



# AUSTRALIA'S DISABILITY CHARITIES 2014



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The Australian Charities and Not-for-Profits Commission (ACNC) is Australia's national charity regulator. Registered charities are required to provide the ACNC with an Annual Information Statement comprising up-to-date corporate governance and financial data. The ACNC has commissioned CSI at UNSW to analyse 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. ACNC data can also be explored at <http://www.australiancharities.acnc.gov.au>

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## ABBREVIATIONS

ABN	Australian Business Number
ABR	Australian Business Register
ACNC	Australian Charities and Not-for-profits Commission
AIS	Annual Information Statement
ATO	Australian Taxation Office
CSI	Centre for Social Impact
DGR	Deductible Gift Recipient
NDA	National Disability Agreement
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
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, over 11,500 charities in Australia reported that their activities in some way supported people with disabilities, through a diverse range of education, health, social services, arts and culture, grant-making and other activities. This report provides a profile of these charities' characteristics, activities, and resources. It provides a resource to help charities, donors, governments, researchers and the community better understand Australia's disability charities, and their financial status and sustainability.

### A unique dataset

The information comes from a specially constructed data set drawn primarily from information reported by charities to the Australian Charities and Not-for-profits Commission (ACNC) for 2014. It complements other information about services and supports for people with disabilities (AIHW, 2015b; NDIA, 2015; NDS, 2014a; ABS, 2013).

Most of the data comes from the 2014 Annual Information Statements (AIS) which were lodged by 37,798 charities to the ACNC before 31 July 2015, matched to each charity's registration information. As well as the AIS and registration data for 2014, comparison is made with ACNC data from 2013, using data from 49,293 charities which reported this information before 13 October 2015. Additional data is also included for 2014 from the Australian Business Register (ABR), matched to registration 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.<sup>1</sup> The dataset can also be explored at <http://www.australiancharities.acnc.gov.au>.

### A broad definition of disability charities

People with disabilities are one of the largest groups of people supported by Australia's charities. In total, 11,528 charities (30.5%) reported that their activities helped people with disabilities in 2014. This report uses a broad definition of disability charities, capturing information for all charities which reported that their activities helped people with disability in 2014. This includes charities which focused specifically on supporting people with disabilities, as well as those which assisted people with disabilities *and* other beneficiary groups in 2014. This definition of disability charities includes, for example, schools which may have students with disabilities, hospitals and rehabilitation services which assisted people with disability, sporting or cultural charities which included people with disability among their participants, as well as social support services which may have had a more specific focus on people with disability. It is not possible to ascertain from the data the degree to which charities' activities focused on people with disabilities.

As such, this report captures information about a larger and more diverse group of disability charities than usually considered to be delivering disability services and supports. It is a broader group than those delivering disability services on behalf of government, those directly affected by the introduction of the National Disability Insurance Scheme (NDIS) or registered as suppliers for the Scheme.

### Key findings

#### Size and location

**Disability charities are large and growing.** Compared with the whole charitable sector, a high proportion of disability charities reported that they were large (having annual income of more than \$1 million), and a smaller proportion were small (reporting income under \$250,000). Of those that provided financial information, relatively high proportions of disability charities reported high incomes; 7.6% of disability charities reported an income of more than \$10 million for 2014, compared with 4.9% of all charities. From 2013 to 2014 the proportion of disability charities which were large grew. This trend was evident across the charitable sector as a whole as well as among disability charities.

<sup>1</sup> 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.



**Locations of disability charities.** Around a third of disability charities had their primary business address in NSW, and around a quarter were based in Victoria. Tasmania had the highest number of disability charities per capita (7.2 disability charities per 10,000 people) reflecting the high prevalence of disability in that state (ABS, 2013). There were also high numbers of disability charities based in the ACT, most likely because the national capital is the main business address for many multi-state and national charities. Of the 241 disability charities based in the ACT, 8.8% operated in all states and territories. In comparison, across Australia only 3.7% of all disability charities operated in all states and territories.

While most disability charities were based in major cities (58.4%), disability charities' locations appear responsive to the relatively high proportion of people with disabilities living in regional areas.

Most disability charities (86.4%) operated in one state only, while 10.2% operated in multiple states and 3.7% operated in all states and territories. A high proportion of disability charities operating in NSW were small (48.8%), whereas in the less populated states and territories there were larger proportions of disability charities which were large: 44.2% of disability charities operating in the NT were large compared with 28.1% of those operating in NSW.

**Activities, purpose and beneficiaries**

**Disability charities perform a range of activities.** Disability charities' most commonly reported main activity was religious. This was reported by 2,523 charities which had people with disability as a beneficiary group (21.9%). Substantial numbers of disability charities reported that their main activities were in 'other education' (7.2%), social services (7.1%), aged care (7.0%) and economic, social and community development (6.2%). However, the second most common main activity was 'other', comprising 11.2% of disability charities in 2014. Many charities which selected 'other' described their main activities using words relating to 'disability', as well as 'supports', 'services', 'people', 'community', 'children', 'care' and 'assist'. These reflect their focus on disability services and support.

More than half of disability charities were registered with the charitable purpose of promoting or protecting rights (54.8%), advancing social or public welfare (51.1%), and promoting reconciliation, mutual respect and tolerance (51.1%). Slightly fewer (48.0%) had the purpose of advancing health.

**History**

**Almost half of disability charities were established between 1964 and 1994.** The largest group of disability charities which reported in the AIS 2014 were established between 20 and 50 years ago. While the reasons charities were established are unclear from the data, the establishment of many charities in this period may reflect the growth of community-based disability and other rights movements during the 1970s and 1980s, along with the impact of the United Nation's Declaration on the Rights of Disabled Persons (1975), the International Year of Disabled Persons (1981) and both legislative recognition for disability rights and federal funding for disability service provision in Australia.

**Staff and volunteers**

**Disability charities employed over 600,000 paid staff in 2014.** However, it is not possible to identify how many of these staff were performing activities specifically focused on disability services and supports. On average, each disability charity employed 50.2 staff. However, many disability charities (32.0%) pursued their purpose with no paid staff. Employment was highly concentrated in large disability charities. Disability charities with annual incomes over \$1 million employed almost all the sector's paid staff (94%).

**Nine in ten disability charities used volunteers.** Disability charities were more likely to report that they used volunteers than other charities: 89.1% of disability charities reported that they engaged volunteers, compared with 83.4% of all charities. Small disability charities (with annual incomes under \$250,000) were more likely to involve volunteers than others, although they also tended to involve smaller numbers of volunteers than larger organisations. Disability charities which were performing international activities, sports, emergency relief, religious, environmental and aged care activities were most likely to report that volunteers were involved in their organisation.



## **Business Structure**

**Almost half of disability charities are structured as other incorporated entities.** The most common business structure among all charities, and disability charities in particular, was 'other incorporated entities' – e.g. incorporated associations. However, the proportion of disability charities with this structure was much higher than across the charitable sector as a whole (48.9% compared with 39.8%). Smaller proportions of disability charities were structured as other unincorporated entities (26.0% compared with 31.6% of all charities) and smaller proportions were trusts (8.1% compared with 12.9% of all charities).

**More than half of disability charities had DGR status in 2014**, compared with 40.4% of all reporting charities. As for the charitable sector as a whole, larger disability charities were more likely to have DGR status.

## **Financial information**

**Disability charities had income of \$52.2 billion in 2014** in the reporting period. This consisted of:

- \$24.1 billion in government grants (although it is not possible to identify how much of this was specifically dedicated to disability programs or services),
- \$2.8 billion in donated income, and
- \$25.3 billion in other income.

Note however that these charities also performed activities to benefit other populations. It is not possible to establish how much of this income specifically related to disability charities' disability-related activities. Note also that it is based on information provided only by those disability charities required by the ACNC to provide financial information, and which had done so in time for the analysis.

**1 in 3 disability charities received most of their income from government.** On average, government grants made up a larger proportion of income for large charities, while smaller charities received a higher proportion of their income in the form of donations. Government grants made a proportionally high contribution to total income for disability charities whose main activity was law and legal services (77.3%), civic and advocacy activities (53.1%) and social services (52.9%), but was much lower for charities whose main activity was religious, grant making, international and animal protection.

Income was concentrated among a small number of charities. The largest 1% of disability charities received more than half of the income received by all disability charities. The smallest half of disability charities received only 0.9% of disability charities' total income.

**Disability charities spent \$48.4 billion in 2014.** This consisted of employee expenses totalling \$28.1 billion, other expenses of \$18.2 billion, spending on grants \$1.9 billion, and spending on interest \$0.2 billion. Note that not all this expenditure would be related to activities for people with disability, as disability charities pursued a range of purposes for other groups as well.

As for income, disability charities' expenditure was highly concentrated. Large charities were responsible for 95.8% of all expenditure by disability charities. On average, employee costs comprised a relatively large proportion of disability charities' expenditure. Employee costs accounted for 58.1% of disability charities' total expenditure, compared with 54.5% of expenditure among all charities. Spending on employees was proportionally higher in large charities. Average expenditure on employees also differed by the main activity of disability charities. It was highest for those disability charities whose main activity was law and legal services (68.0% on average) and employment and training (60.2%). It was much lower for charities whose main activity was grant making, international activities and income support and maintenance.

## **Most disability charities operated a fairly balanced budget in 2014**

In 2014, 70% of disability charities operated a fairly balanced budget, defined as having expenses within 20% of their income for the reporting period. Overall, disability charities reported \$91.8 billion in assets. Almost 4 in 5 disability charities (79.6%) reported total liabilities which were less than half of their reported total assets. A relatively small proportion (3.2%) reported total liabilities greater than total assets. Half of charities reported assets valued at a level that would cover their expenses for less than a year. 1 in 5 had assets which would cover their expenses for 3 years or more.



## 1. INTRODUCTION

Approximately 4.2 million people living in Australia, or 18.5% of the population, are estimated to live with a disability, defined as a limitation, restriction or impairment which restricts everyday activities and which is likely to persist for at least six months (ABS, 2013). While family members are the main source of assistance and support for people with disabilities (AIHW, 2015a), many also draw on formal services and supports provided by government, private and non-government organisations, including charities.<sup>2</sup> These services and supports aim to assist people with disabilities to achieve goals of participation, independence, community involvement, education, employment, health and wellbeing.

In 2014, disability services and supports were shaped nationally by:

- Australia’s National Disability Strategy 2010-2020, which incorporates the principles of the United Nations Convention on the Rights of Persons with Disabilities into Australian policy and service delivery,<sup>3</sup>
- The National Disability Agreement (NDA), through which the Commonwealth provides states and territories with funding for disability provision; and
- The staged implementation of the National Disability Insurance Scheme (NDIS), which is replacing services provided under the NDA with consumer-based planning and funding.

While the NDIS was available for some populations and in some parts of Australia during 2014 (Figure 1.1), the majority of formal disability services were funded under the NDA, and delivered by the non-government sector. Indeed, in 2013-14, 71% of all NDA service outlets were operated by income tax exempt charities (AIHW, 2015b). Australia’s charities are thus a major provider of government funded disability services and supports, and critical to achieving Australia’s goals for inclusion, access, justice and security for people with disability.

This report provides new information about Australia’s disability charities drawn from ACNC registration data and charities Annual Information Statements provided to the ACNC for 2014. This information is unique, and focuses on a larger group of disability organisations than other datasets, and as such, complements other datasets relating to Australia’s disability services and supports (ABS, 2013) (AIHW, 2015b).

The uniqueness of the dataset comes from the broad definition of disability charities adopted, which captures a much wider group than those charities which focus on delivering services to people with disabilities, or those involved with or affected by the NDIS. Rather than defining disability services based on program type or funding source, the report focuses on all charities which reported that people with disabilities were among those helped by their charity’s activities in the 2014 reporting period. ‘Disability charities’ were identified using the following question:

- Who was helped by your charity’s activities in the 2014 reporting period? (Select all that apply)

People with disabilities were listed as one of 23 options. Charities were asked to select all groups of beneficiaries that they helped during the year, and were able to select as many responses as applied. People with disabilities were an important beneficiary group. Based on the 37,798 charities in scope of the analysis, 11,528 reported that people with disabilities were a beneficiary group in 2014 (30.5%

<sup>2</sup> Although ‘charity’ is often used to describe any organisation working to help the community, it has a technical legal meaning in Australia. The *Charities Act 2013 (Cth)* states that to be a charity an organisation must be not-for-profit, have only charitable purposes that are for the public benefit, not have a disqualifying purpose, and not be an individual, a political party or a government agency ACNC. (2015e) *Factsheet: Who can register with the ACNC*. Available at: [http://acnc.gov.au/ACNC/FTS/Fact\\_Charity.aspx](http://acnc.gov.au/ACNC/FTS/Fact_Charity.aspx).

<sup>3</sup> The strategy sets out six priority areas for action: inclusive and accessible communities; rights protection and justice; economic security; personal and community support; learning and skills; and health and wellbeing.





of all reporting charities). Of the 49,293 charities for which data was available from 2013, 12,682 reported that their activities helped people with disability (25.7%).<sup>4</sup>

By selecting all charities which selected ‘people with disabilities’, the analysis has taken a wide view of disability charities. It captures a larger and more diverse group of organisations than if disability services were defined as those delivering a dedicated disability program. Charities are defined as ‘disability charities’ if their activities assisted any number of people with disability. This captures a range of charities whose purpose specifically relates to people with particular disabilities. It also captures the large number of charities pursuing other specific purposes but which also assisted people with disability. The approach also captures a broader range of disability charities than those which received funding under a government disability program, or which would have defined themselves as part of the ‘disability sector’ per se.

Importantly, this wide definition makes people with disability who may benefit from charitable activity the central focus, rather than having funding streams from a government disability program, or having a stated charitable purpose. This approach is consistent with the intent of the NDIS and shows how services, supports and opportunities for participation come from a larger and more diverse group of charities than indicated in other datasets.

This report develops an understanding of the 11,528 charities which reported that their activities helped people with disability in 2014. It explores their organisational features and purposes, and their workforce, financial arrangements and financial health. Where appropriate, comparison is made between disability charities and all charities that reported AIS data for 2014.

**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 to provide additional detail about Australia’s charities. The main report in the series is *Australia’s Charities Report 2014* (Cortis et al., 2015), which provides a comprehensive overview of all charities reporting to the ACNC. Other reports in the series focus on *Australia’s International Charities 2014* and *Australian Charities and Red Tape 2014*, and will be released in early 2016. Data can also be explored at: <http://www.australiancharities.acnc.gov.au>

**The context of disability service provision in 2014**

The data relate to charities’ activities and financial arrangements in 2014, at a time that some, but not all, disability charities were transitioning, or preparing to transition to, new institutional and service delivery arrangements associated the NDIS. The NDIS is a national scheme providing individualised funding to eligible people with disability to purchase disability supports and services of their own choosing. By promoting choice and control for people with disability and opening up the market for the delivery of supports the scheme aims to increase the participation of people with disability in social and economic life. Operations in trial sites began from July 2013. Figure 1.1 shows the NDIS sites in operation during the reference period for the 2014 AIS. However, the ACNC data is not available specifically for charities operating in these regions.

**Figure 1.1 Operation of NDIS in 2014**

**From 1 July 2013**

- Tasmania:** 15 to 24 year olds.
- New South Wales:** Hunter area.
- Victoria:** Barwon region.
- South Australia:** Children aged five and under.

<sup>4</sup> The information about who was helped by the charity’s activities was captured slightly differently in 2013 and 2014, as there were 21 categories offered in 2013 and 23 in 2014, with the addition of a category to capture ‘youth aged 13 to under 25’ and ‘adults aged 25 to under 60’.





**From 1 July 2014**

**ACT:** Jurisdiction wide for some children and adults.

**Northern Territory:** Barkly area.

**Western Australia:** Perth Hills.

The NDIS involves promoting opportunities for people with disability to actively exercise choice and control in the supports and service they receive. It also involves transitioning from block funding of services under the NDA to consumer-based funding and a fee for service model. As such, it involves a change in the funding model of some organisations, including some disability charities. In 2014, National Disability Services (NDS), the national peak body for disability providers, many of which are charities, reported that the transition process had contributed to some uncertainty about funding and resourcing among disability services, along with new mergers, consortia and other partnerships (NDS, 2014a). NDS also reported risks in the financial management of many disability organisations, with only 1 in 3 meeting cash-flow standards of having at least 3 months of spending in reserve, and 35% having relatively high debt. While not all disability charities will be subject to these changes or experience these risks, they reflect the context in which charities are providing services and supports to people with disability.

Against this background, this report builds an understanding of the structure, activity and purpose of Australia’s disability charities, including their workforce and financial resources. This helps understand the nature and extent of charitable activity that support people with a disability. It is important to remember however, that the data are based on a broad group of disability charities, so capture schools, hospitals, sport and cultural organisations, grant-makers and others which may assist other groups in addition to people with disabilities. The disability charities referred to in the report are also a wider group of charities than those involved with or affected by the NDIS. In future, identification of whether charities have reporting requirements to the National Disability Insurance Agency would enable analysis of those charities directly involved in the NDIS. Notwithstanding, the analysis can be used to recognise, sustain and develop disability charities’ activities to enhance their economic, social and cultural contributions, and to inform the identification of risks and appropriate regulatory approaches.

**Data sources**

The information in this report comes from a specially constructed dataset. 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. A further 495 charities reported to the ACNC as a group, with 42 groups in total. Where possible, group-reported data are included and reported separately. However, the capacity to disaggregate group reported data is limited.

While the primary focus is on the 2014 AIS data, some comparisons are also made with 2013 AIS data from 49,293 charities who had lodged their AIS by 13 October 2015. Additional data are also included for 2014 from the Australian Business Register (ABR), matched to registration and AIS data using Australian Business Numbers (ABNs).

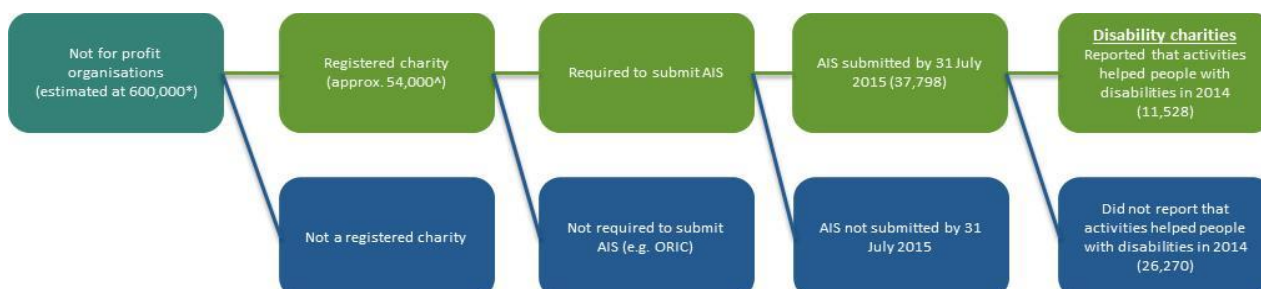
Datasets were matched by the research team using registered charities’ ABNs. As the AIS information was self-reported, it may contain reporting or data entry errors, which may bias the results of the data analysis. The research team has worked with the ACNC to reduce and handle potential errors, and clean the dataset, to ensure the data provides the most accurate and comprehensive information.<sup>5</sup> A description of data sources and data cleaning is provided in Appendix B: Further methodological details.

<sup>5</sup> 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.



Figure 1.2 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 reported people with disabilities were among their beneficiaries.

**Figure 1.2 Organisations in focus in this report**



Notes: \*Source: Productivity Commission, but note these data are from 2010. ^Source: ACNC (2015b). ORIC – Aboriginal and Torres Strait Islander Corporations.

### Defining disability charities using the ACNC dataset

The definition of a disability charity in this report is any charity that reported in their AIS that they helped people with disabilities in 2014.<sup>6</sup> This is based on the question in the Annual Information Statement: “Who was helped by your charity’s activities in the 2014 reporting period? Select all that apply”. Using this definition, 11,528 out of 37,798 registered charities reported that people with disabilities were a beneficiary group in 2014. However, while the 2014 AIS enabled all charities to report which beneficiary groups they helped, it did not ask them the main beneficiary group. Consequently, people with disabilities may not be the main group supported by the disability charities profiled in this report. Rather, the analysis shows how charities work across many activity areas to support people with disabilities, including through sport, environmental activity, civic and advocacy, and other activities, as well as through health and social services.

As such, the report focuses on a broader group of organisations than those focused specifically on people with disabilities. It therefore complements other information about services and supports for people with disabilities including information about services delivered under the NDA (AIHW, 2015b) and the NDIS (NDIA, 2015). It also complements information about the experiences and perceptions of disability industry leaders (NDS, 2014a), and household survey data showing the incidence of disability and patterns of service need in the community (ABS, 2013).

### 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 that were registered with the ACNC and had submitted an AIS for 2013 by 30 June 2014. As many charities reported data for 2013 after that cut-off date, a larger dataset was available for 2013 for our analysis. As such, our comparison is based on 49,293 charities which lodged their information for 2013 prior to 13 October 2015. While differences between the years may reflect real change in Australia’s charitable sector, comparison with 2013 figures should be interpreted with caution as apparent differences may result from differences in non-response or late response from some charities in each year.

<sup>6</sup> This ‘beneficiary-based’ definition of disability charities was preferred over alternatives as it includes any charity which helped people with disabilities, regardless of their funding source or other administrative categorisation. Furthermore, disability charities could not be identified based on activity as the AIS ‘Activity Groups’, which are based on the International Classification of Non-Profit Organisations (ICNPO), do not separately identify disability service as an activity. Similarly, classification of ‘charitable purpose’ does not distinguish disability.



### **Structure of the report**

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

- Who are Australia's disability charities?
- How big are Australia's disability charities?
- Where are Australia's disability charities located?
- What activities do Australia's disability charities perform?
- How do Australia's disability charities pursue their purpose?
- How old are Australia's disability charities?
- Who works in Australia's disability charities?
- What business structures are used by Australia's disability charities?
- How do Australia's disability charities fund their activities?
- How do disability charities allocate their funds?
- Assessing the financial status of Australia's disability charities.

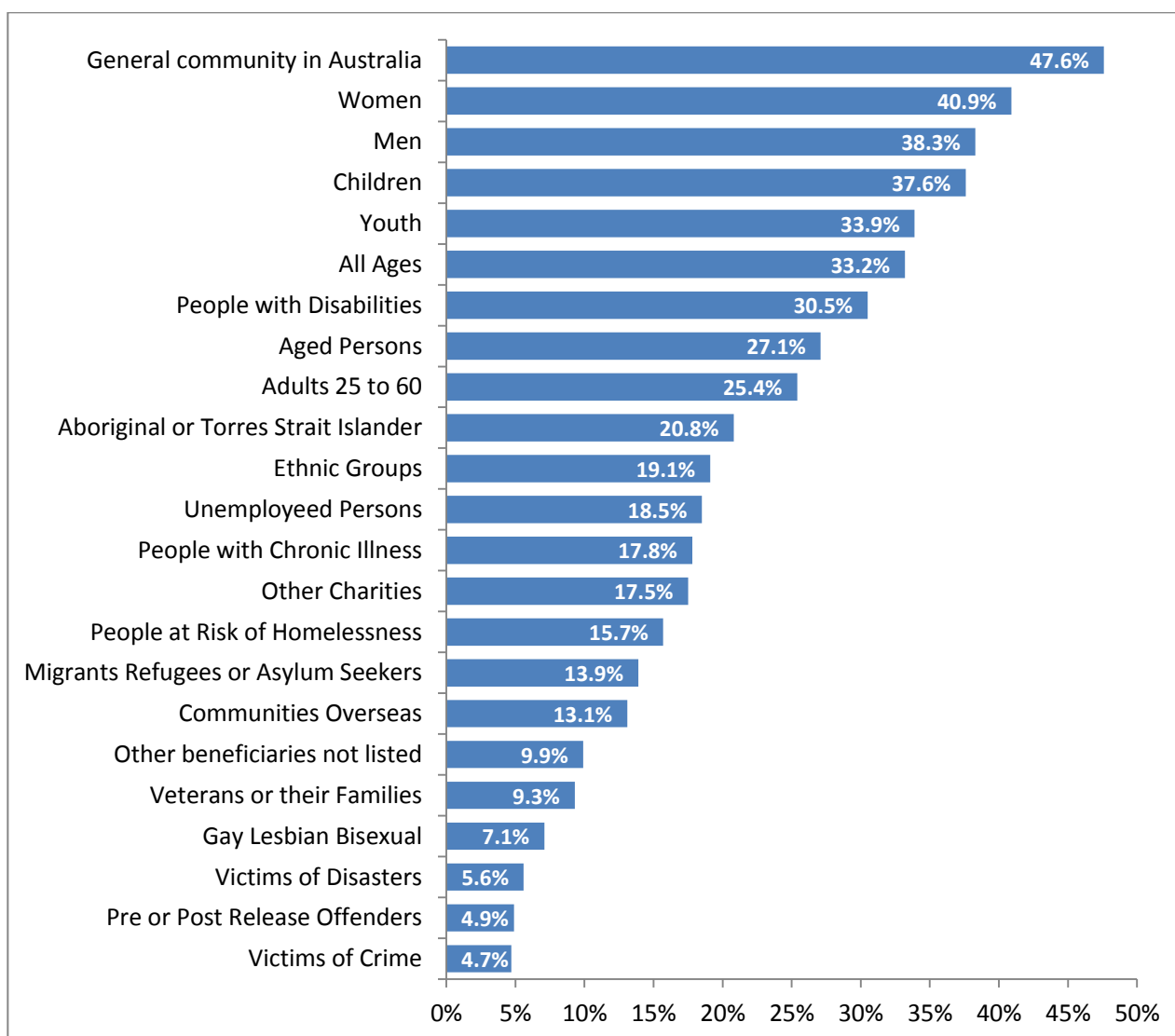


## 2. WHO ARE AUSTRALIA'S DISABILITY CHARITIES?

The 2014 AIS form asked charities which groups were helped by their activities in the 2014 reporting period. We refer to these groups as 'beneficiaries'. To capture how charities may help multiple beneficiary groups, a list was provided with instructions to select all options that applied. A main beneficiary group was not specifically identified.

