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**DATA SOURCES FOR RESEARCH  
ON PRIVATE NOT-FOR-PROFIT  
ORGANISATIONS IN AUSTRALIA**

**MARK LYONS  
JANIE POCKLINGTON**

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Mark Lyons is an Associate Professor in the School of Management, University of Technology, Sydney and Director of the Centre for Australian Community Organisations and Management (CACOM).

Janie Pocklington is a consultant with many years experience in the community sector.

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The Director  
Centre for Australian Community  
Organisations and Management (CACOM),  
University of Technology, Sydney,  
Kuring-gai Campus, P O Box 222,  
LINDFIELD NSW 2070, AUSTRALIA

Phone: (02) 330 5311  
Fax: (02) 330 5583

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## **SECTION A: OVERVIEW**

### **1. Introduction**

Private not-for-profit organisations (PNFPOs) play an important part in many areas of Australian life. Estimates of their number vary, between 30,000 and 100,000. They employ between 3% and 5% of the workforce. No one has ever made a reliable count.

Formally, the term private not-for-profit covers all those organisations which are not part of the government family of organisations and are not managed to make a profit for distribution to an owner or shareholder. More positively, PNFPOs are the manifestation of efforts by groups of like-minded people to provide a service without seeking personal financial reward or profit. This service might be for others or for themselves, as mutual aid associations or co-operatives.

PNFPOs are vital components of many service industries: health, community services, housing, culture and recreation, education and training, and finance. They are the inevitable form of religious organisation and the form most commonly adopted for the organised representation of interests. They share most industries with commercial and government organisations. Usually they perform tasks that complement those government or commercial providers, but in other cases they compete directly with government or commercial sectors.

PNFPOs differ vastly in their size and longevity. Some have existed for hundreds of years; many, like lots of small commercial enterprises, have a very short life. At different times in Australia's past, PNFPOs have played a vital role in the development of some part of Australia's economy and society. They provided the first welfare services, the first health insurance. On two occasions they were the form adopted to spread the advantage of home ownership to the working population. After the second world war they provided a popular alternative to hotels as a place for convivial recreation. Even today organised sports and hobbies are inevitably pursued via PNFPOs.

PNFPOs differ considerably in the way they are governed and managed. They can adopt a variety of legal forms, though many small PNFPOs have no legal status at all. Yet, despite these differences, PNFPOs are a distinct family of organisation. They are not

basically "like" business, or "like" the public sector. Theories developed to explain the role and behaviour of firms or public sector bureaucracies do not fit PNFPOs (Lyons, 1992). PNFPOs are a small but vital part of our society and economy. Government increasingly rely on them to provide services and accordingly give grants and concessions to many. Over a quarter of all government spending on social welfare (not including social security) goes to PNFPOs. In 1986/87, government grants to PNFPOs totalled 3.4 billion dollars, over 3% of all government outlays. In addition, almost 2 billion dollars was donated by members of the public and private companies.

Yet despite their importance and their unique characteristics PNFPOs have been little studied in this country. We can only guess at their number, their distribution across industries, the size of their workforce, their economic contribution.

Interest in PNFPOs is far greater overseas. It is evidenced by the frequency of international conferences, the publication of numerous books and two new international journals, and the commencement of a major cross-national study of PNFPOs in twelve countries. In addition, the expert group on the System of National Accounts (SNA) which meets under the auspices of the United Nations, recently reversed a decision of several years ago and agreed to recommend to their national governments that private, non-profit institutions serving households constitute a full sector of the national accounts, rather than a sub-sector of the household sector as they do at present.

In most parts of the world, this growing interest in PNFPOs has been largely a consequence of the reconfiguring of the welfare state which has been proceeding since the mid-1970s. Research on PNFPOs in the United States predates this by a few years; a consequence of growing congressional concern during the 1960s with the tax exempt status of foundations. This concern culminated in 1969 in major reforms of the tax concessions available to US PNFPOs, but also prompted a good deal of foundation funded research on PNFPOs. This reached an initial peak through the privately funded but US Treasury supported Commission on Private Philanthropy and Public Needs (or Filer Commission) in the mid-1970s (Hall, 1987). There are now 24 university research centres devoted to PNFPOs and related issues of philanthropy and volunteering (Crowder & Hodgkinson, 1991). Since 1989, European and North American interest in PNFPOs

has been further boosted by the recognition that the stability of democratic institutions in newly democratised Eastern European nations requires a strong voluntary or non-profit sector.

This burgeoning interest in PNFPOs has required overseas scholars and policy makers to address two questions. One is whether agreement can be reached between countries on a common definition of what constitutes a PNFPO; the second is whether existing data sources are adequate to the task of describing the range of such organisations and estimating their economic and social contribution. A good deal of progress has been made on both issues, particularly via the cross-national project referred to above, which is co-ordinated by Lester Salamon of Johns Hopkins University in the United States (Salamon and Anheier, 1992).

## **2. Some Recent Research Utilising Data on PNFPOs**

### **(i) United States**

It was the Commission on Private Philanthropy and Public Needs, or Filer Commission, in the 1970s which commissioned the first systematic estimates of the size of the non-profit sector in the United States. Estimates of the size and earnings of the labour force employed by non-profit organisations were derived from labour force data. This involved developing "guesstimates" of the percentage of the workforce employed by non-profits in each service industry. These guesstimates were made more accurate by work undertaken by Gabriel Rudney and various colleagues utilising the results of the 1977 Census of Tax Exempt Service Organisations conducted by the US Department of Commerce (Rudney and Weitzman, 1983). This enabled more precise use to be made of employment and earnings data. They estimated that non-profits employment constituted almost 8% of the total US labour force. During the 1980s, Rudney went on to analyse input/output accounts prepared as part of the US National Accounts. He and others have estimated that the percentage of GNP originating in the non-profit sector of the US economy in 1984 was 3.2%, an increase from 1.4% in 1950 (Rudney and Young, 1989:58). More recent work by the Independent Sector's Dimensions of the Independent Sector Project has argued that the percentage contribution to national income is a better measure of the economic contribution of non-profits than is their contribution to GNP. In its latest edition, the Independent

Sector estimates that 983,000 independent sector (or 501(C)(3) and (C)(4) organisations generated 6.8% of total national income (Hodgkinson, et al, 1992). The Independent Sector's Dimensions Project involved utilising a variety of data sources, the most important of which is the Internal Revenue Service (IRS) data on tax exempt organisations (501(C) organisations, named after the cause of the tax act which provides them with their exemptions). All exempt organisations, except churches and organisations with an annual income below \$25,000 are required to submit annual returns (990 forms) to the IRS. By sampling this data a good deal of information on non-profit organisations, including estimates of their assets, income and expenditure, has been developed. The Independent Sector study, however, counts only 501(C)(3) organisations, which give tax deductibility to their donors, and 501(C)(4) organisations which do not, but which provide certain welfare and community development services. It ignores other 501(C) categories which include friendly societies, social and recreational clubs and unions.

In California, the Institute of Nonprofit Organisations at the University of San Francisco is combining IRS data together with State of California data on organisations licensed to conduct charitable collections and mailing lists which identify all churches, to construct a complete data file on the non profit sector in the state of California. It proposed to sample this full list to obtain accurate measures of non-profit characteristics and activity in each industry in which they are active. California with a population of 30 million has approximately 125,000 non-profit organisations ( O'Neill & Smith, 1991). This estimate however, precludes any small organisations which are not required to submit IRS returns and may not be registered with state authorities. It does include a wider range of organisations than the Independent Sector's study, as it includes all 501(C) organisations and not just the 501(C)(3) and 501(C)(4) groups.

Estimates of the size of the non-profit labour force and earnings have been developed in at least two other US states (New York and Michigan) using data from state payroll tax authorities (Ben Ner and Van Hoomissen, 1990; Wilson, 1991).

These estimates of the non-profit sector and non-profit activity all rely on government collected data. Data on two important resources for non-profit activity, giving and volunteering are privately collected. The most comprehensive data on giving and volunteering in the United States is derived from specially conducted sample surveys of the population organised by the Independent Sector (Hodgkinson et al, 1990). Estimates of giving have been published annually since the 1950s by the AAFRC Trust for Philanthropy in Giving USA, (Weber, 1991). These annual estimates of giving by source and destination of donations are based on a variety of data adjusted according to past trends and, in some cases, by IRS data on claims for tax deductibility when these become available.

In the early 1980s, Lester Salamon and his associates at the Urban Institute sought to assess the impact of the Reagan government's cuts on federal grants to non-profit organisations via a study of a sample of non-profit organisations in 16 "representative" sites in the United States (Salamon, 1987). While this did not permit accurate generalisations to the whole country, it nonetheless provided a very good guide to trends nation-wide.

(ii) United Kingdom

Data on non-profit organisations in the United Kingdom is patchy. A good core of data is held by the Charities Commission which registers in England and Wales organisations that claim charitable status. This has been used by the Charities Aid Foundation and other researchers to develop quite detailed analyses of trends in the charitable sector in these two countries. However, it is fundamentally flawed in that it does not cover Scotland and Northern Ireland and, more importantly, it does not contain data on the many non-profit organisations which cannot register as charities. Martin Knapp and his colleagues at the Personal Social Services Research Unit at the University of Kent are conducting the United Kingdom part of the Johns Hopkins twelve nations study. They have found that in some industries or fields of activity they have quite good data, and other fields they have to try and collect it or develop rough estimates for themselves (Knapp and Kendall, 1990).



(iii) Germany

In what was for many years West Germany, there is good data on the two classes of organisations which together approximate to the US non-profit sector. This is because the German Central Statistical Office has for many years collected this data to ensure accurate estimates of non-profit activity to be fed into the national accounts. By contrast, the information on the eastern part of Germany is rudimentary; like the non-profit sector itself after several decades of totalitarian rule (Anheier, 1990).

(iv) France

French data on PNFPOs is a mixed bag. In 1982 the French government coined the term *economie sociale* or social economy to encompass three organisational sectors, each with its own pre-existing legislative basis. There was the co-operative sector, the mutualistic sector and the associative sector. Reasonably good data is held centrally on the first two, but not on the third, which is for the most numerous (estimated as containing 600,000 organisations) (Archambault, 1990). The French definition of social economy seems more comprehensive, and logical, than those popularly used in other countries.

(v) Australia

Australia has seen only very limited attempts to estimate the size and contribution of PNFPOs and then only in a few industries.

The most ambitious attempt was undertaken by the Social Welfare Research Centre at the University of NSW in 1979/81. The SWRC project attempted to estimate the number of non-government welfare associations, defining welfare quite widely. It proceeded by drawing a stratified sample of local government areas (LGAs) and then sought to identify all relevant organisations operating in those areas. A lengthy questionnaire was then sent to a sample of those and some 500 returns received (Milligan et al, 1984). Unfortunately, the sample was flawed and the attempt to extrapolate numbers of non-government welfare organisations in the whole population and other of their characteristics led to considerable overestimation (Lyons, 1990).

More recently, the Community Services Victoria has conducted an extensive examination of Victorian PNFPOs which they fund. Like the SWRC study, data on the characteristics of these organisations is interesting, but it cannot be a guide to the whole population of such organisations as by no means all organisations receive CSV funds. (The SWRC study found that government grants went to only 67% of the PNFPOs on which it had collected data.)

With the assistance of the ABS, the Culture Ministers Council has developed a statistical framework and begun to identify data sources and collect data on what they call the leisure-culture industry in Australia. This industry contains many PNFPOs. Their approach is to identify and evaluate existing data sources and make recommendations for overcoming their (manifold) inadequacies. Although they try and collect data on organisations in the "leisure culture" industry, they do not seek to classify organisations by whether they are government, private for-profit or private not-for-profit.

### **3. Possible Sources of Australian Data on PNFPOs**

This study reports a survey of possible sources of data on Australian PNFPOs. As the brief overview of overseas research indicates, there is potentially a considerable variety of data sources, though some are more difficult to utilise (even when they do exist) than are others. The preceding brief survey also indicates that different research interests and questions require different data sources.

Before detailing the results of the survey of Australian sources, it will be useful to identify several major types of research on PNFPO and the main data sources which they would need.

The most basic research on PNFPOs involves identifying and counting them. At its crudest level, this provides no more than a count of such organisations for the whole country. The next step would be to identify numbers of PNFPOs by states and territories. This would provide a minimal data set but for all but the simplest comparative research (between countries or across time) it is necessary to estimate the number of PNFPOs in each industry as well (e.g. health, education, etc). To allocate an

organisation to an industry requires information about what it does, or its purpose. It is also necessary to be clear whether what is being counted are management units or establishments (or entities). This is because many large PNFPOs have a branch structure and often those branches provide different types of services (e.g. one a nursing home, another a child care centre). If establishments are being counted, these will be counted in separate industries. If management units are counted, information about the primary purpose of the multi-service organisation will be required.

But, overall, this counting provides answers to only a few questions. The more interesting research utilises data on the income or expenditure of organisations and their number of employees, paid and, if possible, unpaid (i.e. volunteers). Again, this data is needed for each industry. Ideally it should be such as to enable estimates of the economic contribution of PNFPOs to that particular industry, as well as their overall economic contribution. Such basic data might be held by a national or state government agency, either a taxation authority or regulatory body. If it is not, it can be obtained by sample surveys but this can only be undertaken if a reliable list of names and addresses of all PNFPOs is available. If the research is interested only in a particular industry, then an ability to identify all PNFPOs in that industry is required.

An ability to sample reliably PNFPOs, as a class or by industry, is a *sine qua non* of all other research. Research on the governance and management of PNFPOs, on their funding strategies and their use of volunteers, or on their orientation towards their clients, is best done via research on an appropriately sized sample of PNFPOs. But, to enable reliable generalisations based on the findings of such research, the sampling requires in turn an ability to identify and communicate with the entire population of PNFPOs either in a state or nationally or in the industry or industries that are of particular interest.

It can be seen that most research into the characteristics and contributions of PNFPOs requires an ability to identify existing PNFPOs and to contact a sample of them. This requires the researcher to have access to a data source of names and addresses of PNFPOs sorted by industry, or an ability to contact a reliably drawn sample via a government or another organisation which holds such data but for various reasons of confidentiality cannot make it available.

Overseas and Australian research suggests that there are five broad classes or types of data sources which potentially might hold data on Australian PNFPOs. They are briefly described below and are assessed in detail in the next section.

**Type 1: Government and other organisations which collect data on all or most organisations in Australia directly, or indirectly as a by-product of another purpose.**

The two organisations which have the greatest potential as a source of data on all, or almost PNFPOs in Australia are the Australian Bureau of Statistics (ABS) and the Australian Taxation Office (ATO). Both these organisations have the authority to require organisations to provide them with information. United States researchers rely heavily on the Internal Revenue Service (IRS) for basic data on PNFPOs. State governments levy payroll tax on all employers of labour. In the US, state payroll tax authorities have been used as an important source of data on nonprofit organisations which are employers of labour. Local authorities levy rates on all property owners but exempt some governments and other PNFPOs. Almost all PNFPOs will have account with a bank, building society, credit union or other financial institutions. In most cases, these are treated by those financial institutions in a different manner to accounts held by private individuals and PNFPOs are required to lodge constitutions and inform the financial institution of any change in the office holders empowered to operate the account.

**Type 2: Australian and State government authorities which register and regulate organisations which adopt corporate identities under national or state legislation.**

Authorities which fall under this class are the Australian Securities Commission, the Registrar of Aboriginal Corporations, State Corporate Affairs Commissions, state authorities which register co-operatives and friendly societies and industrial commissions which register employer and employee organisations. Their power to collect data only extends to organisations that seek to register with them. Many organisations will register with one or another of these authorities in order to obtain a particular legal identity which provides their members, or management with certain protections. But organisations or associations are not required to register. In some cases, however, all organisations that wish to do certain things (e.g. publicly issue shares or represent their members before an industrial commission) must register. Those government authorities which licence these organisations are likely to have a complete list of organisations performing that activity. But with the exception of trades unions and employer associations, these bodies are not

likely to be grouped in a particular industry-class. In many cases, organisations must be PNFPOs to register; in the case of companies legislation, a special class of non-profit company has been created. In addition, in all states there are organisations which are protected by their special act of parliament. In almost all cases, these are PNFPOs. As well, legislation often sanctions the incorporation of certain bodies with highly specialised origins or purposes. Organisations formed by religious denominations provide examples of the former, while foundations formed to raise funds for hospitals exemplify the latter.

