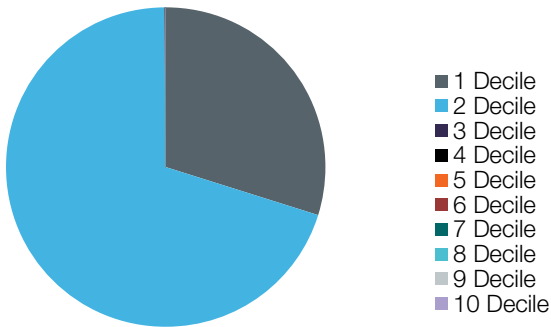
### Government grants



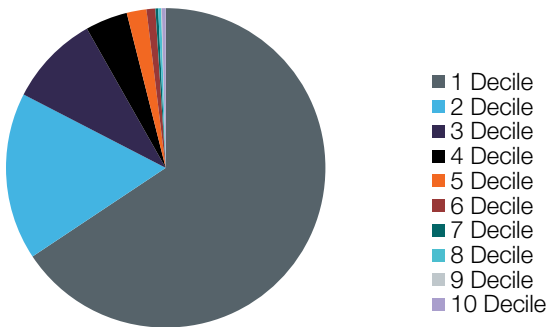
### Donations and bequests



### Other income

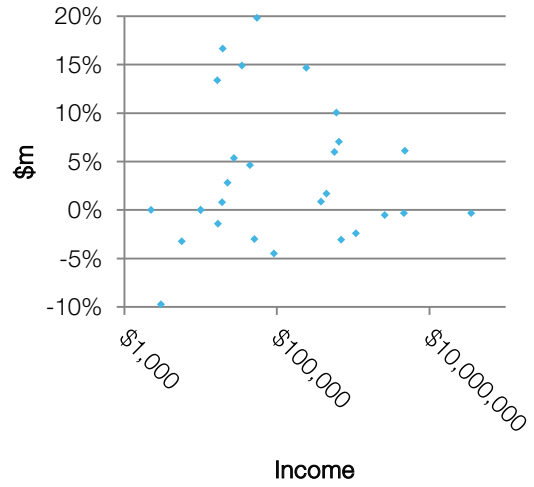


### Net assets

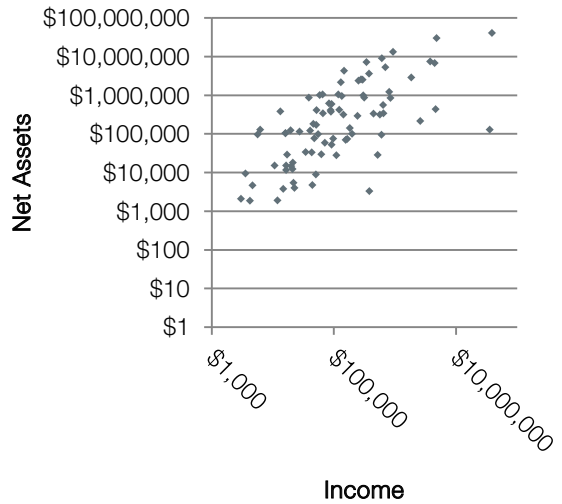


## Individual organisation positioning

### Other philanthropic – Income vs Surplus



### Other philanthropic – Income vs Net Assets



There is a high concentration in the philanthropy deciles but little in the others due to the large number of small groups in the sector. There is also only a reasonable relationship between income and assets but again, not between profitability and income.

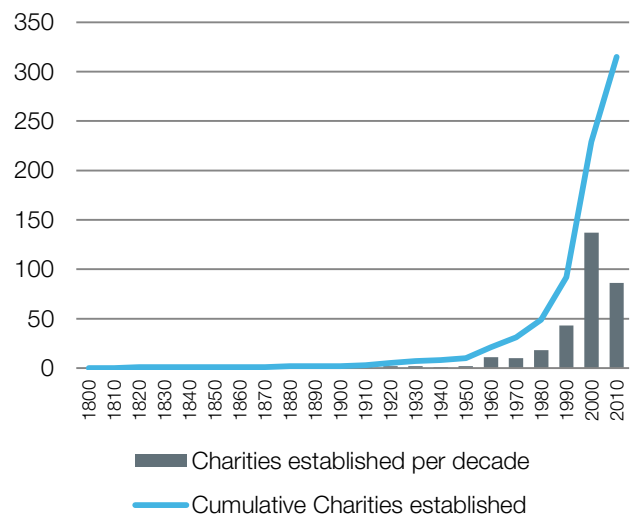
# International activities

## ICNPO 9 100 International activities

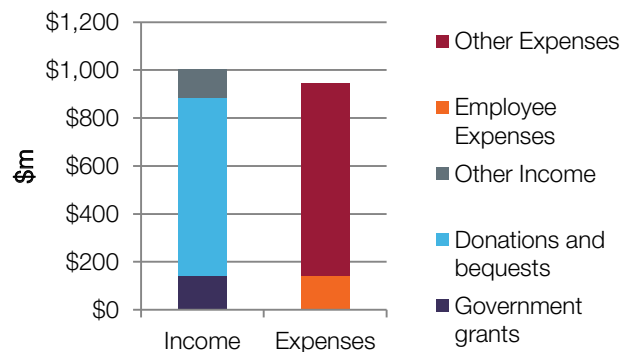
- **Exchange/friendship/cultural programs** – Programs and services designed to encourage mutual respect and friendship internationally.
- **Development assistance associations** – Programs and projects that promote social and economic development abroad.
- **International disaster and relief organisations** – 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.

There has been very strong growth in organisation numbers in the last decade, above the already high NFP sector levels. One of the notable issues for this significant sector is the heavy reliance on philanthropy for income. Its share is dominant at 74% with Government at only 14% and self-earned even lower at 12%. Even though employee expenses are quite low at 15% of the total (second lowest of all sectors), profit margins are small. There is an understandable tendency for the sector, which already operates in a high transport cost and often unpredictable international political environment, to spend all available funds each year. This has led to a low level of assets relative to income, leaving the sector vulnerable to uncertainty. There are 43% of organisations with DGR status, which is relatively low reflecting the past difficulty in gaining that status for overseas based activities, although recent law rulings may potentially expand that access.