Figure 2.1 provides information on the numbers and proportions of charities which reported that their activities helped particular groups. Most commonly, charities reported that they helped the general community, women, men, children, youth, and people of all ages. People with disabilities were the next most common beneficiary group, with 30.5% of charities reporting that they helped this group. Throughout this report, these charities are referred to as 'disability charities' although as indicated above, the data does not show the extent to which disability charities focused on people with disability among other beneficiary groups.

**Figure 2.1** Reported beneficiaries, all charities, 2014 (%)



Notes: n=36,234. This excludes 1,564 charities who did not report their size or beneficiaries and 495 group-reporting charities. Charities could select more than one beneficiary.

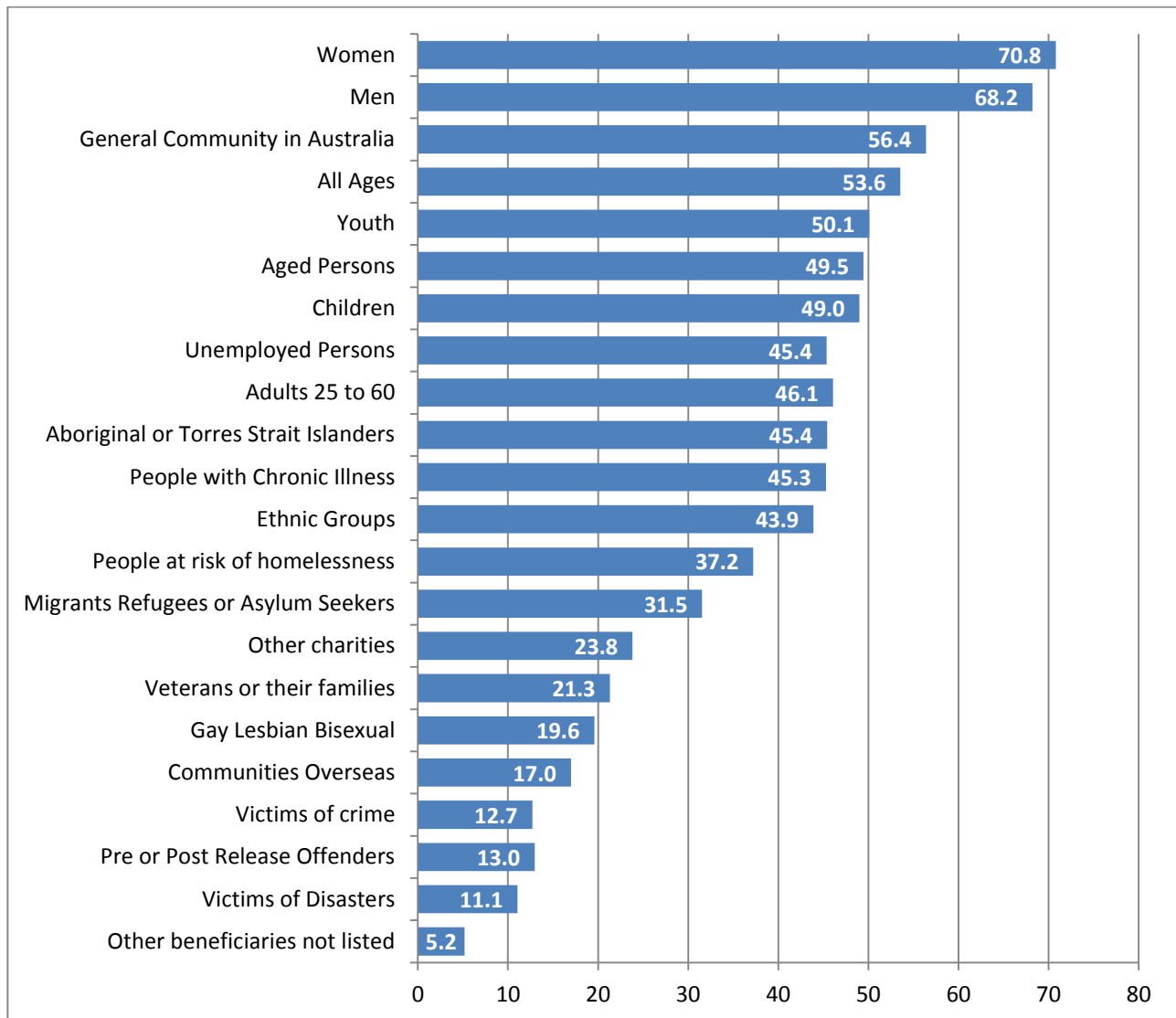
### **Which other groups did Australia's disability charities assist?**

The AIS question about which groups charities' activities helped allowed charities to identify a range of beneficiaries. This shows that as well as supporting people with disabilities, many disability



charities reported that they also helped other beneficiary groups (see Figure 2.2) **Error! Reference source not found.** The broadest categories were most frequently selected. A high proportion of disability charities reported assisting women and men (7 in 10 charities each selected these). More than half said their activities assisted the general community or all ages. In terms of more specific groups, half of disability charities reported ‘youth’, aged persons, and children. Smaller numbers of disability charities reported that their activities helped victims of disasters, offenders, or victims of crime.

**Figure 2.2 Proportion of disability charities which reported helping other groups, 2014**



n=11528





### 3. HOW BIG ARE AUSTRALIA'S DISABILITY CHARITIES?

This section describes the size of Australia's disability charities 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 disability charities, 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 which can be compared with 2013, and
- A 'detailed financial' measure, based on the financial information captured for the first time in 2014.

#### Basic measure of charity size

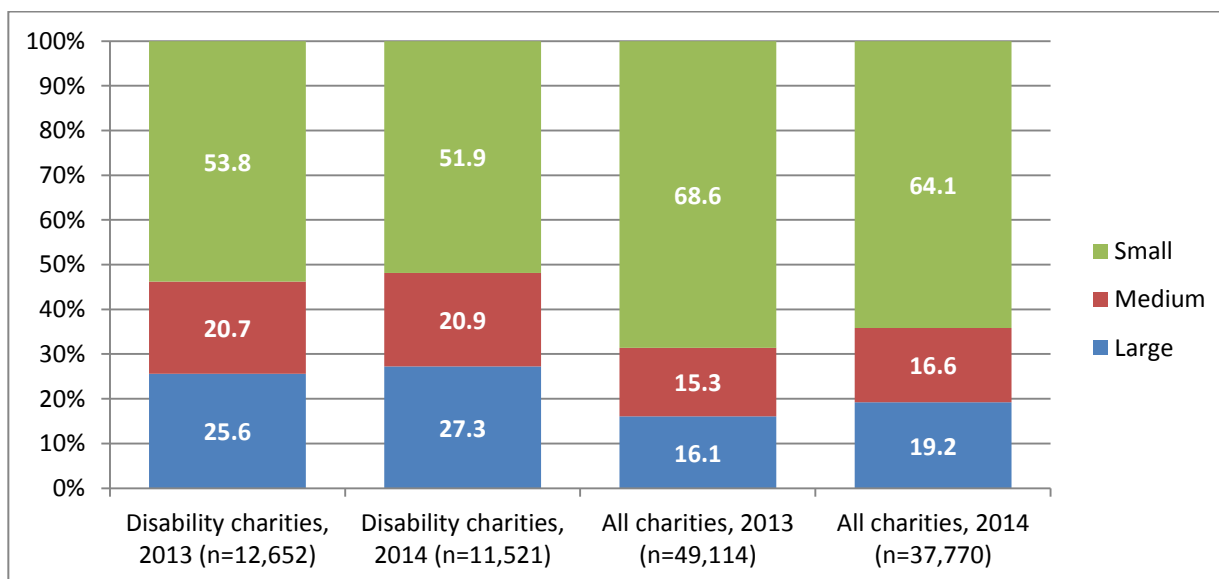
The 2013 and 2014 AIS required charities to self-report which of three size categories they belonged to:

- Small charity: annual revenue is less than \$250,000;
- Medium charity: annual revenue is \$250,000 or more, but less than \$1 million; or
- 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 2014 AIS dataset, including all but 7 disability charities.<sup>7</sup>

Of the 11,521 disability charities which reported their size in 2014, 51.9% were small, having annual revenue of less than \$250,000. In comparison, among all 37,770 registered charities which reported their size in 2014, 64.1% reported that they were small. A comparison of disability charities compared to the broader charitable sector for 2013 and 2014 is provided in Figure 3.1. This shows that in both years, relatively high proportions of disability charities were large, and smaller proportions of disability charities were categorised as small, compared with other charities. Figure 3.1 also shows that the trend across the charitable sector of growth in the proportion of charities which were large was also experienced by disability charities.

**Figure 3.1 Size of disability charities and other registered charities (%), 2013 and 2014**



<sup>7</sup> 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. (2015c) *Factsheet: Charity size and revenue*. Available at: [http://acnc.gov.au/ACNC/FTS/Fact\\_CharSize.aspx](http://acnc.gov.au/ACNC/FTS/Fact_CharSize.aspx).



**Detailed financial measure of size**

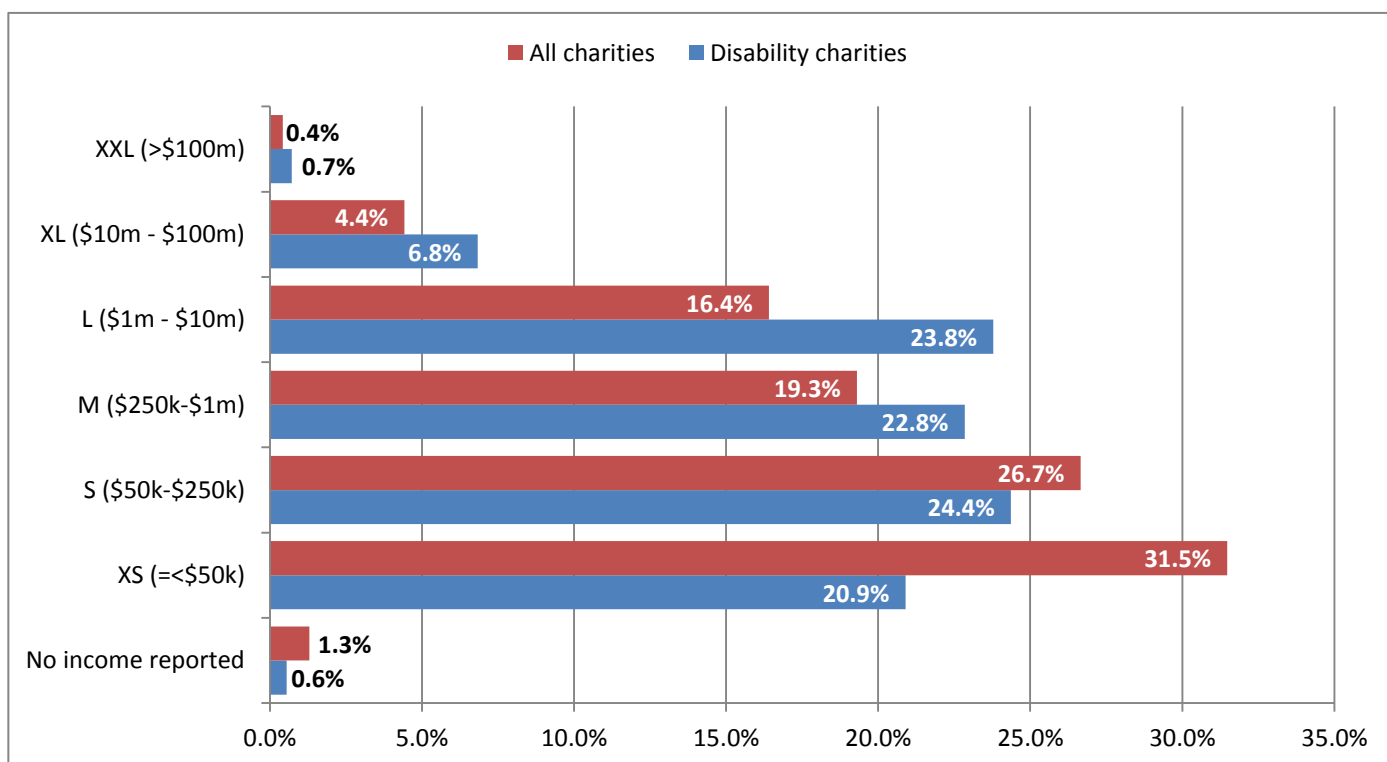
The second source of AIS information about size comes from the financial information, which was reported by most but not all charities in 2014.<sup>8</sup> Information sourced from charities' reports of their financial information provides more information about the distribution of financial income across 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 is less comprehensive than the 'basic' size categories. On the other hand, while the financial information is less complete, it provides more detailed information about size, and so helps demonstrate the wide variation in income across the three basic categories.

The detailed measure of size shows that of those that reported financial information, higher proportions of disability charities than all charities reported having some amount of income in the reference period. 0.6% of disability charities reported no income, compared to 1.3% across the whole charitable sector (Figure 3.2).

Among 'small' disability charities (those with less than \$250,000), the largest group reported income of between \$50,000 and \$250,000 (24.4%). 20.9% of disability charities reported having income of less than \$50,000, compared with 31.5% of all charities.

Correspondingly, among 'large' disability charities (those with more than \$1 million), there was much variation in size. In this category, disability charities' incomes range from \$1 million to over \$100 million. However, compared with all charities, a high proportion of disability charities reported high incomes. Indeed, 6.8% of disability charities reported an income of between \$10-100 million for 2014, compared with 4.4% of all charities. Further, around 67 disability charities in Australia reported incomes of more than \$100 million (0.7% of disability charities).

**Figure 3.2 Size of charities in the dataset using the detailed financial measure, 2014 (%)**



Notes: n= 9,249 (disability charities) and 27,961 (all charities). Excludes 9,837 charities that reported all zeros in the financials.

<sup>8</sup> Financial information was not included in the first year of the AIS, 2013.



## 4. WHERE ARE AUSTRALIA'S DISABILITY CHARITIES LOCATED?

This section examines the location of Australia's disability charities in 2014 using 3 measures:

- State or territory of registered business address
- Remoteness of charities' registered business address;
- State and territory of operations.

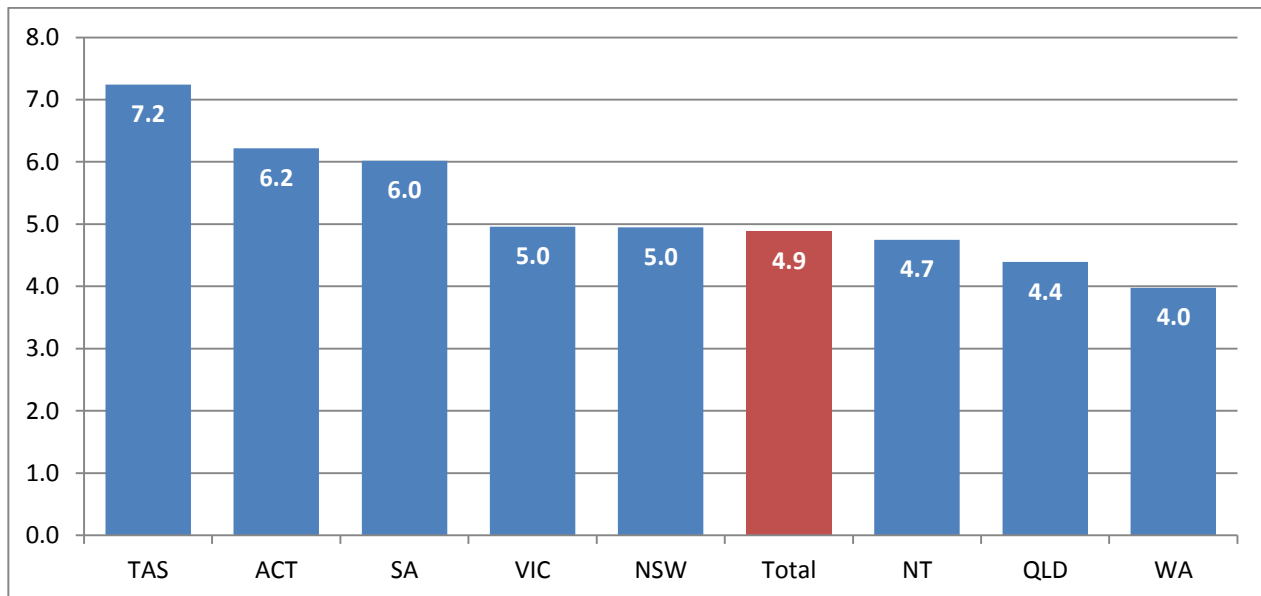
It should be noted that the main business address of charities may not indicate the location of charities' operations. Further, neither a charities' business address nor their operating location indicates the extent of their activities or capacity, or how effectively they achieve their purpose, which may differ across jurisdictions.

### Registered business address

The AIS collected charities' primary business address, including their state and postcode. The largest number of disability charities (3,745) were registered in Australia's most populous state, NSW, representing 32.5% of Australia's disability charities (Figure A.1). Around a quarter (25.3%) were registered in Victoria, and 18.1% were registered in Queensland. Figure 4.1 shows the number of disability charities per 10,000 people. This shows that Tasmania had the highest number of disability charities per 10,000 people (7.2) while Western Australia had the lowest (4.0 per 10,000 people).<sup>9</sup>

The location of disability charities' main business address reflects prevalence of disability in the states and territories, which also depend on the age distribution. In 2012 Tasmania had the highest prevalence of disability: a quarter of the Tasmanian population were living with a disability (ABS, 2013). The jurisdictions with the lowest prevalence were Northern Territory (12%) and 16% in Western Australia and the ACT (ABS, 2013). The high number of disability charities per 10,000 people in the ACT reflects that the national capital is the main business address for many multi-state charities.

Figure 4.1 Disability charities per 10,000 people based in each state and territory, 2014 (%)



Notes: For further information see Figure A.1.

<sup>9</sup> Note however that the simple ratio of number of charities per 10,000 people does not take into account potential differences in need across the population, for example the age distribution or levels of poverty or disability.

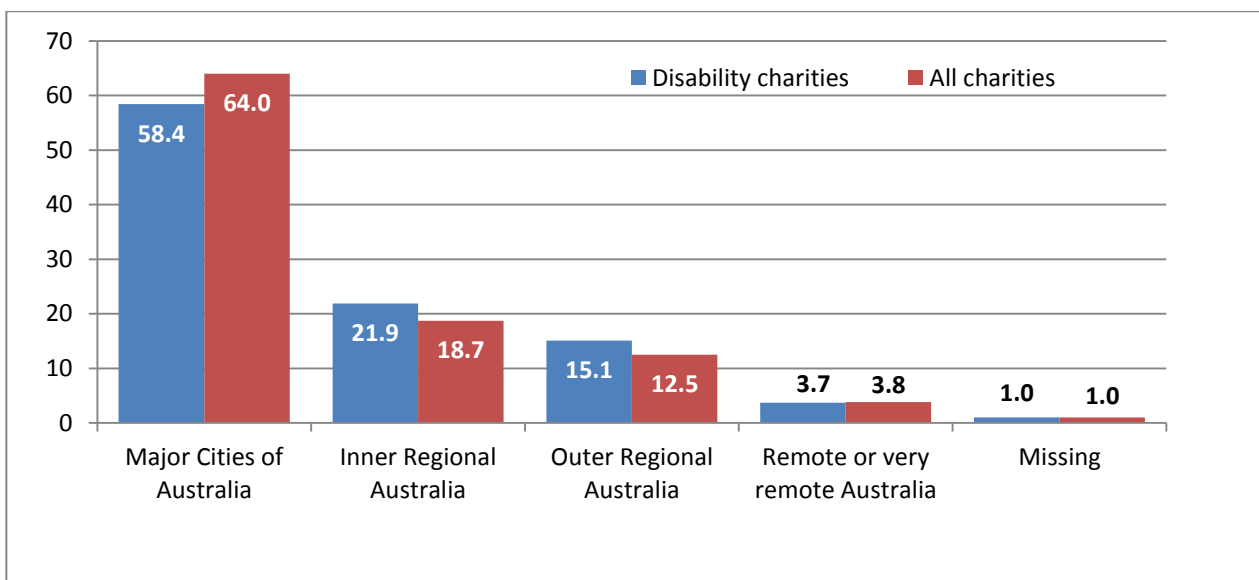


### Disability charities registered in rural and remote locations

The postcodes of charities' main business address were coded against the Australian Bureau of Statistics Remoteness Areas 2011, part of the Australian Standard Geographical Classification (ABS, 2011). This provides an indication of the distribution of disability charities across major cities, regional and remote Australia, and can be compared with the remoteness categories of all charities.

This showed that most disability charities were based in major cities (58.4%). This was less than the proportion of all charities based in major cities (64.0%) (Figure 4.2).<sup>10</sup> A substantial proportion of disability charities (21.9%) were based in inner regional locations, and 15.1% were based in outer-regional locations, which was higher than the figures for all charities. This reflects how a relatively high proportion of people with disabilities are located outside major cities (ABS, 2013).

**Figure 4.2 Charities registered in major cities, regional and remote areas, 2014**



Notes: n=37,798 (all charities) and 11,528 (disability charities).

### Operations of disability charities in the States and Territories

Although charities register a business address in one location, they may operate in more than one location, and across states and territories. In 2014, most disability charities (86.1%) reported operating in one state only (Figure 4.3). This was slightly lower than in 2013, when 87.3% of disability charities operated in one jurisdiction only.

In 2014, 10.2% of disability charities operated in between 2 and 7 states and territories, and 3.7% operated nationally. A very small number of disability charities (9) reported that they did not operate in any Australian jurisdiction. This may be because they operated overseas only, because they did not undertake any activities during the reporting period, or because of respondent error.

<sup>10</sup> In 2011, 68.2% of Australia's population lived in major cities, 19.6% were in inner regional areas, 9.7% were in outer regional areas, 1.6% were in remote areas and 0.9% were in very remote areas ABS. (2012) Regional Population Growth, Australia, 2011, Cat. No. 3218.0. Canberra: Australian Bureau of Statistics.



**Figure 4.3 Location of disability charities' operations, 2013 and 2014**

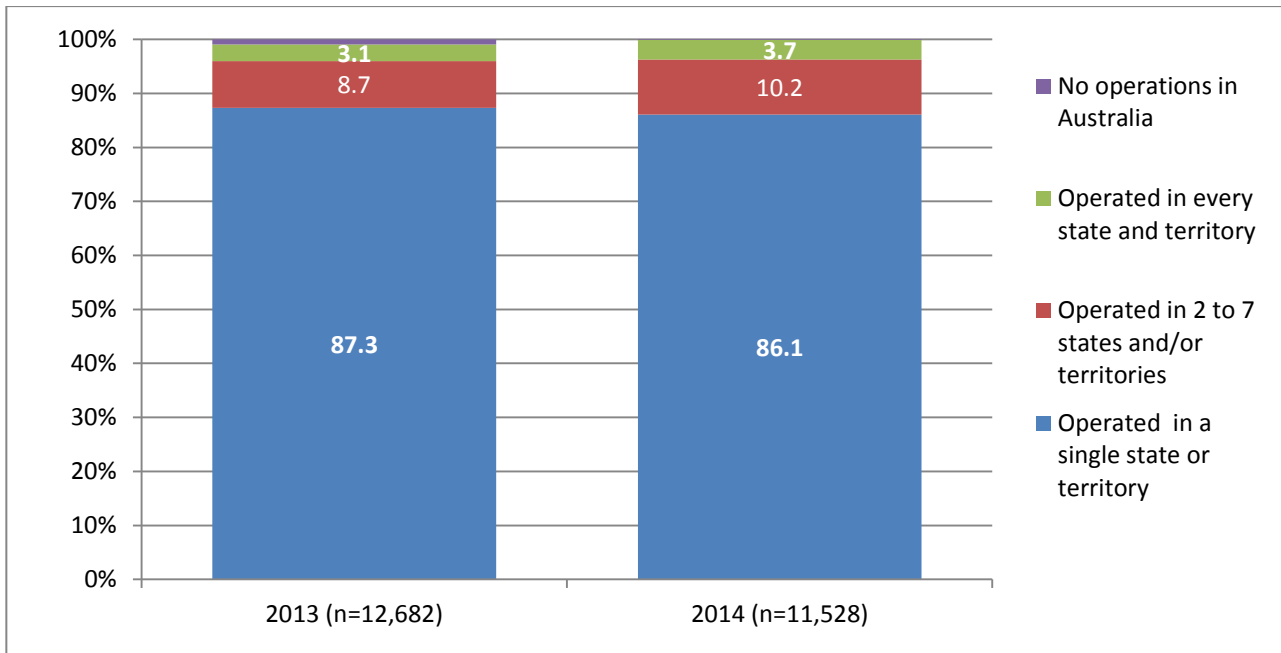
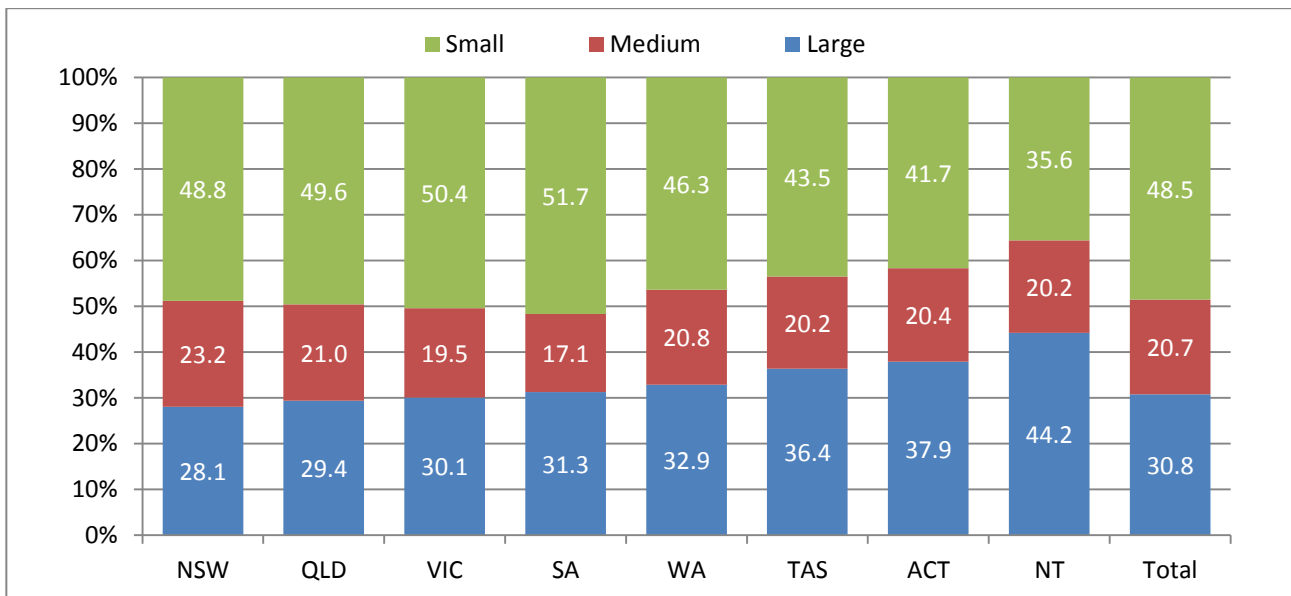


Figure 4.4 shows the proportion of disability charities operating in each state and territory which were small, medium and large, for 2014. Compared with the other states and territories, a relatively high proportion of disability charities which were operating in NSW were small (48.8%), and a small proportion were large (28.1%). In the states and territories with smaller populations, there were larger proportions of disability charities operating which were large: 44.2% of disability charities in the Northern Territory were large, as were 37.9% of those in the ACT and 36.4% of those in Tasmania.