**Type 3: Government agencies which subsidise and/or licence PNFPOs to provide a particular service.**

Many government agencies including local government subsidise the work of PNFPOs. Governments also licence organisations to provide particular services. In these cases a list of licensed providers will encompass all organisations operating in that field. Sometimes the same agency that registers or licenses the provider of a particular service will also subsidise some or all providers. In some cases, such as schools where the subsidy is tied to users, all or almost all PNFPOs will receive a subsidy and the set of subsidised organisations will comprehensively encompass all organisations in that industry. Usually however this is not the case and the set of subsidised organisations is not a complete set of PNFPOs active in a particular field or part of an industry. Sometimes national or state governments agencies licence and/or subsidise for-profit organisations and local authorities as well as PNFPOs. In that case, data on subsidised organisations would be of little assistance to researchers interested in PNFPOs if it did not distinguish clearly between types of organisations.

**Type 4: National or state peak organisations which collect data about their membership or an industry.**

In some fields of activity or parts of an industry, there exists peak or co-ordinating bodies that collect information on their members or on all organisations active in that particular field. This is more likely to be the case in small and clearly defined fields such as the provision of overseas aid or the environment, in parts of the culture industry (e.g. museums) or in the sport and recreation industry. These peak bodies are mostly PNFPOs, though sometimes government or inter-governmental agencies try systematically to collect data even though they neither register nor subsidise all the organisations that comprise the industry. An example of the latter is the data sources on the culture/leisure

industry sponsored by the Culture Ministers' Council, referred to above. As well, many denominations have a regular publication (e.g. an almanac) which reports data on their numbers of clergy and congregations and other organisational details.

**Type 5: Identification and sampling from limited geographical areas.**

As an alternative to identifying all PNFPOs in Australia and then sampling to learn more of their characteristics, it should theoretically be possible to identify all the PNFPOs that operate in a sample of local authority areas. Provided the sample of LGAs was carefully drawn, it should be possible to treat the PNFPOs identified (or a sample of them) as a sample of the whole population of PNFPOs. The study by the Social Welfare Research Centre at the University of NSW used such an approach with limited success in 1980/81. The Urban Institute study surveyed PNFPOs identified in sixteen "representative" sites in the United States (Salamon, 1987). This did not permit accurate generalisation to the whole country, but gives a useful indicator of trends in such matters as government support for PNFPOs nonetheless.

With all these types or classes of sources, a central problem is how the organisations that are a potential source of data define the class or classes of organisations on which they collect data. In the United States, most of the research community has implicitly decided to use the IRS 501(C)(3) code plus the churches to define the class of non-profit organisations. These are the organisations that also give tax deductibility to their donors. (Note though that the Independent Sector has added social welfare bodies exempted under 501(C)(4) to develop its estimates of what it calls the independent sector.) Because all but the smallest organisations are required to lodge returns annually with the IRS, this has made it relatively easy to obtain data on all but the smallest organisations that qualify for that status. However, it has meant the exclusion of those PNFPOs such as mutual benefit organisations and trade unions and service clubs which do not fall under 501C(3). In effect, a legal category has been allowed to define the field. Some recent research such as the California Nonprofit Database project is attempting to range more widely than this.

**4. This Study**

The inquiry reported below attempted to identify, describe and evaluate all significant potential sources of data on PNFPOs in Australia.

## Identification

The two researchers were already familiar with many government agencies and peak coordinating organisations which held data on PNFPOs. These were a starting point, though some potential data sources on certain sets of PNFPOs were added in the course of the research. Contact was made with staff in these various organisations and details sought of characteristics of the data they held. Often sufficient information for the purpose of research was provided by phone; in some cases additional published material was provided. In a few cases information was conveyed in writing after a formal written request. In almost all cases staff contacted responded helpfully to our inquiry.

## Description

Information on a number of characteristics of data collection was sought from the collecting agencies. These characteristics were those which would affect the utility of the data for research purposes. Information was sought on:

- (i) **Reasons for collecting data:** was it a statutory requirement; a consequence of registering or licensing organisations; a record of funding; or a list of members.
- (ii) **Method of collecting:** do organisations submit annual reports or completed returns, or are they (or a sample) polled?
- (iii) **Checking and updating of data:** because organisations might register and then not submit further information, perhaps because they cease to exist, does the data collecting agency follow-up to see if organisations which once registered still exist or does it continue to count them even though no returns have been received for some time? If an organisation gives part information, is an attempt made to follow up to obtain full information?
- (iv) **Definition of PNFPO used in collecting and ordering data:** does the data collecting organisation collect data only on PNFPOs and if so how are these defined; if data is collected on other types of organisations as well, are PNFPOs clearly distinguished in the records?

- (v) **Type of organisation unit on which data is collected:** because large PNFPOs may have many branches it is necessary to ascertain whether the data is held on management units or on its branches or establishments as if they were separate organisations; if data is held on management units, is it possible to disaggregate that to the level of establishments.
- (vi) **Quantity of data collected and/or recorded:** is the data collected basic or extensive; and of the data collected, is all or only part of it, actually held?
- (vii) **Methods of holding data:** is all the data collected stored electronically or as hard copy, or is some of the data held electronically but the rest in hard copy (e.g. returns or annual reports).
- (viii) **Availability of data:** is all or only part of the data published, and if so, in what form? whether published in some form or not, can raw data be made available to researchers? if the data collecting agency is required to keep the identities of organisations secret, is it prepared to mail a sample survey of PNFPOs held in their data base?
- (ix) **Number of PNFPOs:** does the data source have readily available an aggregate figure from the organisations on which data is held? Where this is so, can this data be collected to enable a rough guide to the number of PNFPOs to be obtained?

### Evaluation

Finally, data was evaluated according to three criteria:

- i) **Comprehensiveness:** does it cover all or nearly all PNFPOs in Australia or in a state or in an industry?
- ii) **Reliability:** how reliable was the data as a guide to the number and characteristics of PNFPOs on which it is ostensibly collected.
- iii) **Availability:** how readily available is the data to researchers.



## **SECTION B: SOURCES OF DATA ON PNFPOs IN AUSTRALIA**

Brief descriptions and a limited evaluation of data sources on PNFPOs in Australia are provided below. This section is organised according to the five classes or types of data source set out in Section A above. Data from sources listed in types 1 and 2 mostly cover all or several industries; those in types 3 and 4 are likely to provide data on only one industry or part of an industry. They are more numerous than sources in types 1 and 2. Because of this, types 3 and 4 will be treated together. This part of Section B will be divided according to the ASIC industry classes or groups into which PNFPOs themselves would be placed. In each case, the correspondence of that group or class with the Johns Hopkins International Classification of Nonprofit organisations (ICNPO) will be noted.

**Type 1: Government and other organisations which collect data on all or most organisations in Australia directly or indirectly as a by-product as another purpose.**

### AUSTRALIAN TAXATION OFFICE (ATO)

Very few organisations do not generate an income, even if it is only membership fees or income from an occasional fundraising effort. The income of all organisations that is left after meeting legitimate costs is liable for taxation unless the organisation is specifically exempted. In the United States, almost all PNFPOs are exempt from income tax under Section 501(C). IRS data files on these organisations are a basic source of data on PNFPOs in the United States.

In Australia, Section 23 of the Income Tax Assessment Act (1936) exempts from income tax the income of a wide range of PNFPOs. Section 78 allows donors to a far more highly specified set of organisations to deduct those donations from their taxable income. The set of organisations specified here are all PNFPOs but many whose income is exempt under Section 23 cannot entitle their donors to obtain an exemption under Section 78. Section 78 is not only defined more narrowly, but it is applied inconsistently. There are many examples where some members of a particular type of organisation (e.g. neighbourhood centres) are included under Section 78 and others are not.

Although Section 23 exempts from income tax a wide range of PNFPOs, there are many that do not qualify. These include social clubs, some sport and recreation clubs, professional and many industry associations. To gain exemption, an organisation must

not only be non-profit, but must pursue a particular purpose deemed to be deserving of encouragement. This produces certain anomalies. Non-profit organisations which arrange horse racing are exempt, but not those which arrange motor racing or yachting. By comparison with the United States, the Australian legislation is more parsimonious with its exemptions. Nonetheless, a list of organisations which have been exempted under Section 23 would be the most comprehensive guide to PNFPOs in Australia. Unfortunately, the ATO seem to keep no record of organisations exempted under Section 23. This may change as a result of the introduction of the tax file number system. Any organisations with any form of savings or investment account, believing it is exempt from paying tax on its income, is required to seek an exemption to avoid a withholding tax being automatically applied to interest generated by funds in their account. However, while it is incumbent upon the financial institution holding the account to ensure the organisation is exempt, quite a few bank and building society branches appear to be granting exemptions without requiring ATO approval.

Details of organisations which entitle their donors to claim tax deductions under Section 78 are recorded and held at a state level. Until recently, the ATO published the total of deductions claimed by individuals (but not companies) in its Taxation Statistics. This practice ceased in 1988/89. However, the application of Section 78 is so inconsistent and so many PNFPOs are excluded that the ATOs list, if it were available, would be of little value. A recent survey of giving by Australians found that only 45 percent claimed a tax deduction for their gifts, but when this was taken into account there was a close correspondence between the ATOs total of deductible donations (\$367m) and the total for all individual donations reported by the survey (\$840m) (Australian Association of Philanthropy, 1991). It is not clear whether the ATO keeps a record of deductions claimed by companies.

Other Acts administered by the ATO, such as the Sales Tax Act, provide exemption to certain classes of PNFPOs. These usually follow the definitions used by Section 78 of the Income Tax Assessment Act but not always consistently. No record of these is kept.

The ATO does however, keep a comprehensive listing of all organisations which employ people and which are required to deduct tax from their employees for transmittal to the ATO. It seems that the ATO makes no attempt to identify those organisations which are

part of that list but which are exempt from paying tax on their income under Section 23. The list is used extensively by the Australian Bureau of Statistics (ABS) in ways outlined below.

### AUSTRALIAN BUREAU OF STATISTICS (ABS)

The Australian Bureau of Statistics (ABS) is the major collector and thus the major source of data on Australia's economy and society. The ABS collects data by regular surveys of samples of the population and of organisations. Data is also collected on prices of goods and services. As well, the ABS collates data collected by other government agencies. Finally, the ABS uses data from various sources (ABS collections, administrative by-product data from other government agencies, etc.) to compile the Australian National Accounts. These accounts, which include the major summary aggregate/gross domestic product (GDP), provide regular estimates of the state of the nation's economy.

Unfortunately, the ABS specifically identifies PNFPOs in only one set of data. That is Government Finance Data where both current and capital grants by governments (and government trading enterprises) to non-profit organisations are identified. Grants are allocated to Government Purpose Classifications (GPC) and are available, by special request, disaggregated to the four digit classification level, for each year back to 1961/62. Data is available for Commonwealth government grants paid directly to organisations, for state and territory governments and for local government within each state. However, the utility of this data is diminished by its failure to identify Commonwealth direct grants by state which would enable a total for government grants in each state to be obtained. More importantly, its value is vitiated by its counting Commonwealth grants which are paid through the states (for various constitutional reasons) as state grants. This inflates the volume of state grants and deflates the quantum of grants which are initiated by the Commonwealth government. The data is compiled manually from Commonwealth, state and territory budget papers and from returns submitted annually by local governments to assist the Commonwealth Grants Commission in its operations. There are guidelines to help compilers determine whether an organisation is non-profit (as opposed to being a government or for profit) and this appears to give the data reliably. However, there is considerable variation from year to year in some of the data presented at the four digit GPC classification level, suggesting a good deal of variation in the assumptions made by

compilers about the most appropriate GPC classification for a particular grant. This usually hinges upon a judgement about the purpose of the organisation which is the recipient of the grant.

The data seems more reliable at the three digit GPC level and more reliable still at the two digit level. There is no list of organisations adjudged to be non-profit, and even if there were, it would only be of organisations receiving direct government grants.

The ABS maintains a register of all organisations which employ people in Australia. All of the almost 800,000 organisations on the Business Register are categorised according to industry, using the Australian Standard Industry Classification (ASIC) and by a Type of Legal Organisation (TOLO) classification. The TOLO classification has some categories that are exclusively for PNFPOs, such as code 11 "cooperative societies" code 12 "charitable institutions", code 15 "social and sporting clubs" and code 16 "trade unions and other associations", but other categories (such as code 9 "trusts" and code 5 "other registered companies") almost certainly contain some PNFPOs along with a majority of for-profit organisations.

The Business Register is used as the basis for economic surveys, but as these are concentrated on certain industries or the largest companies, only certain parts of it are regularly checked. It is therefore not entirely reliable. It is constructed in this way. Each quarter the ATO provides the ABS with a computer file of organisations providing group certificates. This is computer checked with the existing Business Register file and any new organisations are identified and sent a simple questionnaire designed to elicit sufficient information to allocate it to a ASIC class and to determine its size. Most are allocated the TOLO code by computer purely on the basis of their name. Those that cannot be automatically coded are initially given a 13 code "not automatically allocated" and are then manually scrutinised and coded appropriately. Some organisations are surveyed regularly. The top 700 - 800 companies are frequently surveyed and the largest 50,000 are surveyed every 2 years. Organisations in the manufacturing, agriculture and mining industries are also frequently surveyed. If a survey produces a return that suggests an organisation had been wrongly classified or had ceased to exist, the Register is corrected. However, some 350,000 - 400,000 organisations are not checked in this

way. Some will certainly have ceased to exist. Thus, for most of the time, the Register clearly overstates the number of organisations. Every 5 - 10 years a simple questionnaire is sent to each of the organisations which are not part of a regularly surveyed group to see if they are still operating and to check the size of their workforce. This was done recently. However, no attempt is made even at this stage to check the TOLO classification.

These processes mean that the Business Register can be used for only the very roughest calculations of PNFPO numbers (and then of course, only for PNFPOs that employ people). The starting point would be organisations in those TOLO classes that are clearly inhabited exclusively by PNFPOs. In addition, there are several ASIC classes that are largely the preserve of PNFPOs (e.g., welfare and charitable homes and welfare and charitable services). Organisations in these industry classes in TOLO classifications not already counted could be added to that first count to give a very rough, and clearly understated, approximation of numbers of PNFPOs.

Another division of the ABS conducts quarterly surveys of a moving sample of 18,000 employers to collect data on employee numbers (and whether full-time or part-time and by gender) and of total earnings. Data is available by industry (down to four digit ASIC class); state; size and by TOLO. Comparable data is available back to 1983. It seems possible that this data source could be used in conjunction with the extrapolation based on the business register as described above in order to develop measures of size and composition of the workforce of PNFPOs, and changes in that over the past eight years.

These measures would still be far from perfect, but they would be marginally better than the estimates made directly from Labour Force data.

Labour Force data was the source of the only published guesstimates on the size of the PNFPO workforce (Fiedler, 1985; Lyons, 1990). Labour Force data is compiled from monthly surveys of a moving sample of households and is designed to obtain data on characteristics of the labour force. Published data includes numbers employed by industry group (the two digit classification level). Guesstimates of the proportions of each industry group employed in PNFPOs were used to give a very rough estimate of the size of the PNFPOs workforce.

The ABS issues quarterly and annual estimates of the National Accounts. The basic structure of the National Income and Expenditure Accounts is determined by the classification of transactors into institutional sectors and the classification of transactions into accounts. There are four institutional sectors: corporate trading enterprises, financial enterprises, households (including unincorporated enterprises) and general government. Private non-profit institutions serving households are included in the household sector whilst those serving business are counted in the corporate trading enterprises sector. No attempt is made to distinguish PNFPOs from for-profit enterprises in the financial enterprises sector.

In estimating private final consumption expenditure by non-profit institutions serving households for inclusion in the National Income and Outlay Account several assumptions are made. It is assumed that most non-profit organisations receive most of their funds in the form of government grants and donations, and that they spend all their income in the year it is received. Data on grants from governments and public trading enterprises are obtained from the ABS government finance collection and data on donations from the ATO taxation statistics. The former is adjusted by omitting grants to schools, private hospitals (which receive direct government support these days and nursing homes. More comprehensive expenditure data is available for them. Expenditure by private schools is obtained from the annual census of such schools conducted by the Commonwealth Department of Employment, Education and Training, and expenditure by all private hospitals and nursing homes is obtained from the Department of Health, Housing and Community Services via the Australian Institute of Health. Data on donations is updated when possible by data on giving from the Household Expenditure Survey. However, as noted above, the ATO no longer publishes its estimate in the Taxation Statistics and even when they did, it referred only to donations by individuals, not companies. There are two additions to this estimate. Churches are seen as funded by transfers from households. Their current expenditure is measured by the wages and salaries and supplements they pay their staff. This is obtained by multiplying the estimates of average earnings of employees of the churches by the number of persons in religious orders which is obtained from the census of population and housing. Expenditure by trade unions is deemed to be equal to the value of dues and membership fees they receive which, as it is a deductible expense, is said also to be available from the ATO, Taxation Statistics (ABS, 1990).

