









Australian Charities and Not-for-Profits Commission

The Australian Charities and Not-for-Profits Commission (ACNC) is Australia's national charity regulator. Registered charities are required to provide the ACNC with an Annual Information Statement comprising up-to-date corporate governance and financial data. The ACNC has commissioned CSI at UNSW to analyse charity data and provide reports for distribution to the sector and the broader Australian community. This closes the feedback loop for charities required to provide data and provides empirically-based insights into Australia's charities. ACNC data can also be explored at: australiancharities.acnc.gov.au/.

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Abbreviations

ABN Australian Business Number
ABR Australian Business Register

ACNC Australian Charities and Not-for-profits Commission

ACT Australian Capital Territory

AIS Annual Information Statement

CPI Consumer Price Index
CSI Centre for Social Impact
DGR Deductible Gift Recipient

L Large charity (total revenue \$1,000,000 to less than \$10,000,000 in detailed size

M Medium charity (total revenue \$250,000 to less than \$1,000,000)

NDIS National Disability Insurance Scheme

NSW New South Wales
NT Northern Territory

ORIC Office of the Registrar of Indigenous Corporations

PBI Public Benevolent Institution

QLD Queensland

S Small charity (total revenue \$50,000 to less than \$250,000 in detailed size

SA South Australia

SPRC Social Policy Research Centre

TAS Tasmania
VIC Victoria

WA Western Australia

XL Extra-large charity (total revenue \$10,000,000 to less than \$100,000,000 in

XS Extra-small charity (total revenue less than \$50,000 in detailed size categories)

XXL Extra-extra-large charity (total revenue \$100,000,000 or more in detailed size

Executive summary



The Australian Charities Report 2016 attests to the diversity of Australia's charities, and their significant social, economic and cultural contribution to Australia and overseas.

This report profiles 52,166 charities in 51,378 records¹, including for the first time 711 charities that report to the Office of the Registrar of Indigenous Corporations (ORIC).

Headline statistics

\$142.8 billion total revenue	\$10.5 billion received in donations	\$137.1 billion total expenses	8.9% net income ratio	
\$197.6 billion total assets	1.3 million paid	\$75.4 billion	2.9 million	
	staff	employee expenses	volunteers	

Size

The majority of Australia's charities are small. Over one-third (39.8%) have an annual revenue less than \$50,000 (XS charities). Four in every five charities (82.8%) have revenue under \$1 million.

XXL charities with annual revenue over \$100 million make up less than 1% of all charities and are mostly universities and hospitals.

Location

Most charities operate in a single state or territory within Australia (82.8%).

Almost one in ten charities report operating overseas (8.4%).

Main activities

Consistent with previous years, 30.8% of all charities report religious activities as their main activity. The second most common activity in 2016 was primary and secondary education.

¹ There were 958 charities which reported as part of 170 groups. Each group is treated as a single charity record for analysis purposes.

Among ORIC charities, which use different reporting categories, the most common activity was health and community services (31.8%), followed by land management (21.0%).

Among charities who reported having international activities, a higher proportion transferred funds overseas (76.2%) than operated overseas (48.6%).

Beneficiaries

More than half of all charities (59.4%) reported helping the general community within Australia.

Charities whose main activities were environmental activities (84.2%) and religious activities (84.0%) were most likely to report helping the general community.

Among charities which reported helping specific groups, the most common groups helped were children (6–14 years) and youth (15–24 years).

Staff and volunteers

In 2016, Australia's charities employed almost 1.3 million paid staff, equivalent to approximately 10.6% of all employees in Australia.

A high proportion of staff employed by Australia's charities are engaged on a part-time (35.0%) or casual basis (27.0%). Larger organisations were more likely than others to employ full-time staff.

Charities employed a mean number of 25 paid staff. However, just under half of all charities operated with no paid staff (49.6%).

Charities drew on the efforts of 2.9 million volunteers. The mean number of volunteers each charity engaged was 58. Charities who reported religious activities as their main activity engaged the most volunteers, followed by 'other education' activities and emergency relief.

Revenue and income

In 2016, charity revenue totalled \$142.8 billion. This was equivalent to a mean of \$2.8 million per charity.

One per cent of charities accounted for over half (54.9%) of the sector's total revenue.

Donations and bequests made up 7.3% or \$10.5 billion of all charity revenue. Donations and bequests were a source of revenue for 70.1% of charities.

Approximately half of all charities received revenue from government grants. Just under half of all charities (45.2%) received revenue from two out of three revenue sources (being government grants, donations and bequests, and other revenue).

Expenses

In 2016, charities spent a total of \$137.1 billion, with a mean expenditure of \$2.7 million per charity.

Over half of all charity expense (55.0%) was employee-related expense (\$75.4 billion). One-fifth (21.9%) of all employee expenses were from charities whose main activity was higher education.

Charities spent a total of \$6.7 billion on grants, of which 75.9% was for use in Australia and 24.1% for use outside Australia.

Financial status

The charity sector's aggregate net income was \$13.5 billion, representing a net income ratio of 8.9%. Net income ratios fluctuated between 2015 and 2016 for XS and S charities more than others.

The charity sector has \$197.6 billion of total assets, with an asset ratio of 3.3, meaning that on average charities have three times more assets than liabilities.

Current assets provide a more accurate picture of the resources a charity may have available to draw on if required, but figures are available only for charities with revenue over \$250,000. The aggregated net current assets of these charities was \$15.0 billion.

Where does the data come from?

Data comes from Australian charities registered with the Australian Charities and Not-for-profits Commission (ACNC) at the end of each charity's 2016 financial year. The report uses the best and most recent data available for each charity. In most cases, data came from Annual Information Statements (AIS) provided for 2016, or from a 2015, 2014 or 2013 AIS where 2016 data was unavailable. Where no AIS data was available, information was used from the ACNC Register. Where financial information was not reported by charities it was estimated, to help build a complete picture of the charity sector.

Visit <u>australiancharities.acnc.gov.au/</u> to find out more.

1. Introduction



Australia's charities deliver services, make grants and perform a wide range of other activities to advance health, education, welfare, religious and other charitable causes. This report provides the most comprehensive record to date of the characteristics and activities of charities who were registered with Australia's charity regulator, the Australian Charities and Not-for-Profits Commission (ACNC), in 2016.²

Data in the report comes from all Australian charities registered with ACNC at the end of each charity's 2016 reporting year.³ It uses the most recent data available for each charity. In most cases, data came from the 2016 AIS, or from a charity's 2015, 2014 or 2013 AIS where 2016 data was unavailable. Additional data was taken from the ACNC Register and from the Australian Business Register (ABR). Where no financial data was available from a charity's AIS, data was estimated using information from the ACNC Register, where possible.⁴ Our approach follows, and builds on, the method used to understand the size, characteristics and contribution of Australia's charities in 2015. Improvements to quality and coverage mean some data may not be directly comparable.

The information builds a more accurate picture of charities' characteristics, structure, activities, purposes and resources than previously available. It shows, for example, that the charity sector had a **total revenue of \$142.8 billion** and **employed 1.3 million staff**. This establishes a baseline for understanding Australian charities into the future. The findings attest to Australian charities' diversity, and their rich social, economic and cultural contributions in Australia and internationally. Figure A.1 shows the importance of the charity sector to the Australian economy through comparison to a range of other industries across several indicators, including employment and income levels.

2016 Report series

This report is the first in a series drawing on the specially constructed dataset for 2016. Companion reports, scheduled for release in 2018, focus on Australia's grant-making charities and growth and change among Australia's charities.

Data used to develop the reports can be explored at australiancharities.acnc.gov.au/, where you can:

- Download a summary Australian Charities Report 2016—a view of the charity sector in pictures.
- Interact with 'datacubes' to view and customise graphics for the whole charity sector or for one or two sub-sectors (for example, Health or Education).
- Download **specific interest reports**. This includes past reports on aged care charities, Australia's smallest charities, charities working with people with disabilities, charities working internationally and charity red tape. The 2016 reports on grant-making charities and growth and change will be added in 2018.

² A charitable organisation must register with the ACNC and be recognised as a charity under the *Charities Act 2013* (Commonwealth) in order to receive Commonwealth charity tax concessions from the Australian Taxation Office or access other Commonwealth exemptions or benefits. Throughout this report, the term 'charities' refers to charities registered with the ACNC.

³ Charities which had been deregistered or voluntarily deregistered were excluded.

⁴ Estimation processes are described further below and in Appendix A: Further methodological details.

What's new?

In the 2016 report, we include a range of new data including:

- Headline data for charities registered with ORIC
- Information about charities' international activities
- Information about whether charities are providing services as part of the National Disability Insurance Scheme (NDIS).

Another key change is the use of revenue (rather than income) as the primary measure of charity size. This is consistent with the ACNC's approach to categorising charities by revenue size, which is defined by the *Australian Charities and Not-for-profits Act 2012* (Cth) (ACNC Act). Revenue provides us with a useful picture of the level of resources charities attracted in the reporting period, and is one of the means with which charities can carry out their activities and achieve their purposes.

About the dataset

Information about charities in 2016 provides the most current and complete snapshot of Australia's registered charities. Consistent with the methodology used in the 2015 report, the best available data is used where information was not available from a charity's 2016 AIS.

Data for the dataset was sourced from: 5

- Charities' AISs
- The ACNC Register
- · Charity data from the ORIC
- The Australian Business Register.

Overall, the dataset captures information about 52,166 charities. The majority of data is based on an AIS provided by the charity for the 2016 reporting period, although in some cases a previous AIS or registry data were used. The composition of the dataset is presented in Figure 1.1 and the data sources are explained below.

Figure 1.1 Summary of data sources

Source	Number of Charities	Percent	Cumulative Percent
2016 AIS	46,945	90.0	90.0
Group charities, 2016 AIS	958 charities reporting as part of 170 groups	1.8	91.8
2016 ORIC data	711*	1.4	93.2
2015 AIS	2,727	5.2	98.4
2014 AIS	246	0.5	98.9
2013 AIS	302	0.6	99.5
ACNC Register	277	0.5	100.0
Total	52,166	100.0	

Notes: Figures may not add due to rounding. * 176 charities reported to ORIC and also provided an AIS to ACNC. They are therefore counted in AIS data, as this is more comprehensive than ORIC data.

Annual Information Statement data

Most information in this report comes from charities reporting to the ACNC as part of their AIS.⁷ The AIS captures information including charity size, activities, beneficiaries, employee and volunteer

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⁵ Data from different sources was matched using Australian Business Numbers (ABN) as the common identifier.

⁶ There were 958 charities, which reported as part of 170 groups. Each group is treated as a single charity.

⁷ The 2016 AIS relates to charities' characteristics and activities in the financial year ending in 2016. The standard ACNC reporting period is the financial year from 1 July to 30 June. However, charities that use a different reporting

numbers, and locations of operations. Since 2014, AIS information has included financial information.8

The dataset used for this report incorporates information from the 2016 AIS for 46,945 registered charities which had provided the required information to the ACNC by 21 September 2017. In addition to these, there were 958 charities that reported their AIS as part of 170 groups⁹, giving 47,115 records for the 2016 AIS. Each group is treated as a single charity for the purposes of the analysis, as it is not possible to disaggregate the data and assign values to each charity in the group.

Although the 2016 AIS provides the best source of information about a charity in 2016, there are some data gaps because:

- Some charities are not required to provide a 2016 AIS (such as newly established charities)
- Not all charities providing an AIS are required to provide financial information (such as basic religious charities)10
- Other charities are required to report but had not done so in time for the analysis.

In these cases, proxy data for the charity was used. Where proxy information was required information was estimated based on the best available data about the charity, which was held by the ACNC. Proxy information was used for a total of 3,552 charities (or 6.8% of the total dataset). 11 This is a significant improvement on the 2015 Report, where proxy information was used for 12% of the dataset. The reduced need to draw on proxy information reflects an improvement in timely response rates to the AIS. In most cases where proxy information was required it was drawn from the most recent AIS submitted. However, in some cases, estimation was used instead of a previous AIS, specifically where reported financial data was missing or unreliable. More information about the financial estimation can be found in Appendix B.

The ACNC Register

The ACNC Register contains information provided by charities for the purposes of registering with the ACNC. This includes their legal name, ABN, date of establishment and their charitable purpose. The Register is available publicly on the ACNC website. The ACNC Register is a 'living' dataset. It is regularly updated by the ACNC as new charities are registered or as charities report a change of details, or have their registration voluntarily or involuntarily revoked. 12 Some data in this report, including charities' date of establishment and their charitable purposes, is derived from the Register. For a small number of charities (280) data was estimated based on information held about the charity on the Register, where AIS data was not available.

Office of the Registrar of Indigenous Corporations data

A number of charities report to ORIC rather than the ACNC. As they are regulated primarily by ORIC, they are not required by the ACNC to submit an AIS. In previous years this has meant that charities

period can apply for a 'substituted accounting period' (ACNC, 2015e). The time period reported on in the AIS is based on the reporting period used by the charity.

Medium and large charities are required to submit their annual financial reports as well as complete the AIS.

⁸ Note also that the ACNC obtains financial information for non-government schools from the Commonwealth Department of Education and Training, which is then mapped to the AIS.

⁹ With ACNC approval, charities can report collectively as a single group. This means that one Annual Information Statement is submitted on behalf of all the charities in the group.

¹⁰ Basic religious charities are those that are registered with the sub-type of a purpose of advancing religion that cannot also be registered under another sub-type. Charities are not basic religious charities if they are incorporated, endorsed to receive deductible gifts, or if they fall into other categories.

¹¹ For a number of charities (4,295), there was no source of proxy data which could be used, so these charities were

¹² As well as ACNC updates of the Register, charities may be permitted to withhold certain information from the Register in limited circumstances. (ACNC 2016a) Information on the ACNC Register: withheld information. Available at: http://acnc.gov.au/ACNC/FindCharity/About Register/Withheld info/ACNC/Reg/With info.aspx.

regulated by ORIC have been excluded from this analysis unless they voluntarily submitted an AIS to the ACNC. For the first-time, data for charities which reported to ORIC instead of providing an AIS have been incorporated in this report.

Of the 887 ORIC charities:

- 176 also provided a 2016 AIS so are included through their AIS information, as this is more detailed.
- 711 ORIC charities did not provide a 2016 AIS, so information is drawn from the 2016 report made to ORIC.

ORIC reporting is less comprehensive than that required for the AIS and concordance was not possible on all variables. For example, activities reported by ORIC charities do not clearly correspond with those in the AIS dataset. This means that ORIC charities are included in some analyses in the report but not others, and in some cases ORIC data is reported separately. This is made evident throughout the report.

The Australian Business Register dataset

The ABR contains details provided by Australian businesses and organisations when they register for an ABN. It includes information about charities' eligibility for tax concessions. In this report, ABR information is used to profile charities' Deductible Gift Recipient (DGR) status.

Data quality

The ACNC and the research team have worked to improve the estimation model and the handling of suspected errors to improve data quality accuracy, including quality at the point of data capture. The data was cleaned prior to analysis using the rules and filters summarised in Appendix A: Further methodological details. Nevertheless, data which is self-reported by charities may contain some errors, despite the best efforts of the ACNC and research team to identify and address these.

It should be noted that some questions in the AIS were not answered by all charities, so the total number of responses to each question may vary. Non-response reduces the accuracy with which the findings represent the whole population of registered charities. Notwithstanding, the coverage of the data, and the approach to identifying and correcting errors means the dataset provides the most accurate and comprehensive information ever available about Australia's charities.

2. What size were Australia's charities?



This chapter provides a profile of the size of Australia's charities. The ACNC's approach to categorising charities as small, medium or large, based on their revenue, is defined by the ACNC Act. In 2016, 67.0% of charities fit the ACNC size category of 'small', while 15.7% were 'medium' and 17.3% were 'large'. This is shown in Figure A.2.

The AIS analysis provides the opportunity to explore the size of charities in more detail. To do this, we use charities' revenue size to provide a more detailed breakdown in six categories ranging from 'extra-small' (XS) to 'extra-extra-large' (XXL). This provides a more granular depiction of diversity in the size of Australia's charities. We use this 'detailed revenue size' throughout the report because it offers the best level of detail.

To improve accuracy and concordance with the ACNC's three categories, a measure of revenue rather than income was used in 2016.¹⁴ For this reason, data is not comparable with data reported in the 2015 or 2014 Australian Charities Reports.¹⁵ ¹⁶

Box 1 What is the difference between revenue and income in the AIS?

Revenue is the amount an organisation receives for its main activities. For Australian charities, this comprises government grants, donations and bequests, and other revenue/receipts. Other revenue may include for example, fundraising income (such as raffle tickets) and the sale of goods.

Income is the total revenue an organisation receives, plus any other income. Other income comes from transactions that are not part of a charity's ordinary operations or activities, but affect a charity's bottom line. Other income may include gains such as the sale of an asset (for example equipment or real estate), forgiveness of a liability or debt, or gains on foreign currency transactions.

Source: ACNC (2016b)

- Small charity—annual revenue is less than \$250,000

- Medium charity—annual revenue is \$250,000 or more, but less than \$1 million
- Large charity—annual revenue is \$1 million or more.

As well as describing annual revenue, these categories are used by the ACNC for regulatory purposes. The category selected determines the amount of financial information required by the ACNC. Small charities, along with basic religious charities, do not need to submit their financial reports or have their financial statements reviewed or audited for ACNC purposes. Basic religious charities did not need to provide any financial information (ACNC. (2015b) Factsheet: Charity size and revenue. Available at: http://acnc.gov.au/ACNC/FTS/Fact_CharSize.aspx.

¹³ These size categories are:

¹⁴ As ORIC collects information about income, not revenue, the size of ORIC charities is defined using income data.

¹⁵ The use of more reliable revenue data (rather than income data) and compositional differences in the datasets means the information reported in this section is not directly comparable with information reported in the *Australian Charities Report 2015* or *2014*. Compositional differences in the dataset include the use of estimates for non-reporters from 2015, and improved accuracy in reporting by charities and estimation in 2016.

¹⁶ To inform future exploration of size, an indication of the size of Australia's charities based on their total expenditure is included in Figure A.3. As this was highly correlated with revenue (Figure A.4), we do not provide further breakdowns of charity size using this definition. Expenditure is explored in more detail in Chapter 8.

Charity size by total revenue: detailed measure

Among charities in the dataset:

- The largest group was XS, with revenue under \$50,000 (20,144 charities, 39.8%).
- A minority of charities had revenue over \$100 million (160 charities, or 0.3%), and were defined as XXL. The majority of these were universities and hospitals.

A complete breakdown of revenue by size is shown in Figure 2.1. A list of charities with the highest revenue and their main activity is included in Appendix C: Australia's largest charities. This shows that many of the largest charities are higher education institutions.

Figure 2.1 Detailed measure of size by revenue

Revenue size	Number of charities	Percent of charities	Cumulative Percent
Less than \$50k (XS)	20,144	39.8	39.8
More than \$50k but less than \$250k (S)	13,797	27.2	67.0
More than \$250k but less than \$1m (M)	7,990	15.8	82.8
More than \$1m but less than \$10m (L)	6,688	13.2	96.0
More than \$10m but less than \$100m (XL)	1,888	3.7	99.7
\$100m or more (XXL)	160	0.3	100.0
Total	50,667	100.0	

Note: ORIC data excluded as ORIC charities report income not revenue.

ORIC income data

ORIC charities reported income rather than revenue. For this reason, we report it separately, in Figure 2.2. More than one in three ORIC charities had incomes of \$1 million or more (245, or 34.5%). However, most of these (214 or 30.1% of ORIC charities) were in the \$1 to \$10 million category; relatively few had incomes over \$10 million (31 charities, or 4.4% of ORIC charities). While it does appear that ORIC charities tend to be larger, comparisons should be made cautiously, given the different approaches to measurement in the AIS and ORIC reporting.

Figure 2.2 ORIC income data

Income size	Number of charities	Percent of charities	Cumulative Percent
Less than \$50k	221	31.1	31.1
More than \$50k but less than \$250k	82	11.5	42.6
More than \$250k but less than \$1m	135	19.0	61.6
More than \$1m but less than \$10m	214	30.1	91.7
More than \$10m but less than \$100m	31	4.4	96.1
Size not determined	28	3.9	100.0
Total	711	100.0	

3. Where were Australia's charities located?



The dataset captures two types of information about charities' locations. These are:

- **Charity street address:** ¹⁷ This is a charity's main or registered business address. It is determined using the state or territory and postcode in which a charity is *registered or based*.
- **Operating location:** This shows the jurisdictions in which charities *operated*. It includes the Australian states and territories and the overseas countries in which charities operated in 2016. Charities may operate in more than one location.

Charity Street address

Information about a charity's street address includes their state and postcode. This indicates their 'base', but not necessarily the areas in which they conduct activities. Put simply, for the many charities that operate in multiple locations, their charity street address is likely to be the location of the 'head office'. The distribution of charities by their street address is depicted in Figure 3.1.

Number of charities in each jurisdiction

Figure 3.2 provides a summary of information about the charities' street address and the jurisdictions in which they operated. It shows the number and proportion of charities which were based in each state or territory, and the number and proportion which operated in each jurisdiction. It also contains population estimates from the ABS (2017) and a calculation of the number of charities per 1,000 people.

The largest number of charities were registered in NSW (35.1% of charities), and 39.7% of charities operated there. Victoria was next, with 26.2% of charities registered in the state and 31.1% operating there.

In contrast, only 530 (1.0%) of charities reported a street address in the NT. However, 6.6% of charities operated there, indicating relatively high servicing from charities based in more populous states. Similarly, only 2.5% of charities had a street address in Tasmania, but 8.3% of charities reported operating in that state. This data is broadly consistent with trends evident in 2015 data.

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¹⁷ In previous reports, we referred to this as a charity's 'registered business address', but we now refer to 'charity street address' to more accurately reflect the data charities report on in the AIS.

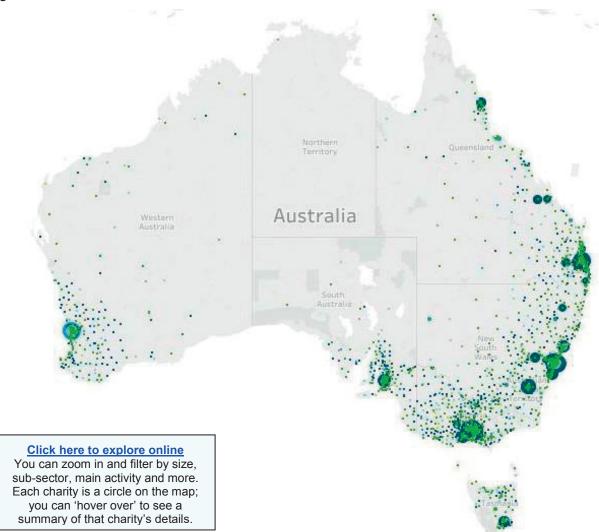


Figure 3.1 Location of Australia's charities' street address

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Figure 3.2 Charity street addresses and operations in each jurisdiction

Charities w address in jurisdiction			Charities oper jurisdiction#	ating in each	Charities with a street address in jurisdiction	Charities operating in jurisdiction
	Number	Percent	Number	Percent	per 1,000 people*	per 1,000 people [#]
NSW	17,786	35.1	20,133	39.7	2.3	2.6
VIC	13,262	26.2	15,759	31.1	2.1	2.5
QLD	7,621	15.0	11,108	21.9	1.6	2.3
WA	5,213	10.3	8,428	16.6	2.0	3.3
SA	3,868	7.6	7,081	14.0	2.3	4.1
TAS	1,283	2.5	4,206	8.3	2.5	8.1
ACT	1,104	2.2	4,322	8.5	2.7	10.6
NT	530	1.0	3,349	6.6	2.2	13.7
Total	50,667	100.0	-	-	2.1	-

Notes: *Includes ORIC data; #Excludes ORIC data, as operating location not reported. ^Per capita estimates based on ABS December 2016 Population Estimates (ABS, 2017). See Appendix for separate ORIC data and population data (Figure A.5 and Figure A.6).