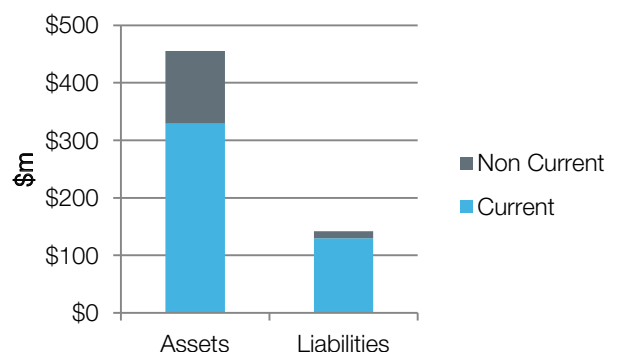
International activities – Number of charities established and cumulative per decade



Profit and loss – International activities



Balance sheet – International activities



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>International activities \$m</b>	<b>\$1,004</b>	<b>\$143</b>	<b>\$743</b>	<b>\$118</b>	<b>\$472</b>	<b>3,102</b>
World Vision Australia	\$380	11%	82%	7%	\$85	628
Oxfam Australia	\$79	32%	67%	1%	\$38	283
Compassion Australia	\$72	0%	99%	1%	\$25	144
The Fred Hollows Foundation	\$65	17%	77%	6%	\$28	280
Caritas Australia	\$47	31%	65%	3%	\$40	201
Australia for UNHCR	\$36	0%	73%	27%	\$9	150
CBM Australia	\$33	23%	69%	8%	\$30	107
Australian Volunteers International	\$31	59%	2%	39%	\$18	123
Global Development Group	\$31	0%	94%	6%	\$5	18
Australian Committee for UNICEF Limited	\$26	0%	87%	13%	\$9	51

International activities	Total income	Total expenses	Total assets
Mean	\$3,042,764	\$2,866,634	\$1,429,796
Median	\$81,062	\$69,012	\$45,378

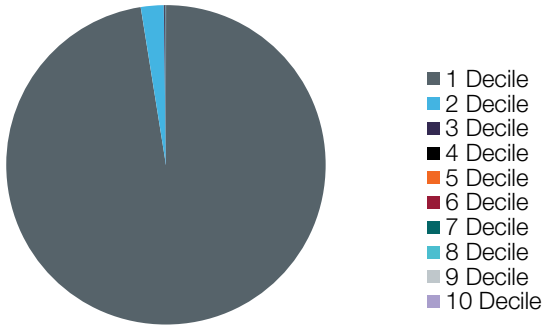
Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>International activities</b>	<b>2,123</b>	<b>598</b>	<b>381</b>	<b>3,102</b>	<b>15,015</b>
ACT	1	7	–	8	40
NSW	982	217	186	1,385	6,460
QLD	66	38	28	132	1,365
SA	48	31	83	162	1,640
TAS	28	5	–	33	60
VIC	997	294	51	1,342	4,965
WA	1	6	33	40	485

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	0%	0%	0%	1%	1%
NSW	29%	39%	34%	46%	40%
QLD	0%	5%	7%	5%	6%
SA	0%	1%	13%	4%	4%
TAS	0%	0%	0%	0%	0%
VIC	70%	55%	45%	45%	48%
WA	0%	0%	0%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

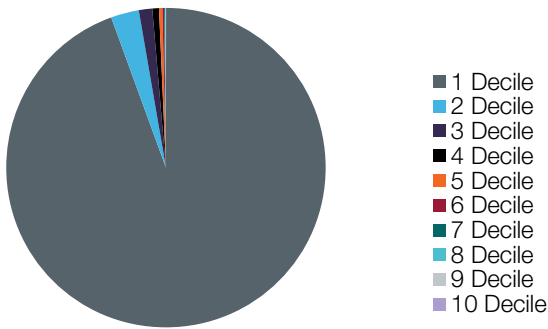
As the ultimate activities aren't conducted in Australia, the State based split reflects the head office of organisations and so Victoria and New South Wales tend to dominate numbers for staffing and donations, although the latter doesn't measure the home of the donor. The level of volunteering is high at almost five volunteers per paid employee.