Taken as a whole, these estimates are of little value. The 1981 study by the Social Welfare Research Centre of non-government welfare organisations showed that government grants provided on average only 37% of those organisations' income; only a relatively small number of PNFPOs give tax deductibility to their donors so taxation figures on their own are not a useful source of data on donations. Ironically, the ABS method of estimating the income of PNFPOs contradicts the UN standards which require all organisations which receive more than fifty percent of their income to be classed in the government sector. This is a particular convention which Australia, along with many other countries, is happy to ignore. The UN expert group, at its most recent meeting in Harare in 1991, agreed to recommend that non-profit institutions serving households be established as a sector in their own right. As of mid 1992, the ABS was resisting this.

In short, while the ABS estimation of the economic contribution of PNFPOs may be satisfactory in the context of the much bigger numbers generated by other sectors contributing to the National Accounts, as an accurate guide to PNFPOs it is of no value.

To conclude, the Australia Bureau of Statistics currently provides no reliable aggregate data on PNFPOs apart from that pertaining to government grants; nor does it hold any comprehensive history of PNFPOs which could be sampled for more comprehensive research.

#### STATE AND TERRITORIES TAX AUTHORITIES

State and territory governments levy tax on payrolls of employers and on land that is not owner-occupied. They exempt certain PNFPOs from these imposts. However, quite independently of the quality of the data, for a number of reasons, neither is a useful data source.

Payroll tax applies only to those PNFPOs that employ staff. Many do not and would not be recorded on a payroll tax register. As well, organisations employing small numbers of staff are also exempt. This varies from state to state, but in effect, payroll tax applies only to middle to large employers of labour. Further, some PNFPOs are exempt independently of the size of their workforce by virtue of their purpose. Generally, these exemptions apply in a similar way to Section 78 of the Income Tax Assessment Act. As

a consequence of their exemptions, payroll tax registers are of little value as a source of data on PNFPOs.

Many PNFPOs are exempted from stamp duty and financial institutions duty, but the application of these two state taxes varies a great deal from state to state. As well, exemption tends to apply to classes of transactions and not organisations. For example a PNFPO purchasing land to erect a welfare centre would be exempt, but not if it was to operate an income generating venture. For these reasons, the records of the state and territory authorities administering these taxes would be of little help as a source of PNFPOs.

## LOCAL GOVERNMENT

### RATES

Real property rates are a major source of revenue for local authorities. Local government acts exempt many PNFPOs from the payment of rates, but as with other government tax regimes these exemptions do not apply to all PNFPOs. Generally they exempt the same set of PNFPOs that are exempted from income tax under Section 23 of the ITAA. Although local authorities keep good property records, there are a number of factors which rule these out as a useful source of data on PNFPOs:

- Many PNFPOs do not own land; they may not have an office or service site, and if they do they may rent it.
- Lists of exempt organisations are held by local authorities but by no higher authority. There are over 800 local authorities in Australia and data from all of these would be difficult to aggregate.
- Local authorities are required to exempt government authorities as well as PNFPOs from rates. Exemption lists do not clearly distinguish between government and private exempt organisations.
- The question of exemptions from rates is under review in several states. It is understood that in at least one state the exemption to PNFPOs may be reduced or removed.

### DIRECTORIES

Some local governments compile and publish what are mostly called community service directories. These list non-profit and government organisations providing services within



the area. The best provide a comprehensive list of PNFPOs providing welfare health, housing, employment, sport, recreation and cultural services and churches. However, their utility as a data source on PNFPOs is dramatically reduced by:

- The limited number of local authorities that maintain such lists.
- The difficulty of obtaining directories from those of the 800 odd local authorities in Australia that provide them.
- The omission of many other PNFPOs from such lists (e.g., unions, professional and trade associations).

### AUSTRALIA POST

Australia Post used to provide concessional rates to those organisations which had regular mail-outs of periodicals or correspondence to their members. Generally, organisations which were exempt from income tax under Section 23 of ITAA were entitled to claim such exemptions. Although very many PNFPOs would not wish to seek an exemption and many others would not be entitled to, such a list would be potentially of interest. However, two years ago Australia Post withdrew its concessional postage rates to such organisations and replaced them with rates based on weight and distance. No attempt was made to assess the availability or quality of Australia Post data.

### FINANCIAL INSTITUTIONS

Almost every PNFPO will have some income and expenditure and will therefore have an account (or several) with a bank, building society or credit union. In aggregate, details of and from these accounts would provide an extensive data base on PNFPOs.

An initial exploration revealed both the potential and limitations of this source.

At least two of the four major banks, Westpac and the Commonwealth Bank identify the accounts of most PNFPOs on the banks computer system and allocate them to industries using the ASIC code. In theory it should be possible to identify members of PNFPOs holding accounts in each industry. Confidentiality prevents the release of any further data. Further enquiry would be necessary to discover just what definitions of PNFPO is used. While Westpac can identify those PNFPOs holding accounts which are branches of

larger organisations, it is not clear if it is possible to identify a PNFPO which had several accounts (as old fashioned accounting practices used to require).

However, apart from the major banks, it is not clear that smaller financial institutions can readily identify their account holders. The Sydney based St George Bank (previously the St George Building Society, until it became a bank, the largest building society in Australia), identifies accounts held by organisations separately from those of individual persons, but is unable to say if they are for-profit companies or PNFPOs.

Further investigation of this data source is warranted, but it is unlikely to provide more than indicative data. Nonetheless, to know the proportion of organisational accounts in the major bank held by PNFPOs and to have that for ASIC industries would be very useful information, particularly if it could be constructed as a time series.

**Type 2: Australian or state government authorities which register and regulate organisations which adopt corporate identities under national or state legislation**

For well over 100 years, parliaments have been prepared to create legal personalities for collections of individuals who have joined together for some purpose, or organisations. This incorporation provides some protection for individuals from the consequences of their joint venture. With this protection goes certain responsibility. The most common form of incorporation are companies, and there is a special form of company, a company limited by guarantee, formed specifically for non-profit organisation. In addition, because of complexities associated with companies legislation over the past two decades, another, simpler, form of incorporation has become widely available, exclusively for nonprofit organisations, known generally as incorporated associations. More specialised forms of protection and responsibility are available to co-operatives and friendly societies, and to trade unions and employer associations. Unlike England and Wales, Australia does not have national charities legislation although each state has some method of registering and regulating charitable appeals. In the past, in many cases, this required some form of registration for the organisation which was conducting or was to benefit from the appeal. However, since the passage of associations incorporation legislation in all states and territories, most states have amended this legislation and changed its emphasis to focus on the licensing and regulation of the appeal rather than the organisation.

Other legislation gives limited recognition to the largest Christian denominations, e.g., permitting them and the organisations they sponsor to hold land in trust. Many PNFPOs are church sponsored and receive some legal protection in this manner. Some other legislation permits certain bodies to establish PNFPOs and it endows them with certain protections and duties. Legislation permitting public hospitals to establish fund raising foundations is an example. Finally, Parliament has from time to time granted legal identity to organisations through their own acts of parliament. Almost all such bodies are PNFPOs.

It has been suggested that local authorities, too, have the power to create separate PNFPOs. For example, under Sections 527 and 530(a) of the current NSW Local Government Act, local councils are entitled to establish committees of local residents to manage local facilities or services such as child care centres. In Warringah Shire in Sydney, for example, there are some 40 such committees managing 28 community centres and 12 reserves. However, they are hardly autonomous of the Council. Although they may raise some of their revenue through fund raising ventures, staff who work in such centres are employees of the Council. Such organisations do not appear to be truly private organisations.

The creation of corporate identities is one matter, registering those that take advantage of those identities and maintaining contemporary records of them is another. There is no central register, even within each state, of organisations incorporated by their own Act of Parliament. A recent investigation in Queensland found eighty-seven PNFPOs established by their own acts of parliament. These included four universities and some acts that did not bestow full legal persona on the organisation (communication from Myles McGregor-Lowndes, QUT). The NSW Department of Consumer Affairs, which registers incorporated associations, maintains a Register of Miscellaneous Bodies Corporate which lists many, but by no means all, organisations incorporated by their own act of parliament. Nor is there a central register of many of the organisations which seek protection indirectly, via a sponsoring body such as a church. Data on church and church-sponsored organisations will be treated under Type 4. By contrast, records are maintained on companies, incorporated associations, co-operatives and friendly societies, and employer and employee associations.

The 1980s saw a large increase in numbers of organisations seeking incorporation under relatively new associations incorporation acts in each state and territory. In many cases this was the result of prompting from other government departments. Most government programmes that subsidise the work of PNFPOs now require that the organisation receiving the subsidy is incorporated; government agencies that licence social clubs and the like to sell alcoholic beverages also require that such bodies are incorporated.

Nonetheless, it must be recognised that many PNFPOs, particularly small ones, have no good reason to seek any form of incorporation and do not. As a consequence, an aggregation of data from agencies that register or incorporate PNFPOs would still provide only an imperfect picture of the number and diversity of PNFPOs.

It should also be noted that it is a management unit which is registered and that many large organisations will have many branches or separate establishments, sometimes engaged in different industries. It should, of course, be possible to discover by enquiry how many such entities each registered PNFPO includes. It is also likely that in practice the assumption that the registered organisation is the management unit will be debatable. Whether an association of organisations is a single organisation or a federation of separate organisations is not always easily determined and it is possible that some incorporated associations are in reality branches of another separately registered entity. The simplest solution to this dilemma is to resolve that any incorporated association is a distinct management unit. Such uncertainty about governance is more likely to occur with church-sponsored organisations, most of which will not be separately registered. Some however will be, as there is a trend within some large denominations or church-sponsored organisations to seek separate incorporation. Any attempt to add church-sponsored organisations to a list of associations and companies limited by guarantee would need to check for those that were already incorporated to avoid the problem of double counting.

#### AUSTRALIAN SECURITIES COMMISSION (ASC)

Since 1991, the Australian Corporations Act (1989) has required all Australian registered companies to submit annual returns to the Australian Securities Commission. Prior to that, companies were governed by state legislation and registered with relevant state corporate affairs departments.

This requirement for national registration and reporting applies to the special class of company, those limited by guarantee, almost all of which are non-profits. The ASC has a comprehensive data base located at Morewell in Victoria. This includes name and company number, classification of company (i.e. public, proprietary, limited by guarantee etc.), its principal activities, the address of its registered and principal business offices and key financial data such as statements of assets and liabilities, profit and loss accounts etc. Individual company searches can be conducted from terminals located in state corporate affairs commissions, but aggregate data for research purposes might be prepared by commission staff upon negotiation. Charges, sometimes quite steep, are applied to such investigations. At the time of inquiry, it had not been determined how data would be presented in the ASC's annual report.

In the past, under the uniform companies code and its state companies legislation, companies limited by guarantee were permitted to seek exemption from the reporting requirements of their respective acts. Many did so, which meant that data on their registration gradually became outdated and inaccurate (McGregor-Lowndes, 1989:16). The continued existence of this provision would significantly vitiate the value of records held by the ASC. However, it is understood that, following a spectacular failure of an exempt company limited by guarantee, all companies limited by guarantee will be required to submit annual returns to the ASC. It is presumed that these would then be available for public scrutiny.

Because of the nature of its responsibilities, all the data held by the ASC is on organisations as management units; files do not contain details of the various establishments which a particular organisation might operate; nor of the industries they might be in, if this differs from the main industry in which the organisation operates.

In summary, it appears that the ASC data base will soon be able to provide good data on PNFPOs registered as companies limited by guarantee. Very few organisations which attract this form of registration other than PNFPOs; a great majority of PNFPOs, however do not seek this form of registration.

In April 1992, the ASC had registered 8,644 companies limited by guarantee.

## REGISTRAR OF ABORIGINAL CORPORATIONS

Since the 1976 passage of the Aboriginal Councils and Associations Act, organisations of aboriginal and Torres Strait Islander peoples have been able to incorporate at a national level. The Act was designed to provide a ready process of incorporation for aboriginal organisations. Most aboriginal organisations will incorporate under it, though a few will use other forms of incorporation, such as state co-operatives or associations incorporation legislation.

The Act is administered by a Registrar of Aboriginal Corporations, who maintains a register of organisations registered under the Act and required to provide annual returns and may be struck off the register if they do not comply (probably because they cease to exist). The data is publicly available and a certain amount of information is provided in its annual report to ATSIC (the Aboriginal and Torres Strait Islander Corporation). In June 1990 there were 1028 aboriginal associations incorporated under the Act.

## INCORPORATED ASSOCIATIONS

All states and territories have some form of legislation enabling the incorporation of associations. South Australia introduced such legislation in the mid-nineteenth century and several other colonies followed suit. However, the modern form of legislation and its adoption by all state and territory parliaments is a product of the 1980s and was preceded by extensive review by most state law reform commissions starting in the 1970s. The object of this legislation was to make it easy for non-profit associations to obtain a legal identity. Since then, registration of associations has proceeded apace. Non-profit organisations engage in a great variety of pursuits to seek registration. A recent study of a sample of 2,000 incorporated associations in Queensland found that 40% were sporting bodies, 50% provided a wide range of community services, while another 10% were commercial, mostly trade and district associations (McGregor-Lowndes, 1959:124). While that study found that compliance rate of incorporated associations was far better than for companies limited by guarantee, there was only limited efforts to discover if associations not providing an annual return were still in existence. In Victoria, reminders are sent to associations not filing annual returns and fines are imposed on late filers. If returns are not received for three years, the association is struck off the register. Queensland is also quite active in following up non-filers. Other states, however, do less

and as the numbers of incorporated associations grow, it is likely that efforts to ensure the integrity of the data will decrease.

Accessing records on incorporated associations is not straight forward. Only in Victoria is the data held on computer (by the State Corporate Affairs Commission). It is possible, for a fee, to arrange for a sample on names and addresses of associations to be drawn for research purpose. In Queensland, the Justice Department maintains a paper file on each incorporated body and a master index which records names and dates of registration (and cancellation if applicable). This can be accessed manually for research purposes. The NSW Department of Consumer Affairs has a microfilm record containing names and addresses of incorporated associations. This is updated quarterly and can be purchased for \$50. However, incorporated associations are mixed with registered business names although they are clearly identified. The task of picking them out (through 150 pages of microfilm) would be onerous. However, a separate computer file of unincorporated associations was created in 1992 for mailing purposes. It is not entirely reliable and will quickly be outdated.

South Australia follows a similar practice to NSW, updating a microfiche register of business names, associations and co-operatives every quarter. It, however, requires associations to submit returns only every three years and then only if their turnover is greater than \$100,000. As a consequence, these records are likely to include the names of many organisations that have ceased to exist. Western Australia also has a microfiche of names, but not addresses. These would have to be searched by an archivist, which would be expensive. The ACT has long had a form of incorporation available under Ordinance 47. Over the past 30 years, many national organisations with business offices in other cities have taken advantage of this. In 1991, following ACT self-government, a new associations incorporation act has been passed by the ACT House of Assembly. It is expected that files of organisations registered under this new legislation will soon be computerised. As with other states, Tasmania requires incorporated associations to submit annual returns. However, staff shortages prevent the checking of these returns and there is no follow up of non-filers. There is a names index but files are held manually. They can be searched but for a fee. The Commissioner for Corporate Affairs provides some aggregate details of numbers of incorporated associations and the fields in which they are active in his annual report. In 1990, there were 972 sporting and

recreational associations registered and 372 in community services/benevolent categories. This was of a total of 1,913.

Overall, incorporated associations provide a fairly reliable and fairly accessible data source to those PNFPOs that have chosen this form of incorporation. There is, however, no easy way of knowing what percentage of PNFPOs this might be.

Current (approximate) numbers by state and territory in 1991/92 were:

Queensland	-	10,344
New South Wales	-	13,787
Victoria	-	24,010
Tasmania	-	1,931
South Australia	-	12,509
Western Australia	-	11,281
Northern Territory	-	1,500
ACT	-	<u>2,100</u>
TOTAL		<u>77,552</u>

CO-OPERATIVES

Co-operatives were a popular form of PNFPO in the 19th and early 20th century. They are a common form of mutual benefit association. People form co-operatives for a number of reasons. In general, these are to improve their market position as producers or as consumers, or to advance interest of their community. The NSW Department of Business and Consumer Affairs identifies nine types of co-operative: rural societies, trading societies, worker co-operatives, building societies, co-operative housing societies, credit unions, friendly societies, community advancement societies (such as Aboriginal child care and ethnic community enterprises) and associations of co-operatives. Organisation which wish to work as collectives will often seek incorporation as co-operatives. Some US non-profit scholars exclude co-operatives along with other mutual benefits organisations from the non-profit universe; other writers accept consumer and community co-operatives including financial co-operatives such as insurance companies, but exclude producer co-operatives. The French include both in their definition of



*economie sociale*, arguing that even producer co-operatives are not the same as for-profit companies, differing for example by allocating voting rights on a per capita basis rather than by the amount of capital invested.

