



2006-07

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AUSTRALIAN NATIONAL ACCOUNTS: NON-PROFIT INSTITUTIONS SATELLITE ACCOUNT

AUSTRALIA

EMBARGO: 11.30AM (CANBERRA TIME) FRI 18 SEP 2009

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INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Derick Cullen on Canberra (02) 6252 7139.

NOTES

ABOUT THIS PUBLICATION

This publication presents the results of the non-profit institutions satellite account for the financial years 1999–2000 and 2006–2007.

DATA VALUE AND ROUNDING

All values, unless otherwise indicated, are shown in Australian dollars rounded to the nearest million. Where figures have been rounded, discrepancies may occur between the sums of component items and totals.

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ABBREVIATIONS

'000	thousand
\$b	billion (thousand million) dollars
\$m	million dollars
ABN	Australian Business Number
ABS	Australian Bureau of Statistics
ANZSIC	Australian and New Zealand Standard Industrial Classification
ANZSIC06	<i>Australian and New Zealand Standard Industrial Classification, 2006 Edition</i>
ATO	Australian Taxation Office
GDP	gross domestic product
GVA	gross value added
ICNPO	International Classification of Non-Profit Organisations
n.e.c.	not elsewhere classified
no.	number
NPIs	non-profit institutions
SISCA	Standard Institutional Sector Classification of Australia

Ian Ewing
Acting Australian Statistician

PREFACE

ABOUT THIS RELEASE

Non-profit institutions (NPIs) play an important role in the provision of welfare, social and other services in Australia. The Australian Bureau of Statistics (ABS) has developed a non-profit institutions satellite account for Australia for the year 2006-07 in response to demand for information on the size, structure and economic contribution of non-profit institutions. The Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs is a co-funder of this work.

A non-profit institutions satellite account involves the identification and measurement of non-profit activities within the national accounting framework so that a cohesive set of economic data on non-profit institutions can be compiled.

The concepts and methods used in the Australian non-profit institutions satellite account are based on international standards described in the *United Nations Handbook on Nonprofit Institutions in the System of National Accounts*. The *Handbook* is intended to facilitate international comparison of information on non-profit institutions. The *Handbook* is consistent with the System of National Accounts (SNA), whilst extending that framework to enable measurement of further areas of analytical interest.

This publication presents estimates of the direct contribution that non-profit institutions make to the Australian economy, and in particular the contribution of non-profit institutions to key macroeconomic variables such as gross value added and gross domestic product. As this satellite account is an integrated set of statistics on non-profit institutions within the internationally recognised System of National Accounts, it provides a valuable policy and research resource with a wide range of applications.

The results of this study are based, in part, on tax data supplied by the Australian Tax Office (ATO) to the ABS under the *Taxation Administration Act 1953*, which requires that such data are only used for statistical purposes. No individual information collected under the *Census and Statistics Act 1905* is provided back to the ATO for administrative or regulatory purposes. Any discussion of data limitations or weaknesses is in the context of using the data for statistical purposes, and is not related to the ability of the data to support the ATO's core requirements.

Legislative requirements to ensure privacy and secrecy of this data have been followed. Only people authorised under the *Australian Bureau of Statistics Act 1975* have been allowed to view data about any particular firm in conducting these analyses. In accordance with the *Census and Statistics Act 1905*, results have been confidentialised to ensure that they are not likely to enable identification of a particular person or organisation.

The ABS has previously published a non-profit institutions satellite account in respect of 1999-2000. While the two satellite accounts are generally based on the same underlying conceptual framework and have been produced in accordance with *Handbook* recommendations, there are significant differences in compilation methods and classifications which should be noted in undertaking any comparisons between the two accounts.

ANALYSIS OF RESULTS

KEY RESULTS

Non-profit institutions (NPIs) have the following characteristics: they are organisations, they are not-for-profit and non-profit-distributing, they are institutionally separate from government, they are self-governing, and are non-compulsory. For further information about identification of NPIs, refer to Appendix 5. There were 58,779 NPI organisations registered with the ATO in Australia at June 2007.

The direct value that NPIs add to the economy is measured in NPI gross value added (GVA). NPI output that is sold in the market is valued by sales, whilst the non market output is valued at cost. NPIs accounted for \$40,959 million or 4.3% of total GVA in 2006-07.

Gross domestic product (GDP) measures the value of production inclusive of product taxes. NPI GDP contributed 4.1% to total gross domestic product in 2006-07.

NPIs received income of \$76,639 million in 2006-07, and held \$138 billion worth of assets.

NPIs contribute significantly to employment, accounting for 889,900 employed persons and over 4.6 million volunteers. These volunteers contributed 623 million hours to NPIs, equating to 317,200 full time equivalents. The economic value of these hours was estimated to be \$14.6 billion.

Number of NPI organisations	58,779(a)
NPI value added — national accounts basis	\$40.9 billion
NPI value added — NPI satellite account basis	\$55.8 billion
NPI income	\$76.6 billion
NPI assets	\$138 billion
NPI employment	889,900 persons
NPI volunteers	4.6 million