## Income and asset split by decile

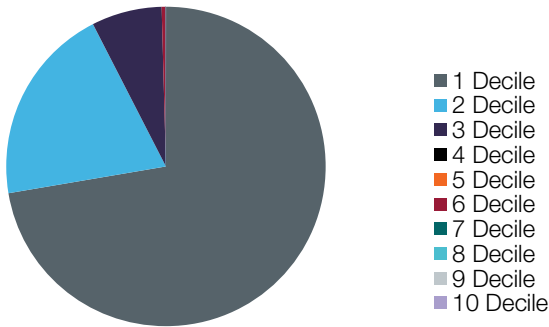
### Government grants



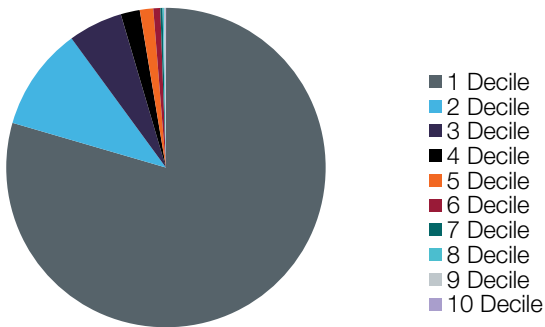
### Donations and bequests



### Other income

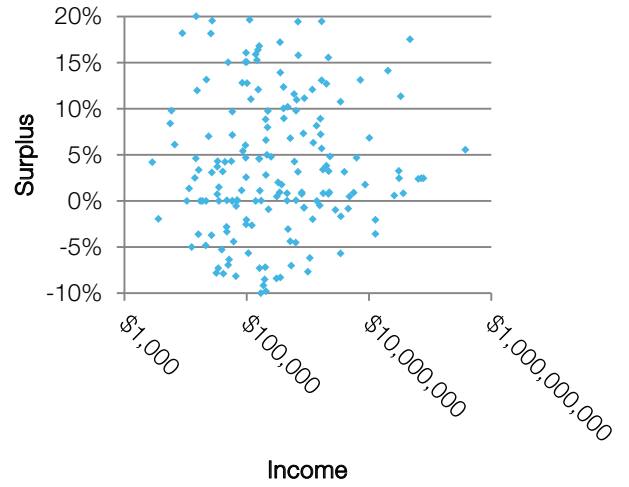


### Net assets

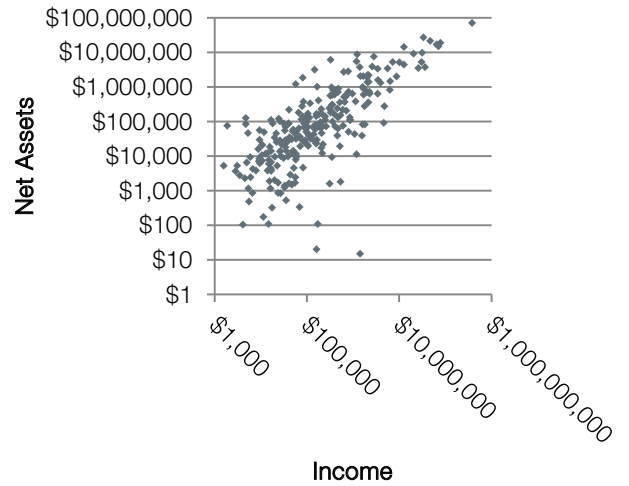


## Individual organisation positioning

### International activities – Income vs Surplus



### International activities – Income vs Net Assets

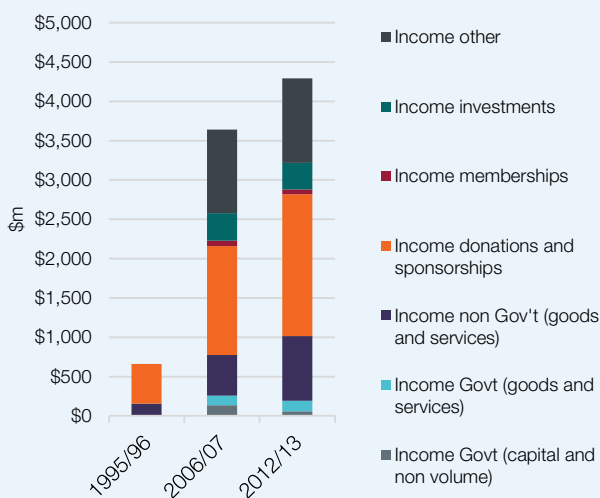


The decile split is very concentrated for Government and philanthropy but less so for self-earned income suggesting it is relied on from a more random group than just the large organisations. There is a very strong relationship between income and assets but again, not between profitability and income. We also see a very even spread in organisational size within the sector.

# Religion

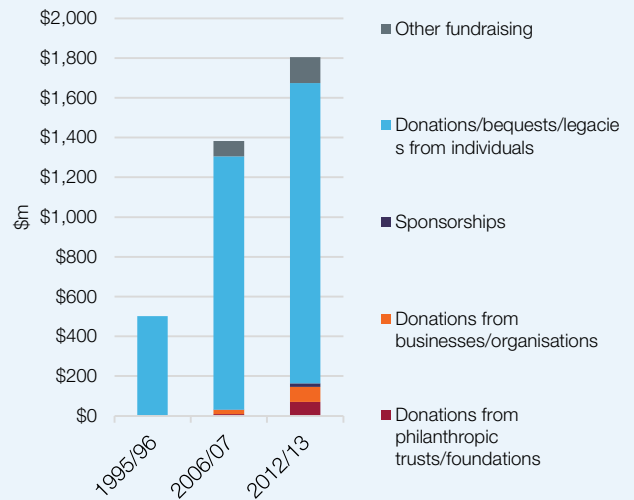
The ICNPO Group 10 comprises religious groups or “basic religious charities”. This does not include organisations formed by religious groups but who undertake other activities, such as welfare or international aid.

## Religion – Income mix



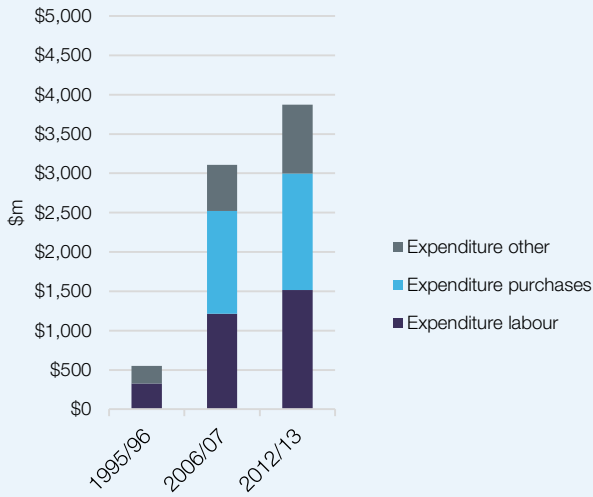
The ABS data gives a better financial coverage of the sector than the following ACNC data due to non-reporting requirements, despite the two sets containing a very similar number of organisations. The majority of income (42% in 2013) came from individual donations and bequests, followed by a significant amount from non-Government goods and services (eg Hillsong’s revenue from music sales). Income growth has been slower than for the overall NPIs and while small, the Government proportion has fallen since 2007.

## Religion – Fundraising and sponsorship



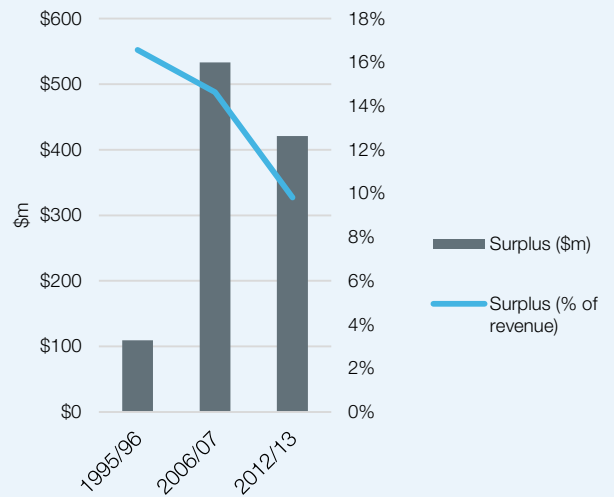
Fundraising has remained almost totally from individuals and bequests with small amount from charitable trusts and business. It is worth noting that in the USA the proportion of philanthropy going to religion has fallen from over 50% in the mid 1980s to currently around 30%, although that decline stopped around 2007. It is still the largest single cause supported by philanthropy. In Australia, past ABS surveys show it is also the largest single cause attracting around 21% of donations having fallen from 25% in 1996. For those wanting a longer term view of the sector, Mark Lyons’ text *Third Sector* has good coverage of proportions of the population identifying with various religions over time.