Number of charities per capita

Figure 3.2 also shows the number of registered charities per 1,000 people in each state or territory, and the number of charities operating in each state or territory per 1,000 living in the state or territory. These figures are broadly similar to those for 2015. The population data on which this is based is in Appendix B: Supplementary Tables.

The ACT has 2.7 registered charities based there for every 1,000 people, most likely reflecting the decision of some multi-jurisdictional charities to be headquartered in the national capital. It also had a high number of charities operating there (10.6 per 1,000 people), most likely reflecting servicing by charities with a street address in NSW.

There was a particularly high number of charities per capita operating in the NT. While there were 2.2 charities based in the NT for every 1,000 residents, 13.7 charities operated there for every 1,000 residents, indicating high levels of servicing by charities based interstate. Similarly, Tasmania had 2.7 charities based there for every 1,000 people, but 10.6 charities per 1,000 people operated there, suggesting servicing by charities who had a street address in other jurisdictions.

Queensland had the lowest ratio of charities based in the state per head of population: 1.6 charities per 1,000 people. The number of charities operating in Queensland was also low per head of population, at 2.3 charities for every 1,000 people. Reasons for state variation are not immediately apparent. Variation may reflect differences in the efficiency of charities; lack of capacity; or different patterns of provision by government, business or households, or by non-profits which are not registered charities (see McGregor-Lowndes and Crittal, 2015: 16–22).

Charities operating in multiple jurisdictions

Many charities operate in multiple sites within the state or territory in which they are based and also operate in other jurisdictions. While the ACNC does not collect detailed information about where charities operate within a state or territory, the information available in the AIS does reveal where charities operate across the nation. Reflecting the small size of most charities, 82.8% reported operating in one state or territory only. As would be expected, larger charities were more likely to

operate in multiple states and territories. This is shown in Figure 3.3. Around 1 in 10 (9.4%) of XS charities reported having no operations in Australia. 18

■ No Aus operations ■ Operates in single state ■ Operates in 2-7 states ■ Operates in every state 100 4.4 3.7 5.3 8.4 8.8 6.6 8.3 17.0 8.6 90 10.3 11.3 14.6 80 70 29.6 60 81.3 50 82.8 87.0 83.9 79.9 40 76.4 30 53.5 20 10 9.4 4.2 0 S L XLXXL Total XS M

Figure 3.3 Number of states and territories that charities operated in by size (%)

Notes: n=50,386. Excludes 281 charities for which operating states were not reported. Excludes ORIC data. See also Figure A.7.

Size of charities in each jurisdiction

There were some differences in the size mix of charities which operated in each jurisdiction. Figure 3.4 shows the proportion of charities which were operating in each jurisdiction according to their size. Of the 20,133 charities based in NSW, 36.5% were XS and 27.8% were S. By contrast, both XS and S charities comprised a lesser proportion of charities based in the NT and the ACT. Instead, the charities operating in these jurisdictions consisted of relatively high proportions of XL and XXL charities. For the NT, this perhaps reflects the resource requirements for operating in remote areas, while for the ACT, it likely reflects how many large charities are headquartered in Canberra, as it is the nation's capital.

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¹⁸ This is similar to the figure in *Australia's Smallest Charities 2015* (see page 13).



Figure 3.4 Proportion of charities operating in each state and territory by size (%)

Notes: Excludes ORIC data. See also Figure A.7.

Charities registered in rural and remote locations

The ACNC does not currently collect information about the precise locations of charities' operations. However, charities which were registered in rural and remote locations can be identified using their street address. Postcodes provided by charities were coded against the Australian Bureau of Statistics Remoteness Areas 2011, part of the Australian Standard Geographical Classification (ABS, 2011). The result of this analysis is shown in Figure 3.5. This shows the distribution of charities across major cities, and regional and remote Australia. A little over two in three charities were based in the major cities of Australia (67.3%). In total, 978 charities (2.0% of charities) were registered in remote areas, and 469 charities (0.9%) were based in postcodes classified as very remote.

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¹⁹ For definitions, see ABS (2011) Australian Statistical Geography Standard (ASGS): Volume 5—Remoteness Structure, ABS Cat. No. 1270.0.55.005. Canberra: Australian Bureau of Statistics.

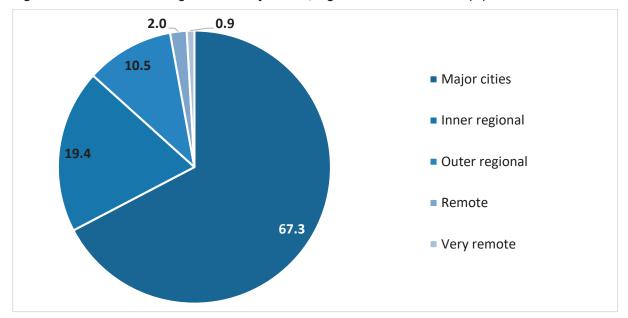


Figure 3.5 Charities registered in major cities, regional and remote areas (%)

Notes: n=49,102. Remoteness structure unable to be determined for 1,565 charities. Excludes ORIC data. See also Figure A.10.

Charities operating overseas

When charities were asked to report the Australian jurisdictions they conducted activities in, they were also given the opportunity to select 'overseas'. If a charity selected 'overseas' they were directed to indicate in which overseas countries the charity conducted activities or helped communities. There were 4,255 charities (8.4% of all charities) that selected 'overseas' in 2016. This is a marginal increase from 2015, when 4,102 charities selected 'overseas'. By size, XXL charities (23.8%) were much more likely to operate overseas compared to the average (see also Figure A.11).

The ten most common countries selected are outlined in Figure 3.6 and are the same top ten as in 2015. The mean number of countries that charities operated in was 3.8 (median=1). There were six charities that selected more than 100 countries and it is likely that these charities have a broad international focus rather than operating in specific countries. Figure A.12 provides further details about where charities conducted activities.²⁰

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²⁰ Additional information on Australia's charities operating overseas can be found in Cortis et al. (2016) *Australia's Charities Involved Overseas 2014*.

Figure 3.6 Top 10 countries Australian charities are operating in overseas

Country	Number of charities	Percent of charities operating overseas
India	794	18.7
Philippines	607	14.3
New Zealand	538	12.6
Indonesia	519	12.2
Papua New Guinea	519	12.2
Cambodia	476	11.2
United States	414	9.7
Thailand	413	9.7
Fiji	384	9.0
Nepal	370	8.7

Notes: Data based on 2016 AIS data only. See also Figure A.12.

4. What did Australia's charities do?



In this chapter we examine what Australia's charities do. We explore this in relation to:

- Charity purpose or sub-type: Charity purposes is taken from the Register.
- Main activity: In the AIS, charities are required to select their main activity, as well as any other activities they are involved in.
- Charity sub-sector: Main activities have been categorised into sector groupings, which we
 refer to as 'charity sub-sector'. For example, the education sector is comprised of higher
 education activities, research, primary and secondary schooling, and other education. A list of
 the main activities included in each charity sector is included in Appendix B: Supplementary
 Tables.
- **How charities achieve their purpose:** This information comes from charities' descriptions in the AIS of how their activities and outcomes helped them achieve their purpose.

Charitable purpose

The *Charities Act 2013 (Cth)* lists 12 charitable purposes. Charities may have more than one charitable purpose on the ACNC Register, as well as other purposes which are themselves not charitable but that assist the charity to further a charitable purpose (ACNC, 2015d).

As in previous years, the most common charitable purpose was 'advancing religion', reported by 32.0% of charities. This reflects how religious activities were also reported as the main activity for almost one in three charities (29.5%). The next most common charitable purpose was 'advancing education' (19.4%) and then 'advancing social or public welfare' (13.7%) (see Figure A.13).

Charity sub-types

Some sub-types of charities may be endorsed by the Australian Taxation Office (ATO) as DGRs and may subsequently receive tax deductible gifts and contributions. As some donor organisations and grant makers can only fund DGRs, it can improve charities' access to donations and grants. DGR status was held by 39.0% of charities (see Figure A.14). This is a slight increase from 2015 (when 38.4% had DGR status). Within the category of DGR charities are public benevolent institutions and health promotion charities. In the 2016 dataset, 16.7% of all charities were registered as public benevolent Institutions.²¹ A further 3.0% of charities were registered as health promotion charities. ²²

Main activities

Charities were asked to select their main activities in the reporting period, as well as any general activities they undertook. AIS activity areas are based on the International Classification of Non-profit

²¹ A public benevolent institution is a charitable institution that provides benevolent relief to people in need (for example, hospitals and hospices, disability support services, or aged care services).

²² A health promotion charity is a charitable institution whose principal activity is to promote the prevention or the control of diseases in human beings (for example, some community health care providers, medical research organisations and organisations that work to raise awareness of human diseases).

Organisations (ICNPO).²³ Information about the charity's main activity was available for 48,409 charities (95.5% of total records).

The most common main activity was 'religious activities' (Figure 4.1), reported by 30.8% of charities. This is similar to the proportion reported in 2015, which was 31.0% (see Figure A.16). The second most common main activity in 2016 was 'primary and secondary education' (9.1%), followed by 'other education', a category which includes early childhood education and care, and some adult education organisations (7.9%). This reflects some change since 2015, when 9.0% of charities were in the category of 'other education' and 8.6% were focused on primary and secondary education. Other changes in the mix of charities' main activities from 2015 to 2016 appear small, however, improved quality of reporting is reflected in that in 2016 only 0.1% said 'other activities' were their main activity, compared with 1.2% in 2015.

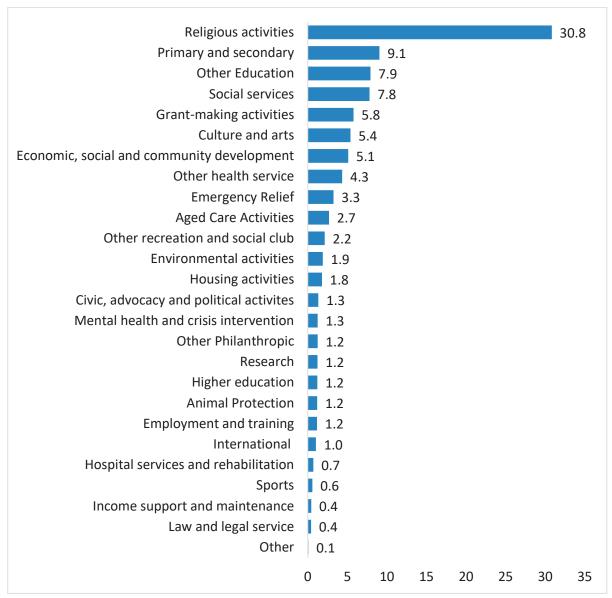


Figure 4.1 Percentage of charities in each main activity category (%)

Notes: n=48,409. Information on main activity was unavailable for 2,258 charities. Excludes ORIC data. See also Figure A.16 and Figure A.17.

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²³ The AIS categories had some minor variations from ICNPO, namely the exclusion of business and professional associations and unions.

Other activities

Charities which indicated that they performed 'other' activities in the 2016 reporting period were asked to describe these activities. Among those that provided a description, the words most commonly occurring provide some insight into their activities—these included support, community, veterans, social, health, education, welfare, care, families and assistance. This is depicted in Figure 4.2. Many of the descriptions suggest charities' 'other activities' may relate to other categories, for example youth support or youth services, community development, welfare of veterans, volunteer fire and rescue, community radio, religious activity, early learning, disability support services, or agricultural and farming activities. Others used the opportunity to provide more detail about what the charity did in 2016. As such, charities' selection of 'other' may reflect difficulties in self-classifying activities, or could be seen as an opportunity for charities to describe their work and impact in more detail.

Figure 4.2 Most frequently occurring words in charities' descriptions of 'other' activities



Charities with no activities

Overall, 96.8% of charities reported that they performed an activity in the previous year (Figure A.15). Those which reported that they did not conduct any activities in the 2016 reporting period were asked to provide reasons. Reasons given included that the charity:

- Was newly established or winding down
- Was in the process of restructuring during the year and anticipated future activities
- Did not perform activities every year
- Had no requests for the particular activity during the period
- Did not have funds, volunteers or paid staff available.

Some charities also indicated that they attracted or distributed funds, but did not report activity, suggesting they may not have considered these financial activities as an activity for AIS reporting purposes (see Figure A.15).

Main activities of ORIC charities

There is no clear overlap in reporting between ORIC main activity categories and those captured in the AIS, as ORIC charities report against a different list of activities. In addition, ORIC charities were able to select all activity options that were relevant to them, rather than being asked to select a main activity. The most common activity reported by ORIC charities was 'health and community services' (31.8%), followed by 'land management' (21.0%) and 'employment and training' (17.0%).

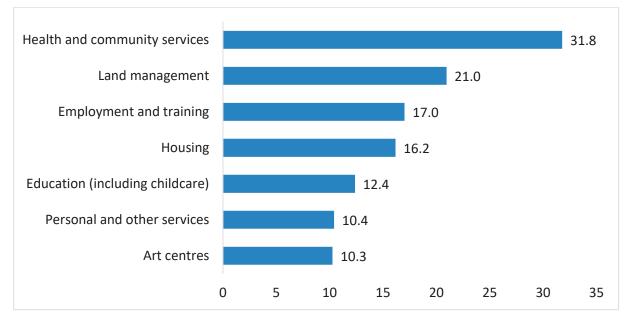


Figure 4.3 ORIC reported activities (%)

Notes: n=711 charities which solely reported to ORIC. Charities were able to select more than one response.

In addition to these activities, which appear to be similar in scope to the AIS activities (or could be classified into the AIS categories), ORIC charities were also able to select a range of other activities which are not included in the AIS. This included: shops; agriculture, forestry and fishing; municipal services; accommodation, cafes and restaurants; communication services; construction; transport and storage; mining; wholesale trade; and manufacturing.

Further information about charities' international activities

Charities which reported having international activities in the reporting period (either as their main or 'other' activity) were asked 'What international activities did your charity undertake?', and were provided the following answers to choose from:

- Transferring funds or goods overseas
- Operating overseas including delivering programs
- Other (please describe).

More than one option from the list above could be selected. This new question was introduced in the 2016 AIS so that more detail about the nature of the international activities of Australia's charities could be obtained. ²⁴ Of the 1,770 charities that answered, 1,349 (76.2%) reported transferring funds or goods overseas, and 860 (48.6%) reported operating overseas (including delivering programs). This is equivalent to 2.7% and 1.7% of all charities, respectively (excluding ORIC charities).

A breakdown of these charities by size is shown in Figure 4.4. It shows that 8.1% of XXL charities reported operating overseas, which was much higher than the average across all size categories (1.7%). There was less variation across size categories in the proportion of charities which transferred funds overseas—this ranged between 2.0% (L and XL charities) and 3.3% (S charities).

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²⁴ Note that this question was asked of those charities that reported international activities, which is not the same group as those who reported operating outside Australia (see Section 3: Where were Australia's charities located?)

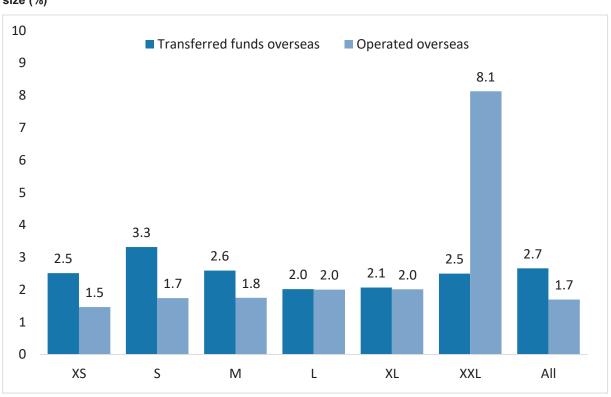


Figure 4.4 Proportion of charities involved in transferring funds overseas and operating overseas by size (%)

Notes: Based on 2016 AIS reported data only for charities that reported International activities as their main or other activity. Data is the percentage which reported transferring funds and operating overseas as a proportion of all charities in the size category. Excludes ORIC data.

As indicated above, charities which selected 'other' were asked to describe their activities. This attracted a range of responses, with the most frequently occurring words depicted below.

Figure 4.5 Word frequency: charities' descriptions of their other international activities



Some clarified that their international activities involved various forms of collaboration to assist other charities to support overseas service delivery:

Donations to organisations based in Australia who assist with overseas aid projects. (Other philanthropic charity, VIC)

Supporting Australian charities who conduct emergency relief, education and health care and support services to communities and young people in particular in development countries. (Economic, social and community development charity, NSW)

Collegial sharing of research and advice development of programs for local delivery. (Other health service delivery, VIC)

Working with other missionaries. (Religious activities, QLD)

Indirect activity by donation to Australian registered charities that provide overseas aid. (Economic, social and community development charity, WA)

Research, education and communication. Networking with environmental NGOs. (Environmental charity, TAS)

Joint research with international partners (Research charity, ACT).

Others provided more information about their transfer of funds or overseas operations, to give richer insight into the nature of their international activities. Examples included:

Social support for international students. (Other education charity, NSW)

Delivering musical performances overseas. (Culture and arts organisation, VIC)

Funding our schools in order to help the under-privileged children to get good educations. (Religious activities, NSW).

Size and main activity

As shown in Figure 4.6, the size mix of charities differed across each sub-sector of main activity. Charities with a main activity of 'income support and maintenance' (51.9%) and 'other recreation activity' (51.6%) were most likely to be XS. In contrast, charities whose main activity was 'higher education' (7%), and 'hospital services and rehabilitation' (2.6%) had relatively high proportions of charities, with revenue over \$100 million (XXL).

Figure 4.6 Main activity by size (% within main activity)

Percentage XS		Percentage S		Percentage XL		Percentage XXL	
Main activity	%	Main activity	%	Main activity	%	Main activity	%
Income support and maintenance	51.9	Religious activities	37.7	Employment and training	37.3	Higher education	7.0
Other recreation activity	51.6	Housing activities	33.7	Aged care activities	36.1	Hospital service and rehabilitation	2.6
Animal protection	51.0	Animal protection	32.5	Primary and secondary education	28.8	Aged care activities	1.8
Emergency relief	50.0	Sports	31.7	Other health services	24.8	Law and legal services	1.5
Grant-making activities	48.2	Income support and maintenance	31.1	Research	19.7	Other health services	0.7

Notes: n=50,667. Excludes ORIC data. See also Figure A.17.

Figure 4.7 shows this data in a different way, by showing that within each size category, different charity sub-sectors are dominant. Among XS and S charities, religious activities were most common, however, this dominance reduces with increasing size. Correspondingly, social service, health, and education and research charities are relatively more common among larger charities. See also Figure A.17.

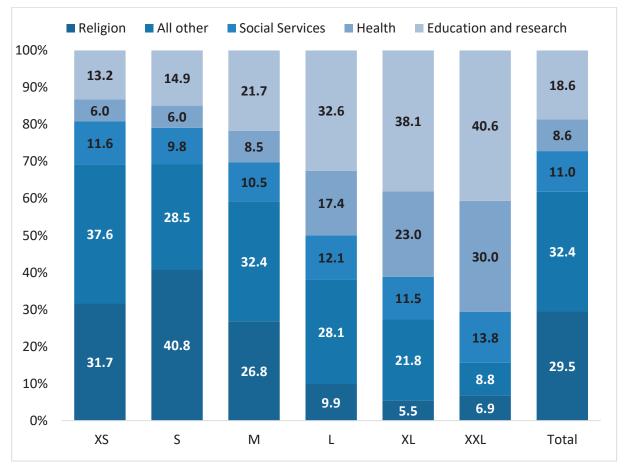


Figure 4.7 Summary of sub-sector in each size category (%)

Note: n=50,667.

Activities and outcomes that helped charities achieve their purpose

As in previous years, charities were asked to provide a brief description of how their activities and outcomes helped achieve the charity's purpose during the reporting period. In 2016, the words most commonly occurring in charities' accounts included community, support, services, activities, people and education; these were also most common in the statements made as part of the 2015 AIS. This is depicted in the word cloud in Figure 4.8.





Closer analysis of the 2016 AIS offers further insight into the very wide range of ways charities' activities and outcomes achieved their purpose. In many cases, charities described achieving impact across multiple social, cultural and environmental domains, often by focusing on local issues and beneficiaries. Examples of charities describing broad benefits across multiple domains include the following:

We ran Indigenous ranger programs ... We provided training and on-going employment to Aboriginal people. This alleviates financial poverty and improves mental health. We conducted research on water quality, and worked in partnerships with schools and other organisations to improve the environment and people's understanding of it. (Environmental charity, QLD)

Another charity described a broad set of localised benefits, involving government, other non-government organisations, business and citizens:

Provide services and organize training & events to foster economic, social and community development in the region. Provide facilities/equipment for hire, point of contact for local government and visitor information and office services. Facilitate access to state & federal services and agencies. Developing arts and culture. (Economic, social and community development charity, WA)

Others described achieving a wide range of environmental, educational, economic and wellbeing outcomes for people and communities in other countries, for example:

We have provided domestic water supply (wells) for families who have been affected by war and who were in desperate need for clean water. This has been an immediate benefit to the families. Some enterprising families who have been the recipients of this wells project have started their own vegetable gardens and planted fruit trees and coconut trees in their compounds as they now have access to water to cultivate their crops. We also sponsored weekly English classes for children living in the war affected areas in order for them to have better prospects for their future. (International charity, WA)

While some charities described providing a broad range of benefits across multiple domains, others focused on a more specific range of activities involving groups of beneficiaries with particular needs or particular sets of interests, often with a local focus. Descriptions included the following examples:

Maintained, managed and conserved the Heritage Railway Station buildings and precinct. (Culture and arts charity, NSW)

Our activities have found homes for many Greyhounds which otherwise wouldn't have been transitioned into pet life. (Animal protection charity, WA)

We provide information and advice to parents and teachers of highly able / intellectually gifted children. We are also a contact point for a number of professionals who may be working with such children. (Other education charity, VIC)

Legal advice and education to disadvantaged clients including tenants and women escaping domestic and family violence. (Law and legal service, NSW)

As in previous years, many charities provided descriptions which reflected the religious focus of activities across a diversity of faiths. This is indicative of the large proportion of charities undertaking religious activities. In some cases, charities described core religious practices (such as religious services or ceremonies) across a diversity of faiths, for example:

Provide Hindu religious activities and open for all, members and non-members. Everyone is treated equally. Place of worship, peace. Cultural activities, meetings and seminars. School visits. Particularly attracts new migrants. The local council has made this as a special place of interest and supports the temple. (Religious charity, SA)

Our society offers Islamic education classes for Muslims, Non-Muslims, Adults and Children, Males and Females on a weekly basis. Our Society provides an Imam to perform religious duties, services and education. We work with other Muslim and Non-Muslim organisations across Australia to promote peace, harmony and understanding. (Religious charity, QLD)

Held religious services on a weekly basis and for Jewish holidays. Provided children's sessions during services. Provided educational sessions throughout the year. Provided a concert to the community. (Religious charity, VIC)

The advancement of the Greek Orthodox Religion, the advancement of education and religious tolerance. (Religious charity, WA)

As part of Christ's Church we seek to care for the spiritual, physical and mental wellbeing of both our people and any needy that were brought to our attention. Telling them all the gospel of Jesus Christ. (Religious charity, NSW)

In other cases, their descriptions linked their religious practice with what the ACNC could categorise as 'other charitable activities', such as social services or aged care.

Fully operational as a Church organisation - providing weekly church services, providing Pastoral care to the congregation and wider community, conducting funerals and weddings for congregation and community, providing youth and children's activities, activities for women, men and seniors. Providing emergency relief to community within available resources. (Religious charity, QLD)

For some charities, their mission was achieved by providing grants to other charities. Such grant-making charities will be the subject of a separate sub-report which is due to be released in 2018. While further information about these charities will be covered in this sub-report, some examples of the work they do are below.