(a) Registered with ATO

NPI VALUE ADDED

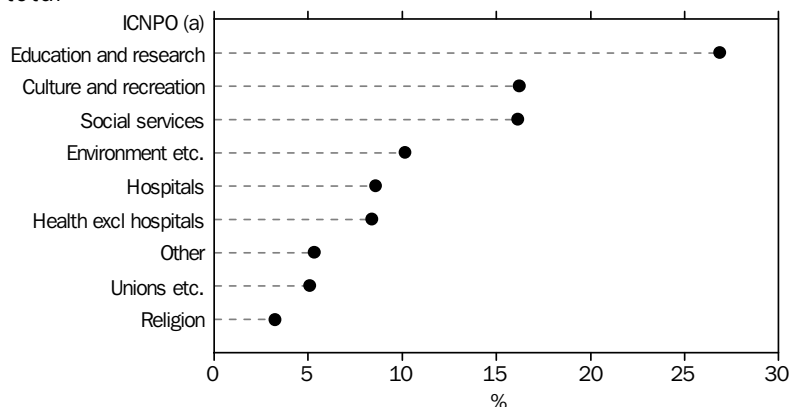
NPI value added measures the value of goods and services produced by NPIs (or output), less the cost of goods and services used up in their processes of production. While it is not separately identified in the core national accounts, this value added is already included in the national accounts and is termed NPI value added on a national accounts basis. NPI value added on a national accounts basis was \$40,959 million in 2006-07. When additions are made to NPI value added on a national accounts basis to include the non market output of market producers and the imputed value of volunteer services, this is termed NPI value added on an NPI satellite account basis. NPI value added was \$55,845 million in 2006-07 on this basis.

On a national accounts basis, education and research NPIs made the largest contribution to value added (26.9%), followed by culture and recreation NPIs (16.2%). On an NPI satellite account basis, culture and recreation NPIs made the largest contribution to value added (21.8%), followed by education and research NPIs (21.0%).

ANALYSIS OF RESULTS *continued*

NPI VALUE ADDED *continued*

NPI GVA, 2006–07, NATIONAL ACCOUNTS BASIS, % contribution to total



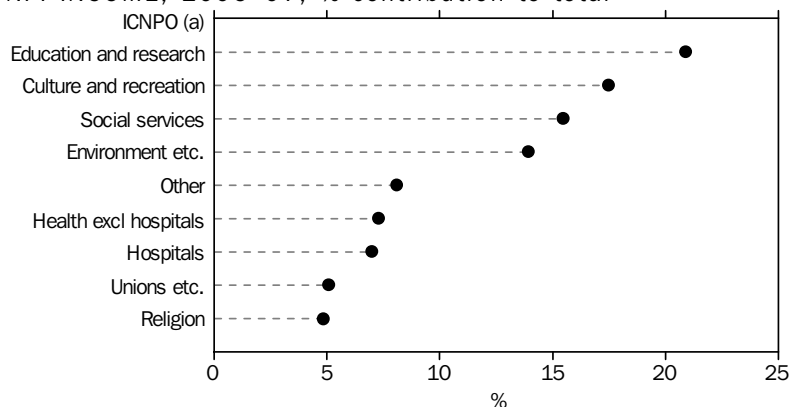
(a) See Appendix 1 for the International Classification of Non-Profit Organisations (ICNPO).

NPI INCOME

NPIs received \$76,639 million worth of income in 2006-07. The main source of income for market NPIs was sales of services (\$19,591 million), whilst the main source of income for non market NPIs was volume based government funding (\$4,253 million). For further information about the market/non market distinction, refer to the glossary. Most income was received by market NPIs from households (\$18,362 million). Households were also the main contributors to income received by non market NPIs (\$8,862 million). The main type of income received by market NPIs was income from service provision (\$36,210 million). This was also the main type of income received by non market NPIs (\$11,116 million).

Education and research NPIs generated the most income (\$16,016 million), followed by culture and recreation NPIs (\$13,395 million).

NPI INCOME, 2006–07, % contribution to total



(a) See Appendix 1 for the International Classification of Non-Profit Organisations (ICNPO).

NPI USES OF INCOME

The main way in which market NPIs used their income was labour costs (\$24,010 million). This was also the main expense for non market NPIs (\$8,797 million).

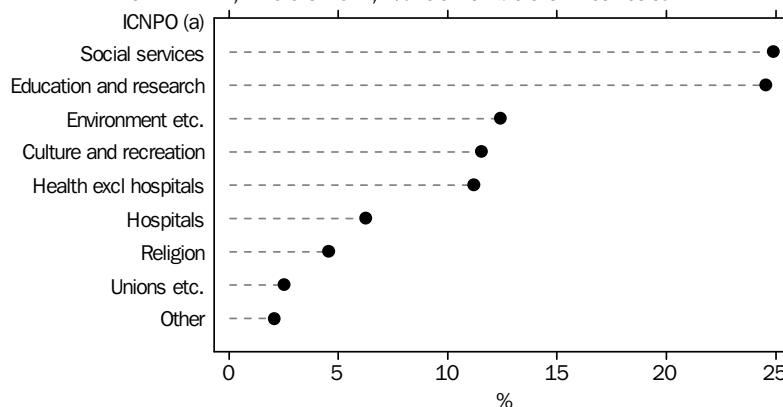
Equivalent to their income received, education and research NPIs used the most income (\$16,016 million), followed by culture and recreation NPIs (\$13,395 million).

ANALYSIS OF RESULTS *continued*

NPI EMPLOYMENT

NPIs employed 889,900 persons in 2006-07. The majority of these employees were full time employees (368,500 persons). Market NPIs employed 619,400 persons, whilst non market NPIs employed 270,600 persons. Social services NPIs employed the most people (221,500), followed by education and research NPIs (218,400).

NPI EMPLOYMENT, 2006-07, % contribution to total



(a) See Appendix 1 for the International Classification of Non-Profit Organisations (ICNPO).