### Religion – Expenditure



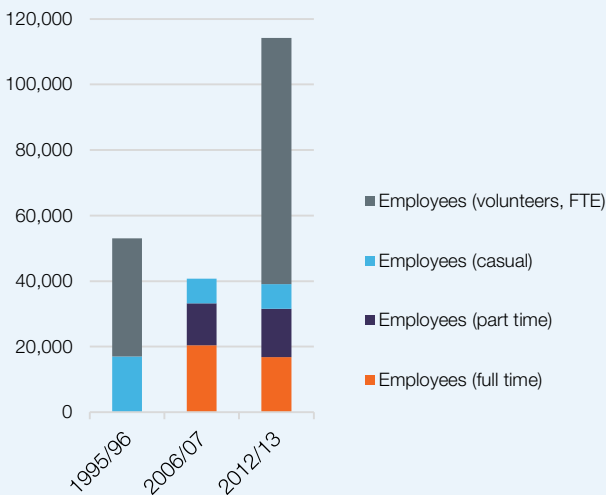
While expenditure has also risen, it has maintained a good gap to income. Employee expenses have been steady at 39% of overall costs.

### Religion – Annual surplus



The sector has enjoyed a good, if declining margin over this period. The ACNC data showed a margin of 13% for 2014, a little above the ABS 2013 level, but from a reduced sample size.

### Religion – Employees and volunteers



Employee totals have been flat over this period although the level of volunteering has been strong and significantly helped contain costs (the ABS did not record volunteer numbers for religion in 2007).

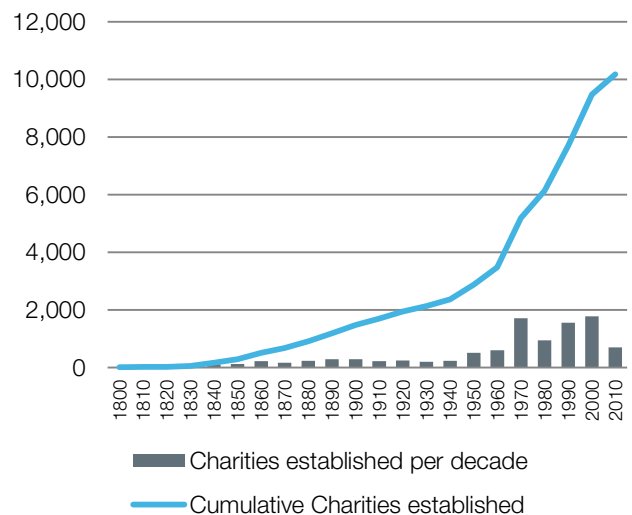
# Religious activities

## ICNPO 10 100 Religious congregations and associations

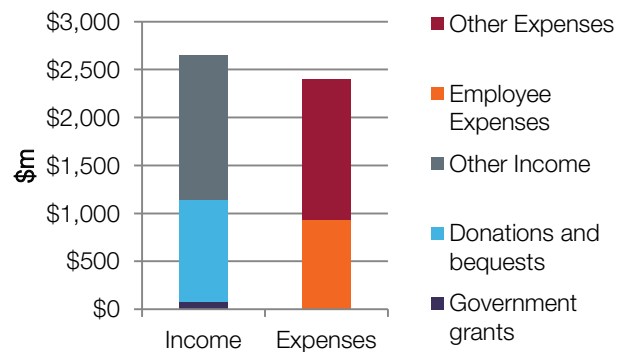
- **Congregations** – Churches, synagogues, temples, mosques, shrines, monasteries, seminaries and similar organisations promoting religious beliefs and administering religious services and rituals.
- **Associations of congregations** – Associations and auxiliaries of religious congregations and organisations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

Although there have been many new religious charities established in recent decades, their growth rate has been slower than for the broader NFP sector. This is partly due to the very long history of religious organisations being established at a reasonably consistent rate over time. As mentioned, the financials only cover those groups who chose to report but the breakup is still a reasonable guide to the sectors shape if not quantum of funding. Self-earned income is a little larger than philanthropy and there is only a small component of Government funding seen in the sector. The more complete data available from the ABS surveys shows income is around \$4.2B suggesting that around half the sector totals have been reported. There is a very strong balance sheet for the sector and a reasonable level of liabilities and if the ABS to ACNC ratio for income was the same for assets, we could expect total sector assets of around \$25B. There are 11% of organisations with DGR status.

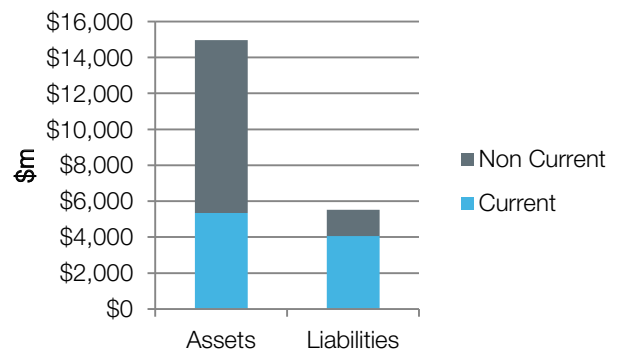
Religious activities – Number of charities established and cumulative per decade



Profit and loss – Religious activities



Balance sheet – Religious activities



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Religious activities \$m</b>	<b>\$2,868</b>	<b>\$226</b>	<b>\$1,064</b>	<b>\$1,587</b>	<b>\$14,964</b>	<b>46,050</b>
Churches of Christ Qld	\$221	66%	0%	34%	\$573	3,218
The Uniting Church In Australia Property Trust (Victoria)	\$128	1%	8%	91%	\$294	356
The Baptist Union of Queensland	\$91	0%	2%	98%	\$370	820
Hillsong Church Ltd	\$80	1%	53%	46%	\$39	541
The Uniting Church (NSW) Trust Association Limited	\$64	0%	0%	100%	\$1,061	23
Catholic Church Endowment Society Inc	\$63	13%	8%	79%	\$461	320
The Uniting Church In Australia Property Trust (Q.)	\$44	0%	2%	98%	\$442	173
The Lutheran Laypeople's League of Australia Inc	\$43	0%	5%	95%	\$902	18
Trustees of the Christian Brothers	\$35	0%	1%	99%	\$227	127
The Church of Jesus Christ of Latter-Day Saints Australia	\$33	0%	99%	1%	\$11	107