**Figure 4.4 Proportion of disability charities operating in each state and territory which were small, medium and large, 2014**



Notes: n=58,798, as many charities have multi-jurisdictional operations. 7 charities who did not report size are excluded. For further information see Figure A.2





### **Disability charities' operating locations compared with registered addresses**

Figure 4.5 shows disability charities' operating locations according to the jurisdiction of their registered address for 2014. This shows that a relatively large proportion of disability charities which used the ACT as their business address operated nationally. Almost 1 in 12 charities (8.8%) which reported that the ACT was their main business address were operating in all states and territories, compared with 3.7% of all disability charities. Further, around a quarter of disability charities based in the ACT operated in between 2 and 7 states (24.6%), compared with 10.2% overall.

In contrast, smaller proportions of disability charities based in Tasmania and WA had multi-state or national operations. Figure 4.5 indicates that in these states, very high proportions of disability charities operated in one state only: 94.6% and 93.0% respectively. As such, these states provided a base for only small numbers of multi-state and national disability charities.

**Figure 4.5 Charities' operating locations by registered address, 2014**

Registered address	Operated in a single state or territory		Operated in 2 to 7 states and/or territories		Operated in all states and territories	
	n	%	n	%	n	%
ACT	160	66.7	59	24.6	21	8.8
NSW	3 158	84.3	418	11.2	168	4.5
NT	99	85.3	10	8.6	7	6.0
QLD	1 868	89.7	153	7.3	62	3.0
SA	883	87.0	103	10.1	29	2.9
TAS	353	94.6	16	4.3	4	1.1
VIC	2 446	83.8	355	12.2	119	4.1
WA	955	93.0	60	5.8	12	1.2
Total	9 922	86.1	1 174	10.2	422	3.7

Note: n= 11,518; excludes 9 charities reported no operations in Australia and 1 charity that did not report address.

### **Disability charities operating internationally**

In 2014, 2,268 disability charities in the dataset (19.7%) reported having some involvement overseas.<sup>11</sup> The majority of these were small charities (62.1%). These charities operated in 199 countries. A companion report, *Australia's International Charities 2014*, will be released in early 2016 examining the extent and diversity of Australian charities' operations overseas.

<sup>11</sup> This includes disability charities who stated in their AIS that they operated overseas, that their activities helped overseas communities, that selected international activities as their main or general activity or who listed at least one country in the country of operation field.



## 5. WHAT ACTIVITIES DO AUSTRALIA'S DISABILITY CHARITIES PERFORM?

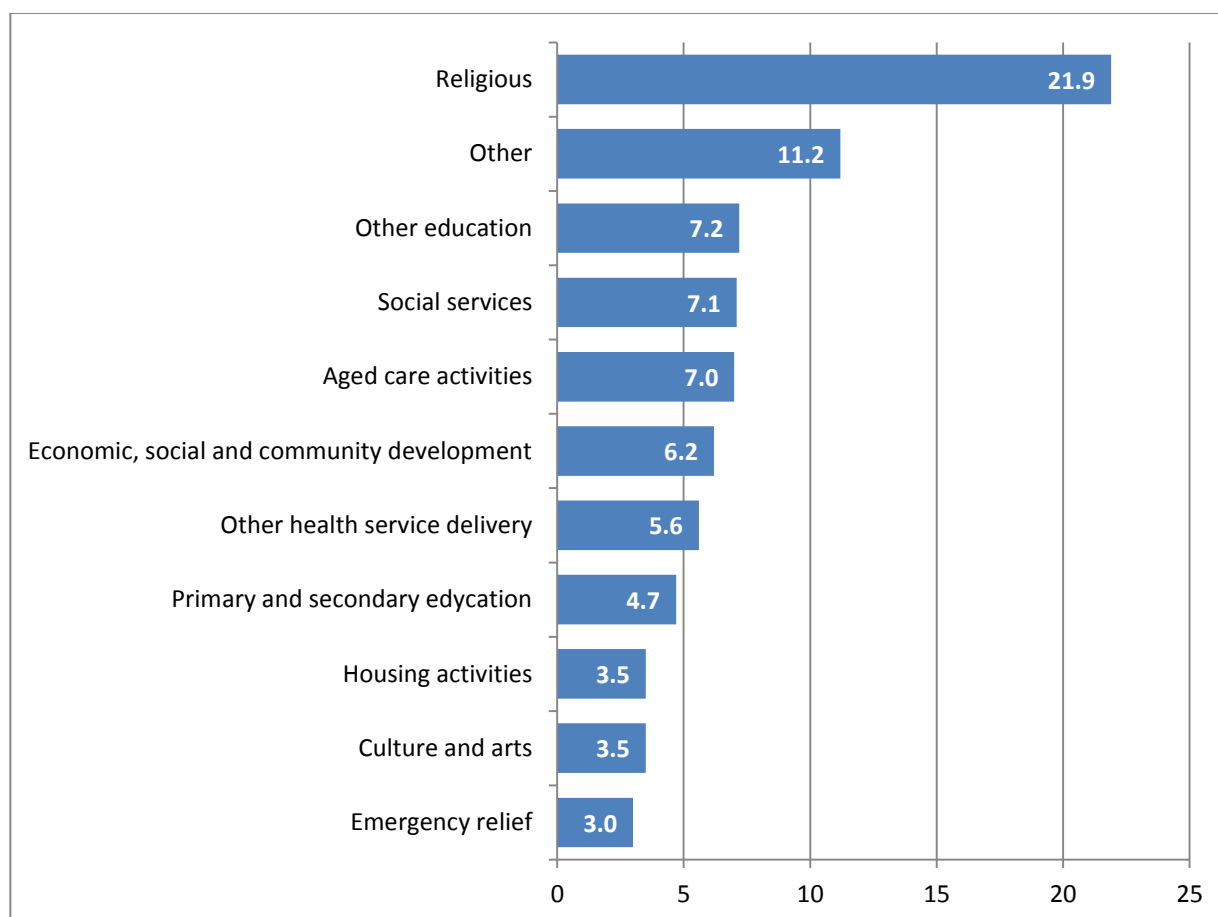
The AIS asked charities to select their main activities in the reporting period, as well as any general activities they performed. AIS activity areas were based on the International Classification of Non-profit Organisations (ICNPO).<sup>12</sup> ICNPO does not include a separate activity classification for disability. As such, the data below show how Australia's disability charities contributed to activities across all the ICNPO categories.

### **Main activity of registered charities**

In total, 11,258 disability charities reported their main activity for 2014 (97.6%). Figure 5.1 shows the main activity most commonly reported by disability charities in 2014. Numbers of disability charities in each category are in Figure A.4.

The most common main activity was religious, which was reported by 2,523 charities, or 21.9% of disability charities. There were also substantial numbers of disability charities whose main activities were other education (7.2%), social services (7.1%), aged care (7.0%) and economic, social and community development (6.2%). However, the second largest activity area was 'other', comprising 11.2% of disability charities in 2014.

**Figure 5.1** Disability charities' most common main activities, 2014 (%)



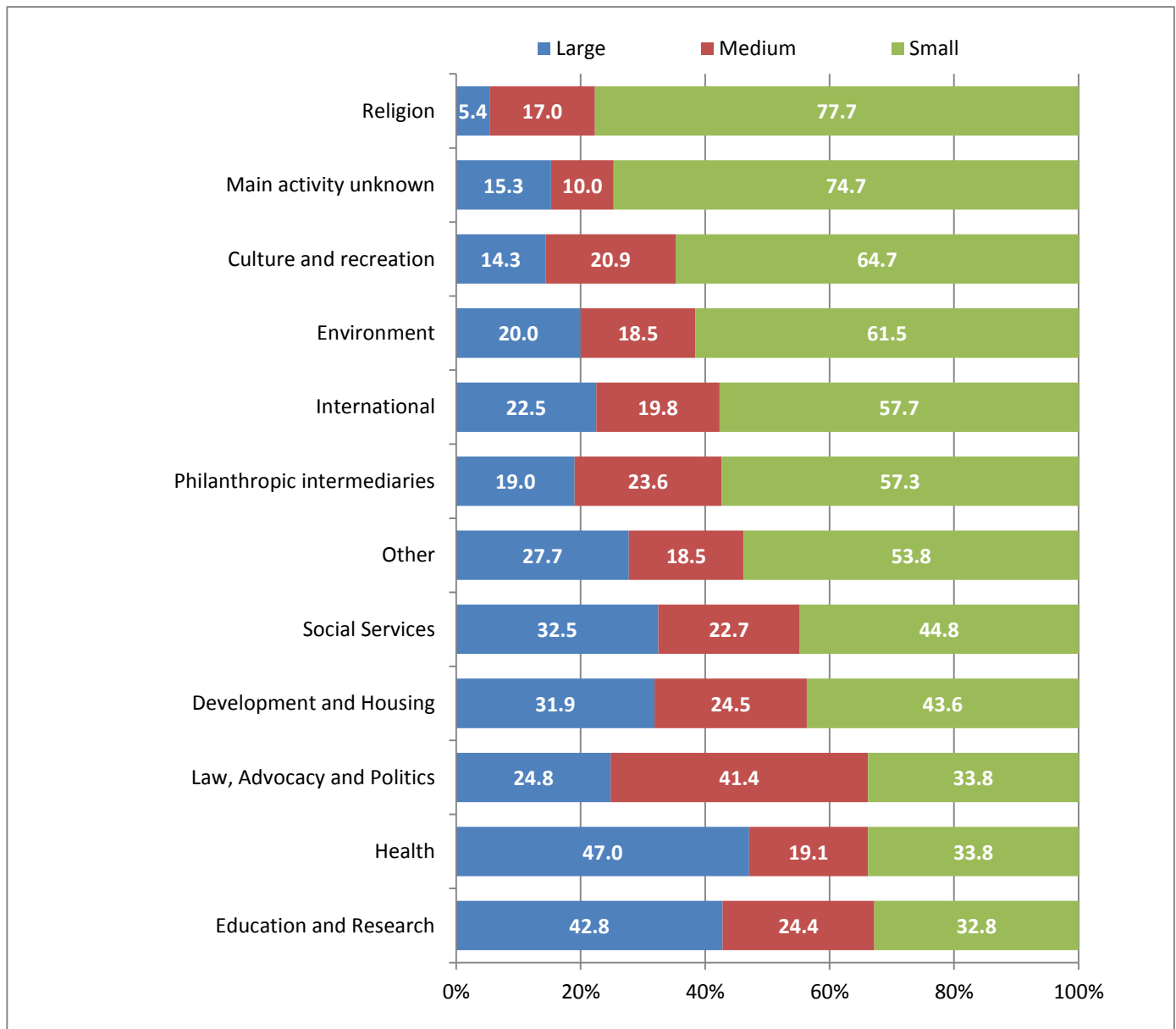
Notes: n=11,528.

<sup>12</sup> 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.





**Figure 5.3 Main activity area and size (basic measure) of registered charities, 2014**



Note: N=11,528.

**Main and general activities**

In addition to selecting one main activity, charities in 2014 were also able to select as many other general activities that were relevant to their organisation. Disability charities’ main and general activities tended to be closely clustered, in that there was a lot of similarity between the main and additional activities selected. Among disability charities whose main activity was sport, for example, ‘other recreation and social club activities’ was frequently selected as another activity. Similarly, for hospital services and rehabilitation activities, other health service delivery, aged care and mental health and crisis intervention were commonly listed as general activities. This analysis also offers further insight into those disability charities which reported their main activity in the ‘other’ category. These disability charities most commonly selected social services, other education, or other health service delivery as their general activities (Figure 5.4).



Figure 5.4 Main activity and secondary activities, 2014

Main activity	Most common additional activity	Second most common additional activity	Third most common additional activity
<b>Culture and Recreation</b>			
Culture and arts	Other Education	Other recreation and social club activity	Primary and secondary education
Sports	Other recreation and social club activity	Other Activity	Other Education
Other recreation and social club	Other Activity	Sports	Social services
<b>Law, Advocacy and Politics</b>			
Civic and advocacy	Social services	Other Activity	Other Education
Law and legal services	Civic and advocacy activities	Other Education	Social services
<b>Health</b>			
Hospital services and rehabilitation	Other health service delivery	Aged Care Activities	Mental health and crisis intervention
Aged care activities	Other health service delivery	Social services	Other recreation and social club activity
Mental health and crisis intervention	Other health service delivery	Social services	Other Education
Other health service delivery	Mental health and crisis intervention	Other Activity	Social services
<b>Social Services</b>			
Social services	Emergency Relief	Economic social and community development	Other Activity
Emergency relief	Social services	Other Activity	Income support and maintenance
Income support and maintenance	Grant-making activities	Social services	Emergency Relief
<b>International</b>			
International activities	Economic social and community development	Primary and secondary education	Other Education
<b>Education and Research</b>			
Primary and secondary education	Religious activities	Other Education	Sports
Higher education	Other Education	Research	Culture and arts
Other Education	Other Activity	Primary and secondary education	Culture and arts
Research	Other health service delivery	Other Education	Grant-making activities
<b>Environment</b>			
Environmental activities	Other Education	Primary and secondary education	Animal Protection
Animal protection	Other Education	Environmental activities	Other Activity
<b>Development and Housing</b>			
Economic, social and community development	Social services	Other Education	Other recreation and social club activity
Housing activities	Economic social and community development	Social services	Emergency Relief
Employment and training	Other Education	Social services	Economic social and community development
<b>Philanthropic intermediaries and voluntarism promotion</b>			
Grant-making activities	Social services	Primary and secondary education	Other health service delivery





Philanthropic	Grant-making activities	Economic social and community development	Other health service delivery
<b>Religion</b>			
Religious activities	Economic social and community development	Social services	Other Education
<b>Other</b>			
Other	Social services	Other Education	Other health service delivery
<b>Main activity unknown</b>			
Main activity unknown	Religious activities	Primary and secondary education	Other recreation and social club activity
<b>Total</b>			
All	Social services	Other Education	Economic social and community development

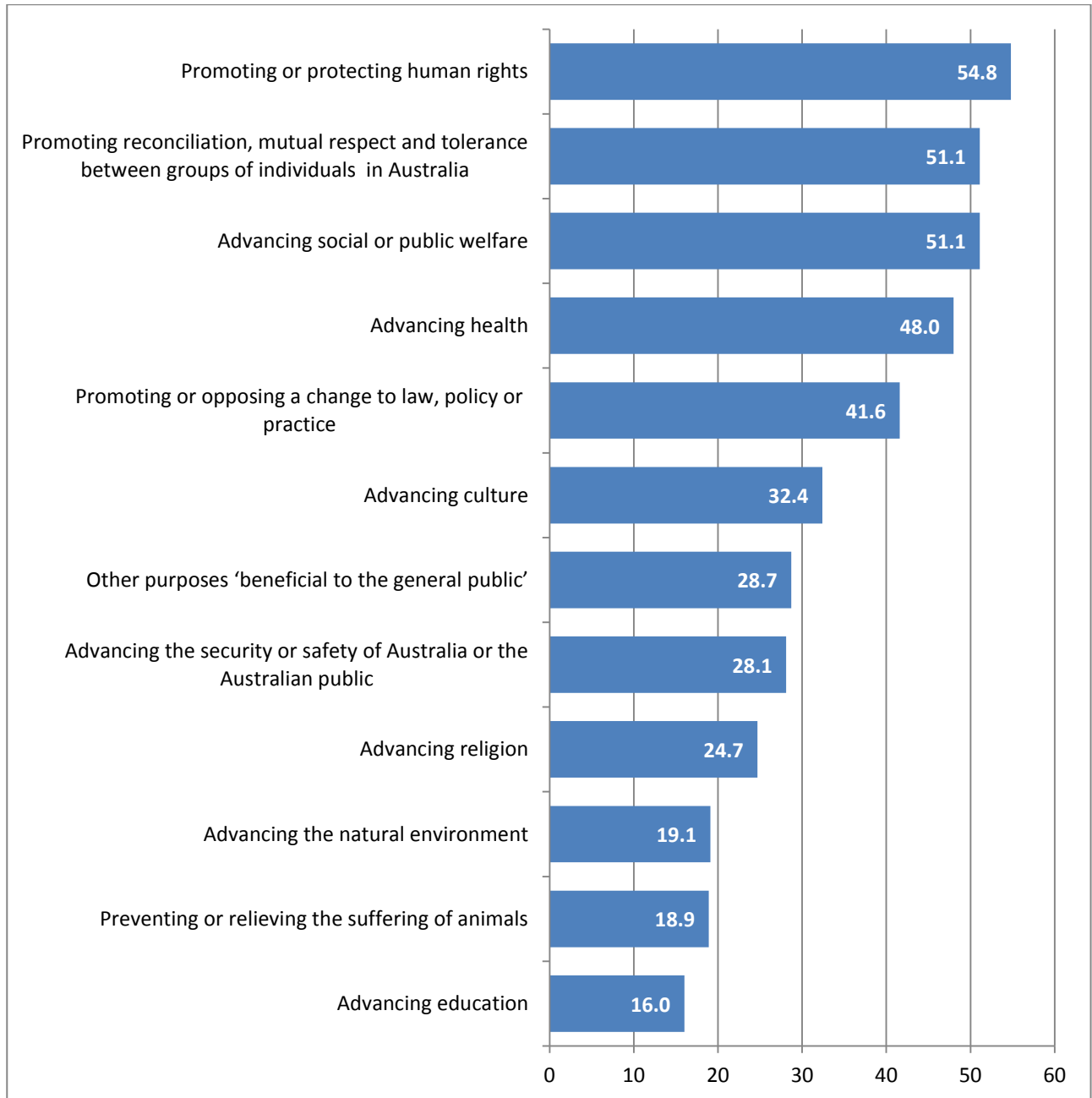
Notes: ^ Civic and advocacy includes 3 charities which nominated 'political activities' as their main activity. \* Other philanthropic activities includes 'philanthropic promotion' and 'other philanthropic'.



## 6. HOW DO AUSTRALIA'S DISABILITY CHARITIES PURSUE THEIR PURPOSE?

The *Charities Act 2013 (Cth)* lists twelve charitable purposes. 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, 2015e). More than half of disability charities were registered with the charitable purpose of promoting or protecting rights (54.8%), advancing social or public welfare (51.1%), and promoting reconciliation, mutual respect and tolerance (51.1%). Slightly fewer (48.0%) had the purpose of advancing health (Figure 6.1).

**Figure 6.1 Charitable purpose of disability charities, 2014 (%)**







*with mental health issues, to enable them to continue living independently in their own community (large aged care charity, ACT).*

*Through advocacy, to relieve the distress felt by people with a disability, their families and carers due to an infringement of their human, legal, civil and consumer rights as a particular consequence of their disability (medium civic and advocacy charity, SA).*

*We provide a wide variety of support and assistance to people who have disabilities and mental illness. We assist them to live their life, their way. We achieve this by assisting them use the community, respite where appropriate, achieve social integration and make informed choice. (large 'other' charity, VIC).*

*Helping homeless people and people with disabilities (small religious activity charity, VIC).*

*Using sealed collection containers to collect donations from the general public in Shopping Centres and supermarkets. Holding purpose event nights eg Dinner & Show. Money is distributed to groups who run and manage programs for people with disability involved in sport through a series of grants (medium sports charity, SA).*

Some disability charities used the opportunity to describe pursuing their purpose for a specific group of people with a disability, such as those with particular categories of disability such as vision impairment or intellectual disability. For example:

*Provision of heavily Subsidised accommodation for Blind, Vision impaired and otherwise disabled people. Through our Computer Club, education of young Blind and Vision Impaired people in the use of keyboard skills and basic computer programs (large housing charity, QLD).*

*Development of a social housing model for people with intellectual disability that includes home ownership.... The purpose is to establish a sustainable, safe and caring community in a purpose-built residence for reasonably independent adults with a mild intellectual disability (small housing charity, ACT).*

### **Plans to change pursuit of charitable purpose**

The AIS form also asked if charities planned to change their charitable purposes in the next reporting period, and if so, they were asked to describe how. Only a very small number of disability charities (2.2%) reported that they were planning to change how they pursued their purposes in the next year. In some cases, charities stated that their change in activities involved closing down, merging with another charity or transferring some activities to another charity or other organisation. Others described how they planned to change the emphasis placed on particular activities, add new activities or target new groups of beneficiaries to achieve their purpose. For example:

*Purchase of property to provide safe housing for Asylum Seekers (large grant-making charity, NSW).*

*It is hoped that the focus of the agency will change to include younger people as well as providing a greater range of services for older people (small aged care charity, NSW).*

A few disability charities mentioned that they were affected by loss of funding from either the State or Australian Governments, so were focusing activities on attracting the resources required:

*More Fundraising Activities as lost Funding from the State Government (medium mental health and crisis intervention charity, NSW).*

*Our funding from the Commonwealth Government ceases from July 2015. We are in the process of reviewing our service to see how we manage without funding (medium other education charity, NSW).*



Others mentioned that they were affected by changes in disability policy and service delivery models, including NDIS:

*Changes to service delivery models due to the impending implementation of NDIA and MyWay schemes (large 'other' charity, WA).*

*No longer operating in disability services, due to NDIS roll out. Only operating a preschool for the next period (large social services charity, NSW.)*

*...assist affected families of children with a disability successfully transition to the NDIS. This will involve running more workshops to educate impacted families about the process, assisting with plan preparation, and also assisting with NDIS portal set-up, book keeping, information, education and referrals. This will involve more face to face interaction with families and individual (small grant-making charity, ACT).*





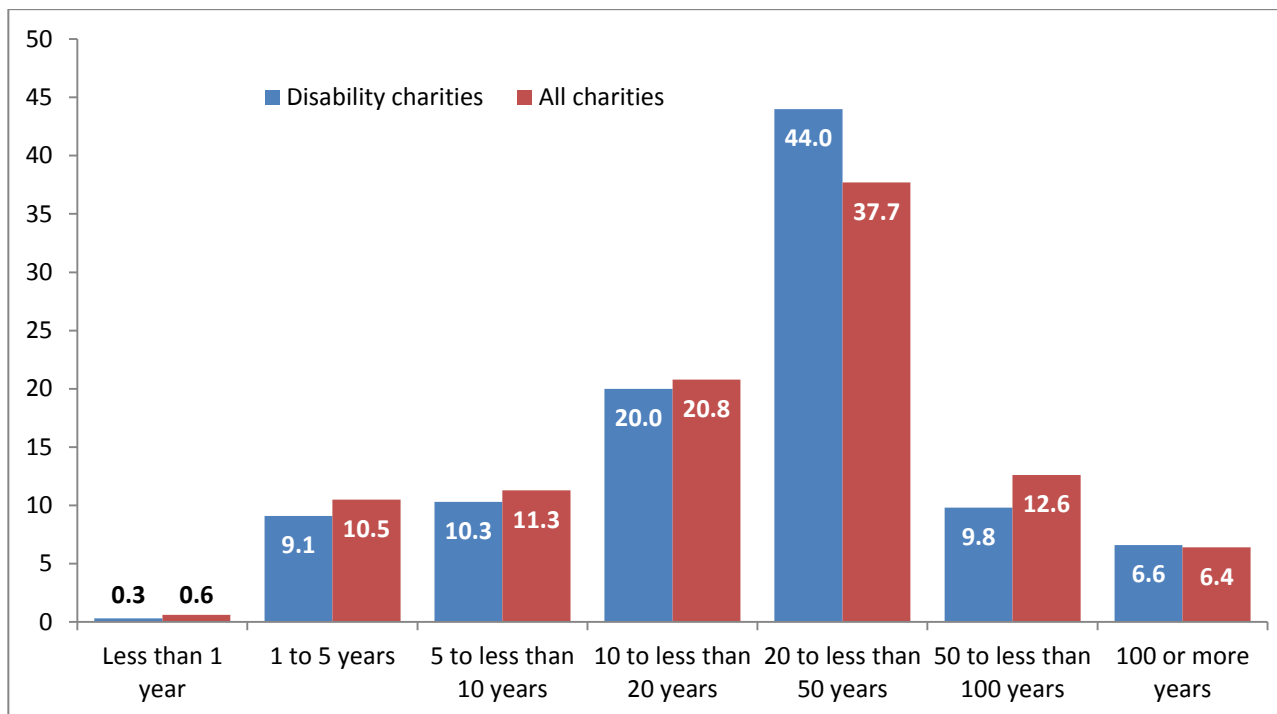
## 7. HOW OLD ARE AUSTRALIA'S DISABILITY CHARITIES?