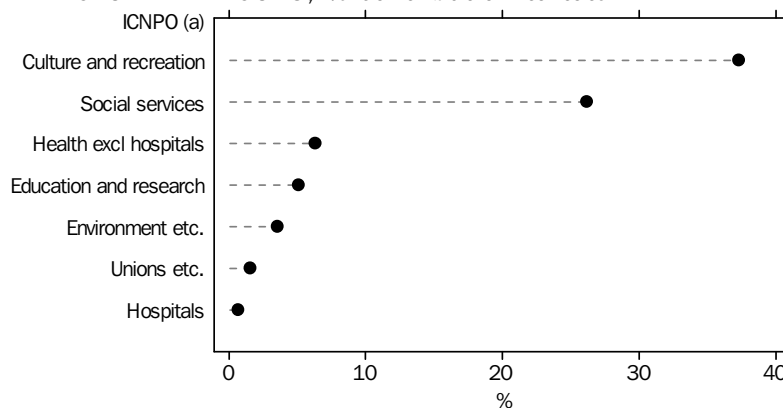
NPI VOLUNTEERING

A volunteer is someone who willingly gives unpaid help in the form of time, service or skills, through an organisation or group. Over 4.5 million Australians over the age of 18 volunteered for NPIs in 2006-07. The most people volunteered for culture and recreation NPIs (1.7 million), followed by social services NPIs (1.1 million).

623 million hours were volunteered to NPIs in 2006-07, equating to 317,200 full time equivalents. The most hours were volunteered for culture and recreation NPIs (232 million hours), followed by social services NPIs (163 million hours). The most hours were volunteered by females (316 million hours, or 161,300 full time equivalents).

The number of hours volunteered in NPIs and average hourly ordinary time earnings in selected occupations have been used to impute the value of volunteer services in NPIs. Further information about the calculation of volunteer services is detailed in Appendix 6. In 2006-07, the value of imputed volunteer services was \$14,598 million. Due to their higher average wage rates, males contributed most to the value of volunteer services (\$7,806 million).

NPI VOLUNTEER HOURS, % contribution to total



(a) See Appendix 1 for the International Classification of Non-Profit Organisations (ICNPO).

ANALYSIS OF RESULTS *continued*

NPI VOLUNTEERING

continued

When volunteering for government and other organisations is added in order to value volunteering for all organisations, volunteer services under this method were \$16.5 billion and full time equivalents were 359,700 persons.

NPI BALANCE SHEET AND CAPITAL ACCOUNT

During 2006-07, NPIs had gross savings and capital transfers of more than \$8.6 billion. Overall, market NPIs were net borrowers (\$1.7 billion), whilst non market NPIs were net lenders (\$137 million).

As at 30 June 2007, NPIs held total assets of \$138 billion. The majority of these were non financial assets (\$103.4 billion). When the total liabilities held by NPIs of \$36.3 billion are subtracted from total assets, this gives the total net worth of NPIs (\$101.7 billion).

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NPI SHARE OF GROSS DOMESTIC PRODUCT

2006–07(a)

NPI gross value added—national accounts basis (\$m)	40 959
Plus net taxes on NPI products (\$m)	1 918
Equals NPI GDP—national accounts basis (\$m)	42 877
NPI gross value added—national accounts basis (\$m)	40 959
Plus non market output of market producers (\$m)	288
Plus volunteer services (\$m)	14 598
Equals NPI gross value added NPI satellite account basis (\$m)	55 845
Plus net taxes on NPI products (\$m)	1 918
Equals NPI GDP—NPI satellite account basis (\$m)	57 763
Industry gross value added (\$m)	962 501
Gross domestic product (\$m)	1 045 674
NPI gross value added—national accounts basis share of industry gross value added (%)	4.3
NPI GDP—national accounts basis share of GDP (%)	4.1

(a) These results are not comparable with the 1999–2000 NPI Satellite account. For further information refer to Appendix 7.

NPI OUTPUT OF GOODS AND SERVICES, 2006–07

	NATIONAL ACCOUNTS BASIS(a)			NPI SATELLITE ACCOUNT BASIS(b)		
	Market NPIs(c)	Non-market NPIs(c)	Total	Non market output of market producers	Volunteer services	Total
ICNPO	\$m	\$m	\$m	\$m	\$m	\$m
Culture and recreation	7 388	1 884	9 273	..	5 551	14 824
Education and research	12 185	742	12 927	..	704	13 630
Health excl hospitals	3 485	705	4 191	78	928	5 197
Hospitals	4 793	..	4 793	..	99	4 892
Social services	4 219	4 061	8 280	197	3 779	12 256
Religion	np	np	1 897	np	np	np
Business and Professional Associations and Unions	1 853	887	2 739	..	221	2 961
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	2 215	3 359	5 574	..	511	6 085
Other	np	np	4 918	np	np	np
Total	41 058	13 534	54 592	288	14 598	69 478

.. not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) For further information about estimates produced on a national accounts basis, refer to the glossary.

(b) For further information about estimates produced on an NPI satellite account basis, refer to the glossary.

(c) For further information about market and non market estimates, refer to the glossary.

NPI SATELLITE ACCOUNT BASIS(b)

	<i>National accounts basis (a)</i>	<i>Non market output of market producers</i>	<i>Volunteer services</i>	<i>Total</i>
<i>ICNPO</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>	<i>\$m</i>
MARKET NPI s(b)				
Culture and recreation	5 518	..	1 396	6 914
Education and research	10 440	..	623	11 063
Health excl hospitals	2 852	78	600	3 529
Hospitals	3 510	..	99	3 609
Social services	3 536	197	1 698	5 431
Religion	np	np	np	np
Business and professional associations and unions	1 384	..	152	1 536
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	1 941	..	30	1 971
Other	np	np	np	np
Total	31 379	288	4 605	36 272
NON-MARKET NPI s				
Culture and recreation	1 125	..	4 155	5 281
Education and research	571	..	81	652
Health excl hospitals	581	..	329	910
Hospitals	..	..	..	..
Social services	3 071	..	2 082	5 153
Religion	np	..	np	np
Business and professional associations and unions	691	..	70	761
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	2 220	..	481	2 701
Other	np	..	np	np
Total	9 580	..	9 993	19 573
TOTAL NPI s				
Culture and recreation	6 644	..	5 551	12 195
Education and research	11 012	..	704	11 715
Health excl hospitals	3 433	78	928	4 439
Hospitals	3 510	..	99	3 609
Social services	6 608	197	3 779	10 584
Religion	1 325	np	np	np
Business and professional associations and unions	2 075	..	221	2 296
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	4 161	..	511	4 672
Other	2 192	np	np	np
Total	40 959	288	14 598	55 845

