



AUSTRALIAN CHARITIES INVOLVED OVERSEAS 2014



Australian Charities and Not-for-Profits Commission

The Australian Charities and Not-for-Profits Commission (ACNC) is Australia's national charity regulator. Registered charities are required to provide the ACNC with an Annual Information Statement comprising up-to-date corporate governance and financial data. The ACNC has commissioned the Centre for Social Impact (CSI) at the University of New South Wales (UNSW) to analyse the data and provide reports for distribution to the sector and the broader Australian community. This closes the feedback loop for charities required to provide data and provides empirically-based insights into Australia's charities.

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Suggested citation

Cortis, N. Lee, I., Reeve, R., and Simnett, R. (2016) Australian Charities Involved Overseas 2014. Centre for Social Impact and Social Policy Research Centre, UNSW Australia.

Additional resources

<http://australiancharities.acnc.gov.au/>

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Acknowledgements

The research team acknowledges the impressive expertise, commitment and support of the project advisory team including Susan Pascoe AM, Ross Gillott, Susie Cotterill, Benjamin Rashid and Mary Sayers (VCOSS). This report has also benefited from guidance from Denise Cauchi (Diaspora Action Australia), Leanne Newick (DFAT), Simon Miller (Save the Children), Sari Baird (Oxfam), and Sophie Green (Australian Council for International Development). Text for Section 2 was provided by the ACNC.

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Abbreviations

ABN	Australian Business Number
ABR	Australian Business Register
ACFID	Australian Council for International Development
ACNC	Australian Charities and Not-for-profits Commission
AIS	Annual Information Statement
ATO	Australian Taxation Office
AusAID	Australian Agency for International Development
CSI	Centre for Social Impact
DGR	Deductible Gift Recipient
NPI	Non-Profit Institutions
ORIC	Office of the Registrar of Indigenous Corporations
PBI	Public Benevolent Institution
SPRC	Social Policy Research Centre



EXECUTIVE SUMMARY

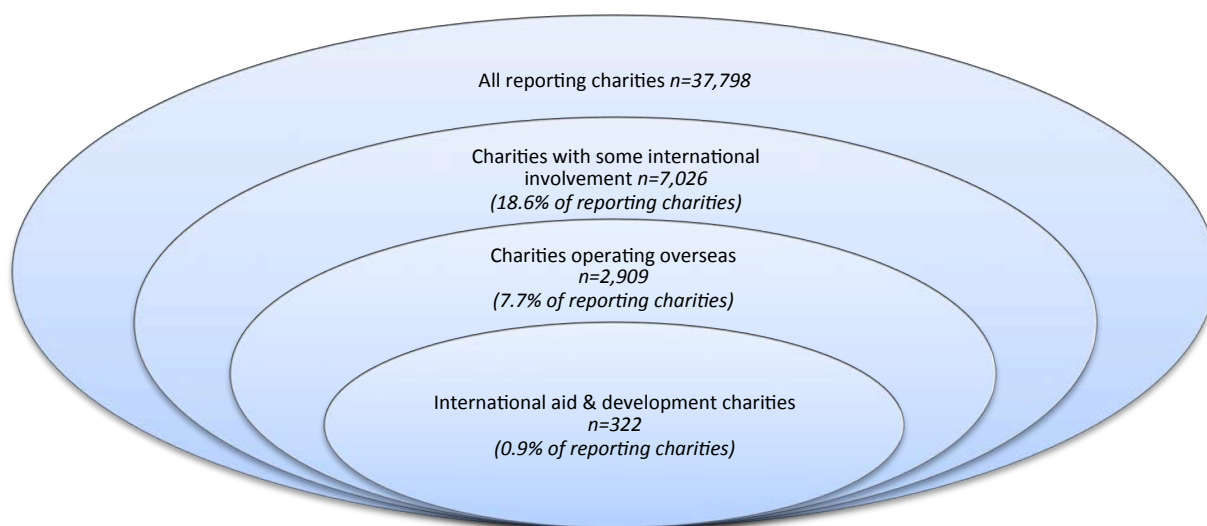
In 2014, 18.6% of Australia’s charities had some kind of involvement in another country. Around 7.7% of charities operated in at least one other country, and 13.3% had beneficiaries overseas. Australia’s charities made donations and grants of \$1.1 billion for use outside Australia.

This report provides aggregate level information about the characteristics, activities and resources of Australian charities which had some involvement overseas in 2014. Most information has been drawn from the 2014 Annual Information Statements (AIS) collected by the Australian Charities and Not-for-profits Commission (ACNC). The report provides information for three nested groups of charities with international involvement and compares these to the wider charity sector. The three groups are:

- Charities with some international involvement;
- Charities which operated in another country; and
- Charities which had an international aid and development focus.

This is depicted in the graphic below. By providing information about different groups of charities involved overseas, the report provides unprecedented detail about the international involvement of Australia’s charities, and can provide the basis for monitoring change over time.

Categories of charities in this report



Summary of method

A unique dataset

The information comes from a specially constructed dataset drawn primarily from data reported by charities to the ACNC as part of the 2014 Annual Information Statements. The dataset consists of information lodged by 37,798 charities to the ACNC before 31 July 2015, which was matched to each charity’s registration information. For the first time, the AIS collected detailed information about charities’ incomes, expenditures and assets. The dataset also includes information drawn from the charities’ records held on the Australian Business Register (ABR). This information was matched to charity registration details and AIS data using Australian Business Numbers (ABNs). The research team has worked with the ACNC to clean the dataset and handle potential errors, to ensure the data provides the most accurate and comprehensive information.¹

¹ Data are, however, self-reported and may contain some errors despite the best efforts of the ACNC and research team to handle errors and clean the dataset. Notwithstanding, the dataset provides the most accurate and comprehensive information currently available about Australia’s charities.



The 2014 data complements other information about charities involved overseas, including information drawn from ACNC data for 2013, when around 15% of charities reported being involved overseas in some way (Knight and Gilchrist, 2015). For 2014, the inclusion of financial information allows for a slightly wider definition of involvement overseas. As such, this report also included expenditure data to define charities with some international involvement, as charities were required to report the level of grants or donations made for use outside Australia. This information was not captured in 2013 data. As such, the definition of charities involved overseas used in 2014 is wider than in 2013. However, although the data is not directly comparable some key indicators are provided for 2013, using a dataset which includes late reporters so is larger (n=49,293) and more comprehensive than the dataset used by Knight and Gilchrist (2015) (which contained 38,341 records).

Defining charities involved overseas

Australian charities are involved in other countries in a range of ways. For some charities, international activities may be a relatively small part of their work, for example funding initiatives overseas, or conducting research through international partners. Others have established operations in other countries, such as schools, churches or country offices. There are also a small group of Australian charities who are highly focused on international aid and development activities, and who raise money in Australia and remit this directly to other countries to help alleviate poverty and achieve other charitable purposes.

This report attempts to capture the range of ways Australian charities may be involved overseas, and describe the characteristics of charities involved overseas in various ways. To do this, it provides information for three nested categories of charities involved overseas: those with any involvement overseas, those operating overseas, and those with an international aid and development focus. A list of the largest charities in each of these categories is provided in Appendix A: Supplementary Material, see Figure A.1. This reflects how the largest charities in each category are likely to be involved in a mix of domestic and international activities. For some of the largest charities involved overseas, such as universities, international activity may be a relatively minor focus of their work. Even some of the large international aid and development charities, for example the Australian Red Cross, have significant domestic activities, alongside their overseas involvement, which may influence aggregate financial information.

Three categories of charities involved overseas

In 2014, there were 7,026 charities which had some form of international involvement (18.6% of all reporting charities). This large category captures many charities which may not normally be thought of as 'international charities', including some universities and hospitals, for which the international activities are relatively small parts of their overall operations. Because the data are reported for the whole organisation, it is not possible to work out the level of income, expenditure, or the numbers of employees or volunteers involved in charities' international or domestic activities. However, in recognition of how Australian charities may be involved overseas in a multitude of ways and to varying extents, we also examine two subsets of charities with international involvement: those which operated in another country (2,909 charities or 7.7% of reporting charities), and the small group of charities operating overseas which had an aid and development focus (322 charities (or 0.9% of reporting charities)). Definitions for these three categories of Australian charities involved overseas are as follows:

1. **Charities with some international involvement:** This includes all charities with any kind of international involvement, including those whose 'main' or 'other' activity types included international activities, those which operated overseas, those who provided grants overseas, and those whose beneficiaries included 'communities overseas' (n=7,026). It is not possible to distinguish levels of international compared with domestic involvement for these charities. However, as discussed above, for many charities in this group, international involvement is likely to constitute a relatively small part of their activities.
2. **Charities with overseas operations:** This group includes charities which, when asked where their charity operated during the 2014 reporting period, included 'overseas/outside Australia'. This group of charities with overseas operations is a subset of charities with some international involvement (n=2,909).



3. **International aid and development charities:** International aid and development charities are defined as those which had overseas operations and were either a member of the Australian Council for International Development (the coordinating body for non-government overseas aid and international development organisations in Australia), or reported that their main activity was international. This is a subset of those charities which operated overseas (n=322).

As charities reporting to the ACNC are registered in Australia, charities in each group had some domestic organisational structure or operations alongside their international involvement. Because data are reported for the whole organisation, it is not possible to establish the level of charities' international and domestic involvement. However, charities in the category of international aid and development charities, which is a subset of those which operate overseas, can be expected to have the strongest focus on international activities, alongside some Australian operations and activities.

Key findings

Number of charities involved overseas

In 2014, there were 7,026 Australian charities with some kind of involvement overseas. There were 2,909 charities which reported having some operations outside Australia (7.7%). This is a larger proportion than reported operating overseas in 2013. In 2013, 6.3% of charities reported operating overseas (based on the 38,341 charities used by Knight and Gilchrist, 2015) although this figure can be revised down slightly to 6.1%, based on our analysis of the updated 2013 dataset, which captures charities which reported later (n=49,293).

Size of charities involved overseas

Compared with the sector as a whole, slightly higher proportions of charities with some international involvement were small (annual incomes of less than \$250,000) or medium (incomes between \$250,000 and \$1 million). However, 225 charities involved overseas were very large, having incomes of over \$10 million. Among international aid and development charities, there were both higher than average proportions of charities with incomes over \$10 million, and higher than average proportions of very small charities, which reported incomes under \$50,000.

Locations of Australian charities overseas

Location of operations

Australia's charities operated in 215 countries as well as Australia. Most commonly, charities operating outside Australia were operating in India (471 charities), the Philippines (407), as well as in Australia's neighbouring countries of New Zealand (339), Papua New Guinea (330) and Indonesia (307). The region which Australia's charities most commonly operated overseas was South East Asia (1,210 charities), while 864 operated in the Pacific. Among international aid and development charities, the most common countries of operation were India (76 charities), Cambodia (72), and the Philippines (69).

Main business address in Australia

The distribution of Australian charities involved overseas across Australian states and territories resembles the sector as a whole. However, relatively high proportions of international aid and development charities were based in NSW or Victoria. As a proportion of all charities registered in each state, there were relatively high proportions of charities involved overseas which were registered in the ACT and South Australia. In these two jurisdictions, almost a quarter of charities had some international involvement (compared with 18.6% nation-wide). Charities based in Tasmania and the Northern Territory were the least likely to have any international involvement.

Charities involved overseas perform a range of activities

Charities involved overseas are engaged in the full range of charitable activities, including religion, health, education, social services, culture and recreation, environmental activities, and grant-making. As for the wider sector, the most common main activity among charities with some international involvement was religious. More than half of charities with some international involvement reported their main activity was religious (54.3%), although this figure was smaller for charities which operated



outside Australia (44.7%). Very few international aid and development charities said their main activity was religious (0.6%), with 82% of this smaller group of charities reporting that their main activity was 'international'.

Australian charities involved overseas have a range of beneficiaries

As would be expected, the most common group helped by Australian charities involved overseas was 'communities overseas'. This was selected by over 70% of charities with some international involvement, and 95.7% of those that had an aid and development focus. Reflecting how Australian charities involved overseas were also pursuing their mission in Australia, 64.2% of those with some international involvement included the general community in Australia among their beneficiaries.

Compared with all Australian charities, relatively high proportions of charities involved overseas included women and children among their beneficiaries. More than 3 in 5 charities with some international involvement said their activities helped women (60.7%) compared to 2 in 5 charities overall (40.9%). Almost half of charities with some international involvement helped children (47.3%) compared with 37.6% of all Australian charities. More than half of charities with an international aid and development focus reported that they helped children (56.5%).

Another notable finding relates to disasters. While 5.6% of all charities included victims of disasters among their beneficiaries, this was much higher among Australia's charities which were involved overseas: 17.7% of charities with some international involvement reported helping victims of disasters.

Charitable purpose

Of the twelve charitable purposes listed under the *Charities Act 2013*, the most common purpose among Australia's charities with some international involvement was 'advancing religion', consistent with the high proportion of this group of charities that reported that their main activity was religious. After 'advancing religion', the next most common purpose was 'advancing education', and 'advancing social or public welfare'. This was similar for the subset of charities which operated overseas. However, among charities with an international aid and development focus, the most commonly reported charitable purpose was advancing social or public welfare. Relatively high proportions of international aid and development charities also had a purpose of 'advancing education' and 'advancing health'.

Many charities with international involvement provided free-text descriptions of how they achieve their purpose which were similar to the wider population of charities. Others specified international purposes, activities and impact alongside domestic activities. A smaller group of charities described achieving their purpose in ways that reflected their close focus on particular international areas or causes, with disaster relief being a common theme.

Structure of Australian charities involved overseas

Overall, the structures of charities with some international involvement were fairly similar to all charities, with most being either other incorporated or other unincorporated entities. However, higher proportions of charities involved overseas were public companies (companies limited by guarantee), and this was particularly the case among the smaller group of charities which had an international aid and development focus. Among this group, 37.6% were public companies, compared with 16.4% of charities with some international involvement and 12.5% of all charities. International aid and development charities were also more likely to be designated as Public Benevolent Institutions than other charities.



DGR status

Charities with some international involvement were less likely than other charities to have DGR status. However, this was not the case for the subgroup of international aid and development charities, more than half of which had DGR status (50.6%) compared with 29.3% of all charities with some international involvement and 40.4% of all charities. As for the wider charitable sector, the proportion of charities involved overseas which had DGR status increased with size.

Paid staff

Charities which were focused on international aid and development had 38.4 paid staff on average, making them larger (in terms of staff numbers) than the average charity. International aid and development charities were also more likely to employ staff on a full time basis than other charities. As in the wider charitable sector, many charities involved overseas performed activities without paid staff. This was the case for around 2 in 5 charities with some kind of international involvement, and around half of international aid and development charities.

Support from volunteers

Nine in ten charities with some international involvement reported having support from volunteers in 2014 (89.9%), which was higher than the figure for all charities (83.4%). The vast majority of charities with an international aid and development focus had volunteers involved (97.1%). Compared with all charities, higher proportions of charities with some kind of international involvement had both employees and volunteers.

Income

Charities with an international aid and development focus received, on average, \$8.5 million in income, which supported their international and domestic activities. This income was concentrated among a relatively small number of charities. Around half of income reported by international aid and development charities came from government grants (51.8%), and more than a third was from donations (35.6%). Donations, on average, accounted for a relatively higher proportion of total income in smaller aid and development charities.

Expenditure

Australian charities collected around \$1.1 billion in donations and grants for use outside Australia. As a proportion of their total income, international aid and development charities spent more, on average, on donations and grants for use outside Australia compared with charities which operated overseas, and those with any kind of international involvement. More than a quarter of total spending by international aid and development charities went on donations and grants overseas (28.5%) compared with 4.4% among the wider group of charities involved overseas.

Financial status in 2014

While measures derived from AIS data cannot give a definitive picture of charities' financial status, they suggest that more than half of charities with some international involvement spent within 20% of their income for the reporting period, and a little over a quarter (26.9%) operated within 5% of their income. Large charities with international involvement were more likely than others to operate within 5% of their income in the period.

Assets

When charities' assets were assessed against their liabilities, 83.8% of those with some international involvement (and 79.9% of aid and development charities) had liabilities which were within 50% of the value of their assets. This may be considered an indicator of a low risk position. Around half of charities with some international involvement (51.0%) had assets which would cover more than 1 year of expenses, at 2014 levels. However, this was much lower for international aid and development charities. Only 26.8% of aid and development charities had assets which would cover their expenses for a year or more.



Reporting

International aid and development charities reported higher reporting obligations than other charities, in terms of the average number of hours spent on additional reporting, suggesting this group is more closely monitored than other charities involved overseas, and all Australian charities. Large international aid and development charities reported the highest burden, in terms of average hours spent on additional reporting.



1. INTRODUCTION

This report explores the characteristics of Australia's charities which have some involvement overseas. Like charities operating within Australia, Australia's charities involved overseas perform a range of activities, including activities relating to health and social service delivery, religion, environmental and other activities. While some charities operate and perform activities overseas, others may fundraise in Australia and provide grants for use overseas. As charities registered in Australia, charities involved overseas also operate domestically. As explained below, data is reported for three nested groups of charities, in recognition of how Australian charities may be involved overseas in a multitude of ways and to varying extents.

Background and context

Australian charities involved overseas are important in the context of the ACNC's regulatory role. A key focus of the ACNC is to maintain trust and confidence and to support charities to be sustainable. In the context of charities involved overseas, ACNC pursues these goals by promoting due diligence and good governance, including where charities' international involvement exposes them to particular regulatory issues and risks. One set of risks relates to charities' international transfers of money. As the ACNC has pointed out,² when sending money overseas, charities may risk their funds being diverted or misused, even where they are working with local organisations with similar charitable purposes. The Financial Action Task Force recently identified that funds sent overseas by Australia's charities may be at risk of being misused,³ and argued that these risks should be addressed as part of an agenda to combat money laundering, terrorist financing and related threats (FATF and APG, 2015).

ACNC regulation, reporting obligations and governance standards seek to reduce risks for charities involved overseas. ACNC strategies to help ensure that charitable funds and resources are not inadvertently directed towards non-charitable purposes are discussed in Section 2.

In addition, a number of non-government organisations focused on aid and international development are members of the peak body for non-government aid and development organisations, the Australian Council for International Development (ACFID). ACFID enacts its founding mission "to reduce poverty and inequity within and between nations and champion the human rights of the poorest people in the world", and emphasises governance and accountability among members (ACFID, 2015). All ACFID members sign up to the ACFID Code of Conduct (the ACFID Code). Along with the ACNC governance standards, the ACFID Code promotes good practice and aims to improve international development outcomes and increase stakeholder trust by enhancing transparency and accountability of the members. The code sets out over 50 principles and 150 obligations linked to shared values of accountability in terms of good practice for effective aid and development, ethical and transparent public engagement, and requirements for governance, management and financial controls. While the Code of Conduct started as a voluntary Code of Ethics in 1986, compliance became mandatory for non-government organisations wishing to access AusAID funding from 1997.⁴ From 2013 to 2016 ACFID has had a partnership agreement with the Australian Agency for International Development (AusAID) aimed at working together for effectiveness and impact, sustainability, reduced risk and shared accountability, efficiency and value for money, and diversity and innovation.⁵

Like these extensive initiatives aimed at strengthening international non-government organisations, this report is also aimed at promoting transparency and accountability of charities involved overseas, by providing new evidence to the ACNC, sector and general public about the nature of overseas involvement among Australia's charities. As described below, it provides new information about Australia's charities which are involved overseas, drawn from ACNC registration data and charities'

² https://www.acnc.gov.au/ACNC/FTS/Overseas_charities.aspx

³ Ways charities' funds could be misused include through disguising international funds transfers to high-risk regions, co-mingling of humanitarian aid and funds raised to finance terrorism, and the diversion or siphoning of legitimate funds by or to terrorist groups after the funds arrive in the destination country.

⁴ See https://acfid.asn.au/sites/site.acfid/files/resource_document/Code-of-Conduct-History-summary.pdf

⁵ https://acfid.asn.au/sites/site.acfid/files/resource_document/AusAID-ACFID-Partnership-MOU-20-March-2013.pdf



Annual Information Statements provided to the ACNC for 2014. This information is unique, and provides a more nuanced picture of Australian charities involved overseas than has previously been available.

Defining charities involved overseas from the AIS data

Given the complexity of charities' involvement overseas, we provide information for three nested groups of charities involved overseas.

1. **Charities with some international involvement:** The broadest category includes all charities with international involvement of some kind in the reporting period (n=7,026). This category includes charities which reported any of the following for 2014 and constitutes a relatively large group (18.6%) of Australia's charities:
 - Charities that reported that 'international activities' were either the charity's 'main' or one of their 'other' activity types;
 - Charities that reported having operations in at least one other country during the 2014 reporting period;
 - Charities that reported that 'communities overseas' were among those helped by the charity's activities in the 2014 reporting period;
 - Charities that reported in their AIS income statement that any amount of money was spent on 'grants and donations made by the registered entity for use outside Australia'.

As income data were collected for the first time in the 2014 AIS, the inclusion of this category in the definition combined with our inclusion of charities who selected international activities as their 'other activities' means it is slightly wider than that used to analyse Australian charities involved overseas using 2013 data (see Knight and Gilchrist (2015)).⁶ Further, because it includes all charities with any kind or level of international involvement, it includes some charities which have significant domestic operations alongside their international involvement, and which are not usually considered 'international charities', including some universities and hospitals. For many charities in this group, international involvement is likely to constitute a relatively small part of their activities.

2. **Charities with overseas operations:** A second category includes only those charities which reported that they operated overseas during the 2014 period. This is a subset of those with some international involvement (n=2,909). This group constitutes around 7.7% of Australia's charities and 41.4% of charities with some overseas involvement. It is important to note that as charities registered in Australia, the overseas operations of these charities occurred in addition to their domestic activities or involvement.
3. **Charities focused on international aid and development:** A third, and smaller category, captures those charities with an international aid and development focus, that is, a focus on activities to address global justice and poverty issues (n=322). This group is defined as those charities which had overseas operations in the 2014 reporting period (these charities may also have significant operations within Australia), and which were either:
 - full members of the Australian Council for International Development (ACFID),⁷ or
 - reported that their main activity for 2014 was 'international'.

ACFID members include a range of diverse NGOs, of varied sizes and focused on a range of aid and development issues and geographic areas. However, they have common values related to human rights, justice, sustainability, accountability and transparency. In 2014, ACFID members implemented over 3000 aid and development programs in 90 countries, including those focused on health, education, disaster prevention and relief, humanitarian aid and government and civil society development. Because of the focus of ACFID members on these international activities, they are the

⁶ In estimating that 15% of charities were involved overseas, Knight and Gilchrist (2015) excluded "those charities whose only indication of overseas involvement was choosing international activities as one of their 'other activities'". Charities performing international activities but not as their main activities were included in the larger group under our definition (charities with some international involvement) but would not be included in the subgroups of charities involved overseas, on the basis of their definitions.

⁷ Lists of full members and affiliate members are made publicly available by ACFID, for example in their Strategic Plans, see ACFID (2015).



basis for the definition of international aid and development charities. However, due to the small number of ACFID members (125) relative to the charitable sector as a whole, they are supplemented with charities operating overseas whose main activity was international.

Analysis of data for these categories provides a nuanced picture of Australian charities involved overseas, accounting for key differences in the nature of their overseas operations and activities. However, it is important to note that as charities were registered in Australia, charities in each group had some domestic organisational structure or operations alongside their international involvement. Because data is reported for the whole organisation, it is not possible to establish the level of charities' international and domestic involvement. However, charities in the category of international aid and development charities, which is a subset of those which operate overseas, can be expected to have the strongest focus on international activities, alongside some Australian operations and activities. A list of the largest charities in each of these categories is provided in Appendix A: Supplementary Material, see Figure A.1. Data, such as aggregate income, expenditure, and workforce figures, can be expected to be swayed by figures reported by these large charities.

Report series

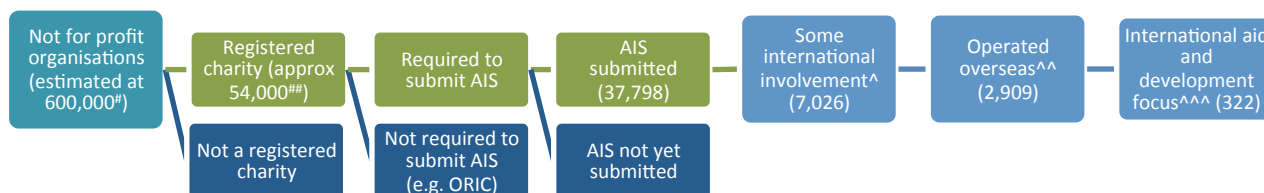
The report should be read alongside companion reports, produced by the Centre for Social Impact and Social Policy Research Centre for the ACNC. These also draw on AIS data for 2014 and provide additional detail about Australia's charities which provides helpful background to this report. The main report in the series is *Australia's Charities Report 2014* (Cortis et al., 2015b), which provides a comprehensive overview of all charities reporting to the ACNC. Other reports in the series focus on *Australia's Disability Charities 2014* (see Cortis et al. (2015a)) and *Australian Charities and Red Tape 2014* (Reeve et al., 2016).

Data sources

As mentioned above, the information in this report comes from a specially constructed data set. Information is drawn primarily from the 2014 Annual Information Statements (AIS) provided by 37,798 charities to the ACNC before 31 July 2015, matched to each charity's registration information.

Figure 1.1 shows how the analysis focuses on a subset of charities: those registered charities which were required to submit an AIS, did so by the cut-off date, and that were defined as charities with some international involvement, or which operated overseas, or which were identified as having an international aid or development focus. Additional data are also included for 2014 from the Australian Business Register (ABR), matched to registration and AIS data using Australian Business Numbers (ABNs). Datasets were matched by the research team using registered charities' ABNs. ABNs were also used to identify registered charities which were ACFID members, for the purpose of identifying charities with an international aid and development focus.

Figure 1.1 Organisations in focus of this report



Source: Productivity Commission (2010) but note that this is from 2010.## Source: ACNC (2015b). ORIC – Aboriginal and Torres Strait Islander Corporations. ^ Some international involvement defined as charities who either reported international activities among their main or other activity types, operated overseas during the reporting period, reported 'communities overseas' among their beneficiaries, or spent any amount on grants and donations for use outside Australia (where financial information was available). ^^ Charities operating overseas reported operating in any country other than Australia during the reporting period. ^^ Charities were defined as having an international and development focus where they were members of ACFID or reported that their main activity was 'international'. Note that 495 charities reported as 42 groups, where possible their data are included in analysis, but this is limited. Financial data are not reported for a number of charities.



As the AIS information was self-reported, it may contain reporting or data entry errors, which may bias the results of the data analysis. The research team has worked with the ACNC to reduce and handle potential errors, and clean the dataset to ensure the data provide the most accurate and comprehensive information.⁸ A description of data sources and data cleaning is provided in Appendix B: Further methodological details.

Comparisons with Australian Charities 2013

Knight and Gilchrist (2014) published the first report on charities registered with the ACNC. Their report was based on analysis of 38,341 charities on the ACNC Register that had submitted an AIS for 2013 by 30 June 2014. The 2013 and 2014 data are not directly comparable due to the wider definition of overseas involvement possible in 2014 as a result of availability of financial data, and our inclusion of charities that selected international as their other activities. Financial data included information about which organisations provided grants overseas. As this gives a more detailed and accurate picture of the overseas involvement of Australia's charities, this is used for definitional purposes in this 2014 report. However, where possible we include comparison with 2013 AIS data. Where this is done the dataset is larger than that used by Knight and Gilchrist as it was compiled from a dataset which included charities which were late reporters.

Structure of the report

The report is organised into several substantive chapters which explore key characteristics of Australia's charities:

PART 1: This part of the report focuses on describing the three nested subgroups of charities involved overseas

- Regulation of international charities
- How big are Australian charities involved overseas?
- Where are Australian charities involved overseas based?
- In which overseas countries and regions did Australia's charities operate?
- What activities do Australian charities involved overseas perform?
- Who do Australian charities involved overseas help?
- How do Australian charities involved overseas pursue their purpose?
- What legal structures are used by Australian charities involved overseas?
- What are the additional reporting obligations of Australian charities involved overseas?