This chapter uses AIS 2014 data to examine whether and how the age of disability charities differs to all charities (Cortis et al., 2015).

Figure 7.1 shows that as for all charities, the largest group of disability charities in the AIS 2014 were established between 20 and 50 years previous, that is, between 1964 and 1994. However, a higher proportion of disability charities were established in this period: 44% of disability charities were established between 20 and 50 years ago, compared with 37.7% of all charities. Only a very small proportion of disability charities (0.3%) reported being less than one year old. However, this is likely because charities which registered after 31 July 2014 (and were less than a year old) were not required to lodge an AIS.

The high proportion of disability charities established between 1964 and 1994 may reflect the burgeoning of the disability rights movement from the 1970s, although many charities with other goals and purposes were also established in the same period. Rights-based advocacy movements aimed at disability self-determination and community-based rather than institutional provision were reinforced by the United Nations' Declaration on the Rights of Disabled Persons (1975) which outlined a number of social, economic and civil and political rights for people with a disability, and the International Year of Disabled Persons (1981). In 1986, disability rights advocacy was recognised as an area for federal funding in Australia with the Disability Services Act 1986, followed by the Disability Discrimination Act 1992. This provided a framework for the development of community-based alternatives to institutional service provision, including establishment of many community-based disability organisations, many structured as charities.

**Figure 7.1** Years since establishment, disability and all charities, 2014 (%)



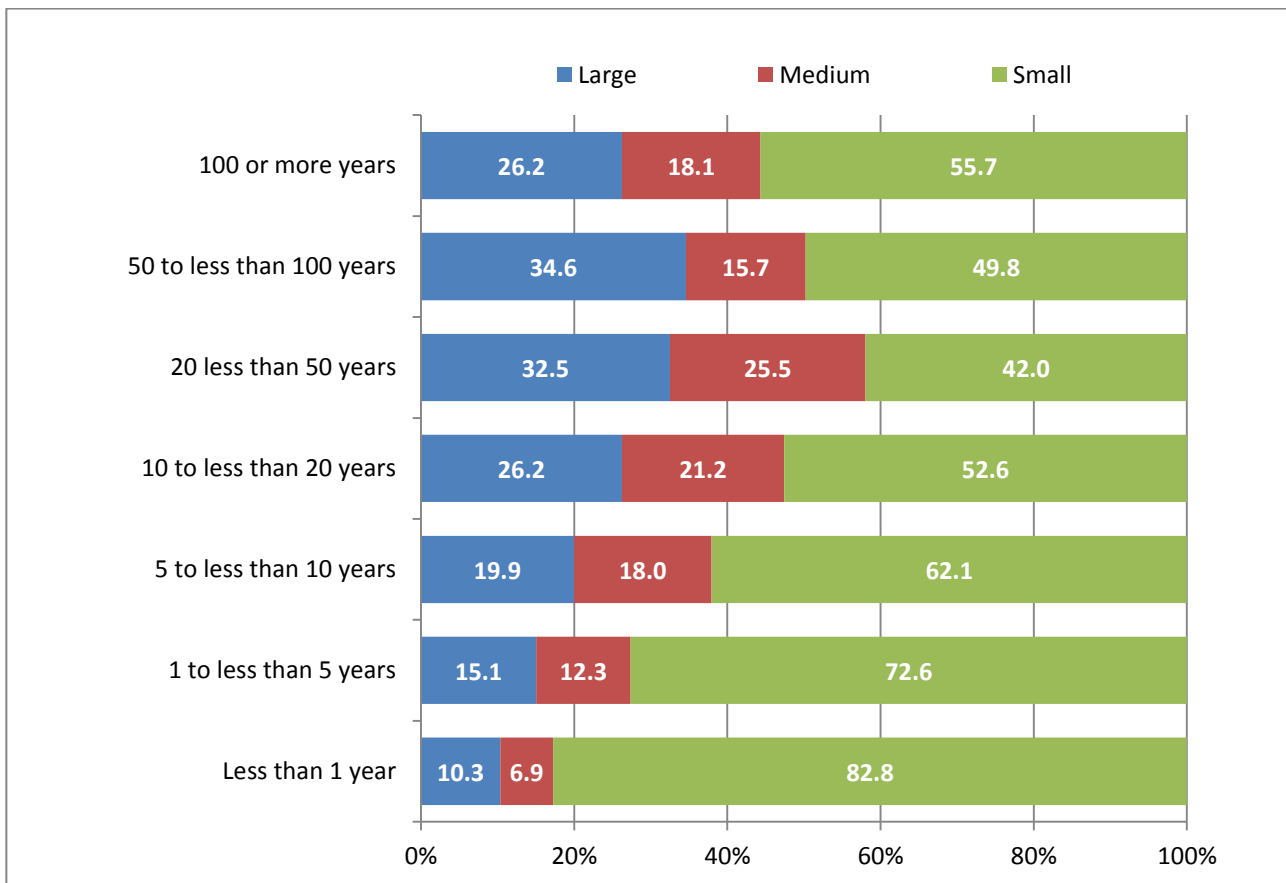
Notes: N=10,945. It excludes 582 charities that did not provide year of establishment and 1 charity that had an incorrect year (e.g. 2015).

Figure 7.2 provides a breakdown of the size of disability charities in each period of establishment. For those which were less than 100 years old, the proportion of charities which were 'large' (based on the basic categories) roughly increased with age. Younger charities were more likely to be small; among those aged 1 to less than 5 years, 72.6% were small, and 15.1% were large. Among the oldest disability charities (those established 100 years ago or more), more than half of charities were small



(55.7%). This suggests that disability charities cannot be universally expected to grow over time. Like other charities, many may remain small to maintain a focus on purpose or local activity.

**Figure 7.2 Size of charities (basic categories) by period of establishment**



Notes: n=10,938. It excludes 582 charities that did not provide year of establishment and 1 charity that had an incorrect year (e.g. 2015). It also excludes 7 charities that did not report size.

Disability charities perform many activities. Figure 7.3 shows the average age of disability charities in each category of main activity. Disability charities whose main activities were religious and primary and secondary education were the oldest, with an average age of 51.4 and 49.2 years respectively. Disability charities whose main activities were animal protection, research, international and environmental activity tended to be younger, on average. This reflects the trend for all charities (Cortis et al., 2015).

**Figure 7.3 Average age of disability charities in years, by main activity, 2014**

Average age by main activity	Years
Religious activities	51.4
Primary and secondary education	49.2
Higher education	35.5
Aged care activities	34.0
Hospital services and rehabilitation activities	30.6
Other recreation and social club activity	30.1
Sports	29.5
Other education	29.0
Other	27.5
Social services	26.6



Culture and arts	26.1
Civic and advocacy^	25.8
Other philanthropic activities*	25.7
Employment and training	23.7
Law and legal services	23.7
Other health service delivery	23.6
Housing activities	23.4
Emergency and relief	23.2
Economic, social and community development	23.0
Income support and maintenance	20.8
Mental health and crisis intervention	20.1
Grant-making activities	19.2
Environmental activities	17.0
International activities	16.4
Research	15.5
Animal protection	15.4
Total	32.5

Notes: ^ Civic and advocacy includes 3 charities which nominated 'political activities' as their main activity. \* Other philanthropic activities includes 'philanthropic promotion' and 'other philanthropic'.



## 8. WHO WORKS IN AUSTRALIA'S DISABILITY CHARITIES?

Australia's disability charities conduct activities and pursue their purposes using a large workforce of both paid employees and volunteers. Understanding the characteristics of the workforce is important given evidence of the challenges experienced by the wider not-for-profit sector in attracting and retaining both employees and volunteers. This is particularly significant against a background where demand for service provision by charities is expected to continue (Productivity Commission, 2010). For those disability charities involved specifically in delivering disability programs or services, the shift from block and program government funding to individual, consumer-based funding as part of the NDIS makes it especially important to monitor trends in the disability workforce over time. Indeed, services and workers in the NDIS trial sites in 2014 reported new workforce demands and pressures arising from expanded consumer choice and control, as well as from the NDIS pricing structure, rules and requirements (NDS, 2014b).<sup>14</sup>

This section provides data relating to paid employees and volunteers in Australia's disability charities. Importantly, data available from the AIS 2014 provides employee data for the charity as a whole. As disability charities perform a range of activities for other beneficiaries as well as people with disabilities, these data are not indicative of the numbers of employees working directly with people with disabilities. Notwithstanding, they offer an indication of the workforce size of Australia's disability charities and profile whether and how the workforce of these charities differs from all reporting charities.

### ***Paid employees in Australia's disability 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 capture numbers of staff estimated to work in Australia's disability charities. These staff were not necessarily assisting people with disabilities, as charities, especially those which were large, perform multiple activities that may benefit a wide range of population groups. Further, this provides a snapshot for that pay period only and does not capture fluctuations in staffing levels across the reporting period.

### **Employment across Australia's disability charities**

Together, the 11,366 disability charities which reported employment numbers individually reported total employment of 570,307. The 24 'group reporting' charities reported employment of a further 31,525 people.<sup>15</sup> In total, disability charities employed 601,832 people. This means that 53.9% of all 1,117,781 staff in Australia's charities were working in disability charities (Cortis et al 2015). A breakdown of employment numbers for individual and the 24 group reporting charities is provided in Figure 8.1.

**Figure 8.1** Paid staff in disability charities

Staff	Individual reporters	Group reporters	Total
Full time staff	208 989	14 807	223 796
Part time staff	224 201	11 013	235 214
Casual staff	137 117	5 705	142 822
Total	570 307	31 525	601 832

N=11,366. Excludes 162 charities that did not report employee figures.

<sup>14</sup> However, and as noted previously, not all charities referred to as disability charities in this report are involved in or affected by changes in models of disability service delivery.

<sup>15</sup> Charities which reported as a group are excluded from breakdowns based on size or activity because they include aggregate information for charities across a range of categories.



Figure 8.2 shows the numbers of full time, part time and casual staff employed in Australia’s disability charities by size, and the mean number of staff per disability charity. This excludes group reporting charities, because the information they reported is aggregated for charities of different sizes, but captures the vast majority of charities. It shows that most of staff were employed in large disability charities: 536,034 out of 570,284 (94.0%). Medium and small disability charities had very low numbers of staff, on average. Around 137,117 out of 570,284 staff were casual in Australia’s disability charities (24.0%).<sup>16</sup> This is on par with the charitable sector as a whole (24.2%) but higher than the Australian workforce as a whole (19.4%) (ABS, 2014).

**Figure 8.2 Total and mean full time, part time and casual staff, by size of disability charities, 2014**

Staff	Large		Medium		Small		Total
	n	mean	n	mean	n	mean	n
Full time staff	201 204	64.2	5 347	2.2	2 425	0.4	208 976
Part time staff	208 744	66.6	10 751	4.5	4 696	0.8	224 191
Casual staff	126 086	40.2	7 259	3.1	3 772	0.6	137 117
All staff	536 034	170.9	23 357	9.8	10 893	1.9	570 284

Notes: n=11,361. Excludes 167 charities that did not report employee information and did not report size.

**Charities with no paid staff**

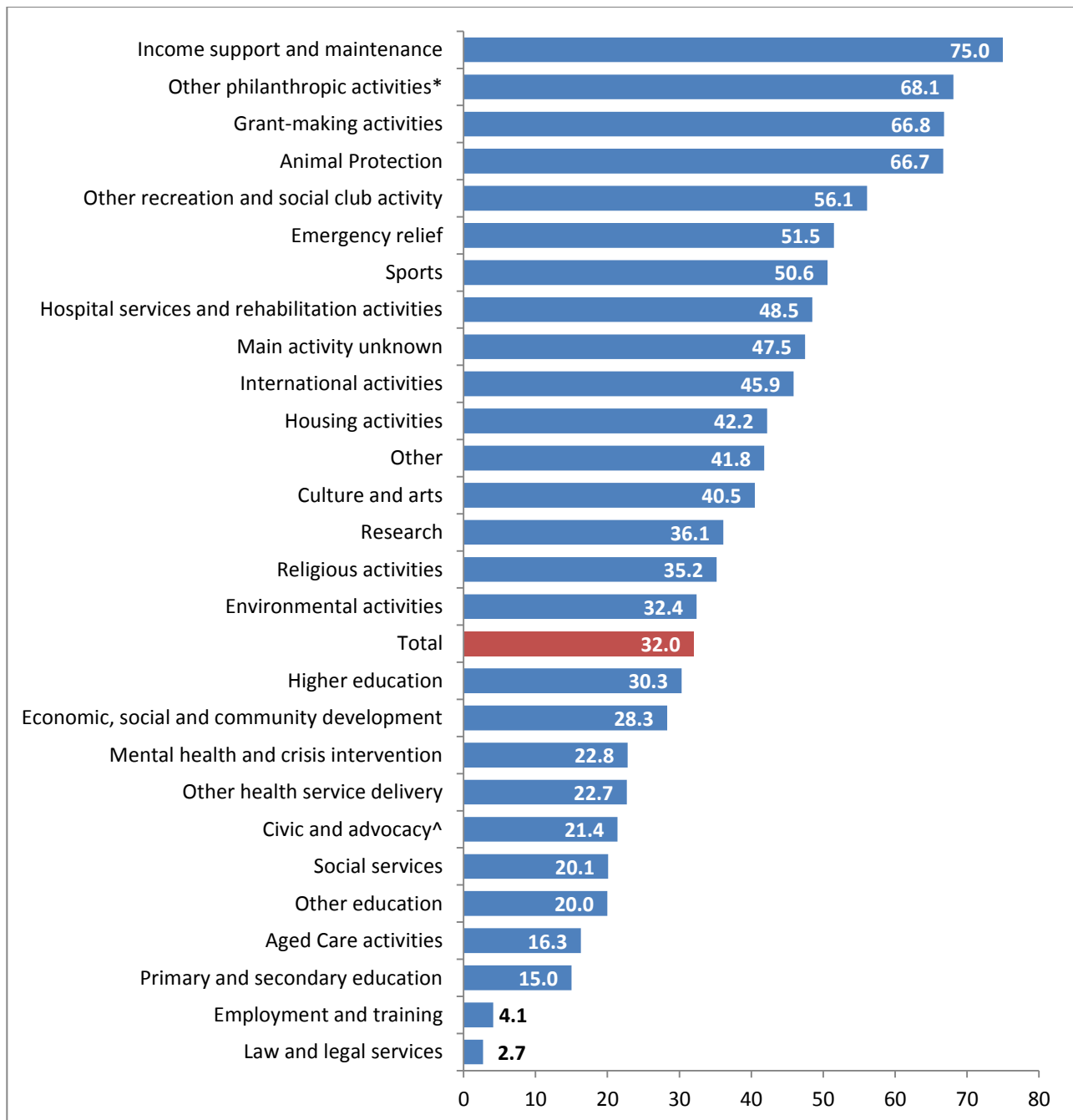
An important feature of Australia’s charitable sector is that many organisations pursue their activities without paid staff. This was also the case for disability charities: 32.0% had no paid staff overall. The proportion of disability charities operating with no paid staff is notably less than for the whole charitable sector, indicating disability charities are more likely to be employers than other charities. Charities 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 animal protection. Very few disability charities operated with no paid employees in the area of law and legal services, employment and training, primary and secondary education, and aged care.

<sup>16</sup> The figure differs only slightly if group charities are included: 23.7% of total employees were casual.





**Figure 8.3 Proportion of charities with no paid staff, by activity, 2014**



Notes: ^ Civic and advocacy includes 3 charities which nominated 'political activities' as their main activity. \* Other philanthropic activities includes 'philanthropic promotion' and 'other philanthropic'. Excludes 162 charities that did not answer the staff questions.

**Volunteers**

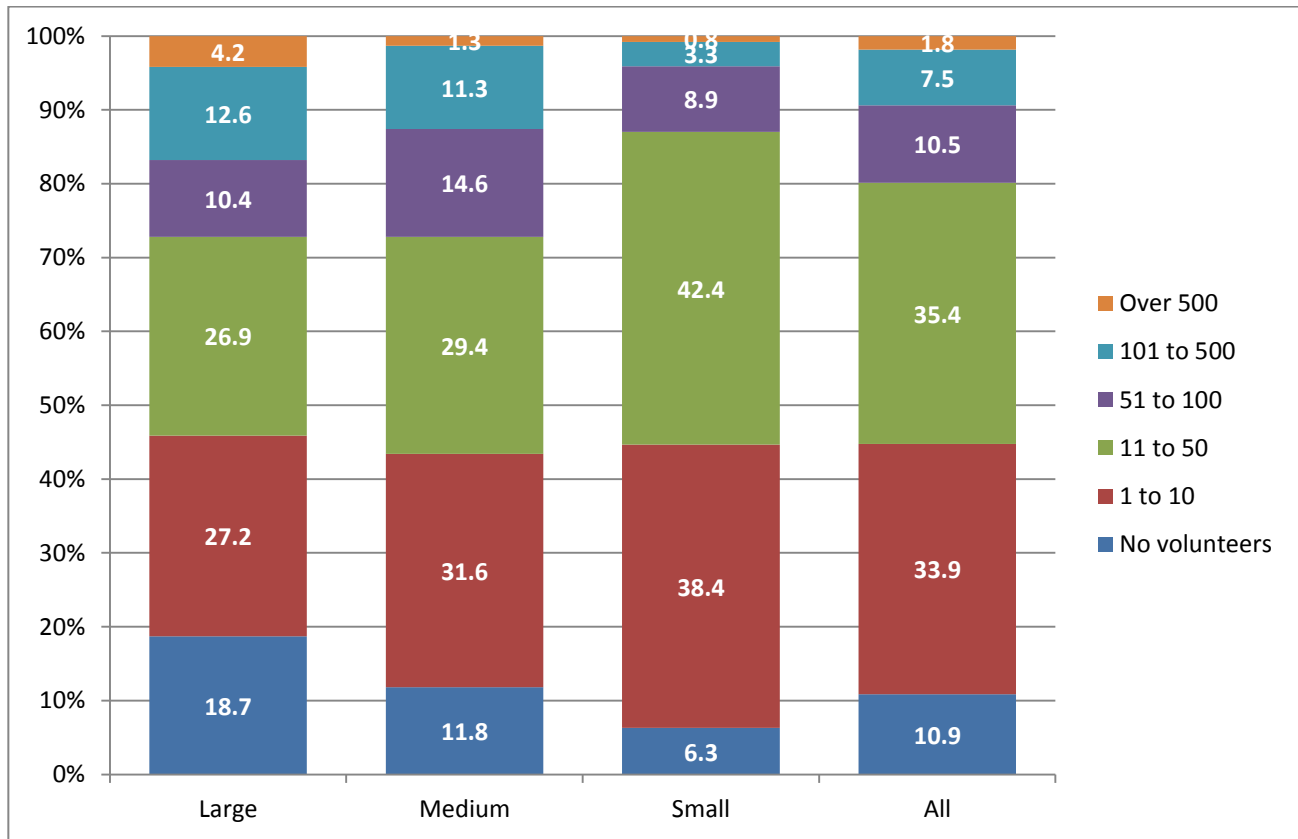
Charities were also asked to indicate the number of unpaid volunteers who worked for their charity during the 2014 reporting period. This was captured in categories rather than a single figure. Overall, 89.1% of disability charities reported any number of volunteers, 10.9% did not use volunteers (Figure A.8). This differs slightly to the figures for the whole charitable sector: 83.4% of all charities which reported in the 2014 AIS had volunteers involved in their organisation and 16.6% did not. As such, disability charities were slightly more likely than average to engage volunteers.

Figure 8.4 provides a breakdown of the number of volunteers involved with small, medium and large disability charities. This shows that smaller disability charities were most likely to involve volunteers.



However, higher proportions of large and medium charities involved 100 or more volunteers in the last year; smaller charities were most likely to involve under 50 volunteers.

**Figure 8.4 Use of volunteers by large, medium and small disability charities, 2014 (%)**

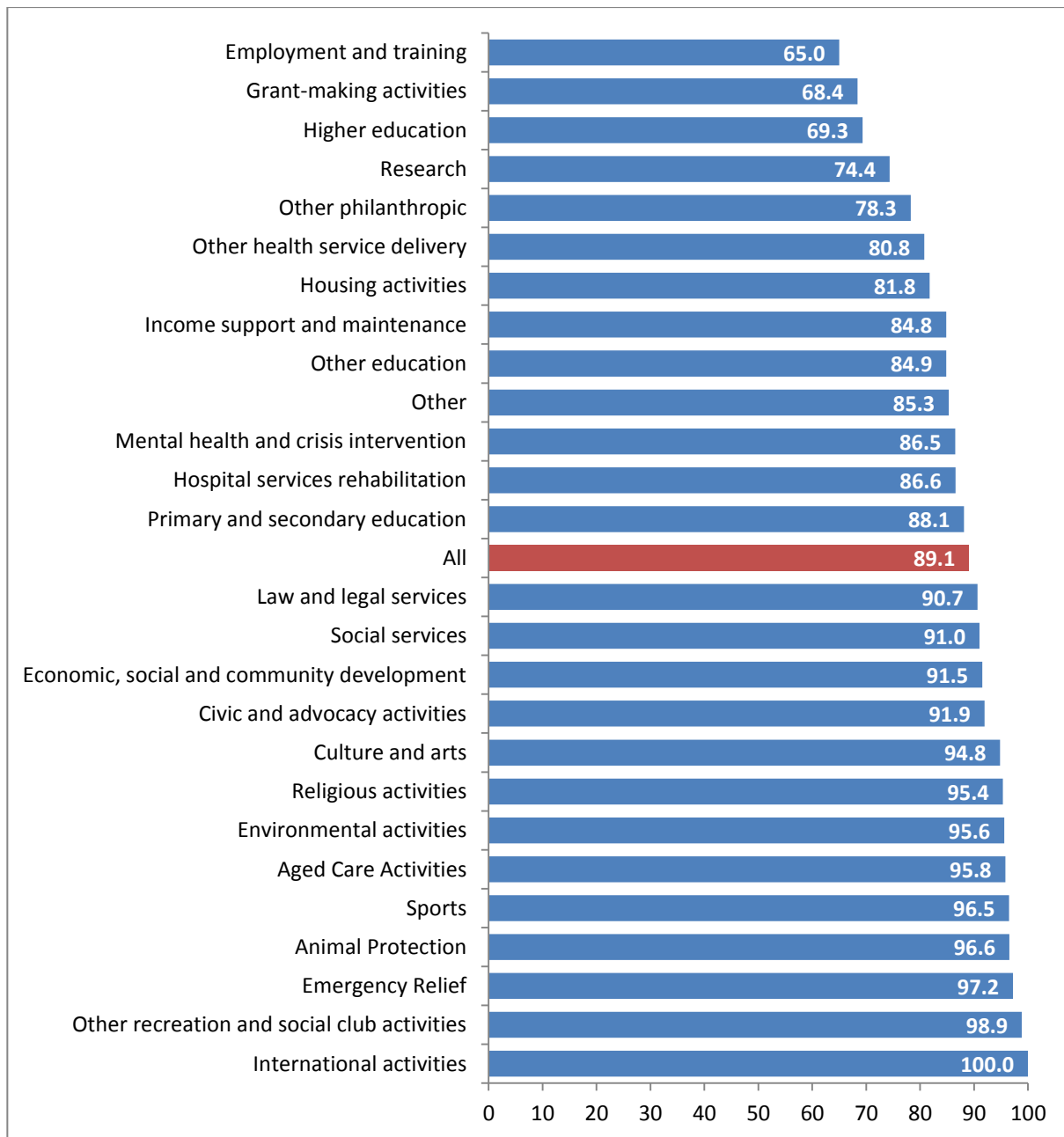


Notes: It excludes 519 charities who reported 0-50 volunteers, did not answer the volunteer question, or did not answer the size question.

Disability charities were least likely to have volunteers where their main activity was in the employment and training, grant-making, higher education, and research categories (Figure 8.5). Those most likely to have at least 1 volunteer were in international, sport and other recreation and social club activity, emergency relief, religious, environmental and aged care activities.