Religious activities	Total income	Total expenses	Total assets
Mean	\$237,529	\$206,732	\$1,239,152
Median	\$0	\$0	\$0

Staffing table	Full time staff	Part time staff	Casual staff	Total staff	Volunteers
<b>Religious activities</b>	<b>17,129</b>	<b>18,995</b>	<b>9,926</b>	<b>46,050</b>	<b>546,265</b>
ACT	230	217	84	531	11,605
NSW	7,036	6,442	4,450	17,928	182,300
NT	100	64	35	199	1,790
QLD	3,977	4,622	1,841	10,440	93,185
SA	1,046	1,307	855	3,208	52,960
TAS	175	341	213	729	13,685
VIC	3,290	4,583	1,726	9,599	136,965
WA	1,268	1,396	714	3,378	53,460

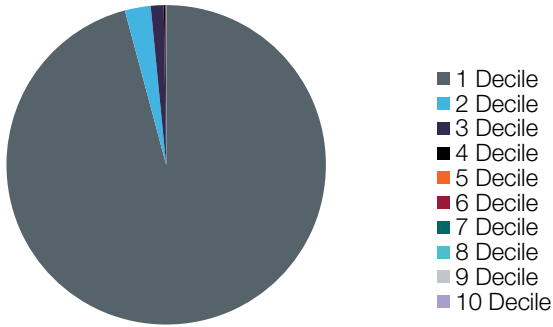
State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	1%	2%	1%	1%	1%
NSW	12%	43%	33%	38%	42%
NT	0%	0%	0%	0%	0%
QLD	70%	11%	19%	14%	10%
SA	7%	9%	11%	15%	9%
TAS	1%	1%	1%	1%	1%
VIC	8%	23%	29%	25%	25%
WA	2%	10%	6%	7%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

The State split for staffing and for income other than Government is along population lines, while Queensland enjoys a large share of the small amount of Government income. Volunteering is strong with 12 volunteers for each paid employee.