PART 2: This part of the report focuses more specifically on international aid and development charities, with some comparisons with other charities involved overseas where appropriate

- Who works in Australian charities involved overseas?
- How do Australian charities involved overseas fund their activities?
- How do Australian charities involved overseas allocate their funds?
- Assessing the financial status of Australian charities involved overseas

⁸ Data are, however, self-reported and may contain some errors despite the best efforts of the ACNC and research team to handle errors and clean the dataset. Notwithstanding, the dataset provides the most accurate and comprehensive information currently available about Australia's charities.



PART 1: DESCRIBING AUSTRALIAN CHARITIES INVOLVED OVERSEAS IN 2014

2. REGULATION OF INTERNATIONAL CHARITIES

The ACNC considers charities with international activities to be exposed to a higher risk of funds and resources being misused or diverted for a non-charitable purpose, including terrorism financing or related activities of concern.

The ACNC identifies international activities as:

- making grants and/or donations overseas;
- having overseas operations or activities; and/or
- having overseas beneficiaries.

While most charities operate with integrity and sound governance practices, charities with international activities may need to take extra steps to minimise the risk of being used for terrorism financing or related activities of concern. Partly, the factors that allow charities to achieve outcomes and earn respect from the public also make them vulnerable to being misused for a non-charitable purpose or to fund terrorism activities. The risk is still present even if charities are working with a local organisation that has similar charitable purposes.

The ACNC has increased its activities to raise awareness of the heightened risk in this area. In particular, the ACNC highlights the need for charities with international activities to take reasonable precautions and exercise due diligence to ensure charitable funds and resources are not inadvertently directed towards non-charitable purposes.

The ACNC governance standards require charities to remain charitable, operate lawfully and be run in an accountable and responsible way. Recording information and reporting annually to the ACNC adds to the accountability of registered charities. In reducing the risk of being used for terrorism financing or related areas of concern, charities should:

- have strong governance arrangements (including financial controls, risk management policies and procedures and appropriate due diligence);
- keep appropriate records and report annually to the ACNC;
- have an ongoing practice of reviewing and strengthening internal controls (for example, policies, procedures, delegations of decision-making powers, record management systems, financial management systems and tools); and
- regularly monitor and evaluate their international activities, programs and expenditure.

The ACNC has published guidance, tools and other resources to help charities identify risks and put in place good governance practices and accountability mechanisms to reduce the risks of terrorism, fraud and other forms of abuse or misuse. These resources are available on the ACNC website at acnc.gov.au.

In July 2015, the ACNC held sector briefings in conjunction with the Department of Foreign Affairs and Trade, the Australian Transaction Reports and Analysis Centre, the Australian Federal Police, the Australian Council for International Development and Integritas360, aimed at charities involved overseas. The sector briefings provided charities and their advisors the opportunity to:

- gain new insights about Australian charities working overseas or sending funds overseas, through analysis of ACNC data;
- get an overview of the risks of terrorism financing and corruption;
- learn about sanctions;
- learn about good governance and due diligence with overseas partners; and
- have an opportunity to ask questions during a Q&A panel



Resources from the sector briefings are also available on the ACNC website at acnc.gov.au/sectorbriefings.

ACNC overseas charity project

In November 2015, the ACNC contacted around 130 charities that operated overseas to ask them additional questions about their governance, operations and how they protected the charitable funds they send overseas from being misused. The charities were contacted based on risk factors determined by the ACNC, and so are not necessarily indicative of the larger population of charities involved overseas. 109 charities responded.

The survey results identified that the most common reasons for these charities sending overseas were to cover costs associated with programs operating overseas (55%) and for the purchase of goods (40%).

All of the charities had at least some internal controls in place to reduce the risk of charitable funds sent overseas being used for non-charitable purposes. 41% had a risk register in place to record and monitor risks, and 83% conducted risk assessments in relation to their overseas operations and activities, either before a project began (38%), or more regularly (45%).

The survey also asked charities to self-assess how significant they considered the risk of them inadvertently or otherwise being involved in terrorism financing. 84% believed this risk was either zero or low, with 11% rating the risk as either high or extreme. All of the charities that assessed the risk as either high or extreme had processes in place to mitigate this risk. Overall, 53% of charities had processes in place to mitigate the risk of them becoming involved in terrorism financing.



3. HOW BIG ARE AUSTRALIAN CHARITIES INVOLVED OVERSEAS?

This section describes the size breakdown of Australian charities involved overseas in 2014. Understanding the size of charities helps understand the scale on which they operate, and can be used to monitor changes in the structure and composition of charities involved overseas, and the wider sector of registered charities, over time. Here we use two measures of size, which the AIS captured in different ways:

- a 'basic, self-reported' measure in which charities placed themselves in one of three size categories, and
- a 'detailed financial' measure, based on the financial information captured for the first time in 2014.

Basic measure of charity size

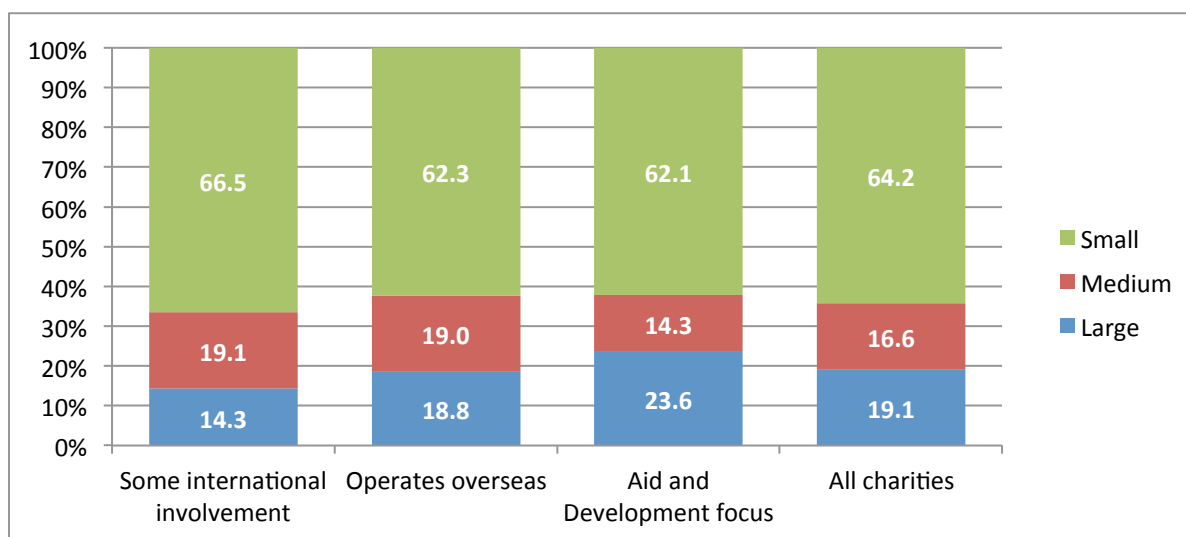
Like in 2013, in 2014 the AIS required charities to self-report which of three size categories they belonged to:

- **Small charity:** annual revenue is less than \$250,000
- **Medium charity:** annual revenue is \$250,000 or more, but less than \$1 million
- **Large charity:** annual revenue is \$1 million or more

This basic measure is the main source of information about size used in this report, as it was answered by all but 28 charities in the full 2014 AIS dataset.⁹

Figure 3.1 shows the proportion of Australian charities involved overseas in each of these three categories. Of the 7,026 charities with some international involvement in the 2014 reporting period, 4673 (66.5%) were defined as small, using the basic size categories, having annual revenue of less than \$250,000. A little over 1,000 charities with some international involvement were large (1,006, or 14.3%) and 1345 (19.1%) were in the medium category. Higher proportions were large among the 2,909 charities which operated overseas in 2014, and among the 322 which had an aid and development focus (18.8% and 23.6% respectively).

Figure 3.1 Size of charities involved overseas and other registered charities (%), 2014



Notes: n=7,024 (some international involvement); n= 2,909 (operates overseas); n= 322 (aid and development charities); n=37,770 (all charities)

⁹ As well as describing annual revenue, this measure is also used for regulatory purposes, as the category selected determines the amount of financial information required by the ACNC. Small charities, along with basic religious charities, did not need to submit financial reports, and basic religious charities did not need to provide any financial information ACNC. (2015b) *Factsheet: Charity size and revenue*. Available at: http://acnc.gov.au/ACNC/FTS/Fact_CharSize.aspx.

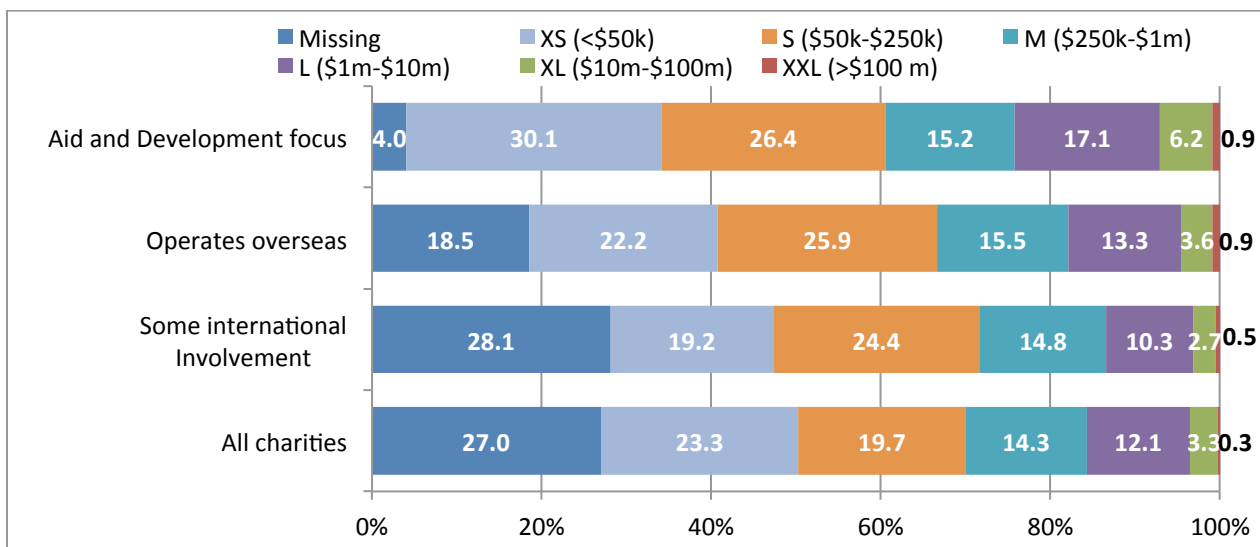


Detailed financial measure of size

The second source of AIS information about size comes from the financial information which was reported by most but not all charities in 2014.¹⁰ These detailed measures, which use six categories that align with the three basic categories discussed above, are sourced from charities' reports of their financial information. This provides more information about the distribution of financial income across the three 'basic' administrative categories. As not all charities were required to report financial information, and as not all had complied with financial reporting requirements by the cut-off date, missing data means this 'detailed measure' is less comprehensive than the 'basic' size categories, and the two measures do not fully align. It is however helpful for demonstrating the wide distributions in income across the three basic categories.

The detailed measure of size shows key differences among categories of charities involved overseas (see Figure 3.2). For those with an aid and development focus, the proportion reporting income was much higher than others (96.0%). However, among charities with an aid and development focus, there was a relatively high proportion of charities in the 'extra small' category (30.1%) compared with the larger groups of charities involved overseas and the sector as a whole. There were also a high proportion of aid and development charities which had incomes above \$10 million in 2014. Indeed, 7.1% of international aid and development charities had incomes in the 'extra large' or 'extra-extra large' categories (above \$10 million), compared with only 3.6% of all charities, and 3.2% of all charities with any kind of overseas involvement (Figure 3.2). However, this equated to a relatively small number of very large charities: 23 international aid and development charities had more than \$10 million in income. Overall, there were 133 charities operating overseas in this high income range. Among all charities with some international involvement, there were 225 with incomes over \$10 million.

Figure 3.2 Size of charities involved overseas using the detailed financial measure, 2014 (%)



Notes: n= 7,026 charities with some international involvement, 2,909 charities with overseas operations, 322 charities with an aid and development focus, and 37,798 (all charities).

¹⁰ Financial information was not included in the first year of the AIS, 2013.



4. WHERE ARE AUSTRALIAN CHARITIES INVOLVED OVERSEAS BASED?

This section examines the location of Australian charities involved overseas in 2014, by assessing where they were based. The indicator used is their registered business address in Australia. This may not reflect the location of their operations, as registered business address may in some cases be an administrative base and may not indicate the location of charities' operations or impact. Notwithstanding, it gives a picture of the distribution of charities across jurisdictions. Information about the countries in which they operate is provided in the following section (see Section 5).

Registered business address

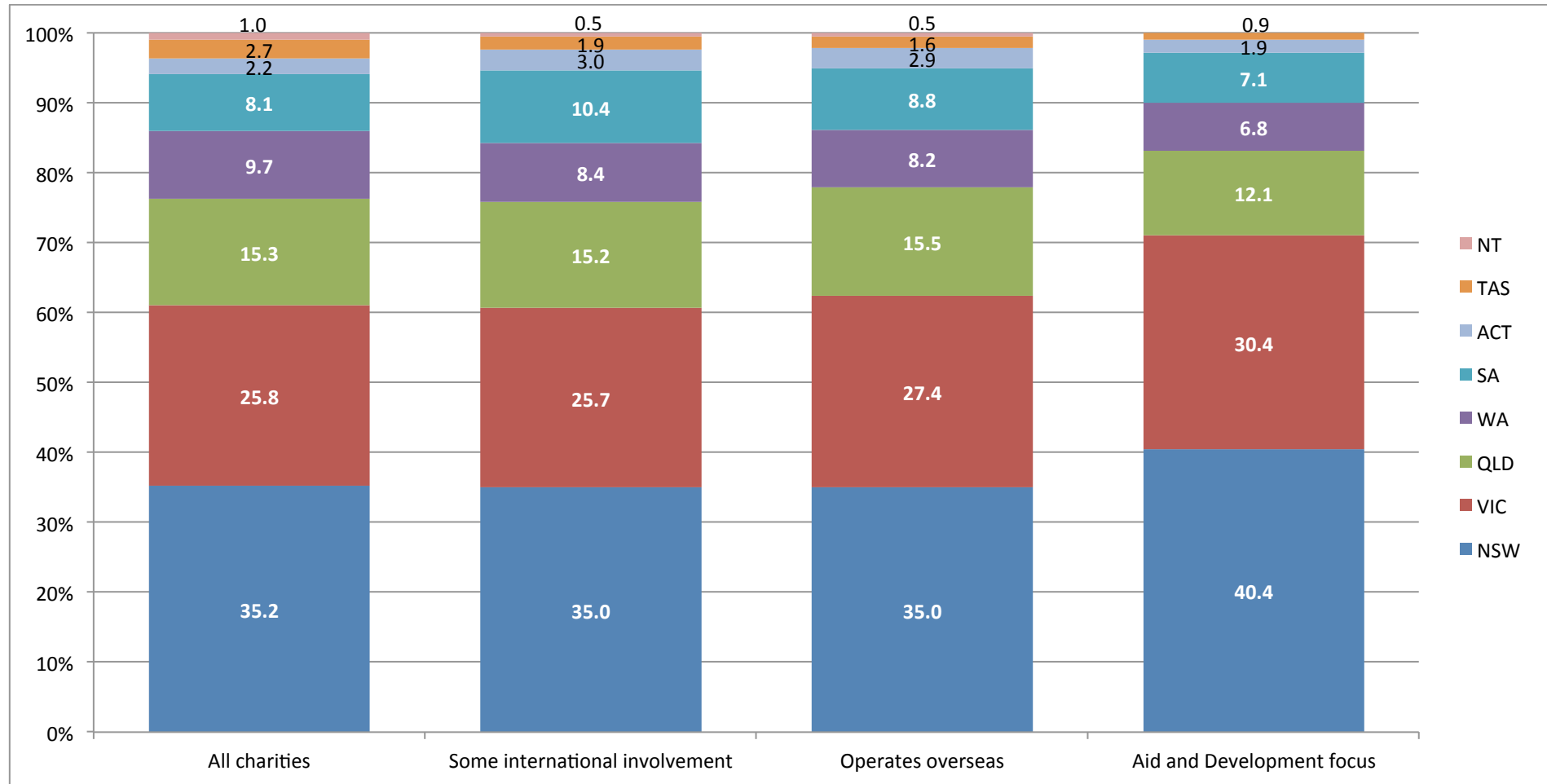
The AIS collected charities' primary business address, including their state and postcode. Around 35.0% of charities with some international involvement were registered in Australia's most populous state, NSW (see Figure 4.1). This figure is comparable to the figure for all charities; in 2014, 35.2% of Australia's charities were based in NSW.

The proportion of charities with overseas operations based in each state was also similar to the trend for all charities. However, the 322 charities which had an aid and development focus were more likely to be based in NSW or Victoria than others. More than 2 in 5 aid and development charities were based in NSW (40.4), while 30.4% were based in Victoria. There were smaller proportions of aid and development charities based in other jurisdictions (see Figure 4.1)

Figure 4.2 shows charities involved overseas as a proportion of all charities registered in each state. Almost a quarter of charities based in the ACT and South Australia had some kind of international involvement (24.6% and 23.8% respectively), compared with 18.6% of charities nation-wide. Charities based in these two states were also slightly more likely than those in other states to have international operations. One in ten charities registered in the ACT had overseas operations (10.0%) as did 8.3% of those in South Australia, compared with 7.7% of all charities. Around 1% of all charities in NSW and Victoria were international aid and development charities, while the figure was lower in all other jurisdictions. Charities based in Tasmania and the Northern Territory were the least likely to have some international involvement.



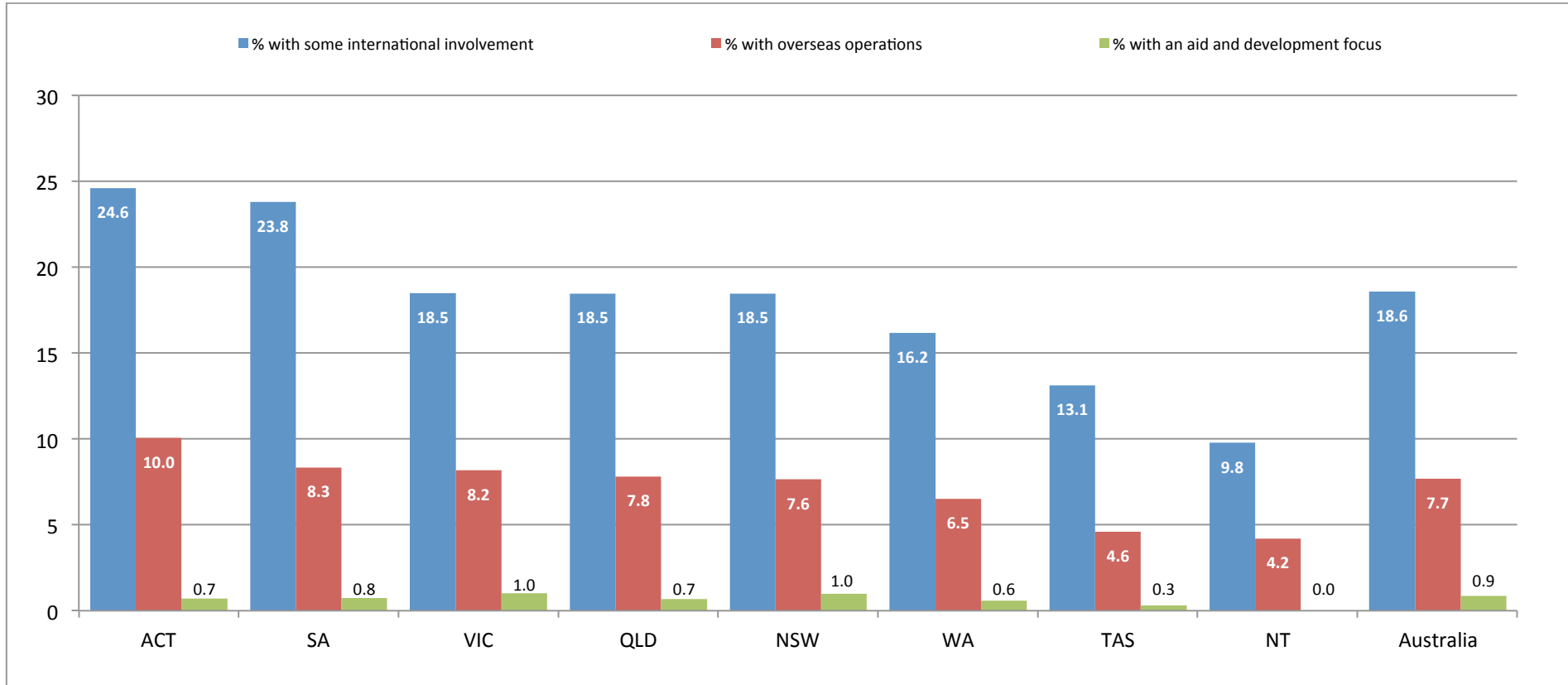
Figure 4.1 Registered business address of charities involved overseas, 2014 (%)



All charities n=37,792; some international involvement n=7,025; Operate overseas n=2,908; Aid and Development n=321; Excludes 6 charities that did not report address.



Figure 4.2 Charities involved overseas as a proportion of all charities based in the state, 2014 (%)



Notes: All charities n=37,792; Some international involvement n=7,025; Operate overseas n=2,908; Aid and Development n=321; Excludes 6 charities that did not report address. For further information see Figure A.2.



5. WHERE DID AUSTRALIA'S CHARITIES OPERATE OVERSEAS?

This section shows that the 2,909 charities which operated outside Australia operated in a wide range of countries in the 2014 reporting period, in addition to Australia. This information is drawn from the question in the AIS which asked where the charity operated during 2014 and, in addition to the Australian States and Territories, provided 'Overseas/outside of Australia' as an option. Charities were then asked to select all overseas countries where the charity conducted activities or helped communities, using a list of countries. Guidance for completing this part of the 2014 AIS asked charities to list each of the countries where they operated, and to include any countries where they had made grants or donations, or sent people to help overseas beneficiaries. This data is limited to whether or not the charity operated in each of these countries, using this definition. It does not indicate the extent or nature of the operations in each country. Of the 2,909 charities which reported operating overseas, 5 did not list their countries of operation so are not included in the analysis below.

Countries of operation

Australia's charities operated in 215 countries, in addition to Australia. A list showing the numbers of charities in each country is in Appendix A: Supplementary Material. On average, charities that operated overseas reported operating in 3.1 countries on average, in addition to Australia. This is slightly more than in 2013 (Knight and Gilchrist, 2015: 21), when charities which operated overseas reported an average of 2.8 countries.

In 2014, more than 1 in 3 (1,056, or 36.4% of charities which operated overseas) operated in more than 1 country other than Australia. Around 1 in 8 charities operating overseas reported operating in more than 5 countries other than Australia (349 charities, or 12.0%).

The countries in which the largest number of Australian charities operated were: India (471 charities, or 16.2% of charities which operated overseas); The Philippines (407 charities, 14.0% of charities operating overseas), and New Zealand (339, 11.7%), Papua New Guinea (330, 11.3%) and Indonesia (307, 10.6% of charities operating overseas). There were also large number of Australia's charities which operated in Cambodia (300 charities, 10.3%), Thailand (271, 9.3%) and the United States (237, 8.1% of charities operating overseas). These are depicted in the map in Figure 5.2, and in Figure 5.3, which provides a list of all countries with more than 75 charities.

There does not appear to be change since 2013 in the most common countries for Australia's charities. In 2013, the most common countries were also India, the Philippines, New Zealand, Papua New Guinea, Indonesia, Cambodia and the United States, (see Knight and Gilchrist, 2015: 21).

Regions of operation

Countries were coded into twenty groups to provide details of charities' regions of operation. Figure 5.1 shows the numbers of charities operating in each region. Note that within each region, charities may have operated in more than one country. The largest numbers of charities were operating in the regions neighbouring Australia: South East Asia,¹¹ (1,210 charities, or 41.6% of all charities operating overseas); and the Pacific¹² (864, or 29.7% of all charities operating overseas) (see Figure 5.1). There were also relatively large numbers of charities operating in the region of Central and South Asia¹³ (719, or 24.7% of charities operating overseas).

¹¹ Brunei; Cambodia; East Timor; Indonesia; Laos; Malaysia; Myanmar; Singapore; Thailand; Vietnam.

¹² American Samoa; Cook Islands; Fiji; French Polynesia; Guam; Kiribati; Marshall Islands; Micronesia; Nauru; New Caledonia; New Zealand; Niue; Northern Mariana Islands; Palau; Papua New Guinea; Pitcairn; Samoa; Solomon Islands; Tokelau; Tonga; Tuvalu; Vanuatu; Wallis and Futuna; Norfolk Island.

¹³ Afghanistan; Bangladesh; Bhutan; India; Maldives; Nepal; Pakistan; Sri Lanka; Kyrgyzstan; Tajikistan; Turkmenistan; and Uzbekistan.



Among charities operating in South East Asia, a little under 1 in 4 were large (24.0%) and more than half were small (56.0%). Among charities operating in the Pacific, 29.3% were large and 48.6% were small. In East Asia (China, Hong Kong, Macao and Taiwan), where there were 262 charities, there was a relatively high proportion of large charities (46.6% were large). In Eastern Africa,¹⁴ where there were 633 charities operating, 20.2% were large, and 60.0% were small.

Figure 5.1 Charities operating in each region, by size (basic category), 2014

	Large		Medium		Small		All	
	n	%	n	%	n	%	n	%
South East Asia	291	24%	241	20%	678	56%	1,210	100%
Pacific	253	29%	191	22%	420	49%	864	100%
Central and South Asia	182	25%	128	18%	409	57%	719	100%
Eastern Africa	128	20%	125	20%	380	60%	633	100%
Western Europe	86	32%	59	22%	126	46%	271	100%
East Asia	122	47%	55	21%	85	32%	262	100%
Northern America	80	31%	55	21%	124	48%	259	100%
Middle East	82	40%	27	13%	98	47%	207	100%
Southern Africa	55	34%	33	20%	75	46%	163	100%
Southern Europe	49	32%	40	26%	66	43%	155	100%
North East Asia	53	37%	41	28%	50	35%	144	100%
West Africa	55	38%	22	15%	66	46%	143	100%
South America	61	44%	27	19%	52	37%	140	100%
Northern Africa	49	41%	24	20%	46	39%	119	100%
Central Africa	37	38%	14	14%	47	48%	98	100%
Central America and Caribbean	29	35%	19	23%	35	42%	83	100%
Northern Europe	22	30%	21	28%	31	42%	74	100%
Eastern Europe	16	27%	14	24%	29	49%	59	100%
Central Europe	17	37%	9	20%	20	43%	46	100%

¹⁴ Burundi; Comoros; Djibouti; Eritrea; Ethiopia; Kenya; Madagascar; Malawi; Mauritius; Mozambique; Reunion; Rwanda; Seychelles; Somalia; Tanzania; Uganda; Zambia; and Zimbabwe.