The charity has been established by the founding family to create a lasting family legacy which will be continued by generations to come. The charity contributes to

worthy charitable causes, as determined by the board of directors on an annual basis. (Grant making charity, SA)

Investment activities generate passive income which the Foundation then uses to make donations to various charities. (Other philanthropic charity, VIC)

An interesting feature of the responses by charities is that whilst many charities broadly described their activities, others provided specific evidence of the amount of activity they had performed. For example:

We achieved over 20,000 Occasions of Service to mental health clients. (Mental health charity based in SA)

We provided \$198,495 of support to artists and community groups; engaged over 600 artists; provided mentorships for 47 people; and presented 134 new works by local, national and international artists. (Culture and arts charity, VIC)

Supported 1,948 clients through 4,605 instances and 90,500 hours of programs, service delivery. (Other health service delivery charity, VIC)

We provided \$8.2M of service for the cost of \$3.1M to our clients. We have worked with over 2,000 children and have supported children with additional needs in mainstream early childhood services. We maintained 7 children's services centres, 5 inclusion projects and employed more than 150 staff in the past year. (Other education, NSW)

Some used the opportunity to convey evidence of their outputs and outcomes, articulating concrete changes they had achieved, often using evidence such as the amount of service delivered or findings from an evaluation of change, for example:

Our training product reveals that 100% of Indigenous participants change the way they perceive money across two cultures, 80% develop and achieve financial goals, master basic budgeting skills and achieve a better financial future. (Economic, social and community development charity, VIC)

Charities' plans to change or introduce activities in the 2017 reporting period

Charities were asked in the AIS if they intend to change or introduce any activities in the 2017 reporting period, and if so, to provide further explanation. There were 3,939 charities which provided descriptions of how their activities would change.

Reflecting their diverse range of activities, outcomes and priorities, charities' descriptions of how they expected to change were highly diverse. Some planned to change the range of activities performed, for example to build on strengths or new opportunities by expanding their operations, or by withdrawing from less effective activities. Examples of how some charities were expanding their activities are below.

A farm has been purchased and crops will be grown to feed the children supported. (Education charity operating overseas, QLD)

We expect to do the same services, however expand our business inter-state. (Aged care charity, QLD)

Expand courses to aerospace engineering, community health and small building construction. (Higher education charity operating overseas, VIC)

A refugee mentoring programme is being implemented to enable newcomers to Australia to adjust to life in the community. (Religious activities charity, NSW)

We are forming a Welfare Team that is to undergo training to ensure that they are accredited to provide enhanced welfare and advocacy in the area of members entitlements. One or two days a week the Club will be opened as a Veterans drop in Centre to encourage Veterans and their families to seek support. (Law and advocacy charity, SA)

Others described plans to withdraw from some areas of activity, either to focus on other activities or to reduce overall activity. Examples include:

In October 2016 due to an unexpected drop in volunteer support and insufficient revenue, a community consultation meeting was held about the group's future.... This resulted in a decision to recommend consolidation and operating at a lower level, digitising the collection and preparing it for storage. This decision was presented and accepted at the meeting before the AGM. (Culture and arts, NSW)

We will no longer be providing Aged Care and Retirement Living Services after 31 August 2016. We will be expanding our Philanthropic Grant making activities in the coming year. (Aged care charity, QLD)

Unfortunately, government funding has ceased, and while we are committed to our core community and intend to continue on with similar support it will be somewhat constrained compared to previous years. (Social services charity, SA)

Some charities explained restructuring their operations through mergers, for example:

The organisation is in the process of merging with another not for profit charitable organisation who provide residential aged care services and accommodation. (Aged care charity, VIC)

It will cease all operations as it's contracts staffing and all resources were merged with another registered charity. (Employment and training charity, VIC)

5. Who did Australia's charities help?



In this chapter, we examine charity beneficiaries in 2016. We look at this by examining:

- **General beneficiaries:** This includes charities supporting a large cross section of the community
- **Specific beneficiaries:** This includes charities that only support specific cohorts within the community
- **National disability insurance scheme:** In 2016, the AIS also introduced information about charities providing, or intending to provide, services under the NDIS.

In previous years, charities were asked to report all groups helped by the charity. In the 2016 AIS, however, the question was improved and charities were asked 'Who was helped most by your charity's activities in the 2016 reporting period?'. Charities were able to select either:

- (a) a general category, to indicate they helped the general community within Australia, that is, a large cross section of the community without any specific attributes, or
- (b) specific categories.

Those who answered specific categories were then asked to select which categories were helped most, with options including 'gender specific', 'age specific', 'geographic', 'diversity or other demographic groups', and 'other needs groups'. This represents an improvement in the quality and usefulness of beneficiary data, but also means that 2016 data is not comparable with beneficiary data from previous years.

Charities helping the general community in Australia

More than half of all charities (59.4%) who reported in 2016 stated that their charity's activities most helped the general community within Australia, meaning that they serviced a large cross section of the community rather than groups with specific attributes. This was most common among S charities (66.8%), and least common among L charities (48.1%) (see Figure 5.1).

There was more difference by main activity. Large proportions of charities said their activities helped the general community in the categories of 'environment', 'religious', 'emergency relief', 'culture and the arts', and 'animal protection'. There were relatively small proportions which selected the general community among charities whose main activities were 'primary and secondary education', 'aged care', 'other education', 'income support and maintenance', and 'grant making'. This is shown in Figure 5.2. Small differences according to the charity's home jurisdiction are shown in Figure 5.3, ranging from 54.3% of ACT charities who selected 'the general community' to 63.8% among those charities based in SA.

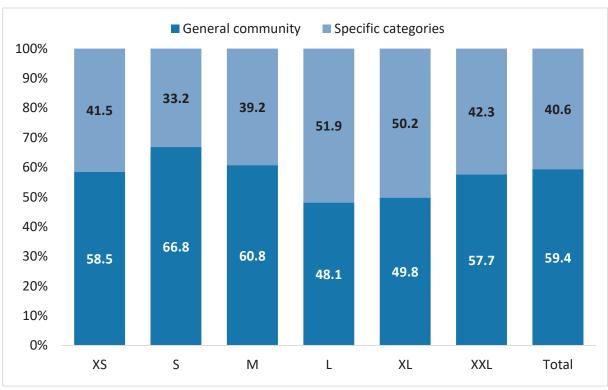
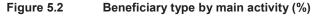
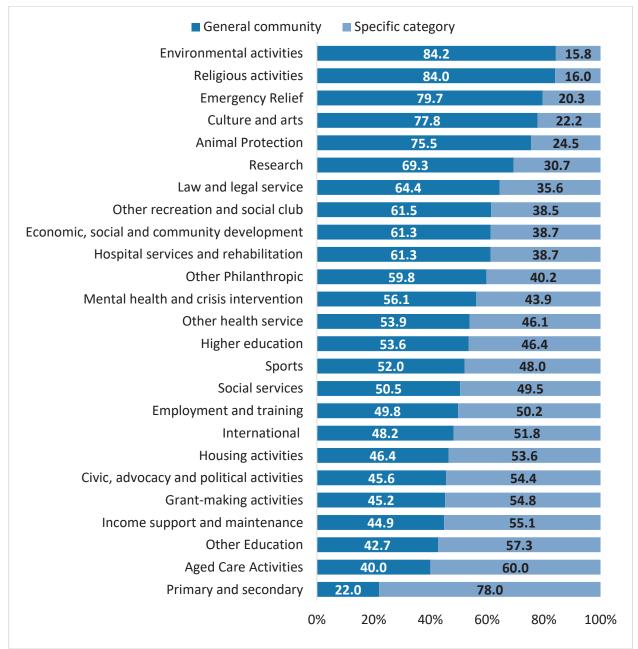


Figure 5.1 Beneficiary type by size (%)

Notes: n=47,115. Uses 2016 AIS reported data only. Excludes ORIC data. See also Figure A.18.





Notes: Uses 2016 AIS reported data only. Excludes ORIC data. See also Figure A.21.

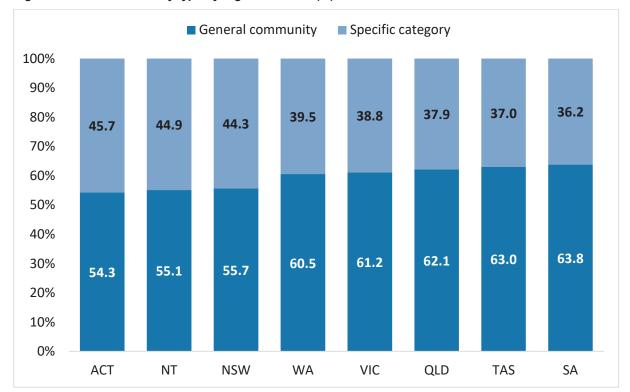


Figure 5.3 Beneficiary type by registered state (%)

Notes: Uses 2016 AIS reported data only. Excludes ORIC data.

Charities which helped specific groups

As noted above, the 2016 AIS data on beneficiaries is not comparable with previous years. In previous years, charities were able to select unlimited categories of beneficiaries, whereas in 2016 charities were only able to select up to five specific beneficiary groups, or were asked to select 'general community'. Among those who said they most helped a specific group, a third (32.4%) selected one specific group only, while 14.1% selected two and 10.6% selected three specific groups.²⁵

The most commonly supported group was children aged 6–14 years (14.2% of all charities), followed by youth aged 15–24 years (11.8%), females (10.0%) and people with disabilities (9.2%). This varied according to the size of charities (see Figure 5.4). For example, among M charities, the most common group helped were children under 6, among XL charities the most common group helped were youth aged 15–24 and among XXL charities people with disability were most commonly selected. Aboriginal and Torres Strait Islander people were also among the three top beneficiary groups for XXL charities. Interestingly, smaller charities reported a wider range of specific beneficiaries. For example, among XS charities, the top beneficiary group (children 6–14) was reported by 14.3% of charities. By contrast, among XL charities, the top group (youth 15–24) was reported by 32.3% of XL charities.

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²⁵ Of those who said the charity most helped specific categories (and not the general community), 8.7% did not answer the following question about which group was helped, indicating an area in which to improve reporting quality. Further, although those who helped more than five groups were instructed to select 'general community', many selected more: 14.1% of those with specific beneficiaries selected six to ten groups, and a further 5.4% selected more than ten. This could be improved through better prompts at the point of data capture.

Figure 5.4 Charities which helped specific categories of beneficiaries by size (%)

		Number one most Number two most Num supported beneficiary supported beneficiary supported group		supported beneficiary		e most eficiary group
	Beneficiary group	%	Beneficiary group	%	Beneficiary group	%
Total	Children (6–14 years)	14.2	Youth (15–24 years)	11.8	Females	10.0
XS (<\$50k)	Children (6–14 years)	10.2	Youth (15–24 years)	8.3	Females	8.1
S (\$50k-<\$250k)	Children (6–14 years)	12.8	Youth (15–24 years)	10.4	Females	9.2
M (\$250k-<\$1m)	Early childhood (under 6 years)	13.8	Youth (15–24 years)	12.9	Females	12.6
L (\$1m-<\$10m)	Children (6–14 years)	26.2	People with disabilities	21.8	Youth (15–24 years)	17.3
XL (\$10m-<\$100m)	Youth (15–24 years)	32.6	Children (6–14 years)	30.7	People with disabilities	19.5
XXL (>\$100m)	People with disabilities	23.7	Youth (15–24 years)	23.1	Aboriginal and Torres Strait Islander people	21.8

Notes: n=46,439. Charities could report helping up to five specific beneficiary groups. Analysis uses reported 2016 AIS data only. Excludes ORIC data. See also Figure A.20.

Services and support funded by the NDIS

People with disabilities' was a key beneficiary group reported by 4,337 charities. We refer to these charities as 'disability charities', although we recognise that these charities may also support other groups. For the first time in 2016, disability charities were asked if, during the reporting period, they provided support and/or services funded by the NDIS. Of the 4,337 charities by which people with disability were most helped, 8.3% said they did provide services funded by the NDIS, while the majority (86.6%) reported they did not. A further 5.2% said they were unsure. Charities were also asked if they intended to do so in the next reporting period. Around one in five disability charities (19.7%) said they intended to provide services and support funded by the NDIS in the next reporting period. Size was also clearly correlated with the provision or intention to provide NDIS support and services (Figure 5.5), with larger charities significantly more likely than smaller charities to report this.

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²⁶ An earlier profile of Australia's disability charities is reported in Cortis N, Lee I, Powell A, Simnett, R and Reeve R. (2015b) Australia's Disability Charities 2014. Centre for Social Impact and Social Policy Research Centre, UNSW Australia.

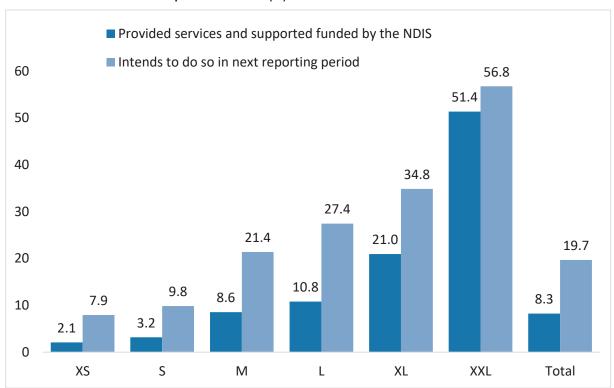


Figure 5.5 Charities which provided support and/or services funded by the NDIS by size in 2016, and those which plan to in future (%)

Notes: Uses 2016 AIS reported data only. Excludes ORIC data.

As shown in Figure 5.6, there were wide differences across the jurisdictions in the proportions of disability charities which operated under the NDIS. Of disability charities based in Tasmania, 26.9% reported receiving funding from the NDIS, as did 20.0% of charities based in the ACT. In Queensland, Victoria and the NT, there were smaller proportions of disability charities operating under the NDIS. For example, only one of the 52 disability charities based in the NT reported operating under the Scheme, although eight intended to in the next reporting period. These differences likely reflect the phased roll out of the NDIS, and offers a baseline for monitoring the number of charities operating under the NDIS model as the Scheme reaches full implementation. The AIS responses indicate that many disability charities are intending to become part of the NDIS in the next year, although the gap is narrow in Tasmania and ACT, where the Scheme rollout is further progressed.²⁷

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²⁷ The Tasmania rollout began in 2013 for young people aged 15 to 24 and is being rolled out by age group to 2019. In the ACT, the full Scheme was operating from 2016–17 following its introduction in 2014. For a summary of transition arrangements see Productivity Commission (2017: 10).

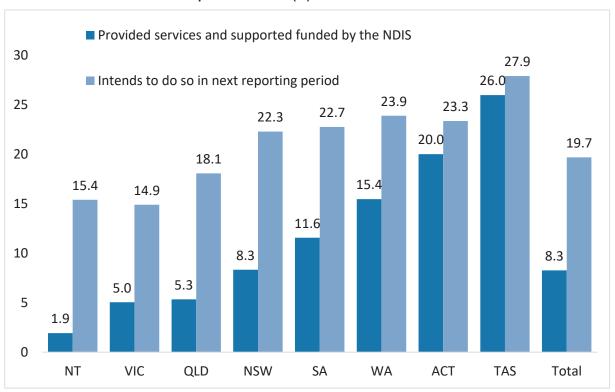


Figure 5.6 Charities which provided support and/or services funded by the NDIS by jurisdiction in 2016, and those which plan to in future (%)

Notes: n=4,337. Uses 2016 AIS reported data only. Excludes ORIC data. Data limited to those charities which reported people with disabilities were among the groups helped most.

Of all disability charities who were providing services and supports funded by the NDIS, the largest group said that social services were their main activity (30.4%), followed by other health services (16.8%) and aged care activities (8.9%). Among those intending to do so in the next reporting period, 29.2% were in social services, 15.5% were in other health, and 10.1% were in aged care.

6. Who worked in Australia's charities?



Australia's charities conduct activities and pursue their purposes using a large workforce of both paid employees and volunteers. In this chapter we examine:

- Paid employees, and
- Volunteers.

Paid employees

Charities were asked to indicate the number of paid full-time, part-time, and casual employees who worked for the charity during the last pay cycle of the 2016 reporting period. Charities were asked to provide their best estimate if exact figures were unavailable.

There are some limitations on the employment data. The AIS did not ask charities whether their casual staff worked on a full- or part-time basis. Further, as the data is for one pay period only, it does not capture fluctuations in staffing levels over the reporting period. Thus, it should be considered a snapshot of employment levels in the charity sector at a single point in time, rather than a reflection of the full level of employment among charities.

Figure 6.1 shows that charities employed almost 1.3 million paid staff. This is an increase of 10% since 2015. Given that there were 11.9 million employed persons in Australia in August 2016, charities employed approximately 10.6% of all employed persons in the country.²⁸

Of all employees in Australia's charities in 2016, 37.4% were employed full-time, 35.0% were employed part-time and 27.0% were employed casually. Arrangements were unknown for 0.7% (ORIC charities).

While there was a mean of 25 paid staff per charity, employment was concentrated in a relatively small number of large employers. To illustrate, just under half (49.6%) of all charities had no paid staff (discussed below).

Although numbers of staff increased across all employment types between 2015 and 2016, the increase was highest among casual staff, where staff numbers increased by 8.0%.²⁹

²⁸ See ABS Labour Force, Australia, Aug 2016 Cat no. 6202.0.

 $^{^{\}rm 29}$ Note: some change over time may be due to compositional differences in the datasets.

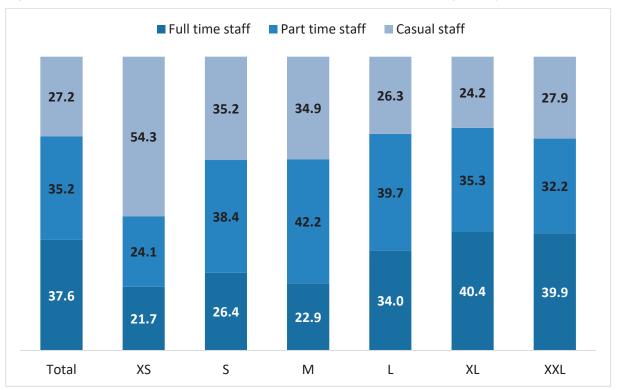
Figure 6.1 Full-time, part-time and casual staff

Staff	Mean	Sum	Percent of total	Percent increase since 2015
Full-time staff	10.5	472,566	37.4	1.5
Part-time staff	9.8	442,258	35.0	2.6
Casual staff	7.5	341,093	27.0	8.0
ORIC staff	17.1	9,161	0.7	-
Total	25.0	1,265,078	100.0	2.7

Notes: n=50,528. Data missing for 139 charities. ORIC data includes total number of employees only, there is no disaggregation by employment type.

Figure 6.2 shows how the composition of employment differs across the different size categories. Among larger charities, higher proportions of staff were employed full time, while smaller charities had higher proportions of casual and part-time staff. Further information is in Figure A.23 and Figure A.24. This data also shows that of all employees, 37.7% were employed in XXL charities and 34.3% were employed in XL charities. The largest charities were also by far the biggest employers of full-time staff: Of the charity sector's full-time workers, 40% were in XXL charities and 36.8% were in XL charities.

Figure 6.2 Proportion of staff who were full-time, part-time and casual, by charity size (%)



Notes: n=49,992; data missing for 675 charities. Excludes ORIC data. See also Figure A.23.

By main activity, the top five activity areas employed two-thirds of the sector's employees (Figure 6.3). Charities whose main activity was primary and secondary education employed the largest proportion of employees (17.3%), closely followed by higher education (16.9%).

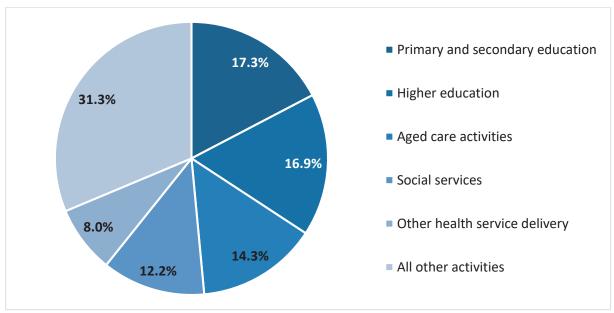


Figure 6.3 Proportion of staff employed by main activity (%)

Notes: n=49,992; data missing for 675 charities. Excludes ORIC data. See also A.24

Charities with no paid staff

Around half of charities (49.6%) had no paid staff. Operating without paid staff was more common in some main activity areas (see Figure 6.4). Among charities with a main activity of grant-making, 88.1% had no paid staff. This was followed by animal protection charities (80.1%), and 'other philanthropic activities' (79.5%).

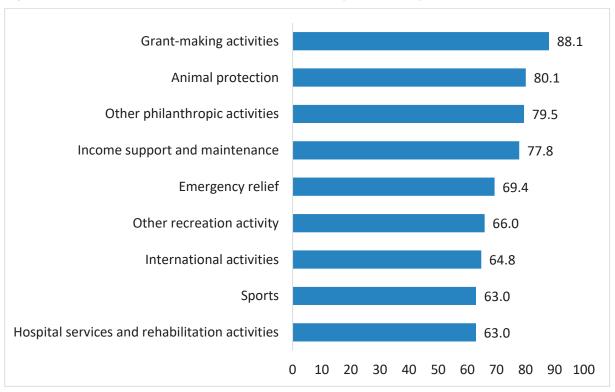


Figure 6.4 Proportion of charities with no paid staff by main activity (%)

Notes: n=49,992; data missing for 675 charities. Excludes ORIC data. See also Appendix.

Volunteers in Australia's charities

As half of charities employ no paid staff, the role of volunteers in charities is critical. The ABS (2015a) indicated that volunteers in not-for-profit institutions (including, but not limited to, charities) provided over \$17.3 billion of unpaid labour in 2012–13. According to the ABS, volunteers were most likely to be involved in sport, welfare or community, and religion. While not directly comparable to the ABS data, ACNC data provides insight into the number of volunteers that gave their time and effort to charities, and the kinds of charities where volunteers were most commonly found.

Through the AIS, charities were asked to report the estimated number of unpaid volunteers who worked for the charity during the 2016 reporting period. Together, charities drew on the volunteer efforts of 2.88 million people over the year. ³⁰ However, this number does not necessarily reflect the total number of volunteers, as individuals may volunteer for multiple charities. The mean number of volunteers per charity was 57.8 (median of 10), although this differed by main activity and size.

The highest total number of volunteers were in the charities whose main activity was religion (643,152 volunteers or 22.3% of all volunteers), other education (246,044 or 8.5%), emergency relief (231,632, 8.0%) and social services (219,500, 7.6%) (see Figure 6.5 and Figure A.26).

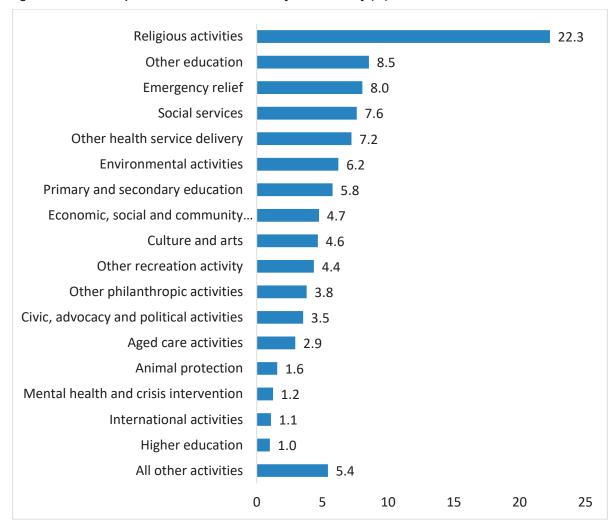


Figure 6.5 Proportion of total volunteers by main activity (%)

Notes: n=49,868, volunteer data missing for 799 charities. ORIC data excluded. See also Figure A.26.