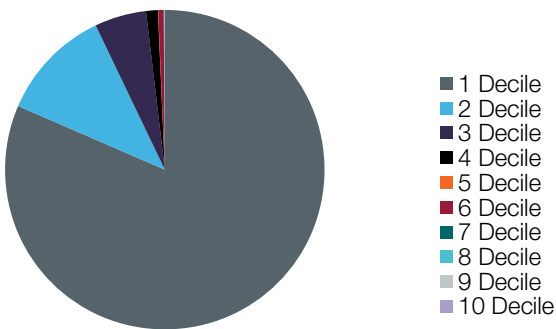


## Income and asset split by decile

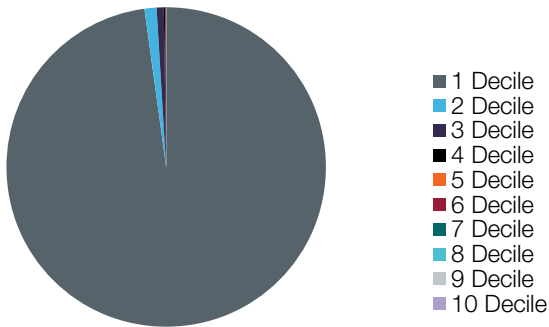
### Government grants



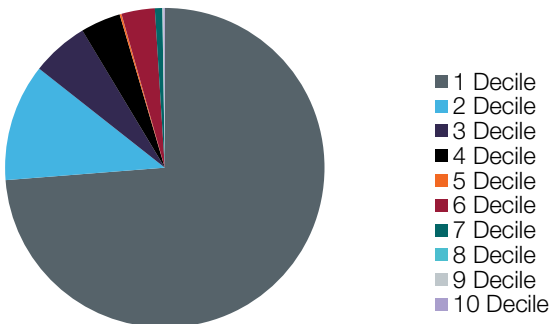
### Donations and bequests



### Other income

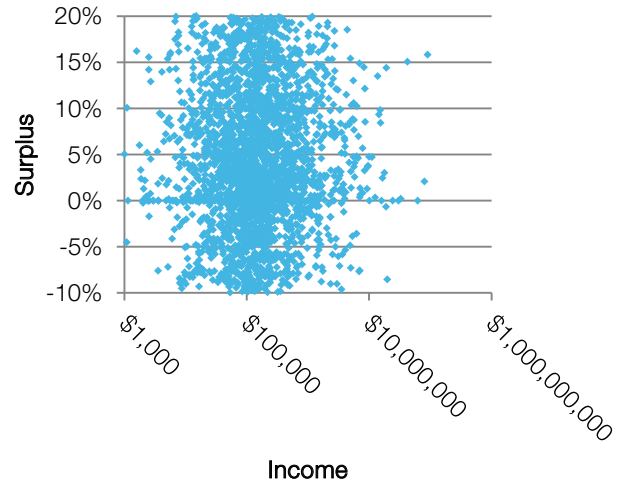


### Net assets

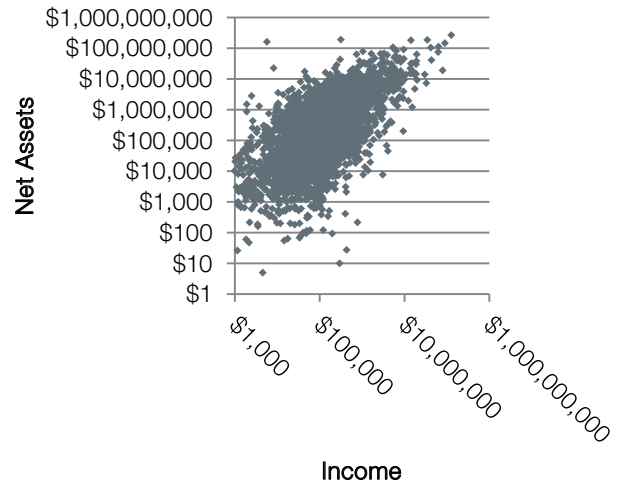


## Individual organisation positioning

### Religious activities – Income vs Surplus



### Religious activities – Income vs Net Assets

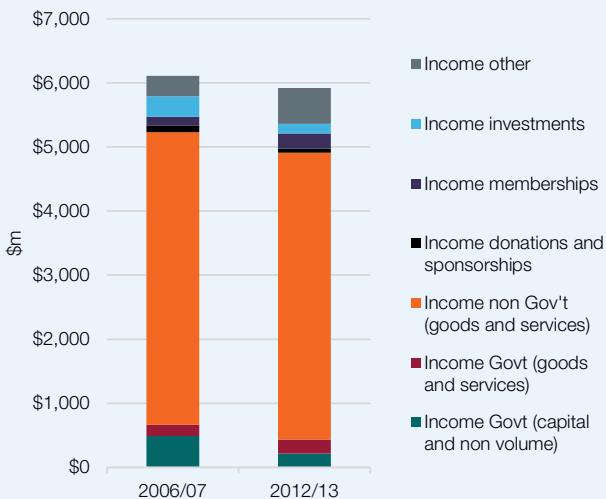


While there is a strong concentration in Government and other funding amongst the sector deciles, the split for donations is less so. The very large number of organisations are evident as is the range of income received. There is a very strong relationship between income and assets but again, not between profitability and income.

# Other

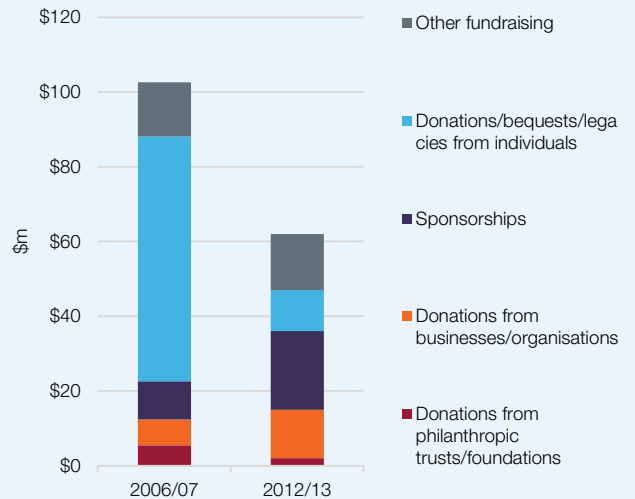
The ICNPO Group 12 comprises all other organisations which qualify as non-profit institutions (not classified elsewhere). However, it does not include business or professional associations or labour unions which are in ICNPO Group 11 and have not been included in our subsector analysis as very few have charitable status. This group is included in the totals for NPIs given in our earlier section looking at how the sector has changed over the past 20 years. As this is a very diverse sector, group trends may not be as meaningful as some of the more closely related groupings.

## Other – Income mix



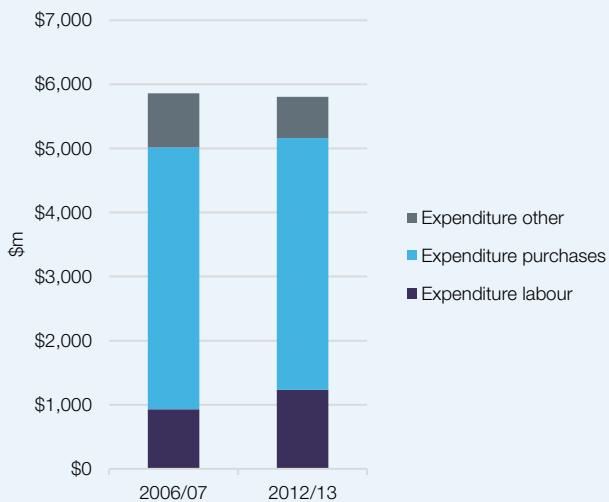
A diverse and changing group of causes and organisations mean the quantum of income may not be as meaningful as the proportions. There is a large proportion of non-Government goods and services income in the sector at 76% of the total. Philanthropy and Government make up small parts of the remainder with memberships, investments and other income providing a larger share.

## Other – Fundraising and sponsorship



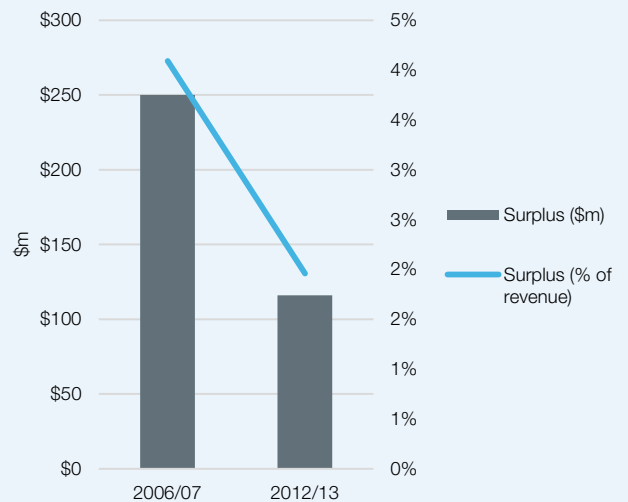
The relatively small amounts coming from philanthropy and the changing mix of organisations mean little can be read from this data for the group as a whole.

### Other – Expenditure



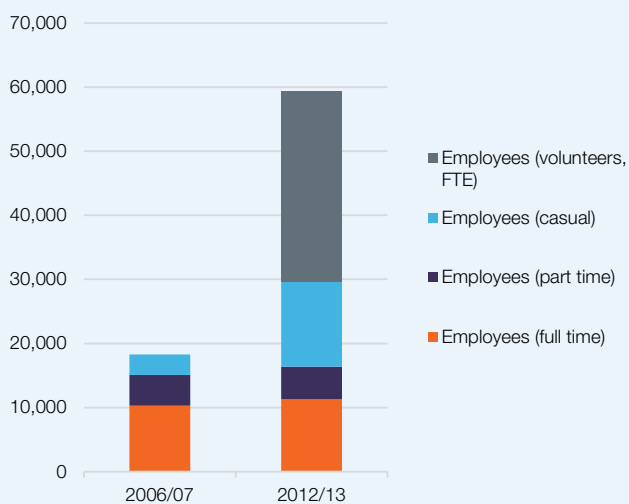
Expenditure has remained flat, in line with income. Only 21% of costs are labour related, up from 16% in 2007.

### Other – Annual surplus



Given the uncertainty in the relevance of income and expenditure totals for this sector, the surplus calculation holds even less worth here, although the trend of a low and falling surplus is not uncommon amongst NPIs.