Figure 5.2 Countries (other than Australia) with more than 10 Australian charities, 2014

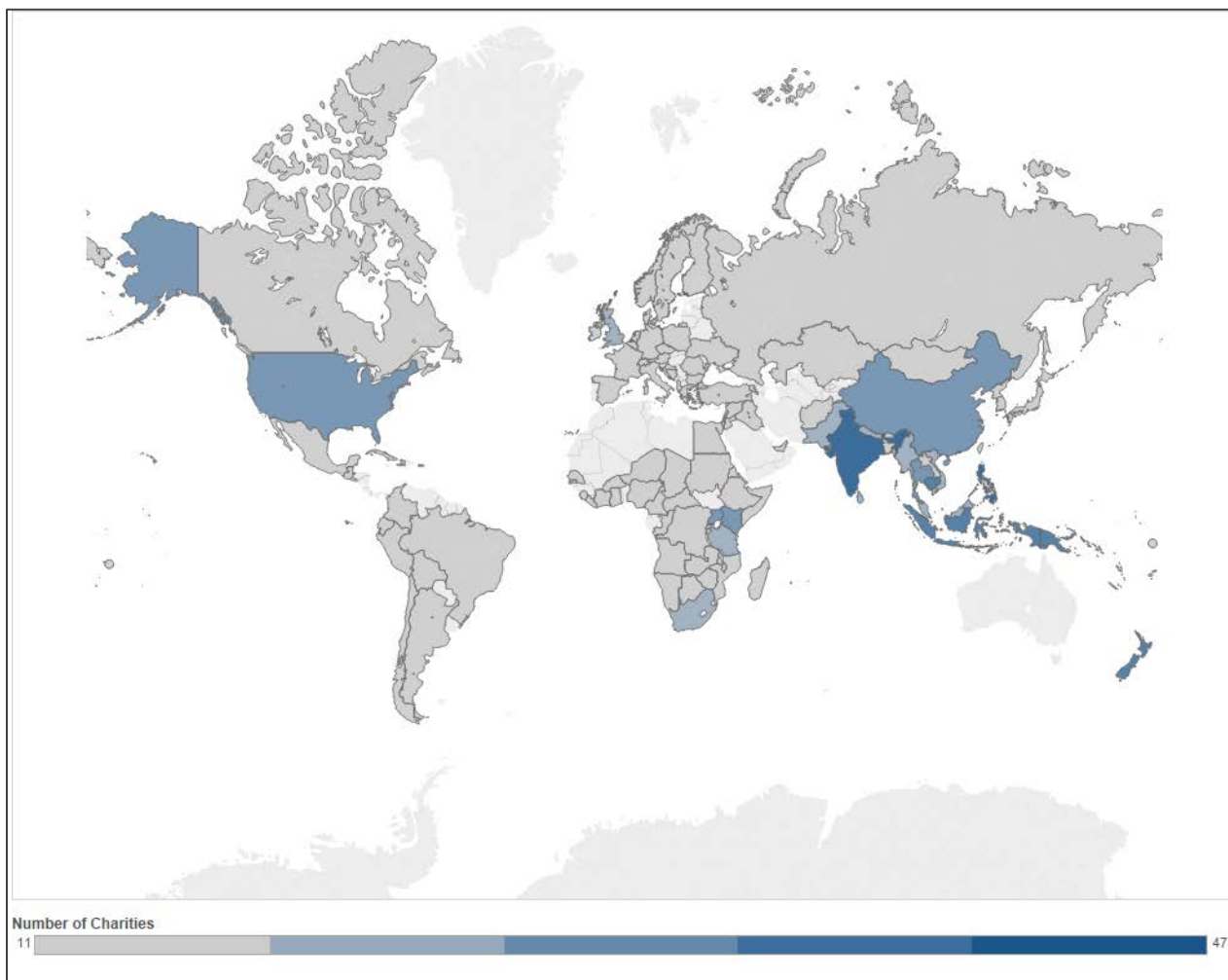
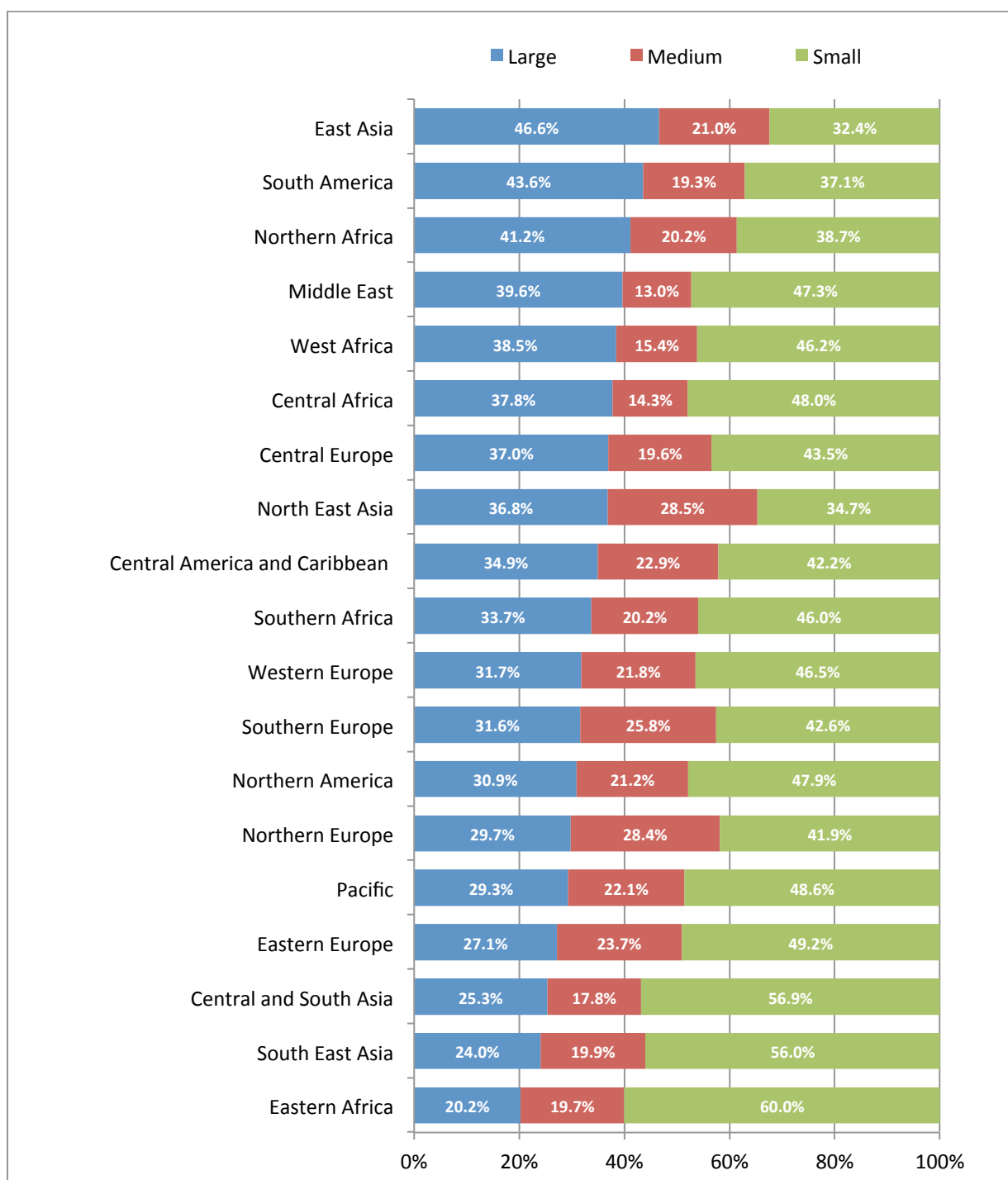


Figure 5.3 Most common countries of operation outside of Australia (more than 75 charities), 2014

Country	Number of charities	Country	Number of charities	Country	Number of charities
India	471	Fiji	194	Singapore	118
Philippines	407	United Kingdom	189	Pakistan	105
New Zealand	339	Vietnam	187	Tanzania	103
Papua New Guinea	330	Vanuatu	178	Zimbabwe	97
Indonesia	307	Nepal	164	Bangladesh	95
Cambodia	300	East Timor	157	Zambia	92
Thailand	271	Solomon Islands	157	Israel	90
United States	237	Myanmar	155	Ethiopia	83
Kenya	211	Sri Lanka	147	Hong Kong	76
Uganda	206	South Africa	134	Japan	76
China	202	Malaysia	124	Sudan	76



Figure 5.4 Charities operating in each region, by size (basic category), 2014

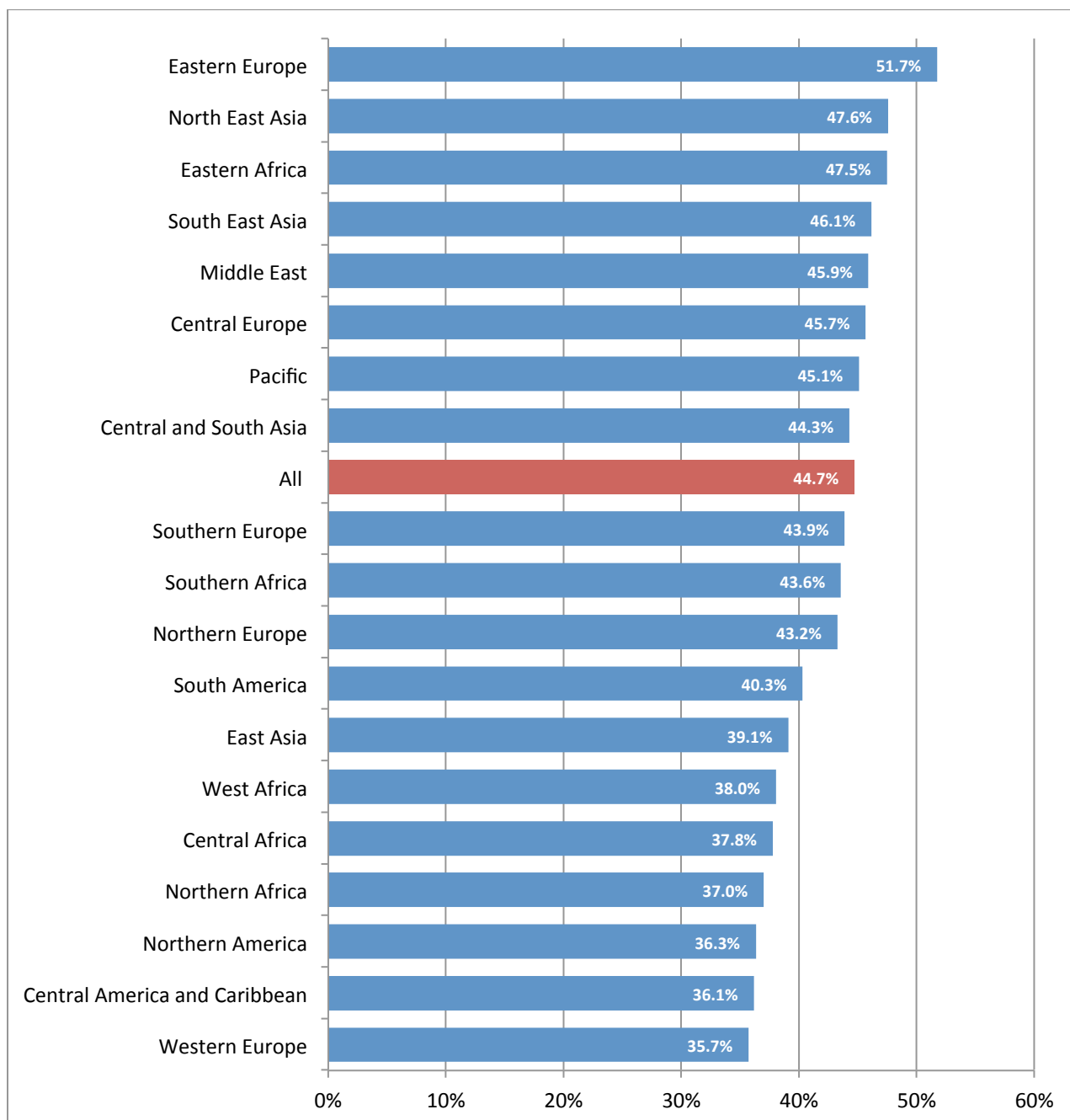


Note: East Asia n=262; South America n=140; Northern Africa n=119; Middle East n=207; West Africa n=143; Central Africa n=98; Central Europe n=46; North East Asia n=144; Central America and Caribbean n=83; Southern Africa n=163; Western Europe n=271; Southern Europe n=155; Northern America n=259; Northern Europe n=74; Pacific n=864; Eastern Europe n=59; Central and South Asia n=719; South East Asia n=1,210; Eastern Africa n=533; Excludes 4 charities with "other" region.



The proportion of charities operating in each region by sector of main activity is shown in Appendix A: Supplementary Material. Charities' most common main activity was 'religion'. The proportion of charities operating in each region which selected 'religion' as their main activity, is shown in Figure 5.5. A little over half in Eastern Europe selected 'religion' as their main activity (51.7%). Relatively small proportions of charities operating in Western Europe (35.7%), Central America and the Caribbean (36.1%), North America (36.3%), and North Africa (37.0%) were mainly religious.

Figure 5.5 Proportion of charities operating in each region whose sector of main activity was 'religion', 2014



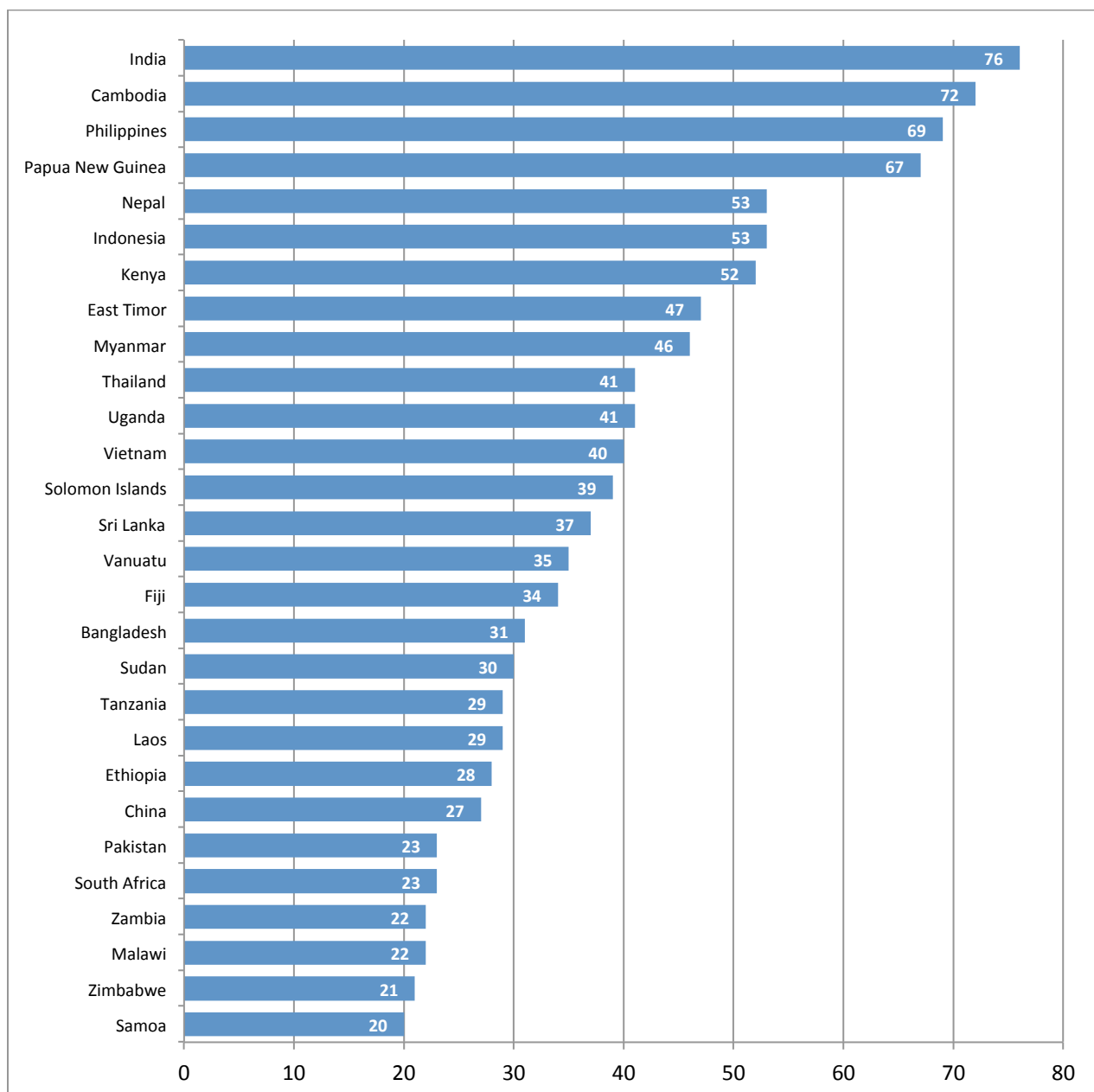
Note: Eastern Europe n=30; Other n=2; North East Asia n=68; Eastern Africa n=298; South East Asia n=555; Middle East n=95; Central Europe n=21; Pacific n=389; Central and South Asia n=317; Southern Europe n=68; Southern Africa n=71; Northern Europe n=32; South America n=56; East Asia n=102; West Africa n=54; Central Africa n=37; Northern Africa n=44; Northern America n=93; Central America and Caribbean n=30; Western Europe n=96; All n=1,301



Countries and regions of operations of international aid and development charities

Compared with other charities operating overseas, the distribution of international aid and development charities across countries differed slightly, with charities operating in a smaller number of countries. The most common countries were India (76 charities, or 23.6% of aid and development charities), Cambodia (72 charities, or 22.4% of aid and development charities), the Philippines (21.4%) and Papua New Guinea (67 charities, 20.8%). A full breakdown of countries in Appendix A: Supplementary Material. Figure 5.6 shows the 28 countries in which there were 20 or more of Australia’s international aid and development charities operating.

Figure 5.6 Countries with 20 or more international aid and development charities, 2014



n=322



Figure 5.7 International aid and development charities operating in each region, 2014

	International aid and development charities	
	n	%
Central America and Caribbean	13	4.0%
Central Africa	25	7.8%
Central and South Asia	130	40.4%
Central Europe	3	0.9%
East Asia	29	9.0%
Eastern Africa	114	35.4%
Eastern Europe	9	2.8%
Middle East	32	9.9%
North East Asia	17	5.3%
Northern Africa	34	10.6%
Northern America	10	3.1%
Northern Europe	5	1.6%
Pacific	92	28.6%
South America	18	5.6%
South East Asia	167	51.9%
Southern Africa	29	9.0%



6. WHAT ACTIVITIES DO AUSTRALIAN CHARITIES INVOLVED OVERSEAS PERFORM?

The AIS asked charities to select their main activities in the reporting period, as well as any general activities they performed. AIS activity areas were based on the International Classification of Non-profit Organisations (ICNPO).¹⁵ In interpreting these data it should be noted that many charities perform a range of activities, and that the relative importance of a 'main activity' and general activities is not evident from the data, and would be likely to differ across charities. Further, there was no limit on how many 'general' activities charities could select. On average, charities which had some international involvement reported 2.0 other general activities, which was higher than for all charities (1.5). A further caveat is that it is not evident which of a charity's activities related to their international involvement; for example, whether their main or other activity was performed overseas. Notwithstanding, the data provides some insight into the nature of activities performed by Australia's charities which had international involvement.

International activities in 2013 and 2014

In both 2013 and 2014, less than 1% of charities reported that 'international activities' were their main activities. International activities were much more commonly selected as a 'general' activity. This is shown in Figure 6.1.

Figure 6.1 Charities which reported having 'international' activities as main & general activities, 2014 (%)

	Main activity was 'international'		'General' activities included 'international'	
	n	%	n	%
2014 (n=37,798)	298	0.8	1435	3.8
2013, updated dataset (n=49,293)	274	0.6	1,943	3.9
2013, as reported in Knight and Gilchrist (2015), (n=38,341)	218	0.6	1,555	4.1

Main activity of charities involved overseas

The data below and the detailed information in Appendix A: Supplementary Material, shows that, as for all charities in Australia, the largest main activity category reported by charities which had some international involvement was religion. More than half of charities involved overseas reported that their main activity was religion (54.3%), which is much higher than for all charities (28.7%). Among those who were operating outside Australia, smaller proportions of charities reported that their main activity was religious (44.7%). Very few aid and development charities had religious main activities (0.6%). Among these charities, the overwhelming majority selected 'international activities' as their main activity (which also reflects the inclusion of international activities in defining this group). Indeed, 82% of Australia's aid and development charities reported that their main activities were 'international'.

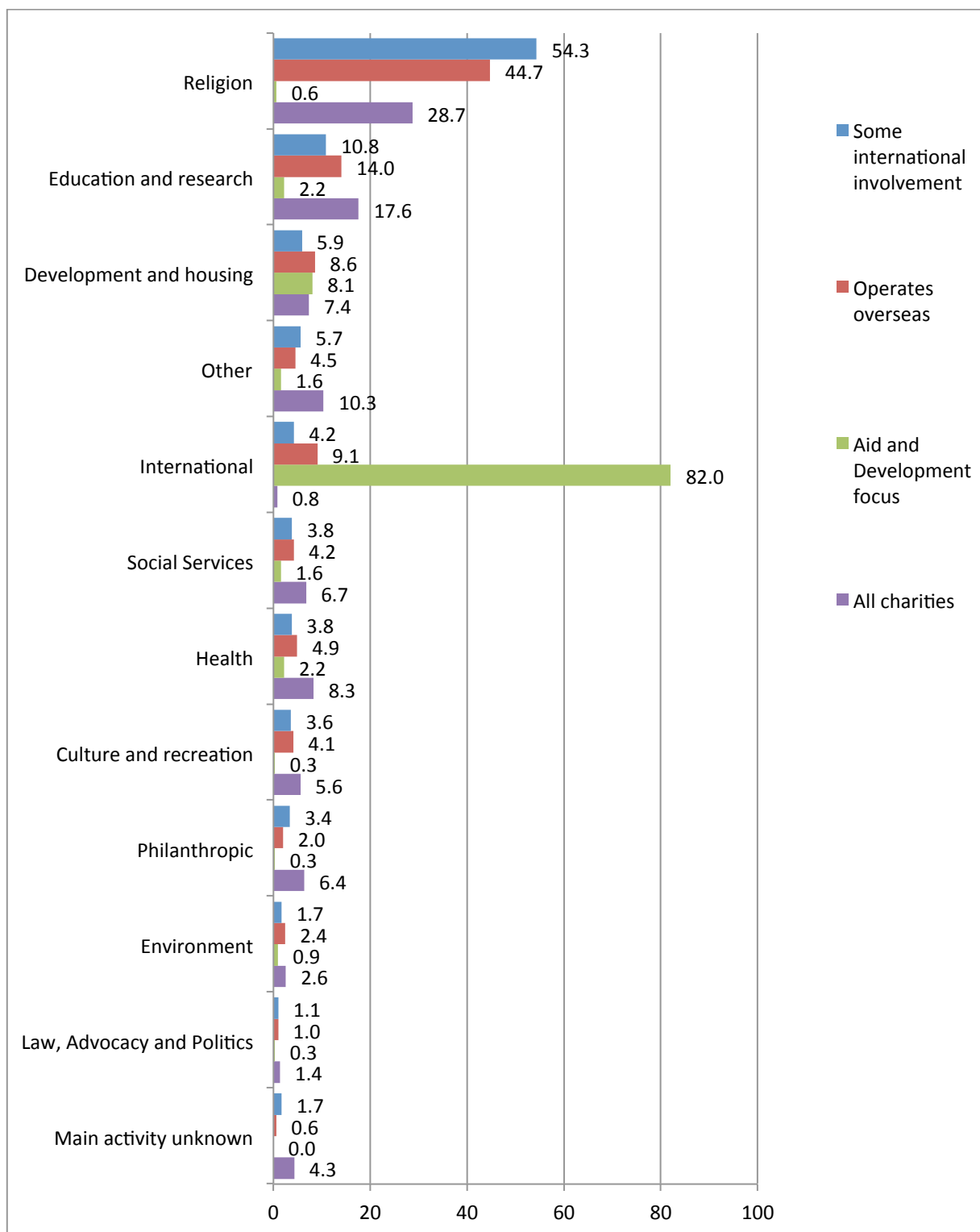
Education and research were relatively common main activities among charities involved overseas. These were the main activity of around 1 in 9 charities with some international involvement (10.8%) and 14% of those with overseas operations. However, while education and research was common among charities with some international involvement, the proportion who reported these as their main activity was lower than for the whole charitable sector. By comparison, 17.6% of Australia's charities had main activities in education and research.

¹⁵ The AIS categories had some minor variations from ICNPO, namely the inclusion of a category for aged care and the exclusion of business and professional associations and unions. The ICNPO category of philanthropic intermediaries and volunteerism promotion was replaced by grant-making activities.



Whereas 0.8% of all charities reported that their main activities were 'international' in 2014, this category was selected by much higher proportions of charities involved overseas, as would be expected. Among those with some international involvement, 4.2% reported their main activities as 'international', as did 9.1% of those operating overseas.

Figure 6.2 Main activities of charities involved overseas, 2014 (%)



Note: Some international involvement n=7,026; Operates overseas n=2,909; Aid and Development focus n=322; All charities n=37,798

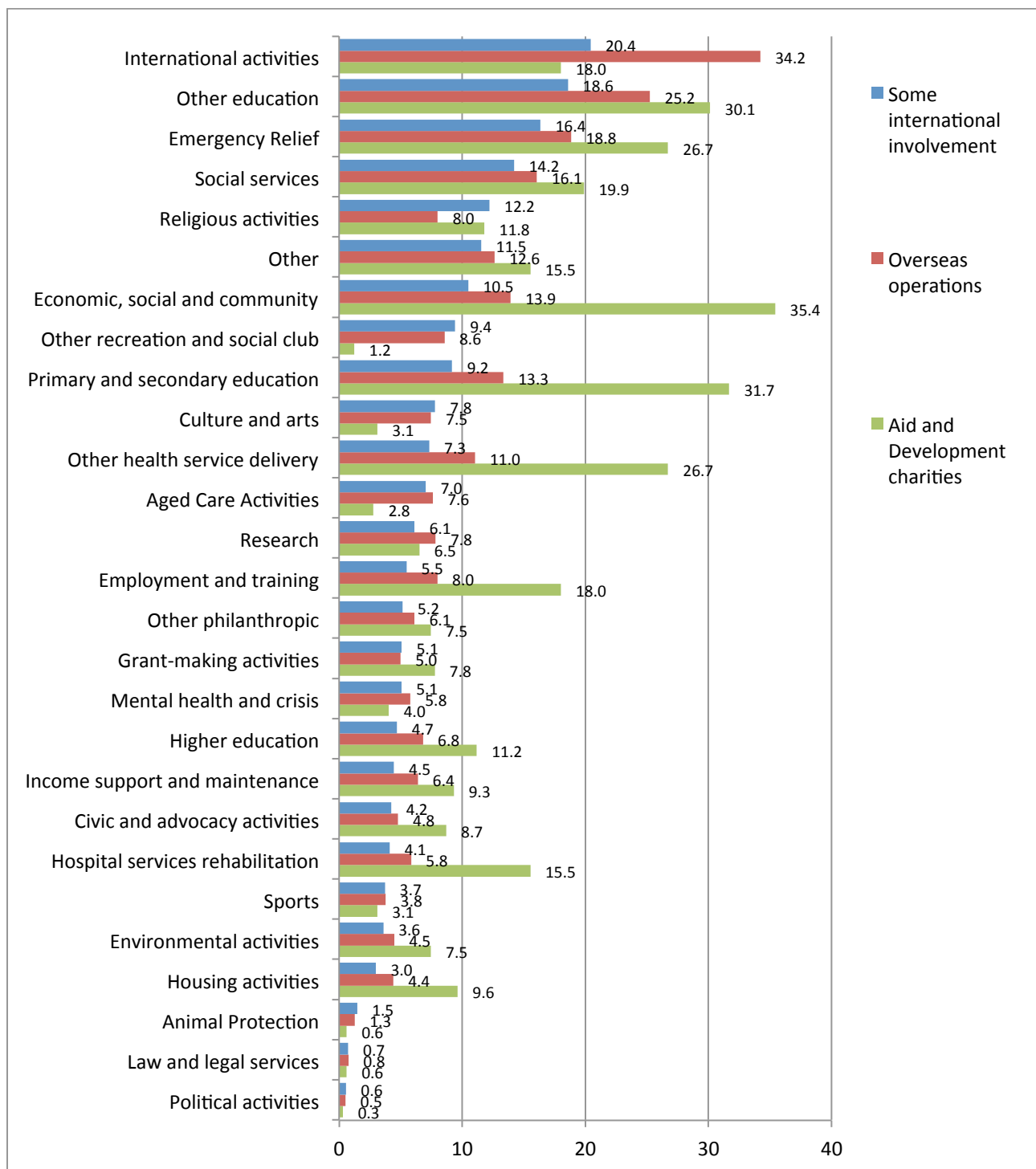


General activities among Australian charities involved overseas

In addition to selecting one main activity, charities in 2014 were also able to select as many other general activities as were relevant to their organisation. The most common general activity among charities with some international involvement was 'international activities' (1,435, or 20.4% of charities with some international involvement) followed by 'other education' (1,306 charities, or 18.6%) and 'emergency relief' (1,149, 16.4%). 'Social services' was also a fairly commonly reported general activity (14.2%), along with 'religious activity' (858, or 12.2%). While the most common general activities were fairly similar for charities with overseas operations, the most common reported general activity among aid and development charities were 'economic, social and community development' (114, 35.4%), 'primary and secondary education' (102, 31.7%) and 'other education' (30.1%). This is shown in Figure 6.3.