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³⁰ This is much lower than the 5.8 million people over the age of 15 that stated they participated in voluntary work as part of the 2014 General Social Survey (ABS, 2015b). This difference is likely due to the fact that not all voluntary work is for charities.

A breakdown of volunteers by charity size is illustrated in Figure 6.6. This shows that larger charities (size L and up) were slightly less likely to have volunteers.

90 88.1 85 83.3 83.1 82.8 80 76.6 74.7 74.4 75 70 65 XS S L XLXXL Total M

Figure 6.6 Charities with any volunteers by size (%)

Notes: n=49,868; volunteer data missing for 799 charities. ORIC data excluded.

Charities with both volunteers and employees

While half of charities had paid staff and over 80% had volunteers, many operated with both. This is shown in Figure 6.7. Two out of every five charities performed their activities with both employees and volunteers (42.7%). However, a significant group had volunteers only (39.7%). There were 7.6% who pursued their mission with employees only (and not volunteers), and 9.9% had neither.³¹

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³¹ The group which did not report either employees or volunteers is likely to include those which did not perform activities in the 2016 year.

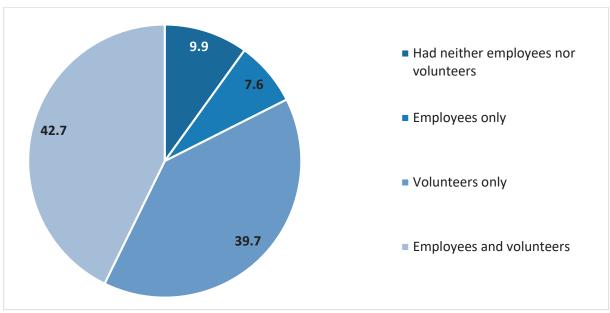


Figure 6.7 Proportion of charities with employees and volunteers (%)

Notes: n=49,992. Employment or volunteer data missing for 675 charities. Excludes ORIC data.

7. How did Australian charities fund their activities?



The AIS requires most charities to answer questions about financial information, including the source of their revenue for the 2016 reporting period. Financial data for basic religious charities and others for which financial information was unavailable is estimated (see Appendix B).

The reported financial information shows the composition of charities' revenue, to help understand how they fund their activities. Revenue in the AIS was captured in three main categories:

- Government grants
- Donations and bequests, and
- Other revenue.

Total revenue

In 2016, the Australian charity sector had approximately **\$142.82 billion in revenue.** This represents a 6.2% increase on 2015, much greater than 2% CPI. This increase likely represents genuine growth in the sector, as well as improvements in the accuracy of data. ³²

The mean revenue for a charity in 2016 was \$2.8 million. Among XS charities (those with less than \$50 000 in annual revenue), the mean revenue was only \$15 906 (Figure 7.1). Half of XS charities had incomes under \$10 391. The 160 XXL charities, many of which are universities and hospitals, had a mean revenue of \$419.2 million, although like other size categories, the median figure was significantly lower (\$216.6 million). Median figures, based on reported data only, show many charities had much less than the mean figure, indicating that revenue is concentrated in a small number of charities.

Figure 7.1 Total revenue by size

Size	Number	Mean (\$)	Median (\$)	Sum (\$)	% of total revenue
XS (<\$50k)	20,144	15,906	10,371	320,412,386	0.2
S (\$50k-<\$250k)	13,797	126,009	113,019	1,738,551,678	1.2
M (\$250k-<\$1m)	7,990	515,789	473,951	4,121,153,389	2.9
L (\$1m-<\$10m)	6,688	3,272,346	2,526,722	21,885,451,767	15.3
XL (\$10m-<\$100m)	1,888	25,256,562	18,960,821	47,684,388,756	33.4
XXL (>\$100m)	160	419,196,282	216,622,571	67,071,405,101	47.0
Total	50,667	2,818,824	113,525	142,821,363,077	100.0

Notes: All figures include estimated data for charities which had not provided financial reports, except medians which are based on reported data only. Excludes ORIC data.

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³² However, estimates of growth should be treated cautiously, as 2016 figures are not directly comparable because the 2015 AIS analysis reported income, whereas the 2016 AIS analysis reports revenue. Nevertheless, as revenue is a sub-set of income, this increase is likely under-estimated. Further information on the growth and change in revenue over time in the charity sector will be explored in a sub-report to be released in 2018.

Figure 7.2 and Figure 7.3 provide a breakdown of the mean and median total revenue for each main activity category. Higher education charities were reported as raising 21.3% of the sector's total revenue, and primary and secondary education charities were reported as raising 18.0%, indicating the economic significance of charities engaged in education. Aged care, health services and social services also accounted for relatively large shares of the sector's total revenue.

Figure 7.2 Total revenue by main activity

Main activity	Number	Mean (\$)	Median (\$)	Sum (\$)
Higher education	585	52,073,461	237,627	30,462,974,709
Primary and secondary education	4,389	5,845,454	303,080	25,655,697,161
Other health services	2,105	6,128,948	296,243	12,901,436,440
Aged care activities	1,304	9,881,594	1,360,317	12,885,598,012
Social services	3,782	3,133,805	137,658	11,852,049,930
Religious activities	14,934	633,710	105,094	9,463,819,728
Economic, social and community development	2,473	2,423,346	153,613	5,992,935,244
Other education	3,834	1,498,277	268,921	5,744,395,614
Hospital services and rehabilitation activities	343	16,632,834	82,101	5,705,061,941
Employment and training	568	5,317,264	1,268,724	3,020,205,881
Research	600	4,056,200	185,074	2,433,720,249
Culture and arts	2,613	855,687	62,933	2,235,909,666
Housing activities	869	2,461,068	276,673	2,138,668,491
Grant-making activities	2,797	740,621	54,790	2,071,518,222
Emergency relief	1,575	987,981	51,718	1,556,069,724
International activities	502	2,772,756	77,328	1,391,923,529
Mental health and crisis intervention	610	2,124,258	140,514	1,295,797,385
Law and legal services	201	5,169,645	842,462	1,039,098,742
Law and advocacy	649	1,470,345	153,310	954,253,655
Environmental activities	921	807,700	69,672	743,891,853
Other recreation activity	1,042	675,816	44,498	704,200,713
Other philanthropic activities	604	1,076,986	78,925	650,499,558
Animal protection	573	688,512	45,844	394,517,428
Sports	281	514,119	76,450	144,467,444
Income support and maintenance	212	330,244	44,471	70,011,700
Other	43	1,292,366	40,593	55,571,738
No main activity reported	2,258	556,718	0	1,257,068,320
Total	50,667	2,818,824	113,525	142,821,363,077

Notes: All figures include estimated data for charities which had not provided financial reports, except medians which are based on reported data only. Excludes ORIC data.

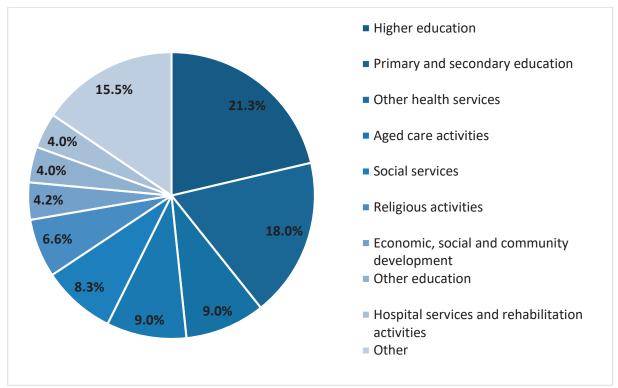


Figure 7.3 Proportion of total revenue by main activity (%)

Notes: n=50,667. Excludes ORIC data.

Concentration of revenue

As in previous years, revenue in the sector was concentrated among a small number of very large charities. This is shown in Figure 7.4 (based on reported data only). The largest 1% of charities shared \$67.4 billion, or 54.9% of the sector's total revenue. This is a slight decrease on 2015, when the largest 1% of charities shared 58% of the sector's total revenue. Reflecting the very small revenue of most charities, the combined revenue of the smallest half of charities accounted for only 0.5% of the sector's total revenue.

Figure 7.4 Revenue concentration

	Number	Percent of revenue	Mean revenue (\$)	Median revenue (\$)	Total revenue (\$)
Top 1% charities	401	54.9	168,074,471	74,090,226	67,397,863,009
Top 10% of charities	4,014	89.1	27,240,244	9,467,991	109,342,337,457
Top 20% of charities	8,027	95.7	14,633,121	3,636,619	117,460,060,052
Top 50% of charities	20,068	99.5	6,082,214	653,877	122,051,909,097
Bottom 50% of charities	20,068	0.5	31,082	19,790	623,757,519

Notes: based on reported revenue data only. Excludes ORIC data.

ORIC income data

Charities that report to ORIC have different financial reporting requirements. Their financial data is therefore presented here, separately to other charities. One key difference is that ORIC charities are required to provide income data, rather than revenue data. The total income of ORIC charities was \$1.5 billion, with a mean of \$2.7 million and median of \$748 657. This was based on 546 charities, rather than 711, as 225 ORIC charities did not report financial data.

Although the size breakdown of ORIC-registered charities is not perfectly comparable with the size breakdown we have used elsewhere in this report, the data demonstrates that a relatively high proportion of ORIC charities have incomes of over \$1 million (44.8%).

Figure 7.5 Mean and median total income (ORIC charities)

Income size	Number	Median (\$)	Mean (\$)	Sum (\$)	% of all ORIC income
Less than \$50k	84	6,215	11,412	958,618	0.1
Over \$50k but less than \$250k	82	140,051	133,953	10,984,108	0.7
Over \$250k but less than \$1m	135	537,128	563,083	76,016,224	5.1
Over \$1m but less than \$10m	214	2,666,968	3,364,439	719,989,943	48.5
Over \$10m	31	18,216,001	21,781,385	675,222,927	45.5
Total	546	748,657	2,716,432	1,483,171,820	100.0

Notes: Data missing for 225 charities who did not provide financial information. Financial data has not been estimated for those ORIC charities who did not provide it due to low overall numbers.

Box 2 A guide to revenue sources as reported in the AIS

Government grants are a key source of income for Australia's charities, especially in sub-sectors where charities are contracted to provide government programs or services. A government grant is financial assistance provided by the Commonwealth, state or territory government, or a local government body, to a charity for a purpose, such as to provide goods or services to others in accordance with the terms of the grant. This includes general purpose grants as well as grants received under a contract with the government to provide specified services.

A **donation or bequest** is when a charity receives voluntary support (in cash or gifts in kind) and there is no material benefit to the donor. For example, it would not be a donation if the person giving money to the charity does so because they were the highest bidder at a charity auction. Donations and bequests include: donations (both tax-deductible and non-tax deductible) from public collections, fundraising, members (but not membership fees), supporters, employees, philanthropic trusts and corporations, and bequests and memorials.

Other revenue/receipts includes other funding received as part of a charity's ordinary operations. It may include: income from selling goods or services as part of fundraising (for example, proceeds from a raffle), income from lotteries and gaming, non-government grants, membership fees, other fees and charges, sponsorship and licencing fees, sale of goods, interest, rental income and dividends received.

Source: ACNC, 2016b

Revenue sources

In 2016, approximately 43.0% of charity revenue came from government grants (\$61.3 billion), with 7.2% of revenue being raised through donations and bequests (\$10.5 billion) (Figure 7.6). The latter represents a decrease from 2015, when \$11.2 billion was reported in donations and bequests. Other revenue totalled \$71.0 billion.

In addition to total revenue, charities also reported other income, which may include, for example, sales of assets or other activities not part of ordinary operations. This is also shown in Figure 7.6. Recent changes were made to the 2017 AIS and charities will now be requested to provide a further breakdown of other revenue, which means that in future years there will be more comprehensive information about revenue sources in the sector.

Figure 7.6 Summary of revenue and income sources

Revenue and income sources	Total (\$)	Percent total income	Percent total revenue
Government grants	61,345,467,916	40.7	43.0
Donations and bequests	10,449,814,203	6.9	7.3
Other revenue	71,026,080,957	47.2	49.7
Total revenue	142,821,363,076	94.9	100.0
Other income	7,754,416,249	5.1	
Total	150,575,779,325	100.0	

Notes: n=50,667. Totals include estimated data for charities which had not provided financial reports. Excludes ORIC data.

Figure 7.7 reports the proportion of charities that received any revenue from each source, and the mean and median revenue per charity from each source. The most common source of revenue was 'other revenue/receipts', which were received by 88.5% of charities. Donations and bequests were received by 70.1%, although amounts were low, relative to other income sources. Around half of charities received income from government (49.7%).

Figure 7.7 Key indicators of revenue sources

Revenue source	Charities which received any revenue (%)	Mean per charity (\$)	Median per charity (\$)
Government grants	49.7%	264,765	19,294
Donations and bequests	70.1%	294,071	18,933
Other revenue	88.5%	1,583,285	62,268

Notes: n=50,667. Median calculated using reported data only (n=40,136). Excludes ORIC data.

Other income

In addition to revenue, a charity's total income also includes other income from transactions that are not a part of the charity's ordinary operations, but which may affect their bottom line. This is reported as 'other income' and may include gains such as the sale of an asset (e.g. equipment or real estate), forgiveness of a liability or debt, and gains on foreign currency transactions (ACNC, 2016b). Charities had a mean 'other income' of \$153,047. Interestingly, the mean for XS and S charities was very similar. The median for all charities, except XXL charities, was \$0, indicating that at least half of all charities reported \$0 in 'other income'.

Other income, however, was high among XXL charities. This group of charities reported a mean value of \$28.3 million other income, although the median was much less (\$285,205). This likely indicates that mean figures are strongly driven by a small number of charities (Figure 7.8).

Figure 7.8 Other income by size

Size	Number	Mean (\$)	Median (\$)	Sum (\$)
XS (<\$50k)	20,144	10,450	0	210,499,787
S (\$50k-<\$250k)	13,797	10,759	0	148,437,026
M (\$250k-<\$1m)	7,990	28,345	0	226,475,861
L (\$1m-<\$10m)	6,688	169,110	0	1,131,006,007
XL (\$10m-<\$100m)	1,888	805,029	0	1,519,894,711
XXL (>\$100m)	160	28,238,143	285,205	4,518,102,857
Total	50,667	153,047	0	7,754,416,249

Notes: n=49,726. All figures include estimated data for charities which had not provided financial reports, except medians which are based on reported data only. Excludes ORIC data.

Figure 7.9 shows a breakdown of other income by main activity. In all categories, the median was \$0, indicating that only a minority of charities received any other income at all. Charities which had a mean of \$1 million or more in 'other income' were in the main activity categories of higher education, housing and grant-making; in other categories mean figures were much lower.

Figure 7.9 Other income by main activity

Main activity	Number	Mean (\$)	Sum (\$)
Higher education	585	2,088,155	1,221,570,735
Housing activities	869	1,199,977	1,042,779,927
Grant-making activities	2,797	1,072,638	3,000,168,931
Aged care activities	1,304	396,745	517,355,750
Hospital services and rehabilitation activities	343	265,320	91,004,766
Sports	281	198,917	55,895,648
Research	600	150,081	90,048,420
Employment and training	568	100,285	56,961,597
Other health services	2,105	98,734	207,834,420
Social services	3,782	95,944	362,860,733
Law and advocacy	649	51,060	33,138,040
Primary and secondary education	4,389	49,847	218,776,782
Economic, social and community development	2,473	45,428	112,342,760
Animal protection	573	33,132	18,984,800
Law and legal services	201	30,631	6,156,736
Other education	3,834	27,380	104,973,532
Religious activities	14,934	26,672	398,326,857
Culture and arts	2,613	24,600	64,279,410
Mental health and crisis intervention	610	23,991	14,634,458
Other	43	21,837	938,997
Environmental activities	921	18,799	17,314,141
Other philanthropic activities	604	18,059	10,907,715
Income support and maintenance	212	17,664	3,744,822
Emergency relief	1,575	16,151	25,437,661
International activities	502	15,115	7,587,658
Other recreation activity	1,042	11,661	12,150,635
No main activity reported	2,258	25,793	58,240,318
Total	50,667	153,047	7,754,416,249

Notes: n=50,667. All figures include estimated data for charities which had not provided financial reports. The median (based on reported data only) was zero for all groups, indicating the large number of charities that had no or minimal 'other income'. Excludes ORIC data.

8. How did Australian charities allocate their funds?



As part of the AIS, charities were required to specify how they allocate their funds. This is captured as part of the income statement, under expenses/payments. Categories were:

- Employee expenses/payments
- Grants and donations made by the registered entity for use in Australia
- Grants and donations made by the registered entity for use outside Australia, and
- Other expenses/payments.

These were then added to indicate total expenses. In the following section, the analysis will compare this information against total income to indicate net surplus or deficit.

Total expenses

In total, charities reporting to the ACNC spent \$137.11 billion pursuing their purposes in 2016 (Figure 8.1). Data based on the 2015 AIS indicated that the sector had a total of \$122.8 billion in expenses in the previous reporting year. Comparison with the equivalent figure for 2016 suggests that charities' expenditure has increased by approximately 11.6% since 2015. This is faster than revenue growth in the sector.

As in 2015, the main type of spending was on employees (\$75.4 billion or 55.0%). While this represents an overall increase in employee expenses since 2015 (\$69.0 billion), employee expenses as a proportion of total expenditure has decreased marginally from 56.2%. Around 4.9% of charities' total spending was on grants and donations, while 40.2% was on other purposes.

Figure 8.1 Summary of expenditure (\$)

Expenditure	Total expenses (\$)	Percent
Employee expenses	75,383,506,315	55.0
Grants and donations	6,667,548,449	4.9
Other	55,061,685,137	40.2
Total	137,112,739,900	100.0

Notes: n=50,667. Excludes ORIC data.

Mean spending among charities was \$2.7 million (Figure 8.2), with obvious variations across the size categories. Across all charity sizes, median expenditure was substantially lower than the mean, pointing towards the wide variation in expenditure, even within size categories.

Figure 8.2 Mean and median expenditure by size (\$)

Charity size	Number	Mean (\$)	Median (\$)	Sum (\$)
XS (<\$50k)	20,144	27,178	11,146	547,472,410
S (\$50k-\$250k)	13,797	127,838	104,030	1,763,783,001
M (\$250k-\$1m)	7,990	490,775	435,386	3,921,293,236
L (\$1m-\$10m)	6,688	3,094,573	2,366,677	20,696,502,829
XL (\$10m-\$100m)	1,888	23,723,271	17,854,417	44,789,534,791
XXL (>\$100m)	160	408,713,460	211,552,500	65,394,153,633
Total	50,667	2,706,155	105,910	137,112,739,900

Notes: n=50,667. All figures include estimated data for charities which had not provided financial reports, except medians which are based on reported data only. Excludes ORIC data.

ORIC charity expenses

Charities reporting to ORIC recorded a total of \$1.38 billion in expenses, with a mean of \$2.5 million. Compared to charities reporting to the ACNC, ORIC charities with an income less than \$50,000 had lower mean expenses (\$14,090 compared to \$27,178). However, across other size categories mean expenses were similar between ORIC charities and AIS charities.

Figure 8.3 Mean and median total expenses (ORIC charities)

Size	Number	Mean (\$)	Median (\$)	Sum (\$)
Income <\$50k	84	14,090	7,750	1,183,596
Income \$50k-<\$250k	82	127,618	110,369	10,464,684
Income \$250k-<\$1m	135	555,684	514,054	75,017,406
Income \$1m-<\$10m	214	3,121,295	2,263,455	667,957,101
Income \$10m>	31	20,232,570	17,372,650	627,209,666
Total	546	2,530,829	674,324	1,381,832,453

Notes: Data missing for 225 charities who did not provide financial information. Financial data has not been estimated for those ORIC charities who did not provide it due to low overall numbers.

Spending on employees

Employee expenses include all salaries and wages paid (and payable if using accrual accounting) to staff employed by a charity. It also includes leave expenses and superannuation (ACNC, 2016b).

Expenditure relating to employees totalled \$75.4 billion. As shown in Figure 8.4, higher education constituted 21.9% of all charities' spending on employees, and primary and secondary education constituted 17.3%. This largely reflects the number of paid employees engaged in charities in these main activities (see chapter 6).

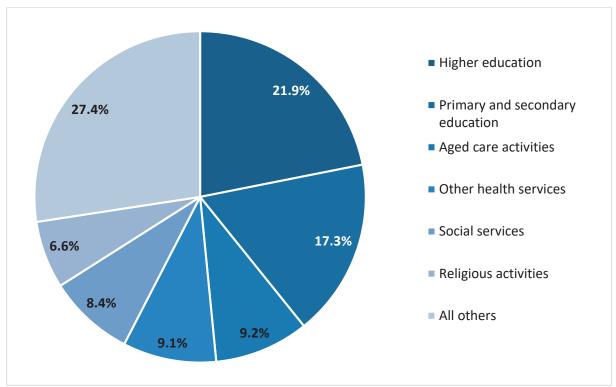


Figure 8.4 Proportion of all spending on employees by main activity (%)

Notes: n=50,667. See also Figure A.28 and Figure A.29. Excludes ORIC data.

By main activity, the charities most likely to have no spending on employees were grant-making charities (88.0%) and other philanthropic activities (78.0%) (see Figure 8.5). The charities most likely to spend at least half of their total expenditure on employees were charities involved in more labour-intensive activities, such as aged care (59.1%), or charities whose work more likely requires specialist skills, such as employment and training (62.4%), and law and legal services (78.6%) (Figure 8.6).

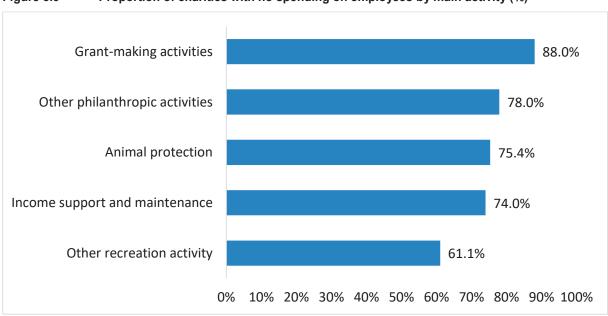


Figure 8.5 Proportion of charities with no spending on employees by main activity (%)

Notes: n=48,739. See also Figure A.29. Excludes ORIC data.

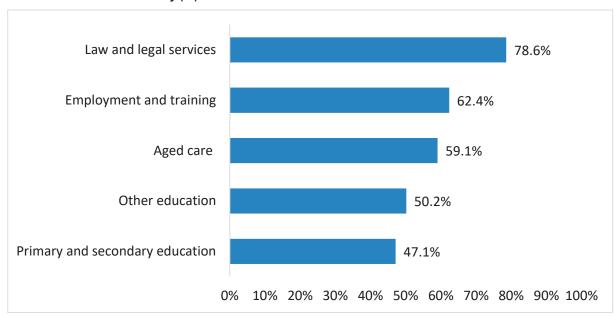


Figure 8.6 Proportion of charities that spent more than half their total expenditure on employees by main activity (%)

Notes: n=48,739. See also Figure A.29. Excludes ORIC data.

Spending on grants and donations

The AIS also contained a question regarding a charity's spending on grants and donations for use within Australia, and for use outside Australia. Grants and donations are made by a range of charities, including public and private ancillary funds and fundraising charities. Charities may target their grants towards scholarships, other charities, individuals or a group of beneficiaries.

Grants and donations made for use outside Australia can include: sponsorship programs or projects that a charity manages; donations of money, goods or services to sister organisations or a main governing body overseas; and indirectly sending money overseas, via another Australian organisation or charity (ACNC, 2016b).

In total, Australian charities spent \$6.7 billion on grants and donations. Of this, 75.9% was spent on grants for use in Australia (\$5.1 billion). This is a substantial increase compared with \$4.0 billion reported in 2015. \$1.6 billion (24.1%) of expenditure on grants was for use outside Australia (Figure 8.7).