Co-operatives are registered in all states of Australia under separate co-operatives legislation. In some states, they are regulated by a separate agency while in others, the act is administered by the same agency that registers incorporated associations.

Co-operative legislation in all states and territories requires co-operatives to submit annual returns. In general, probably because most co-operatives have substantial assets, they are closely regulated. Data on co-operative housing societies is collected annually by the ABS (but no longer published). In 1889/90 there were 1,804 co-operative housing societies in Australia, down from 2684 in 1983/84. ABS also collects and publishes data on some other forms of co-operatives such as credit unions and permanent building societies (which are mostly co-operatives) but on an occasional basis. For these reasons, the only reliable way of obtaining comprehensive data on co-operatives is via state regulatory authorities.

In NSW all 1269 co-operatives are required to submit annual returns; reminders are sent out if lodgement does not occur and penalties are imposed for late lodgement. An index of co-operatives is available and searches of records of individual co-operatives can be made. By the end of 1992 it is planned to have in place a data base of all co-operatives classified by ASIC code. NSW data on co-operatives, including friendly societies, is of good quality. About half all co-operatives are of the general type (including the numerically dominant community advancement societies) and half are financial: co-operative housing societies, credit union and the like.

In Victoria, over 40% of the approximately 2,300 registered co-operatives are of the community advancement type. Financial co-operatives are required to make monthly returns but these are not available to the public. As in NSW, all co-operatives are required to lodge annual returns and are penalised for late lodgement, but resources are limited and late lodgers are not always investigated. In 1990/91 about 30% of registered general co-operatives failed to lodge by the due date. Limited data on each general co-operative is held on a computer file and 3 sets of files (for rules, correspondence and

annual returns are maintained on each). The first and third are available for public scrutiny. Annual returns of other co-operatives are also available for public scrutiny excepting co-operative building societies. Names and addresses of all co-operatives are available.

Unlike New South Wales and Victoria, no other states have community advancement co-operatives. Their co-operatives are exclusively commercial in orientation, concerned with (mainly rural) production and housing or consumer finance and are few in number. In South Australia, Western Australia and Tasmania, co-operatives are administered by corporate affairs offices. Co-operatives are required to submit annual returns but few resources are devoted to policing their compliance. Lists of co-operatives are available and records available for search. All told, there are about 3,600 co-operatives registered in Australia.

### FRIENDLY SOCIETIES

Like co-operatives, friendly societies are a mutual form of organisation that were much more numerous in the 19th and early 20th centuries than they are now. Then, through a lodge structure, they combined sociality and ritual with the provision of services such as sickness insurance, medical care and pharmaceuticals made available through dispensaries. Those that survived into the late 20th century did so mainly as health insurance organisations or as more general financial institutions encouraging particular types of longer term savings. A few dispensaries survive. There are now less than 200 friendly societies in the whole of Australia.

As with other forms of non-bank financial institutions, the administration of friendly societies will be affected by the establishment of the Australian Financial Institutions Commission and the adoption of uniform legislation at the state level to provide a consistent degree of prudential supervision over such organisations. At present, every state has a friendly societies act appointing a registrar to supervise them. In all cases, this supervision is combined with other regulatory activities.

In NSW, supervision is shared with co-operatives by staff within the Department of Consumer Affairs. In Victoria, friendly societies were administered along with other co-

operatives by the Corporate Affairs Commission until mid-1992 when they and other financial co-operatives, such as co-operative housing societies, were transferred to the newly established Financial Societies Reserve Board. Tasmania and Western Australia both administer friendly societies within corporate affairs departments. In South Australia they administered by the State Actuary located within the State Treasury Department.

As suggested by the preceding account of their administration, friendly societies are required to lodge annual returns and can be penalised for late lodgement. Generally they are so few in number that they are readily, but not always effectively supervised. With the exception of South Australia, their annual returns are considered a public document. Names and addresses of registered friendly societies are readily obtained from all jurisdictions. In general, data on friendly societies is of good quality.

#### TRADES UNIONS AND EMPLOYER ASSOCIATIONS

Since the late 19th Australia has developed a highly complex institutional and legal structure to govern relations between employers and their employees. Each state has its own industrial legal system while a federal system covers the Australia Capital Territory, the Northern Territory and, under certain circumstances, the whole nation.

The purpose of the industrial legal system is to introduce specialised legal provisions into the field of industrial relations and in so doing reduce industrial disputes. Mechanisms are provided for conciliation and arbitration. To obtain access to these mechanisms organisations of employees commonly called unions and of employers must register with the registrars of the industrial courts set up under each state and federal legislation.

At the Commonwealth level and in all states but Victoria, registration may create a corporate identity for the trade union or employer association. All such organisations are in effect PNFPOs. Thus, industrial registration lists are potentially a useful source of data on an important class of PNFPOs.

Each industrial registrar has lists of registered associations. The Federal Registrar of Unions sells a list of registered bodies and their addresses and names of their main officers. It is updated quarterly. Other lists are not always straight forward. In the

states, nineteenth century trade union acts have been superseded by more recent industrial legislation but some registration under the early legislation still has force. Most bodies registered under the old legislation will also be registered under the new, but not all are.

In Victoria and Tasmania, registered bodies are not required to submit annual returns. They are under other jurisdictions, but only in New South Wales and Western Australia and federally are these financial returns deemed public documents. Many unions are wary of public scrutiny of their financial affairs. As well, it is only in some jurisdictions (federally, NSW, Queensland, Western Australia) that any form of aggregated data is presented in annual reports of the industrial registrar (which usually appear several years late).

In theory, at least, it should be possible to construct a list of unions and employer associations registered with state and federal industrial registrars. Whether one could then collect more data on those registered bodies would depend on whether this data was publicly available in the registrars' files or could be obtained from the registered associations upon enquiry. The task of compiling an accurate list of unions and employer associations and collecting information on or about all or a sample of them, would be further complicated by a number of factors which create the risk of possible double counting and create uncertainty about whether a registered association is an independent management unit or not.

In Victoria, the Industrial Registrar only recognises rather than registers associations. What is so recognised will probably have obtained corporate identity elsewhere. For the most part, this will be via federal registration as Victoria acknowledges federally registered bodies. So too, now, does Tasmania while continuing to recognise state organisations registered under 19th century state (or colonial) registration which is no longer open to new registration. In NSW, companies and government departments may be registered as employer associations. So too are PNFPOs such as chambers of commerce and trade associations which represent their members in other than industrial fields. Thus, in constructing list of registered industrial organisations, care would need to be taken to exclude organisations that were not PNFPOs. As well, in adding organisations registered as employer associations to a list of all PNFPOs, care would have

to be taken to exclude business and professional associations which also might be registered as incorporated associations or companies limited by guarantee.

The complex intersection of federal and state jurisdictions creates further problems of potential double counting. Some unions are registered in a particular state; sometimes state branches will form a federated body which is registered federally; other unions are federally registered but have branches registered in each state. It is in these cases that the determination about which registered association is a separate management unit is difficult. In some cases a state registered body is a letterbox for a federal union; in other cases, a state branch is quite independent of its federal parent.

A further factor which makes difficult any attempt to collect reliable data on Australian trade unions is the pace of union amalgamation. After several decades of talk about the need to have fewer large unions, the union movement, under the leadership of the Australia Council of Trade Unions (ACTU) and with the assistance of state and federal legislators has entered into a frenzy of amalgamations which outdates any data on trade unions within several months of it being collected.

Perhaps the best single source of data (names and addresses) on employer and employee associations is the Industrial Relations Index, published twice yearly by a private company, Information Australia. In using this list, care would still have to be taken to avoid problems of double counting and in identifying the management unit described above. The advice of someone versed in the ways of the industrial relations system would be needed to avoid those problems.

With all of these caveats in mind, there were at the end of 1991, approximately 700 PNFPOs created by Australia's industrial legal system.

### BODIES CORPORATE

Many thousands of bodies corporate are established under strata title legislation in each state and territory. Strata title acts enable the granting of freehold title to small flats and offices in buildings or sites comprising several flats or offices. The body corporate is charged with the responsibility of maintaining the common areas and generally looking after the collective interests of the individual owners. They are a mutual benefit

organisation, in some respects and unlike a tenants union. They are required to fulfil certain responsibilities and must have at least annual meetings. Many bodies corporate contract their routine management responsibilities to for-profit companies which specialise in strata administration. Nonetheless, despite their specialised nature, they are an important class of PNFPO.

### CHARITABLE COLLECTIONS

Strictly speaking, this sub-section should be treated under **Type 3**. It is included here as it is popularly but incorrectly believed to create a legal status and because it applies to organisations from many industries.

Each state except Tasmania has legislation dating from the early 1930s which permits under certain conditions the collection of funds from the public. In general, organisations which were so permitted were charities or collecting for charitable causes. Popularly, but incorrectly, the legislation became known as charities legislation. Under the original acts such organisations were required to register with a state government agency. They were also required to have certain clauses in their constitutions and to submit annual returns. Legislation did not, however, confer any identity or protection on the organisation. In most states the annual returns which most organisations were required to submit were not considered public documents. For the most part, the legislation was very inadequately enforced and many organisations which were registered did not submit regular returns. As well, classes of organisations such as schools, trade unions, and churches were exempt. During the past ten years, most states have moved to amend the legislation to make it clear that it bestows permission to collect funds and nothing else. Organisations which have incorporated are either exempted from the requirements of the act (as in Victoria) or are simply required to register an appeal. Given these changes, the only use of this data source is as a possible method of identifying organisations which were not otherwise incorporated. This would require looking at data on a state by state basis and would be of lesser or greater value depending upon whether the state simply exempted organisations which were otherwise incorporated or, if it required all organisations conducting appeals to register, it distinguished between those that were incorporated and those that were not. Overall, it appears to be a source of very limited value.

## CONCLUSION

There are many difficulties with using data held by authorities which bestow legal identities on PNFPOs as a guide to that class of organisations. In summary, they are:

- . Many small PNFPOs will not seek to incorporate.
- . The data includes organisations that have ceased to exist.
- . Some PNFPOs, including some churches, are established by their own legislation.
- . Many church-sponsored PNFPOs are given a certain protection by the legislation that provides a limited legal entity to their sponsoring body.

Yet, despite these difficulties, the list of PNFPOs incorporated as companies limited by guarantee, as associations, as co-operatives or friendly societies and as industrial associations, is the most direct guide to the universe of PNFPOs in Australia. Its most valuable attribute is that data from each source can be aggregated with only a minimal risk of double counting. Using data collected in the course of this research, it would

appear that there are just under 92,000 registered PNFPOs in Australia today. The total number of PNFPOs will be well in excess of that, but by how much it is impossible to say.

**Type 3: Government agencies which license or subsidise PNFPOs to provide a particular service.**

**Type 4: National or state peak organisations which collect data about their membership or an industry.**

With few exceptions, these data sources will yield information on limited sets of organisations. For the most part, depending upon their size, these sets will approximate to Australian Standard Industry Classification (ASIC) industry divisions, subdivisions, groups or classes, to move from the least to the greatest level of disaggregation. In some cases they will record data on only part of a particular ASIC class. Since the most likely use of such data is for research for PNFPOs in a particular industry subdivision or group, descriptions and evaluation of these data sources will be grouped according to the industry subdivision, group or class into which the PNFPOs which the data describe would fall. Government agencies (Type 3) will be described first and then data held by significant peak organisations (Type 4) will be added where appropriate. Apart from the ASIC classification, reference to the appropriate class in the International Classification of

Nonprofit Organisations (ICNPO) developed at the Johns Hopkins University, as part of the Comparative Nonprofit Sector Project, will also be provided.

## ASIC DIVISION I: FINANCE, PROPERTY AND BUSINESS SERVICES

### ASIC Subdivision 61: Finance and Investment

### ASIC Subdivision 62: Insurance and Services to Insurance

these are excluded from the ICNPO

As has already been noted, many researchers exclude organisations in those industries from the non-profit universe. This is despite the fact that many organisations are, legally, neither for-profit companies nor government agencies. Among such organisations are:

- . permanent building societies
- . terminating building societies (nowadays sometimes called co-operative housing societies)
- . credit unions
- . mutual benefit societies providing life insurance, health superannuation, general insurance, health insurance.

Among this group would be included the AMP Society and Manchester Unity. During the past two decades, the number of PNFPOs in the finance industry has been decreasing, initially as a result of amalgamation and more recently as the result of converting to joint stock company forms. This has been to raise capital in an increasingly competitive market.

The best data sources on building societies and credit unions are state registrars of co-operatives which were described above under Class 2.

The best data sources on non-profit insurance providers are the various regulatory bodies established by the Commonwealth Government:

- . the Life Insurance Commission
- . the Superannuation Commission
- . the Health Insurance Commission.

These bodies are charged with regulating their respective industry classes and retaining good quality data. This is confidential but names and addresses of all providers are available. However, no distinction is made between for-profit and not-for-profit



organisations; nonetheless, the number of bodies are few enough to enable their separation into those two sets of classes to be made without great difficulty. The field of general insurance which is not supervised at the Commonwealth level provides greater difficulty.

## ASIC DIVISION K: COMMUNITY SERVICES

### ASIC Subdivision 81: Health

#### ASIC Class 8141: Hospitals

corresponds to ICNPO:3.1 hospitals.

#### ASIC Class 8141: Psychiatric Hospitals

corresponds to part of ICNPO:3.3 mental health and crisis intervention.

Hospitals are relatively large organisations. They are subject to a great deal of government regulation and public scrutiny and many receive a great deal of public money. It might be thought, therefore, that data on those hospitals which are PNFPOs would be of high quality and readily available. This is not so. There appears to be two reasons for this. One is terminological. Australian health policy commonly distinguishes between public and private hospitals. Public hospitals are those which are funded by government and are free to those needing care; private hospitals are those which receive no direct government support but charge their patients fees. Within private hospitals are hospitals which are conducted by for-profit organisations and others which are run by not-for-profit organisations, mostly churches or religious orders. But some of the so-called public hospitals are also owned and conducted by religious orders and other not-for-profit organisations, whilst others are "owned" by the government though with several different methods of governance. As the price of receiving effectively one hundred percent subsidy from the government, these privately owned public hospitals abrogate a great deal of their autonomy to health department officials (over such items as personnel policy). These hospitals, however, may well continue even if their public subsidy is taken away. They must be considered PNFPOs.

Sometimes the discourse of health policy is more precise and distinguishes not between the status of hospitals but between the status of beds. Thus, within a public hospital there

might be public beds and private beds (for which a patient is charged a fee). This is largely to meet the requirements of medical specialists who require beds in public hospitals for their private patients as a condition of agreeing to treat public patients. The great deal of data on hospitals does not distinguish between the varieties of "public" and the varieties of "private" and much of it is about bed utilisation rather than the form of ownership and thus governance of the organisation. It is therefore of little value to someone interested in distinguishing between hospitals on that basis.

The Department of Health or its equivalent in each state and territory licenses or registers private hospitals and day surgery centres. As a condition of this, hospitals are required to provide certain data on a regular basis to the Department. Generally this is patient data. No financial data is collected. Annual lists of private hospitals (and nursing homes) are produced and made available but no states seek to distinguish between for-profit and not-for-profit in these lists. New South Wales, however, does include the name of the licensee in its list which is a good guide to whether the hospital is PNFPO or not, but no other state does so. The smaller states and territories have few private hospitals and those that are not-for-profit are easily identified (e.g. in Tasmania they are two out of seven). Lists also include the types of services that the hospital provides. This would enable identification of psychiatric hospitals. However, there is a trend to phase out specialist psychiatric hospitals in favour of providing psychiatric wards in general hospitals, making the ASIC and ICNPO classification anachronistic.

Nationally, the Department of Health, Housing and Community Services (DHHCS) conducts a six monthly survey of private hospitals in conjunction with the Australian Private Hospitals Association. The Department seeks patient utilisation statistics while the Association seeks staffing and financial data (which is retained by the Association). The data includes psychiatric as well as general hospitals. The survey is a full census of private hospitals approved for health insurance purposes, but is non-compulsory and the response rate is around sixty-five percent of private hospital beds. Data collected includes whether the hospital is non-profit or for-profit. This data is retained by DHHCS and is available on request. It is not used to delineate data in the regular publications which report the results of the survey. Data on the number of not-for-profit private hospitals and the number of their beds are however made available in specialised reports from time to time.

A financial analysis of the Australian private hospital industry was prepared for the Australian Health Minister's Advisory Council early in 1990. It used data collected from the forty-one percent of private hospitals which responded to a questionnaire circulated to all private hospitals. It distinguished between private not-for-profit, private for-profit but independent, and hospitals which were part of a private for-profit chain. These were key organisational variables in the analysis of its data as they appeared to significantly determine financial performance (Australian Health Ministers Advisory Council, 1990).