Figure 6.3 General activities of charities involved overseas, 2014 (%)



Note: Charities with some international involvement n=7,026; Charities with overseas operations n=2,909; Aid and Development charities n=322. As charities could select more than one general activity, totals will not sum to 100.



7. WHO DO AUSTRALIAN CHARITIES INVOLVED OVERSEAS HELP?

In answering the AIS question 'Who was helped by your charity's activities in the 2014 reporting period?' charities identified a range of beneficiaries. There was no limit on the number of groups which could be selected from a list of 22 and an option to list others. Figure 7.1 provides a comparison of the proportion of charities with some international involvement which helped each beneficiary group on the list, compared with those with overseas operations, those with an international aid and development focus, and all charities.

As would be expected, the most common beneficiary group among charities which had some international involvement was 'communities overseas', reflecting inclusion of this group in the definition of international involvement. More than 7 in 10 charities with some international involvement included overseas communities among their beneficiaries (70.6%), as did charities which had overseas operations (70.7%). Among charities with an international aid and development focus, 95.7% included communities overseas among their beneficiaries.

Reflecting how Australian charities involved overseas were also pursuing their missions in Australia, 64.2% of those with some international involvement included the general community in Australia among their beneficiaries, and 56.3% of those operating overseas did so. Interestingly, this was higher than for all charities (47.6%). In contrast, only 13.4% of international aid and development charities counted the general community in Australia among their beneficiaries.

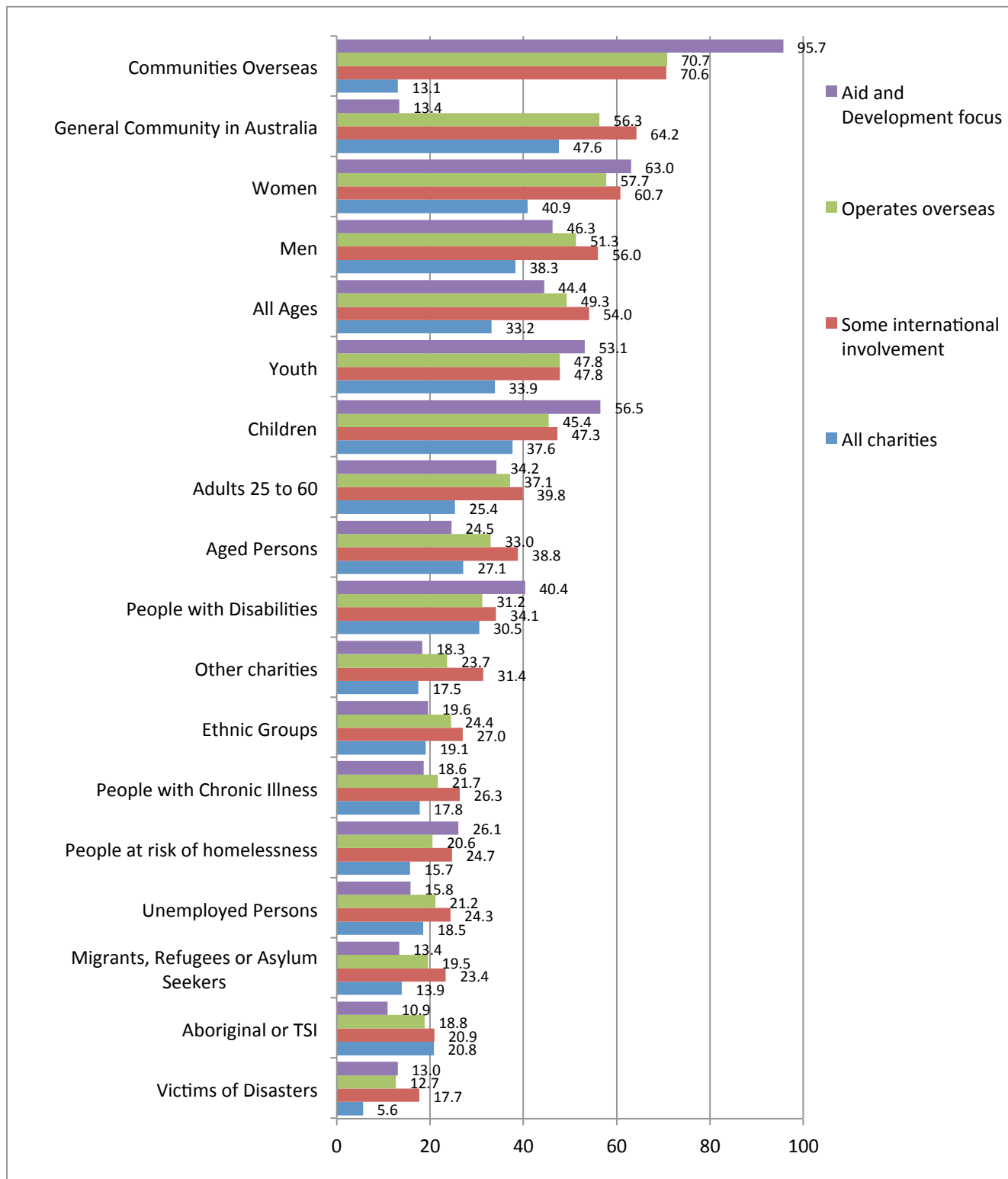
Compared with all Australian charities, relatively high proportions of Australian charities involved overseas included women among their beneficiaries. Whereas 40.9% of all charities reported their activities helped women, 60.7% of those with some international involvement and 57.7% of those which operated overseas did so. A high proportion of charities with an international aid and development focus said their activities benefited women (63.0%).

Children were also an important beneficiary group for Australian charities involved overseas. Almost half of the charities with some international involvement helped children (47.3%) compared with 37.6% of all Australian charities. More than half of charities with an international aid and development focus reported that they helped children (56.5%).

Another notable finding relates to disasters. While 5.6% of all charities included victims of disasters among their beneficiaries, this was much higher among Australian charities involved overseas. 17.7% of those with some international involvement helped victims of disasters, as did 12.7% of those operating overseas and 13.0% of international aid and development charities. Perhaps related, high proportions of charities involved overseas helped people at risk of homelessness. Whereas this group was helped by 15.7% of all charities, around a quarter of charities with some international involvement helped this group (24.7%). High proportions of charities involved overseas also reported that migrants, refugees and asylum seekers were among the groups helped. This group was helped by 23.4% of charities with some international involvement and 19.5% of those with overseas operations, compared with 13.9% of all charities.



Figure 7.1 Beneficiaries of charities involved overseas and all charities, 2014



Note: Charities with some international involvement n=7,026; Charities with overseas operations n=2,909; Aid and Development charities n=322



8. HOW DO AUSTRALIAN CHARITIES INVOLVED OVERSEAS PURSUE THEIR PURPOSE?

The *Charities Act 2013 (Cth)* lists twelve charitable purposes:

1. advancing health;
2. advancing education;
3. advancing social or public welfare;
4. advancing religion;
5. advancing culture;
6. promoting reconciliation, mutual respect and tolerance between groups of individuals that are in Australia;
7. promoting or protecting human rights;
8. advancing the security or safety of Australia or the Australian public;
9. preventing or relieving the suffering of animals;
10. advancing the natural environment;
11. promoting or opposing a change to any matter established by law, policy or practice in the Commonwealth, a state, a territory or another country (where that change furthers or opposes one or more of the purposes above); and
12. other similar purposes 'beneficial to the general public' (a general category).

Charities may have more than one charitable purpose on the register, and other purposes which are themselves not charitable but which further its charitable purpose (ACNC, 2015d). Around two-thirds of charities with some international involvement reported one charitable purpose (68.7%), and 8.8% reported more than one (see Appendix A: Supplementary Material). A little over 1 in 5 (22.5%) did not report a charitable purpose.

Among charities with some international involvement that did report a purpose, the most common charitable purpose was advancing religion, reported by 3,866 charities. The next most common charitable purpose was advancing education (748 charities) and advancing social or public welfare (528 charities). Among charities which operated overseas in the 2014 reporting period, the most common purposes were also advancing religion, advancing education, and advancing social and public welfare. However, among charities with an international aid and development focus, the most commonly reported charitable purpose was advancing social or public welfare (29.2% compared with 13.8% of all charities). High proportions of aid and development charities were also involved in advancing education and advancing health. Full data are in Appendix A: Supplementary Material.

Descriptions of how charities involved overseas pursue their purpose

While the information above provides some insight into the purposes of Australian charities involved overseas, the AIS also provided the opportunity for charities to describe how their activities and outcomes helped achieve their purpose.¹⁶ Almost all charities which had some international involvement (99%) used the opportunity to describe how they pursue their purpose. Word frequency analysis shows how responses most commonly referred to community, support, provision, servicing, church, activity, and education, which was very similar to the language used by charities more widely.

¹⁶ The form also provided the option of providing further information in an attachment or annual report. Analysis relates to the statements entered only. Any attachments were not analysed, although they do appear on the ACNC Register.



Figure 8.1 Word frequencies in descriptions of how activities and outcomes of charities involved overseas helped achieve their purpose 2014



Indeed, many descriptions of how charities involved overseas achieved their purpose were similar to the wider charitable sector in Australia (see Cortis et al. (2015b)). Similarities between charities with some international involvement and other charities' descriptions of how they achieve their purpose reflect that the activities of charities involved overseas may not be specifically focused on their international purposes, but rather, international activities are occurring as part of a broader mission implemented both nationally and internationally. These descriptions tended not to specify an international component, describing, for example, how the charity:

...provides a range of social and welfare programs that support the disadvantaged, those from culturally and linguistically diverse backgrounds, refugees, people with a disability and those in crisis or in need of emergency assistance. (Large economic, social and community development charity, NSW)

Others provided limited detail, stating things like:

Worship and helping those in need. (Small religious charity, NSW)

Other charities that made some mention of their international involvement, listing support for purposes overseas among their other activities, often conducted in local communities. For example:

We ran a Church, gave charitable donations to worthy causes both in Australia and overseas. (Medium religious charity, NSW)

Held religious services and events. Provided support for people in need of food, clothing or comfort primarily in our local community. Supported local and overseas missions in Thailand, Sri Lanka, Timor, Turkey and Uganda. (Medium religious charity, NSW)

However, some of the charities' descriptions about how they pursue their purposes reflected a closer focus on international involvement. For example:

Involvement in overseas mission activities and developing infrastructure in disadvantaged communities in developing nations. (Small religious charity, SA)

The charity was able to increase its monthly distribution of payments which are used to fund community projects and also donations to church projects and donations to organisations aiding in the relief of natural disasters. (Small economic, social and community development charity, VIC)

The charitable purposes are achieved through work with partners in conflict-affected countries, focusing on saving lives, alleviating suffering and restoring peace building initiatives. Projects assist communities affected by disasters by training them, especially in the Pacific Islands at risk from increased cyclones and other results of climate change, to proactively prepare for, and deal with the course and aftermath of such disasters. (Large international charity, NSW)



Some descriptions reflected the charities' focus on fundraising in Australia to disperse to needy populations overseas.

We had charity to help and support North Korea missionaries. And sold food and drinks to help and support Ebola virus, and other small sports, cooking events for charity. (Small religious charity, ACT)

Often, descriptions reflected charities' focus on particular activities in particular countries, or parts of countries:

Plans were made to support a project providing clean drinking water in China (Small social services charity, QLD)

...managing a structured teacher training program for Khmer school teachers. This is achieved primarily through organising groups of Australian teachers to conduct 2-week workshops with Khmer teachers. (Small other education charity, QLD)

[A] small clinic consisting of six rooms was constructed. A bore hole was constructed for the villagers. Donated six goats, twenty turkeys and ten ducks to families in need at Kalapata village. (Small primary and secondary education charity, QLD)

Disaster relief was a common theme, with many charities' descriptions focused on this:

We helped people in Bosnia-Herzegovina and Serbia to survive flood disaster. (Small charity, with 'other main activities' NSW)

We provided funding and material needs to orphanage, homeless and poor people and international health and natural disasters – such as EBOLA health issue in West Africa. (Small religious charity, NSW)

We help in emergency relief with help with accommodation, food vouchers, support a school in Ghana. (Small religious charity, TAS)



9. WHAT LEGAL STRUCTURES ARE USED BY AUSTRALIAN CHARITIES INVOLVED OVERSEAS?

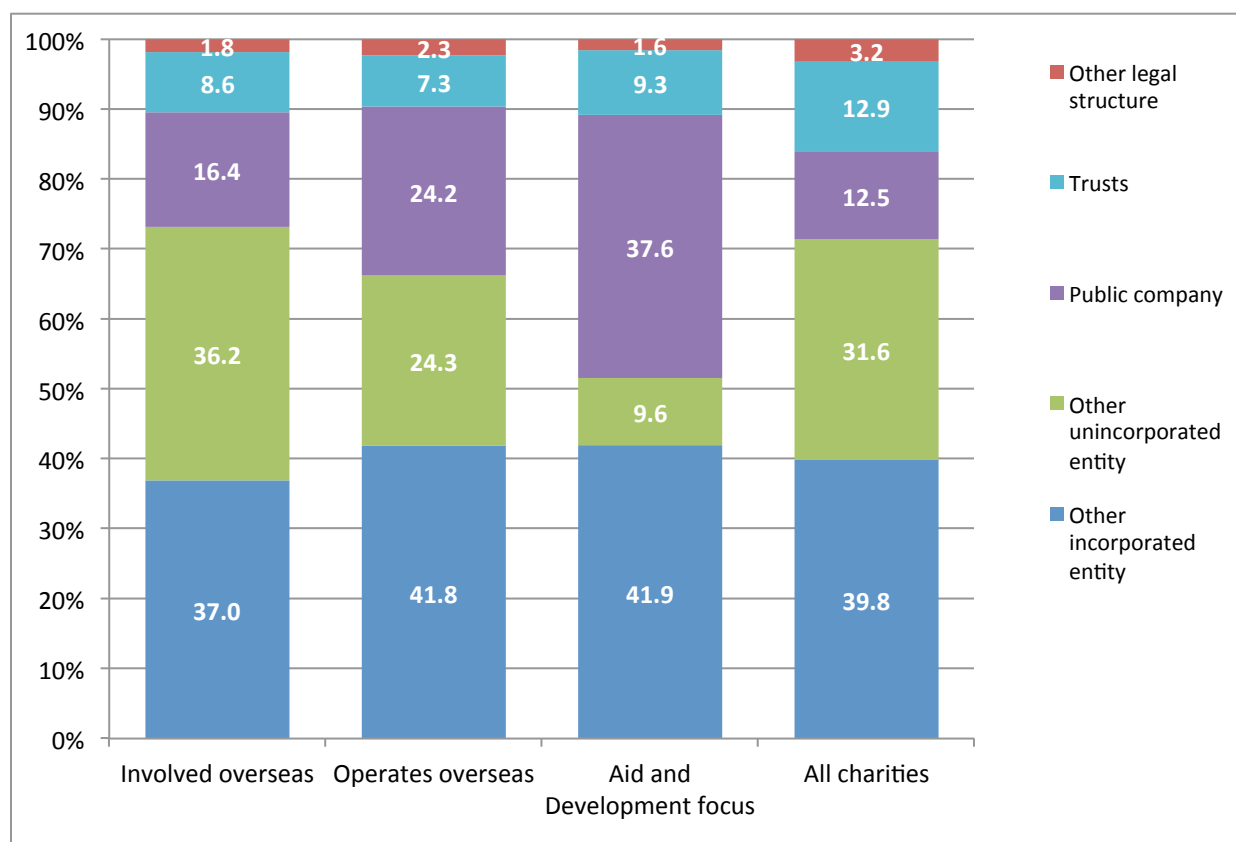
Charities' legal structures and sub-types shape their legal identity, governance structure, financial responsibility and compliance obligations. Charities are required to declare how they are structured, along with their charitable purpose, when they register with ACNC. They are required to notify the ACNC if their legal structure changes, to keep the information on the register current.

Business structure

Figure 9.1 shows information about the business structures of Australian charities involved overseas and all charities which reported their AIS in 2014, using information obtained from the ABR. This indicates that the largest proportion of charities involved overseas were 'other incorporated entities' (37.0% of charities with some international involvement). Overall, the structures of charities with some international involvement were fairly similar to all charities, with most being either other incorporated or other unincorporated entities. However, higher proportions of charities involved overseas were public companies (companies limited by guarantee). 16.4% of charities with some international involvement were public companies, but the figure was much higher for the subtypes of charities involved overseas: 24.2% of charities which operated overseas were public companies, and 37.6% of charities with an international aid and development focus were public companies. In comparison, only 12.5% of all charities were constituted as public companies.

Indeed, a notable feature is the difference between the business structures of international aid and development charities and others. Charities with an international aid and development focus were also much less likely than other charities to be constituted as other incorporated entities.

Figure 9.1 Legal structure of charities involved overseas, 2014 (%)



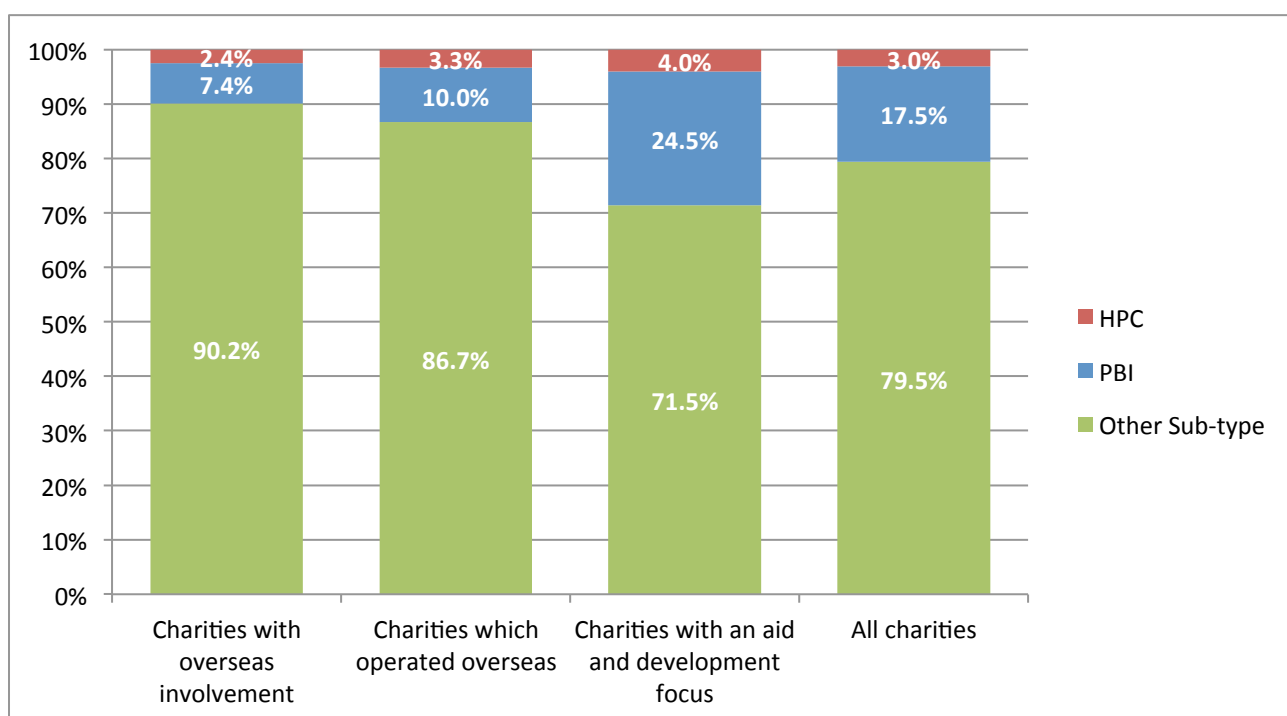
Notes: Charities with some international involvement = 7,026, charities operating overseas = 2,909; charities with an aid and development focus = 322. All charities = 37,795. Excludes 3 charities with missing legal structure information.



Charity sub-type

Charity sub-type is determined by the ACNC based on each charity’s purpose and activities. It helps determine charities’ eligibility for some tax concessions. Designation as a Public Benevolent Institution (PBI) or Health Promotion Charity (HPC) are important as these types of charities may be eligible for DGR endorsement, and for fringe benefit tax exemptions, which can underpin more generous provision of salary sacrificing arrangements for paid employees. As Figure 9.2 shows, a relatively small proportion of charities with some international involvement were public benevolent institutions (7.4% compared with 17.5% of all charities). However, charities with an international aid and development focus were more likely to have PBI status (24.5%). The proportion of charities with some international involvement which were HPCs was slightly smaller than across the whole sector (2.4% compared with 3.0% of all reporting charities).

Figure 9.2 Charity sub-type of charities involved overseas, 2014



Notes: Data excludes 262 charities that did not report charity type.

PBI status

Compared with all charities, relatively low proportions of charities with some international involvement had PBI status (7.4% compared with 17.5%). However, as mentioned above, the proportion was higher for charities with an aid and development focus: around a quarter (24.5%) had PBI status.

DGR status

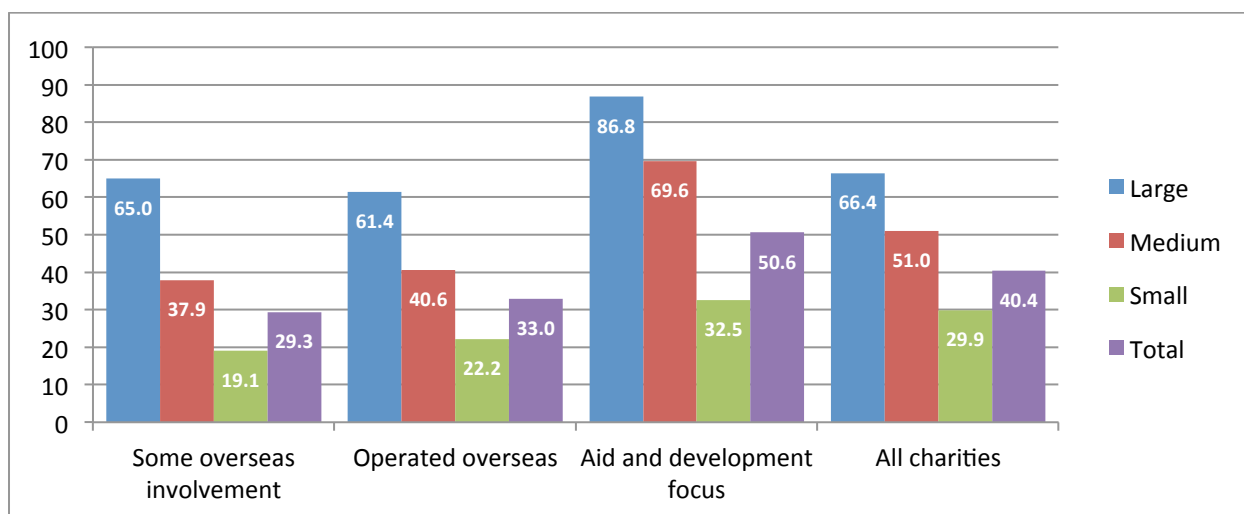
Deductible gift recipients (DGRs) are organisations that are registered to receive tax deductible gifts. This enables donors to reduce their taxable income by the amount donated, which can help charities to attract donations. Not all charities are able to be DGRs. To be eligible, an organisation must have its own ABN, fall within a general DGR category or have a fund or institution that is part of the organisation which falls within a general DGR category, have acceptable rules for transferring surplus gifts and deductible contributions on winding up or DGR endorsement being revoked, maintain a gift fund (if seeking endorsement for the operation of a fund, institution), and generally, be in Australia (ACNC, 2015c). Data about DGR status was obtained from the ABR.



DGR status and size of charities involved overseas

Figure 9.3 shows how in each category of charity involved overseas, the proportion of charities with DGR status increased with size. While 40.4% of all reporting charities had DGR status in 2014, this was much lower for charities with some international involvement: 29.3%. However, for those charities which operated overseas, the figure was slightly higher: 33.0%. Higher than average proportions of international aid and development charities had DGR status: 50.6%. More than 4 in 5 large aid and development charities had DGR status (86.8%), compared with 32.5% of small aid and development charities.

Figure 9.3 Percentage of charities involved overseas with DGR status by size



Charities with some international involvement n=7,026; Charities with operated overseas n=2,909; Charities with an aid and development focus n=322; All charities n=37,798

Recent development – updated ATO guidance

As noted, for many charities, obtaining or maintaining Deductible Gift Recipient (DGR) endorsement can help them attract donations. The ATO has updated its guidance in relation to eligibility for DGR endorsement. Particularly, the ATO has clarified its interpretation of the ‘in Australia’ condition. The ‘in Australia’ condition requires that an organisation be ‘in Australia’ to be endorsed as a DGR.

The ATO’s updated guidance (available at [https://www.ato.gov.au/Non-profit/Getting-started/Endorsement/Deductible-gift-recipient-\(DGR\)-endorsement/Can-you-be-endorsed-as-a-DGR-/#In_Australia](https://www.ato.gov.au/Non-profit/Getting-started/Endorsement/Deductible-gift-recipient-(DGR)-endorsement/Can-you-be-endorsed-as-a-DGR-/#In_Australia)) explains that all DGRs must meet the “in Australia” condition. The purposes and beneficiaries of a DGR do not have to be in Australia, if it is a Public Benevolent Institution (PBI). This means that a PBI with a controlling board, donors and most of its assets in Australia will meet the ‘in Australia’ condition, even if all of the money provided by the institution is sent to beneficiaries overseas. If they meet the other eligibility criteria, these PBIs could be eligible for endorsement as a DGR. It might be expected that the updated ATO guidance will lead to an increase in the number of charities involved overseas that are PBIs.



10. ADDITIONAL REPORTING OBLIGATIONS OF CHARITIES INVOLVED OVERSEAS

Reducing red tape is one of the ACNC's primary objectives, to maintain public trust, improve efficiency and sustain a robust and vibrant non-profit sector. It is therefore important to understand charities' current obligations to measure and report their activities, outputs, and outcomes, as a possible source of duplication and administrative burden.

The AIS contained three items relating to additional reporting obligations, which were optional. Of the 37,798 charities in scope of the 2014 analysis 13,133 (34.7%) answered optional questions about additional reporting obligations to Commonwealth agencies (other than the ATO and ACNC), and reporting obligations to states or territories (over and above those under associated incorporations or cooperatives laws). While this captures the number of different Commonwealth agencies charities reported to, and the number of other jurisdictions in Australia charities had reporting obligations to, it does not indicate the nature of reporting requirements. However, the AIS did capture information about time spent on this additional reporting by the charity.

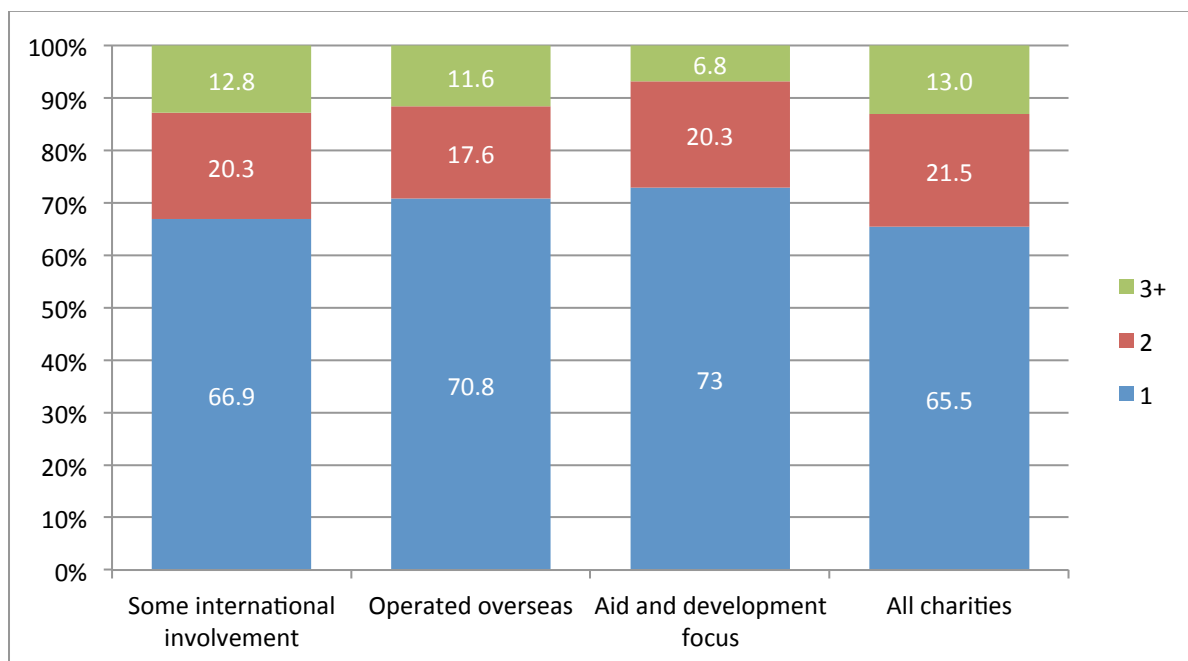
Of the 13,133 charities that answered the optional questions about additional reporting obligations, 9,106 (69.3%) went on to answer a series of three questions about the approximate number of hours spent on this reporting by paid staff and unpaid volunteers. A companion report is available which provides detailed findings relating to charities reporting obligations, titled *Australian Charities and Red Tape 2014* (Reeve et al., 2016). The data below however provide a snapshot of reporting obligations among charities involved overseas, based on the same methodology used by Reeve et al. (2016).