**Figure 8.5 Disability charities with at least 1 volunteer by main activities, 2014**

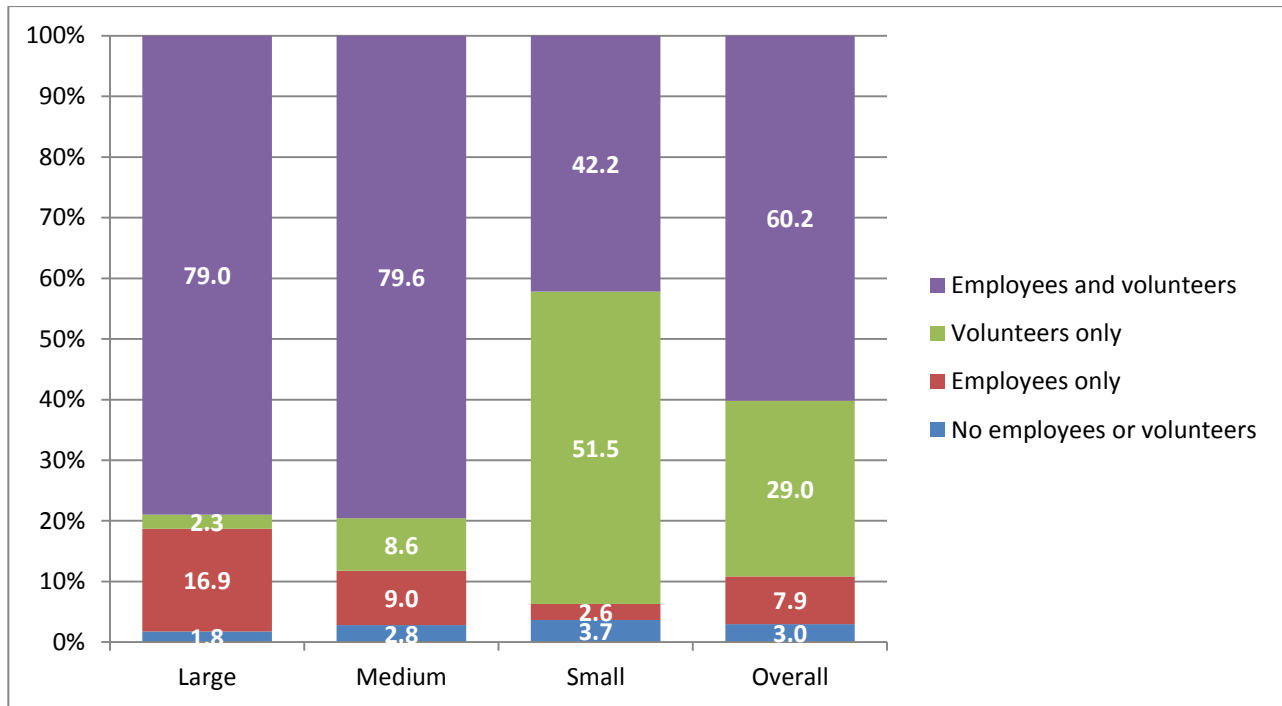


Notes: ^ Civic and advocacy includes 3 charities which nominated 'political activities' as their main activity. \* Other philanthropic activities includes 'philanthropic promotion' and 'other philanthropic'.

More than 3 in 5 disability charities had both employees and volunteers (60.2%) (Figure 8.6). This was higher in large organisations. Overall, 30% of disability charities had volunteers only. A further 35.7% reported having volunteers only, while 7.9% had employees only. Small disability charities are notable in that 51.5% had volunteers only, which was much higher than for large and medium disability charities. Three percent of disability charities reported that they didn't have either paid employees or volunteers. This may be because they were not performing activities in the reference period.



**Figure 8.6 Proportion of charities with employees and volunteers, 2014**



Notes: For further information see Figure A.9.



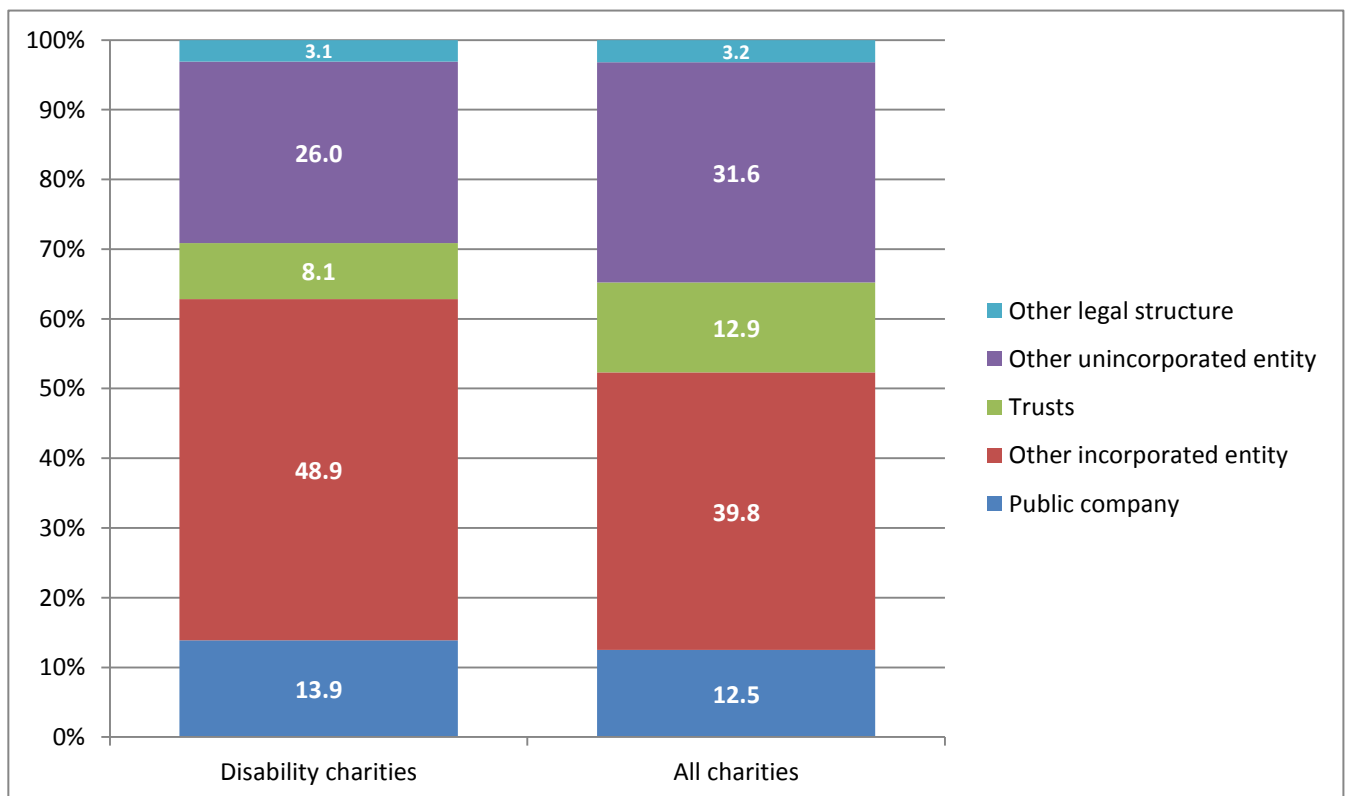
## 9. WHAT BUSINESS STRUCTURES ARE USED BY AUSTRALIA'S DISABILITY CHARITIES?

Charities' business 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 disability and all charities which reported their AIS in 2014, using information obtained from the Australian Business Register (ABR). This indicates that the largest proportion of disability charities were 'other incorporated entities' - e.g. incorporated associations (48.9% of charities). A higher proportion of disability charities were 'other incorporated entities' compared with all reporting charities (39.8%). Also, smaller proportions of disability charities were structured as other unincorporated entities (26.0% compared with 31.6%) and smaller proportions were trusts (8.1% compared with 12.9%) and smaller proportions were public companies (13.9% compared with 12.5%) and smaller proportions were trusts (8.1% compared with 12.9%) and smaller proportions were trusts (8.1% compared with 12.9%) and smaller proportions were trusts (8.1% compared with 12.9%).

**Figure 9.1** Legal structure of disability and all reporting charities, 2014 (%)



Notes: n= 11,526. It excludes 2 charities that did not report legal structure.

### Charity sub-type

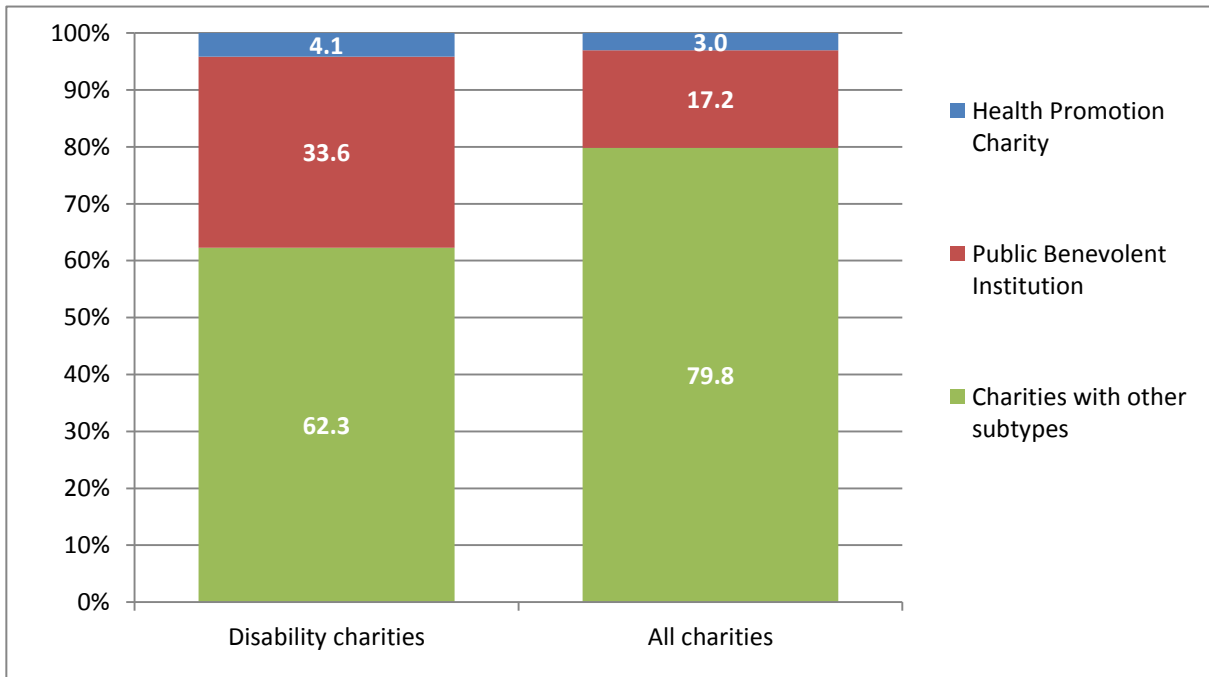
Charity sub-type is determined by the ACNC based on each charity's purpose and activities. It helps determine charities' eligibility for some tax concessions. Designation as a Public Benevolent Institution (PBI) or Health Promotion Charity are important as these types of charities may be eligible for fringe benefit tax exemptions and deductible gift recipient status, which can underpin more generous provision of salary sacrificing arrangements for paid employees, and help attract donations. As Figure 9.2 shows, around a third of disability charities were public benevolent institutions (33.6%). This is much higher than the proportion of all reporting charities which had PBI status in 2014





(17.2%). The proportion which were health promotion charities were relatively small (3.0% across all reporting charities), but the figure was slightly higher for disability charities (4.1%).

**Figure 9.2 Charity sub-type of disability and all reporting charities, 2014**



Notes: n=11,432 (disability charities) and 37,536 (all charities). It excludes 262 charities that did not report charity type.

**DGR status**

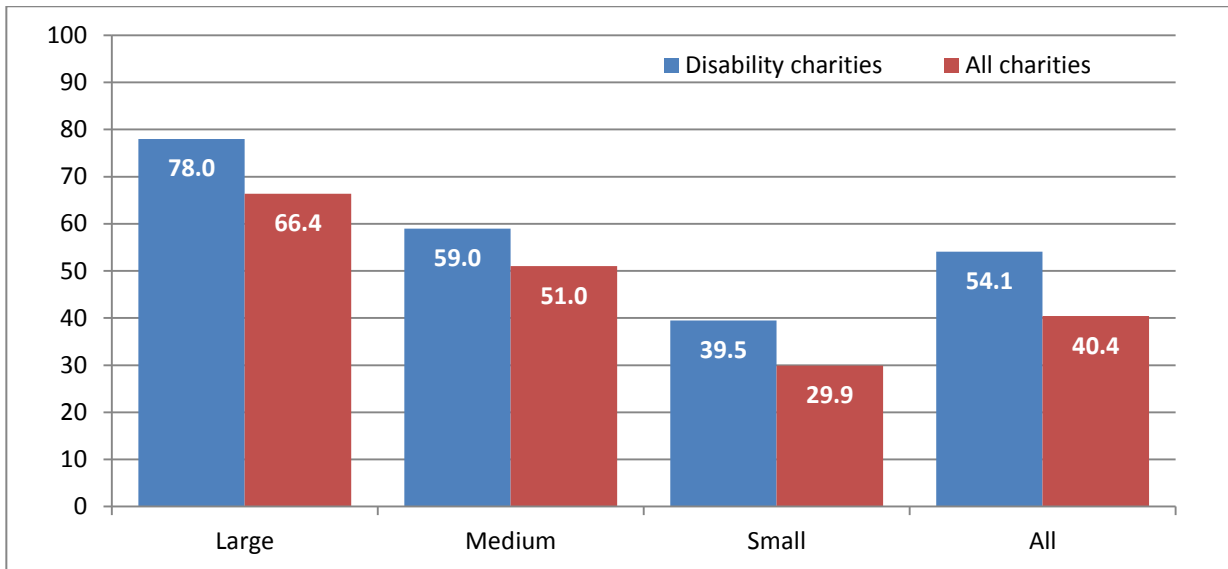
Deductible gift recipients (DGRs) are organisations that are registered to receive tax deductible gifts. This enables donors to reduce their taxable income by the amount donated, and so can help charities to attract donations. Not all charities are able to be DGRs. To be eligible, an organisation must have its own ABN, fall within a general DGR category defined in tax law (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, 2015d). Data about DGR status was obtained from the ABR.

**DGR status and size of disability charities**

Overall, 54.1% of disability charities had DGR status in 2014, compared with 40.4% of all reporting charities. Although the criteria for DGR endorsement does not specify size, larger charities were much more likely to have DGR status. This is shown in Figure 9.3. For each of the basic size categories, disability charities were more likely than others to have DGR status.



**Figure 9.3 Proportion of disability charities and all charities with DGR status by size (basic measure), 2014 (%)**



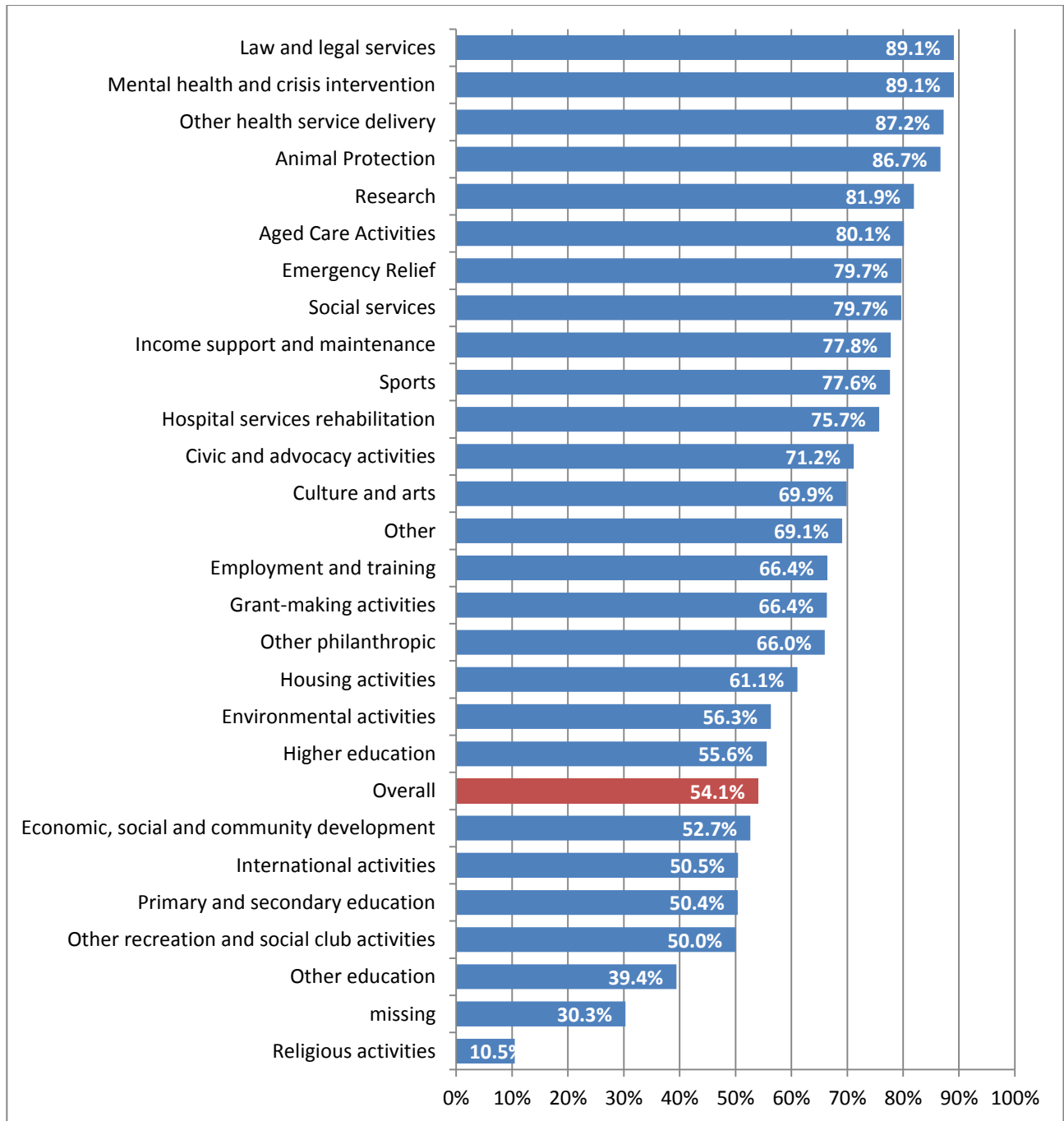
n=37,770 (all charities) and 11528 (disability charities).

**DGR status and main activity of disability charities**

There were differences in the proportions of disability charities with DGR status across main activity categories. This is shown in Figure 9.4. Almost 9 in 10 disability charities whose main activity involved law and legal services (89.1%), mental health and crisis intervention (89.1%), or other health service delivery (87.2%) had DGR status. Less than half of disability charities whose main activities were ‘religious’ or ‘other education’ had DGR status (10.5% and 30.3% respectively).



**Figure 9.4 DGR status by main activity, 2014 (%)**



Notes: N=11,528.



## 10. HOW DO DISABILITY CHARITIES FUND THEIR ACTIVITIES?

The AIS required all charities, except for basic religious charities, to provide financial information, including the source of their income for the 2014 reporting period. Income was captured 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 the composition of disability charities' income, and concentration of income, or how income to disability charities flows to a relatively small proportion of charities.

Note 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 unreliable; and thirdly, in some instances group reporting charities have been excluded. Further information about filters and exclusions applied in the data cleaning process see Appendix B: Further methodological details.

### **Total income**

Together, the 10,699 disability charities which reported 2014 financial data individually reported total income of \$47.6 billion. The 24 'group reporting' charities which lodged income data reported a further \$4.6 billion.<sup>17</sup> In total, disability charities reported income of \$52.2b. This is a little over half of the \$103.4 billion which was reported by all charities in 2014 (50.5%). As such, disability charities are responsible for a relatively high share of the overall income of Australia's charities. A breakdown of income sources for individual and group reporting charities is provided in Figure 10.1.

**Figure 10.1 Summary of income sources, disability charities, 2014**

Income source	Individual reporters (\$)	Group reporters (\$)	Total (\$)
Government grants	22,320,772,509	1,783,939,066	24,104,711,575
Donations	2,588,114,792	202,513,708	2,790,628,500
Other income	22,711,581,304	2,571,509,943	25,283,091,247
Total	47,621,518,636	4,557,962,717	52,179,481,353*

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.

### **Average income**

Figure 10.2 shows the mean and median income per disability charity (excluding group reporters). Although disability charities reported income of \$5.2 million on average, most received much less than this. The median figure was \$315,633: more than half of disability charities received income less than this (Figure 10.2).

Total gross income was higher, on average, for disability charities in the 'large' basic category, but also very dispersed within this category. Among large charities, mean income was \$16.6 million for 2014 (median \$3.8 million). Small charities reported an average income of \$84,122, with half of small charities reporting less than \$59,264.

<sup>17</sup> Charities which reported as a group have been excluded from calculation of means and medians as the information they reported is aggregated and does not relate to the organizational unit. Group reporters are also excluded from breakdowns based on size or activity because they include aggregate information for charities across a range of categories.



**Figure 10.2 Average gross total income by size (basic categories), disability charities, 2014**

Charity size	N	Mean (\$)	Median (\$)
Large	2 739	16,642,694	3,770,760
Medium	2 053	563,733	522,985
Small	4 208	84,122	59,264
Size not reported	4	613,787	95,436
Total	9 004	5,230,800	315,633

Notes: n=9,004. Excludes disability that did not pass the filter test and 24 group-reporting charities.

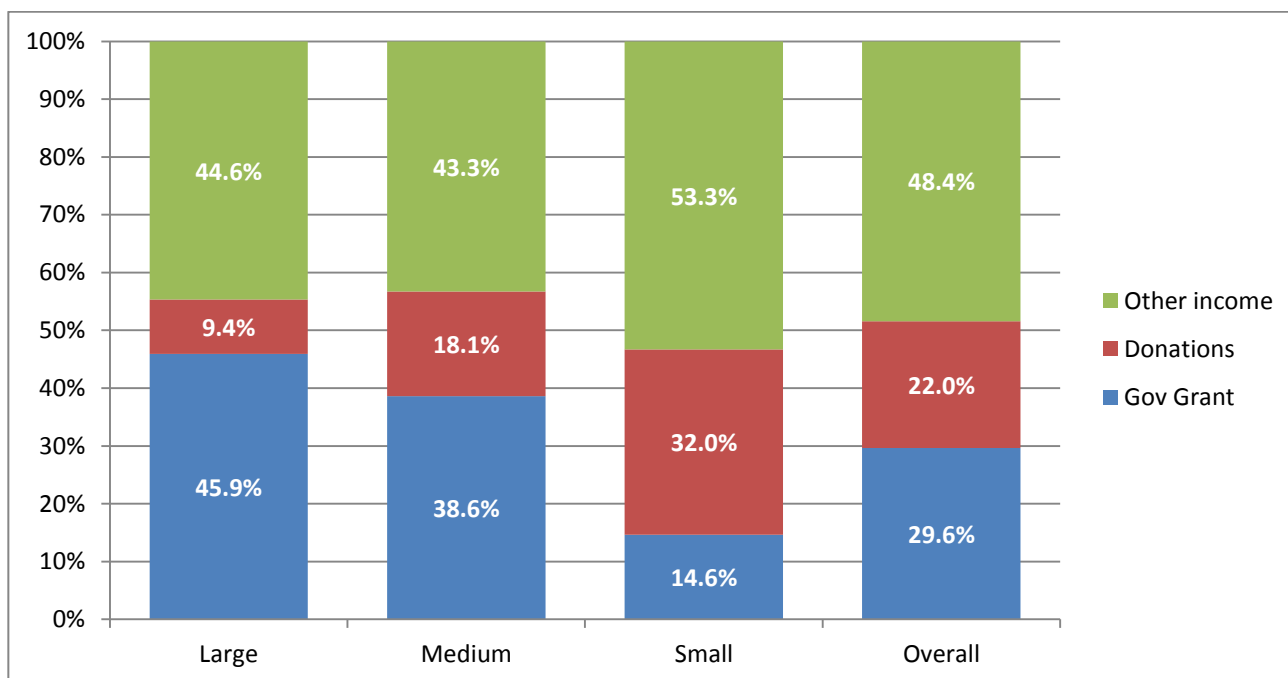
**Concentration of income**

Disability charities’ income was concentrated among a small number of charities. More than half of the total income received by disability charities was received by the largest 1% of disability charities. Indeed, the largest 92 disability charities received 52.3% of disability charities income. The largest 5% of charities (462 charities) received more than three quarters of income (75.5%) and the largest 10% of disability charities received 85.5% of income. The smallest half of disability charities received only 0.9% of disability charities’ total income (Figure A.15).

**Disability charities’ sources of income**

Figure 10.3 shows the average proportion of disability charities’ total income that was from government grants, donations and other income. The analysis below provides further information about income from these sources.

**Figure 10.3 Disability charities’ average proportion of income from government grants, donations and other income by size**



N=9,004. 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.

**Government grants**

Government grants are a key source of income for Australia’s disability charities, even though the shift from consumer based funding as part of NDIS is changing income models for some disability charities, by increasing dependence on client fees rather than government grants or contracts. The





AIS asked charities to report their income from government grants. This does not distinguish whether government income came from Australian, State and Territory, or local government.

In total, disability charities reported income of \$24.1b from government grants in 2014 of which individual reporting charities reported income of \$22.3 billion, and group reporting charities reported a further \$1.8b in grants. This is shown in Figure 10.1.