### Other – Employees and volunteers



Employee numbers have been flat except for a rise in the casual category. The ABS didn't collect volunteer numbers in their 2007 survey for this category.

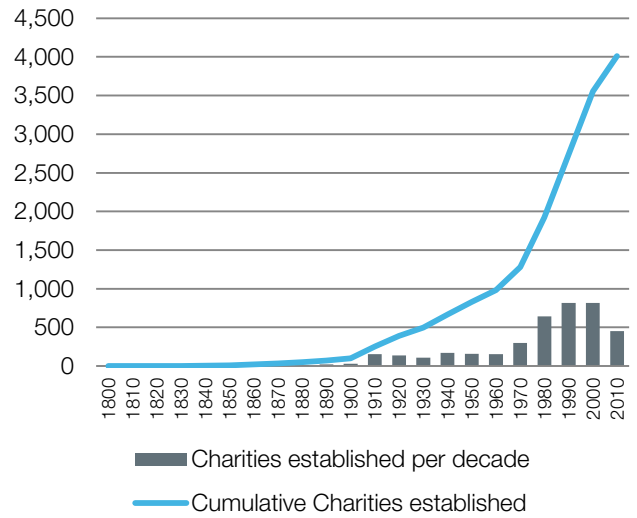
# Other

## ICNPO 12 100 Not elsewhere classified

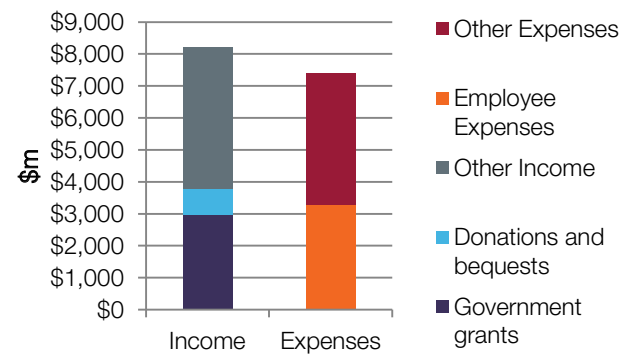
- All other NPIs.

There are a large number of organisations who have self-classified as “other” including some of the largest charities. The increase in numbers is a little slower than for the sector overall. It is difficult to take too much from such a diversified group but given the numbers and cross sector activities, it is not surprising that the overall income mix is close to that seen in the NFP sector in total. It is also a reasonably asset rich group of organisations with liabilities in line with the overall NFP sector. There are 47% of organisations with DGR status.

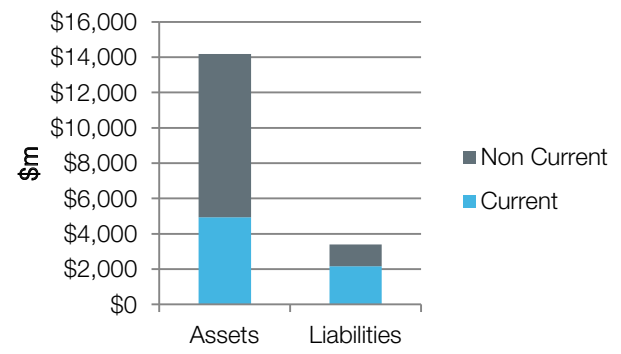
Other – Number of charities established and cumulative per decade



Profit and loss – Other



Balance sheet – Other



Top 10 organisations by income	Total gross income	Government grants	Donations and bequests	Other income	Total assets	Total staff
<b>Other \$m</b>	<b>\$8,220</b>	<b>\$2,971</b>	<b>\$821</b>	<b>\$4,429</b>	<b>\$14,175</b>	<b>77,513</b>
Australian Red Cross Society	\$1,109	85%	9%	7%	\$919	7,110
Co-Operative Bulk Handling Ltd	\$703	0%	0%	100%	\$1,444	1,525
Catholic Church Insurance Limited	\$352	0%	0%	100%	\$1,109	251
House with No Steps	\$126	5%	3%	93%	\$53	2,303
Ku Children's Services	\$109	34%	0%	66%	\$55	2,190
Horticulture Australia Limited	\$104	81%	0%	19%	\$46	62
Vision Australia	\$93	35%	34%	31%	\$214	778
Karingal Inc	\$90	88%	0%	11%	\$89	1,451
Activ Foundation Inc	\$89	72%	3%	26%	\$51	2,266
Independence Australia Group	\$83	10%	2%	88%	\$32	646

Other	Total income	Total expenses	Total assets
Mean	\$1,834,524	\$1,662,528	\$3,151,459
Median	\$74,186	\$62,089	\$93,150

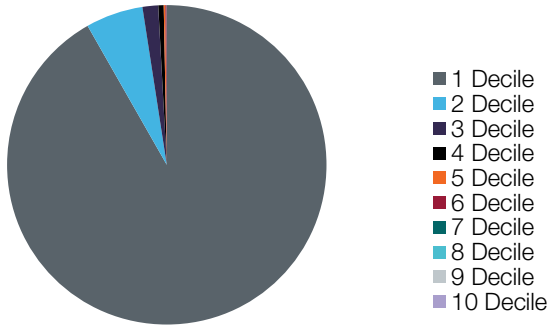
Staffing table	Full time staff	Part time staff	Casual staff	Volunteers	Total staff
<b>Other</b>	<b>28,772</b>	<b>26,707</b>	<b>22,034</b>	<b>77,513</b>	<b>196,635</b>
ACT	928	691	850	2,469	8,015
NSW	8,849	8,231	7,530	24,610	71,210
NT	506	199	333	1,038	1,875
QLD	4,085	3,021	4,912	12,018	37,310
SA	613	1,291	904	2,808	15,155
TAS	180	629	425	1,234	4,340
VIC	9,677	8,713	4,906	23,296	43,065
WA	3,923	3,908	2,167	9,998	15,540

State split table	Government grants	Donations and bequests	Other income	Total assets	Net assets
ACT	2%	1%	3%	2%	2%
NSW	26%	39%	24%	24%	25%
NT	2%	0%	1%	1%	1%
QLD	10%	15%	14%	10%	10%
SA	2%	5%	3%	4%	4%
TAS	2%	0%	1%	1%	1%
VIC	47%	36%	31%	40%	37%
WA	9%	4%	23%	18%	20%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

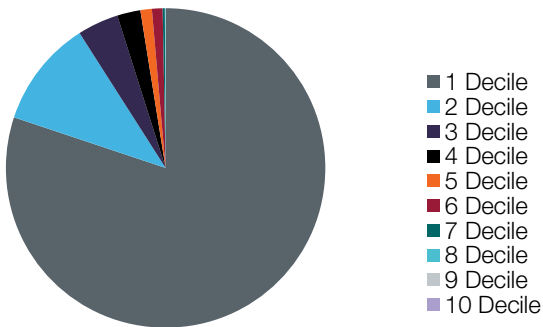
There is a good split by States of both staffing and income although Victoria does better than population numbers would suggest. Volunteering is also strong with 2.5 volunteers for each paid employee.