Number of Commonwealth agencies to whom Australian charities involved overseas reported

For those who answered the optional question on reporting obligations to the Commonwealth, Figure 10.1 shows the number of departments or agencies to whom charities involved overseas reported in 2014 (excluding the ATO and ACNC), compared to all charities. For the broad group of charities with some international involvement, the number of additional Commonwealth reporting obligations is similar to the overall charity sector, with around 13% reporting to 3 or more Commonwealth departments or agencies (excluding the ACNC and ATO). Compared with all charities, those operating overseas were less likely to have reporting obligations to 2 or more Commonwealth agencies. Around 17.6% of charities operating overseas had reporting obligations to 2 Commonwealth agencies, compared with 21.5% of all charities, while 11.6% of charities operating overseas reported to 3 or more Commonwealth agencies, compared with 13.0% of all charities. Around 6.8% of charities with an international aid and development focus reported to 3 or more Commonwealth departments or agencies, which was around half of the figure for all charities (13.0%) and was also less than the figure for the broader group of charities with some international involvement. Correspondingly, higher proportions of aid and development charities had reporting obligations to only one agency (73.0%, compared with 65.5% of all charities).



Figure 10.1 Percentage of charities reporting to 1, 2 and 3 or more Commonwealth departments or agencies, 2014



Notes: For all charities n=6,576, Charities with some international involvement n=803, Operates overseas n=431, International aid and development focus n=74 (Charities who stated their additional Commonwealth reporting obligations)

Which Commonwealth agencies do charities involved overseas report to?

The most common Commonwealth departments and agencies that charities were required to report to (excluding the ACNC and ATO) differed for charities involved overseas compared to the charity sector as a whole. The most commonly selected Commonwealth department or agency reported to by charities with some international involvement and those that operated overseas was ‘other’ (see Figure 10.2). Whilst ‘other’ includes a range of departments and agencies, the Australia Council for the Arts was the most popular reported ‘other’ agency for charities with some international involvement and those that operate overseas. The second most common agency reported to (after ‘other’) by charities with some international involvement and those that operated overseas was the Australian Securities and Investments Commission, and the third most common was the Department of Education and Department of Foreign Affairs and Trade, for charities with some international involvement and those that operated overseas respectively.

In contrast to the broader groups of charities involved overseas, the sub-group with an aid and development focus most commonly reported to the Department of Foreign Affairs and Trade. The next most common was ‘other’ which for those with an international aid and development focus was most often reported as the Australian Council for International Development. Finally, the third most commonly reported to Commonwealth department or agency by charities with an international aid or development focus was the Australian Securities and Investments Commission.



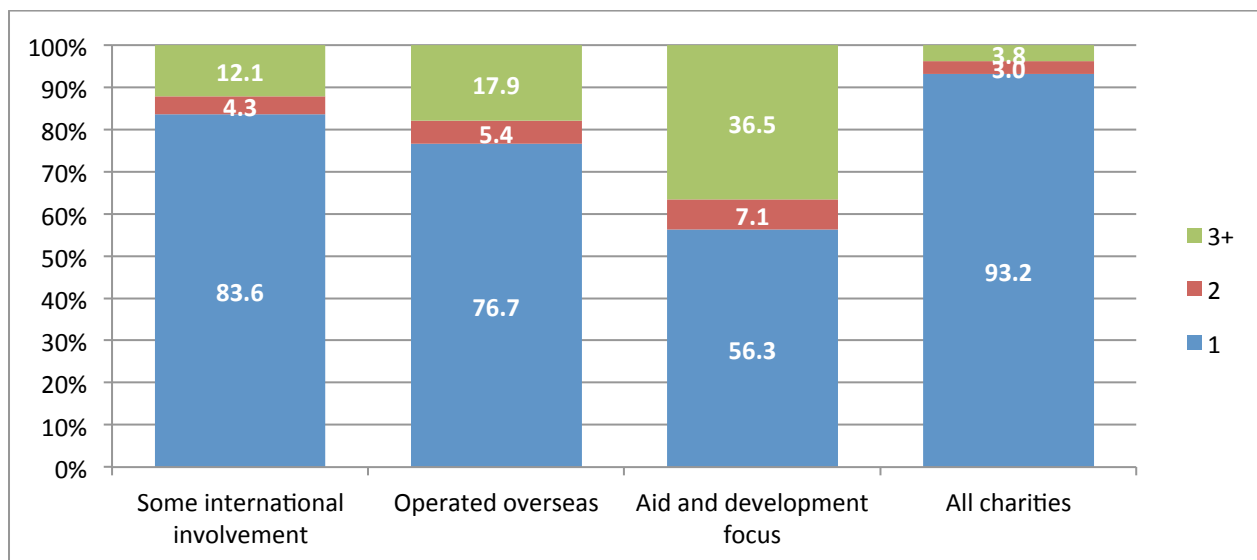
Figure 10.2 Most common Commonwealth departments or agencies to which charities reported, 2014

	Most common	Second most common	Third most common
Some international involvement (n=803)	Other (n=260)	Australian Securities and Investments Commission (n=173)	Department of Education (n=169)
Operate overseas (n=431)	Other (n=136)	Australian Securities and Investments Commission (n=110)	Department of Foreign Affairs and Trade (n=74)
Aid & development focus (n=74)	Department of Foreign Affairs and Trade (n=51)	Other (n=16)	Australian Securities and Investments Commission (n=15)
All charities (n=6576)	Department of Education (n=1,980)	Department of Social Services (n=1,666)	Department of Health (n=1,401)

Charities with additional state or territory reporting obligations

Charities were also asked an optional question about their state and territory reporting obligations (above and beyond regulators under associated incorporations or cooperatives laws). For those who answered this optional question, Figure 10.3 shows the number of states or territories to whom charities involved overseas had additional reporting obligations in 2014. Charities involved overseas had more additional state and territory reporting obligations than Australia’s charities generally. In particular, those with an international aid and development focus were much more likely to have reporting obligations to 3 or more states or territories (37% compared to 18% for those operating overseas, 12% for those with some involvement overseas and 4% for the charity sector overall).

Figure 10.3 Percentage of charities reporting to 1, 2 and 3 or more states or territories, 2014



Notes: For all charities n=11,325. Some international involvement n=1474. Operates overseas n=754. International aid and development focus n=126 (Charities who stated their additional state and territory reporting obligations)

Hours spent reporting

Figure 10.4 shows that for all charities with additional reporting obligations, the average number of hours spent on this reporting in 2014 was 178 hours and the median was 30 hours. The considerably higher mean than median indicates that the spread of the reporting burden is uneven, with some charities spending much more time reporting than others. As would be expected, the average numbers of hours rose with charity size, with large charities reporting around 7.5 times the number of hours as small charities (mean figures of 334.3 and 44.6 hours). Among charities with some international involvement, large charities had 10.6 times the average number of reporting hours (359.0 hours compared with 33.8 hours), while for charities operating overseas, large charities’



reporting hours were around 11.5 times that of small charities (393.3 compared with 34.3 hours). Large international aid and development charities reported the highest average reporting time at 520.2 hours.

Compared with the wider charitable sector, charities with some international involvement reported slightly lower reporting burden on average, with a mean of 167.5 hours and a median figure of 20 hours. As for other charities, mean and median figures rose with organisational size. However, reporting burden among international aid and development charities was much higher, especially for large charities, suggesting this group is more closely monitored than other charities. Large international aid and development charities spent 520.2 hours on reporting, on average, with half spending over 75 hours. In contrast, large charities which operated overseas reported a mean of 393.3 hours (median 60 hours) and large charities with some international involvement had a mean of 359 hours (median 60). Small and medium aid and development charities also spent more time reporting than other small and medium charities involved overseas (see Figure 10.4).

Figure 10.4 Additional hours spent reporting, 2014

	Charities with some international involvement		Charities operating overseas		Aid and Development focus		All charities	
	mean	median	mean	median	mean	median	mean	median
Large	359.0	60.0	393.3	60.0	520.2	75.0	334.3	75.0
Medium	104.1	24.5	85.4	26.5	164.3	40.0	123.6	38.0
Small	33.8	10.0	34.3	10.0	72.4	10.0	44.6	10.0
Total	167.5	20.0	174.9	20.0	263.2	30.0	178.2	30.0

Note: Charities with some international involvement n=1230; Operating overseas n=658; Aid and Development focus n=111; Excludes those charities that did not answer the reporting hours question.

Cost of reporting

The total cost of reporting was estimated using the methodology set out in Reeve et al. (2016). This used the Regulatory Burden Measurement Framework (Office of Best Practice Regulation, 2015) cost estimate of \$65.45 per hour for paid staff and \$29 per hour for unpaid staff, and estimated the total cost of additional reporting burden to be at least \$99.5 million for all charities (based only on the analysis of the subsample of 9,106 charities with additional reporting obligations and recorded reporting time). On average, charities with some international involvement had additional reporting costs of \$9,789, while those operating overseas had \$10,766 and those with an aid and development focus had additional reporting costs estimated to be \$15,952.



PART 2: WORKFORCE AND FINANCES OF AUSTRALIAN CHARITIES INVOLVED OVERSEAS IN 2014

As workforce and financial data are provided in the AIS for the charity as a whole, calculations of workforce size, income and expenditure for the more broadly defined groups of charities involved overseas are unlikely to accurately represent the size of Australia's international charitable sector. Therefore, the remaining chapters of the report focus on aggregated data for the smaller subset of charities with an international aid and development focus. Comparable data for the broader categories of charities involved overseas are provided in Appendix A: Supplementary Material but should be interpreted cautiously for these reasons.

11. WHO WORKS IN AUSTRALIAN CHARITIES INVOLVED OVERSEAS?

This section provides data relating to paid employees and volunteers in Australian charities involved overseas. Importantly, data available from the AIS 2014 provides employee data for the charity as a whole. As discussed above, charities involved overseas may perform a range of activities within and outside Australia. However, employment data captures all employees of the charity. As such, it does not indicate the numbers of volunteers or paid employees working in activities related to the charities' international involvement or overseas operations.

Aggregate workforce data presented below focuses on the narrower group of international aid and development charities, on the basis that many charities captured in the larger groups of charities (those with any international involvement, and those operating overseas) have domestic operations which are much more significant than their international involvement. Data for the larger categories (charities with some involvement overseas, and charities with overseas operations) is provided in Appendix A: Supplementary Material, see Figure A.10-A.13.

Paid employees in Australia's international aid and development charities

The AIS asked charities to indicate the number of paid full time, part time, and casual employees who worked for the charity during the last pay period of the 2014 reporting period. Charities were asked to provide their best estimate, if exact figures were unavailable. As indicated above, the data captures numbers of staff estimated to work in Australia's international aid and development charities, although some staff may have worked in domestic aspects of the charities' operations. Further, as the data is for one pay period only, it provides a snapshot for that pay period only and does not capture fluctuations in staffing levels across the reporting period.

As shown in Figure 11.1, charities with international aid and development focus reported 12,361 paid staff. Of these, 62.0% were full time. This is a notably higher proportion than for all charities. Among all charities, 39.4% of paid staff was employed full time. International aid and development charities had 38.4 staff, on average, which was larger than the average number of staff (29.3) across Australia's charitable sector.

Figure 11.1 Total and mean full time, part time and casual staff, international aid and development charities, 2014

	Charities with an international aid and development focus		All charities	
	n	mean	n	mean
Full time staff	7,664	23.8	416,596	11.5
Part time staff	3,723	11.6	385,827	10.7
Casual staff	974	3.0	255,804	7.1
All	12,361	38.4	1,058,227	29.3

n=322 aid and development charities

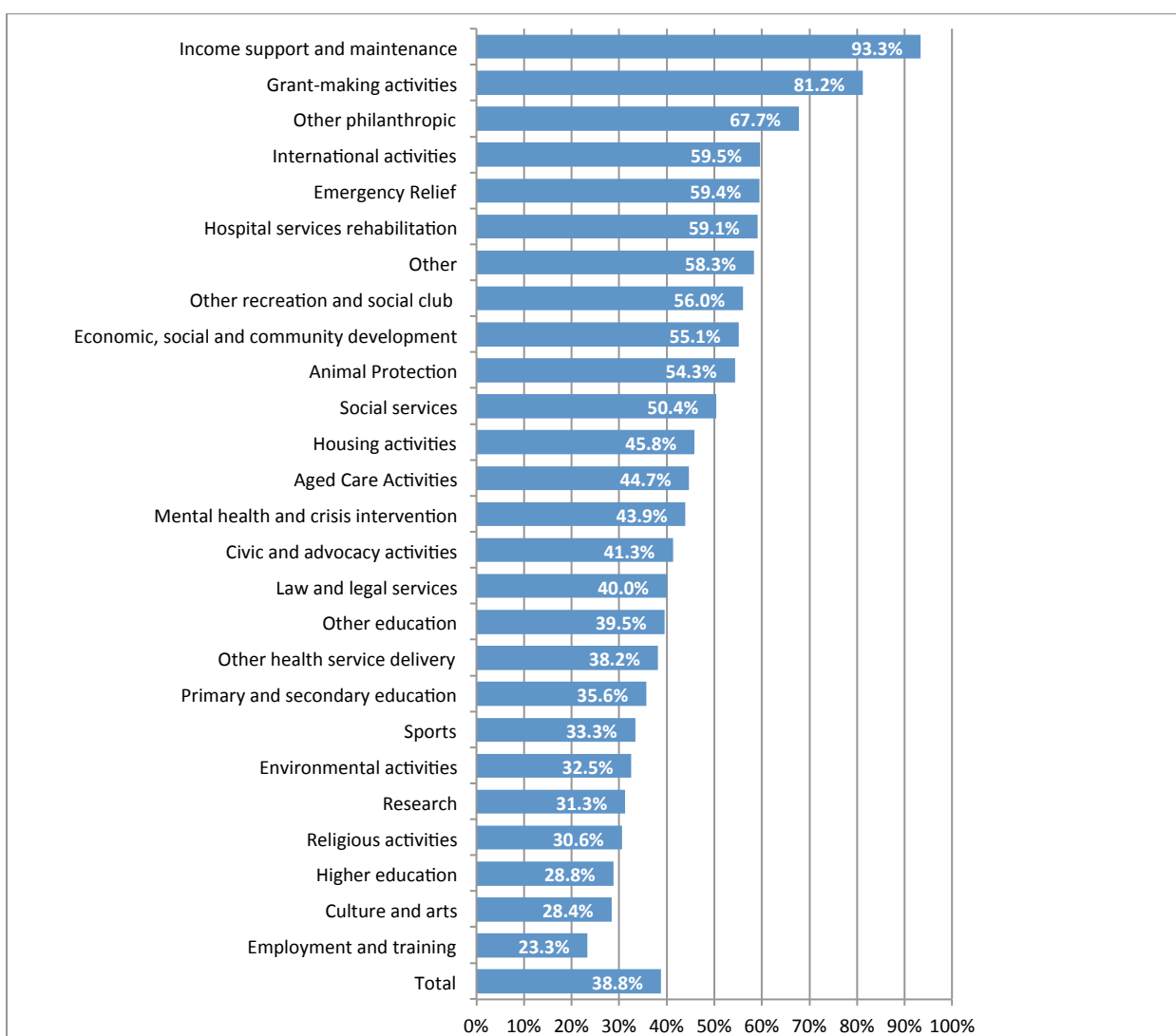


Charities involved overseas with no paid staff

As outlined in the Australian Charities Report 2014 (Cortis et al., 2015b), an important feature of Australia’s charitable sector is that many organisations pursue their activities without paid staff. This is also the case for charities involved overseas: 38.8% of charities with some international involvement overseas and 40.2% of charities with overseas operations had no paid staff. Around half of international aid and development charities (50.9%) had no paid staff. The proportion of charities with some involvement overseas which operated with no paid staff is less than for the whole charitable sector (38.8% compared with 44.3%).

Charities with some overseas involvement which were most likely to have no paid staff were those in the main activity categories of income support and maintenance, grant making and other philanthropic activities, and international. This is shown in Figure 11.2.

Figure 11.2 Proportion of charities with some international involvement which had no paid staff, by activity, 2014



Notes: n=6,874 (2,663 with no paid staff, 4,207 with paid staff). Note that 37 charities with international involvement did not report main activity.

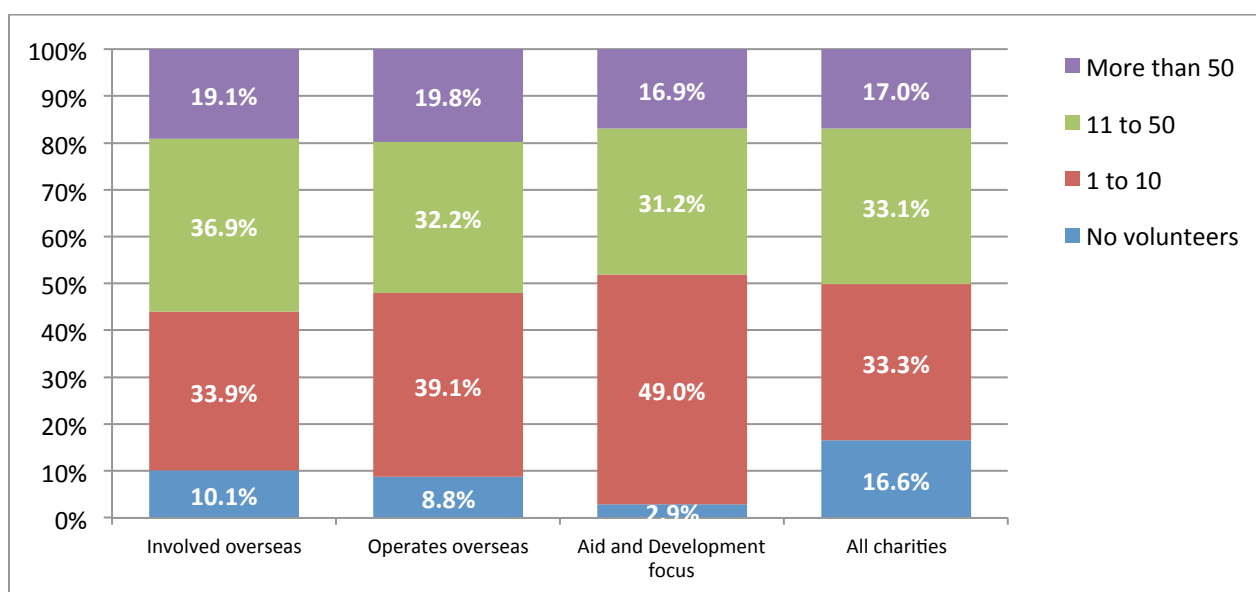


Volunteers

In the AIS, charities were also asked to indicate the number of unpaid volunteers who worked for their charity during the 2014 reporting period. This was captured in categories rather than a single numeric figure. Further, as for paid staff, these figures refer to the numbers of volunteers for the whole organisation, and do not distinguish between those involved in international and domestic activities, and those located in Australia or overseas.

Overall, 89.9% of charities involved overseas reported any number of volunteers, 10.1% did not use volunteers (Figure A.12). This indicates that charities involved overseas were slightly more likely to use volunteers than all charities. In 2014, 83.4% of all charities used volunteers and 16.6% did not. The vast majority of charities with an international aid and development focus had volunteers involved (97.1%), although not all had large numbers of volunteers: half of international aid and development charities had between 1 and 10 volunteers (49.0%).

Figure 11.3 Charities involved overseas with support from volunteers, 2014 (%)



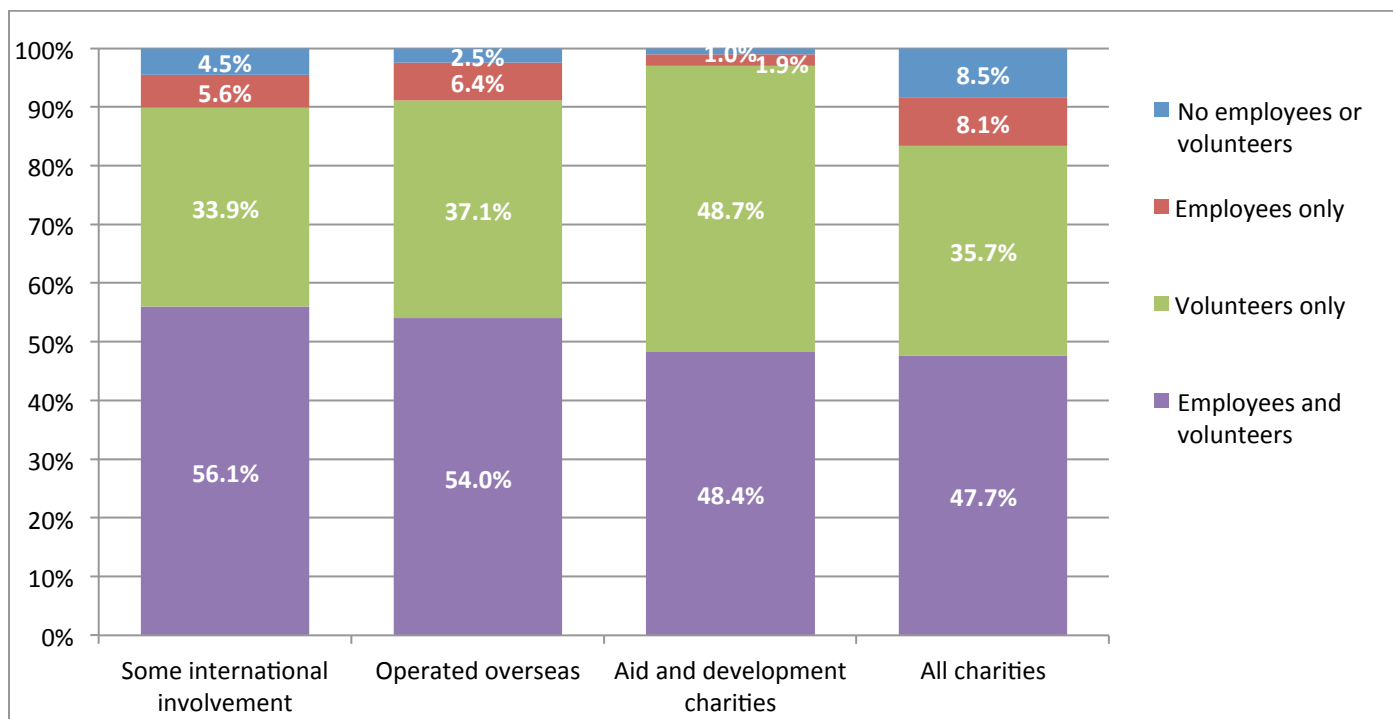
Notes: This excludes charities that reported 0-50 volunteers or did not answer the volunteer question. Some international involvement n=6,744; Operate overseas n=2,792; Aid and Development focus n=308; All charities n=35,214.

Charities with employees and volunteers

Almost half of all charities had both employees and volunteers. However, the proportion combining paid and unpaid workers was higher among charities involved overseas. Figure 11.4 shows that 56.1% of charities with some international involvement had employees and volunteers, while this was the case for 54.0% of those operating overseas and 48.4% of charities with an aid and development focus. Whereas 8.5% of all charities reported having neither employees nor volunteers in the reporting period, this was the case for a smaller proportion of the broader group of charities which had some international involvement (4.5%). Very few charities which operated overseas had no employees or volunteers (2.5%), and this was also the case among charities with an international aid and development focus (1.0%). Almost half of international aid and development charities (48.7%) had volunteers only.



Figure 11.4 Charities involved overseas with employees and volunteers, 2014



Notes: For further information see Figure A.13.



12. HOW DO AUSTRALIAN CHARITIES INVOLVED OVERSEAS FUND THEIR ACTIVITIES?

The AIS required all charities (other than basic religious charities), to provide financial information, including the source of their income for the 2014 reporting period. Income was captured for the charity as a whole, in three categories: government grants; donations and bequests, and other income and revenue. When aggregated, these provide information about total income, and can be used to show composition of charities' income and concentration of income across the sector.

As for other AIS data, it should be noted that income relates to the charity as a whole, and not all income received would necessarily be related to the organisation's overseas activities. For this reason, calculating total income for all charities which had some international involvement, and those with international operations, would over-estimate the incomes of Australia's international charitable sector. For many charities in these broad categories, incomes relating to the charities' international activities would be expected to constitute a relatively small portion of their total income. For this reason, we focus on the charities which were most focused on international activities: international aid and development charities. However, it should be noted that even charities in this group performed domestic activities in addition to their international involvement. Income data in the AIS is captured at the organisational level, and so includes income intended for charities' domestic and international purposes.

Note also that the sample size for analysis of financial data varies from material presented earlier in the report. This is for a number of reasons: firstly, not all charities were required to report financial data; secondly, data has been excluded for charities whose financial data was deemed to be unreliable; and thirdly, in some instances, group reporting charities have been excluded. For further information about filters and exclusions applied in the data cleaning process see Appendix B: Further methodological details.

Average income

In total, international aid and development charities reported \$2.6 billion in income. Figure 12.1 shows the mean and median incomes for international aid and development charities (excluding group reporters) by size. This shows much variation in income by size. While aid and development charities received \$8.5 million total income on average, this was much higher than Australian charities in general; however, median incomes were similar suggesting that the difference in mean incomes is driven by a few large charities. Indeed, Australia's largest international aid and development charity, Australian Red Cross, reported income of \$1.1 billion for 2014 (which includes significant income for domestic operations), accounting for over 40% of the total income of aid and development charities.

There was also much variation in charities' average incomes based on size. For those in the 'large' category, the average income was \$34.0 million and for those in the 'small' category the average was much lower: \$69,000. Information for charities with some international involvement, and those which operated overseas, is provided in Appendix A: Supplementary Material (see Figure A.15-17) but should be interpreted cautiously for the reasons noted above.

Figure 12.1 Average gross total income by size (basic categories), individual reporting charities only, 2014

Charity size	Charities with an aid and development focus			All charities		
	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)
Large	75	33,953,321	4,810,032	5552	15,919,415	3,559,277
Medium	44	583,487	528,315	5109	549,684	501,389
Small	186	69,223	41,414	16724	69,275	41,097
Size not reported	-	-	-	14	602,741	144,711
Total	305	8,475,567	148,516	27399	3,370,923	137,973



Concentration of income

As noted above, income was highly concentrated. Among international aid and development charities, the top 10% reported 96.2% of income and the top 1% reported 79.8% of income. Further details, including comparable data for the larger groups of charities involved overseas, those with some international involvement, and those with international operations, is in Appendix A: Supplementary Material, see Figure A.18.

Figure 12.2 Concentration of income among international aid and development charities, 2014

Top % of international aid and development charities	Sum of income (\$)	% of total income
1	2,062,272,997	79.8%
5	2,365,778,944	91.5%
10	248,570,8094	96.2%
20	2,543,532,234	98.4%
50	2,578,796,872	99.8%
100	2,585,047,960	100.0%

n=305

Sources of income of charities involved overseas

The AIS income statement asks charities to report the amount of income they received from government grants, donations and other income (which would include income from commercial transactions and asset sales but is not broken down). A breakdown for international aid and development charities is provided below, in Figure 12.3. Of course, as this is based on income information for the charity as a whole, it does not distinguish between grants provided for domestic and international activities, and may be skewed by income relating to domestic rather than international activity.