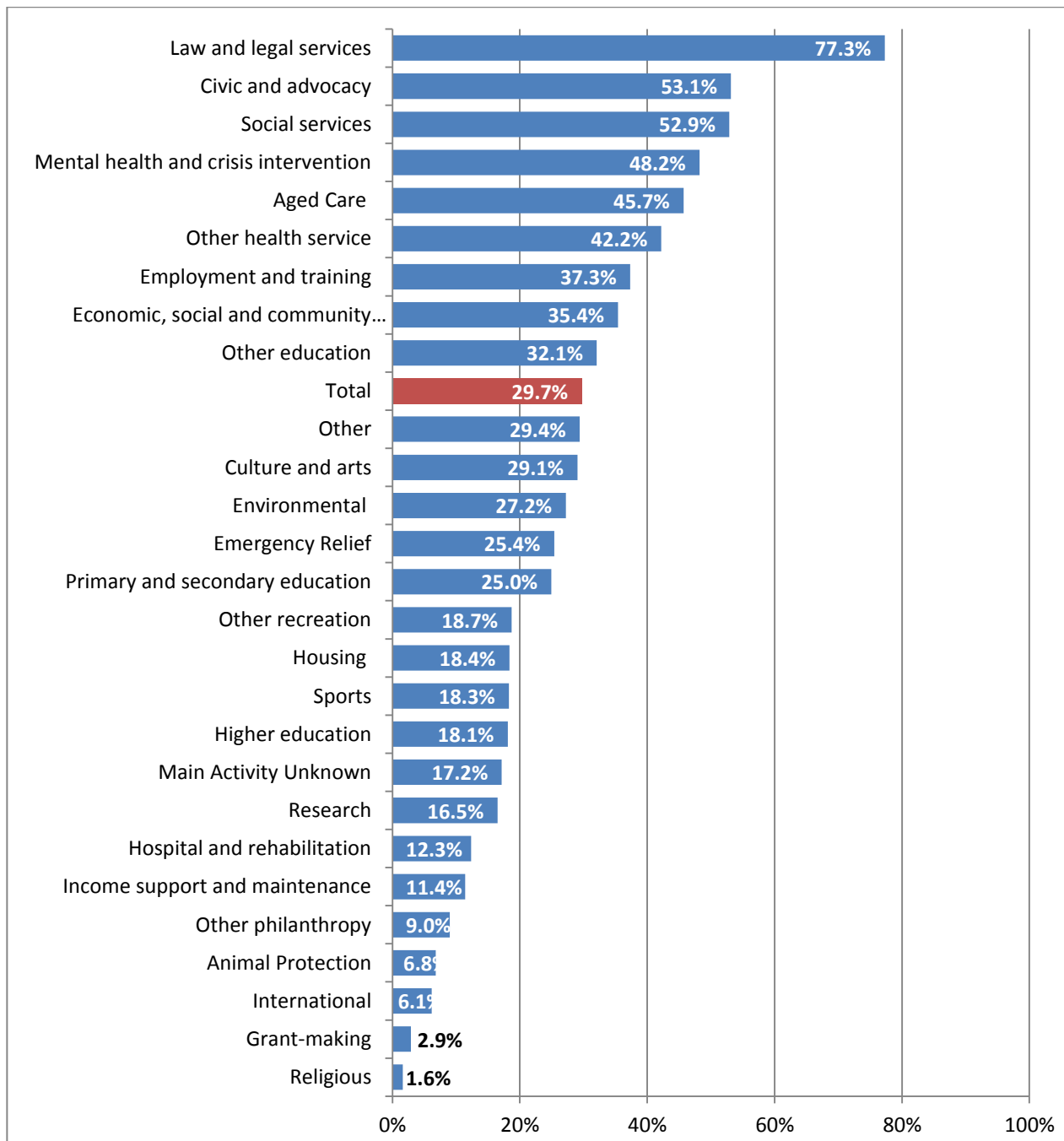
About 53% of the charities reported that they received income from government. Note however that disability charities also received funds from government to perform activities to help other population groups and activities. As such, these figures do not indicate amounts received specifically for disability services and supports.

Compared with other charities, in 2014 disability charities received a relatively high proportion of their total income from government. AIS data indicates that in 2014, government grants comprised, on average, 29.6% of disability charities' total income (Figure 10.3). In contrast, among all charities, government grants constituted 18.5% of total income, on average.

The mean contribution of government grants to total income differed according to disability charities' main activity. Government grants made a proportionally high contribution to total income for disability charities whose main activity was law and legal (77.3% on average), civic and advocacy (53.1%) and social services (52.9%). It was much lower for charities whose main activity was religious, grant making, international and animal protection (Figure 10.4).



**Figure 10.4 Average contribution of government grants to charities' total income by main activity, 2014**



Notes: N=9,004. 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.

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 (zero),
- 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.

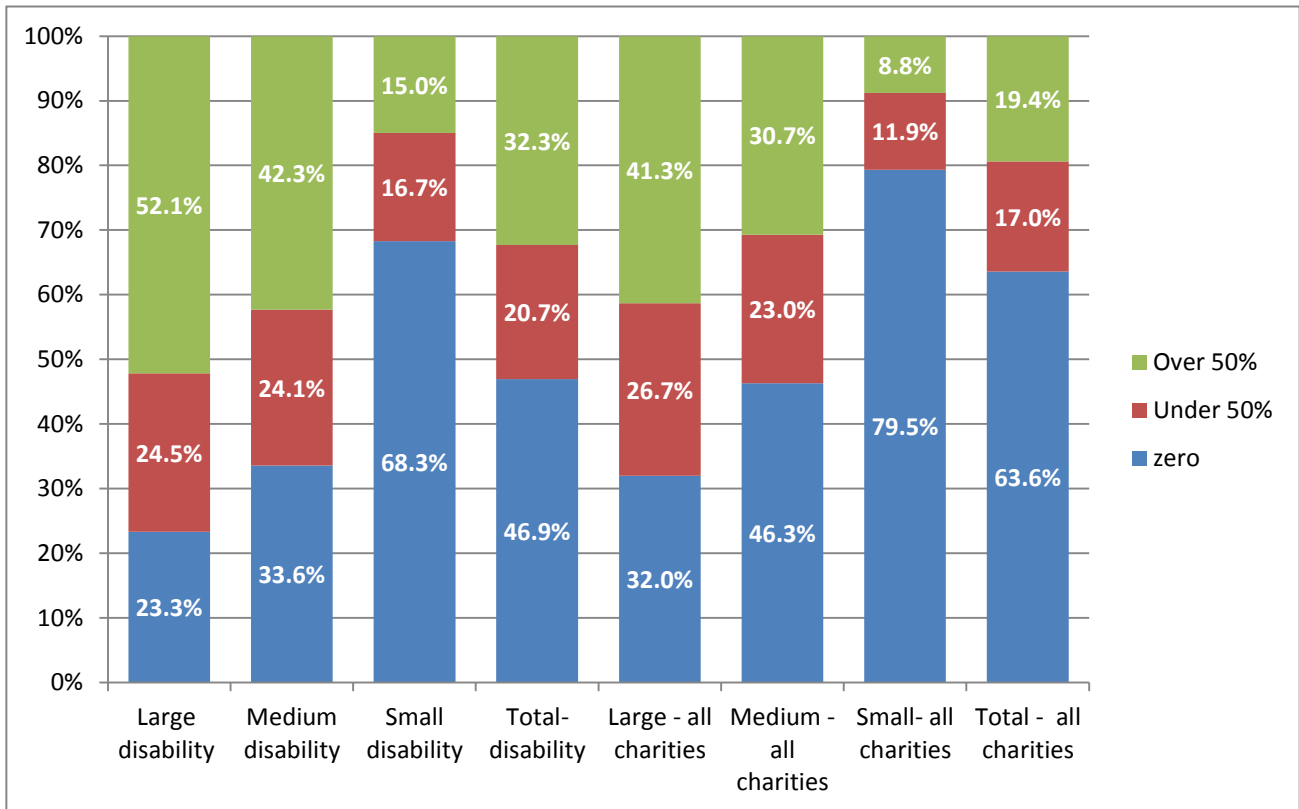
Overall, around 32% of disability charities received more than half of their total income from government grants. For around 1,428 (52%) of large disability charities, government grants contributed more than half of their total income, compared with 15% of small charities.



Correspondingly, small charities were most likely to receive no income from government: around 68% of small disability charities received no income from government, compared with 23% of large disability charities.

Compared with the charitable sector as a whole, disability charities were more likely to receive more than half of their income from government. Government contributed more than 50% of income for a third of disability charities (32.3%), compared with 19.4% of all charities (Figure 10.5).

**Figure 10.5 Contribution of government grants to total income by size (basic measure), disability and all charities 2014**

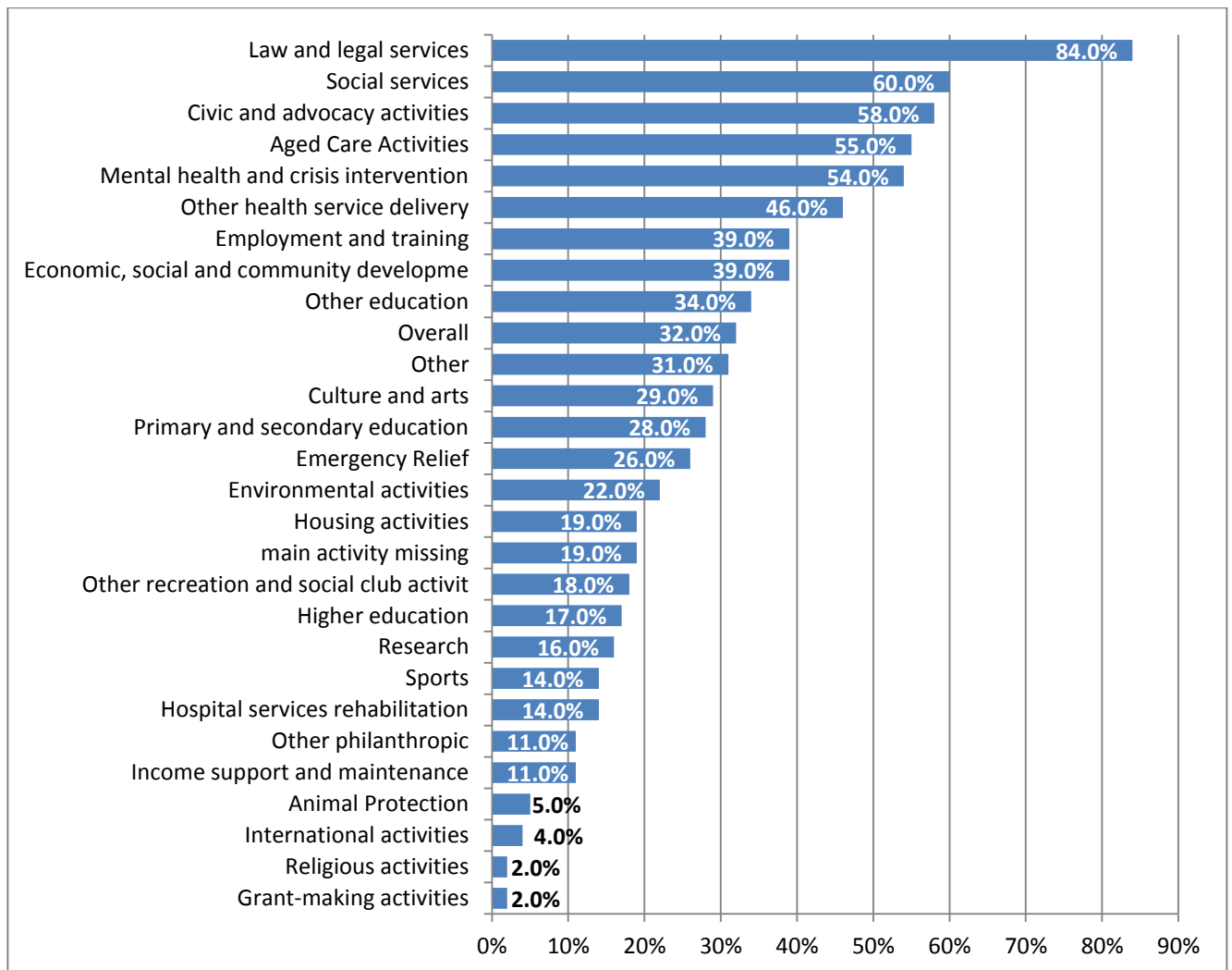


Notes: n= 27,584 (all charities) and 9004 (disability charities). This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 495 charities which were part of the group-reporting charities.

The proportion of disability charities reliant on government grants for more than half of their income also differed by main activity and the jurisdiction in which they were based. Charities whose main activities were grant-making, religious, international and animal protection were least likely to depend on government for the majority of their income. However, 84.0% of disability charities whose main activity was law and legal services received more than half their income from government, as did 60% of disability charities whose main activity was social services (Figure 10.6).



**Figure 10.6 Charities for which government grants comprised more than 50% of total income by main activity, 2014**



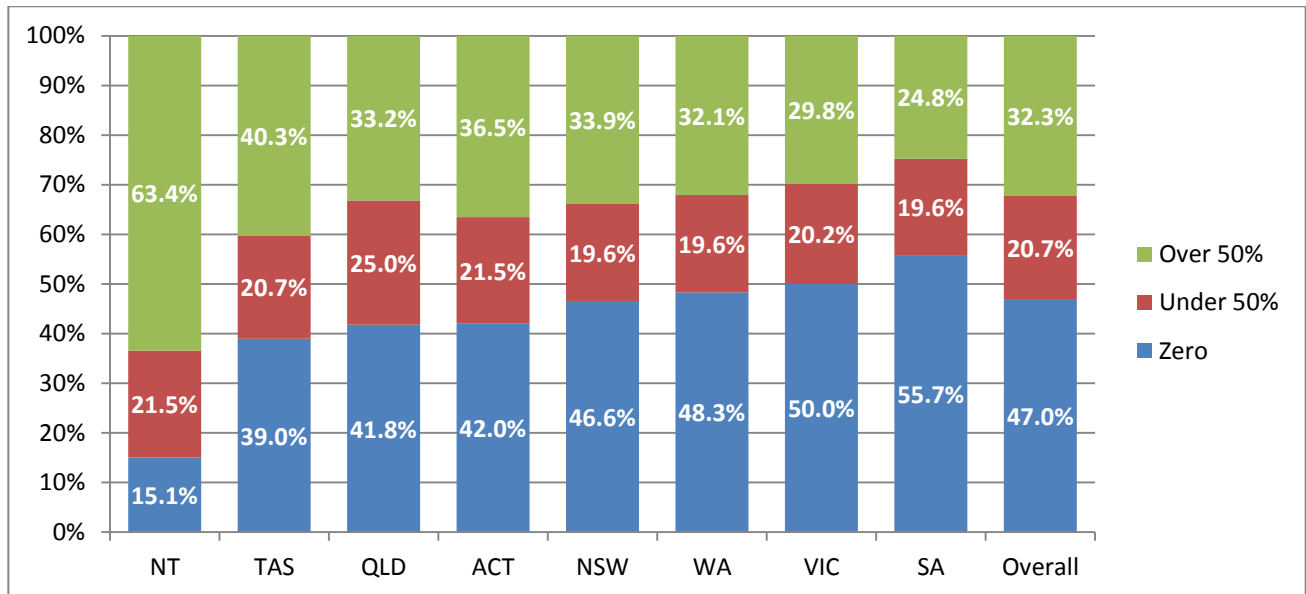
Notes: n = 9004. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 495 group-reporting charities.

Figure 10.7 shows the proportion of disability charities based in each state which received no income from government grants, and those for which government grants constituted more or less than 50% of total income.<sup>18</sup> More than 3 in 5 disability charities in the Northern Territory received more than half of their income from government grants, but figures were much lower in other jurisdictions. In South Australia for example this was the case for only around a quarter of disability charities (24.8%), and more than half received no income from government (55.7%). Overall, around 1 in 3 disability charities received more than half of their income from government grants (32.3%).

<sup>18</sup> Of course, this is based on the jurisdiction of their main business address, and may not reflect all jurisdictions in which charities operated.



**Figure 10.7 Contribution of government grants to disability charities total income by jurisdiction, 2014 (%)**



**Donations and bequests**

In total, disability charities reported receiving \$2.79 billion in donations and bequests, of which non-group reporting charities received \$2.59 billion, and the 24 group reporting disability charities reported donated income of \$202 million. This is shown in Figure 10.1. On average (excluding the group reporting charities), each disability charity received \$224,507 in donations in 2014.

For large charities, donations tended to account for a smaller proportion of total income (9.4%, on average) than in medium disability charities (18.1%) and small disability charities, for which donations accounted for almost a third of total income (32.0%) (Figure 10.3).

Average donations were higher for some disability charities according to their activity type. Disability charities whose main activities were ‘international activities’ received the highest average amount of donated income: \$4.7 million on average. Disability charities whose main activity was employment and training received the lowest average amount of donated income (\$22,163 per disability charity). Further information is available in Figure A.18.

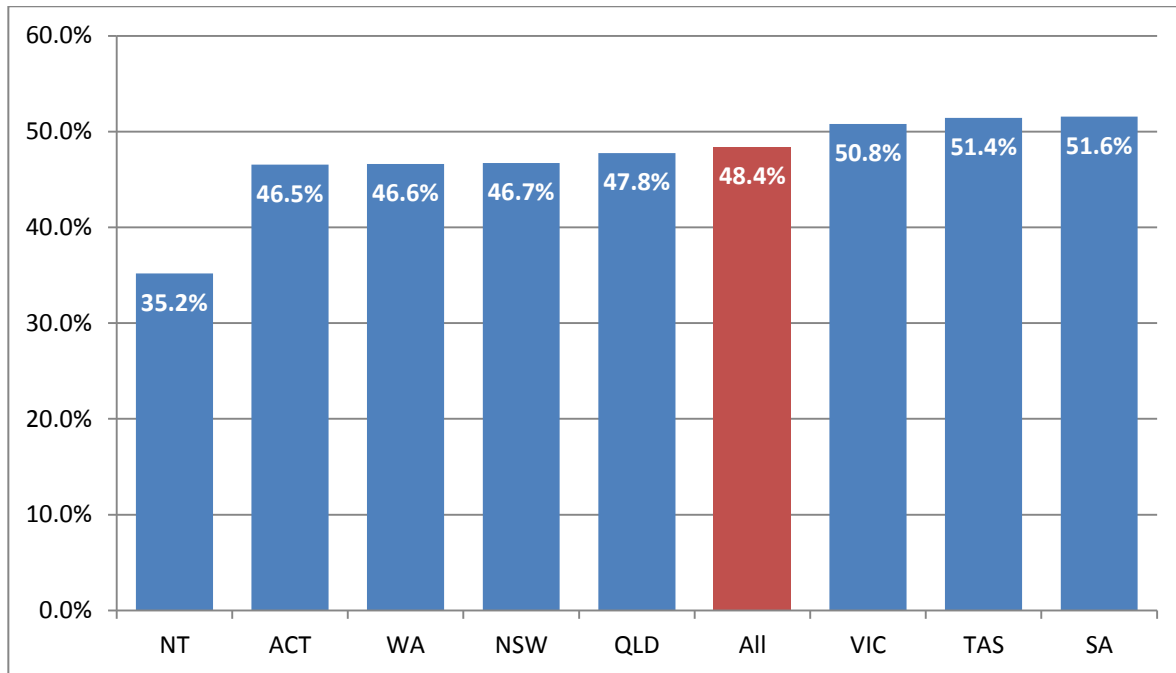
**Other income and revenue**

In addition to government grants and donations and bequests, disability charities reported receiving \$25.3b in three other AIS line items called ‘other income/receipts’, ‘other revenue’ and ‘other income’. We refer to these as ‘other income’ in the analysis. Of this, \$22.7b was reported by non-group reporting disability charities (mean of \$1.9m per disability charity). Group reporting charities reported other income of \$2.6b. This is shown in Figure 10.1.

On average, other income contributed 48.4% of disability charities’ total income. However, it made a lesser contribution to disability charities’ total income for those based in the Northern Territory, presumably because of the importance of government grants (Figure 10.8)



**Figure 10.8 Average contribution of 'other income' to disability charities total income by jurisdiction, 2014 (%)**



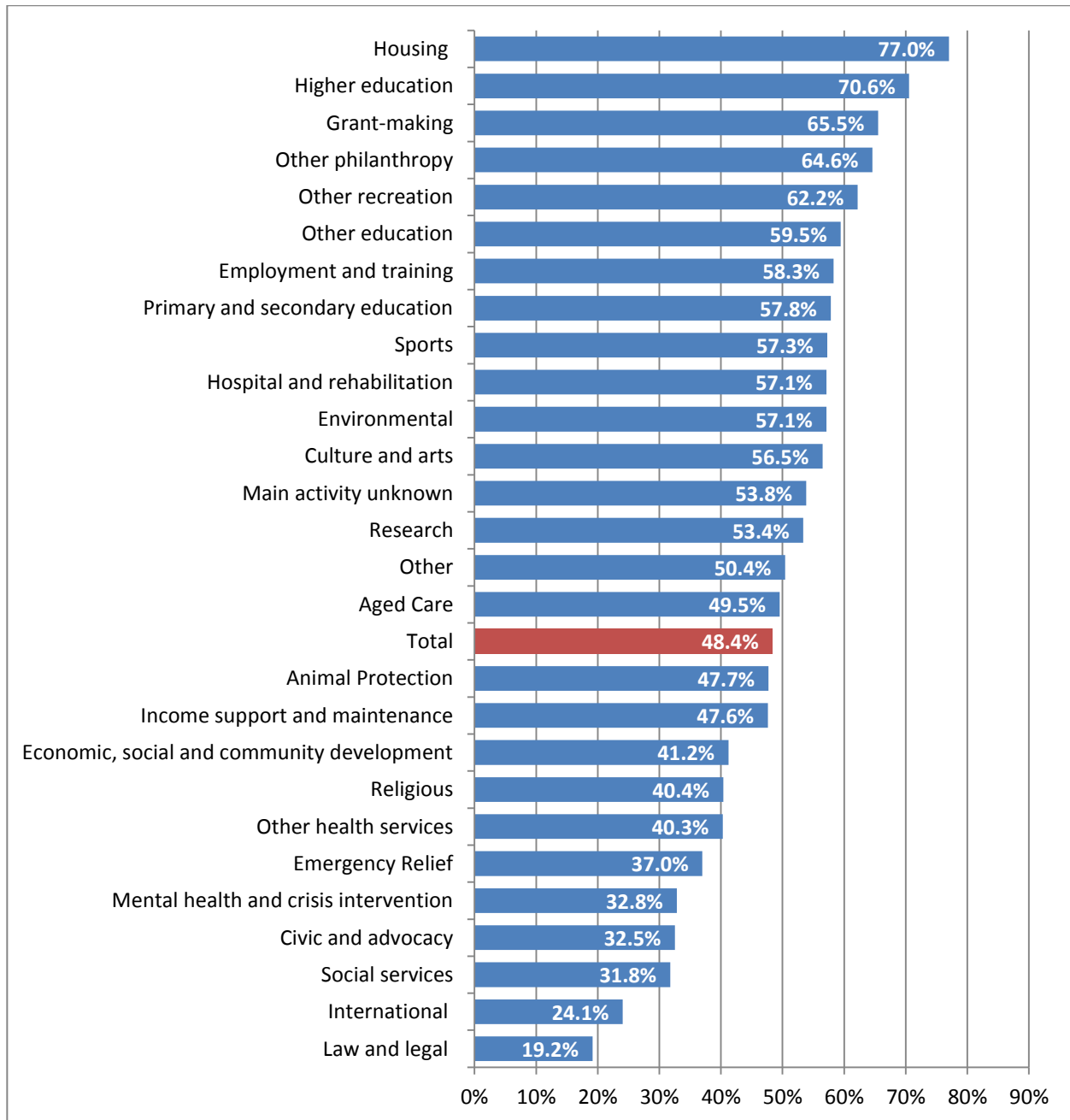
Notes: n=9003. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 495 charities which were group reporters and 1 charity that did not report address.

The contribution of other income to disability charities' total income also differed according to charities' main activities (Figure 10.9). Other income made a higher relative contribution in housing (presumably due to social housing rent), higher education (presumably due to student contributions), and grant making activities (which may include interest). Other income made a relatively modest contribution to total income for disability charities' whose main activities were law and legal services and international activities.





**Figure 10.9 Average contribution of ‘other income’ to disability charities total income, by main activity, 2014 (mean %)**



Notes: n=9,004. 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.



## 11. HOW DO DISABILITY CHARITIES ALLOCATE THEIR FUNDS?

As part of the AIS, charities 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; and
- Other expenses / payments.

This section contains information about disability charities' total expenses, and employee expenses. Information about the other categories of expenditure are available for all charities in *Australian Charities in 2014* (Cortis et al. (2015)).

### Total expenses

Together, the 11,528 disability charities and 24 group reporting charities reported expenditure of \$48.4 billion. A breakdown for individual and group reporting charities is provided in Figure 11.1.

**Figure 11.1 Summary of expenses, disability charities, 2014**

Expense category	Individual reporters (\$)	Group reporters (\$)	Total (\$)
Employees	25,683,993,223	2,407,276,582	28,091,269,805
Interest expense	202,664,502	44,717,687	247,382,189
Grants for use in Australia	1,208,371,815	92,696,076	1,301,067,891
Grants - international	591,329,353	4,656,719	595,986,072
Other	16,454,800,184	1,702,346,664	18,157,146,848
Total	44,141,982,060	4,251,693,728	48,393,675,788

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

Most expenditure was by large charities, which spent an average of \$13.5 million, and together accounted for \$42.3b in expenditure (Figure 11.2). Large charities were responsible for 95.8% of all expenditure by disability charities. Small disability charities accounted for just 1.4%.

**Figure 11.2 Disability charities' total and mean expenditure by size (basic measure), 2014 (\$)**

Charity size	Total expenditure (\$)	Mean (\$)
Large	42,268,814,272	13,464,943
Medium	1,251,279,151	520,282
Small	619,731,084	103,751
Group reporters	4,251,693,728	177,153,905
Size unknown	2,157,553	308,222
Total	48,393,675,788	--

Notes: n=11,528. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details.