Overall, the best data source is the DHHCS's but it is not comprehensive. It is understood that action is being taken through the Australian Bureau of Statistics and the Australian Institute of Health and Welfare to improve the quality of data collected on hospitals. It is to be hoped that this will include data on the organisational type of the hospitals.

ASIC Class 8143: Nursing Homes

corresponds to ICNPO 3.2 Nursing Homes.

Nursing homes in Australia are run by PNFPOs, by for-profit companies and by state governments. While there are a few nursing homes for younger people with disabilities, these are being phased out. The vast majority of nursing homes are for frail older people. These all receive a large subsidy from the Commonwealth Government's DHHCS which has over the past decade or so come to set and enforce standards and collect a good deal of information.

Most state governments license nursing homes, though South Australia does not and Queensland licenses only for-profit homes. Those states that licence nursing homes publish annual lists of private nursing homes. As with their lists of private hospitals, these do not distinguish between for-profit and not-for-profit homes.

The best data source on nursing homes is that held by the DHHCS. It distinguishes for-profit and non-profit homes, includes financial data and is accessible to researchers. Because nursing homes and hostels are grouped in the same Residential Care Program, the same data set includes data on hostels which ASIC and ICNPO place elsewhere. Data

on nursing homes for people with disabilities can be obtained from the same Department's Disability Services program. The data on nursing homes is of establishments; many PNFPO-managed units will operate several nursing homes. However, because the information system is primarily constructed for subsidy purposes, it does not identify the management unit of which the nursing home is an entity.

The main peak association in the area is the Aged Care Association of Australia (ACAA). Its members are the great majority of PNFPO providers of aged care, but as most of its members provide a great variety of services to older people, its membership list does not indicate clearly which provide nursing home care.

#### ASIC Group 815: Other Health

corresponds to ICNPO 3.4 Other Health Services, and part of 3.3 Mental Health and Crisis Intervention.

The ASIC Group "Other Health" contains a number of classes: medicine; dentistry; dental laboratory; optometry and optical dispensing; ambulance services; community health centres (medical); community health centres (para-medical); and health services nec (not elsewhere classified).

PNFPOs providing other health services are numerous but cannot accurately be counted. Many but by no means all will receive government subsidies; many will receive subsidies from different official programs. Thus data collected from government subsidies programs will not be comprehensive and will need close scrutiny if aggregated, to prevent double counting.

The Commonwealth government provides financial assistance to a limited number of organisations through the Health Advancement Program of the DHHCS. These are for specialised services in the area of drug abuse and prevention, AIDS, aboriginal health and youth and women's health. Departmental staff claim that data on the recipients of these grants is available even though in some cases the funds are handed to state health authorities to administer. Even if this is so, Commonwealth data is of little value as it goes to such a small number of PNFPOs in the health field.

Health care has remained largely a state government responsibility and it is from state health departments that most PNFPOs in the health industry which receive government funding will be funded. Two states, New South Wales and Queensland, have recently reviewed their funding of PNFPOs in the health field. The extent of reliance on PNFPOs for providing other health services varies considerably from state to state, with Victoria by far the most reliant. As a consequence, data is more extensive in Victoria, followed by New South Wales. Funding is by program and no government health authority has constructed a single data base of their various funding programs. Invariably, PNFPOs receiving support are required to submit annual reports and other financial statements to the government. Often more information is required by means of special forms and in some programs in some states elaborate performance agreements and program monitoring technologies have been applied. Despite this plethora of data, it cannot always be guaranteed that a PNFPO will be distinguished from, say, a local authority or another state government agency. Generally, details of organisations receiving support are published in departmental annual reports or, as in Queensland's case, in state budget papers. This data is rudimentary but reliable. The detail collected by different programs may or may not be accessible in raw or in aggregated form. Some of the best access can be obtained on drug and alcohol services funded by the Victorian Health Department where data is stored in a computerised database called DAISY and is available by on-line access. By contrast, many other programs store their data in a manual form and researchers would require direct access to hard copy.

By and large, the most valuable data is that which identifies PNFPOs (or possible PNFPOs) which can then be contacted directly. This would be necessary to clearly identify which industry class the relevant establishment, or management unit, fitted. However, since state health agency data is mostly a by-product of financial subsidies rather than licensing, there is no way of knowing what percentage of all PNFPOs in that industry are receiving funds at a particular time. This is a recurring problem with data sources based on government subsidies.

Because most government regulation and funding activity in other health services is at a state level, national peak organisations do not provide particularly helpful data. The membership of the Consumers Health Forum, a peak body of community health and consumer health organisations, would be a useful resource for checking or adding to other

data. Several peak bodies of PNFPOs at a state level attempt to maintain comprehensive data of non-profit providers in their field. The Community Health Centres Association in Victoria is the major repository of data on community health centres in that state, through its PCCHIRS database. In New South Wales, the Mental Health Association biannually updates a directory of organisations providing assistance in the field of mental health. It is understood that several other state associations provide a similar service. This project has not attempted to check comprehensively all peak bodies which might or might not hold lists of non-profit organisations active in the various sub-fields of other health services.

## ASIC SUB DIVISION 82: EDUCATION

### ASIC Group 823: Schools and Education

Corresponds to ICNPO 2.1 Primary and Secondary Schools

This ASIC group contains the following classes: pre-schools, primary schools, secondary schools, combined primary and secondary schools and special schools.

Numerically, the largest group are primary and secondary schools. PNFPOs provide almost 28% of places in primary, secondary and special schools in Australia.

State and Territory governments register private schools and provide them with various sorts of financial support. The Commonwealth government provides a greater level of support to registered schools, provided they apply. In practice, all but a handful of schools receive Commonwealth funding.

In order to operate its complicated per-pupil funding formula, the Commonwealth government collects a great deal of information on an annual basis from private schools. This includes extensive financial data. Some state governments require additional information to operate their subsidy schemes whilst others rely on Commonwealth collected data. As a condition of registration, state and territory governments collect a limited amount of information from private schools, but this is not regularly updated.

The Commonwealth government reports annually on its grants to non-government schools (the Department of Employment, Education and Training (DEET), State Grants (Schools Assistance) Act 1988. Report on financial assistance granted to each state). This lists all

schools which receive funding, by area, within each state and the amount of support received. The Australian Education Council (AEC), formed by Commonwealth state and territory education ministers, publishes annually a National Report on Schooling which contains aggregated information in a statistical annex. This includes a limited amount of aggregated financial data on non-government schools.

This annex is compiled from data submitted to DEET by private schools to which is added information on government schools from state and territory governments. This appears to replace annual reports on schooling in Australia prepared by ABS. Some DEET unpublished data can be accessed for research purposes, though this "might entail a fee". However, none of the financial data submitted by individual schools is available for research purposes. This reflects government concurrence with a belief held by the larger, high fee-charging private schools that their overall financial position should not be a matter of public record. This belief is, in turn, a product of post public controversy over the public subsidy, or state aid, which they receive.

In summary, some aggregate data on non-government schools can be obtained from the AEC report whilst lists of schools receiving grants can be obtained from the DEET report. Alternatively, as a check on the latter, each state education authority publishes (or has publicly available) lists of all registered non-government schools in that state or territory.

In 1989 there were 2523 non-government schools in Australia, 1720 of them Catholic. All told, they educated almost 28% of all pupils.

The data above refers to primary and secondary school pupils including those attending special schools.

Data on pre-schools is not as readily available. All states and territories, except Victoria and NSW, strongly encourage all children to attend pre-school in the year immediately prior to their attending primary school. In these states, pre-schools are the responsibility of state education departments and, except for South Australia and to a lesser extent Queensland, most pre-schools are run and staffed by the department. In Victoria and NSW pre-schools are run mostly by PNFPOs (though in NSW some 20% are for-profit).

In these two states, registration and the provision of financial support comes from the state agency generally responsible for child welfare, rather than education. This is the same state department which registers child care centres. In two states at least, NSW and Queensland, the distinction between pre-school and child care is becoming blurred. Indeed, as almost all child care entails an element of education, the distinction is blurred Australia wide but is all the more blurred in those two states where pre-schools are open for longer hours than elsewhere and compete with child care centres. Indeed, in NSW the government agency responsible for licensing now refers not to pre-schools but to short-day child care centres.

To obtain data on private not-for-profit pre-schools requires contact to be made with the state and territory department responsible for their licensing. In all cases, some data is available for annual reports of these departments, sometimes including lists. Lists of names and addresses of private not-for-profit pre-schools are available from those departments and under certain circumstances, other data on pupil numbers is also available. Financial data is not available.

#### ASIC Group 824: Post School and Other Education

Corresponds to ICNPO 2.2 Higher Education and 2.3 Other Education

The ASIC Group contains the following classes: Universities, Tafe colleges and education nec.

Depending upon definition, there is or is not a significant PNFPO presence in this industry group. The definitional issue is whether universities are part of the government sector, as conventionally they are considered in Australia, or PNFPOs as they are considered in the United Kingdom and as most are in the United States. The definitional issue is really an empirical one. It hinges on governance. That universities are established by Acts of State Parliament and that most university funds come from the Commonwealth government (almost none come from State governments) with a good deal of government control as its price, is of little consequence in allocating them to a sector.



The issue is whether the majority of members of a university's governing body (council or senate) are appointed by and responsible to a minister or not. It would appear that they are not. Each state government appoints some members of universities governing bodies but not a majority and as they provide almost no funds they have little capacity to direct them. The Commonwealth government does significantly fund universities but appoints no members of their governing bodies.

If universities are considered PNFPOs, data can readily be obtained from DEET. One exception is the independent universities, Bond and Notre Dame. If the Commonwealth government supported universities are not counted as PNFPOs, it is only these that would be. Bond university is sometimes considered for profit, which is true of the company that owns the land that it is built upon but the university itself is established as a company limited by guarantee (and thus formally, a PNFPO).

The education nec class is more difficult to gather data on. DEET publishes a list of the ethnic organisations that it funds to provide ethnic community language classes, but these are invariably involved in other activities and would be classed in another industry group.

Adult or community education is largely provided by PNFPOs. Providers operate under a variety of titles, such as evening colleges, community education, workers educational associations. Commonwealth and state governments both provide financial support and in some states have established bodies to co-ordinate funding and oversight the sector, but these do not all appear to have a record of all provider organisations. Even at the state level there are several peak bodies covering different sorts of organisations. Several of the major denominations also have adult education establishments. Collecting data on all these organisations is likely to be arduous.

In addition, there are many other PNFPOs in the higher or other education classes. There are numerous seminaries and theological colleges associated with various denominations (a recent report identified over 700 religious and theological libraries (Jenkin, 1992)). There are also colleges and halls associated with many universities. These mostly provide some tuition as well as accommodation and are likely to be counted here. Universities also spawn numerous other unions, clubs and societies and more recently, alumni associations. The full listing of university groups can only be discovered

from each university. In the case of university clubs and associations, university unions which usually provide each club or society with a modest financial support are the best source of information.

One numerous set of PNFPOs are the parent organisations established in association with almost all schools, public and private. Most belong to one of several peak councils or federations in each state and territory. In most states there are at least two peak bodies for state school parent organisations. Australia wide there are eleven state associations of parent organisations associated with private schools, both independent and the Catholic system in schools. State level peaks of private school associations belong to the Australia Parents Council while the Australian Council of State School Organisations supports most of the state level state school peaks at the national level. Most school level associations are unincorporated, although the peaks are. In NSW a real legislative change allows parent associations affiliated with the NSW Parents and Citizens Federation to incorporate under the legislation establishing the Federation, but so far only about 150 of its 2100 members have done so. The only method for constructing reasonably reliable estimates of parents associations would be to seek details from the various state level peak bodies.

#### ASIC Group 825: Library, Museums and Art Galleries

Corresponds to part of ICNPO 1.1 Culture and Arts.

This ASIC group contains two classes: libraries, and museums and art galleries. Its existence in the education subdivision is a further sign of the old-fashioned character of the ASIC which places the activities of these organisations in the education industry whilst including a number of other activities which are generally considered related, such as live theatre, creative arts and film in the entertainment industry subdivision of the Recreation, Personal and Other Services Division. The ICNPO grouping reflects a more contemporary view which includes all such activities in a cultural industry.

This view informs the ambitious efforts of the Statistical Advisory Group (SAG) of the Cultural Minister's Council to develop a statistical framework and identify available data and data sources of the Australian cultural industry. The Council consists of Commonwealth, state and territory ministers for the arts/heritage/cultural affairs. The SAG, working closely with the ABS and with state and territory governments and peak

associations has now produced a second edition of the National culture/leisure industries statistical framework and the Australian cultural industry. Available data and sources (both published by the Australian Government Publishing Service in 1990). Data published in this form is also available in the National Culture - Leisure Industry Directory and Data Base (NCLIDD). This is available in computerised form from the Commonwealth Department of Arts, Sport, Environment and Territories (DASETT). It is intended to include with this computerised base, data collected by questionnaire on those organisations which receive subsidies from Commonwealth, state and territory government departments and agencies such as the Australia Council.

The definitional assumptions which inform these publications are not without their own uncertainties. In this case the boundary problem lies in the direction of leisure, sport and recreation. The titles of the two SAG publications reveal the dilemma, the first referring the culture - leisure industry, the second, the culture industry. Part of the reason for the dilemma is that the UNESCO Framework for Cultural Statistics, on which the SAG is based, includes sport and recreation within its ambit, whilst those activities are clearly outside the range of responsibilities of the cultural ministers. The UNESCO classification also includes elements of education as well and the SAG group have included within their industry, school and university libraries which are classed by ASIC as part of the education industry.

The SAG framework creates a two dimensional matrix divided into 17 sectors and 54 sub-sectors. The sectors are activity based and closely correspond to ASIC classes. A second dimension identifies four 'functional' elements: creators, products, organisations and consumers. The Data Sources volume reports a limited amount of organisational data for each sector, but this is of little value to those interested in the contribution of PNFPOs to the cultural industry as no attempt is made to distinguish between the three main organisational sectors (government, private for-profit and private, not-for-profit). The data collected by ABS for the NCLIDD project (on organisations receiving government subsidies) similarly fails to distinguish between government, private for-profit and private not-for-profit organisations. Nonetheless, in some industry sectors it is possible to identify those organisations which are PNFPOs.

For those interested in PNFPOs, there are few if any stand-alone libraries which fit into this class. Many private schools have libraries but these are not independently managed. If, however, it was decided to count them as separate establishments, data could be obtained from the DEET collection of data on staff (and pupils) at non-government schools. This data is not published, but the census distributed to schools each year collects information on staff who are teacher librarians. Alternatively, the Australian School Library Association or the school library section of the Australian Library and Information Association would contain some guide as to numbers of school libraries. Whether university libraries were counted would depend on whether universities were considered as PNFPOs (a point discussed above). All theological libraries are parts of other organisations.

Recent work by the SAG, building on a 1987 survey by the Australian Association of Museums, indicates that there are about 1900 museums, art museums and historic theme parks/museums in Australia. No attempt is made to identify into which sector these fall. In general, the major state museums and galleries are public authorities as are many regional and some local organisations; many art galleries and some theme parks and house museums are private, for-profit, while many smaller museums are PNFPOs. It may be possible to deduce from data collected by the SAG which of the 1900 odd museums are PNFPOs, using answers to two of the questions in their most recent questionnaire, but short of this, little can be done to estimate PNFPO presence in this industry. This data is available on request.

Data on some sub-classes is a little more readily available from peak associations. The Royal Australian Historical Society in NSW has a list of local history societies in NSW. These are all PNFPOs. Similar bodies (e.g. The History Institute of Victoria) have similar membership lists. These are all (almost all) PNFPOs. Data on National Trusts, of which there is but one in each state and territory, can be readily obtained from their annual reports. Summary data from 1986/1987 is published in the SAG Available Data and Sources.

### ASIC SUB-DIVISION 83: WELFARE AND RELIGIOUS INSTITUTIONS

#### Group 830: Welfare and Religious Institutions

Class 8304: Welfare and Charitable Homes nec

Class 8305: Welfare and Charitable Services nec

- Corresponds to ICNPO Group 4: Social Services
- Group 6.2: Housing
- and some of Group 7.2: Law and Legal Services
- and some of Group 8: Philanthropic intermediaries and volunteer providers
- and some of Group 9: International activities

This section of ASIC is perhaps its weakest. The Welfare and Religious Institutions Group contains a third class: religious institutions, which will be treated separately below. The division between these two classes is hard to operationalise, as many 'welfare' organisations provide both accommodation and services. The classification reflects an earlier era when most 'welfare' was provided by church based organisations and when most of that was located in separate institutions or 'homes'. The terms welfare and charitable have generally become unfashionable and in some cases inaccurate as descriptions of the approach taken by many organisations in this industry. Most prefer the term community services, which of course has a far wider application within ASIC.