In total, international aid and development charities reported \$1.3 billion in income from government grants, while donations accounted for \$921.5 million. However, as the purposes of this income are not evident from the AIS data, and because many charities performed both domestic and international activities, the proportion of income from each source which was intended to support international activities is not clear. Data for the larger groups of charities involved overseas (those with any international involvement and those with international operations) is provided in Appendix A: Supplementary Material, (see Table A.15-16).

Figure 12.3 Total and mean income, international aid and development charities, 2014

	Charities with an aid and development focus		
	mean	total	% of total
Government grants	\$ 4,386,219	\$1,337,796,669	51.8
Donations	\$3,021,394	\$921,525,021	35.6
Other income	\$1,067,953	\$325,725,634	12.6
Total	\$ 8,475,567	\$ 2,585,047,960	

N= 305 aid and development charities.

Government grants

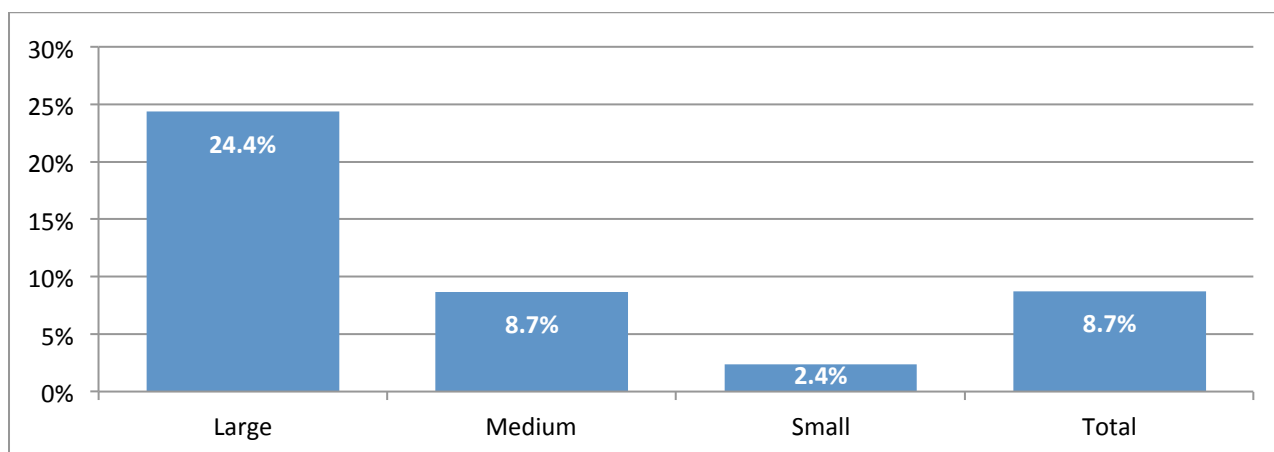
As indicated above, government grants are a key source of income for Australia's charities which are focused on international aid and development. A little over half of income reported by aid and development charities came from government. However, this figure indicates the proportion of total income received by aid and development charities from each source, and there was much variation among charities. The data in Figure 12.4 shows the average proportion of charities' income which reportedly came from government grants. While 51.8% of aid and development charities' income



came from government in total, this was swayed by the high proportions of government funding received by larger charities. On average, large international aid and development charities received 24.4% of income from government, while for medium sized aid and development charities, 8.7% of income, on average, came from government. For small aid and development charities, 2.4% of income on average was from government grants.

Note that although the AIS income information asks for the amount of income from government grants, this does not distinguish whether government income came from Commonwealth, state and territory, or local government. It also does not provide insight into the types of activities government funds were directed to. As mentioned above, AIS income data relates to all of the charities activities. More detailed insights can be found from examining the publicly available financial reports of individual charities. The financial reports of Australia’s largest international aid and development charity, the Australian Red Cross, for example, shows that over \$900 million in government grants were received in 2014, but that a little over half of this amount related to this charity’s domestic blood service, rather than its international humanitarian work.¹⁷ As such, it should be recognised that aggregate income data will be influenced by the small number of very large international aid and development charities, and by charities’ significant domestic as well as international contributions.

Figure 12.4 Average proportion of income from government grants among international aid and development charities, by size (%)



N= 305 aid and development charities. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details

As a further indicator of the contribution of government grants to charities’ total income, three categories were constructed capturing:

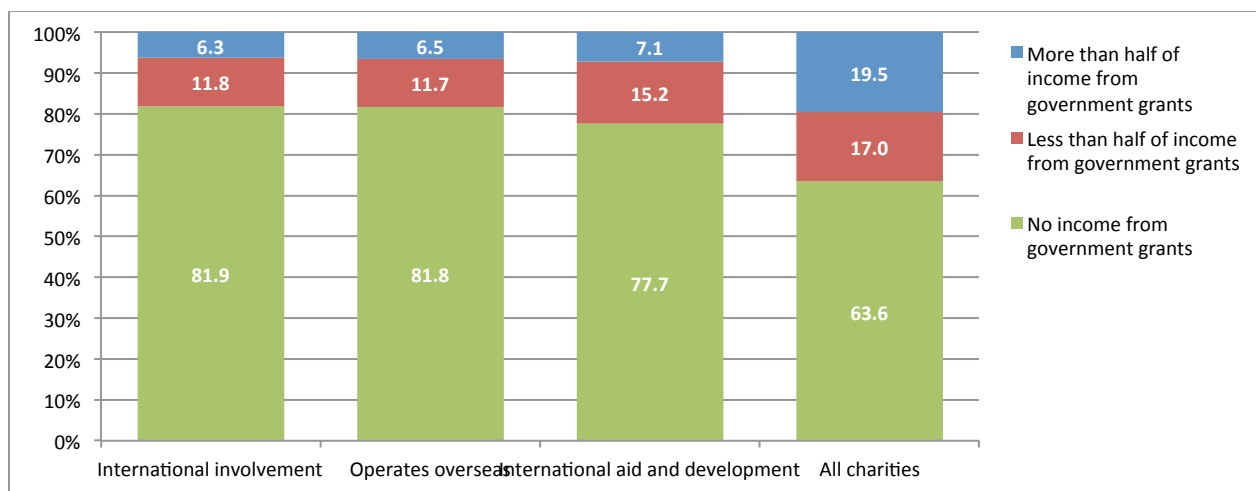
- Charities that received no government grants,
- Charities for which grants made a minor (less than 50%) contribution to total income, and
- Charities for which grants constituted a major (more than 50%) contribution to total income.

A breakdown is provided in Figure 12.5. Overall, 6.3% of charities with some international involvement received more than half of their total income from government grants. The figure was slightly higher for those operating overseas (6.5%) and for those with an international aid and development focus (7.1%). Compared with all charities, higher proportions of charities with some overseas involvement depended on government for more than half of their income, and more reported receiving no income from government.

¹⁷ For the example of Australian Red Cross, see http://www.redcross.org.au/files/Financials_2014.pdf. Note also that information for other charities can be found by searching the ACNC register at <http://www.acnc.gov.au/ACNC/FindCharity>



Figure 12.5 Proportion of charities which received more or less than half of total income from government grants, 2014



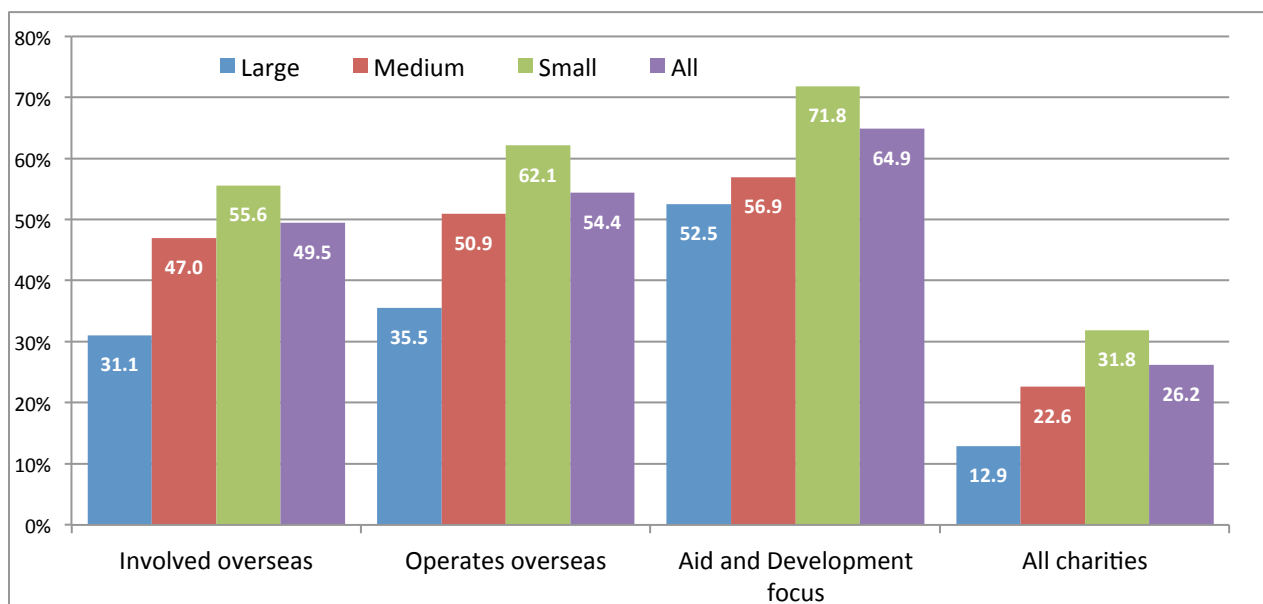
Note: International involvement n=4,963; Operate overseas n=2,325; International aid and development n=303; All charities n=27,032. Excludes those charities that did not pass the filter test as described in Appendix B: Further methodological details. It also excludes 495 group-reporting charities.

Donations and bequests

Appendix A: Supplementary Material (Figure A.22) shows the average amount of income from donations and bequests reported by charities with some involvement overseas, according to size, while Figure A.23 provides a breakdown by sector of main activity. This shows how donations make a substantial contribution to total income of charities involved overseas.

The average contribution of donations to charities' total income was high for aid and development charities (64.9%). Among aid and development charities, donations contributed 71.8% of the total incomes of small organisations, on average. In contrast, donations and bequests accounted for 49.5% of income among charities with some international involvement, and 54.4% of income, on average, in charities which operated overseas. In contrast, among all charities, around 26.2% of income came from this source.

Figure 12.6 Mean proportion of income from donations, by size and international involvement, 2014





Appendix A: Supplementary Material (Figure A. 23) shows a summary of the mean proportion of income that charities involved overseas received from donations, by main activity type. The mean proportion of income from donations was higher for charities with some international involvement in each main activity category, compared with all charities. Among all charities with some international involvement, donations made the highest average contribution to the total incomes of those whose main activities were in the categories of international activities, religion, development and housing, and environment (all more than half). More detailed information is in Appendix A: Supplementary Material.

Other income

In addition to government grants and donations and bequests, charities also reported the amounts received in 'other income/receipts' This could include income from a range of sources, including commercial income such as income from sales of assets, users fees or interest income.¹⁸ For charities with an international aid and development focus, 'other income' made a lower proportional contribution to total income than government grants or donations, contributing 12.6% of all income reported. Further information about the contribution of 'other income' to total income of charities involved overseas is in Appendix A: Supplementary Material, see Figure A.24.

¹⁸ A breakdown of this category in future would assist transparency.



13. HOW DO AUSTRALIAN CHARITIES INVOLVED OVERSEAS ALLOCATE THEIR FUNDS?

This section contains information about expenses of charities involved overseas in various categories of expenditure. Information about expenditure for all charities can be found in *Australian Charities Report 2014* (Cortis et al., 2015b). As Ryan and Irvine (2012a) point out, expenditure is a key area of non-profit performance, and reporting expenditure information transparently to stakeholders can help enhance trust and accountability. However, there is much diversity in the sector, and narrow, standardised, short term measure may not allow non-profits to ‘tell their own stories’ and demonstrate accountability in their own way (Ryan and Irvine, 2012a).

Although standardised metrics may not be universally appropriate across the diversity of organisations, here we use the data collected for regulatory purposes in the AIS. Charities reporting financial information as part of the AIS were required to specify how they allocate their funds. This was part of the income statement, under expenses/payments. Expenditure categories were:

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

However, charities provide different financial information depending on their size, for ACNC reporting purposes. Their reported information is used to provide insight into patterns of expenditure among Australian charities involved overseas, but recognise that with only one year of data, the information is limited. Further, as for income data, the expenditure data relates to the charity as a whole (not just their international involvement) and aggregate figures may be skewed by expenditure figures for a small number of very large charities.

Total expenses

A summary of expenditure for all Australian charities involved overseas is provided in Appendix A: Supplementary Material. Figure 13.1 shows that international aid and development charities together reported \$2.5b in expenditure, which was very close to their income for 2014 (\$2.6b). 30.9% of this was spent on employees, 28.5% was spent on grants for use overseas, and 36.9% was allocated to other expenses. Of this, large aid and development charities had the highest levels of expenditure, as would be expected (see Figure 13.2). Figure 13.2 also shows that mean expenditure for international aid and development charities tended to be higher than among all charities. In interpreting these data, it should be recognised that although expenditure on grants for use overseas is evident, we are not able to identify the overall proportion of all expenditure, such as employee or other expenses, which was spent in Australia and overseas.

Figure 13.1 Summary of expenses, international aid and development charities, 2014

	Charities with an aid and development focus		
	mean	total	% of total
Employees	\$2,595,076	\$773,332,792	30.9%
Interest expense	\$32,377	\$9,648,493	0.4%
Grants for use in Australia	\$269,910	\$80,433,062	3.2%
Grants - international	\$2,394,730	\$713,629,568	28.5%
Other	\$3,096,342	\$922,709,985	36.9%
Total	\$8,388,432	\$2,499,752,731	100.0%



Figure 13.2 Mean and median expenditure by size, individual reporters only, 2014 (\$)

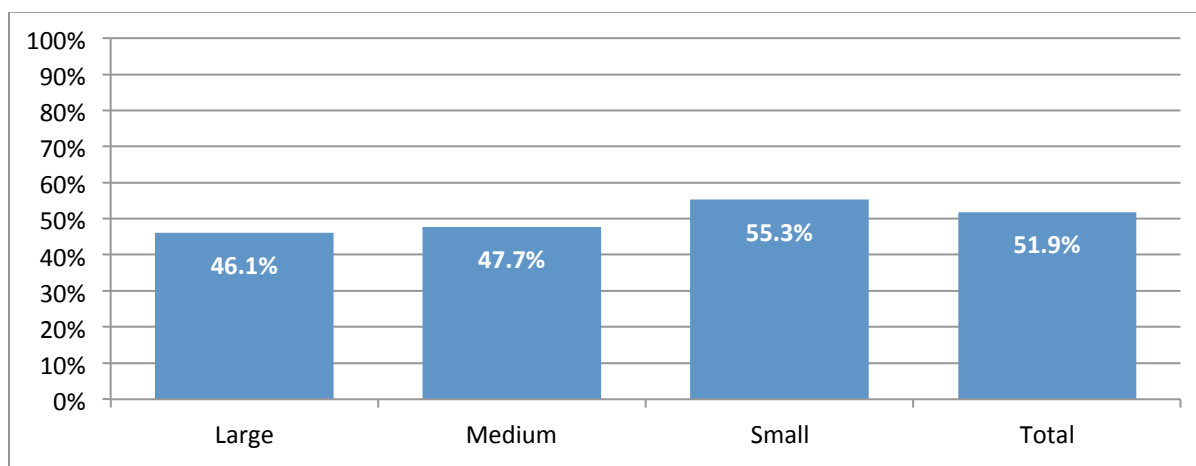
	Charities with an aid and development focus			All charities		
	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)
Size unknown	-	-	-	13	\$565,111	\$119,596
Large	74	\$33,289,673	\$4,879,265	5,508	\$14,907,744	\$3,174,586
Medium	44	\$541,996	\$538,020	5,074	\$503,607	\$449,137
Small	180	\$69,273	\$45,148	15,998	\$71,908	\$38,860
All	298	\$8,388,432	\$127,834	26,593	\$3,227,349	\$126,073

Data is based on 305 aid and development charities.

Spending on international grants and donations

Australian charities made \$1.1 billion of grants and donations for use outside of Australia (see Appendix A: Supplementary Material, Figure A.27). As shown above in Figure 13.1, the subgroup of international aid and development charities spent \$713.6 million on international grants and donations. Figure 13.3 depicts the mean proportion of total expenditure that aid and development charities spent on grants and donations for use overseas, by size of charity. This shows how smaller charities tended to spend proportionally more on donations and grants for use overseas. Further information for other categories of charities involved overseas is provided in Appendix A: Supplementary Material, see Figure A.27-28.

Figure 13.3 Mean proportion of charities' total expenditure spent on donations and grants for use overseas, 2014 (mean %)



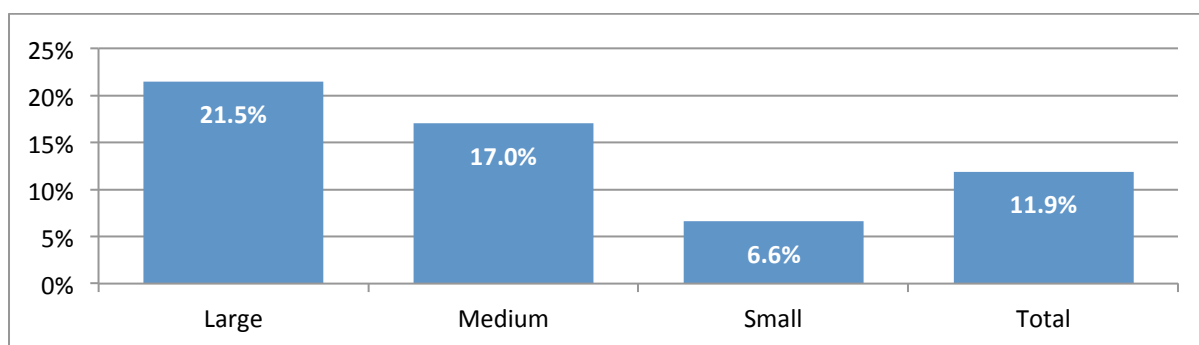
Note: Aid and Development charities n=298

Spending on employees

While 30.9% of all aid and development charities' expenditure was on employees, most aid and development charities spent much less. On average, aid and development charities spent 11.9% of their total expenditure on employees. This is depicted in Figure 13.4, which also shows how larger charities spent proportionately more on staff than smaller charities. In large international aid and development charities, spending on employees constituted 21.5% of expenditure on average, compared with 17.0% in medium international aid and development charities and 6.6% in small aid and development charities. Further information for other categories of charities involved overseas is provided in Appendix A: Supplementary Material, see Figure A.29-A.30.



Figure 13.4 Proportion of total expenditure spent on employees, by size (based measure), 2014 (%)



Note:

n=298 Excludes those charities that did not pass the filter test as described in Appendix B: Further methodological details.

To distinguish charities by employee expenses relative to total income, we constructed three categories:

- Zero employee expenses
- Minor employee expenses (less than 50% of total expenditure)
- Major employee expenses (more than 50% of total expenditure)

Full data are presented in Figure A.31 (see Appendix A: Supplementary Material). This shows that whereas employee expenses constituted more than half of total expenses for 30.2% of all charities, this was the case for far fewer international aid and development charities. Only 4.7% of aid and development charities reported that employee expenses constituted the majority of their costs. For around 2 in 5 aid and development charities, employee expenses constituted less than half of spending, and more than half of these charities (55%) reported no expenditure on employees.



14. ASSESSING THE FINANCIAL STATUS OF AUSTRALIAN CHARITIES INVOLVED OVERSEAS

How effectively Australia's charities can achieve their purpose depends on their financial health. While there are various approaches to assessing charities' financial status, this section does so using the income statement and balance sheet extract sections of the 2014 AIS. We note that a comprehensive assessment would include examination of a wide range of indicators, including efficiency ratios that assess administrative, fundraising and program expenses; revenue stability, concentration, and dependency; debt to assets; and the surplus margin (Ryan and Irvine, 2012b). However, here we use the information collected in the 2014 AIS only, which captured information on charities' total income/receipts, and their total expenses/payments for the reference period. Specifically, we examine charities involved overseas with expenditure within 20% and 5% of income (margin).

We recognise that surplus and deficit are imperfect indicators of financial status, and that they do not consider charities' reasons for operating with surplus or deficit. Operating in surplus for example may result from poor confidence in the future funding environment, or anticipation of future expenses, which could constrain charities' capacity to achieve their purpose. Operating in deficit may result from temporary fluctuations in income and expenditure, poor financial management, or inadequate access to the income required to achieve purpose. In the future, longitudinal analysis of charities' financial operations will help deepen understanding of changes in charities' budgets over longer time periods.

Australian charities involved overseas with net surplus and deficit for 2014

Figure 14.1 shows the proportion of Australian charities with some international involvement which had a deficit and surplus of more than 20% and more than 5% for the reporting period. This is then shown for the subgroups of charities which operated overseas (Figure 14.2) and international aid and development charities (Figure 14.3). The thresholds used, and the findings, are explained below.

Twenty percent threshold

Net surplus and deficit are examined firstly using a 20% threshold. This examines the proportion of charities which:

- Operated a fairly balanced budget for the period, defined as having reported total expenditure within 20% of reported income in their 2014 AIS;
- Ended the reference period with a surplus of more than 20% of their total income; or
- Ended the reference period with a net deficit of more than 20% of their total income.

While the 20% threshold is wide, and the reporting period is too short to make a broader assessment, this approach follows that previously used to assess charities' financial status (Cortis et al., 2015a; Cortis et al., 2015b). It should however be recognised that fluctuations in income may result from accounting methods, including the recognition of income from government grants up front with expenditure lagging. Net surplus or deficit for the reporting period may arise due to the timing of government funding and donation cycles and project expenditure, which may not occur at regular intervals. The threshold is examined at 20% to account for wide fluctuations in income and expenditure which charities can be expected to experience.

Based on the 20% threshold, 11.0% of charities with some international involvement had a deficit of more than 20% and 27.4% had a surplus of more than 20% (see Figure 14.1). The remainder (61.6%) operated a fairly balanced budget for 2014, spending within 20% of their total income for the year. The proportion operating a fairly balanced budget on this measure was close to the figure for the charitable sector as a whole (60.9%, see Cortis et al. (2015b)). It should be noted however that income data for this large category of charities with any international involvement is likely to be affected by incomes and expenditures of some large charities which are primarily focused on domestic activities, such as universities and hospitals (see Figure A.1). Among international aid and development charities, 63.0% were operating within a 20% margin (see Figure 14.3).



Five percent threshold

Recognising that the 20% threshold is wide, data on the proportion of charities operating within 5% of income is also contained in Figure 14.1 (charities with some international involvement), Figure 14.2 (charities with overseas operations), and Figure 14.3 (international aid and development charities). Charities were assigned to one of three categories, based on the following:

- Reported total expenditure within 5% of reported income;
- Ended the reference period with a surplus of more than 5% of their total income; or
- Ended the reference period with a net deficit of more than 5% of their total income.

Among all charities with some international involvement, around 26.9% spent within 5% of their income in the reporting period, however, this was higher for large charities (42.0%). Of course, this category includes many high income charities primarily focused on domestic activities (see Figure A.1). Among those focused primarily on international activities (aid and development charities), large charities were most likely to have spent within 5% of income for 2014: this was the case for 49.3% of large aid and development charities.

Within each group of charities involved overseas, small charities were less likely than others to spend within 5% of their income. This was the case for 22.5% of small charities with some international involvement, 22.8% of small charities operating overseas, and 21.7% of small aid and development charities. In each category, small charities were also most likely to report a deficit of more than 5% for the reporting period.

Figure 14.1 Net margins of charities with some international involvement, 2014 (n=5,050)

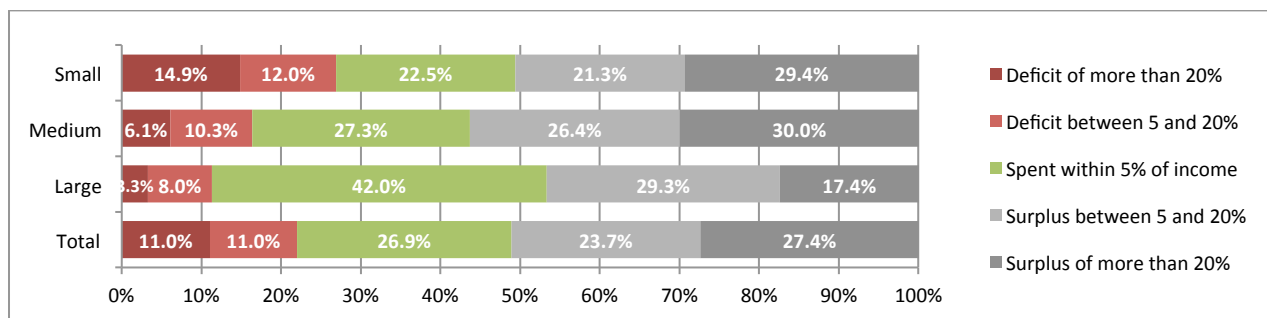


Figure 14.2 Net margins of charities operating overseas, 2014 (n=2,370)

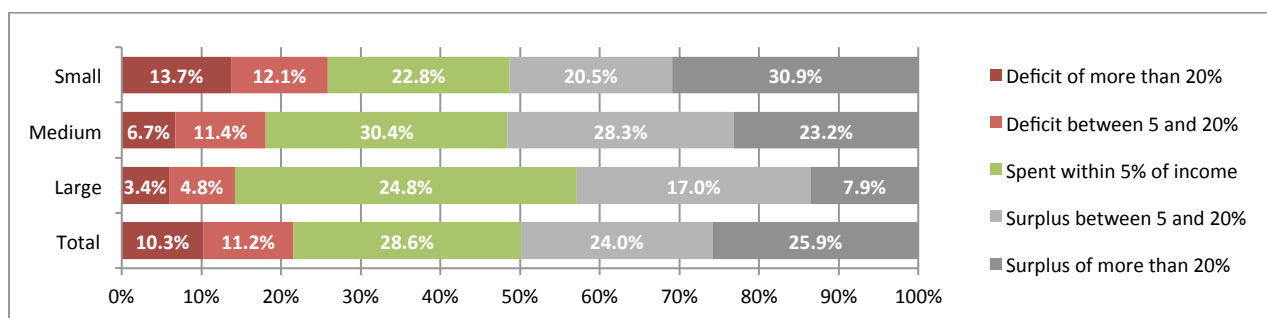
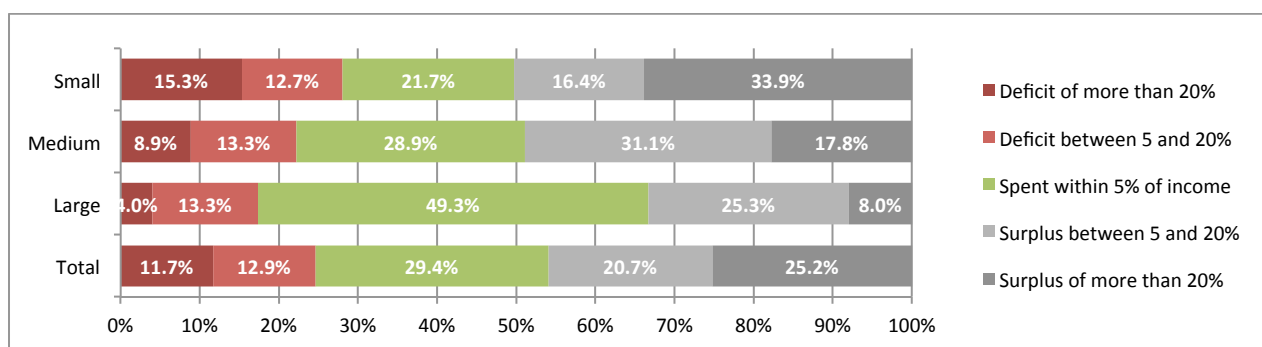




Figure 14.3 Net margins of international aid and development charities, 2014 (n=309)



Assets and liabilities of Australia’s international aid and development charities

For the reasons discussed at the start of Part 2, the aggregate data presented below is restricted to international aid and development charities, which are more likely to be focused on international activity, compared to other charities with some international involvement. Detail for the more broadly defined groups of charities involved overseas are presented in Appendix A: Supplementary Material, see Figure A.34-37.