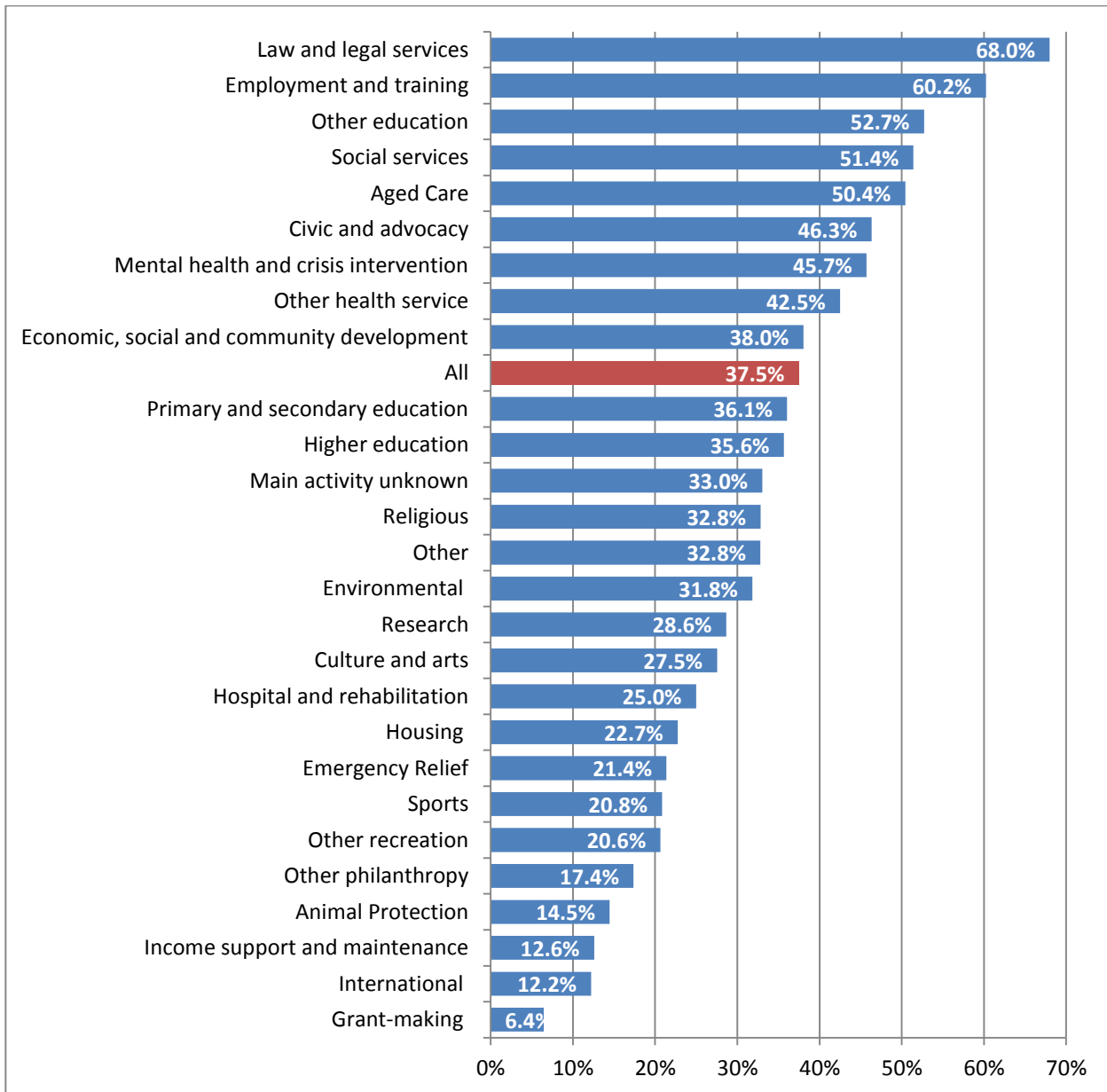
### Spending on employees

On average, spending on employees accounted for 37.5% of disability charities' total expenditure, which was much higher than the figure for the charitable sector as a whole (27.6%). Spending on employees was proportionally higher in large disability charities, where it constituted more than half of average expenditure on average (56.4%), compared with 49% in medium charities and 19.4% in small charities (Figure A.20).



Disability charities' expenditure on employees also differed according to charities' main activity. Employment expenditure constituted more than half of all expenses, on average. This was the case for charities whose main activity was law and legal, employment and training, other education, social services and aged care (Figure 11.3). Disability charities whose main activity was grant making spent the lowest proportion of income on employees: 6.4% on average, presumably because of their expenditure on grants.

**Figure 11.3** Disability charities' expenditure on employees, by main activity (basic measure), 2014



Notes: n=8,913. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 24 group-reporting charities.

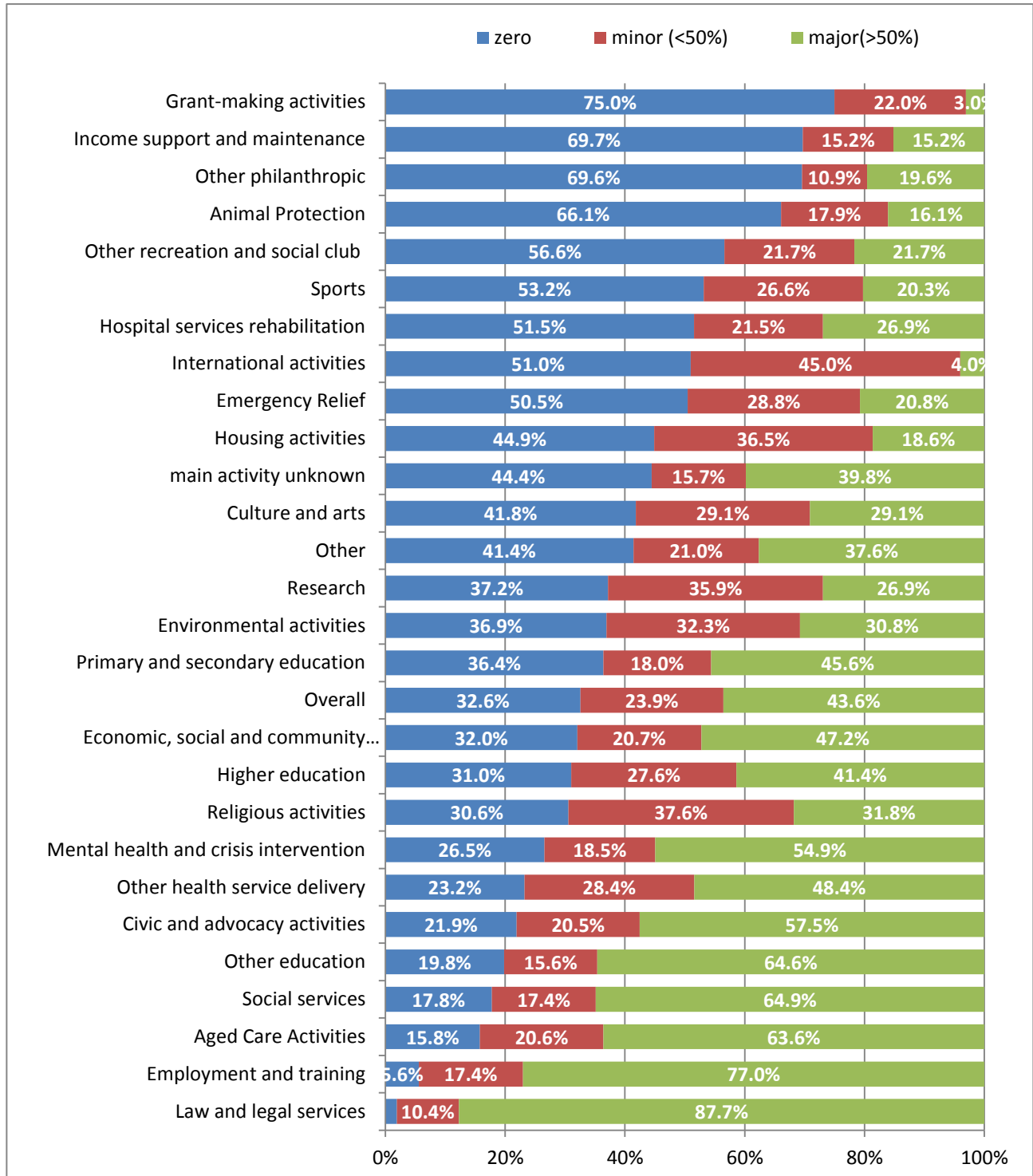
To distinguish charities by employee expenses relative to total income, we constructed three categories:

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



This showed that some activities including law and legal services, employment services, aged care and social services had the highest employee expenses as a proportion of total expenditure (Figure 11.4). In contrast, employee expenditure was more than half of the total expenditure in only 1% of grant making charities.

**Figure 11.4 Proportion of disability charities' expenditure spent on employees, main activity, 2014 (%)**



Notes: n=8,913. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 24 group-reporting charities.



## 12. ASSESSING THE FINANCIAL STATUS OF AUSTRALIA'S CHARITIES

How effectively disability charities can achieve their purpose depends on their financial status. This section assesses the financial status of Australia's charities using the income statement and balance sheet extract sections of the 2014 AIS, which captured information on charities' total income/receipts, and their total expenses/payments for the reference period. It should be noted that this information is for one year only and was not captured for all charities. The figures do not account for longer term fluctuations in income and expenditure, or how 2014 fits with charities' broader financial strategies. The figures report should not therefore be interpreted as definitive. Rather, they give a broad indication of the proportion of disability charities operating with net surplus and deficit for 2014, and with liabilities that greatly exceed their income and assets.

### *Charities with net surplus and deficit*

The financial information captured in the 2014 AIS enables identification of the proportion of charities which:

- Operated a fairly balanced budget, defined as having reported total expenditure within 20% of reported income;
- 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.

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. However, the threshold is set at 20% to account for wide fluctuations in income and expenditure which charities can be expected to experience.

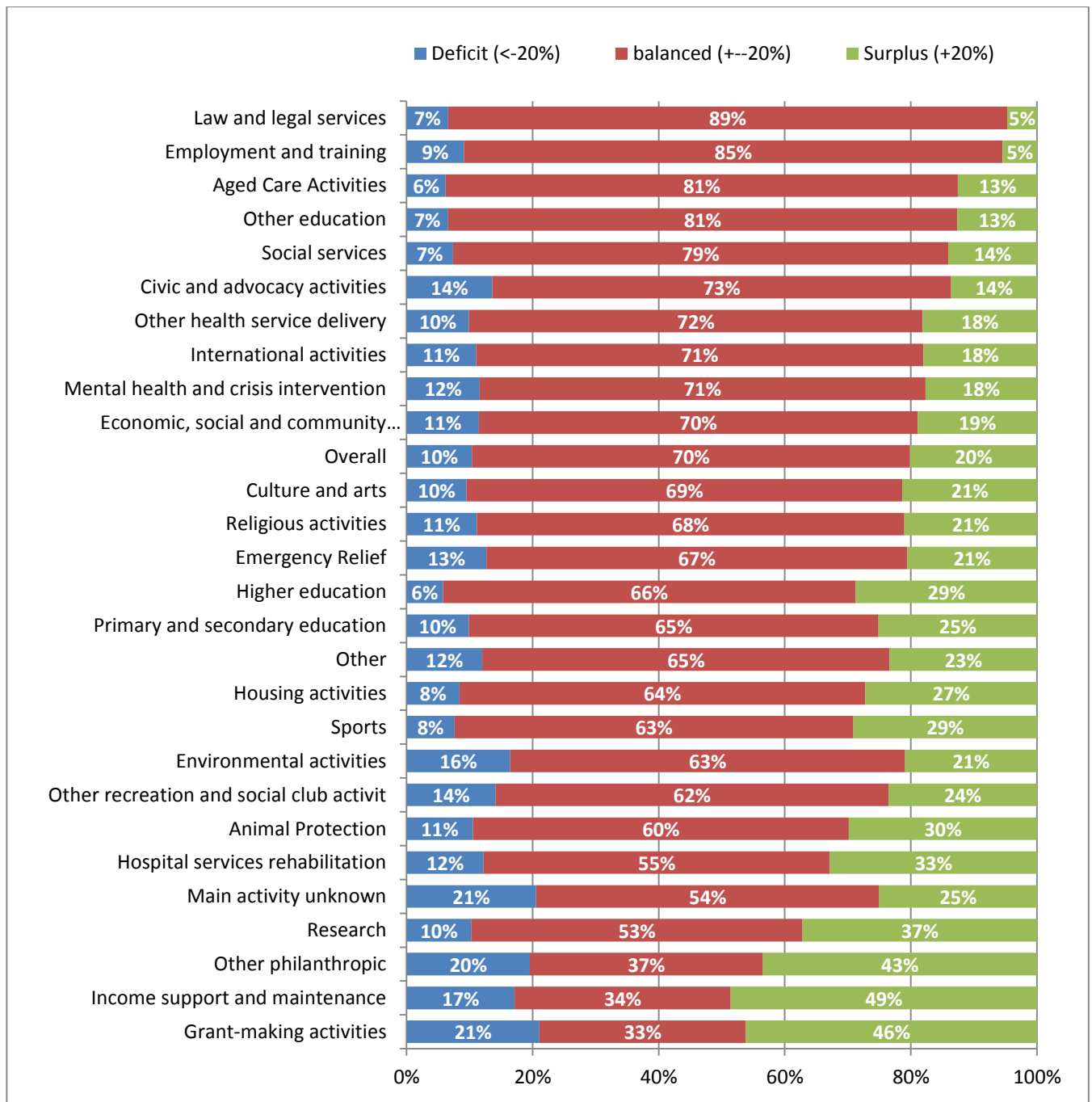
Discussion of surplus and deficit is an imperfect indicator of financial health as it does not capture charities' reasons for operating with surplus or deficit. Operating in surplus for example may result from poor confidence in the future funding environment, or anticipation of future expenses, which 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 time.

Overall, most disability charities (69.5%) operated fairly balanced budgets in 2014, spending within 20% of their total income for the year. This was a higher proportion than for the charitable sector as a whole (61%). Disability charities were more likely to operate with a surplus than a deficit for the year, with 20.1% having a surplus and 10.4% having a deficit of more than 20% of their income.

Disability charities whose main activities were in law and legal, employment and training, aged care, and other education were most likely to operate in balance, while grant making charities, other philanthropic, income support and maintenance, and research were both most likely to operate in surplus and least likely to have budgets which were balanced over the year (Figure 12.1).



**Figure 12.1 Surplus and deficit among disability charities by main activity, 2014 (%)**



Notes: n=9,000. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 24 group-reporting charities.

**Assets and liabilities of Australia’s charities**

Overall, charities that supported people with disabilities reported \$91.8 billion of assets (including group reporting charities). This represented approximately 45.3% of the total assets of reporting charities. However the mean and median figures were much lower, indicating that many charities’ had low assets (Figure 12.2).





**Figure 12.2 Disability charities' total assets (basic measure), 2014**

Charity size	N	Mean (\$)	Median (\$)	Sum (\$)
Disability charities	11,523	7,166,977,384,101	177,008	82,585,080,397
Group reporting charities	24	382,273,578	35,738,465	9,174,565,867
Total	11,547			91,759,646,264

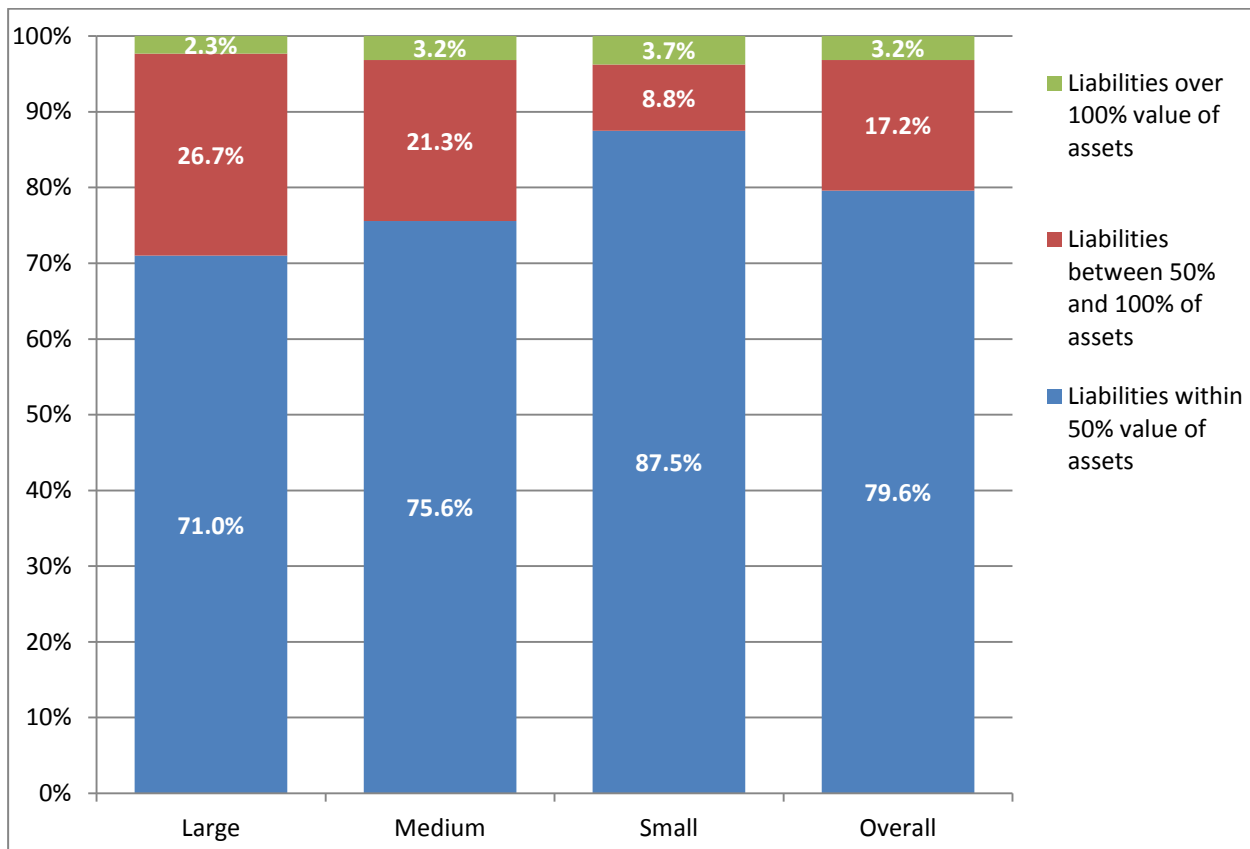
The AIS information on assets and liabilities also provides insight into the financial status of Australia's charities in 2014.

To further explore charities financial situation, we constructed three categories:

- Charities whose liabilities were within 0 - 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.

Overall, 79.6% of disability charities had liabilities which were within 0 - 50% of the value of their assets, which may be considered a low risk position (Figure 12.3). Around 17.2% were operating with liabilities between 50% and 100% of their assets, and a small proportion (3.2%) were operating with high liabilities (more than the value of their assets). Larger disability charities tended to be operating in higher risk positions than small charities, the vast majority of which had liabilities within 0 - 50% of the value of their assets (87.5%). In contrast, 71.0% of large charities had low liabilities relative to assets. However, in all size categories, only a minority of disability charities had liabilities greater than the value of their assets (3.2% of disability charities overall).

**Figure 12.3 Liabilities and assets among disability charities by size (basic measure), 2014**



Notes: n=8,865. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 24 group-reporting charities.



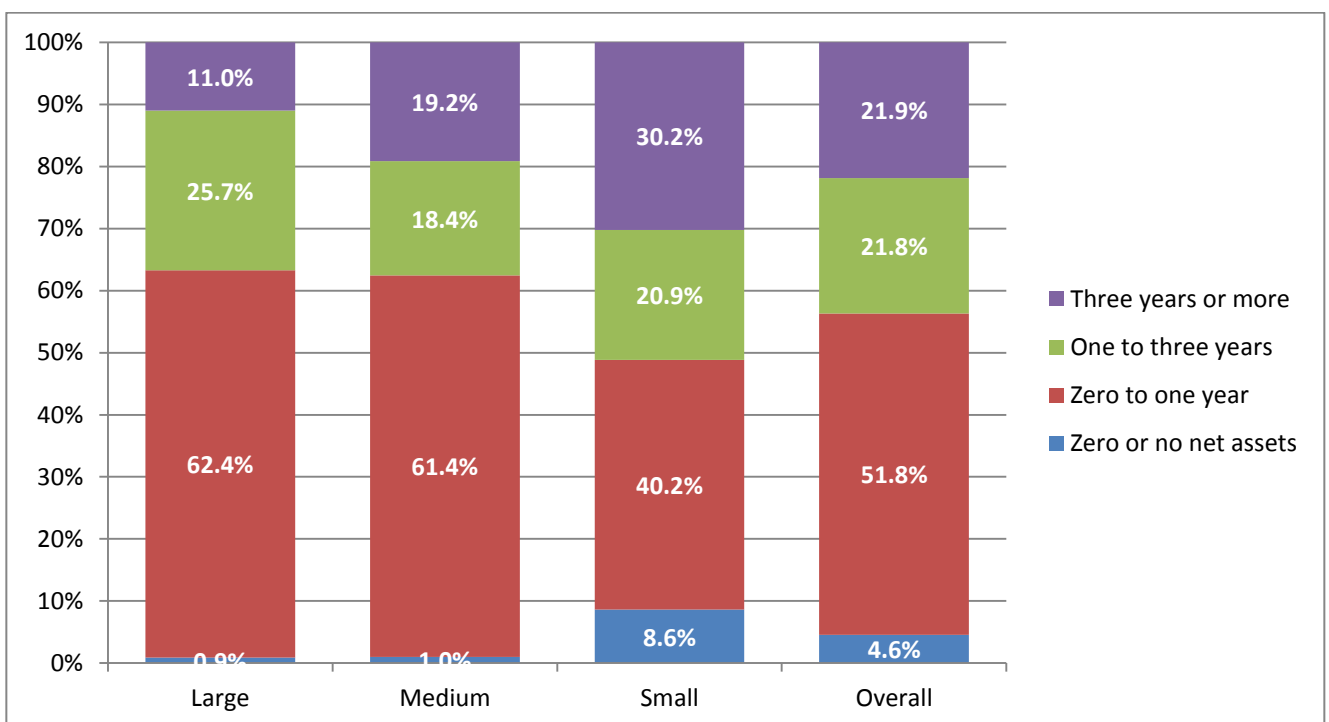
### Expense coverage ratios

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 assets in 2014.

According to this indicator, a little over half of disability charities had assets which would cover less than 1 year of expenditure, at 2014 levels Figure 12.4. Around 1 in 5 disability charities could cover their expenses for 1 to 3 years, and the same proportion could cover their expenses for 3 years or more. Higher proportions of small disability charities than others had zero or no assets to cover their expenses. However, they may also have relatively low expenses.

Interestingly, large disability charities appear to have less capacity to cover their expenses for more than a year. Only 11% of large organisations could cover their expenses for more than 3 years, compared with 19.2% of medium and 30.2% of small disability charities.

**Figure 12.4 Expenses coverage ratio, by size (basic measure), 2014**

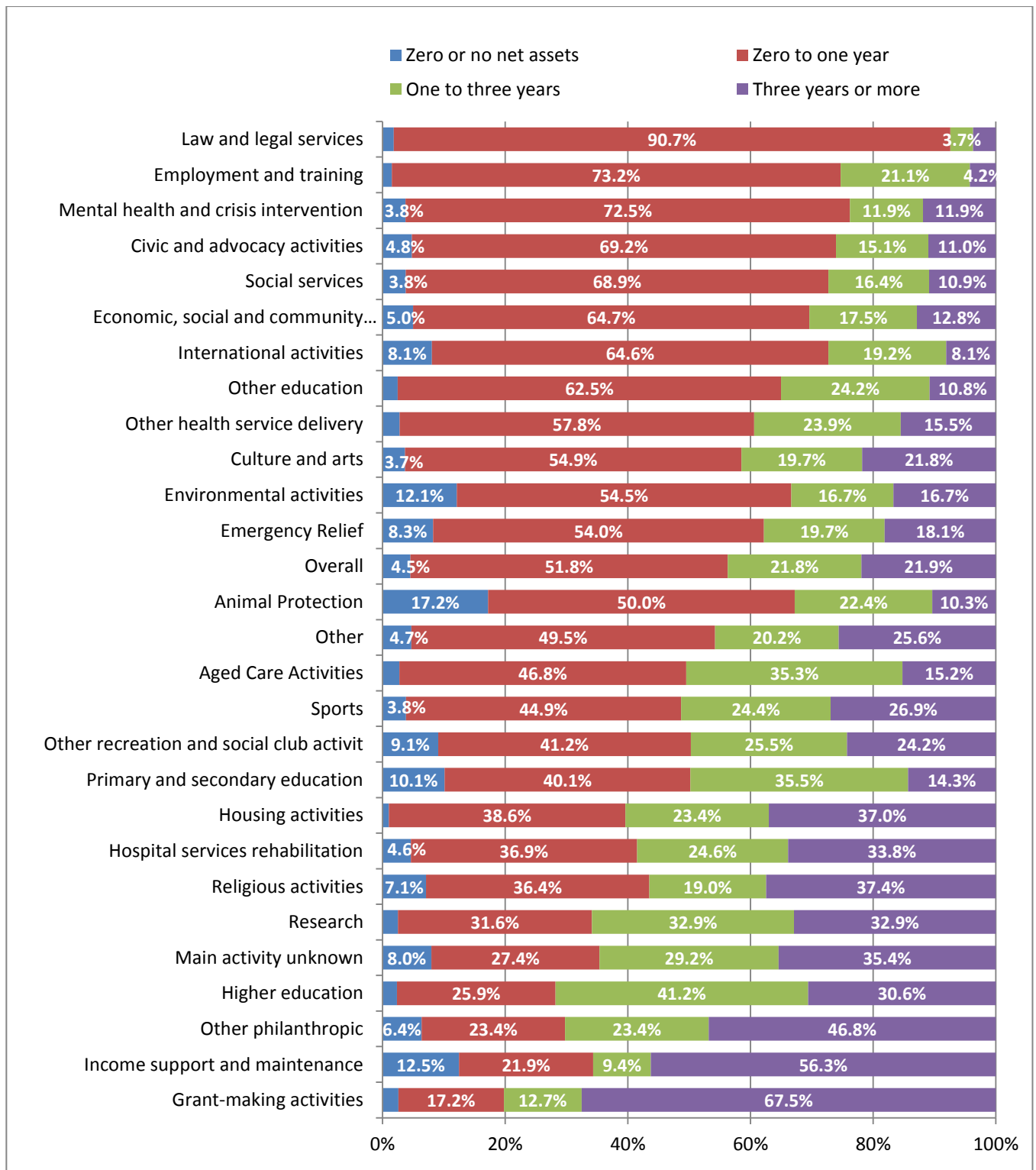


Notes: N=8,909. This excludes those charities that did not pass filter tests as described in Appendix B: Further methodological details. It also excludes 24 group-reporting charities.