Figure 8.7 Expenditure on grants (\$)

Expenditure on grants	Mean (\$)	Sum (\$)	Percent
For use in Australia	99,829	5,058,043,078	75.9
For use outside Australia	31,766	1,609,505,371	24.1
Total	131,595	6,667,548,449	100.0

Notes: n=50,667. All figures include estimated data for charities which had not provided financial reports. The median (based on reported data only) was zero expenditure for use in Australia and use outside Australia, indicating the large number of charities that had no or minimal expenditure on grants. Excludes ORIC data.

Grants made by higher education charities constituted 15.1% of all charity sector spending on grants, while charities whose main activity was grant-making accounted for 15.2% of spending on grants. Charities whose main activity was international activities contributed a further 14.1% of total grant spending (Figure 8.8). Further information about charities involved in grant making will be made available through a sub-report due for release in 2018.

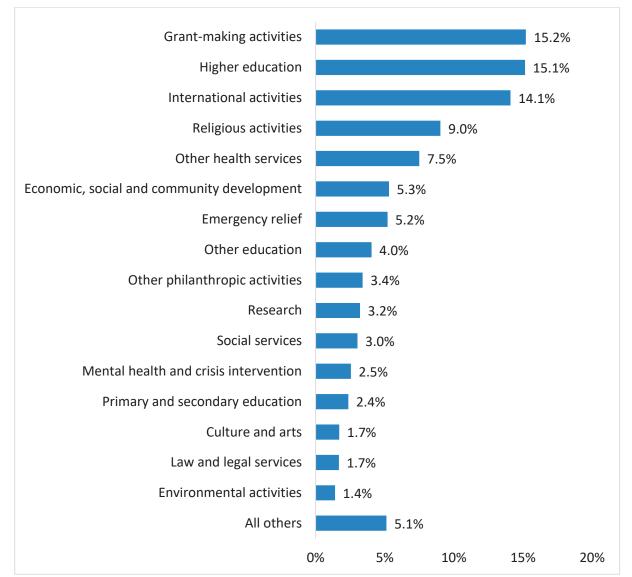


Figure 8.8 Proportion of all spending on grants by main activity (%)

Notes: n=50,667. Excludes ORIC data.

Other expenses

Other expenses may include a range of things, including: administration costs, contractors, amortisation expenses, partnership fees, bad debts, bank charges, board or governance expenses, cleaning and pest control, consultancy fees, cost of goods sold, credit card fees, entertainment costs, equipment hire, fees and permits, fundraising expenses, and rent (ACNC, 2016b). In total, other expenditure constituted \$55.1 billion, or 40.2% of all expenditure. As shown in Figure 8.9, the mean spending on 'other expenditure' increased with size, as would be expected.

Figure 8.9 Mean and median 'other expenditure' by size (\$)

Charity size	Number	Mean (\$)	Median (\$)
XS (<\$50k)	20,144	16,618	5,410
S (\$50k-\$250k)	13,797	69,548	52,738
M (\$250k-\$1m)	7,990	221,037	169,582
L (\$1m-\$10m)	6,688	1,182,069	820,882
XL (\$10m-\$100m)	1,888	9,046,274	6,311,868
XXL (>\$100m)	160	168,851,481	72,763,508
Total	50,667	1,086,737	47,712

Notes: All figures include estimated data for charities which had not provided financial reports, except medians which are based on reported data only. Excludes ORIC data.

9. The financial status of Australia's charities



In this chapter, we examine data to help understand the financial status of Australia's charity sector and sub-sections of it. Of course, charities exist for public benefit and to achieve a charitable purpose. As such, we treat their financial status as an indicator of the *means* with which they can achieve purpose, rather than an *end* in itself (Anheier, 2000). While financial status indicators do not capture charity performance in achieving impact, in aggregate they offer a helpful indication of sector viability, stability and sustainability (ACNC, 2016), and can be used to explore differences in financial orientation and exposure to financial risk among different types of charities.

However, there is no widely accepted set of standard indicators for measuring charity finances. In non-profit scholarship, seminal work popularised the assessment of non-profit vulnerability based on a series of accounting ratios, including equity balances, revenue concentration and operating margins (Tuckman and Chang, 1991). Measures have since proliferated, yet studies consistently underline the importance of selecting and interpreting financial indicators in ways that recognise a charity's strategy and operating context, and the ways that charities with different kinds of missions require different levels and types of incomes, expenditure, assets and staff in order to achieve their purpose (Hager, 2001).

Indeed, a charity's financial status depends on a range of factors, including their purpose, strategy, funding environment, accounting policies, overheads and their wider operating context. This point is illustrated in Box 3, which points to the wide range of charities' financial needs in diverse operating contexts.

Box 3 Examples of charity approaches to finances

Charities are diverse: there is no one-size-fits-all approach to financial performance or sustainability. It is highly dependent on individual charities' strategy for achieving purpose and their operating context.

A charity delivering social services may have a specific strategy to draw on money in the current year from its prior year reserves, for example to build its capacity in readiness for new policies and operating requirements, such as the NDIS. The use of reserves may be the basis for longer term sustainability but in the current year the charity will look like it made a loss.

A health services charity may have significant property assets that it needs to sustain future operations (these assets are the basis for its service delivery). It may look like it has very high assets but these assets can't be utilised to fund current activities.

A housing charity may have received a large amount of funding from government for future program delivery. This funding is "held" on the charity's balance sheet as an asset (cash) and also as a liability (reserved funding for a specific program). The charity's total assets and liabilities are significantly affected.

Foundations may have diverse strategies. One may have a large body of funds from which it seeks to distribute grants in perpetuity (and as a result, has high assets). Another might spend down its invested funds over a ten-year period (making a "loss" each year).

Source: Gilchrist and Knight (2017)

As indicated above, charities' financial strategies and arrangements are diverse, and individual boards consider a wider range of information to balance their purpose with sound financial management and sustainability considerations. However, as our focus is on the sector as a whole and the analysis uses information available in the AIS, we use common accounting ratios. While the measures used are not necessarily the only, or most important, for individual charity assessment and planning, we use measures which are generally considered helpful across a large range of organisations for profiling financial status and monitoring trends (e.g. Gilchrist and Knight, 2017; NDS, 2015).

We draw on the following AIS data:

- The **income statement** tells us about what the charity earnt in income and incurred in expenses (or received and paid in cash for small charities using the cash method³³) during the financial year. Net income (total income minus total expenses) can be more or less than zero. If net income is more than zero, the charity has made a profit. ³⁴
- The **balance sheet** tells us about the charity's assets (what it owns) and liabilities (what it owes) at the end of the financial year. Net assets (total assets minus total liabilities) can be equal to zero, more than zero or less than zero. If net assets are more than zero, the charity owns more than it owes.

As noted above, charity managers and boards should consider the wider information available to them when assessing their own financial performance and sustainability.

The analysis in this chapter looks at the financial status of charities using the following measures:

- **1. Revenue diversification:** analysis of number of revenue sources reported. Do charities rely heavily on particular revenue streams?
- **2. Net income ratio:** analysis of net income from the **income statement**. Did charities make a surplus or deficit? Of what amount?
- **3. Asset ratio**: examining charities' total assets and liabilities (the **balance sheet**). Are charities' assets worth significantly more or less than their liabilities?
- 4. **Current ratio:** examining charities' current assets and current liabilities (assets and liabilities that are likely to be realised in the next 12-month period). This is an indicator of short-term financial capacity.

This analysis is only indicative of the sector's financial status. In line with the need to consider a charity's individual strategy and operating context, we are *not* recommending that charities should pursue a particular target value on any of the measures.

Revenue diversification

Dependence on a narrow range of revenue sources can be a sign of financial vulnerability, and diversified revenues are usually seen as more flexible and sustainable (Froelich, 1999). For example, organisations which rely heavily on a government funding stream may be at risk when the government decides to reduce spending (Ryan and Irvine, 2012). On the other hand, research also shows that the quality of funding streams is important, in that a narrower range of more reliable and lucrative sources would be preferable to large numbers of unstable ones (e.g. Scnurbein and Fritz, 2017; Chikoto and Neely, 2014). On this basis, revenue concentration may be more desirable for some charities. However, it should be noted that relatively little research on not-for-profit revenue concentration has been conducted in Australian contexts.

In this report we use AIS data to provide a broad indication of diversification across three main areas: revenue from government grants, donations and bequests, and other revenue. For example, if a

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 $^{^{33}}$ XS and S charities may use cash or accrual accounting. Importantly, charities that using cash accounting may not recognise liabilities.

³⁴ It is important to remember that a charity can make a profit. In fact, some charities should aim to do so to ensure an appropriate level of financial sustainability—especially if they are low on reserves (ACNC, 2016c). However, all profits must be used to assist in achieving the charity's purpose, not for private gain.

charity only reported revenue from government grants, they were recorded as having one revenue source. If a charity reported receiving revenue from government grants and other revenue, they were recorded as having two revenue sources. If a charity reported receiving revenue from government grants, donations and bequests, and other revenue, they were recorded as having three revenue sources. However, we note the limitations of the AIS data, in that there could be multiple revenue streams within these categories. For example, an organisation could receive funding from federal and state government or from different government agencies, or may receive funding for multiple programs from one agency. In these cases, diversity of services may also be an appropriate indication of financial risk. In 2017, the AIS requires more detailed information on income sources, including income from sales of goods and services, which will enable a more in-depth analysis of revenue concentration within these categories.

On average, the largest proportion of charities received revenue from two resources (45.2%), but almost one-third received their revenue from one source only (31.3%). Smaller charities were much more likely to receive revenue from one source only, with close to half of XS charities (48.7%) fitting this profile. Larger charities were more likely to have a diverse revenue portfolio, with 40.9% of L charities, 44.6% of XL and 75.0% of XXL charities having three revenue sources (Figure 9.1).

Figure 9.1 Revenue diversification by size

Charity size	Number	One revenue source (%)	Two revenue sources (%)	Three revenue sources (%)
XS (<\$50k)	13,000	48.7	41.4	9.9
S (\$50k-\$250k)	10,259	33.5	46.9	19.7
M (\$250k-\$1m)	6,805	19.6	48.2	32.2
L (\$1m-\$10m)	6,308	12.1	47.0	40.9
XL (\$10m-\$100m)	1,788	8.1	47.3	44.6
XXL (>\$100m)	152	5.3	19.7	75.0
Total	38,312	31.3	45.2	23.5

Notes: Based on reported financial data with at least one revenue source. Excludes ORIC data.

Across main activity areas there was also a wide diversity in the number of revenue sources. Charities who were most likely to have three revenue sources were those whose main activity was aged care (53.2%) or law and legal services (51.9%). Grant-making charities were substantially more likely (71.3%) to have only one revenue source compared to charities with other main activities. This highlights the short-coming of using revenue concentration as a marker of risk. Charities with other main activities that had high concentrations of revenue (one source only) included higher education (51.8%), housing (46.1%), income support and maintenance (44.1%), and other philanthropic activities (42.8%) (Figure 9.2).

Figure 9.2 Revenue diversification by main activity

Activity areas	Number	One revenue source (%)	Two revenue sources (%)	Three revenue sources (%)
Aged care activities	1,260	13.9	32.9	53.2
Law and legal services	187	16.0	32.1	51.9
Sports	267	25.1	33.0	41.9
Law and advocacy	605	17.2	43.3	39.5
Emergency relief	1,329	21.1	39.5	39.4
Mental health and crisis intervention	578	16.8	44.1	39.1
Social services	3,507	22.8	39.1	38.1
Culture and arts	2,482	21.4	41.5	37.1
Other health services	2,010	18.5	46.0	35.5
Environmental activities	872	20.8	46.8	32.5
Economic, social and community development	2,317	27.8	42.3	29.9
Other recreation activity	966	27.3	44.3	28.4
Other	33	21.2	51.5	27.3
Other education	3,577	26.6	46.6	26.8
Employment and training	546	23.4	53.8	22.7
Primary and secondary education	4,147	29.3	51.4	19.3
Research	558	33.2	48.2	18.6
Housing activities	828	46.1	36.5	17.4
Animal protection	551	17.1	65.7	17.2
Hospital services and rehabilitation activities	322	26.4	58.7	14.9
Higher education	529	51.8	35.5	12.7
International activities	457	29.3	60.6	10.1
Religious activities	6,285	36.5	57.3	6.2
Other philanthropic activities	549	42.8	51.0	6.2
Income support and maintenance	188	44.1%	50.5	5.3
Grant-making activities	2,694	71.3%	27.4	1.3
No main activity reported	668	71.1%	23.5	5.4
Total	38,312	31.3%	45.2	23.5

Notes: Based on reported financial data with at least one revenue source. Excludes ORIC data.

Net income

Net income = total income - total expenses

Net income ratio = net income/total income (%)

A charity's *net income ratio* summarises the ratio of the charity's *surplus or deficit* to its total income for the financial year.³⁵ In other words, it indicates whether charities are making a profit or loss. There is a wide range of potential factors that may affect charities' net income. For example, charities with a high dependence on government funding may find it difficult to achieve a profit (or net receipts). Charity size and method of accounting (cash or accrual) are also key factors, as highlighted earlier in this section.

For the charity sector as a whole, the aggregate net income ratio was 8.9% in 2016 (Figure 9.3).³⁶ This is a marginal increase from 2015 when the net income ratio was 8.7%.

Figure 9.3 Summary of income and expenses

Income and expenses	
Total income	\$150,575,779,325
Total expenses	\$137,112,739,977
Aggregate net income	\$13,463,039,348
Aggregate net income ratio	8.9%

Notes: n=50,667. Excludes ORIC data.

The net income ratio varied significantly by organisation size, as shown in Figure 9.4, with charities with an annual revenue over \$250,000 (M and above) having a net income ratio of between 8% and 10%, but smaller charities having lower net income ratios (this was even negative for XS charities) (see also Figure 9.5). This is likely driven by a number of XS charities that have no material net income (zero or very low income), but who had significant expenses. ³⁷

In addition, comparison of 2015 and 2016 net income ratios (Figure 9.4), shows relative stability across most size categories, except S and XS charities.

For S charities the net income ratio increased from 4.4% to 6.5% and for XS charities there was a reduction in the negative ratio from -19.8% to -3.1%. This likely demonstrates that smaller charities are subject to more material fluctuations in net income than larger charities.

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³⁵ In the ACNC's Annual Information Statement form this financial data has different labels to those we are using here: 'Net Income' is *Net Surplus/Deficit*; and 'Total Income' is *Total Gross Income* for Medium and Large charities and *Total Income/Receipts* for Small charities.

³⁶ Throughout this chapter we examine net income, assets and ratios as aggregates

³⁷ Among XS charities, 329 reported zero income, while 9,852 reported an income of less than \$10,000 but expenses greater than \$20,000.

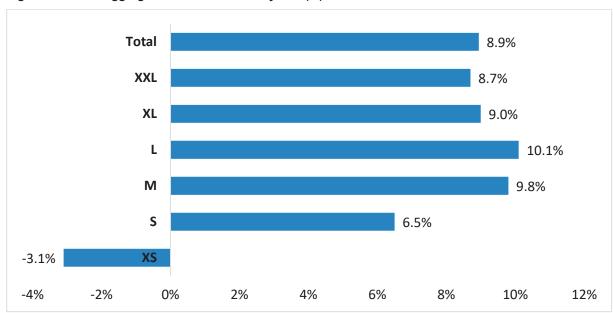


Figure 9.4 Aggregate net income ratio by size (%)³⁸

Notes: n=50,667. Excludes ORIC data.

Figure 9.5 Net income ratio by size

Size	Number	Aggregate net income ratio (%)	Aggregate net income (\$)	2015 aggregate net income ratio (%)
XS	20,144	-3.1	-16,560,237	-19.8
S	13,797	6.5	123,205,703	4.4
M	7,990	9.8	426,336,013	8.2
L	6,688	10.1	2,319,954,945	9.9
XL	1,888	9.0	4,414,748,676	8.6
XXL	160	8.7	6,195,354,325	8.7
Total	50,667	8.9	13,463,039,348	8.7

Note: Excludes ORIC data.

The net income ratio also varied widely by main activity, with grant-making charities having the highest net income ratio at 70.2%, followed by housing activities (41.1%), and income support and maintenance (35.1%). For grant-making charities this is likely a result of having large reserves that are spent over time (Figure 9.6).

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³⁸Calculated as the total of net income for charities in a group, divided by total income for charities in that group.

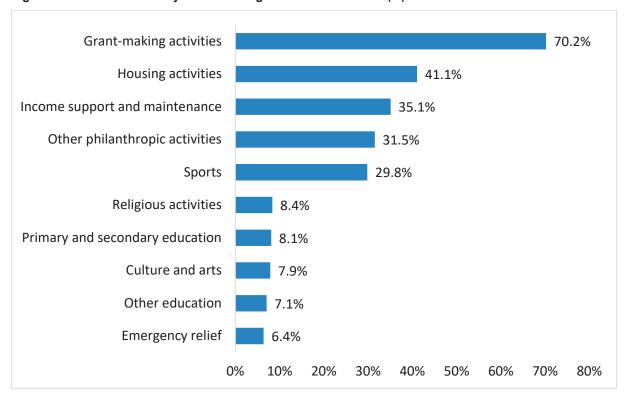


Figure 9.6 Main activity areas with highest net income ratio (%)

Notes: see also Figure A.30.

Asset ratio

Net assets = total assets – total liabilities
Asset ratio = total assets/total liabilities

Assets are the resources that an organisation owns or controls and can use to produce value. Assets can be tangible, such as land, buildings or stock, or intangible, such as trademarks.

Net assets are the total assets minus the total liabilities of an organisation. Organisations with few assets compared to liabilities are likely to be less able to respond to financial shocks. If liabilities outweigh assets, the organisation may have a solvency risk or may find it difficult to secure loans, or ultimately may not be able to replace assets to maintain service delivery (Gilchrist and Knight 2016).

The asset ratio is the ratio of total assets to total liabilities. Gilchrist and Knight (2016) suggest that most service-based organisations aim to have an asset ratio of more than 1.0. This means that they aim to have more than \$1 in assets for every \$1 in liabilities. However, a healthy asset ratio is specific to the circumstances of each charity. It is also worth noting that some assets held by not-for-profits are not easy to sell, liquidate or use as collateral for loans.

The nature of assets also impacts the value of this ratio and how to interpret it. For instance, some assets that are donated or provided by government funders may come with restrictions regarding how the assets can be used and whether or not they may be sold in the case of financial crisis. Also, some assets are what might be called 'operationally critical' and their sale may mean that the charity can no longer pursue its objects (Gilchrist and Knight 2016).

In 2016, Australia's charities reported **net assets of \$197.6 billion**, with an **asset ratio of 3.3** (Figure 9.7). This means that the aggregate total assets of the charity sector are three times the aggregate liabilities of the sector.

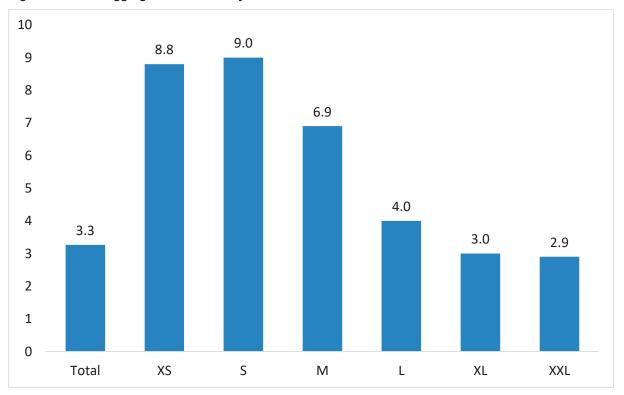
Figure 9.7 Summary of assets and liabilities

Assets and liabilities	\$/ratio
Total Assets	\$284,780,080,782
Total Liabilities	\$87,216,868,086
Aggregate Net Assets	\$197,563,212,696
Aggregate Asset Ratio	Ratio 3.3

Notes: n=37,499. Uses reported data only and excludes charities where there is missing balance sheet data. Excludes ORIC data.

By size, smaller charities had higher asset ratios, reflecting the fact that smaller charities are less likely to have significant liabilities (Figure 9.8) and that XS and S charities may not recognise their liabilities due to the use of cash accounting.

Figure 9.8 Aggregate asset ratio by size



Notes: n=24,638. Excludes 9,095 XS and 3,766 S charities that have not reported liabilities (see also Figure A.31). Excludes ORIC data.

By main activity, asset ratios ranged from 1.7 (aged care charities) to 17.6 (charities whose main activity was culture and arts). As with size, high asset ratios are indicative of charities in these main activity areas having lower levels of liabilities or higher levels of assets compared to the average (Figure 9.9).

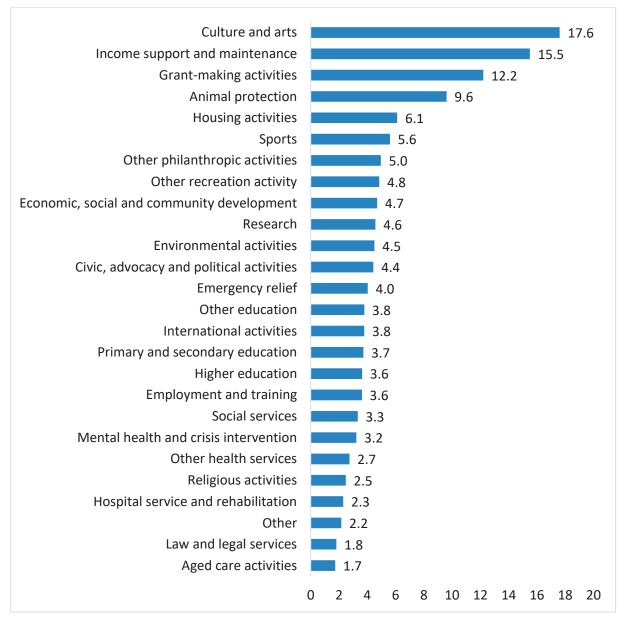


Figure 9.9 Aggregate asset ratio by main activity

Note: see also Figure A.32.

Current ratio for medium and large charities

Asset ratios can be examined as current or non-current. Current assets and liabilities are those that are likely to be realised (or paid) before the end of the next 12-month period. Current ratios are a good indicator of short-term financial health as an organisation with a large amount of current liabilities (debts or bills to be paid in the current financial year), but few or no current assets (e.g. cash) would have to borrow or sell assets in order to pay the liabilities. In the 2016 AIS, only medium and large charities were required to report their current assets and liabilities, so analysis is limited to charities with revenue over \$250,000.

Current assets and current liabilities reflect more 'liquid' (short-term) items, like cash in the bank or amounts owed to suppliers (rather than long-term assets like property). Generally, current assets and liabilities are expected to be converted to/paid by cash within a year. It is important to remember that not all of these items are cash-based, for example, unearned income can be a current liability but is not likely to result in a 'cash outgoing'.

Net current assets = total current assets – total current liabilities

Current ratio = total current assets/total current liabilities

One indicator commonly used is the **current ratio**. If the current ratio is more than one, then short-term assets are greater than short-term liabilities. A higher ratio may mean that the charity is more easily able to service its debts in the short-term. As with net income ratios, charities need to consider the best asset ratio for their circumstances.

The total current assets for charities with revenue over \$250,000 was \$14.9 billion, with a current ratio of 1.3 (Figure 9.10).

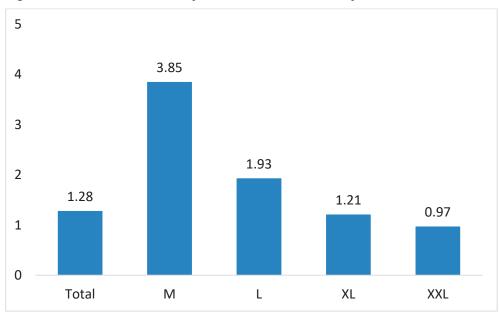
Figure 9.10 Summary of current assets and liabilities—M-XXL charities (\$)

Current assets and liabilities	\$
Aggregate current assets	68,837,224,028
Aggregate current liabilities	53,870,047,204
Aggregate net current assets	14,967,176,824
Aggregate current ratio	1.3

Notes: n=14,114. Excludes ORIC data.