International aid and development charities that reported individually had \$1.8 billion in assets and international aid and development charities that reported as part of a group had a further \$59 million in assets (see Figure 14.4). Together, the \$1.9 billion in assets held by international aid and development charities constitutes less than 1% of total assets held by Australia’s charities.

The mean assets for individual reporting international aid and development charities was \$5.7 million, however, and the much lower median figure (\$69,445) indicates high concentration of assets among a minority of charities (see Figure 14.4).

Figure 14.4 International aid and development charities’ total assets (individual reporters) 2014 (\$)

	n	Mean (\$)	Median (\$)	Sum (\$)
Aid and development charities	321	\$5,751,437	\$69,445	\$1,846,211,283
All charities	37,786	\$4,938,634	\$ 64,701	\$186,611,209,029

Note: Excludes 12 charities that reported individually and a part of group reporting.

The AIS information on assets and liabilities also provides insight into the financial health of Australia’s charities in 2014.

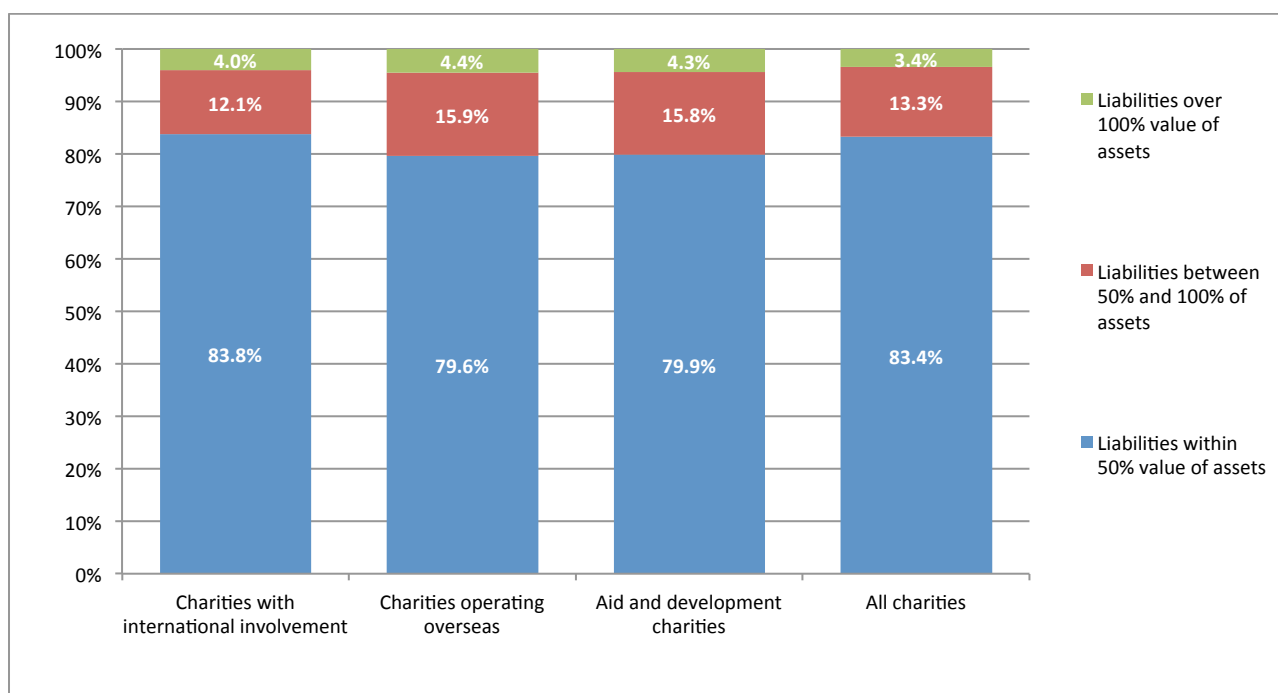
To further explore the financial situation of charities involved overseas, we constructed three categories:

- Charities whose liabilities were within 50% of the value of assets
- Charities whose liabilities were between 50% and 100% of the value of assets
- Charities whose liabilities were more than the value of their assets.

Results are shown in Figure 14.5. Overall, 83.8% of charities with some international involvement had liabilities which were within 50% of the value of their assets, which may be considered a low risk position (Figure 14.5). Around 12.1% were operating with liabilities between 50% and 100% of their assets, and a small proportion (4.0%) were operating with high liabilities (more than the value of their assets). Those operating overseas appeared to operate with slightly more risk under this measure: 79.6% of charities operating overseas, and 79.9% of international aid and development charities had a low risk position. Around 4.4% of charities operating overseas had liabilities of more than the value of their assets, compared with 3.4% of all charities.



Figure 14.5 Liabilities and assets among charities involved overseas, 2014



Notes: This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 495 group-reporting charities.

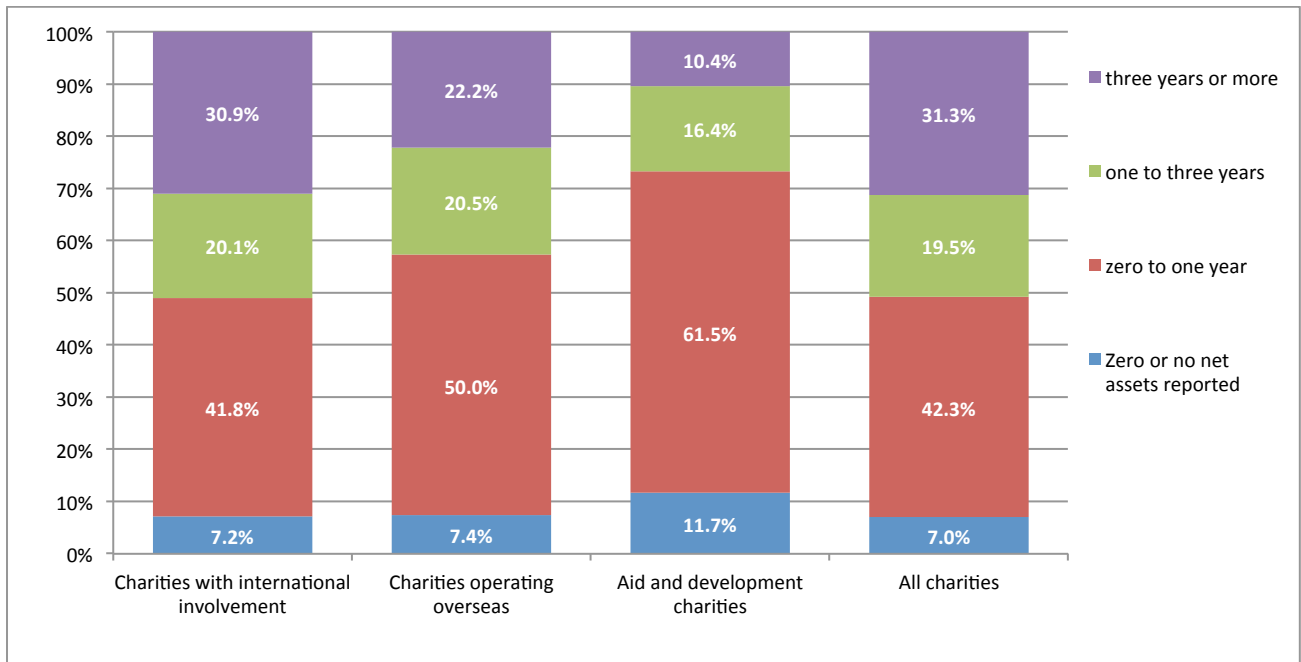
Expense coverage ratios

To assess the value of charities’ assets relative to their expenses, an expense coverage ratio was also constructed. This provides an indicator of how many years charities could cover their expenses for, based on the value of their net assets in 2014 (see Figure 14.6). According to this indicator, around half of charities with some international involvement had assets which would cover 1 year of expenditure or more, at 2014 levels. Around 1 in 5 charities with some international involvement could cover their expenses for 1 to 3 years (20.1%), while more (30.9%) could cover their expenses for 3 years or more.

However, relatively low proportions of international aid and development charities have assets which could cover their expenses. Around 1 in 9 had no net assets with which to do so (11.7%, compared to 7.0% of all charities). A further 61.5% had net assets which would cover their expenses for less than one year. While many of these charities may also have relatively low expenses, this indicator suggests there may be poorer capacity for financial sustainability in this subgroup of charities compared with others.



Figure 14.6 Expense coverage ratios for Australian charities involved overseas, 2014



Notes: N=8,909. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 495 group-reporting charities.



15. CONCLUSIONS

The report has used a unique dataset to provide new information about Australia's charities involved overseas in 2014, including their size, activities, locations, and resourcing, and their use of paid employees and volunteers. The uniqueness of the analysis comes from the nuanced definitions of 'charities involved overseas'. The report has provided information about charities which reported any kind of involvement overseas in 2014, the subset of this group which operated in another country, and those which were focused on promoting international aid and development, and has compared each type of international charity with information for all charities which reported information for 2014.

The report is part of a series and should be read alongside the reports *Australia's Charities 2014* (Cortis et al., 2015b), *Australia's Disability Charities 2014* (Cortis et al., 2015a), and *Australian Charities and Red Tape 2014* (Reeve et al., 2016). It is also complemented by data resources available at <http://www.australiancharities.acnc.gov.au>.

Overall, the report has shown that around 18.6% of Australia's charities are involved in some way overseas, with 7.7% operating in some other country, and 13.3% having beneficiaries overseas. Further Australia's charities provided \$1.1 billion in donations and grants for use outside Australia. In addition to operating in Australia, Australia's charities operated in 215 countries and performed a range of activities and pursued many types of charitable purpose. While India and The Philippines were the most common countries in which Australia's charities operate, large numbers of charities are focusing on Australia's closest neighbours, including Papua New Guinea and Indonesia.

The data attests to the significant economic, social and cultural contribution made by Australian charities involved overseas. It also showed that international aid and development charities are more closely monitored than other charities, reflected in higher than average time spent on additional reporting obligations. The nature of charities' involvement overseas, and the various ways charities structure their operations and activities to achieve their purposes outside Australia, is worthy of further research, including the ways international activities are integrated into charities which have a mix of activities and purposes, models of international governance and regulatory obligations overseas, and the nature of charities' paid and volunteer workforces and how they work across countries. Further details about other categories of charities, such as those which distribute funds overseas but do not operate in other countries, is also worthy of further research.

It is hoped that the information will help build understanding, public trust and confidence, help identify any risks for the sector, and inform the development of appropriate regulatory approaches. As the information collected by the ACNC grows and develops in future years and benefits from the Commission's significant efforts to improve data quality, the dataset will continue to build a contemporary picture of Australia's charities, and the diversity within it.



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APPENDIX A: SUPPLEMENTARY MATERIAL

Who are the largest Australian charities involved overseas?

Figure A.1 Largest charities (total gross income) in each category of charity involved overseas.

Charities with some international involvement	Charities which operated overseas	Charities with an aid and development focus
Monash University	Monash University	Australian Red Cross Society
St John Of God Health Care Inc	St John Of God Health Care Inc	World Vision Australia
Australian Red Cross Society	Australian Red Cross Society	Save The Children Australia
University Of Western Australia	University Of Western Australia	Oxfam Australia
Queensland University Of Technology	Queensland University Of Technology	Royal Australasian College Of Surgeons
Curtin University Of Technology	Curtin University Of Technology	The Fred Hollows Foundation
The Pew Charitable Trusts	The Pew Charitable Trusts	Plan International Australia
Deakin University	Deakin University	CARE Australia
Griffith University	Griffith University	Childfund Australia
University Of Western Sydney	University Of Western Sydney	Caritas Australia
The University Of Newcastle	The University Of Newcastle	The Macfarlane Burnet Institute For Medical Research And Public Health Ltd
University Of South Australia	University Of South Australia	Cbm Australia
James Cook University	James Cook University	Australian Volunteers International
University Of Tasmania	University Of Tasmania	Global Development Group
Swinburne University Of Technology	Charles Sturt University	World Wide Fund For Nature Australia
Charles Sturt University	The Flinders University Of South Australia	Australian Committee For UNICEF Limited
The Flinders University Of South Australia	Central Queensland University	TEAR Australia
Central Queensland University	Victoria University	Brien Holden Vision Institute Foundation
Victoria University	Australian Catholic University Limited	Adventist Development And Relief Agency Australia Ltd
Australian Catholic University Limited	World Vision Australia	Family Planning NSW
Edith Cowan University	Life Without Barriers	Baptist World Aid Australia Ltd
World Vision Australia	Murdoch University	Church Missionary Society - Australia Limited
Life Without Barriers	University Of Southern Queensland	Australian People For Health Education & Development Abroad Inc
Charles Darwin University	The University Of New England	The Australian Foundation For The Peoples Of Asia And The Pacific Limited
Murdoch University	Federation University Australia	Opportunity International Australia Limited
University Of Southern Queensland	Open Universities Australia Pty Ltd	Australasian Society For HIV Medicine
The University Of New England	Save The Children Australia	Actionaid Australia
Federation University Australia	The Baptist Union Of Queensland	RedR Australia Limited
St John Ambulance Western Australia Ltd.	Monash College Pty Ltd	The Royal Australian And New Zealand College Of Ophthalmologists
Diabetes Australia	Murdoch Childrens Research Institute	The Uniting Church In Australia - National Assembly



Where are Australian charities involved overseas located?

Figure A.2 Jurisdiction of registered address of Australian charities involved overseas, 2014

Registered address	Charities with some international involvement		Charities operating overseas		International aid and development charities		All charities	
	n	%	n	%	n	%	n	%
ACT	208	3.0	85	2.9	6	1.9	846	2.2
NSW	2,460	35.0	1,019	35.0	130	40.4	13,321	35.2
NT	35	0.5	15	0.5	0	0.0	358	1.0
QLD	1,066	15.2	451	15.5	39	12.1	5,772	15.3
SA	727	10.4	255	8.8	23	7.1	3,057	8.1
TAS	134	1.9	47	1.6	3	0.9	1,022	2.7
VIC	1,802	25.7	797	27.4	98	30.4	9,746	25.8
WA	593	8.4	239	8.2	22	6.8	3,670	9.7
Jurisdiction unknown	1	0.0	1	0.0	1	0.3	6	0.0
Total	7,026	100	2,909	100	322	100	37,798	100


Figure A.3 Number of Australia's charities operating in each country, 2014

	Number of charities				
India	471	Tonga	48	Botswana	18
Philippines	407	Ireland	47	Albania	18
New Zealand	339	Egypt	47	Croatia	17
Papua New Guinea	330	Spain	44	Liberia	17
Indonesia	307	South Korea	44	Madagascar	17
Cambodia	300	Italy	44	Niger	17
Thailand	271	Ghana	42	Nauru	17
United States	237	Chile	42	Bhutan	16
Kenya	211	Afghanistan	40	Haiti	16
Uganda	206	Rwanda	40	Sweden	16
China	202	Mexico	39	Czech Republic	16
Fiji	194	Peru	36	New Caledonia	16
United Kingdom	189	Lebanon	36	Central African Republic	16
Vietnam	187	Ukraine	35	Mauritius	16
Vanuatu	178	Iraq	34	Republic of the Congo	15
Nepal	164	Netherlands	34	Bulgaria	15
East Timor	157	Kiribati	34	Norway	14
Solomon Islands	157	Taiwan	33	American Samoa	14
Myanmar	155	Argentina	32	Tuvalu	14
Sri Lanka	147	Mongolia	32	Finland	14
South Africa	134	Russia	32	Angola	14
Malaysia	124	Burundi	31	Namibia	14
Singapore	118	Cook Islands	31	Bosnia and Herzegovina	14
Pakistan	105	Syria	30	Senegal	13
Tanzania	103	Bolivia	30	Malta	12
Zimbabwe	97	Greece	28	Ivory Coast	12
Bangladesh	95	Romania	28	North Korea	12
Zambia	92	Belgium	28	El Salvador	11
Israel	90	Colombia	26	Armenia	11
Ethiopia	83	Austria	26	Eritrea	11
Hong Kong	76	Poland	25	Micronesia	11
Japan	76	Sierra Leone	25	Cuba	11
Sudan	76	United Arab Emirates	24	Bahrain	10
Canada	70	Jordan	24	Guinea	10
Democratic Republic of the Congo	67	Turkey	24	Cyprus	10
Germany	63	Ecuador	23	Saudi Arabia	10
Malawi	62	Denmark	23	Macedonia	10
France	53	Guatemala	23	Iran	10
Laos	53	Switzerland	23	Palau	10
Samoa	52	Palestine	22	Mali	10
Mozambique	52	Somalia	21		
Nigeria	49	Chad	19		
Brazil	49	Kazakhstan	19		
		Cameroon	19		
		Burkina Faso	19		

Countries with less than 10 charities: Nicaragua, Togo, Hungary, Panama, Marshall Islands, Costa Rica, Portugal, Swaziland, Gambia, Moldova, Dominican Republic, Azerbaijan, Yemen, French Polynesia, Maldives, Honduras, Tunisia, Christmas Island, Estonia, Macao, Guam, Paraguay, Belarus, Bahamas, Cayman Islands, Algeria, Brunei, Jamaica, Morocco, Kuwait, Serbia, Lesotho, Kyrgyzstan, Latvia, Georgia, Norfolk Island, Qatar, Benin, Djibouti, Venezuela, Niue, Belize, Barbados, Slovenia, Comoros, Australia, Uruguay, British Indian Ocean Territory, Oman, Dominica, Bermuda, Uzbekistan, Anguilla, Bouvet Island, Antarctica, Andorra, Luxembourg, Cape Verde, Iceland, Cocos Islands, Tajikistan, Vatican, French Guiana, Antigua and Barbuda, Guyana, Tokelau, British Virgin Islands, Slovakia, Lithuania, Seychelles, Trinidad and Tobago, Aland Islands, Reunion, Northern Mariana Islands, Wallis and Futuna, Aruba, Montenegro, French Southern Territories, Guinea-Bissau, Equatorial Guinea, Falkland Islands, Monaco, Pitcairn, United States Minor Outlying Islands, Mauritania, Libya, Greenland.


Figure A.4 Countries in which international aid and development charities operated, 2014

	Number of international aid and development charities				
India	76	Pakistan	23	Bolivia	7
Cambodia	72	Malawi	22	Micronesia	7
Philippines	69	Zambia	22	Tuvalu	7
Papua New Guinea	67	Zimbabwe	21	Israel	7
Indonesia	53	Samoa	20	Mexico	7
Nepal	53	Mozambique	18	Somalia	7
Kenya	52	Democratic Republic of the Congo	17	Mali	7
East Timor	47	Kiribati	17	Bosnia and Herzegovina	6
Myanmar	46	Afghanistan	15	Sierra Leone	6
Uganda	41	Tonga	15	Burkina Faso	6
Thailand	41	Rwanda	13	Turkey	6
Vietnam	40	Nigeria	12	Marshall Islands	6
Solomon Islands	39	Jordan	11	Ukraine	6
Sri Lanka	37	Malaysia	11	Palau	6
Vanuatu	35	Syria	10	Japan	6
Fiji	34	United States	10	Togo	5
Bangladesh	31	Ghana	10	Ecuador	5
Sudan	30	New Zealand	9	Nauru	5
Laos	29	Burundi	9	Cook Islands	5
Tanzania	29	Mongolia	9	Niger	5
Ethiopia	28	Iraq	9	Colombia	5
China	27	Palestine	9	Chad	5
South Africa	23	Haiti	8	Egypt	5
		Lebanon	8	Brazil	5
		Peru	8		

Countries with less than 5 aid and development charities: South Korea, Spain, Swaziland, Switzerland, Singapore, United Kingdom, Botswana, Hong Kong, Guatemala, Senegal, Madagascar, Central African Republic, Maldives, Lesotho, Chile, France, Cameroon, Guam, Guinea, Bhutan, Angola, Eritrea, Albania, Germany, Republic of the Congo, Namibia, Poland, Romania, Liberia, United Arab Emirates, Bulgaria, Azerbaijan, Nicaragua, Austria, Argentina, Canada, Norway, Northern Mariana Islands, North Korea, Niue, Honduras, Ireland, Italy, Kazakhstan, Moldova, Benin, Comoros, Greece, Jamaica, Ivory Coast, Brunei, Russia, Saudi Arabia, Sweden, Tunisia, Belgium, Guyana, Armenia, Uzbekistan, American Samoa, Yemen, Tajikistan, Croatia, El Salvador, Morocco, Mauritius, Netherlands, Dominican Republic, Dominica, Denmark, New Caledonia, Qatar, Cyprus, Georgia, Costa Rica, Iran, Mauritania, Libya, Macao, French Polynesia, Gambia, Paraguay, Cayman Islands, and Czech Republic.


Figure A.5 Charities operating overseas by sector of main activity and region, 2014

	Culture and recreation		Education and research		Health		Social Services		Environment		Development and Housing		Law, advocacy and politics		Philanthropic		International		Religion		Other		Total	
	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
Caribbean and Central America	5	6.0	7	8.4	5	6.0	4	4.8	4	4.8	11	13.3	1	1.2	1	1.2	8	9.6	30	36.1	7	8.4	83	100
Central Africa	0	0.0	7	7.1	3	3.1	6	6.1	3	3.1	17	17.3	1	1.0	0	0.0	20	20.4	37	37.8	4	4.1	98	100
Central and Sth Asia	13	1.8	76	10.6	36	5.0	23	3.2	13	1.8	94	13.1	4	0.6	9	1.3	97	13.5	317	44.3	34	4.7	716	100
Central Europe	2	4.3	10	21.7	2	4.3	1	2.2	1	2.2	3	6.5	0	0.0	0	0.0	3	6.5	21	45.7	3	6.5	46	100
East Asia	15	5.7	69	26.4	8	3.1	5	1.9	2	0.8	18	6.9	5	1.9	4	1.5	19	7.3	102	39.1	14	5.4	261	100
Eastern Africa	5	0.8	49	7.8	21	3.3	35	5.6	13	2.1	71	11.3	6	1.0	13	2.1	94	15.0	298	47.5	23	3.7	628	100
Eastern Europe	1	1.7	4	6.9	2	3.4	4	6.9	0	0.0	4	6.9	2	3.4	1	1.7	6	10.3	30	51.7	4	6.9	58	100
Middle East	6	2.9	29	14.0	8	3.9	15	7.2	5	2.4	10	4.8	2	1.0	2	1.0	22	10.6	95	45.9	13	6.3	207	100
NE Asia	14	9.8	18	12.6	5	3.5	1	0.7	5	3.5	9	6.3	3	2.1	1	0.7	12	8.4	68	47.6	7	4.9	143	100
Nth Africa	2	1.7	9	7.6	3	2.5	9	7.6	0	0.0	17	14.3	2	1.7	4	3.4	23	19.3	44	37.0	6	5.0	119	100
Nth America	33	12.9	61	23.8	7	2.7	8	3.1	9	3.5	10	3.9	8	3.1	4	1.6	7	2.7	93	36.3	16	6.3	256	100
Nth Europe	9	12.2	12	16.2	1	1.4	3	4.1	1	1.4	4	5.4	1	1.4	0	0.0	4	5.4	32	43.2	7	9.5	74	100
Pacific	22	2.5	148	17.1	56	6.5	30	3.5	21	2.4	57	6.6	10	1.2	21	2.4	56	6.5	389	45.1	53	6	863	100
Sth America	5	3.6	21	15.1	6	4.3	4	2.9	5	3.6	15	10.8	2	1.4	5	3.6	14	10.1	56	40.3	6	4	139	100
SE Asia	25	2.1	148	12.3	54	4.5	47	3.9	34	2.8	123	10.2	15	1.2	27	2.2	122	10.1	555	46.1	53	4	1203	100
Southern Africa	4	2.5	20	12.3	3	1.8	8	4.9	4	2.5	19	11.7	1	0.6	3	1.8	22	13.5	71	43.6	8	5	163	100
Southern Europe	12	7.7	20	12.9	5	3.2	11	7.1	2	1.3	11	7.1	4	2.6	1	0.6	14	9.0	68	44	7	5	155	100
West Africa	2	1.4	12	8.5	2	1.4	8	5.6	2	1.4	21	14.8	1	0.7	6	4.2	24	16.9	54	38	10	7	142	100
Western Europe	43	16.0	61	22.7	7	2.6	5	1.9	6	2.2	18	6.7	9	3.3	4	1.5	9	3	96	36	11	4	269	100



Figure A.6 Main activity: Number of Australian charities involved overseas in each ICNPO activity category, 2014

Main activity	Charities with any international involvement		Charities operating overseas		International aid and development charities		All charities	
	n	%	n	%	n	%	n	%
Aged Care Activities	47	0.7	18	0.6	0	0.0	1,262	3.3
Animal Protection	35	0.5	26	0.9	0	0.0	311	0.8
Civic and advocacy activities	63	0.9	23	0.8	0	0.0	331	0.9
Culture and arts	216	3.1	107	3.7	0	0.0	1,513	4.0
Economic, social and community development	359	5.1	224	7.7	25	7.8	1,605	4.3
Emergency Relief	135	1.9	66	2.3	4	1.2	1,001	2.7
Employment and training	30	0.4	17	0.6	1	0.3	445	1.2
Environmental activities	83	1.2	43	1.5	3	0.9	658	1.7
Grant-making activities	204	2.9	49	1.7	1	0.3	2,293	6.1
Higher education	139	2.0	91	3.1	1	0.3	478	1.3
Hospital services rehabilitation	44	0.6	25	0.9	0	0.0	297	0.8
Housing activities	24	0.3	9	0.3	0	0.0	727	1.9
Income support and maintenance	15	0.2	8	0.3	0	0.0	111	0.3
International activities	298	4.2	264	9.1	264	82.0	298	0.8
Law and legal services	10	0.1	5	0.2	1	0.3	189	0.5
Mental health and crisis intervention	41	0.6	19	0.7	0	0.0	374	1.0
Other	398	5.7	131	4.5	5	1.6	3,909	10.3
Other education	351	5.0	197	6.8	2	0.6	3,020	8.0
Other health service delivery	132	1.9	80	2.8	7	2.2	1,192	3.2
Other philanthropic	31	0.4	10	0.3	0	0.0	104	0.3
Other recreation and social club activities.	25	0.4	6	0.2	0	0.0	440	1.2
Philanthropic promotion	3	0.0	0	0.0	0	0.0	4	0.0
Political activities	1	0.0	0	0.0	0	0.0	3	0.0
Primary and secondary education	174	2.5	70	2.4	3	0.9	2,724	7.2
Religious activities	3,817	54.3	1301	44.7	2	0.6	10,857	28.7
Research	97	1.4	49	1.7	1	0.3	423	1.1
Social services	120	1.7	47	1.6	1	0.3	1,434	3.8
Sports	15	0.2	6	0.2	1	0.3	159	0.4
Main activity unknown	119	1.7	18	0.6	0	0.0	1,636	4.3
Total	7,026	100	2909	100	322	100	37,798	100



Figure A.7 General activities: Number of Australian charities involved overseas in each ICNPO activity category, 2014

	Charities with some international involvement		Charities operating overseas		International aid and development charities	
	n	%	n	%	n	%
Political activities	40	0.6	15	0.5	1	0.3
Law and legal services	52	0.7	22	0.8	2	0.6
Animal Protection	103	1.5	37	1.3	2	0.6
Other recreation and social club activities.	662	9.4	249	8.6	4	1.2
Aged Care Activities	494	7.0	221	7.6	9	2.8
Sports	261	3.7	110	3.8	10	3.1
Culture and arts	548	7.8	217	7.5	10	3.1
Mental health and crisis intervention	355	5.1	168	5.8	13	4.0
Research	430	6.1	228	7.8	21	6.5
Environmental activities	254	3.6	130	4.5	24	7.5
Other philanthropic	363	5.2	178	6.1	24	7.5
Grant-making activities	357	5.1	145	5.0	25	7.8
Civic and advocacy activities	297	4.2	139	4.8	28	8.7
Income support and maintenance	313	4.5	186	6.4	30	9.3
Housing activities	210	3.0	128	4.4	31	9.6
Higher education	330	4.7	198	6.8	36	11.2
Religious activities	858	12.2	233	8.0	38	11.8
Hospital services rehabilitation	288	4.1	170	5.8	50	15.5
Other	811	11.5	367	12.6	50	15.5
Employment and training	385	5.5	232	8.0	58	18.0
International activities	1,435	20.4	995	34.2	58	18.0
Social services	998	14.2	467	16.1	64	19.9
Other health service delivery	515	7.3	321	11.0	86	26.7
Emergency Relief	1,149	16.4	548	18.8	86	26.7
Other education	1,306	18.6	734	25.2	97	30.1
Primary and secondary education	645	9.2	388	13.3	102	31.7
Economic, social and community development	737	10.5	405	13.9	114	35.4
Total	7,026	-	2,909	-	322	-

How do charities pursue their purpose?