.. not applicable

np not available for publication but included in totals where applicable,
unless otherwise indicated(a) For further information about estimates produced on a national
accounts basis, refer to the glossary.(b) For further information about estimates produced on an NPI satellite
account basis, refer to the glossary.

NPI GROSS VALUE ADDED, percentage contribution to total—2006–07

	<i>National accounts basis (a)</i>	<i>NPI satellite account basis (b)</i>
<i>ICNPO</i>	<i>%</i>	<i>%</i>
Culture and recreation	16.2	21.8
Education and research	26.9	21.0
Health excl hospitals	8.4	7.9
Hospitals	8.6	6.5
Social services	16.1	19.0
Religion	3.2	np
Business and professional associations and unions	5.1	4.1
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	10.2	8.4
Other	5.4	np
Total	100.0	100.0

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) For further information about estimates produced on a national accounts basis, refer to the glossary.

(b) For further information about estimates produced on an NPI satellite account basis, refer to the glossary.

NPI GROSS VALUE ADDED BY ANZSIC DIVISION—2006–07(a)

<i>ANZSIC 06 Division</i>	<i>NPI Gross Value Added \$m</i>
Accommodation and Food Services	4 691
Education and Training	10 944
Health Care and Social Assistance	13 453
Arts and Recreation Services	1 660
Other Services	5 504
All other industries	4 708
Total	40 959

(a) For further information about estimates produced on a national accounts basis, refer to the glossary.

	<i>Market</i>	<i>Non-market</i>	<i>Total</i>
<i>ICNPO</i>	no.	no.	no.
Culture and recreation	4 948	6 561	11 510
Education and research	5 243	1 379	6 621
Health excl. Hospitals	503	416	919
Hospitals	102	. .	102
Social services	3 189	4 622	7 811
Religion	np	np	12 174
Business and professional associations, unions	2 621	604	3 224
Environment, development, housing, employment, law, philanthropic,international	937	11 035	11 972
Other activities	np	np	4 446
Total	21 965	36 814	58 779

. . not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

	Market NPIs	Non-market NPIs	Total NPIs
	\$m	\$m	\$m
<i>Sales of goods</i>	4 926	1 829	6 755
Income from services provision			
sales of services	19 591	3 823	23 414
rent, leasing and hiring income	765	765	1 530
volume based government funding	13 358	4 253	17 611
sponsorships	563	543	1 106
membership fees	1 933	1 732	3 665
<i>Total income from service provision</i>	36 210	11 116	47 326
Transfers			
from government for current operations(a)	3 770	3 409	7 179
from government for capital equipment	492	174	666
from resident related or affiliated enterprises	1 074	2 223	3 298
from non-resident related or affiliated enterprises	121	172	293
donations, bequests and legacies from households	505	3 718	4 223
donations from businesses	183	452	635
donations from philanthropic trusts/foundations	167	105	273
<i>Total transfer income</i>	6 314	10 252	16 566
Investment income			
interest	1 037	696	1 733
dividends	195	160	355
other investment income	225	301	526
<i>Total investment income</i>	1 457	1 157	2 614
<i>Royalties income</i>	63	308	371
<i>Other income</i>	1 434	1 572	3 006
Total revenue	50 404	26 235	76 639

(a) Excludes government funding provided on a volume basis, which is included as part of income from service provision. For further information, refer to the glossary.

	<i>Received from government</i>	<i>Received from non profit institutions</i>	<i>Received from other businesses/ organisations</i>	<i>Received from households</i>	<i>Received from other sources</i>	<i>Total</i>
<i>INCPO</i>	\$m	\$m	\$m	\$m	\$m	\$m
MARKET NPIS						
Culture and recreation	365	896	861	5 840	1 002	8 964
Education and research	7 746	738	870	4 479	674	14 507
Health excl hospitals	2 955	184	82	1 070	273	4 563
Hospitals	1 450	np	98	3 569	np	5 349
Social services	2 919	251	188	1 889	400	5 647
Religion	np	np	np	np	np	np
Business and professional associations and unions	238	760	437	639	346	2 420
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	1 273	153	810	260	217	2 712
Other	np	np	np	np	np	np
Total	17 620	3 475	7 228	18 362	3 719	50 404
NON-MARKET NPIS						
Culture and recreation	508	1 135	715	1 440	634	4 431
Education and research	416	463	76	354	201	1 509
Health excl hospitals	715	59	23	144	77	1 019
Hospitals	..	..	..	..	..	..
Social services	3 494	336	814	1 001	539	6 185
Religion	np	np	np	np	np	np
Business and professional associations and unions	np	253	26	1 060	np	1 470
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	2 443	567	552	3 171	1 212	7 946
Other	np	np	np	np	np	np
Total	7 835	3 465	2 271	8 862	3 802	26 235
TOTAL NPIS						
Culture and recreation	873	2 031	1 575	7 279	1 636	13 395
Education and research	8 162	1 200	945	4 833	875	16 016
Health excl hospitals	3 671	243	105	1 214	350	5 582
Hospitals	1 450	np	98	3 569	np	5 349
Social services	6 413	587	1 002	2 891	939	11 832
Religion	259	660	66	1 697	1 024	3 707
Business and professional associations and unions	np	1 013	463	1 699	np	3 890
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	3 717	720	1 362	3 431	1 428	10 658
Other	np	np	3 882	610	np	6 210
Total	25 455	6 939	9 499	27 224	7 521	76 639