By size, XXL charities had a current ratio below 1 (0.97), indicating that their current liabilities are greater than their current assets. While this may appear negative, XXL charities may be better able than other charities to manage this risk. The current ratio was 1.21 for XL charities, 1.93 for large charities and 3.85 for medium charities (Figure 9.11).

Figure 9.11 Current ratios by size—M-XXL charities only



Note: n=14,195. Uses reported data from charities with revenue over \$250,000 only and excludes charities where there is missing balance sheet data. Excludes XS and S charities that were not required to report current assets and current. Excludes ORIC data. See also Figure A.33.

By main activity, current ratios ranged from 11.75 for grant-making charities to 1.15 for charities whose main activity was hospital and rehabilitation activities, and 0.60 for aged care charities (Figure 9.12).

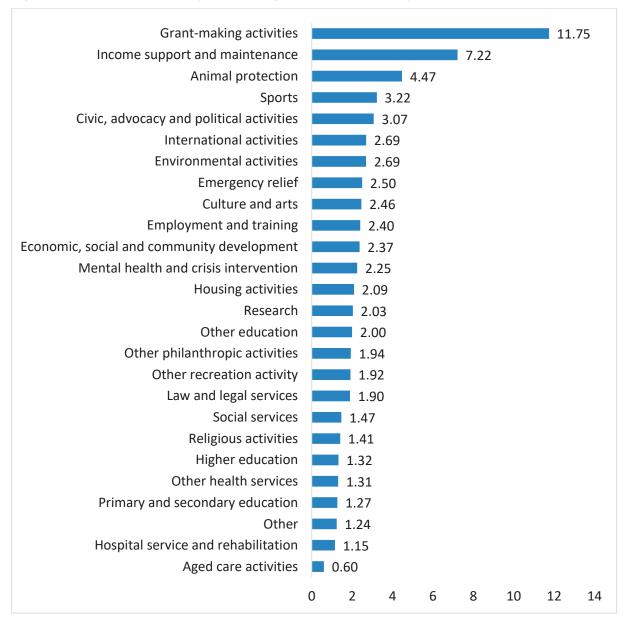


Figure 9.12 Current ratios by main activity—M-XXL charities only

Note: see also Figure A.34.

10. Conclusion



This report has provided the most comprehensive record to date of Australia's charity sector. Since the first Australian Charities Report was produced using the 2013 Annual Information Statements, data quality has improved significantly, because of improved reporting rates, timeliness and coverage. As a result, this report contains information for the largest group of charities, adding an unprecedented depth of knowledge about charities' characteristics and the ways they pursue their purposes. The report shows that Australia's charities are complex and diverse, and attests to their rich social, economic and cultural contributions in Australia and internationally:

- Together, charities had a total revenue of \$142.8 billion, employed 1.4 million staff and harnessed contributions from 2.9 million volunteers.
- In 2016, almost two in five charities (39.8%) were very small, having annual revenues of less than \$50,000. Some, including many universities and hospitals, had revenues of over \$100 million and large assets. However, charities in this largest size category made up less than 1% of all charities.
- Charities operate in local communities throughout Australia. While two-thirds were based in major cities (67.3%), around 2% were in postcodes classified as remote, and a further 0.9% were based in very remote postcodes.
- Australia's charities were involved in a range of activities to achieve their purpose. Almost one in three (30.8%) reported 'religious activities' as their main activity. This was followed by 'primary and secondary education' (9.1%), which includes non-government schools, other education (7.9%) and social services (7.8%).
- Around half (50.4%) performed their activities with paid staff, while 84.5% used volunteers.

Together, the information provided by charities through the AISs strengthens the evidence available to inform policy and regulation, and provides a basis for further research. In 2018, two additional reports will deepen knowledge of Australia's charities and their dynamics, by examining the contribution made by Australia's grant-making charities, and how charities have grown and changed from 2014 to 2016.

Changes to the AIS are continuing to contribute new details about the sector. This report has included new information provided by charities about their international activities, their beneficiaries, and their involvement in the NDIS. The 2017 AIS will expand knowledge further by capturing more detail about charities' sources of revenue. This will improve understanding of the diverse ways charities fund their activities. The charity sector is important to Australia socially and economically, and the ACNC will continue to provide opportunities for greater understanding of the sector.

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Appendix A: Further methodological details

All quantitative data analysis was undertaken in Stata version 14.2.

Data inclusion

Charities in scope for this report are charities which were registered with the ACNC at the end of their 2016 financial year. ³⁹ For each charity, the most recent data was used in the following order of preference:

- 2016 AIS Group data
- 2016 AIS
- 2016 ORIC data
- 2015 AIS
- 2014 AIS
- 2013 AIS
- ACNC Register information.

In addition, data about tax concessions and entity type was taken from the ABR, based on a charity's ABN.

Group data

The ACNC Act allows some charities to request group reporting. If approved, one AIS report is provided for two or more charities. In the 2016 AIS data, 170 groups reported for a total of 958 individual charities. Group-reporting charities are treated as one entity for analysis purposes. If the lead charity had DGR status then the group was considered to have DGR status. The ACNC also provided a location as the 'head office' for each group.

Data cleaning

The research team received the data from the ACNC in separate data files and combined the data into a consolidated dataset for analysis (see data inclusion above).

The team then conducted an analysis to identify errors and/or outliers, including:

- duplicates, where multiple data existed for one ABN
- financial errors, where data provided did not match sub-totals or totals provided, and
- materially inconsistent data, for example, where a charity reported its size as small but had a total revenue or expense over \$10 million.

Where one or more errors were identified:

- Duplicate data was removed. This primarily applied to group reporters and ORIC charities. A
 number of group reporters had also submitted an individual AIS (usually in previous years). In
 these cases, individual data was removed in favour of the more recent group data. Some
 ORIC charities had completed an AIS despite having no requirement to do so. In these cases
 we elected to use AIS data in preference to ORIC data, as AIS data is more comprehensive.
- Data was examined record-by-record for errors over \$30 million. Where data could be amended with confidence it was corrected (for example, where an error in a sub-total could be

³⁹ Charities' financial years vary; the end of the 2016 financial year may be 30 June 2016 for many, but can also be 31 December 2016 or any other date. Charities were included based on their registration status on the last day of the charity's financial year.

corrected, and the resulting sub-total agreed with both the data adding to the sub-total and in the resulting overall total); otherwise the data was excluded.

- For financial data errors below \$30 million, the reliability of the data was assessed based on the difference between the reported and calculated net surplus/deficit. Based on the size of the charity, financial data was excluded and estimated if there was an:
 - o error of at least \$0.5 million for large charities (revenue over \$1 million)
 - o error of at least \$125,000 for medium charities (revenue over \$250,000), or
 - o error of at least \$25,000 for small charities (revenue over \$50,000).

In addition, the research team consulted with the ACNC for additional detail on data cleaning.

- The ACNC advised the research team which fields contained blank, zero or 'null' responses by default so that non-reporting could be separated from actual zeros in the data. For some data fields, it remained unclear whether zeros were genuine zeros or missing data. This was the case for employee data and financial data. If charities reported zero to every financial field but also reported conducting activities, this data was treated as missing rather than as a genuine zero.
- Data for volunteers in 2014 was reported in ranges (for example, 1–10 and 11–50), and the 2015 and 2016 AIS asked for an estimated number (e.g. 36). Where 2014 data was used as a proxy for a charity in this report, data provided in ranges was converted to an estimated value using the midpoint of the range (e.g. 31 if 11–50).
- Inconsistencies in reporting were amended for consistency, for example, reporting 'Victoria' instead of 'VIC' and binary data in the forms of Y/N and 1/0.
- Some missing data was added where it could be inferred from other data in the AIS or from the Register. This included determining basic size for five charities and allocating a State where the postcode was present, or where this information was available from the ACNC or ABN Lookup websites.

Estimation model

The consolidated dataset includes over 50,000 records, of which 20% had no reported financial data, either because they were not required to report financial data (e.g. basic religious charities or other exemption); had not submitted a 2016 AIS by the cut-off date for inclusion in the analysis; or had large errors in financial data and so data was excluded.

For charities without reported financial data, this information was estimated using mean values from a two-dimensional segmentation model based on sub-sector (for example, 'health or social services') and revenue segment (XS, S, M, L, XL or XXL) from the 2016 AIS. Outliers, and charities with net surplus/deficit more than three standard deviations larger than the mean or with a material error were excluded from the charities used for the estimation model, but their data was not replaced.

In this process:

- Charities were allocated estimated financial data based on one of the 66 segments created (6 size categories x 11 main activity sub-sectors).
- Charities were allocated estimated values for financial data based on their revenue segment and sub-sector. For example, a charity with missing financial data that was medium in size and whose activities fell into the health sub-sector, was allocated the mean values from medium health charities who had reported financial data in 2016.
- In addition, charities within the 'small' size group were allocated at random into XS and S revenue segments, and charities in the 'large' group were allocated at random into L and XL revenue segments in proportion to the estimation model data.

Sensitivity testing was conducted on the estimated model. Although 20% of charities did not report financial data, and so their data was estimated, a disproportionate number of these are small.

As a result, the impact of the estimated financial data to the overall sub-sector totals is in the order of 4-6%, so the uncertainty introduced by the model is very low. Mean values (e.g. for total revenue) by revenue size (XS, S, M, L, XL, XXL) or sub-sector of main activity (health, social services, etc.) are not affected.

Estimated model data is used to calculate the financial totals of each sub-sector, revenue segment (estimating the value of the whole charity sector) and means (where the model does not affect the outcome). Reported data is used to calculate medians and categorical data, such as staff, volunteers and beneficiaries.

Appendix B: Supplementary Tables

Comparison with other sectors

Figure A.1 Charity sector compared to other sectors, 2015–16 financial year

	Total income	Total expenses	Net Income (income - expenses)	Net income ratio (%)	Employ- ment
	\$m	\$m	\$m	%	000
Wholesale trade	484,697	469,926	14,771	3.0%	531
Retail trade	409,849	393,335	16,514	4.0%	1,321
Manufacturing	378,357	353,804	24,553	6.5%	838
Construction	377,754	336,442	41,312	10.9%	1,040
Professional, scientific and technical services	228,061	184,628	43,433	19.0%	973
Mining	179,334	171,065	8,269	4.6%	163
Transport, postal and warehousing	159,929	143,309	16,620	10.4%	589
Rental, hiring and real estate services	157,016	92,915	64,101	40.8%	422
Australian charities—Total	152,420	138,927	13,492	8.9%	1,355
Health care and social assistance (private)	125,010	101,165	23,845	19.1%	1,106
Electricity, gas, water and waste services	124,766	111,103	13,663	11.0%	105
Agriculture	100,966	82,859	18,107	17.9%	481
Accommodation and food services	98,696	91,165	7,531	7.6%	967
Administrative and support services	87,018	79,502	7,516	8.6%	793
Information media and telecommunications	79,909	71,634	8,275	10.4%	170
Other services	66,432	58,745	7,687	11.6%	481
Education and training (private)	42,307	37,586	4,721	11.2%	410
Arts and recreation services	34,392	30,458	3,934	11.4%	209
Public administration and safety (private)	10,016	9,264	752	7.5%	78
Total (excluding Australian charities)	3,144,511	2,818,905	325,606	10.4%	10,678
Australian Charities—Rank (2016)	9	8	11	13	2

Notes:

- Source: ABS (2017) 8155.0 Australian Industry 2015–16. Table 1 Key data by industry division. Australian Bureau of Statistics:
- The table is a selection of Australian Industries, and totals don't represent overall totals, for example, total Australian employment.
- Australian charities data has been added to the table from ACNC AIS data for comparison purposes. There may be differences
 in detailed data definition and methodology; the table should be taken as indicative only.
- Australian charities data also included in other rows in the ABS data, for example, health care and social assistance.

What size are Australia's charities?

Figure A.2 ACNC size definition using revenue

ACNC size definition	Number	Percent	Cumulative Percent
Small (annual revenue less than \$250,000)	33,941	67.0	66.99
Medium (annual revenue of \$250,000 to			
\$999,999)	7,969	15.7	82.71
Large (annual revenue of \$1 million or more)	8,757	17.3	100
Total	50, 667	100.0	

Charity size by total expenditure

Figure A.3 Detailed measure of size by expenditure

Size	Number of charities	Percent of charities	Cumulative Percent
XS (<\$50k)	20,551	40.6	40.6
S (\$50k-<\$250k)	13,770	27.2	67.7
M (\$250k-<\$1m)	7,863	15.5	83.3
L (\$1m-<\$10m)	6,537	12.9	96.2
XL (\$10m-<\$100m)	1,794	3.5	99.7
XXL (>\$100m)	152	0.3	100.0
Total	50,667	100	

Notes: Excludes ORIC data.

Figure A.3 provides an indication of charity size by total expenditure, as total expenditure may offer a closer indicator than revenue of the actual scale of activity and contribution made by charities. This is because revenue can fluctuate from year to year. For example, a foundation may be established using significant funding from a donor, with little or no income in the years following establishment and with a deliberate strategy of spending reserves on large grants.

Figure A.4 Correlation of revenue size by expenditure size (number)

					Expenditure			
		<\$50k	\$50k- <\$250k	\$250k- <\$1m	\$1m– <\$10m	\$10m- <\$100m	>\$100m	Total
	XS (<\$50k)	18,900	1,088	127	29	0	0	20,144
	S (\$50k-<\$250k)	1,455	11,767	539	36	0	0	13,797
<u>o</u>	M (\$250k-<\$1m)	142	832	6,777	238	1	0	7,990
enn	L (\$1m-<\$10m)	49	81	413	6,102	43	0	6,688
Revenue	XL (\$10m- <\$100m)	5	2	7	132	1,740	2	1,888
	XXL (>\$100m)	0	0	0	0	10	150	160
	Total	20,551	13,770	7,863	6,537	1,794	152	50,667

Notes: Excludes ORIC data. This table shows that for most charities (89.6%), size based on revenue and expenditure are similar, suggesting that for most charities revenue is an acceptable indication of size.

Where were Australia's charities located?

Figure A.5 Jurisdiction in which ORIC charities were registered

State	Number	Percent
NSW	122	17.2
VIC	22	3.1
QLD	130	18.3
SA	30	4.2
WA	226	31.8
TAS	6	0.8
ACT	4	0.6
NT	171	24.1
Total	711	100.0

Figure A.6 Population data used for estimates of charities per 1,000 people

State	Population of jurisdiction^	Percent
NSW	7,797,800	32.0
VIC	6,244,200	25.6
QLD	4,883,700	20.0
SA	1,717,000	7.0
WA	2,567,800	10.5
TAS	519,100	2.1
ACT	406,400	1.7
NT	245,000	1.0
Total	24,385,600	100.0

Note: Source ABS (2016).

Figure A.7 Operating locations by detailed measure of size

Size		rations stralia	single s	ed in a state or tory	states	d in 2–7 and/or ories		ited in tate and tory	Total
	n	%	n	%	n	%	n	%	n
XS (<\$50k)	1,876	9.4	16,303	81.3	1,327	6.6	537	2.7	20,043
S (\$50k-<\$250k)	151	1.1	11,929	87.0	1,137	8.3	501	3.7	13,718
M (\$250k-<\$1m)	39	0.5	6,679	83.9	817	10.3	425	5.3	7,960
L (\$1m-<\$10m)	28	0.4	5,303	79.9	753	11.3	556	8.4	6,640
XL (\$10m- <\$100m)	4	0.2	1,425	76.4	272	14.6	165	8.8	1,866
XXL (>\$100m)	0	0.0	85	53.5	47	29.6	27	17.0	159
Total	2,098	4.2	41,724	82.8	4,353	8.6	2,211	4.4	50,386

Notes: Data missing for 281 charities. Excludes ORIC data.

Figure A.8 Charities' operating locations by charity street address

Street address	No opera Aust	ations in ralia	single	ed in a state or tory	states	d in 2–7 and/or ories	Operated state and	in every territory	Total
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number
NSW	687	3.9	14,364	81.1	1,688	9.5	973	5.5	17,712
VIC	599	4.5	10,656	80.6	1,279	9.7	679	5.1	13,213
QLD	324	4.3	6,457	85.3	555	7.3	234	3.1	7,570
WA	213	4.1	4,707	91.2	191	3.7	51	1.0	5,162
SA	182	4.7	3,286	85.3	283	7.3	102	2.6	3,853
TAS	48	3.8	1,160	91.2	45	3.5	19	1.5	1,272
ACT	36	3.3	645	58.6	277	25.2	142	12.9	1,100
NT	9	1.8	449	89.1	35	6.9	11	2.2	504
Total	2,098	4.2	41,724	82.8	4,353	8.6	2,211	4.4	50,386

Notes: Data missing for 281 charities (277 from the Register and four charities from the 2013 AIS). Excludes ORIC data.

Figure A.9 Charities operating in each of the states and territories by size

Jurisdiction	NSN	X	VIC	Ů.	OLD	Q	WA	∢.	SA	4	TAS	တ	ACT	e.	L N	
	z	%	z	%	z	%	z	%	z	%	z	%	z	%	z	%
XS (<\$50k)	7,340	36.5	5,594	35.5	3,652	32.9	2,831	33.6	2,353	33.2	1,204	28.6	1,165	27.0	795	23.7
S (\$50k-<\$250k)	5,595	27.8	4,236	26.9	2,981	26.8	2,224	26.4	1,895	26.8	1,018	24.2	1,056	24.4	752	22.5
M (\$250k-<\$1m)	3,612	17.9	2,618	16.6	2,069	18.6	1,333	15.8	1,117	15.8	767	18.2	795	18.4	644	19.2
L (\$1m-<\$10m)	2,704	13.4	2,533	16.1	1,775	16.0	1,564	18.6	1,296	18.3	918	21.8	957	22.1	867	25.9
XL (\$10m- <\$100m)	787	3.9	902	4.5	556	5.0	427	5.1	370	5.2	264	6.3	302	7.0	257	7.7
XXL (>\$100m)	96	0.5	72	0.5	22	0.7	49	9.0	20	7.0	35	0.8	47	1.1	34	1.0
Total	20,133	100.0	100.0 15,759	100.0	11,108	100.0	8,428	100.0	7,081	100.0	4,206	100.0	4,322	100.0	3,349	100.0

Notes: As charities could operate in more than one jurisdiction, the total is greater than the number of charity records analysed. Excludes ORIC data.

Figure A.10 Charities registered in major cities, regional and remote areas (%)

Remoteness area	Number	Per cent
Major cities	33,029	67.3
Inner regional	9,496	19.3
Outer regional	5,130	10.4
Remote	826	2.0
Very remote	469	1.0
Total	49,102	100.0

Notes: data missing for 1,565 charities. Excludes ORIC data.

Figure A.11 Charities which conducted activities overseas

Size	Conducted acti	vities overseas	Did not cond over	uct activities seas	Total
	Number	Percent	Number	Percent	Number
XS (<\$50k)	1,498	7.5	18,425	92.5	17,867
S (\$50k-<\$250k)	1,286	9.4	12,352	90.6	15,123
M (\$250k-<\$1m)	739	9.3	7,171	90.7	7,857
L (\$1m-<\$10m)	525	8.0	6,069	92.0	6,544
XL (\$10m-<\$100m)	169	9.1	1,681	90.9	1,860
XXL (>\$100m)	38	23.9	121	76.1	158
Total	4,225	8.5	45,819	91.5	49,409

Notes: data missing for 593 charities. Excludes ORIC data.

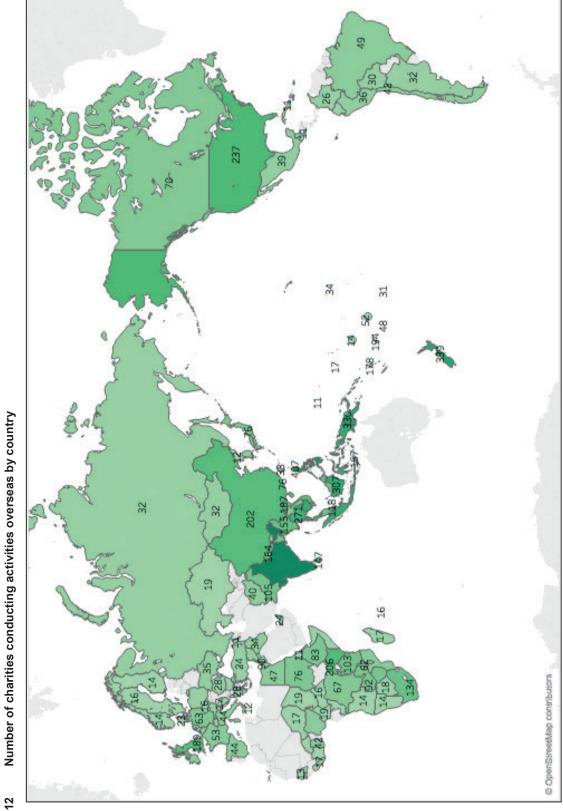


Figure A.12

Note: Excludes ORIC data.

What did Australia's charities do?

Figure A.13 Charitable purpose/sub-type

Charity purpose/sub-type	Number	Per cent
Advancing religion	14,890	32.0
Advancing education	9,008	19.4
Advancing social or public welfare	6,416	13.7
Purposes beneficial to the general public	5,591	12.0
Advancing health	3,496	7.5
Advancing culture	2,430	5.2
Advancing natural environment	1,041	2.2
Promoting reconciliation	860	1.8
Promoting or protecting human rights	721	1.5
Advancing security or safety	615	1.3
Preventing or relieving suffering of animals	565	1.2
Promoting or opposing a change to law, policy or practice	391	0.8
Health promotion charities	1,386	3.0
Public benevolent institutions	7,766	16.7

Notes: n=46,450. Based on AIS 2016 data only.

Figure A.14 Charities with DGR status by size

Size	Had DGI	R Status	Did not have	DGR status	Total
	Number	Percent	Number	Percent	Number
XS (<\$50k)	5,717	28.4	14,427	71.6	20,144
S (\$50k-<\$250k)	4,366	31.6	9,431	68.4	13,797
M (\$250k-<\$1m)	3,930	49.2	4,060	50.8	7,990
L (\$1m-<\$10m)	4,141	61.9	2,547	38.1	6,688
XL (\$10m-<\$100m)	1,476	78.2	412	21.8	1,888
XXL (>\$100m)	136	85.0	24	15.0	160
Total	19,766	39.0	30,901	61.0	50,667

Notes: Excludes ORIC data.

Figure A.15 Charities which conducted activities in the reporting period by size

Size	Any a	ctivity	No activity i	n the period	Total
	Number	Per cent	Number	Per cent	Number
XS (<\$50k)	18,268	91.2	1,758	8.8	20,026
S (\$50k-<\$250k)	13,620	99.4	88	0.6	13,708
M (\$250k-<\$1m)	7,929	99.7	27	0.3	7,956
L (\$1m-<\$10m)	6,617	99.7	21	0.3	6,638
XL (\$10m- <\$100m)	1,861	99.8	3	0.2	1,864
XXL (>\$100m)	159	100.0	0	0.0	159
Total	48,454	96.2	1,897	3.8	50,351

Notes: Data missing on main activity for 316 charities. Excludes ORIC data.