The correspondence with ICNPO is difficult as well. All the ICNPO Social Services Group (which has sub-groups 4.1 social services, 4.2 emergency and relief and 4.3 income support and maintenance) fall within the ASIC 8304 and 8305 welfare and charitable homes and services classes. But ASIC includes within these two classes a number of activities which ICNPO locates elsewhere. These include community legal centres and rehabilitation of offenders which ICNPO puts in as 7.2 law and legal services (part of the wider Group 7: civil and advocacy organisations); foundations and grant making trusts, which ICNPO puts in a separate Group 8: philanthropic intermediaries and volunteer promotion, and overseas aid organisations which ICNPO places in a separate Group 9: international activities. The other organisations which ICNPO places in these Groups (7, 8 and 9) and which ASIC does not count as welfare or charitable are, along with several other ICNPO groups, all located by ASIC in class 8482: community organisations nec. This will be discussed below.

### Commonwealth Government

Several Commonwealth government departments subsidise the activities of PNFPOs in this industry. The most important is the Department of Health, Housing and Community Services (DHHCS).

DHHCS subsidies are designed to encourage the provision of certain sorts of services for certain groups of people and are administered through clearly defined programmes. The major programmes which direct funds to significant numbers of PNFPOs are the institutional care for the aged programme (or rather the hostels component of it; the nursing homes component is counted by ASIC in health), the Home and Community Care (HACC) programme, the Disability Services programme, the Children's Services Programme, the Supported Accommodation Assistance Programme (SAAP), the Local Government and Community Housing Programme (LGCH) and the Emergency Relief programme. All but the first and the last entail some element of joint funding with state and territory governments. For all but the last three, private for-profit organisations are eligible for some funding and in the case of HACC, Children's Services and LGCH, local authorities receive large amounts of funding. HACC also funds state government authorities as providers in several states. It should also be noted that a few small subsidies may go to organisations whose primary activity would require them to be placed in another class, such as community organisations nec.

For each programme, the Commonwealth government collects varying amounts of financial and client data. In some cases, state governments administer the data collection and pass data over the Commonwealth; in some cases the Commonwealth collects data directly or, in the case of some client census data, by contracting to a third party. For each of the abovementioned programmes there is a computerised data file (eg PIMS for HACC; DISCUS for disability services; FAME for childrens services). These files are maintained largely for administrative purposes. The reliability and availability of the data ranges considerably. It is also subject to change, but at the end of 1991 the position was as follows:

**Aged Persons Hostels:** As part of the residential care for older people programme, data is collected on hostels receiving personal care subsidies together with characteristics of clients and levels of payments. Names of hostels are available for research purposes.

HACC: Mainly financial data is collected quarterly from all organisations receiving HACC payments. Data is only moderately reliable as it is collected in many cases by state government departments and some of these states have complex payment conduits involving several different departments. As a consequence, there is likely to be some double counting. Names and addresses of organisations receiving funding are available for research purposes upon request. Data does not distinguish between government agencies, PNFPOs, but in most cases, names of funded organisations would make this clear.

Disability Services: By and large, only organisations providing assistance to people with physical and some developmental disabilities are funded by the Commonwealth. Organisations in the field of psychiatric disability are excluded. ASIC and ICNPO treat them under health anyway. Data collected mainly concerns funding but data from a 1991 census of disability organisations is to be added to the file. Currently, data is collected by the Commonwealth and likely to be reliable. Names and addresses of organisations receiving funds are available to researchers on request. No identification is provided of the organisational status but all are likely to be PNFPOs. By the end of 1992, the Commonwealth will have transferred responsibility for most of the disability services it has funded up to that time to the states and it is not clear if a national data system will be maintained.

Children's Services: This data, based on an annual census of child care centres, is of good quality. It is published in aggregated form. Unfortunately, most PNFPOs are grouped with local government centres, while in the 1991 report, which for the first time includes data on for-profit centres, some PNFPOs are lumped with the for-profit. The distinction, whether or not the centre receives an operational subsidy, may be of some interest particularly to programme administrators, but does not help to distinguish PNFPOs. However, for research purposes, access to names and addresses of centres is available and it may be possible, for a fee, to recode and rework the data to distinguish between for-profit, government and private not-for-profit centres. Names and addresses of organisations providing outside school hours care to older children is also available.

SAAP: Data on the SAAP programme is collected by semi-annual censuses conducted by state governments. The data collection focuses on clients and little information is

collected on organisations. The data is believed to be of limited reliability. A list of names and addresses of organisations receiving SAAP funding might be available for research purposes.

**Local Government in Community Housing:** Because of poor state co-operation, data collected at the Commonwealth level on this programme is poor. Some aggregate data is provided in the annual report issued by DHHCS on the operation of the Commonwealth State Housing Agreement under the Housing Assistance Act.

**Emergency Relief:** The Commonwealth funds certain PNFPOs to assist their provision of emergency relief. A semi-annual data collection is conducted focusing mainly on client characteristics. A list of organisations funded is available for research purposes.

Other Commonwealth departments which subsidise organisations located within the ASIC welfare and charitable services classes are as follows:

#### Attorney Generals

The Commonwealth Attorney General's department subsidises organisations providing marriage counselling, marriage education, family mediation and adolescent counselling. Organisations which receive funds are required to submit annual reports and financial statements; those receiving funding under certain specialised programmes are also required to complete a pro forma. The data is stored manually but reported at an aggregate level in the Attorney General's annual report. However, a yearly directory of names and addresses of organisations funded under the family services programme is available from the Department. In addition, the Attorney General's Department makes funds available to be distributed to community legal centres, via a Community Legal Centres Advisory Committee. Names of centres receiving funds is published in the Department's Annual Report. There were 58 community legal centres in 1990.

#### Department of Employment Education and Training (DEET)

DEET contains within it a youth bureau. The bureau directly funds several peak bodies in the youth field and works with state and territory government departments responsible for young people to develop a data base: the Youth Services Inventory System (YSIS) which attempts to bring together nationally data from each state and territory on



organisations providing services for young people. Mostly this is data on organisations funded by relevant state agencies, but it includes some organisations which do not receive funds. It contains addresses and phone numbers of organisations and is likely to be available for research purposes (it is still in the process of being constructed). It is not comprehensive but is a useful guide.

#### Department of Immigration, Local Government Ethnic Affairs (DILGEA)

DILGEA funds PNFPOs through three programmes. The longest established is the Grant-in-Aid programme which assists ethnic organisations to employ welfare workers. It also funds 26 migrant resource centres and a migrant access programme which also includes local government. Lists of organisations funded are published in the Department's annual report. Further data on organisations is held at state offices of the Department but is confidential.

#### The Australian International Development Assistance Bureau (AIDAB)

AIDAB, part of the Department of Foreign Affairs and Trade subsidises a number of PNFPOs that provide overseas aid. PNFPOs wishing to apply for assistance need to be registered with AIDAB and to provide it with data. Not all PNFPOs which provide overseas aid do so however and a significant number of those that do are only peripherally involved in the provision of overseas aid. The Australian Council for Overseas Aid (ACFOA) is the peak body for non-government aid organisations. Its membership list contains several organisations which are not on the AIDAB register but many others which are. A recently published study on overseas aid organisations, drawing on these two data sources, lists 130 PNFPOs providing overseas aid (Zivetz et al, 1991). Of these, probably only 30 are mainly or entirely in the overseas aid field.

#### State and Territory Governments

State and territory governments subsidise a large number of PNFPOs to provide welfare in charitable services. In each state, several departments will be involved in subsidising particular "welfare and charitable services". To give but one example: subsidising PNFPOs providing youth services are the responsibility of the Department of School Education in NSW, the Department of Premier and Cabinet in Tasmania, the office of the Family in the Department of Employment and Training in Western Australia and the Department of Youth Affairs in Victoria. The names and responsibilities of all state and

territory departments responsible for subsidising "welfare and charitable" services vary enormously and are subject to fairly frequent change so there is little point in trying to identify them all here.

In general, state and territory governments will fund organisations for most of the services that the Commonwealth subsidises for many other services as well. The exceptions are organisations providing services for older people and those providing emergency relief which receive no state assistance for these activities. State governments provide more extensive funding to organisations providing services for young people, for people with developmental disabilities and for family support, counselling and substitute care for children. They also subsidise the ethnic organisations and organisations assisting people disadvantaged in the housing market. Apart from certain health services, the only field where they licence providers of services is in the children's services industry.

In all cases, state and territory government departments require the organisations that they subsidise to submit data which is held in hard copy and, in a minority of cases, is computerised. This is held at a programme rather than a departmental level. In most cases, the department or agency publishes the names of organisations and funds in its annual report. Sometimes addresses are included. In South Australia, details are published in state budget papers. In those few cases where this is not done, names and addresses can be obtained for research purposes, though two departments indicated that none of their records were available for public use. The data reported by departments is likely to be of variable reliability but mostly fairly high. Some doubt as to its reliability is generated by frequent anecdotal reports of confusion in certain funding programmes, by occasional criticisms offered by government auditors and by the experience of researchers who conducted detailed studies of the entire funding programmes of one state department (CSV in Victoria) and of one programme area (Childrens sources) in another state (NSW). Their experience was that many organisations were counted several times under (often marginally) different names.

The main problem which would vitiate any attempt to gather comprehensive data on PNFPOs providing "charitable welfare services" from Commonwealth, state and territory government funding data is that it would exclude organisations which did not receive direct government subsidies. This could be as high as 40%. Only one government

department, the Queensland Department of Youth, Tourism, Sport and Racing attempts to maintain a data base on all 1200 youth organisations in that state, not only those it subsidises. Nonetheless, in the absence of alternative data sources, such a project would at least be a start. It would however be an onerous one. It would require obtaining lists of names and addresses of organisations from a very large variety of different sources, combining these to eliminate double counting and then separately seeking data from each or from a sample of them.

In some cases, to make the data more comprehensive, the membership lists of peak organisations might also be added. In several states there are organisations representing self help organisations of which only a few would receive government support.

National Shelter represents PNFPOs active in the housing field at a national level. From its membership lists and from other peak bodies operating at a state level, lists of PNFPOs active in the housing field could be obtained to add to those funded by state housing departments.

There are three peak organisations representing PNFPOs active in the field of recruiting and training and placing volunteers. They each have somewhat specialised concerns and many organisations belong to at least two. Their combined membership lists would probably encompass all such organisations in Australia.

ASIC counts organisations which raise funds for religious and charitable purposes in the welfare and charitable services nec class. One presumes most philanthropic foundations would be located here.

The Australian Association of Philanthropy maintains lists of philanthropic foundations and trusts. There are approximately 300 independent foundations operating in Australia; the majority in Victoria. In addition, there are many, usually far smaller, trusts administered by trustee companies.

Of greater importance are the many thousands of clubs formed by large welfare organisations as fund raising auxiliaries. These are largely independent of the organisation whose work they support. These are most likely to be found in long

established middle class suburbs and country towns. Their membership is (almost) entirely female. Some indication of their number could be found from the annual reports of the large welfare organisations. Most remain active largely for fund raising but provide an opportunity for socialising. Others, such as VIEW clubs have become more like the largely male community service clubs. Some large firms have social clubs whose activities are aimed at raising funds for charities. These should also be counted here.

#### ASIC Class 306: Religious Institutions

Corresponds with no ICNPO group

This class consists of organisations which operate for the provision of worship or the promotion of religious activities. They are most commonly understood as churches, sects or denominations (christian and non-christian alike). The class also includes religious congregations and religious monasteries. The ICNPO excludes specifically religious organisations from its purview, but most American studies include them. It seems sensible to do so, but sources of data and their interpretation, pose challenges.

The Christian Research Association publishes a useful Yearbook for Australian Churches each year. It provides names and addresses of the major management units of each church denomination at a state or diocesan level. It also contains information on some other religious organisations, including non-denominational associations. But missing is details of congregations and assemblies, which are separate management units in the case of some denominations (such as the Baptist) and of religious orders. Several denominations publish directories or yearbooks containing greater detail. The most useful is the annual Official Directory of the Catholic Church. In other cases, including the Anglican church, approaches have to be made to individual diocese or state level bodies for data.

Collecting this data would be a difficult task. When it is collected, interpreting it for the purposes of comparative study would also pose some problems. If one were interested in entities or establishments, then its parish or worshipping group or religious house, such as a convent, is the appropriate unit to count. If one wishes to count management units, the question of what constitutes a management unit is not always clear. For example, is a Catholic parish a management unit or is the diocese; or is a convent or the order to which

the members of the convent belong. This will require establishing clear criteria but only on the basis of close knowledge of patterns of governance across the range of religious organisations. This is a piece of research which has never been attempted.

As a rough guide to the number of organisations which might be involved in this class, the number of parishes or congregations of seven Christian denominations is provided in the 1991 Yearbook of Australian Churches. Those counted include the five largest denominations: the Catholic, Anglican, Uniting, Baptist and Lutheran churches. It totalled 5,297. Overall, the number of religious organisations is probably twice that number, at least 10,000.

#### ASIC Group 846: Research and Meteorology Services

##### ASIC Class 8461: Research and Scientific Institutions

Corresponds to ICNPO Group 2.4: Research (Part of Group 2: Education and Research)

There are relatively few independent private, not-for-profit research organisations operating in Australia. Some are large and very famous, such as the Walter and Eliza Hall Research Institute in Melbourne. Others, such as Foundation 41 achieved a certain infamy. Some other foundations, such as The Cancer Foundation or the National Heart Foundation began as fundraising ventures to fund research mainly in the university departments. Since then, however, they have expanded their role to encompass community education and some service provision. They will generally be counted in Class 8305: Welfare and Charitable Services nec, or Class 8157: Community Health Centres (paramedical).

ASIC includes in this class all establishments undertaking research in agriculture, biological, physical or social sciences. It excludes universities and university research centres.

The ABS conducts annual surveys of research establishments and publishes the results in a manner that allows expenditure and employees of non-profit research centres to be identified. However, the number of such centres are not identified (ABS, Catalogue No. 8112).

### ASIC Group 847: Business and Labour Associations

Corresponds to ICNPO Group 10: Business and Professional Associations, Unions

The ASIC group contains two classes, business and professional associations and labour associations.

Data sources on some of the first class and all of the second class have already been described under **Type 2** above. To complete this class requires details of professional associations and other organisations formed to advance the interests of business, such as chambers of commerce and industry and trade associations.

These organisations generally do not receive government financial report and whilst they interact with various government departments as a central part of their work there is no comprehensive government listing of all or even some of these organisations. The only relatively comprehensive list maintained by government agency is that of professional bodies maintained by the National Office of Overseas Skills Registration (NOOSR), which works with professional and some trade bodies to determine standards to apply to people with overseas qualifications seeking entry into Australia.

Some business and professional associations belong to peak councils but even here the data is limited. There is an Australian Council of Professions which consists of state and territory councils of professions plus 13 national professional bodies that are nationally constituted. By and large, these represent only the most powerful professions: The Law Council of Australia, the Australian Medical Association, the Institute of Engineers, Australia. State Councils of Professions consist of state level bodies of the same professions and some others, but the list is by no means comprehensive. The best source to construct a list of professional associations for each state is probably the Yellow Pages of the phone directory in each capital city under the heading Organisations - Business and Professional.

Many towns and suburbs have Chambers of Commerce representing local business interests. In most states these belong to state level chambers, although in Western Australia and Victoria these have merged with employer associations (many businesses

belong to both). The NSW Chamber of Commerce estimates its membership at over 2000, though this includes some businesses that see their interests as state wide. They indicated that some information about their membership could be made available but were unwilling to reveal their membership list.

In addition to professions and local chambers of commerce, there are many trade or business associations, formed to advance interests of particular manufacturing or retail activities. Their names can be obtained from the yellow pages of the phone directory. Indeed, the search of the yellow pages of all directories, under the heading "Organisations - Business and Professional Associations" may prove the most systematic method to build a list of this important class of PNFPOs. It would be a time-consuming task.

#### ASIC Group 848: Other Community Organisations

ASIC Class 8481: Political Parties

Corresponds to no ICNPO category

The ICNPO excludes from its purview organisations that support candidates for political office. This is a puzzling omission, given that political lobby groups are counted and these will sometimes stand candidates for election.

The right to form political parties, or organisations to contest elections and direct members who are elected to parliament is a characteristic of twentieth century democracy. Political parties are invariably PNFPOs. Some are large organisations with a branch structure and numerous paid staff. Others are ephemeral, formed to contest elections but rarely survive thereafter.

This special characteristic of organisations formed to secure a person's or persons' election to parliament or local council raises definitional issues. Their often short existence raises questions about the time that a group needs to exist in an organised form before it might be called an organisation. It must also be noted that individuals who contest elections will often build a forminal organisation within their electorate. Yet, because this organisation supports an individual who seeks support from the electorate as one independent of political parties, such an organisation cannot easily be classed as a political party.