.. not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

	<i>Sales of goods</i>	<i>Income from service provision</i>	<i>Transfers and donations</i>	<i>Investment income</i>	<i>Other income</i>	<i>Total income</i>
<i>ICNPO</i>	\$m	\$m	\$m	\$m	\$m	\$m
MARKET NPIs						
Culture and recreation	414	6 996	1 002	176	374	8 964
Education and research	225	11 951	1 727	307	296	14 507
Health excl hospitals	29	3 449	827	205	53	4 563
Hospitals	85	4 706	np	np	69	5 349
Social services	246	3 973	1 065	156	207	5 647
Religion	np	np	np	np	np	np
Business and professional associations and unions	125	1 726	277	208	84	2 420
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	152	2 059	347	49	105	2 712
Other	np	np	np	np	np	np
Total	4 926	36 210	6 314	1 457	1 497	50 404
NON MARKET NPIs						
Culture and recreation	229	2 252	1 373	82	495	4 431
Education and research	50	822	518	93	26	1 509
Health excl hospitals	34	523	387	39	36	1 019
Hospitals	..	..	..	..	..	..
Social services	926	3 337	1 474	99	349	6 185
Religion	np	np	np	np	np	np
Business and professional associations and unions	7	np	np	62	np	1 470
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	456	2 134	4 440	433	484	7 946
Other	np	np	np	np	np	np
Total	1 829	11 116	10 252	1 157	1 880	26 235
TOTAL NPIs						
Culture and recreation	643	9 249	2 376	258	869	13 395
Education and research	276	12 773	2 245	400	322	16 016
Health excl hospitals	63	3 972	1 213	244	89	5 582
Hospitals	85	4 706	np	np	69	5 349
Social services	1 172	7 310	2 539	255	556	11 832
Religion	125	846	1 903	349	483	3 707
Business and professional associations and unions	132	np	np	270	np	3 890
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	608	4 193	4 787	482	589	10 658
Other	3 652	np	np	np	np	6 210
Total	6 755	47 326	16 566	2 614	3 377	76 639

.. not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

	<i>Market NPIs</i>	<i>Non-market NPIs</i>	<i>Total NPIs</i>
	\$m	\$m	\$m
<i>Labour costs</i>	24 010	8 797	32 806
<i>Transfers paid</i>			
to resident related and affiliated organisation	1 388	1 255	2 643
to other residents	463	697	1 160
to non residents	82	2 090	2 171
donations	106	172	278
<i>Total transfers paid</i>	2 038	4 213	6 252
<i>Purchases of goods and services</i>			
payments to other businesses for staff	472	155	627
membership fees paid	151	155	306
materials and goods for use by this organisation	5 249	2 383	7 632
finished goods for resale	3 095	862	3 957
advertising, marketing and promotion	712	400	1 112
<i>Total purchases of goods and services</i>	9 679	3 954	13 633
<i>Interest</i>	444	195	638
<i>Current taxes</i>	742	121	863
<i>Depreciation and amortisation</i>	2 016	684	2 700
<i>Other expenses</i>	8 762	5 027	13 789
<i>Saving(a)</i>	2 712	3 245	5 957
Total use of income	50 404	26 235	76 639

(a) For further information about saving, refer to the glossary.

	<i>Purchase of goods and services</i>	<i>Depreciation and amortisation</i>	<i>Labour costs</i>	<i>Transfers paid</i>	<i>Other expenses (a)</i>	<i>Saving (b)</i>	<i>Total</i>
<i>INCPO</i>	\$m	\$m	\$m	\$m	\$m	\$m	\$m
MARKET NPIS							
Culture and recreation	1 870	690	2 635	569	2 724	475	8 964
Education and research	1 745	426	8 927	441	2 116	853	14 507
Health excl hospitals	634	241	2 675	7	620	386	4 563
Hospitals	1 283	208	2 817	np	870	np	5 349
Social services	683	213	3 500	28	847	376	5 647
Religion	np	np	np	np	np	np	np
Business and professional associations and unions	469	60	889	87	757	158	2 420
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	274	67	1 620	115	563	73	2 712
Other	np	np	np	np	np	np	np
Total	9 679	2 016	24 010	2 038	9 948	2 712	50 404
NON-MARKET NPIS							
Culture and recreation	759	115	971	775	1 395	417	4 431
Education and research	170	45	525	91	218	459	1 509
Health excl hospitals	124	33	548	np	155	np	1 019
Hospitals	..	..	..	..	..	..	..
Social services	990	147	2 914	261	889	983	6 185
Religion	np	np	np	np	np	np	np
Business and professional associations and unions	196	47	631	115	366	115	1 470
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	1 139	195	2 010	2 496	1 436	671	7 946
Other	np	np	np	np	np	np	np
Total	3 954	684	8 797	4 213	5 343	3 245	26 235
TOTAL NPIS							
Culture and recreation	2 629	805	3 605	1 343	4 120	892	13 395
Education and research	1 915	471	9 452	532	2 334	1 313	16 016
Health excl hospitals	758	274	3 223	np	776	np	5 582
Hospitals	1 283	208	2 817	np	870	np	5 349
Social services	1 673	360	6 414	290	1 736	1 360	11 832
Religion	573	102	1 216	413	899	504	3 707
Business and professional associations and unions	664	107	1 520	202	1 123	273	3 890
Environment, Development and Housing , Law, Advocacy, Philanthropic, International	1 413	262	3 630	2 611	1 999	744	10 658
Other	2 726	110	930	np	1 435	np	6 210
Total	13 633	2 700	32 806	6 252	15 291	5 957	76 639

.. not applicable

(a) Includes interest expenses and current taxes.

np not available for publication but included in totals where applicable, unless otherwise indicated

(b) For further information about saving, refer to the glossary.