Figure A.8 Australian charities involved overseas that reported a charitable purpose (%)

Charitable purpose	All charities		Charities with some international involvement		Charities operating overseas		Aid and Development focus	
	n	%	n	%	n	%	n	%
Reported a charitable purpose	24,355	64.4	5,447	77.5	2,234	76.8	215	39.6
Did not report a purpose	13,443	35.6	1,579	22.5	675	23.2	107	60.4
Total	37,798	100	7,026	100	2,909	100	322	100


Figure A.9 Charitable purposes among Australian charities involved overseas (%)

Charitable purpose	All charities		Charities with some international involvement		Charities operating overseas		Aid and Development focus	
	n	%	n	%	n	%	n	%
Preventing or relieving suffering of animals	235	1.0	44	0.8	29	1.3	0	0.0
Advancing Culture	1,105	4.5	196	3.6	96	4.3	5	1.4
Advancing Education	6,597	27.1	748	13.7	429	19.2	69	19.4
Advancing Health	1,909	7.8	326	6.0	208	9.3	52	14.6
Promote or oppose a change to law, government policy or practice	215	0.9	50	0.9	23	1.0	4	1.1
Advancing natural environment	485	2.0	102	1.9	65	2.9	5	1.4
Promoting or protecting human rights	443	1.8	146	2.7	89	4.0	39	11.0
Purposes beneficial to the general public and other analogous to the other charitable purposes	3,572	14.7	442	8.1	198	8.9	36	10.1
Promoting reconciliation, mutual respect and tolerance between groups of individuals	476	2.0	88	1.6	37	1.7	7	2.0
Advancing Religion	11,200	46.0	3,866	71.0	1,366	61.1	35	9.8
Advancing social or public welfare	3,372	13.8	528	9.7	339	15.2	104	29.2
Advancing security or safety of Australia or Australian public	32	0.1	29	0.5	10	0.4	0	0.0

Note: Percentages do not sum to 100 as charities could select more than one purpose.

Who works in Australian charities involved overseas?

Figure A.10 Paid staff in Australia's charities with some international involvement

Staff	Individual reporters	Group reporters	Total	% of total
Full time staff	109,249	18,221	127,470	48.8
Part time staff	55,156	5,885	61,041	23.3
Casual staff	61,420	11,498	72,918	27.9
Total	225,825	35,604	261,429	100.0

Note: Individual reporters n=6,945; Group reporters n=16; Excludes 86 individual charities that did not report employee information.

Figure A.11 Paid staff in Australian charities involved overseas

	Charities with some international involvement		Charities with overseas operations		Charities with an international aid and development focus		All charities	
	n	mean	n	mean	n	mean	n	mean
Full time staff	109,249	15.7	75,393	26.1	7,664	23.8	416,596	11.5
Part time staff	55,156	7.9	34,471	11.9	3,723	11.6	385,827	10.7
Casual staff	61,420	8.9	46,761	16.2	974	3.0	255,804	7.1
	225,825	-	156,625	-	12,361	-	1,058,227	29.3

Notes: n=36,163 charities (all) 6,945 charities with some international involvement, 2,891 with overseas operations, and 322 aid and development charities. Excludes 86 charities that did not report employee information.


Figure A.12 Australian charities involved overseas with support from volunteers, 2014 (%)

	Charities with some international involvement		Charities operating overseas		International aid and development charities		All	
	n	%	n	%	n	%	n	%
No volunteers	678	10.1	247	8.8	9	2.9	5,845	16.6
1 to 10	2,288	33.9	1,092	39.1	151	49.0	11,727	33.3
11 to 50	2,489	36.9	899	32.2	96	31.2	11,666	33.1
More than 50	1,289	19.1	554	19.8	52	16.9	5,976	17.0
All	6,744	100	2,792	100	308	100	35,214	100.0

Figure A.13 Australian charities involved overseas with volunteers and paid employees, 2014

	Charities with some international involvement		Charities operating overseas		Aid and Development focus		All charities	
	n	%	n	%	n	%	n	%
No employees or volunteers	302	4.5	69	2.5	3	1.0	2,983	8.5
Employees only	376	5.6	178	6.4	6	1.9	2,861	8.1
Volunteers only	2,285	33.9	1,037	37.1	150	48.7	1,2584	35.7
Employees and volunteers	3,780	56.1	1,508	54.0	149	48.4	16,780	47.7
Total	6,743	100.0	2,792	100.0	308	100.0	35,208	100.0

**Excludes blanks and '0 to 50' volunteers.

What business structures are used by Australian charities involved overseas?

Figure A.14 Legal structure of reporting Australian charities involved overseas, 2014

	All charities		Charities with some international involvement		Charities operating overseas		Aid and Development focus	
	n	%	n	%	n	%	n	%
Other incorporated entity	15,052	39.83	2,596	36.95	1,217	41.84	135	41.93
Other legal structure	1,215	3.21	129	1.84	68	2.34	5	1.55
Other unincorporated entity	11,940	31.59	2,544	36.21	708	24.34	31	9.63
Public company	4,717	12.48	1,151	16.38	703	24.17	121	37.58
Trusts	4,871	12.89	606	8.63	213	7.32	30	9.32
Total	37,795	100	7,026	100	2,909	100	322	100



How do Australian charities involved overseas fund their activities?

Figure A.15 Summary of income sources, Australian charities with some international involvement, 2014

Income source	Individual reporters (\$)	Group reporters (\$)	Total (\$)
Government grants	\$11,641,980,452	\$1,913,151,118	\$13,555,131,570
Donations	\$2,773,147,032.00	\$281,882,693	\$3,055,029,725
Other income	\$13,778,495,526.00	\$3,656,289,526	\$17,434,785,052
Total	\$28,193,379,954	\$5,851,323,364	\$34,044,703,318

Notes: Due to discrepancies in charities' reporting of each income source and totals, figures for grants, donations and other income may not sum to the total. Data is based on 5003 individual reporting charities and 16 group reporters.

Figure A.16 Total and mean income, Australian charities involved overseas, individual reporting charities only, 2014

	Charities with some international involvement			Charities with overseas operations			Charities with an aid and development focus		
	mean	total	% total	mean	total	% of total	mean	total	% of total
Government grants	\$2,327,000	\$11,641,980,452	41.3	\$4,124,158	\$9,658,778,873	44.4	\$4,386,219	\$1,337,796,669	51.8
Donations	\$554,297	\$2,773,147,032	9.8	\$839,215	\$1,965,440,436	9.0	\$3,021,394	\$921,525,021	35.6
Other income	\$2,754,597	\$13,778,495,526	48.9	\$4,329,818	\$10,140,434,227	46.6	\$1,067,953	\$325,725,634	12.6
Total	\$5,635,295	\$28,193,379,954	100	\$9,293,002	\$21,764,211,088	100	\$8,475,567	\$2,585,047,960	

Data is based on 305 aid and development charities, 2342 charities operating overseas, and 5,003 charities with some international involvement.

Figure A.17 Average gross total income by size (basic categories), individual reporting charities only, 2014

Charity size	Charities with some international involvement			Charities which operated overseas			Charities with an aid and development focus			All charities		
	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)
Large	879	31,170,559	3,335,347	496	43,186,254	3,283,450	75	33,953,321	4,810,032	5552	15,919,415	3,559,277
Medium	1,009	533,612	475,900	436	533,978	468,262	44	583,487	528,315	5109	549,684	501,389
Small	3,115	82,197	60,629	1,410	78,734	56,371	186	69,223	41,414	16724	69,275	41,097
Size not reported	-	-	-	-	-	-	-	-	-	14	602,741	144,711
Total	5,003	5,635,295	148,139	2,342	9,293,002	156,608	305	8,475,567	148,516	27399	3,370,923	137,973


Figure A.18 Concentration of income among Australian charities involved overseas, 2014

Top % of charities	Charities with some international involvement		Charities operating overseas		Aid and Development focus	
	Sum of income (\$)	% of income	Sum of income (\$)	% of income	Sum of income (\$)	% of income
1	22,002,618,353	78.0	18,518,248,691	85.1	2,062,272,997	79.8
5	25,352,797,196	89.9	20,313,189,301	93.3	2,365,778,944	91.5
10	26,528,575,667	94.1	20,922,552,123	96.1	248,570,8094	96.2
20	27,371,276,778	97.1	21,402,035,999	98.3	2,543,532,234	98.4
50	28,065,180,228	99.5	21,707,938,518	99.7	2,578,796,872	99.8
100	28,193,379,954	100.0	21,764,211,088	100.0	2,585,047,960	100.0

Notes: n= 11,528

Sources of income

Figure A.19 Average proportion of income from government grants, by size, 2014

	Charities with some international involvement	Charities operating overseas	Aid and Development focus	All charities
Large	19.5%	19.0%	24.4%	37.4%
Medium	7.4%	7.2%	8.7%	28.5%
Small	2.9%	2.8%	2.4%	8.8%
Total	6.8%	7.1%	8.7%	18.4%

Figure A.20 Average proportion of income from government grants, by main activity, 2014

	Charities with some international involvement	Charities operating overseas	All charities
Religion	0.7%	0.7%	1.1%
Philanthropic	1.1%	1.4%	1.4%
International	4.1%	4.5%	4.1%
Other	8.0%	11.0%	16.7%
Development and housing	8.3%	7.4%	26.2%
Environment	10.7%	7.9%	20.6%
Social services	11.1%	10.6%	35.0%
Education and research	12.9%	11.0%	18.5%
Health	17.3%	13.4%	35.8%
Law, advocacy and politics	24.0%	16.4%	50.9%
Culture and recreation	24.8%	32.3%	18.2%
Total	6.8%	7.1%	18.4%

N=27,032 (all charities); 4963 (charities with some international involvement); and 2,325 (charities operating overseas). As there were small numbers of aid and development charities which reported income in some categories of main activity, this information is not provided.


Figure A.21 Average amount of donations received, mean and median, 2014

	Charities with some international involvement		Charities operating overseas		Aid and Development focus		All charities	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Large	\$2,714,117	\$316,753	\$3,591,450	\$581,423	\$11,976,323	\$1,847,621	\$941,568	\$10,942
Medium	\$245,784	\$216,995	\$267,580	\$242,722	\$313,471	\$279,113	\$118,527	\$5,511
Small	\$44,765	\$16,798	\$47,813	\$20,947	\$51,118	\$25,277	\$21,512	\$1,299
Total	\$554,297	\$31,731	\$839,215	\$39,501	\$3,021,394	\$68,165	\$226,045	\$2,425

Figure A.22 Donations as an average proportion of charities' income, by size, 2014

	Some international involvement	Operates overseas	Aid and Development focus	All charities
Large	31.1%	35.5%	52.5%	12.9%
Medium	47.0%	50.9%	56.9%	22.6%
Small	55.6%	62.1%	71.8%	31.8%
All	49.5%	54.4%	64.9%	26.2%

Note: Some international involvement n=4,960; Operates overseas n=2,324; Aid and Development focus n=303; All charities n=27,030; Excludes those charities that did not pass the filter test as described in Appendix B: Further methodological details. It also excludes 495 group-reporting charities.

Figure A.23 Donations as an average proportion of charities' income, by main activity 2014

	Charities with some international involvement	Charities operating overseas	All charities
Culture and recreation	24.0%	22.9%	18.5%
Education and research	27.4%	31.8%	16.9%
Law, advocacy and politics	29.6%	30.2%	14.7%
Philanthropic	31.5%	44.1%	16.8%
Other	35.7%	42.6%	21.6%
Health	38.6%	45.7%	17.2%
Social services	46.7%	57.7%	28.1%
Environment	50.0%	60.1%	32.0%
Development and housing	53.3%	62.5%	18.1%
Religion	63.1%	65.5%	57.0%
International	68.7%	69.0%	68.7%
Total	49.5%	54.4%	26.2%

N=27,030 (all charities); 4,960 (charities with some international involvement); and 2,324 (charities operating overseas). As there were small numbers of aid and development charities which reported income in some categories of main activity, this information is not provided.


Figure A.24 'Other income' as an average proportion of charities' income, 2014

	Charities with some international involvement	Charities operating overseas	All charities
Total	43.7%	38.5%	55.4%
International	26.8%	26.5%	26.8%
Religion	36.2%	33.7%	41.8%
Development and housing	38.5%	30.0%	55.7%
Environment	39.3%	32.0%	47.4%
Social Services	42.1%	31.5%	36.9%
Health	44.0%	40.9%	47.0%
Law, advocacy and politics	46.4%	53.4%	34.3%
Culture and recreation	51.4%	45.2%	63.4%
Other	56.1%	45.9%	61.7%
Education and research	59.7%	57.3%	64.5%
Philanthropic	67.1%	54.5%	81.7%

N=27,397 (all charities); 5,002 (charities with some international involvement); and 2,342 (charities operating overseas). As there were small numbers of aid and development charities which reported income in some categories of main activity, this information is not provided.

How do Australian charities involved overseas allocate their funds?

Figure A.25 Summary of expenses, charities with some international involvement, 2014

Expense category	Individual reporters (\$)	Group reporters (\$)	Total (\$)	% of total
Employees	\$13,079,907,753	\$2,881,463,958	\$15,961,371,711	51.2
Interest expense	\$146,109,283	\$52,612,131	\$198,721,414	0.6
Grants for use in Australia	\$673,868,770	\$136,152,198	\$810,020,968	2.6
Grants - international	\$1,118,444,849	\$6,800,542	\$1,125,245,391	3.6
Other	\$10,687,763,683	\$2,375,314,617	\$13,063,078,300	41.9
Total	\$25,705,883,575	\$5,452,343,446	\$31,158,227,021	100

Notes: Due to discrepancies in charities' reporting of each expenditure source and totals, figures may not sum to the total.


Figure A.26 Total and mean expenditure by size (basic measure), individual reporters only 2014 (\$)

Charity size	Charities with some international involvement			Charities which operated overseas			Charities with an aid and development focus			All charities		
	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)	n	Mean (\$)	Median (\$)
Size missing	-	-	-	-	-	-	-	-	-	13	\$565,111	\$119,596
Large	874	\$28,586,467	\$2,998,058	492	\$39,627,687	\$3,220,403	74	\$33,289,673	\$4,879,265	5,508	\$14,907,744	\$3,174,586
Medium	1,003	\$466,817	\$407,596	434	\$493,803	\$439,717	44	\$541,996	\$538,020	5,074	\$503,607	\$449,137
Small	3,036	\$83,364	\$55,787	1,367	\$76,945	\$53,255	180	\$69,273	\$45,148	15,998	\$71,908	\$38,860
Total	4,913	\$5,232,217	\$131,229	2,293	\$8,642,092	\$143,140	298	\$8,388,432	\$127,834	26,593	\$3,227,349	\$126,073

Notes: This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details.

Figure A.27 Total and mean income, Australian charities involved overseas (individual reporting charities only), 2014

	Charities with some international involvement			Charities with overseas operations			Charities with an aid and development focus		
	mean	total	% total	mean	total	% of total	mean	total	% of total
Employees	2,662,306	\$13,079,907,753	50.9%	\$4,486,170	\$10,286,787,352	51.9%	\$2,595,076	\$773,332,792	30.9%
Interest expense	\$29,739	\$146,109,283	0.6%	\$42,295	\$96,981,547	0.5%	\$32,377	\$9,648,493	0.4%
Grants for use in Australia	\$137,160	\$673,868,770	2.6%	\$177,725	\$407,524,309	2.1%	\$269,910	\$80,433,062	3.2%
Grants - international	\$227,650	\$1,118,444,849	4.4%	\$419,761	\$962,511,295	4.9%	\$2,394,730	\$713,629,568	28.5%
Other	\$2,175,405	\$10,687,763,683	41.6%	\$3,516,141	\$8,062,510,535	40.7%	\$3,096,342	\$922,709,985	36.9%
Total	\$5,232,217	\$25,705,883,575	100.0%	\$8,642,092	\$19,816,316,547	100.0%	\$8,388,432	\$2,499,752,731	100.0%

Data is based on 305 aid and development charities, 2,342 charities operating overseas, and 5,003 charities with some international involvement.

Figure A.28 Proportion of charities' total expenditure allocated to grants for use overseas, 2014

	Charities with some international involvement	Charities with overseas operations	Charities with an aid and development focus	All charities
Large	10.3%	15.3%	46.1%	1.6%
Medium	14.7%	15.8%	47.7%	2.9%
Small	18.4%	26.5%	55.3%	3.5%
Total	16.2%	22.0%	51.9%	3.0%

N=26,592 (all charities), 4,912 (some international involvement); 2,293 (operates overseas); 298 (aid and development focus)


Figure A.29 Proportion of total expenditure allocated to employee expenses, by size, 2014

	Charities with some international involvement	Charities with overseas operations	Charities with an aid and development focus	All charities
Large	37.3%	34.2%	21.5%	50.2%
Medium	31.2%	31.6%	17.0%	43.7%
Small	18.5%	15.6%	6.6%	14.7%
Total	24.5%	22.6%	11.9%	27.6%

Note: Some international involvement n=4,913; Operates overseas n=2,293; Aid and Development focus n=298; All charities n=26,593; Excludes those charities that did not pass the filter test as described in Appendix B: Further methodological details. It also excludes 495 group-reporting charities.

Figure A.30 Proportion of total expenditure allocated to employee expenses, by main activity, 2014

	Some international involvement	Operates overseas	All charities
Philanthropic	4.2%	5.9%	3.1%
International	10.1%	9.6%	10.1%
Development and housing	14.6%	12.1%	32.9%
Social services	17.1%	17.5%	31.4%
Environment	22.5%	21.8%	19.0%
Health	25.4%	19.8%	40.7%
Education and research	27.2%	25.8%	35.4%
Law, advocacy and politics	29.2%	33.1%	46.0%
Religion	30.9%	28.6%	28.9%
Culture and recreation	31.6%	38.1%	19.6%
Total	24.5%	22.6%	27.6%

Figure A.31 Proportion of charities which spent more than half of total expenditure on employee, 2014 (%)

	Charities with some international involvement	Charities with overseas operations	Charities with an aid and development focus	All charities
	Some international involvement (%)	Operates overseas (%)	Aid and development focus (%)	All charities (%)
Employee expenses > 50% of total expenditure	22.5	18.4	4.7	30.2
Employee expenses < 50% of total expenditure	34.2	38.4	40.3	22.7
No employee expenses	43.3	43.2	55.0	47.2

Note: Some international involvement n=4,913; Operates overseas n=2,293; Aid and Development focus n=298; All charities n=26,593; Excludes those charities that did not pass the filter test as described in Appendix B: Further methodological details. It also excludes 495 group-reporting charities.


Figure A.32 Proportion of charities' total expenditure spent on grants for use overseas, 2014

	Charities with some international involvement	Operates overseas	All charities
Culture and recreation	5.1%	4.0%	0.6%
Education and research	11.3%	13.6%	1.5%
Health	17.6%	21.3%	1.4%
Environment	22.6%	29.0%	2.3%
Development and Housing	14.2%	23.6%	1.8%
Law, advocacy and politics	34.9%	46.0%	5.2%
Philanthropic	1.5%	2.1%	0.2%
International	32.2%	38.7%	3.1%
Religion	52.5%	54.3%	52.5%
Other	8.6%	11.4%	4.3%
Missing	16.6%	18.6%	1.7%
Total	16.2%	22.0%	3.0%

Figure A.33 Proportion of charities' expenditure on employees by size (basic measure), 2014

	Charities with some international involvement			Operates overseas			Aid and Development focus			All charities		
	Deficit of over 20%	Fairly balanced	Surplu s of over 20%	Deficit of over 20%	Fairly balanced	Surplu s of over 20%	Deficit of over 20%	Fairly balanced	Surplu s of over 20%	Deficit of over 20%	Fairly balanced	Surplu s of over 20%
Large	3.3%	79.4%	17.3%	3.5%	82.7%	13.8%	4.1%	87.8%	8.1%	3.2%	82.1%	14.7%
Medium	6.2%	64.8%	29.0%	6.9%	70.7%	22.4%	9.1%	72.7%	18.2%	6.5%	72.1%	21.4%
Small	15.4%	56.5%	28.1%	14.4%	56.0%	29.7%	15.7%	51.1%	33.1%	17.4%	52.0%	30.6%
All	11.4%	62.3%	26.3%	10.6%	64.5%	24.9%	11.8%	63.5%	24.7%	12.3%	62.1%	25.5%

Financial status of Australian charities involved overseas

Figure A.34 Years for which charities' net assets would cover their expenses, charities with some international involvement

	Zero or no net assets reported	Zero to one year	one to three years	three years or more	Total
Large	0.6%	54.2%	25.6%	19.7%	100%
Medium	2.2%	38.6%	20.2%	39.0%	100%
Small	10.8%	39.3%	18.5%	31.4%	100%
All	7.2%	41.8%	20.1%	30.9%	7.2%



Figure A.35 Years for which charities' net assets would cover their expenses, charities with international operations

	Zero or no net assets reported	Zero to one year	one to three years	three years or more	Total
Large	0.6%	54.2%	25.6%	19.7%	100%
Medium	2.2%	38.6%	20.2%	39.0%	100%
Small	10.8%	39.3%	18.5%	31.4%	100%
All	7.4%	50.0%	20.5%	22.2%	100%

Figure A.36 Years for which charities' net assets would cover their expenses, charities with an aid and development focus

	Zero or no net assets reported	Zero to one year	one to three years	three years or more	Total
Large	1.4%	81.1%	14.9%	2.7%	100%
Medium	6.7%	66.7%	17.8%	8.9%	100%
Small	17.2%	52.2%	16.7%	13.9%	100%
All	11.7%	61.5%	16.4%	10.4%	100%

Figure A.37 Years for which charities' net assets would cover their expenses, all charities

	Zero or no net assets reported	Zero to one year	one to three years	three years or more	Total
Large	1.7%	98.3%	40.6%	26.6%	100%
Medium	2.3%	97.7%	31.9%	46.6%	100%
Small	24.9%	75.1%	42.2%	87.5%	100%
All	7.0%	42.3%	19.5%	31.3%	100%



APPENDIX B: FURTHER METHODOLOGICAL DETAILS

All quantitative data analysis was undertaken in Stata version 13.1. Unless otherwise noted, group-reporting charities were excluded from the analysis. This includes 495 charities that reported as part of 42 groups in 2014. Further details are provided where relevant in each section of the report.

Data sources

The ACNC register

When charities register with the ACNC they are required to provide a range of information including legal name, ABN, legal structure, date of establishment and charitable purpose. The register is available publicly on the [ACNC website](#), although charities are able to withhold details of their organisation from the public register if information is commercially sensitive, could cause harm to the charity or a person, or endanger public safety (ACNC, 2015e). Some information in this report, including ABN, date of establishment, and charitable purpose, is derived from the register.

The Annual Information Statement (AIS) dataset

Almost all registered charities are required to lodge an AIS with the ACNC. These statements collect information about registered charities' purposes, activities, resources and reporting obligations, which when aggregated, provide information about Australia's charitable sector as a whole. As well as using registration information, the report uses data collected by the ACNC through the AIS for the first two years that it was collected: 2013 and 2014. Not all registered charities were required to provide an AIS. Charities regulated by the Office of the Registrar of Indigenous Corporations (ORIC) did not need to submit an AIS (ACNC, 2015a). In addition, not all registered charities required to provide information did so in time for inclusion in the analysis.

In total, 37,798 registered charities had submitted an individual AIS for 2014 by 31 July 2015 and were included in the analysis. A further 495 charities reported to the ACNC as a group, with 42 groups in total. Where possible, group-reported data are included in analysis; however, the level of disaggregation possible with grouped data is limited. As such, the 2014 data are based on approximately 70% of registered charities.

The 2013 AIS data is based on charities which reported up to 13 October 2015. This longer time period means the dataset in 2013 is larger than for 2014. Cross-sectional comparisons are made between the years, to indicate broad changes in the composition of the sector rather than changes experienced for individual charities.

The AIS asks charities to provide a range of information including charity size, purpose, activities, beneficiaries, employee and volunteer numbers and location of operations. Some questions in the AIS were not answered by all charities, so the total number of responses to each question may vary. Non-response reduces the accuracy with which the findings represent the whole population of registered charities. Notwithstanding, the dataset provides the most accurate and comprehensive information currently available about Australia's charities.

From 2014, AIS information included financial information. Medium and large charities were required to submit their annual financial report as well as AIS. Basic religious charities are not required to answer the financial information questions on the AIS, and the ACNC obtains financial information for certain charities, such as independent schools, from alternative means.

As the data in the AIS is from registered charities who have provided reports only, it differs in scope from other Australian datasets, such as the Non-Profit Institutions (NPI) Satellite Accounts, which are based on a sample of around 4,000 NFPs, defined as organisations that are not-for-profit and non-profit-distributing, separate from government, self-governing, and for which membership or contributions are voluntary rather than compulsory (ABS, 2015; United Nations, 2003). Although most economically significant NPIs would likely be charities, the scope of the NPIs examined in the Satellite Accounts is broader, and so not directly comparable.



Data are self-reported by charities and may contain some errors, despite the best efforts of the ACNC and research team to identify and handle errors and clean the dataset. Notwithstanding, the dataset provides the most accurate and comprehensive information currently available about Australia's charities.

The Australian Business Register (ABR) dataset

The ABR contains details provided by Australian business and organisations when they register for an Australian Business Number (ABN), and information about their current endorsement for tax concessions. Relevant ABR data were obtained by the ACNC and provided to the research team for matching to the 2014 AIS data. Matching was then conducted using ABN.

In this report we draw on the ABR for information about charities' legal structure, their DGR status, charity type. However, it is important to note that not all charities have reporting obligations to the ATO, which is the primary method by which the ABR information is updated. As such, some ABR may be less current than information collected by the ACNC.

Data analysis

All quantitative data analysis was undertaken in Stata version 13.1. Unless otherwise noted, group-reporting charities were excluded from the analysis. This includes 495 charities that reported as part of 42 groups. Further details are provided where relevant in each section of the report.

Data cleaning

The AIS data are self-reported by charities and may contain reporting errors. Prior to analysis, the research team consulted with the ACNC regarding data accuracy and appropriate rules for data cleaning. These are listed below:

- The ACNC advised CSI of which fields contained blank/zero or null responses by default so that non-reporting could be separated from actual zeros in the data.
- The ACNC provided a list of charities that had been given permission to retain their size for reporting purposes although their income in 2014 may not be consistent with the relevant cut-off. For example, small charities who, due to a one-off large donation, temporarily had an income exceeding the small-charity income cut-off of \$250,000, were permitted to retain their small charity status.
- Where charities reported no activities, this has been treated as a genuine response and reported as such.
- In the 2014 AIS form, initially charities had the option to choose 0-50 volunteers. However, the volunteer category was further expanded to 0, 1-10, and 11-50. Before the category was expanded, 965 charities indicated that they had 0-50 volunteers. Accordingly these charities were excluded when reporting volunteer figures.
- Group-reporting charities who have multiple ABNs but complete a single AIS for the group are only included in analyses where reporting is at an aggregate level (such as total employees); they are excluded from averages where having grouped data may bias the results.
- Multiple entities reporting under a single ABN, such as a diocese which has one ABN but includes multiple churches, are not dissimilar to other large charities that may have multiple offices so these are treated as one entity for reporting purposes.
- Some charities have reported implausible values for the "number of hours spent reporting". In the main report, the top 1% of values by charity size was excluded from analysis of reporting hours. In the Red Tape sub-report and International sub-report, 2014 charities whose cost of hours spent reporting exceeded their expenditure were excluded. This is more likely to pick up those with incorrect information without inadvertently excluding charities with a genuinely large reporting burden. For 2013 comparisons, as financial data were not available, the ratio of the cost of hours spent reporting to the relevant size threshold was used instead.



- Charities who did not state having additional Commonwealth or state/territory reporting obligations were also excluded from the analysis of hours spent reporting to ensure that the results only capture these additional reporting burdens.
- Inconsistencies in reporting such as reporting 'Victoria' instead of 'VIC' were corrected for consistency.