Figure A.16 Main activity, 2015 and 2016

Main activity		2015		2016
	Number	Percent	Number	Percent
Political activities	8	0	Included in la	w and advocacy
Other	568	1.2	43	0.1
Income support and maintenance	202	0.4	212	0.4
Law and legal service	213	0.5	201	0.4
Sports	288	0.6	281	0.6
Hospital services and rehabilitation activities	414	0.9	343	0.7
International activities	430	0.9	503	1
Animal protection	474	1	573	1.2
Other philanthropic activities	477	1	604	1.2
Employment and training	520	1.1	568	1.2
Research	606	1.3	600	1.2
Higher education	621	1.3	585	1.2
Law and advocacy	450	1	649	1.3
Mental health and crisis intervention	509	1.1	611	1.3
Housing activities	868	1.9	869	1.8
Environmental activities	877	1.9	921	1.9
Other recreation activity	1,090	2.3	1,042	2.2
Aged care activities	1,465	3.1	1,304	2.7
Emergency relief	1,573	3.4	1,575	3.3
Other health services	1,846	3.9	2,105	4.3
Economic, social and community development	2,268	4.8	2,473	5.1
Culture and arts	2,225	4.8	2,613	5.4
Grant-making activities	2,770	5.9	2,797	5.8
Social services	3,287	7	3,782	7.8
Other education	4,233	9	3,834	7.9
Primary and secondary education	4,032	8.6	4,389	9.1
Religious activities	14,517	31	14,934	30.8
Total	46,831	100	48,411	100

Note: data was missing for 2,258 charities. Excludes ORIC data.

Figure A.17 Main activity by size (numbers)

Main activity	XS	S	M	L	XL	XXL	Total
Aged care activities	229	205	183	471	192	24	1,304
Animal protection	292	186	53	31	11	0	573
Law and advocacy	236	163	145	93	10	2	649
Culture and arts	1,206	652	474	240	40	1	2,613
Economic, social and community development	796	708	517	377	71	4	2,473
Emergency relief	787	473	191	100	21	3	1,575
Employment and training	67	74	126	212	89	0	568
Environmental activities	416	223	156	110	16	0	921
Grant-making activities	1,349	730	414	269	34	1	2,797
Higher education	201	107	75	125	36	41	585
Hospital services and rehabilitation activities	141	76	44	48	25	9	343
Housing activities	127	293	219	177	53	0	869
International activities	219	139	67	54	22	1	502
Income support and maintenance	110	66	22	14	0	0	212
Law and legal services	22	23	69	73	11	3	201
Mental health and crisis intervention	224	139	107	119	20	1	610
Other education	1,046	867	1,164	672	81	4	3,834
Other health services	613	409	348	523	198	14	2,105
Other philanthropic activities	258	156	98	80	12	0	604
Other	20	11	5	6	1	0	43
Other recreation activity	538	299	125	64	15	1	1,042
Primary and secondary education	1,217	939	406	1,262	548	17	4,389
Religious activities	6,379	5,632	2,145	663	104	11	14,934
Research	193	141	91	118	54	3	600
Social services	1,436	812	623	695	197	19	3,782
Sports	121	89	54	14	3	0	281
No main activity reported	1,901	185	69	78	24	1	2,258
Total	20,144	13,797	7,990	6,688	1,888	160	50,667

Notes: Excludes ORIC data.

Who did Australia's charities help?

Figure A.18 Charities which helped beneficiary groups by size

Size	General c	ommunity	Specific be	eneficiaries
	Number	Percent	Number	Percent
XS	10,860	38.8	7,696	40.2
S	8,497	30.4	4,218	22.0
М	4,564	16.3	2,948	15.4
L	3,064	11.0	3,303	17.3
XL	901	3.2	908	4.7
XXL	90	0.3	66	0.3
Total	27,976	100.0	19,139	100.0

Notes: n=47,115. Uses 2016 data only. Excludes ORIC data. Note also that some charities who reported general also selected specific categories. These are treated as general community.

Figure A.19 Charities which helped specific beneficiary groups

Beneficiary groups	Number	Percent
Females	4,724	10.0
Males	4,044	8.6
Early childhood (under 6)	3,982	8.5
Children (6–14 years)	6,700	14.2
Youth (15–24 years)	5,545	11.8
Adults (25–64 years)	3,227	6.8
Adults (65 and over)	3,377	7.2
Aboriginal and Torres Strait Islander people	3,104	6.6
Gay, lesbian, bisexual, transgender or intersex persons	902	1.9
Migrants, refugees or asylum seekers	1,501	3.2
Other charities	2,198	4.7
People from a culturally and linguistically diverse background	2,531	5.4
Overseas communities or charities	1,356	2.9
People in rural/regional/remote communities	1,868	4.0
Families	2,750	5.8
Financially disadvantaged people	2,452	5.2
People at risk of or experiencing homelessness	1,693	3.6
People with chronic illness (including terminal)	1,781	3.8
People with disabilities	4,338	9.2
Pre-/post-release offenders and/or their families	484	1.0
Unemployed persons	1,467	3.1
Veterans and/or their families	1,348	2.9
Victims of crime (including family violence)	742	1.6
Victims of disaster	598	1.3
Others	2,352	5.0

Notes: n=47115. Uses 2016 data only. Excludes ORIC data. Note also that some charities who reported general also selected specific categories. These are treated as general community.

Figure A.20 Beneficiary type by size

	Gene	ral community	Specific b	peneficiaries	Total
	Number	Percent	Number	Percent	Number
XS (<\$50k)	10,860	38.8	7,696	40.2	18,556
S (\$50k-<\$250k)	8,497	30.4	4,218	22.0	12,715
M (\$250k-<\$1m)	4,564	16.3	2,948	15.4	7,512
L (\$1m-<\$10m)	3,064	11.0	3,303	17.3	6,367
XL (\$10m-<\$100m)	901	3.2	908	4.7	1,809
XXL (>\$100m)	90	0.3	66	0.3	156
Total	27,976	100	19,139	100	47,115

Notes: n=47,115. Uses 2016 data only. Excludes ORIC data. Note also that some charities who reported general also selected specific categories. These are treated as general community.

Figure A.21 Beneficiary type by main activity

	Gene	ral community	Specific b	eneficiaries	Total
	Number	Percent	Number	Percent	Number
Aged care activities	500	40.0	750	60.0	1,250
Animal protection	404	75.5	131	24.5	535
Law and advocacy	282	45.6	337	54.4	619
Culture and arts	1,884	77.8	539	22.2	2,423
Economic, social and community development	1,405	61.3	887	38.7	2,292
Emergency relief	1,034	79.7	264	20.3	1,298
Employment and training	271	49.8	273	50.2	544
Environmental activities	738	84.2	138	15.8	876
Grant-making activities	1,217	45.2	1,473	54.8	2,690
Higher education	299	53.6	259	46.4	558
Hospital services and rehabilitation	193	61.3	122	38.7	315
Housing activities	383	46.4	442	53.6	825
Income support and maintenance	88	44.9	108	55.1	196
International	231	48.2	248	51.8	479
Law and legal service	123	64.4	68	35.6	191
Mental health and crisis intervention	334	56.1	261	43.9	595
Other education	1,518	42.7	2,036	57.3	3,554
Other health service	1,078	53.9	921	46.1	1,999
Other philanthropic activities	340	59.8	229	40.2	569
Other recreation activity	576	61.5	361	38.5	937
Primary and secondary education	906	22.0	3,213	78.0	4,119
Religious activities	11,741	84.0	2,229	16.0	13,970
Research	395	69.3	175	30.7	570
Social services	1,841	50.5	1,801	49.5	3,642
Sports	128	52.0	118	48.0	246
Main activity not reported	67	3.7	1,756	96.3	1,823
Total	27,976	59.4	19,139	40.6	47,115

Notes: n=47,115. Uses 2016 data only. Excludes ORIC data. Note also that some charities who reported general also selected specific categories. These are treated as general community.

Who worked in Australia's charities?

Figure A.22 Employment by main activity

Main activity	Full time		Dart time		ופוופט	_	Total		letot to 10
מפון מכוועון		<u> </u>		Þ	5 0 0 0	5			employment
	Sum	Mean	Sum	Mean	Sum	Mean	Sum	Mean	Percent
Aged care activities	30,585	24.5	109,022	87.1	39,736	31.8	179,343	137.5	14.3
Animal protection	1,539	2.9	1,175	2.2	366	1.9	3,709	6.5	0.3
Law and advocacy	2,366	3.9	1,655	2.7	840	4.1	4,861	7.5	0.4
Culture and arts	6,262	2.6	3,939	1.6	17,962	7.3	28,164	10.8	2.2
Economic, social and community development	13,587	0.9	11,212	5.0	13,267	5.9	38,066	15.4	3.0
Emergency relief	3,983	3.0	2,242	1.7	3,599	2.7	9,824	6.9	0.8
Employment and training	26,164	47.9	10,638	19.4	7,186	13.1	43,988	9.77	3.5
Environmental activities	2,248	2.6	2,538	3.0	1,558	1.8	6,344	6.9	0.5
Grant-making activities	951	1.1	671	8.0	347	4.0	1,969	0.7	0.2
Higher education	98,759	204.9	25,921	53.4	87,530	180.5	212,210	363.4	16.9
Hospital services and rehabilitation activities	15,869	52.5	25,461	83.5	11,049	36.2	52,379	152.7	4.2
Housing activities	4,810	6.2	3,321	4.2	2,671	3.4	10,802	12.4	6.0
International activities	2,438	5.3	873	1.9	738	1.6	4,049	8.1	0.3
Income support and maintenance	111	9.0	82	0.5	411	2.3	604	2.8	0.0
Law and legal services	4,568	22.8	1,541	7.7	321	1.6	6,430	32.0	0.5
Mental health and crisis intervention	5,395	9.6	5,004	8.7	2,170	3.8	12,569	20.6	1.0
Other education	22,203	6.1	29,263	8.0	24,498	6.7	75,964	19.8	0.9
Other health services	35,543	18.0	42,813	21.5	21,553	10.8	606'66	47.5	8.0
Other philanthropic activities	436	1.0	319	7.0	438	1.0	1,193	2.0	0.1
Other	120	2.9	49	1.2	31	8.0	200	4.7	0.0
Other recreation activity	1,990	2.1	2,134	2.2	6,950	7.1	11,074	10.6	6.0
Primary and secondary education	107,702	25.8	996'02	16.8	39,670	9.6	217,738	49.6	17.3
Religious activities	25,485	1.8	24,469	1.8	13,189	6.0	63,143	4.3	2.0
Research	7,714	14.7	3,749	7.1	1,838	3.5	13,301	22.2	1.1
Social services	50,617	14.1	62,346	17.3	40,660	11.3	153,623	40.6	12.2
Sports	403	1.5	417	1.6	1,488	9.5	2,308	8.2	0.2
No reported main activity	739	0.4	1068	9.0	398	0.2	2205	1.2	0.2
Total	472,566	10.5	442,258	9.8	341,093	7.5	1,255,918	25.1	100.0
	_		-						

Notes: Excludes ORIC data.

Figure A.23 Paid employees by size

Size		Full-time			Part-time			Casual			Total	
	wns	Mean	Median	Sum	Mean	Median	Sum	Mean	Median	wns	Mean	Median
XS (<\$50k)	4,292	0.3	0	4,770	0.3	0	10,754	9.0	0	19,816	1.0	0
S (\$50k-<\$250k)	958'5	0.5	0	8,517	0.7	0	7,792	9.0	0	22,165	1.6	0
M (\$250k-<\$1m)	12,572	1.7	~	23,221	3.1	2	19,197	2.6	0	54,991	6.9	5
L (\$1m-<\$10m)	86,849	13.8	8	101,426	16.1	6	67,232	10.6	3	255,507	38.5	25
XL (\$10m- <\$100m)	174,103	96.1	20	152,073	83.9	46	104,261	57.5	21	430,437	231.0	164
XXL (>\$100m)	188,894	1,218.7	625	152,251	982.3	553	131,857	850.7	346	473,002	3012.8	1,915
Total	472,566	10.5	0	442,258	9.8	0	341,093	7.5	0	0 1,255,918	25.1	1

Notes: n=49,992. Employment data missing for 675 charities. Excludes ORIC data.

Figure A.24 Proportion of full-time, part-time and casual staff in each size category (%)

	Full-time	Part-time	Casual Staff	Total
XS (<\$50k)	0.9	1.1	3.2	1.6
S (\$50k-<\$250k)	1.2	1.9	2.3	1.8
M (\$250k-<\$1m)	2.7	5.3	5.6	4.4
L (\$1m-<\$10m)	18.4	22.9	19.7	20.3
XL (\$10m- <\$100m)	36.8	34.4	30.6	34.3
XXL (>\$100m)	40.0	34.4	38.7	37.7
Total	100	100	100	100

Notes: n=49,992. Employment data missing for 675 charities. Excludes ORIC data.

Figure A.25 Charities with and without paid staff by main activity

Sector	Has pai	d staff	Does not l sta		Total
	Number	Percent	Number	Percent	Number
Aged care activities	1,002	76.8	302	23.2	1,304
Animal protection	114	19.9	459	80.1	573
Law and advocacy	373	57.7	274	42.3	647
Culture and arts	1,145	43.8	1,467	56.2	2,612
Economic, social and community development	1,345	54.5	1,122	45.5	2,467
Emergency relief	439	30.6	994	69.4	1,433
Employment and training	494	87.1	73	12.9	567
Environmental activities	425	46.2	495	53.8	920
Grant-making activities	334	11.9	2,461	88.1	2,795
Higher education	295	50.5	289	49.5	584
Hospital services and rehabilitation activities	127	37.0	216	63.0	343
Housing activities	501	57.7	367	42.3	868
International activities	176	35.2	324	64.8	500
Income support and maintenance	47	22.2	165	77.8	212
Law and legal services	182	90.5	19	9.5	201
Mental health and crisis intervention	338	55.5	271	44.5	609
Other education	2,584	67.4	1,249	32.6	3,833
Other health service delivery	1,277	60.7	826	39.3	2,103
Other philanthropic activities	124	20.5	480	79.5	604
Other	17	39.5	26	60.5	43
Other recreation activity	354	34.0	686	66.0	1,040
Primary and secondary education	2,759	62.9	1,626	37.1	4,385
Religious activities	8,300	55.9	6,538	44.1	14,838
Research	279	46.5	321	53.5	600
Social services	1,840	48.7	1,940	51.3	3,780
Sports	104	37.0	177	63.0	281
No main activity reported	204	11.0	1646	89.0	1,850
Total	25,179	50.4	24,813	49.6	49,992

Notes: n=49,992. Employment data missing for 675 charities. Excludes ORIC data.

Figure A.26 Charities with volunteers by main activity

	% with any volunteers	Mean number of volunteers	Median	Sum	% of total
Aged care activities	93.0	65.6	25.0	84,703	2.9
Animal protection	96.2	78.7	18.0	45,074	1.6
Law and advocacy	89.1	158.0	10.0	101,727	3.5
Culture and arts	91.8	51.5	15.0	134,023	4.6
Economic, social and community development	83.8	55.6	10.0	136,582	4.7
Emergency relief	96.2	147.7	25.0	231,632	8.0
Employment and training	63.8	35.5	5.0	20,037	0.7
Environmental activities	91.5	195.4	20.0	179,205	6.2
Grant-making activities	27.9	7.5	0.0	20,609	0.7
Higher education	67.8	49.6	5.0	28,757	1.0
Hospital services and rehabilitation activities	83.4	39.7	10.0	13,434	0.5
Housing activities	76.8	18.2	6.0	15,176	0.5
International activities	92.7	63.3	10.0	31,194	1.1
Income support and maintenance	80.0	13.0	5.0	2,732	0.1
Law and legal services	88.0	82.1	20.0	16,429	0.6
Mental health and crisis intervention	87.6	59.0	10.0	35,689	1.2
Other education	80.9	64.4	10.0	246,044	8.5
Other health service delivery	82.0	99.5	10.0	207,752	7.2
Other philanthropic activities	72.0	181.6	5.0	109,511	3.8
Other	97.3	117.2	30.0	4,338	0.2
Other recreation activity	94.3	120.7	20.0	125,434	4.4
Primary and secondary education	87.1	38.1	15.0	166,505	5.8
Religious activities	91.1	43.5	18.0	643,152	22.3
Research	70.7	44.9	5.0	26,823	0.9
Social services	91.5	58.3	10.0	219,500	7.6
Sports	95.0	95.6	20.5	26,754	0.9
No main activity reported		5.4	0.0	9,901	0.3
Total	84.5	57.8	10.0	2,882,717	100.0

Notes: n=49,868. Volunteer data missing for 799 charities. Excludes ORIC data.

How did Australian charities fund their activities?

Figure A.27 Median income by source, where revenue and income is greater than zero

Revenue and income sources	Number	Median per charity (\$)
Government grants	14,014	240,556
Donations and bequests	25,045	18,812
Other revenue	34,347	62,132
Other income	10,554	8,191
Total	38,733	134,325

Notes: Reported data only. Excludes estimations and zero values. Excludes ORIC data.

How did Australian charities allocate their funds?

Figure A.28 Mean expenditure on employees by main activity

Main activity	Number	Mean (\$)	Sum (\$)	% Total
Higher education	585	51,282,878	30,000,483,692	21.9
Primary and secondary education	4,389	5,417,104	23,775,667,771	17.3
Aged care activities	1,304	9,697,882	12,646,038,247	9.2
Other health services	2,105	5,947,853	12,520,230,980	9.1
Social services	3,782	3,050,659	11,537,594,097	8.4
Religious activities	14,934	605,070	9,036,108,246	6.6
Economic, social and community development	2,473	2,354,889	5,823,640,386	4.2
Hospital services and rehabilitation activities	343	16,169,523	5,546,146,466	4.0
Other education	3,834	1,417,847	5,436,023,891	4.0
Employment and training	568	5,361,062	3,045,083,017	2.2
Research	600	4,064,461	2,438,676,669	1.8
Culture and arts	2,613	810,714	2,118,395,946	1.5
Housing activities	869	2,156,683	1,874,157,137	1.4
Grant-making activities	2,797	539,741	1,509,655,432	1.1
Emergency relief	1,575	939,966	1,480,445,906	1.1
International	502	2,729,360	1,370,138,792	1.0
Mental health and crisis intervention	610	2,074,616	1,265,516,012	0.9
Law and legal services	201	5,192,933	1,043,779,447	8.0
Law and advocacy	649	1,505,047	976,775,202	0.7
Environmental activities	921	775,885	714,589,793	0.5
Other recreation activity	1,042	664,085	691,976,378	0.5
Other philanthropic activities	604	749,873	452,923,523	0.3
Animal protection	573	698,903	400,471,422	0.3
Sports	281	500,271	140,576,124	0.1
Other	43	1,259,636	54,164,336	0.0
Income support and maintenance	212	225,823	47,874,446	0.0
No main activity reported	2,258	516,212	1,165,606,542	0.9
Total	50,667	2,706,155	137,112,739,900	100.0

Notes: Excludes ORIC data.

Figure A.29 Level of employee expenses by main activity

Main activity	No em expe		Employee constitu than h spen	ted less alf of	Employee constitut than h spen	ed more alf of	Total
	Number	Percent	Number	Percent	Number	Percent	Number
Aged care	268	20.7	262	20.2	765	59.1	1,295
Animal protection	428	75.4	88	15.5	52	9.2	568
Law and advocacy	237	36.9	198	30.8	207	32.2	642
Culture and arts	1,364	53.3	756	29.5	439	17.2	2,559
Economic, social and community development	1,045	42.8	678	27.8	716	29.4	2,439
Emergency relief	866	56.9	518	34.1	137	9.0	1,521
Employment and training	64	11.3	149	26.3	353	62.4	566
Environmental activities	450	49.9	257	28.5	195	21.6	902
Grant-making activities	2,430	88.0	297	10.8	33	1.2	2,760
Higher education	270	47.0	158	27.5	147	25.6	575
Hospital services and rehabilitation activities	191	56.8	75	22.3	70	20.8	336
Housing activities	353	40.9	348	40.3	162	18.8	863
International activities	291	59.0	182	36.9	20	4.1	493
Income support and maintenance	151	74.0	42	20.6	11	5.4	204
Law and legal services	19	9.5	24	11.9	158	78.6	201
Mental health and crisis intervention	237	39.7	119	19.9	241	40.4	597
Other education	1,158	30.6	726	19.2	1,899	50.2	3,783
Other health service	769	37.1	550	26.6	751	36.3	2,070
Other philanthropic activities	460	78.0	103	17.5	27	4.6	590
Other	24	55.8	13	30.2	6	14.0	43
Other recreation activity	624	61.1	267	26.1	131	12.8	1,022
Primary and secondary education	1,540	35.7	738	17.1	2,032	47.1	4,310
Religious activities	2,559	17.3	10,652	71.8	1,619	10.9	14,830
Research	306	51.6	184	31.0	103	17.4	593
Social services	1,701	45.9	733	19.8	1,273	34.3	3,707
Sports	158	57.9	82	30.0	33	12.1	273
No main activity reported	552	55.4	309	31.0	136	13.6	997
Total	18,515	38.0	18,508	38.0	11,716	24.0	48,739

Notes: Excludes charities who reported no expenses. Excludes ORIC data.

The financial status of Australia's charities

Figure A.30 Net income ratios by main activity

Main activity	Number	Aggregate net income ratio (%)	Aggregate net income (\$)
Grant-making activities	2,797	70.2	3,562,031,721
Housing activities	869	41.1	1,307,291,281
Income support and maintenance	212	35.1	25,882,076
Other philanthropic activities	604	31.5	208,483,750
Sports	281	29.8	59,786,968
Religious activities	14,934	8.4	826,038,338
Primary and secondary education	4,389	8.1	2,098,806,172
Culture and arts	2,613	7.9	181,793,130
Other education	3,834	7.1	413,345,255
Emergency relief	1,575	6.4	101,061,479
Environmental activities	921	6.1	46,616,201
Aged care activities	1,304	5.6	756,915,515
Social services	3,782	5.5	677,316,566
Higher education	585	5.3	1,684,061,752
Economic, social and community development	2,473	4.6	281,637,618
Other health services	2,105	4.5	589,039,880
Hospital service and rehabilitation	343	4.3	249,920,241
Other	43	4.2	2,346,399
Mental health and crisis intervention	610	3.4	44,915,831
Other recreation activity	1,042	3.4	24,374,970
Research	600	3.4	85,092,000
Animal protection	573	3.2	13,030,806
International activities	502	2.1	29,372,395
Law and advocacy	649	1.1	10,616,493
Employment and training	568	1.0	32,084,461
Law and legal services	201	0.1	1,476,031
No main activity reported	2,258	11.4	149,702,096
Total	50,667	8.9	13,463,039,425

Note: Excludes ORIC data.

Figure A.31 Assets, liabilities and net asset ratio by size

Size	Number	Aggregate assets (\$)	Aggregate liabilities (\$)	Aggregate net assets (\$)	Aggregate asset ratio
XS	13,145	4,165,586,096	475,471,619	3,690,114,477	8.8
S	10,156	7,640,813,935	851,369,988	6,789,443,947	9.0
М	6,780	14,350,610,523	2,092,282,839	12,258,327,684	6.9
L	5,574	46,084,479,026	11,659,386,860	34,425,092,166	4.0
XL	1,699	94,000,317,483	30,886,525,991	63,113,791,492	3.0
XXL	145	118,538,273,719	41,251,830,789	77,286,442,930	2.9
Total	37,499	284,780,080,782	87,216,868,086	197,563,212,696	3.3

Notes: n=37,499. Uses reported data only and excludes charities where there is missing balance sheet data. Excludes ORIC data.