Nationally, and in NSW and Victoria, governments have established registers of political parties. Parties so registered are entitled to certain advantages, such as having their candidates identified by party affiliation on ballot papers and, where it exists, to electoral funding. In return, they have to provide financial and other details to the supervising authorities. However, parties are not obliged to register and not all will do so. Registration provides no legal identity and larger parties will seek this elsewhere as companies limited by guarantee or incorporated associations. Large parties and those which contest Senate as well as state elections will register with the Commonwealth Electoral Commission and relevant state authorities where they exist. Registers of political parties are public documents. However, a list compiled from Commonwealth, NSW and Victorian registrations, even if scrutinised to remove possible double counting, would be an incomplete guide to political parties in Australia.

ASIC Class 8482: Community Organisations nec

Corresponds to ICNPO Group 1.3 Service Clubs

Group 5.1 Environment

Group 5.2 Animals

Group 7.1 Civic and Advocacy  
Organisations

And to part of Group 6.1 Economic, Social  
and Community Development

The rider to the ASIC detailed classification make it perfectly clear: this class consists of organisations that are formed to promote community or sectional interests but which do not fit in the welfare, business, political parties, entertainment or sport and recreation classes. ASIC lists examples: Accident prevention, automobile associations, consumer associations, pensioner associations, ratepayer associations, taxpayer associations, societies to prevent cruelty to animals. To these could be added: environment groups, community service organisations, progress associations, resident action groups, neighbourhood watch groups, ethnic associations, returned service organisations.

Boundaries with the related classes are fuzzy. Most ratepayer associations are active at the time of local government elections and often stand or endorse candidates: should they therefore be classed as political parties? The RSL state branches provide aged persons



accommodation: should the branch or only the establishments be included in the welfare industry? Should the scouts be included here or under welfare or sport or education? The ABS has decision rules on these questions which are not always convincing and may differ from decision rules applied by other national statistical agencies.

Although some organisations in this class receive government support, most do not. And although the RSPCA is given a legislative authority, no organisations in this class are required to register or be licensed by a government agency. Some organisations listed as receiving government subsidies under welfare or community service programmes might be more appropriately placed in this class as the provision of that subsidised service might not be their major activity. Many organisations will belong to a national or at least state level peak council, but others will not.

The following list identifies a number of sub-classes of organisations that would fall within this class. In some cases, a government data source or a peak council is available, but in other cases only local knowledge will indicate their existence, although a scan of the yellow pages of the phone directories under such generic headings as Clubs or Organisations and under more specific headings such as Aboriginal Associations, Womens Organisations and Youth Organisations will give some guide to the number and diversity of this class of organisation.

Aboriginal Organisations. Many of these will be incorporated under the special Commonwealth legislation referred to in **Type 2** above. Each state and territory has a government department responsible for aboriginal affairs and the list of the organisations they subsidise can be obtained and could be checked against the list of incorporated bodies. As well, several states have legislation creating aboriginal organisations to take certain management responsibilities, such as land councils in NSW. Aboriginal organisations providing particular services would be classed in other ASIC classes: aboriginal health services in community health centres either medical or paramedical, and aboriginal childcare in welfare and charitable services, but those of which primarily serve a representative function, including land councils, would be counted here.

Animal Protection Associations. The most prominent of these is the RSPCA which exists in each State and Territory. In addition, there are other organisations concerned with the

protection or well-being of animals such as the Animal Welfare League or the Wildlife Information and Rescue Service (WIRES) or ORCA. There is no easy way to complete a list of such bodies, other than by interrogating people involved in the field.

Automobile Associations. Again, in each State there is one large motorist association such as the NRMA in NSW or the RACV in Victoria. Specialist car owners associations are better classed in 9144: Sport and Recreation nec.

Community Services Clubs. There are many thousand community service clubs throughout Australia. They draw members from a specific locality (town or suburb) and meet, usually weekly, for a meal or refreshments and a guest speaker. They raise funds and apply their labour to projects in their community. The most prominent are Rotary, Lions and Apex but quite a few others exist. The first two are international organisations whilst the third is Australian. Rotary is probably the largest group of community service clubs in Australia with 1,100 clubs, but several others would contain almost one thousand clubs each. Rotary was the first such club to start in Australia, beginning just after world war one, fifteen years after it began in the United States. These clubs are in a sense modernised versions of masonic and masonic-like clubs and lodges which began in England in the eighteenth century. These earlier clubs and lodges were secretive and engaged in far more elaborate rituals than their modern counterparts. There are still many masonic lodges in parts of Australia and these must be counted here as well.

Some clubs, such as Apex, have national offices and data on the number of clubs can be obtained from these. Rotary, by contrast is an international body based in the United States. Australia is divided into twenty three districts. Each club registers with the head office but district governors visit each club annually and report to the American head office. Rotary has a South West Pacific branch office in Parramatta and will provide names of district governors, but has no other details of individual clubs. Lions clubs in Australia also report to the United States and via a national office which holds some data. Community service clubs seem wary about providing names of individual clubs for research purposes. Some with national headquarters however, do have a fuller data than those that are international. Apex for example recently completed a survey of its members.

To compile a full list of community service clubs would be very difficult. It would require starting with capital city phone directories (clubs/community services) and identify head office/grand lodge etc, and seek information from them. Some 'groups' of community service associations encourage, even require, their local clubs to incorporate under relevant associations incorporation legislation, others do not. Few clubs, excepting the Masons, own property. They employ staff only at a national and state level. Most individual clubs would not be listed in the phone directory.

Excluded from this sub/class are organisations that primarily provide facilities to their members, that is, those which have club rooms such as the Australia or the Melbourne Club. These are classed with 9243: licensed clubs nec; other clubs such as View clubs have been established by community welfare organisations as fundraising auxiliaries and should probably be classed under 8305: welfare and charitable services.

Consumer Organisations. The best known consumer organisation is the Australian Consumers Association which despite its title, is NSW based although its magazine Choice has a national circulation. There are other state - and industry - specific consumer organisations. The Australian Federation of Consumer Organisations (AFCO) based in Canberra, has a membership of 67 and would be the starting point to identify consumer bodies. State consumer affairs departments also have contact with some consumer bodies but do not appear to create lists of such organisations.

Environment Organisations. The past twenty years has seen a massive growth in organisations concerned to protect and rehabilitate the natural and to a lesser extent the built environment. Some organisations, such as the Australian Conservation Foundation and The National Trust predate this growth. Others such as Greenpeace and the Worldwide Fund For Nature are Australian manifestations of international enterprises, whilst others, such as the Wilderness Society or the South East Forests Alliance are the lasting products of major campaigns to save parts of Australia's environment. In addition to these, there are many hundreds of local environment groups. More recently still, arising from a concern with the degradation of Australian farmland from erosion and salination, have emerged a variety of largely farmer groups, usually titled Land Care or Dune Care or Total Catchment Management groups. They work closely with state

government soil and water conservation departments and seek financial support from a large number of Commonwealth and state government programs.

The Australian Conservation Foundation publishes an occasional directory of environment groups entitled the Green Directory. A 1991/92 directory has recently been published. This is unlikely to be a full listing and many local groups will only be known within local areas. They will mostly have registered their presence with local councils which will be the best place to start to add to the list given in the Green Directory. In some states a peak environment association will exist, such as the Nature Conservation Council in NSW. The membership lists, and knowledge contained within such organisations will also provide useful data.

There is no central register of the various land care and associated groups. Conservation agencies in each state have mailing lists for newsletters which they dispatch to maintain contact with such groups, but these lists are not considered comprehensive. Greening Australia, a national community organisation set up in 1982 as a peak body for a number of other organisations concerned with problem land degradation has details on some other PNFPOs. It has a national office and offices in each state capital.

A number of government agencies make funds available to such groups, but also to local authorities and schools. Each agency retains a record of groups that have been funded. In some cases, these are published in annual reports. The major Commonwealth programs which fund PNFPOs in the environment field are:

National Soil Conservation project, administered by the Department of Primary Industry and Energy.

Murray Darling Basin project, administered by the Murray Darling Basin Commission.

One Billion Trees program, administered by Greening Australia.

Save The Bush program, administered by the Australian National Parks and Wildlife Service.

Some state and territory departments have their own separate funding programs, such as Salt Action in NSW.

Finally, a number of organisations are primarily concerned with protecting aspects of the built environment, though not always to the exclusion of caring for the natural environment. National Trusts, which exist in each state and territory are organisations which are concerned with both the natural and the built environment. Their annual reports are readily available. The Commonwealth government and each state and territory government have grants programs to which community groups concerned with preserving parts of the built environment might apply for support. Nationally, there is the National Estate Grants program administered by the Australian Heritage Commission. The authorities which administer these programs will know of many but by no means all such groups and associations. Like local natural environment groups, others will be known only to local council.

**Ethnic Organisations.** The Department of Immigration, Local Government and Ethnic Affairs (DILGEA) publishes a Directory of Ethnic Community Organisations in Australia. This contains a comprehensive list of ethnic organisations, their addresses and names of their office holders. Unfortunately, the publication is irregular. The most recent edition is for 1989 and, due to budget constraints, no successor is planned. A number of departments of Commonwealth, state and territory governments provide grants to ethnic community organisations. Those for welfare and education programs have already been noted, but each state has an ethnic affairs department or commission or bureau that provides financial support for more general purposes. State arts funding bodies sometimes fund ethnic organisations of a general kind for an arts specific project. Whilst ethnic organisations generally concerned with the well-being of their particular ethnic community would be placed in this class, some with a specific welfare or arts orientation would be classed elsewhere. Some ethnic organisations mentioned in the Directory would be better classed as religious institutions.

Unless the Directory is updated it will become necessary to try and update the information it contains by surveying recent lists of organisations which have been funded by various departments. In each state and territory there are also ethnic communities

councils whose number amongst their members many ethnic community organisations. A national peak body, the Federation of Ethnic Communities Councils (FECCA) is based in Sydney.

**Neighbourhood Watch.** Neighbourhood Watch groups are organised by the Police in cities and large towns around Australia. They are to improve police/community relations and are designed to encourage householders to report to police suspicious activities in their neighbourhood and thus collectively to provide better protection for their property. Many groups are effectively defunct, but others meet occasionally and discuss techniques for better securing their property and neighbourhood. Police departments in each state have lists of neighbourhood watch groups or committees, but up to date lists are more likely to be found at the regional or police district level.

**Pensioner Associations.** A number of organisations exist to represent the interests of older people and most of them depend on the aged pension for their income. The largest of these is the Combined Pensioners Association in NSW which is organised along union lines and whose branches are often built around ex-unionists. There are other associations of people retired from particular occupations such as teaching and the public service. They exist to keep an eye on superannuation entitlements of their members. Other organisations of the elderly also exist, such as VOTE or Voice of the Elderly. These become active especially around election time or when the government makes changes to pension entitlements. Other forms of pensions and benefits generate organisational advocates: the War Widows Association, the Association of Civilian Widows, the Council for the Single Mother and her Child, the Unemployed Peoples Union to name several. Some of these have quite extensive branch structures. The Australian Pensioners and Superannuants Federation is the national peak body for aged pensioner and superannuants organisations, and some other organisations. Some other organisations belong to the Australian or state Councils of Social Service.

**Progress Associations.** These are formed by groups of residents to discuss matters of concern and, usually, to make representations to local councils or other government authorities. They were more common earlier in the century when they were concerned to win roads, transport services and other public facilities to the neighbourhood. They still exist, especially in rural areas on the outskirts of expanding cities and are as likely to be

concerned with 'blocking progress' in the form of residential subdivision or the removal of public services. The only way of discovering their existence is via local authorities.

Resident Action Groups. This form of organisation was more common in the 1970s. Resident action groups (RAGs) were usually formed to oppose developments such as freeways or large scale housing projects which involved the destruction of large swathes of existing housing. It is a form of organisation which hardly seems to exist now. Only a survey of local authorities could determine if it is entirely extinct.

Ratepayers Associations. Another form of local action groups usually formed to oppose increases in council rates or what is seen as 'profligate spending' by local councils. They are more likely to be active around local elections. There is no peak body for such associations and only by polling local authorities could their number be determined.

Returned Service Organisations. Australians have fought all their wars overseas. Wars, especially the first and the second world wars and the Vietnam war have had a powerful impact on Australian culture and society. There are many organisations of ex-service men and women. The best known is the Returned Services League or RSL which has thousands of sub-branches spread throughout suburbs and towns of Australia. These are distinct managerially from the licensed RSL clubs which are counted in Class 9243: Licensed Clubs nec and from RSL Retirement Villages or Nursing Homes which are classed in 8305: Welfare and Charitable Services nec or 8143: Nursing Homes. Basic details of the RSL can be obtained from State branches in each capital city or from the National headquarters in Canberra. In addition to the RSL there are many hundreds of unit associations. These are formed from among members of army unit or ship or airforce squadron and exist mainly to organise their members participation in Anzac Day marches and subsequent reunions. They also provide a loose support network for members that fall on hard times or for widows. Generally, RSL state branches have some record of most associations that remain active. The daily papers on Anzac Day often carry details of unit reunions.

Tenants Associations. A few tenants associations have been formed, mainly among tenants of public housing authorities. There are usually peak bodies of larger State

capitals; alternatively, names of tenants unions can be obtained from State housing departments.

## ASIC DIVISION L: RECREATION, PERSONAL AND OTHER SERVICES

### ASIC SUB-DIVISION 91: ENTERTAINMENT AND RECREATION SERVICES

#### ASIC Group 913: Entertainment

Corresponds to part of ICNPO 1.1 Culture and the Arts

This group contains many classes: Motion Picture Production; Motion Picture Film Hiring; Motion Picture Theatres; Radio Stations; Television Stations; Live Theatre, Orchestras and Bands; Creative Arts; and Entertainment nec (including agricultural shows, circuses and rodeos). Only a few of these classes are likely to have PNFPOs.

As was noted and discussed under ASIC Group 825 above, this industry group is usually linked with libraries, museums and galleries to form a cultural industry. The ambitious project of the Statistical Advisory Group of the Cultural Minister's Council to describe data and sources on this industry was outlined there.

Some of the data on organisations in some of the other 'sectors' of this industry is more amenable to disaggregation into PNFPOs and government organisations than are museums and libraries. For example, drawing on data and estimates developed by government funding bodies, and some private surveys conducted in the 1980s, it was reported that there were seven independent professional orchestras, 39 orchestras and chamber groups, above 300 performing choirs, 30 opera companies, 200 theatre groups, 60 dance companies and 75 public radio stations (a total of over 700 organisations) operating in Australia in 1990 (Cultural Ministers Council, 1990). All but three or four of these are PNFPOs.

List of organisations funded by government bodies such as the Australia Council, the Australian Film Commission, Australian Heritage Commission and state and territory arts ministers can be obtained from annual reports of these bodies. However, these lists do



not clearly distinguish between local government and PNFPOs. Of potentially greater value will be data collected by questionnaire from all bodies funded by state and territory agencies and included in the National Culture and Leisure Industry Directory and Database (NCLIDD); potentially, because at present it does not seek to distinguish if organisations are PNFPOs or not. This data is also limited by the fact that only a minority of PNFPOs receive government subsidies. In any year the list of applications for subsidies far exceeds the number of subsidies given. There is no comprehensive and reliable source of data on PNFPOs in this industry group. Only in the radio and television classes is there good data, a product of the Commonwealth government's regulatory role in this industry. The Australian Broadcasting Tribunal licences all radio and television stations and publishes data on them in its annual report. This data separately identifies public radio stations, all of which are PNFPOs.

#### ASIC Group 914: Sport and Recreation

##### ASIC Class 9141: Parks and Zoological Gardens

Corresponds to part of ICNPO Group 1.1 Culture and the Arts

Corresponds to part of ICNPO 5.1 Environment

##### ASIC Class 9142: Lotteries

##### ASIC Class 9143: Gambling Services

These three (of four classes) in the Sport and Recreation Group do not contain any PNFPOs in Australia. Although many PNFPOs organise lotteries and gambling as fundraising ventures, this is not their primary purpose. Parks and Gardens are exclusively the responsibility of National, State and Local governments or authorities established by them. Most of the 150 zoological and marine parks and aquariums in Australia (Cultural Ministers Council, 1990) are private but for-profit.

##### ASIC Class 9144: Sport and Recreation nec

Corresponds to part of ICNPO Group 1.2: Recreation

ASIC describes this class as consisting of establishments providing sporting and recreation facilities and sporting clubs which do not own licensed club facilities. Most sporting and

recreation facilities in Australia are provided and maintained by government, especially local government. This is particularly true of outdoor facilities whilst the facilities for some indoor sports such as squash are provided and maintained by for-profit companies.