	<i>Full-time employees</i>	<i>Part-time employees</i>	<i>Casual employees</i>	<i>Total employed persons</i>	<i>Volunteers(a)</i>
<i>ICNPO</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>	<i>'000</i>
MARKET NPIs					
Culture and recreation	24.0	14.1	38.9	77.1	521.0
Education and research	109.5	63.0	31.1	203.6	538.1
Health excl hospitals	19.4	53.8	15.1	88.2	251.8
Hospitals	20.7	23.6	11.4	55.7	41.4
Social services	31.6	48.4	32.6	112.6	662.4
Religion	np	np	np	np	np
Business and professional associations and unions	10.3	1.2	2.5	14.0	70.3
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	35.9	8.2	5.2	49.3	20.2
Other	np	np	np	np	np
Total	261.8	217.3	140.3	619.4	1 564.9
NON-MARKET NPIs					
Culture and recreation	10.1	3.9	11.5	25.6	1 551.3
Education and research	5.7	3.8	5.2	14.8	69.9
Health excl hospitals	5.3	4.0	2.2	11.4	138.0
Hospitals	..	..	..	..	..
Social services	38.1	39.5	31.3	108.9	812.2
Religion	np	np	np	np	np
Business and professional associations and unions	6.7	1.0	0.8	8.5	32.3
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	20.4	23.2	17.5	61.2	323.8
Other	np	np	np	np	np
Total	106.7	88.0	75.8	270.6	3 051.2
TOTAL NPIs					
Culture and recreation	34.2	18.1	50.4	102.7	2 072.3
Education and research	115.2	66.8	36.3	218.4	608.0
Health excl hospitals	24.6	57.8	17.2	99.7	389.8
Hospitals	20.7	23.6	11.4	55.7	41.4
Social services	69.8	87.9	63.9	221.5	1 474.6
Religion	20.4	12.8	7.5	40.7	np
Business and professional associations and unions	17.0	2.1	3.4	22.5	102.6
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	56.3	31.4	22.7	110.5	344.0
Other	10.3	4.8	3.2	18.3	np
Total	368.5	305.3	216.1	889.9	4 616.1

.. not applicable

np not available for publication but included in totals where applicable, unless otherwise indicated

(a) Volunteers who volunteered for more than one non-profit organisation have been counted against each organisation volunteered to. Therefore, components will sum to more than the total.

ANNUAL HOURS OF VOLUNTARY WORK, 2006-07

	<i>Males</i>	<i>Females</i>	<i>Total</i>
	mill. hours	mill. hours	mill. hours
Culture and recreation	142.9	89.3	232.2
Education and research	5.8	25.9	31.7
Health excl hospitals	21.7	17.5	39.2
Hospitals	2.3	1.9	4.2
Social services	70.6	92.4	163.0
Religion	np	np	np
Business and professional associations and unions	4.9	4.5	9.4
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	10.2	11.7	21.9
Other	np	np	np
Total	307.0	316.3	623.3

np not available for publication but included in totals where applicable, unless otherwise indicated

NPI VOLUNTARY WORK AND IMPUTED VALUE OF SERVICES—2006-07

	FULL-TIME EQUIVALENT PERSONS			IMPUTED WAGES		
	<i>Males</i>	<i>Females</i>	<i>Total</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
	'000	'000	'000	\$m	\$m	\$m
Culture and recreation	72.6	45.5	118.1	3 633	1 918	5 551
Education and research	2.9	13.2	16.2	147	556	704
Health excl hospitals	11.0	8.9	20.0	552	377	928
Hospitals	1.2	1.0	2.1	59	40	99
Social services	35.9	47.1	83.0	1 795	1 984	3 779
Religion	np	np	np	np	np	np
Business and professional associations and unions	2.5	2.3	4.8	125	97	221
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	5.2	6.0	11.1	259	251	511
Other	np	np	np	np	np	np
Total	155.9	161.3	317.2	7 806	6 792	14 598

np not available for publication but included in totals where applicable, unless otherwise indicated

	FULL-TIME EQUIVALENT PERSONS			IMPUTED WAGES		
	Males	Females	Total	Males	Females	Total
	%	%	%	%	%	%
Culture and recreation	46.6	28.2	37.2	46.6	28.2	38.0
Education and research	1.9	8.2	5.1	1.9	8.2	4.8
Health excl hospitals	7.1	5.5	6.3	7.1	5.5	6.4
Hospitals	0.8	0.6	0.7	0.8	0.6	0.7
Social services	23.0	29.2	26.2	23.0	29.2	25.9
Religion	np	np	np	np	np	np
Business and professional associations and unions	1.6	1.4	1.5	1.6	1.4	1.5
Environment, Development and Housing, Law, Advocacy, Philanthropic, International	3.3	3.7	3.5	3.3	3.7	3.5
Other	np	np	np	np	np	np
Total	100.0	100.0	100.0	100.0	100.0	100.0

np not available for publication but included in totals where applicable, unless otherwise indicated