Figure A.32 Assets, liabilities and net asset ratio by main activity

Main activity Culture and arts Income support and maintenance Grant-making activities	Number	Addregate assets (\$)	Aggregate liabilities	Aggregate net	Aggregate asset
Culture and arts Income support and maintenance Grant-making activities		(+) 000000000000000000000000000000000000	(\$)	assets (\$)	ratio
Income support and maintenance Grant-making activities	2,448	11,407,688,388	647,748,851	10,759,939,537	17.6
Grant-making activities	195	244,209,494	15,754,811	228,454,683	15.5
Animal protection	2,747	18,437,761,395	1,511,298,789	16,926,462,606	12.2
	499	732,937,586	76,234,224	656,703,362	9.6
Housing activities	847	12,252,860,178	2,002,421,906	10,250,438,272	6.1
Sports	260	314,157,723	56,073,165	258,084,558	5.6
Other philanthropic activities	568	1,888,063,475	380,376,179	1,507,687,296	5.0
Other recreation activity	932	1,128,003,640	232,684,047	895,319,593	4.8
Economic, social and community development	2,344	9,517,199,371	2,025,924,094	7,491,275,277	4.7
Research	568	5,187,684,926	1,133,566,107	4,054,118,819	4.6
Environmental activities	864	1,184,754,503	263,123,957	921,630,546	4.5
Law and advocacy	611	1,293,665,653	291,991,862	1,001,673,791	4.4
Emergency relief	1,279	1,743,340,049	432,653,027	1,310,687,022	4.0
Other education	3,584	7,541,282,768	1,990,688,380	5,550,594,388	3.8
International activities	450	697,942,354	184,324,710	513,617,644	3.8
Primary and secondary education	3,067	32,073,609,116	8,605,473,063	23,468,136,053	3.7
Higher education	561	74,831,507,615	20,594,168,367	54,237,339,248	3.6
Employment and training	553	2331,510,369	644,487,422	1,687,022,947	3.6
Social services	3,604	14,596,633,990	4,387,153,737	10,209,480,253	3.3
Mental health and crisis intervention	275	88'006'266	308,910,446	688,990,387	3.2
Other health services	2,007	14,465,552,193	5,282,949,866	9,182,602,327	2.7
Religious activities	6,193	24,326,653,847	9,795,657,838	14,530,996,009	2.5
Hospital services and rehabilitation activities	322	5,672,886,667	2,468,729,302	3,204,157,365	2.3
Other	33	16,685,817	7,707,441	8,978,376	2.2
Law and legal services	191	584,178,893	321,843,393	262,335,500	1.8
Aged care activities	1,259	40742,856,306	23,456,978,045	17,285,878,261	1.7
No main activity reported	938	568,553,633	97,945,057	470,608,576	5.8
Total	37,499	284,780,080,782	87,216,868,086	197,563,212,696	3.3

Notes: n=37,499. Uses reported data only and excludes charities where there is missing balance sheet data. Excludes ORIC data.

Current asset, current liabilities and current ratios by size-medium and large organisations only Figure A.33

Size	Number	Aggregate current assets (\$)	Aggregate current liabilities (\$)	Aggregate current net assets (\$)	Aggregate current ratio
abla	6,778	4,756,517,540	1,236,783,661	3,519,733,879	3.85
٦	5,573	15,681,159,365	8,141,828,948	7,539,330,417	1.93
XL	1,699	26,408,268,980	21,810,299,741	4,597,969,239	1.21
XXL	145	21,991,278,143	22,681,134,854	689,856,711	26:0
All charities with revenue >\$250k	14,195	68,837,224,028	53,870,047,204	14,967,176,824	1.28

Notes: n=14,195. Uses reported data from charities with revenue over \$250,000 only and excludes charities where there is missing balance sheet data. Excludes ORIC data.

Figure A.34 Current asset, current liabilities and current ratios by main activity—medium and large organisations only

Main activity	Number	Aggregate current assets (\$)	Aggregate current liabilities (\$)	Aggregate current net assets (\$)	Aggregate current ratio
Grant-making activities	710	3,533,639,865	300,718,654	3,232,921,211	11.75
Income support and maintenance	36	77,885,973	10,787,605	67,098,368	7.22
Animal protection	96	270,792,759	60,572,368	210,220,391	4.47
Sports	71	97,749,485	30,328,121	67,421,364	3.22
Law and advocacy	249	739,766,503	240,959,893	498,806,610	3.07
International activities	142	450,898,330	167,460,830	283,437,500	2.69
Environmental activities	279	556,928,891	207,250,064	349,678,827	2.69
Emergency relief	306	739,531,783	296,278,551	443,253,232	2.50
Culture and arts	736	1,227,012,129	499,406,818	727,605,311	2.46
Employment and training	422	1,278,200,361	531,720,111	746,480,250	2.40
Economic, social and community development	952	3,906,625,438	1,649,504,663	2,257,120,775	2.37
Mental health and crisis intervention	244	622,491,124	276,421,400	346,069,724	2.25
Housing activities	444	1,463,189,976	700,130,624	763,059,352	2.09
Research	266	1,919,201,111	944,113,120	975,087,991	2.03
Other education	1,898	2,867,730,669	1,435,700,502	1,432,030,167	2.00
Other philanthropic activities	188	598,587,511	308,951,346	289,636,165	1.94
Other recreation activity	202	267,050,898	139,302,691	127,748,207	1.92
Law and legal services	153	436,988,387	230,325,163	206,663,224	1.90
Social services	1,517	4,969,350,605	3,385,497,626	1,583,852,979	1.47
Religious activities	1,605	8,914,939,757	6,336,298,010	2,578,641,747	1.41
Higher education	274	10,475,454,956	7,916,742,282	2,558,712,674	1.32
Other health services	1,064	5,245,197,802	4,001,617,770	1,243,580,032	1.31
Primary and secondary education	1,295	5,284,416,487	4,164,204,046	1,120,212,441	1.27
Other	7	5,756,278	4,653,094	1,103,184	1.24
Hospital services and rehabilitation activities	124	1,598,576,091	1,392,891,590	205,684,501	1.15
Aged care activities	865	11,168,757,435	18,590,461,900	-7,421,704,465	0.60
No main activity reported	51	120,503,424	47,748,362	72,755,062	2.52
Total	14,195	68,837,224,028	53,870,047,204	14,967,176,824	1.28

Notes: n=14,195. Uses reported data from charities with revenue over \$250,000 only and excludes charities where there is missing balance sheet data. Excludes ORIC data.

Appendix C: Australia's largest charities in 2016

All data below includes 2016 reported data only and excludes charities who have withheld data from the ACNC Register.

Highest revenue

Figure A.35 Largest charities by revenue in Australia

Charity name	Registere d State	Main activity	Total revenue (\$)
University of Melbourne (group reporter)	VIC	Higher education	2,351,760,946
The Corporation of The Trustees of The Roman Catholic Archdiocese of Brisbane	QLD	Primary and secondary education	2,216,852,644
University of Sydney	NSW	Higher education	2,135,983,407
Monash University	VIC	Higher education	2,082,980,000
Queensland Sugar Limited	QLD	Economic, social and community development	1,914,591,000
University of New South Wales (group reporter)	NSW	Higher education	1,895,381,000
St Vincent's Health Australia Ltd	NSW	Other health service delivery	1,884,692,424
The University of Queensland	QLD	Higher education	1,751,110,000
St John of God Health Care Inc.	WA	Hospital services and rehabilitation activities	1,551,447,000
UnitingCare Qld (group reporter)	QLD	Aged care	1,431,079,339
Little Company of Mary Health Care Limited (group reporter)	NSW	Hospital services and rehabilitation activities	1,176,947,000
Australian National University	ACT	Higher education	1,150,221,000
Edmund Rice Education Australia (group reporter)	VIC	Primary and secondary education	1,005,991,329
Sydney Catholic Schools Archdiocese of Sydney	NSW	Primary and secondary education	988,653,352
Deakin University	VIC	Higher education	984,104,000
Queensland University of Technology	QLD	Higher education	979,371,000
Goodstart Early Learning Ltd	QLD	Other education	932,471,000
University of Western Australia	WA	Higher education	918,229,000
Curtin University	WA	Higher education	915,096,000
Griffith University	QLD	Higher education	912,483,000

Notes: Uses 2016 reported data only (no estimated data). Excludes charities that have data withheld from the public registry. For a list of the largest charities by income please refer to the 2015 Report (note in 2016 we use revenue rather than income).

Figure A.36 Largest charities by revenue in NSW

Charity Name	Main activity	Total revenue (\$)
University of Sydney	Higher education	2,135,983,407
University of NSW (group reporter)	Higher education	1,895,381,000
St Vincent's Health Australia Ltd	Other health service delivery	1,884,692,424
Little Company of Mary Health Care Limited (group reporter)	Hospital services and rehabilitation activities	1,176,947,000
Sydney Catholic Schools Archdiocese of Sydney	Primary and secondary education	988,653,352
University of Technology Sydney	Higher education	836,263,000
Western Sydney University	Higher education	763,667,000
The University of Newcastle	Higher education	752,115,000
Uniting NSW/ACT (group reporter)	Aged care	708,328,000
Seventh-Day Adventist Church in Australia (group reporter)	Religious activities	700,176,952

Figure A.37 Largest charities by revenue in VIC

Charity Name	Main activity	Total revenue (\$)
University of Melbourne (group reporter)	Higher education	2,351,760,946
Monash University	Higher education	2,082,980,000
Edmund Rice Education Australia (group reporter)	Primary and secondary education	1,005,991,329
Deakin University	Higher education	984,104,000
Australian Red Cross Society	Social services	894,032,000
Epworth Foundation	Hospital services and rehabilitation activities	770,946,000
La Trobe University	Higher education	735,273,000
Royal Melbourne Institute of Technology	Higher education	699,860,165
St. Vincent's Hospital (Melbourne) Limited	Other health service delivery	688,509,000
Swinburne University of Technology	Higher education	596,039,000

Figure A.38 Largest charities by revenue in QLD

Charity Name	Main activity	Total revenue (\$)
The Corporation of The Trustees of The Roman		
Catholic Archdiocese of Brisbane	Primary and secondary education	2,216,852,644
Queensland Sugar Limited	Economic, social and community development	1,914,591,000
The University of Queensland	Higher education	1,751,110,000
UnitingCare QLD (group reporter)	Aged care	1,431,079,339
Queensland University of Technology	Higher education	979,371,000
Goodstart Early Learning Ltd	Other education	932,471,000
Griffith University	Higher education	912,483,000
Mater Misericordiae Limited	Other health service delivery	847,468,000
James Cook University (group reporter)	Higher education	538,706,000
Central Queensland University	Higher education	374,631,000

Figure A.39 Largest charities by revenue in WA

Charity Name	Main activity	Total revenue (\$)
St John of God Health Care Inc.	Hospital services and rehabilitation activities	1,551,447,000
University of Western Australia	Higher education	918,229,000
Curtin University	Higher education	915,096,000
Co-Operative Bulk Handling Limited	Economic, social and community development	637,176,000
Edith Cowan University	Higher education	419,237,000
Murdoch University	Higher education	356,839,000
St John Ambulance Western Australia Ltd	Other health service delivery	258,177,563
Silver Chain Group Limited	Other health service delivery	215,483,000
The University of Notre Dame Australia	Higher education	176,660,000
Brightwater Care Group Limited	Aged care	148,413,005

Figure A.40 Largest charities by revenue in SA

Charity Name	Main activity	Total revenue (\$)
The University of Adelaide	Higher education	865,981,000
University of South Australia	Higher education	608,328,000
The Flinders University of South Australia	Higher education	476,190,000
Adelaide Community Healthcare Alliance Incorporated	Hospital services and rehabilitation activities	308,575,000
Southern Cross Care (SA & NT) Incorporated	Aged care activities	155,349,340
Lutheran Schools Association of SA, NT & WA Inc.	Primary and secondary education	151,136,636
Resthaven Incorporated	Aged care activities	130,775,319
Anglicare SA Ltd.	Social services	127,859,499
Aged Care & Housing Group Inc.	Other health service delivery	116,022,000
Minda Incorporated	Economic, social and community development	100,749,000

Figure A.41 Largest charities by revenue in TAS

Charity Name	Main activity	Total revenue (\$)
Our Lady of Lourdes Catholic School	Primary and secondary education	240,299,016
Anglicare Tasmania Inc.	Social services	65,254,436
Southern Cross Care (Tas) Inc.	Aged care activities	65,241,259
Onecare Limited	Aged care activities	55,671,000
Rotary Australia Overseas Aid Fund	Other philanthropic activities	37,105,011
Primary Health Tasmania	Other health service delivery	36,691,761
CatholicCare Tasmania	Social services	35,162,441
The Friends School Incorporated	Primary and secondary education	32,109,346
Presbyterian Care Tasmania Incorporated	Aged care activities	25,875,432
Scotch Oakburn College	Other education	25,454,452

Figure A.42 Largest charities by revenue in ACT

Charity Name	Main activity	Total revenue (\$)
Australian National University	Higher education	1,150,221,000
University of Canberra	Higher education	256,760,000
Diabetes Australia (group reporter)	Law and advocacy activities	240,671,704
Royal Flying Doctor Service of Australia	Other health service delivery	73,346,458
CARE Australia	Emergency relief	68,287,914
Aboriginal Hostels Limited	Housing activities	58,728,000
Anglicare NSW South, NSW West & ACT	Social services	57,989,557
Goodwin Aged Care Services Limited	Aged care activities	47,533,656
Canberra Grammar School	Primary and secondary education	42,750,453
Canberra Girls Grammar School	Primary and secondary education	38,503,480

Figure A.43 Largest charities by revenue in NT

Charity Name	Main activity	Total revenue (\$)
Menzies School of Health Research	Research	43,085,462
Venture Housing Company Limited	Housing activities	42,185,357
Batchelor Institute of Indigenous Tertiary Education	Other education	39,754,000
Central Land Council	Economic, social and community development	39,467,000
Northern Land Council	Economic, social and community development	39,212,000
Health Network Northern Territory Ltd	Other health service delivery	37,785,655
NT Christian Schools	Primary and secondary education	35,638,797
St John Ambulance Australia NT Inc.	Emergency relief	34,498,000
Anglicare N.T. Ltd.	Social services	28,966,795
The Trustee for Lae Supermarkets Charitable Trust	Economic, social and community development	24,119,788

Recipients of highest total donations and bequests

Figure A.44 Charities that received the highest donations and bequests in Australia

Charity name	Registered State	Main activity	Total donations & bequests (\$)
World Vision Australia	VIC	International activities	347,682,000
Salvation Army – Eastern (group reporter)	NSW	Social services	114,305,546
Australian Red Cross Society	VIC	Social services	89,495,000
Medecins Sans Frontieres Australia Limited	NSW	Emergency relief	88,313,203
L.D.S. Charitable Trust Fund	NSW	Grant-making activities	82,751,055
Compassion Australia	NSW	International activities	78,355,094
University of Sydney	NSW	Higher education	69,761,005
The Smith Family	NSW	Social services	68,408,000
The Cancer Council NSW	NSW	Other health service delivery	67,415,000
University of Melbourne (group reporter)	VIC	Higher education	59,354,334
Hillsong Church Ltd	NSW	Religious activities	56,819,447
The Fred Hollows Foundation	NSW	International activities	56,350,144
The Trustee for Peter MacCallum Cancer Foundation	VIC	Other philanthropic activities	52,422,408
The University of Queensland	QLD	Higher education	50,306,000
Oxfam Australia	VIC	International activities	50,290,000
Salvation Army – Southern (group reporter)	VIC	Social services	50,173,000
Rinehart Family Medical Foundation Inc.	WA	Other health service delivery	50,000,000
LDS Charities Australia	NSW	Emergency relief	46,000,000
Cancer Council Victoria	VIC	Research	45,090,000
The Trustee for The Monash University Foundation	VIC	Other philanthropic activities	44,501,000

Notes: Uses 2016 reported data only (no estimated data). Excludes charities that have data withheld from the public registry.

Figure A.45 Charities that received the highest donations and bequests in NSW

Charity Name	Main activity	Total donations & bequests (\$)
Salvation Army – Eastern (group reporter)	Social services	114,305,546
Medecins Sans Frontieres Australia Limited	Emergency relief	88,313,203
L.D.S. Charitable Trust Fund	Grant-making activities	82,751,055
Compassion Australia	International activities	78,355,094
University of Sydney	Higher education	69,761,005
The Smith Family	Social services	68,408,000
The Cancer Council NSW	Other health service delivery	67,415,000
Hillsong Church Ltd	Religious activities	56,819,447
The Fred Hollows Foundation	International activities	56,350,144
LDS Charities Australia	Emergency relief	46,000,000

Figure A.46 Charities that received the highest donations and bequests in VIC

Charity Name	Main activity	Total donations & bequests (\$)
World Vision Australia	International activities	347,682,000
Australian Red Cross Society	Social services	89,495,000
University of Melbourne (group reporter)	Higher education	59,354,334
The Trustee for Peter MacCallum Cancer Foundation	Other philanthropic activities	52,422,408
Oxfam Australia	International activities	50,290,000
Salvation Army – Southern (group reporter)	Social services	50,173,000
Cancer Council Victoria	Research	45,090,000
The Trustee for The Monash University Foundation	Other philanthropic activities	44,501,000
Vision Australia (group reporter)	Other health service delivery	41,844,000
Peter & Lyndy White Foundation Pty Ltd	Housing activities	37,902,061

Figure A.47 Charities that received the highest donations and bequests in QLD

Charity Name	Main activity	Total donations & bequests (\$)
The University of Queensland	Higher education	50,306,000
Global Development Group	International activities	28,071,686
Cancer Council Queensland	Social services	24,421,995
Royal Society for The Prevention of Cruelty to Animals (Queensland) Limited	Animal protection	23,283,687
The Leukaemia Foundation of Australia Limited	Housing activities	21,071,175
Children's Hospital Foundation Queensland	Grant-making activities	15,372,413
Mater Medical Research Institute Limited	Other health service delivery	13,185,377
MAF International	Social services	12,850,000
The Trustee for Ablecare Foundation	Social services	11,384,133
The Trustee for the Brazil Family Foundation	Economic, social and community development	11,250,000

Figure A.48 Charities that received the highest donations and bequests in WA

Charity Name	Main activity	Total donations & bequests (\$)
Rinehart Family Medical Foundation Inc.	Other health service delivery	50,000,000
Murdoch University	Higher education	35,735,000
University of Western Australia	Higher education	27,631,000
The Trustee for Channel 7 Telethon Trust	Other health service delivery	20,652,028
The Sarich Neuroscience Institute of Western Australia Trust	Research	20,000,616
Cancer Council of Western Australia (Inc.)	Social services	11,870,806
Royal Flying Doctor Service of Australia (Western Operations)	Other health service delivery	11,647,935
Australian Wildlife Conservancy	Environmental activities	11,199,674
The Lord Mayor Distress Relief Fund	Emergency relief	10,490,183
Princess Margaret Hospital for Children Foundation	Grant-making activities	10,449,228

Figure A.49 Charities that received the highest donations and bequests in SA

Charity Name	Main activity	Total donations & bequests (\$)
Church of Scientology Religious Education College Inc.	Religious activities	40,137,877
Royal Society for The Prevention of Cruelty to Animals (South Australia) Incorporated	Animal protection	10,529,038
Anti-Cancer Foundation of South Australia (group reporter)	Social services	10,030,398
Royal Flying Doctor Service of Australia Central Operations	Other health service delivery	7,825,948
Guide Dogs Association of SA & NT Inc.	Social services	7,588,911
Health Services Charitable Gifts Board	Other health service delivery	6,854,000
National Heart Foundation of Australia (South Australian Division) Inc.	Research	5,853,959
Edge Church International Ltd	Religious activities	5,037,594
The Van Diemen Foundation	Mental health and crisis intervention	4,968,313
Mary Mackillop Care SA Ltd	Aged care activities	4,802,000

Figure A.50 Charities that received the highest donations and bequests in TAS

Charity Name	Main activity	Total donations & bequests (\$)
Rotary Australia Overseas Aid Fund	Other philanthropic activities	29,126,269
The Wilderness Society	Environmental activities	10,490,302
University of Tasmania Foundation Trust	Grant-making activities	9,349,610
Holy Tantra Esoteric Buddhism Incorporated	Religious activities	6,124,477
University of Tasmania	Higher education	3,608,000
Tasmanian Land Conservancy Inc.	Environmental activities	2,912,481
Beacon Foundation	Other education	1,733,906
Royal Guide Dogs for The Blind Association of Tasmania	Social services	1,452,248
The Trustee for The Select Foundation	Missing	1,405,000
St Ann's Homes Inc.	Aged care activities	1,351,827

Figure A.51 Charities that received the highest donations and bequests in ACT

Charity Name	Main activity	Total donations & bequests (\$)
CARE Australia	Emergency relief	14,495,449
Australian National University	Higher education	6,977,000
Lifeline Australia	Mental health and crisis intervention	4,674,313
Royal Flying Doctor Service of Australia	Other health service delivery	4,118,742
Soldier On Ltd.	Social services	3,808,774
Indigenous Community Volunteers	Economic, social and community development	3,428,605
Australian Christian Lobby	Religious activities	2,957,265
St Vincent de Paul Society (Canberra/Goulburn) (group reporter)	Emergency relief	2,826,560
The Trustee for Woden Cemetery Perpetual Care Trust	Economic, social and community development	2,648,043
National Gallery of Australia Foundation	Culture and arts	2,633,777

Figure A.52 Charities that received the highest donations and bequests in NT

Charity Name	Main activity	Total donations & bequests (\$)
Kakadu West Arnhem Social Trust	Grant-making activities	1,853,179
GEBIE Investment Charitable Trust	Economic, social and community development	1,722,888
Warddeken Land Management Limited	Environmental activities	1,536,579
Centrecorp Foundation	Social services	1,090,000
Anindilyakwa Land Council	Economic, social and community development	1,043,904
Warburton Community Inc.	Economic, social and community development	800,000
Desert Life Church Ltd	Religious activities	687,156
Cancer Council of The Northern Territory Incorporated	Other health service delivery	683,207
Darwin Baptist Church Inc.	Religious activities	677,278
MJD Foundation Limited	Other health service delivery	529,743

Highest total employees in Australia

Note that we do not examine employee data by State or Territory because this information is reported as a total, and does not reflect the different staffing levels across jurisdictions if a charity operates in more than one location.

Figure A.53 Charities with the highest number of employees in Australia

Charity name	Registered State	Main activity	Total employees
University of Melbourne (group reporter)	VIC	Higher education	20,463
UnitingCare QLD (group reporter)	QLD	Aged care	17,721
Monash University	VIC	Higher education	15,984
University of New South Wales (group reporter)	NSW	Higher education	14,622
Queensland University of Technology	QLD	Higher education	13,314
St John of God Health Care Inc.	WA	Hospital services and rehabilitation activities	12,973
Goodstart Early Learning Ltd	QLD	Other education	12,299
Little Company of Mary Health Care Limited (group reporter)	NSW	Hospital services and rehabilitation activities	10,320
University of Technology Sydney	NSW	Higher education	9,659
The Corporation of The Trustees of The Roman Catholic Archdiocese of Brisbane	QLD	Primary and secondary education	9,530

Notes: Uses 2016 reported data only. Excludes charities that have data withheld from the public registry.

Highest number of volunteers in Australia

Note that we do not examine volunteer data by State or Territory because this information is reported as a total, and does not reflect the different staffing levels across jurisdictions if a charity operates in more than one location.

Figure A.54 Charities with the highest number of volunteers in Australia

Charity name	Registered State	Register ed Size	Main activity	Total volunteers
Clean Up Australia Limited	NSW	Large	Environmental activities	766,013
Surf Life Saving New South Wales	NSW	Large	Other education	74,686
National Heart Foundation of Australia	VIC	Large	Law and advocacy activities	62,571
Surf Life Saving Australia Limited	NSW	Large	Other health service delivery	41,860
Surf Life Saving Queensland Inc.	QLD	Large	Emergency relief	31,093
Rotary Australia Overseas Aid Fund	TAS	Large	Other philanthropic activities	30,000
Rotary Australia Benevolent Society	NSW	Large	Other philanthropic activities	30,000
Project AWARE (Asia Pacific) Foundation	NSW	Medium	Environmental activities	30,000
Rotary Australia World Community Service Limited	NSW	Medium	Other philanthropic activities	30,000
Royal Children's Hospital Good Friday Appeal	VIC	Large	Other health service delivery	25,000

Notes: Uses 2016 reported data only. Excludes charities that have data withheld from the public registry.