But in addition to facilities, some form of collective action, generally through a club, is a necessary or an important condition of almost all sport and recreation pursuits. Clubs are necessary for the playing of team sports such as football or competitive sports and games such as athletics or bridge. Clubs are the usual vehicle for encouraging and facilitating the participation by others in particular enthusiasms, whether it be growing native plants or hang gliding. Regulatory bodies are needed to set rules, to ensure they are compiled with and to apply penalties when they are infringed. With the exception of a handful of major league football clubs, all sport and recreation clubs and associations are all PNFPOs.

There are about ten data sources on sport and recreation organisations in Australia that can be accessed without too much difficulty. They contain details of only a minority of sport and recreation organisations.

There are three publications which can be consulted. One is the Australian Sports Directory, published annually by the Australian Sports Commission in Canberra. It lists the names of national sports organisations and estimates of the number of their participants. The first edition of an Australian Sports Source Directory was published by Step A Head Promotions in South Australia in 1990. It provides names and addresses of many national and state level sporting bodies. Finally, a list of gymnasias can be obtained from the Australian Fitness Directory Annual, published by the Fitness leader Network in Cremorne, NSW. Some of the organisations listed in this are PNFPOs but they are not identified as such.

The Australian government, through its Sports Commission, and each state and territory government, provide funds to many sporting and recreation organisations. Lists of these are published in the annual reports of relevant departments. In addition, departments are prepared to make addresses and some other details available. In NSW and South Australia they also are prepared to make available financial data. For the most part, however, data is stored manually and is held only on organisations that successfully apply

for funds. NSW, Victoria and South Australia only fund state level sport and recreation organisations, except for one-off capital grants. In Queensland, Tasmania and the Northern Territory, the local sporting and recreation groups are also eligible to apply. The Queensland Department of Youth, Tourism, Sport and Recreation maintains a data base on all sport and recreation organisations in Queensland. New organisations are added by regional staff of the department each year at the time and at the time of their general meeting, all organisations in the data base are sent a request for their new office holders. South Australia tries to maintain a data file on all recreation (but not sporting) clubs in the state.

Generally, in each state, animal racing clubs are handled differently to other sporting bodies. The social prestige of the AJC or the VRC may have something to do with this, but mainly it is because they organise races on which betting is both legitimate and a major source of state revenue through turnover tax on bookmakers and through a heavy tax on state run Totaliser Agency Boards (TABs). Scrutiny is therefore close and the clubs themselves receive a return on revenue raised.

Some sports are organised at a state and territory level. Local clubs are in effect branches of state bodies; in other cases, the state level organisation is a co-ordinating body only; each club is clearly autonomous. To identify local clubs and determine their status, it is necessary to contact state level bodies listed in the annual reports or data bases of the state departments (usually the national bodies listed by the Australian Sports Commission will only have names and addresses of state level bodies). Recreational pursuits which involve the breeding of animals, may receive sport and recreation department support occasionally but others are more likely to be known to state agricultural departments or to the organisers of annual agricultural shows which are held in each capital city and many regional centres.

Some recreational pursuits do not seek or obtain government support. Some will be known to staff of local authorities but the identity of others will require searches of phone directories and a good eye for the variety of human enthusiasms.

## ASIC SUBDIVISION 92: RESTAURANTS, HOTELS AND CLUBS

### ASIC Group 924: Clubs

Corresponds to ICNPO Group 1.2 Recreation & Social Clubs

This group consists of the following classes: 92413 Licensed Bowling Clubs; 9242 Licensed Golf Clubs; 9243 Licensed Clubs nec; and 9244 Non-licensed Clubs nec.

Membership of the first three classes is clear: clubs with licensed premises. Many of these are sporting clubs. In some sports, e.g. rugby league, the organisation and management of the sporting club is separate from the associated social club; in others, such as golf or yachting, it is not. Should an organisation be counted then under Sport and Recreation or as a Club? The ABS rule is clear. If a sporting organisation has a licensed premises or if it employs club room staff, it is counted in this group rather than in the sport and recreation group.

Sources of data are relatively easily obtained on these three classes, either from the relevant state licensing authorities (such as the Liquor Administration Board in NSW) or by contact with the major peak organisation which represents the clubs, such as the Registered and Licensed Clubs Association of Australia and its various state affiliates, such as the Licensed Clubs Association of NSW or the Western Australian Licensed Sporting and Community Clubs Association. In turn, most of these have affiliated associations, such as the NSW Registered Leagues Club Association and the NSW RSL Clubs Association. Not all registered clubs belong to each major state peak body. The NSW Association covers 90% of the 1,556 registered clubs in NSW.

Membership of the fourth class in this group is more difficult to identify. Generally, what distinguishes PNFPOs belonging to this group is that they have premises where convivial socialising is the main activity. Usually, successful socialising requires the availability of alcoholic beverages and thus a liquor licence. This last class consists of PNFPOs which are not licensed but which have clubroom facilities large enough and sufficiently patronised to require them to employ staff. We have not been able to identify any such organisations.

#### **Type 5: Identification and Sampling from limited geographical areas.**

This is not a type of data source, but a method for collecting some data from which

reliable national estimates of number and activity and characteristics of all Australian PNFPOs can be derived. It relies on expanding the scope, but modifying the methodology of the approach taken by the Social Welfare Research Centre (SWRC) in 1981 to estimate the number of non-government welfare organisations in Australia. This approach was briefly described in Section A of this paper. The SWRC surveyed a sample of non-government welfare organisations drawn from a total population of such organisations identified in a sample of local government areas throughout Australia. The study undertaken by Lester Salamon for the Urban Institute utilised a similar approach but was not designed to enable a rigorous national estimate to be made from the areas studied.

The method would be to draw a sample from local government areas (LGAs) from the more than 800 LGAs Australia wide. The sample could be stratified by state/territory and by type of local authority, following the typology developed by Professor C.P. Harris (and utilised by the SWRC study). It would then be necessary to identify all PNFPOs in each of the sampled LGAs. It would be necessary to identify all PNFPOs that have an address in the LGA - either because they had an establishment there or, in the case of very small clubs, drew their main membership and office holders from within the LGA. All that would be required would be names and addresses (precise details of what it did or whether it was autonomous or a branch of a statewide organisation could be determined by a questionnaire later). A large sample could then be drawn of all these organisations which would then be sent a short questionnaire (alternatively details could be collected by phone or direct contact within the LGA). To generalise from details collected in this manner to the whole population could be done by assuming the PNFPOs are evenly spread throughout each type of LGA by state/territory on a population basis. The one difficult LGA type will be those covering the central business district and its adjacent suburbs in each capital city. It is here that most state-wide or peak organisations will be found. It would be necessary to include each CBD LGA in the study and to sample from it separately. The mistake made by the SWRC study was to treat CBD LGAs as other LGAs. They included most in their sample but assumed that non-government welfare organisations were distributed evenly throughout the whole population. The inclusion of several CBD LGAs with far higher numbers of organisations to population than other LGAs led to a considerable overestimation of the number of non-government welfare organisations in Australia overall.

To work effectively, this approach depends upon a comprehensive identification of PNFPOs in a limited number of LGAs around Australia. This will require recruiting and training researchers in or easily able to access each LGA mentioned in this sample. These researchers would then need to utilise a large number of local data sources but also local networks to discover the range of PNFPOs that operate there. Various state government employees (welfare officers, school teachers) will be one source of information but the staff of the local authority and its associated organisations, such as local libraries, will be the best source. Some local authorities maintain quite extensive data on local community organisations which they publish as community service directories. Where these exist it will be a great help for the researcher, but many of the sampled LGAs will not provide that ready assistance. This approach would be quite expensive to pursue but would produce a more accurate estimate than any of the data sources described above in this section.

## **SECTION C: CONCLUSION, ESTIMATES AND A WAY FORWARD**

### **Conclusion**

It is clear that Australian data sources on PNFPOs are patchy. As a consequence, we do not know a great deal about PNFPOs in this country. What we do know makes it clear that they play an important role in Australia's society, economy and polity. We also know that governments rely on them and rely on them increasingly. Yet, public policy cannot be well informed in the absence of reliable knowledge. If research on this important class of organisation is to proceed, it will be necessary to improve the quality of data available. The two government authorities best placed to act and act co-operatively to achieve this end, are the ABS and the ATO. The ATO should require all organisations seeking exemption from income tax under Section 23 of the Income Tax Assessment Act to register and renew their registration every three years. Proof of this registration should be required by financial institutions before they exempt the organisations from the operation of the interest withholding tax. The ATO should be able to utilise their greatly enhanced computer system (CATO) to maintain a file on these organisations. With proper security to ensure privacy, this file could be sampled by researchers to produce data in the manner of the IRS data on 501 (C) organisations in the USA.

Alternatively, responsibility for the task of maintaining and making accessible a register of PNFPOs could be passed to the ABS. The ABS could either use the ATO file to construct a separate data file on PNFPOs which it should on a tri-annual basis sample and make available information which it collects. Alternatively, the ABS could treat that tax generated name file in the same manner as the data passed on by the ATO of organisations completing group certificates and add it to its business register, after applying tests to eliminate double counting. If it were to do this (and even if it did nothing else), it is essential that ABS adjust the confusing ill-defined TOLO classification. There are several legal forms that are exclusively available to PNFPOs. They are company limited by guarantee, incorporated association, co-operative and friendly society, registered union or employer associations. Only some of these appear as TOLOs. Four additional categories should be added. One for PNFPOs which have a legal identity created by a variety of other sources: by own legislation, special legislation applying to a

special class of organisation (such as aboriginal organisations), or by sponsorship by an organisation which has its own special legal identity created by a separate Act of Parliament, such as a religious denomination. Secondly, a separate classification for non-profit companies should be created for non-profit companies and associations currently allocated to the Limited Companies or Other Companies groups which could remain exclusively for for-profit organisations. A separate category for non-profit Trusts should also be created. The fourth separate category should be for unincorporated PNFPOs ( or unincorporated associations).

At present, organisations are allocated to TOLO on the basis of their title. They are then allocated to an industry class on the basis of information supplied by a simple questionnaire. It would be sensible to use that questionnaire to seek information on the organisations legal type as well and to allocate to TOLO classification on that basis. If the ABS were to go down that track it would mean expanding the business register to encompass organisations that do not employ people. At present, because the register is constructed from information supplied by the ATO of organisations which supply group certificates (and thus employ people), it is limited to such organisations. Yet a great many organisations that fulfil an important social purpose are entirely staffed by volunteers and so do not appear in the Register. It might be said that such organisations have absolutely no economic impact and are therefore of no interest. That would be wrong in both premise and conclusion. All such organisations have some income and expenditure even if it is not on staff wages. Even if one wished to avoid the hoary problem of whether unpaid labour should be excluded from economic statistics, these organisations still have an albeit small economic impact. More importantly, they have an important social impact and are equally deserving of being included in national data collections for this reason. The ASIC recognises the importance of these organisations; it is sensible that the business register also record their existence. The Business Register in turn, might be better named the Australian Organisational Register.

But until the ABS (with the help of the ATO) improves the quality of its data on PNFPOs, the best, readily available source is the files of the Australian Securities Commission and various state and territory authorities which register incorporated associations, co-operatives, friendly societies and industrial bodies. This data has the



advantage of being fairly readily available and of fairly good quality. It is limited by the fact that many PNFPOs do not seek legal identity or do so indirectly via church sponsorship. Details of organisations sponsored by the major churches are available in the case of some churches but mostly are not. So any attempt to count and classify PNFPOs via this route would at best be a partial one.

Data held by government departments that fund or (occasionally) license PNFPOs has a number of serious drawbacks. The sources are diverse and numerous and much of the data is held at a programme level and thus even each government department has a number of separate and frequently overlapping data sources. More importantly, there is no way of determining what percentage of PNFPOs in a particular industry is being subsidised by a government programme or programmes. In only a very few cases is data comprehensive, either because all organisations must be licensed or all receive funds. Schooling, childcare, hospitals and nursing homes, registered or licensed clubs and public radio are the few fields where this is true, but even here government records do not always seek clearly to distinguish PNFPOs from for-profit and from other government organisations (especially local government). In a few rare cases, government departments have made reliable attempts to develop lists of organisations in a particular field. The directory of ethnic organisations is one such example (but one which is likely not to be repeated) as is the directory of sport and recreation organisations in Queensland.

Peak bodies for PNFPOs involved in different industry classes or sub-classes are numerous. Most organisations operate locally or regionally, a few at a state level and even fewer in several states. Very few operate nationally or internationally. As a consequence, most peak bodies are at a state level; national peak organisations often consist of state peaks, sometimes with a few other organisations that operate across several states. Many organisations do not belong to peak bodies. The industries where membership is most likely to be comprehensive are precisely those classes where government records are most thorough.

### **How Many?**

In Section B above, some estimates of numbers of PNFPOs held by different data sources have been provided. In some cases, such as the number of incorporated associations, this data is reasonably reliable; in other cases, the figure given has involved extrapolating

from limited but relatively reliable data. Below, this data is collected to give a minimum estimate of the number of PNFPOs in Australia. In order to avoid or severely limited the risk of double counting, the estimate is based on types of incorporation to which are added organisations which are not usually formally incorporated but which are distinct one from the other, and for which there is some data on which to base estimates. This process fails to account for many thousands of small organisations but it is a small start to the task of developing a statistical profile of private and not-for-profit organisations in Australia. It should be noted that incorporated associations are by definition management units and may contain many different establishments which are not counted here whilst the last two categories (church parishes or congregations and community service clubs) are all separate establishments but some of them may, under a more rigorous definition, be counted as part of a single management unit.

Companies limited by guarantee		8644
Incorporated associations		77552
Co-operatives		3600
Friendly societies		200
Aboriginal associations		1208
Unions/employer bodies		700
Church parishes/congregations	c	10000
Community service clubs	c	<u>5000</u>
		108000

It seems highly likely that the total number of PNFPOs in Australia is at least 150,000.

**A Way Forward**

Data on PNFPOs which have obtained a legal identity by incorporation is reliable and relatively easily obtained. What we do not know is what percentage of PNFPOs are unincorporated. Except for church-sponsored organisations, some of which are quite large, it is reasonable to assume that most organisations which do not incorporate are small, local organisations. As indicated above, some local authorities have developed quite extensive data on local organisations. These are regularly updated and published under such titles as Community Services Register. If a sample of these were obtained

and if details of incorporated associations operating in those LGAs could be obtained (a fairly good approximation could be made using postcodes), then each data source could be used to test the reliability of the other. It would be sensible to do this one state or territory at a time.

The first step would be to determine for each LGA whether the list of PNFPOs was comprehensive. This would require two tests. The first would determine whether any PNFPOs in the list of incorporated associations or co-operatives or companies limited by guarantee which operated in that LGA were omitted from the local listing. The second would be to review various local sources (including phone books) to ascertain if any unincorporated PNFPOs had been omitted. This might well occur because the LGA listing was not interested in a particular industry. Other sources of reliable government data, such as lists of schools or registered clubs, could also be called on to test the reliability of the local data. From these two tests, the percentage of PNFPOs in that particular LGA that were unincorporated could be determined. If such estimates could be obtained for say 10% of LGAs within a state, then that would enable a clear indication overall of numbers of PNFPOs in that state to be estimated. Finally, it should then be possible to sample the full listing of PNFPOs in those LGAs, to obtain basic data about purpose, expenditure and staffing and in turn to estimate PNFPO contribution to different basic industry classes and ICNPO groups for the state.

It will, however, be necessary to treat organisations located in the central business district of each capital city separately. Most of these will be state or national peak bodies or large organisations. It is unlikely that a council directory, if one existed, of the central business district would record them on a list of community services organisations. It is likely that most of them will be incorporated. This, however, needs to be determined. They, at least, are nearly all likely to obtain some financial support from government departments interested in their industry sector and a reasonably full list of such organisations could be compiled from state and territory departmental sources. Their numbers should be added to the estimates for the state calculated by the method outlined above.

At some point a decision would have to be taken as to whether it is establishments or management units which are being counted. The John Hopkins University cross national

study is interested in establishments and ASIC is designed to record establishments. However, it is management units which are incorporated. Nonetheless, the number of incorporated management units which have multiple establishments is relatively few and these establishments should be picked up in local directories and treated similarly to unincorporated associations. Thus, this method seems best suited to estimating the number of PNFPO establishments classifying them into industry classes. A survey sample of incorporated associations might help clarify how many units have multiple establishments and whether that could be used to develop estimates for numbers of PNFPO management units and establishments.

Even so, this process will not be easy. It will, however, be a little easier than the more elaborate but reliable method outlined in Data Source **Type 5** above; it is also likely that it could be completed before ABS improves the quality of the data it collects.

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