	Market NPIs	Non-market NPIs	Total NPIs
	\$m	\$m	\$m
Surplus from current operations	2 220	3 071	5 291
Depreciation and amortisation	2 016	684	2 700
Capital transfers, receivable from government	492	174	666
<i>Gross saving and capital transfers</i>	<i>4 728</i>	<i>3 929</i>	<i>8 657</i>
Gross fixed capital formation			
Dwellings and other buildings and structures	3 217	1 596	4 813
Intangible assets	135	19	154
Other	1 692	849	2 541
<i>Total gross fixed capital formation</i>	<i>5 045</i>	<i>2 464</i>	<i>7 508</i>
Land Acquisitions	901	432	1 334
Changes in inventories	-77	-109	-186
Disposal of capital	537	1 004	1 541
Net lending (+)/net borrowing (-)	-1 677	137	-1 540
Total capital accumulation and net lending (+)/net borrowing (-)	4 728	3 929	8 657

	<i>Market NPIs</i>	<i>Non-market NPIs</i>	<i>Total NPIs</i>
	\$m	\$m	\$m
Total Assets	79 060	59 004	138 064
Non-financial assets	58 908	44 542	103 449
Property, plant and equipment	48 947	40 504	89 451
Inventories	832	229	1 062
Other assets	9 128	3 809	12 936
Financial assets	20 152	14 462	34 614
Cash and deposits	11 158	8 958	20 117
Investments held with fund managers	8 994	5 504	14 498
Liabilities	27 527	8 805	36 332
Provision for employee entitlements	3 150	1 048	4 198
Other liabilities	24 376	7 757	32 133
Net worth	51 533	50 200	101 732

APPENDIX 1 ICNPO CLASSIFICATION

INTERNATIONAL CLASSIFICATION OF NON-PROFIT ORGANISATIONS

The International Classification of Non-Profit Organisations (ICNPO) is the recommended classification for non-profit organisations in the United Nations Handbook on Non-Profit Institutions in the Systems of National Accounts. It is fundamentally an activity classification system, although some purpose criteria have been included where activities are similar.

The complete ICNPO is described in the following paragraphs. For the purposes of the 2006-07 Non-Profit Institutions Satellite Account, the following adjustments were made to the ICNPO:

- Groups 5-9 have been merged to form one Group - 'Environment, development, housing, employment, law, philanthropic and international'
- Hospitals have been removed from Group 3: Health to form a separate Group - 'Hospitals'.
- Group 12 Not elsewhere classified is referred to as 'Other activities'.

GROUP 1: CULTURE AND RECREATION

1 100 CULTURE AND ARTS

- Media and communications - Production and dissemination of information and communication; includes radio and TV stations; publishing of books, journals, newspapers and newsletters; film production; and libraries.
- Visual arts, architecture, ceramic art - Production, dissemination and display of visual arts and architecture; includes sculpture, photographic societies, painting, drawing, design centres and architectural associations.
- Performing arts - Performing arts centres, companies and associations; includes theatre, dance, ballet, opera, orchestras, choirs and music ensembles.
- Historical, literary and humanistic societies - Promotion and appreciation of the humanities, preservation of historical and cultural artifacts and commemoration of historical events; includes historical societies, poetry and literary societies, language associations, reading promotion, war memorials and commemorative funds and associations.
- Museums - General and specialised museums covering art, history, sciences, technology and culture.
- Zoos and aquariums.

1 200 SPORTS

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

1 300 OTHER RECREATION AND SOCIAL CLUBS

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

GROUP 2: EDUCATION AND RESEARCH

2 100 PRIMARY AND SECONDARY EDUCATION

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

2 200 HIGHER EDUCATION

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

2 300 OTHER EDUCATION

- Vocational/technical schools - Technical and vocational training specifically geared towards gaining employment; includes trade schools, paralegal training and secretarial schools.

APPENDIX 1 ICNPO CLASSIFICATION *continued*

GROUP 2: EDUCATION AND RESEARCH *continued*

- Adult/continuing education - Institutions engaged in providing education and training in addition to the formal educational system; includes schools of continuing studies, correspondence schools, night schools and sponsored literacy and reading programs.

2 400 RESEARCH

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

GROUP 3: HEALTH

3 100 HOSPITALS AND REHABILITATION

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

3 200 NURSING HOMES

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

3 300 MENTAL HEALTH AND CRISIS INTERVENTION

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

3 400 OTHER HEALTH SERVICES

- Public health and wellness education - Public health promotion and health education; includes sanitation screening for potential health hazards, first aid training and services and family planning services.
- Health treatment, primarily outpatient - Organisations that provide primarily outpatient health services, e.g., health clinics and vaccination centres.
- Rehabilitative medical services - Outpatient therapeutic care; includes nature cure centres, yoga clinics and physical therapy centres.
- Emergency medical services - Services to persons in need of immediate care; includes ambulatory services and paramedical emergency care, shock/trauma programs, lifeline programs and ambulance services.

GROUP 4: SOCIAL SERVICES

4 100 SOCIAL SERVICES

- Child welfare, child services and day care - Services to children, adoption services, child development centres, foster care; includes infant care centres and nurseries.
- Youth services and youth welfare - Services to youth; includes delinquency prevention services, teen pregnancy prevention, drop-out prevention, youth centres and clubs and job programs for youth; includes YMCA, YWCA, Boy Scouts, Girl Scouts and Big Brothers/Big Sisters.
- Family services - Services to families; includes family life/parent education, single parent agencies and services and family violence shelters and services.
- Services for the handicapped - Services for the handicapped; includes homes, other than nursing homes, transport facilities, recreation and other specialised services.