Expense coverage ratios also differed by main activity. Disability charities less likely to have assets which would cover expenses for more than a year were in law and legal services, mental health, employment and training, civic and advocacy, social services, and international activities (Figure 12.5). Disability charities whose main activities were grant-making and other philanthropic, and higher education, were among those most likely to have assets that would cover their expenses for more than a year.



Figure 12.5 Expenses coverage ratio by main activity, 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 24 group-reporting charities.



### 13. CONCLUSIONS

This report has used a unique dataset to provide new information about Australia’s disability charities in 2014, including their size, age, activity, location, and resourcing, and their use of paid employees and volunteers. The analysis uses a broad definition of ‘disability charities’, encompassing all 11,528 charities which reported that their activities helped people with disabilities in the 2014 reporting period. This broad definition of disability charities means the analysis includes charities which focused specifically on supporting people with disabilities, as well as those which assisted people with disabilities *and* other beneficiary groups in 2014. It captures a larger and more diverse group of disability charities than usually considered to deliver disability services and supports. As such, information is not directly comparable to information about narrower groups of disability organisations, such as those who are registered suppliers with NDIS, those who receive government funding to deliver disability programs, or those are members of disability peak bodies.

The report is part of a series and should be read alongside the reports *Australia’s Charities 2014*, *Australia’s International Charities 2014*, and *Australian Charities and Red Tape 2014*. It is also complemented by data resources available at <http://www.australiancharities.acnc.gov.au>.

Overall, the data has shown how disability charities tend to be large relative to the whole charitable sector, and the proportion which was large grew from 2013 to 2014, although the latter finding is likely to result from compositional differences in the 2013 and 2014 samples. Disability charities appear well distributed regionally, and perform a wide range of activities. In terms of resources, disability charities reported a total income of \$52.2 billion, and expenditure of \$48.4 billion. Most operate a fairly balanced budget for the reporting period (70%), and more than 2 in 5 have assets which would cover their expenses for more than 12 months.

As well as providing key information about Australia’s disability charities, the report suggests a number of areas for further research. The richness of the ACNC data means it could be used to explore change in the disability sector over time, including changes in the characteristics of charities which assist people with disability, and changes in income and expenditure patterns and the factors affecting these, which may be increasingly important to monitor as the NDIS roll-out continues.

In future, more detailed information about charities’ beneficiaries would help to improve the quality of evidence about charities that support people with disability. In particular, distinguishing whether charities had a ‘main’ group of beneficiaries would help identify charities with specific focus on people with disability, and those which perform activities which support people with disability, among other beneficiary groups. Identifying those with reporting obligations to the National Disability Insurance Agency would enable analysis of those directly involved in delivering services and supports under the NDIS.

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.

The data attests to the significant economic, social and cultural contribution made by Australia’s disability charities. 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.



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## APPENDIX A: SUPPLEMENTARY TABLES

### Where are disability charities located?

Figure A.1 Location of disability charities, 2014

Registered address	Charities		Population ^	
	n	%	N ('000s)	Disability charities per 10,000 people
NSW	3 745	32.5	7 565.5	5.0
VIC	2 920	25.3	5 886.4	5.0
QLD	2 087	18.1	4 750.5	4.4
WA	1 027	8.9	2 581.3	4.0
SA	1 018	8.8	1 691.5	6.0
TAS	373	3.2	515.2	7.2
ACT	241	2.1	387.6	6.2
NT	116	1	244.3	4.7
Total	11 527	100	23 622.3	4.9

Figure A.2 Proportion of disability charities operating in each state which were large, medium and small, 2014

State	Large		Medium		Small		All	
	n	%	n	%	n	%	n	% (col)
ACT	365	37.9	196	20.4	401	41.7	962	5.3
NSW	1 268	28.1	1 047	23.2	2 203	48.8	4 518	24.9
NT	322	44.2	147	20.2	259	35.6	728	4.0
QLD	857	29.4	613	21.0	1 446	49.6	2 916	16.1
SA	541	31.3	295	17.1	894	51.7	1 730	9.5
TAS	375	36.4	208	20.2	448	43.5	1 031	5.7
VIC	1 091	30.1	707	19.5	1 825	50.4	3 623	20.0
WA	573	32.9	362	20.8	807	46.3	1 742	9.6
Overseas	193	21.3	188	20.7	527	58.0	908	5.0
Total	5 585	30.8	3 763	20.7	8 810	48.5	18 158	100

### What activities do Australia's disability charities perform?

Figure A.3 Charities which conducted activities in the reporting period, by size. 2014

	Large		Medium		Small		All	
	n	%	n	%	n	%	n	%
Reported activities	3 134	99.7	2 378	98.9	5 796	97.0	11 308	98.2
Did not report activities	8	0.3	27	1.1	178	3.0	213	1.8
Total	3 142		2 405		5 974		11 521	

Note: Total = 11,521; excludes 7 charities who did not report their size.




**Figure A.4 Number of disability charities in each ICNPO activity category, 2014**

Main activity	N
<b>Culture and recreation</b>	
Culture and the arts	402
Sport	85
Other recreation and social club activity	182
<b>Development and Housing</b>	
Economic, social and community development	713
Housing activities	401
Employment and training	295
<b>Education and research</b>	
Primary and secondary education	540
Higher education	90
Other education	826
Research	83
<b>Environment</b>	
Environmental activities	70
Animal protection	60
<b>Health</b>	
Hospital services and rehabilitation activities	140
Aged care activities	806
Mental health and crisis intervention	174
Other health service delivery	642
<b>International</b>	
International activities	111
<b>Law, advocacy and politics</b>	
Civic and advocacy <sup>^</sup>	156
Law and legal services	110
<b>Philanthropic intermediaries and voluntarism promotion</b>	
Grant-making activities	321
Other philanthropic activities	47
<b>Religion</b>	
Religious activities	2523
<b>Social Services</b>	
Social services	821
Emergency relief	345
Income support and maintenance	35
<b>Other</b>	
Other activities	1294
Main activity unknown (missing)	249
<b>Total</b>	<b>11521</b>

Note: Excludes 7 charities that did not report main activity. <sup>^</sup> Civic and advocacy includes 3 charities which nominated 'political activities' as their main activity.


**Figure A.5 Main activity and size (basic measure) of registered disability charities, 2014**

	Large		Medium		Small		Total		% of registered charities	
	n	%	n	%	n	%	n	%	%	
<b>Culture and recreation</b>										
Culture and the arts	64	15.9	104	25.9	234	58.2	402	3.5	1.1	
Sport	11	12.9	16	18.8	58	68.2	85	0.7	0.2	
Other recreation and social club	21	11.5	20	11	141	77.5	182	1.6	0.5	
<b>Development and Housing</b>										
Economic, social and community development	153	21.5	180	25.2	380	53.3	713	6.2	1.9	
Housing activities	114	28.4	97	24.2	190	47.4	401	3.5	1.1	
Employment and training	182	61.7	68	23.1	45	15.3	295	2.6	0.8	
<b>Education and research</b>										
Primary and secondary education	350	64.8	54	10	136	25.2	540	4.7	1.4	
Higher education	46	51.1	16	17.8	28	31.1	90	0.8	0.2	
Other education	225	27.2	288	34.9	313	37.9	826	7.2	2.2	
Research	38	45.8	17	20.5	28	33.7	83	0.7	0.2	
<b>Environment</b>										
Animal protection	9	15	9	15	42	70	60	0.5	0.2	
Environmental activities	17	24.3	15	21.4	38	54.3	70	0.6	0.2	
<b>Health</b>										
Hospital services and rehabilitation activities	54	38.6	22	15.7	64	45.7	140	1.2	0.4	
Aged care activities	420	52.1	156	19.4	230	28.5	806	7	2.1	
Mental health and crisis intervention	61	35.1	42	24.1	71	40.8	174	1.5	0.5	
Other health service delivery	294	45.8	117	18.2	231	36	642	5.6	1.7	
<b>International</b>										
International activities	25	22.5	22	19.8	64	57.7	111	1	0.3	
<b>Law, advocacy and politics</b>										
Civic and advocacy^	27	17.3	47	30.1	82	52.6	156	1.4	0.4	
Law and legal services	39	35.5	63	57.3	8	7.3	110	1	0.3	
<b>Philanthropic intermediaries and voluntarism promotion</b>										
Grant-making activities	64	19.9	74	23.1	183	57	321	2.8	0.8	
Other philanthropic activities	6	12.8	13	27.7	28	59.6	47	0.4	0.1	
<b>Religion</b>										
Religious activities	135	5.4	428	17	1 960	77.7	<sup>2</sup> 523	21.9	6.7	
<b>Social Services</b>										
Social services	357	43.5	194	23.6	270	32.9	821	7.1	2.2	
Emergency relief	29	8.4	69	20	247	71.6	345	3	0.9	
Income support and	4	11.4	10	28.6	21	60	35	0.3	0.1	



maintenance									
<b>Other</b>									
Other activities	359	27.7	239	18.5	696	53.8	1 294	11.2	3.4
Main activity unknown	38	15.3	25	10	186	74.7	249	2.2	0.7
<b>Total</b>	<b>3 142</b>	<b>27.3</b>	<b>2 405</b>	<b>20.9</b>	<b>5 974</b>	<b>51.9</b>	<b>11 521</b>	<b>100</b>	<b>30.5</b>

Note: Excludes 7 disability charities that did not report size. ^ Civic and advocacy includes 3 charities which nominated 'political activities' as their main activity.

## How old are Australia's disability charities?

Figure A.6 Years since charity was established, 2014

Years since established	Large		Medium		Small		All	
	n	%	n	%	n	%	n	% (col)
Less than 1 year	3	10.3	2	6.9	24	82.8	29	0.3
1 to less than 5 years	149	15.1	122	12.3	719	72.6	990	9.1
5 to less than 10 years	225	19.9	203	18.0	700	62.1	1 128	10.3
10 to less than 20 years	573	26.2	463	21.2	1 149	52.6	2 185	20.0
20 less than 50 years	1 565	32.5	1 229	25.5	2 021	42.0	4 815	44.0
50 to less than 100 years	369	34.6	167	15.7	531	49.8	1 067	9.8
100 or more years	190	26.2	131	18.1	403	55.7	724	6.6
All	3 074		2 317		5 547		10 938	100

Note: Excludes 582 charities for which years established was missing. Also excludes 1 charity's age that appear to be incorrect.

Figure A.7 Mean years since disability charity was established by main activity, 2014

Average age by main activity	Years
Religious activities	51.4
Primary and secondary education	49.2
Higher education	35.5
Aged Care	34.0
Hospital services and rehabilitation activities	30.6
Other recreation and social club activity	30.1
Sports	29.5
Other education	29.0
Other	27.5
Social services	26.6
Culture and the arts	26.1
Civic and advocacy^	25.8
Other philanthropic activities*	25.7
Employment and training	23.7
Law and legal services	23.7
Other health service delivery	23.6
Housing activities	23.4
Emergency and relief	23.2



Economic, social and community development	23.0
Income support and maintenance	20.8
Mental health and crisis intervention	20.1
Grant-making	19.2
Environmental activities	17.0
International activities	16.4
Research	15.5
Animal protection	15.4
Overall average	32.5

### Who works in Australia's disability charities?

**Figure A.8 Use of volunteers by large, medium and small disability charities, 2014 (%)**

	0		1 to 10		11 to 50		51 to 100		101 to 500		Over 500		Total
	n	%	n	%	n	%	n	%	n	%	n	%	n
Large	564	18.7	820	27.2	812	26.9	314	10.4	381	12.6	127	4.2	3 018
Medium	274	11.8	735	31.6	683	29.4	339	14.6	262	11.3	31	1.3	2 324
Small	358	6.3	2 175	38.4	2 401	42.4	502	8.9	186	3.3	45	0.8	5 667
All	1 196	10.9	3 730	33.9	3 896	35.4	1 155	10.5	829	7.5	203	1.9	11 009

Note: Data was missing for 519 charities.

**Figure A.9 Use of volunteers and paid employees, 2014**

	No employees or volunteers		Employees only		Volunteers only		Employees and volunteers		Total	
	n	%	n	%	n	%	n	%	n	%
Large	54	1.8	510	16.9	70	2.3	2 384	79.0	3 018	100
Medium	66	2.8	208	9.0	201	8.6	1 849	79.6	2 324	100
Small	208	3.7	150	2.6	2 917	51.5	2 391	42.2	5 666	100
Total	328	3.0	868	7.9	3 188	29.0	6 624	60.2	11 008	100

Note: excludes 520 charities that did not report size, volunteer information employee data and reported volunteer information as 0-50.

**Figure A.10 Charitable purposes, by size of disability charity (%)**

Charitable purpose	Large		Medium		Small		Total		% of disability charities
	n	%	n	%	n	%	n	% (col)	%
Promoting or protecting human rights	82	34.0	59	24.5	100	41.5	241	2.7	54.8
Advancing social or public welfare	643	37.5	375	21.9	698	40.7	1 716	19.4	51.1
Promoting reconciliation, mutual respect and tolerance between groups of individuals that are in Australia	81	33.5	56	23.1	105	43.4	242	2.7	51.1
Advancing health	356	39.0	165	18.1	392	42.9	913	10.3	48.0



Promoting or opposing a change to any matter established by law, policy or practice in the Commonwealth, a state, a territory or another country	36	40.4	24	27.0	29	32.6	89	1.0	41.6
Advancing culture	102	28.8	85	24.0	167	47.2	354	4.0	32.4
Other purposes 'beneficial to the general public'	337	33.0	219	21.4	466	45.6	1 022	11.6	28.7
Advancing the security or safety of Australia or the Australian public	28	31.1	16	17.8	46	51.1	90	1.0	28.1
Advancing religion	318	11.6	444	16.2	1 978	72.2	2 740	31.0	24.7
Advancing the natural environment	32	34.8	19	20.7	41	44.6	92	1.0	19.1
Preventing or relieving the suffering of animals	10	22.7	8	18.2	26	59.1	44	0.5	18.9
Advancing education	548	42.0	294	22.5	462	35.4	1 304	14.7	16.0

Note: 2 charities for which the size was unknown have been omitted from analysis. 5,057 charities did not declare their purpose.

### What business structures are used by Australia's disability charities?

Figure A.11 Legal structure of reporting disability charities, 2014

Legal structure	n	%
Public company	1 600	13.9
Other incorporated entity	5 640	48.9
Trusts	930	8.1
Other unincorporated entity	2 999	26.0
Other legal structure	357	3.1
Total	11 526	100

Note: n=11,526; Excludes 2 charities that did not have entity type registered with ABR.

Figure A.12 Charity sub-type of reporting disability charities, 2014

Charity Sub-type	n	%
Health Promotion Charity	473	4.1
Public Benevolent Institution	3 841	33.6
Charities with other subtypes	7 118	62.3
Total	11 432	

Note: Excludes 96 charities that did not register charity type with ABR

Figure A.13 Disability charities with DGR status by size (basic measure) 2014

DGR status	Large		Medium		Small		All	
	n	%	n	%	n	%	n	%
Has DGR status <sup>^</sup>	2 451	78.0	1 418	59.0	2 359	39.5	6 228	54.1
Does not have DGR status	691	22.0	987	41.0	3 615	60.5	5 293	45.9
Total	3 142		2 405		5 974		11 521	

Note: <sup>^</sup>While most charities with DGR status are endorsed in their own right, some have it in relation to a fund, authority or institution it operates. This table reports charities with DGR status regardless of how they are endorsed. Excludes 7 charities that did not report size.


**Figure A.14 Disability charities with DGR status by main activity, 2014**

Main activity	n	%
<b>Culture and recreation</b>		
Culture and arts	281	4.51
Sports	66	1.06
Other recreation and social club activities	91	1.46
<b>Development and Housing</b>		
Economic, social and community development	376	6.03
Housing activities	245	3.93
Employment and training	196	3.15
<b>Education and research</b>		
Primary and secondary education	272	4.37
Higher education	50	0.8
Other education	326	5.23
Research	68	1.09
<b>Environment</b>		
Animal Protection	52	0.83
Environmental activities	40	0.64
<b>Health</b>		
Hospital services and rehabilitation	106	1.7
Aged Care Activities	646	10.37
Mental health and crisis intervention	155	2.49
Other health service delivery	560	8.99
<b>International</b>		
International activities	56	0.9
<b>Law, advocacy and politics</b>		
Civic and advocacy activities	111	1.78
Law and legal services	98	1.57
<b>Philanthropic intermediaries and voluntarism promotion</b>		
Grant-making activities	213	3.42
Other philanthropic	31	0.5
<b>Religious</b>		
Religious activities	265	4.25
<b>Social Services</b>		
Social services	654	10.5
Emergency Relief	275	4.41
Income support and maintenance	28	0.45
<b>Other</b>		
Other activities	894	14.35
Main activity unknown	76	1.22
Total	6 231	100





## How do disability charities fund their activities?

Figure A.15 Concentration of income among disability charities, 2014

Top % of disability charities	Sum of income (\$)	% of income
1	24,884,149,010	52.3
5	35,975,009,719	75.5
10	40,728,018,104	85.5
20	44,524,698,959	93.5
30	46,014,724,330	96.6
40	46,757,322,863	98.2
50	47,172,039,753	99.1
100	47,621,518,636	100

Notes: n= 9249. Excludes those who reported zero in every financial field and group reporting charities

Figure A.16 Government grant income for disability charities by main activity, 2014

Main activity	N	Mean (\$)	Sum (\$)
<b>Culture and recreation</b>			
Culture and arts	389	364,422	141,760,314
Sports	79	218,936	17,295,983
Other recreation and social club activity	170	311,121	52,890,609
<b>Development and Housing</b>			
Economic, social and community development	672	883,579	593,765,117
Housing activities	383	1,254,141	480,335,937
Employment and training	275	2,214,034	608,859,261
<b>Education and research</b>			
Primary and secondary education	223	1,808,817	403,366,258
Higher education	87	58,876,828	5,122,284,011
Research	78	2,282,376	178,025,298
Other education	760	861,959	655,088,872
<b>Environment</b>			
Animal protection	57	45,573	2,597,680
Environmental activities	67	243,980	16,346,660
<b>Health</b>			
Hospital services and rehabilitation activities	131	6,629,655	868,484,799
Aged care activities	743	5,214,909	3,874,677,106
Mental health and crisis intervention	164	3,869,300	634,565,269
Other health service deliveries	607	3,335,290	2,024,521,172
<b>International</b>			
International activities	100	897,881	89,788,120
<b>Law, advocacy and politics</b>			
Civic and advocacy activities	147	612,973	90,107,037
Law and legal services	106	4,404,676	466,895,706
<b>Religious</b>			



Religious activities	974	13,166	12,823,992
<b>Philanthropic intermediaries and voluntarism promotion</b>			
Grant-making activities	299	110,192	32,947,354
Other philanthropic	46	185,531	8,534,427
<b>Social Services</b>			
Social services	776	4,325,085	3,356,265,828
Emergency relief	316	207,052	65,428,565
Income support and maintenance	35	331,238	11,593,316
<b>Other</b>			
Other activities	1208	1,916,321	2,314,915,752
Main Activity unknown	112	293,129	32,830,404
<b>Total</b>	<b>9004</b>	<b>2,460,795</b>	<b>22,156,994,847</b>

Notes: 24 group reporting charities and those charities that did not pass the filter test are excluded

**Figure A.17 Proportion of disability charities' total income from government grants by main activity, 2014 (%)**

	Zero (%)	Less than 50%	More than 50%	N
<b>Culture and recreation</b>				
Culture and arts	34	37	29	395
Sports	47	40	14	81
Other recreation and social club activities	49	33	18	174
<b>Development and Housing</b>				
Economic, social and community development	39	22	39	682
Employment and training	27	35	39	283
Housing activities	59	23	19	386
<b>Education and research</b>				
Primary and secondary education	53	19	28	225
Higher education	57	26	17	88
Research	61	23	16	80
Other education	32	34	34	785
<b>Environment</b>				
Animal protection	63	32	5	59
Environmental activities	33	45	22	69
<b>Health</b>				
Hospital services and rehabilitation activities	67	19	14	133
Aged care activities	24	20	55	769
Mental health and crisis intervention	33	13	54	166
Other health service delivery	34	20	46	622
<b>International</b>				
International activities	79	17	4	103
<b>Law, advocacy and politics</b>				
Civic and advocacy activities	23	19	58	151
Law and legal services	6	9	84	108
<b>Philanthropic intermediaries and voluntarism promotion</b>				



Grant-making activities	92	6	2	311
Other philanthropic activities	79	11	11	47
<b>Religion</b>				
Religious activities	91	7	2	989
<b>Social Services</b>				
Social services	25	15	60	790
Emergency relief	51	23	26	321
Income support and maintenance	83	6	11	36
<b>Other</b>				
Other activities	48	20	31	1 228
Main activity unknown	74	8	19	117
<b>Total</b>	<b>47</b>	<b>21</b>	<b>32</b>	<b>9 198</b>

**Figure A.18 Donated income for disability charities by main activity, 2014**

Main activity	N	Mean (\$)	Sum (\$)
<b>Culture and recreation</b>			
Culture and arts	389	103,914	40,422,414
Sports	79	118,651	9,373,413
Other recreation and social club activity	170	27,310	4,642,681
<b>Development and Housing</b>			
Economic, social and community development	671	322,110	216,135,488
Housing activities	383	102,937	39,424,838
Employment and training	275	23,364	6,425,197
<b>Education and research</b>			
Primary and secondary education	223	100,188	22,341,903
Higher education	87	1,444,424	125,664,870
Research	78	1,157,855	90,312,717
Other education	760	61,846	47,002,582
<b>Environment</b>			
Environmental activities	67	52,464	3,515,076
Animal protection	57	534,017	30,438,972
<b>Health</b>			
Aged care activities	743	146,218	108,639,820
Hospital services and rehabilitation activities	131	545,910	71,514,261
Mental health and crisis intervention	164	152,769	25,054,161
Other health services	607	335,800	203,830,700
<b>International</b>			
International activities	100	5,159,620	515,961,962
<b>Law, advocacy and politics</b>			
Civic and advocacy activities	147	109,547	16,103,443
Law and legal services	106	15,652	1,659,142
<b>Philanthropic intermediaries and voluntarism promotion</b>			



Grant-making activities	299	300,747	89,923,301
Other philanthropic activities	46	837,675	38,533,031
<b>Religion</b>			
Religious activities	973	258,247	251,274,794
<b>Social services</b>			
Social services	776	222,241	172,459,321
Emergency relief	316	134,819	42,602,919
Income support and maintenance	35	112,120	3,924,185
<b>Other</b>			
Other activities	1208	272,130	328,733,160
Main activity unknown	112	182,644	20,456,123
Total	9002	280,645	2,526,370,474

**Figure A.20** Proportion of disability charities' expenditure on employees by size (basic measure), 2014

Charity size	N	Mean (%)	Median (%)
Large	2 720	56.4	63.2
Medium	2 043	49.0	56.6
Small	4 146	19.4	0.0
Unknown	4	23.2	7.7
Total	8 913	37.5	41.2



## APPENDIX B: FURTHER METHODOLOGICAL DETAILS

All quantitative data analysis was undertaken in Stata version 13.1. Qualitative analysis of open text responses was undertaken in NVivo. 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, 2015f). 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 AIS 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 for the first time. Medium and large charities were required to submit their annual financial report as well as the Annual Information Statement. 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 information from around 4,000 NPIs, 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 is 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. Qualitative analysis of open text responses was undertaken in NVivo. 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 bank/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 and 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 who 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". The top 1% of values by charity size have been excluded from analysis of reporting hours. Where charities responded that reporting time was zero, charities who do not have a reporting obligation have been excluded from analysis of reporting hours; other zeros have been included.
- Inconsistencies in reporting such as reporting 'Victoria' instead of 'VIC' were corrected for consistency.





**AIS financial data, cleaning and filters**

The AIS financial data was closely examined to assess its accuracy. Systematic error checking was conducted which led to contacting 7,000 charities to verify and correct their reported information. Any information that was corrected by 18 September 2015 was included in the 2014 dataset for analysis.

Further error checking was conducted by the research team to identify potential outliers that could impact on findings. Over 500 charities were identified and 281 records were corrected after verifying them with the uploaded financial report and/or annual reports. Where individual income and expense items were reported but the total income or expenses field was zero, the totals were updated by adding the individual items.

For the analysis of financial data the following filter tests were conducted to exclude likely inaccuracies in financial information. Not every filter was used in every analysis. For example when analysing income related figures, only the filters that are relevant to income fields were used.

Filters excluded charities from the analysis where the following applied and was relevant to the analysis:

**Filters based on size**

- Charities which classified themselves as small but reported more than \$350,000 in total gross income
- Medium charities that reported more than \$1,500,000 in total gross income
- 41 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, were excluded when reporting financials by size.

**Filters to identify inaccurate financial data:**

- Reported zero to every financial field but conducted activity and not registered as a basic religious charity

**Filters to identify inaccurate income data:**

- The sum of individual income fields and total income differ by more than \$25,000 for small charities
- The sum of individual income fields and total income differ by more than \$100,000 for medium charities
- The sum of individual income fields and total income differ by more than \$1,000,000 for large charities

**Filter to identify inaccurate expenditure data**

- The sum of individual expense fields and total expenses differ by more than \$25,000 for small charities
- The sum of individual expense fields and total expenses differ by more than \$100,000 for medium charities
- The sum of individual expense fields and total expenses differ by more than \$1,000,000 for large charities
- Employee expenses per reported employee exceeds \$300,000.

**Other filters:**

- Ratios (e.g. Government grant per total gross income) exceed 100%
- Negative values (e.g. negative employee expenses or liability).