## Income and asset split by decile

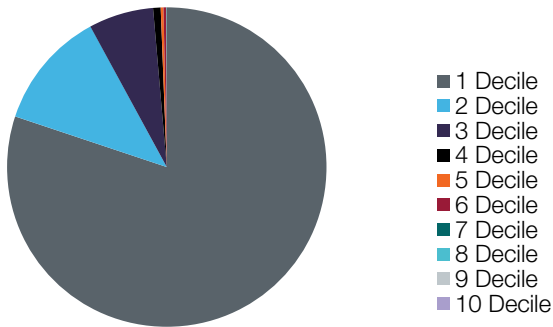
### Government grants



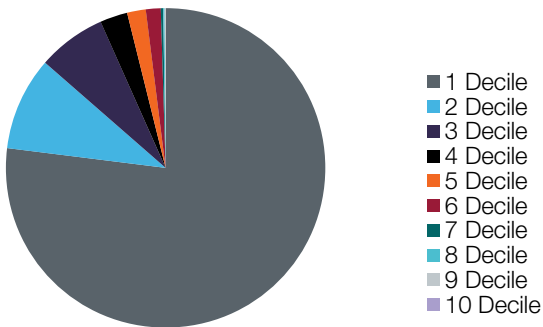
### Donations and bequests



### Other income

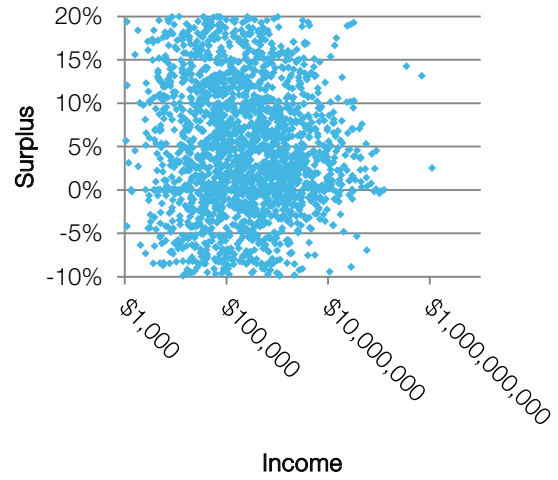


### Net assets

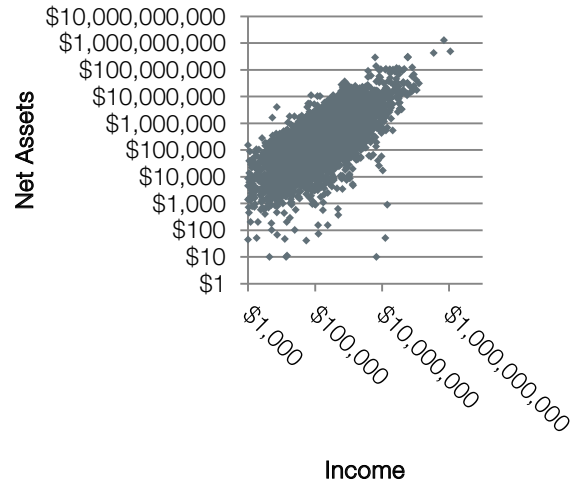


## Individual organisation positioning

### Other – Income vs Surplus



### Other – Income vs Net Assets



Government grants are concentrated in the top decile as seen across the NFP sector, but donations and assets are more widely distributed. There is a wide range of income levels for this “catch-all” sector but there is still a very strong relationship between income and assets although again, not between profitability and income.

## About the author



John McLeod joined JBWere's Philanthropic Services team on its establishment in 2001 after 16 years as a leading resource equity analyst. His primary responsibilities are researching and analysing trends in the philanthropic sector; interpreting the findings to provide valuable insights for clients; and forging relationships between clients with a philanthropic interest and the not-for-profit sector.

After retiring as a Principal and Executive Director of Goldman Sachs JBWere, John has devoted more time to both his family's interests in private philanthropy through a Private Ancillary Fund (PAF) and broader education through consultancy in the sector while still undertaking research and client advisory work for the Philanthropic Services team at JBWere. John serves on multiple Boards, including the Philanthropy Australia Council, in a fiduciary volunteer capacity and is the co-author of IMPACT – Australia: Investment for social and economic benefit.

## About JBWere

Established in 1840, JBWere is a leading Australian private wealth manager who provides bespoke wealth and investment advice to Australia's most successful people, companies and non-profit organisations.

Working with and servicing charitable and Not-for-Profit (NFP) clients, has been a key cornerstone of the growth and history of JBWere over its 175 years of existence. In 2001, JBWere established a dedicated Philanthropic Services team to provide strategic advice and insight to NFP organisations, philanthropic individuals, families and businesses.

Our Philanthropic Services and Wealth Management teams, in combination, manage over 440 accounts for clients who operate in a NFP, tax-exempt environment (foundations, education institutions, charities, membership organisations, hospitals etc.), with Funds under Management (FUM) exceeding \$3.6 billion. This makes JBWere the leading provider of services to the sector, with a deep understanding and appreciation of the importance of prudent management of investment assets for such clients. JBWere is wholly owned by National Australia Bank Limited.

## Research and insight

The JBWere Philanthropic Services team regularly produces research and insight papers for the benefit of our clients in the philanthropic and 'for-purpose' sectors. Please visit our website to download our other Research and Insight papers including:

- Australian Giving Trends – Signs of Life (December 2015)
- Non-profit leadership: Emerging Themes – Impact and Measurement
- The PAF Report.

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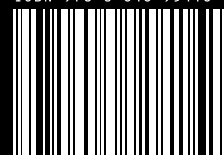
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