APPENDIX 1 ICNPO CLASSIFICATION *continued*

GROUP 4: SOCIAL SERVICES

continued

- Services for the elderly - Organisations providing geriatric care; includes in-home services, homemaker services, transport facilities, recreation, meal programs and other services geared towards senior citizens (does not include residential nursing homes).
- Self-help and other personal social services - Programs and services for self-help and personal development; includes support groups, personal counselling and credit counselling/money management services.

4 200 EMERGENCY AND RELIEF

- Disaster/emergency prevention and control - Organisations that work to prevent, predict, control and alleviate the effects of disasters, to educate or otherwise prepare individuals to cope with the effects of disasters, or to provide relief to disaster victims; includes volunteer fire departments, life boat services etc.
- Temporary shelters - Organisations providing temporary shelters to the homeless; includes travellers' aid and temporary housing.
- Refugee assistance - Organisations providing food, clothing, shelter and services to refugees and immigrants.

4 300 INCOME SUPPORT AND MAINTENANCE

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

GROUP 5: ENVIRONMENT

5 100 ENVIRONMENT

- Pollution abatement and control - Organisations that promote clean air, clean water, reducing and preventing noise pollution, radiation control, treatment of hazardous wastes and toxic substances, solid waste management and recycling programs.
- Natural resources conservation and protection - Conservation and preservation of natural resources, including land, water, energy and plant resources for the general use and enjoyment of the public.
- Environmental beautification and open spaces - Botanical gardens, arboreta, horticultural programs and landscape services; Organisations promoting anti-litter campaigns; programs to preserve the parks, green spaces and open spaces in urban or rural areas; and city and highway beautification programs.

5 200 ANIMAL PROTECTION

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

GROUP 6: DEVELOPMENT AND HOUSING

6 100 ECONOMIC, SOCIAL AND COMMUNITY DEVELOPMENT

- Community and neighbourhood organisations - Organisations working towards improving the quality of life within communities or neighbourhoods, e.g., squatters' associations, local development organisations and poor people's cooperatives.
- Economic development - Programs and services to improve economic infrastructure and capacity; includes building of infrastructure, such as roads, and financial services, such as credit and savings associations, entrepreneurial programs, technical and managerial consulting and rural development assistance.
- Social development - Organisations working towards improving the institutional infrastructure and capacity to alleviate social problems and to improve general public well-being.

APPENDIX 1 ICNPO CLASSIFICATION *continued*

GROUP 6: DEVELOPMENT AND HOUSING *continued*

6 200 HOUSING

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

6 300 EMPLOYMENT AND TRAINING

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

GROUP 7: LAW, ADVOCACY AND POLITICS

7 100 CIVIC AND ADVOCACY ORGANISATIONS

- Advocacy organisations - Organisations that protect the rights and promote the interests of specific groups of people, e.g., the physically handicapped, the elderly, children and women.
- Civil rights associations - Organisations that work to protect or preserve individual civil liberties and human rights.
- Ethnic associations - Organisations that promote the interests of or provide services to members belonging to a specific ethnic heritage.
- Civic associations - Programs and services to encourage and spread civic mindedness.

7 200 LAW AND LEGAL SERVICES

- Legal services - Legal services, advice and assistance in dispute resolution and court-related matters.
- Crime prevention and public policy - Crime prevention to promote safety and precautionary measures among citizens.
- Rehabilitation of offenders - Programs and services to reintegrate offenders; includes halfway houses, probation and parole programs, prison alternatives.
- Victim support - Services, counsel and advice to victims of crime.
- Consumer protection associations - Protection of consumer rights and the improvement of product control and quality.

7 300 POLITICAL ORGANISATIONS

- Political parties and organisations - Activities and services to support the placing of particular candidates into political office; includes dissemination of information, public relations and political fundraising.

GROUP 8: PHILANTHROPIC INTERMEDIARIES AND VOLUNTARISM PROMOTION

8 100 GRANT-MAKING FOUNDATIONS

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

8 200 OTHER PHILANTHROPIC INTERMEDIARIES AND VOLUNTARISM PROMOTION

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

GROUP 9: INTERNATIONAL

9 100 INTERNATIONAL ACTIVITIES

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

APPENDIX 1 ICNPO CLASSIFICATION *continued*

GROUP 9: INTERNATIONAL *continued*

- International disaster and relief organisations - Organisations that collect, channel and provide aid to other countries during times of disaster or emergency.
- International human rights and peace organisations - Organisations which promote and monitor human rights and peace internationally.

GROUP 10: RELIGION

10 100 RELIGIOUS CONGREGATIONS AND ASSOCIATIONS

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

GROUP 11: BUSINESS AND PROFESSIONAL ASSOCIATIONS, UNIONS

11 100 BUSINESS ASSOCIATIONS

- Business associations - Organisations that work to promote, regulate and safeguard the interests of special branches of business, e.g. manufacturers' association, farmers' association and bankers' association.

11 200 PROFESSIONAL ASSOCIATIONS

- Professional associations - Organisations promoting, regulating and protecting professional interests, e.g., bar associations and medical associations.

11 300 LABOUR UNIONS

- Labour unions - Organisations that promote, protect and regulate the rights and interests of employees.

GROUP 12: NOT ELSEWHERE CLASSIFIED

12 100 NOT ELSEWHERE CLASSIFIED

- All other not-for-profit organisations.

APPENDIX 2 ANZSIC—ICNPO CONCORDANCE

CONCORDANCE: ICNPO-ANZSIC06

<i>ICNPO</i>	<i>Description</i>	<i>ANZSIC06</i>	<i>Description</i>
Group 1	Culture and recreation		
1100	Culture and arts	5 511	Motion picture and video production
		5 512	Motion picture and video distribution
		5 513	Motion picture exhibition
		5 514	Post production services and other motion picture and video activities
		5 522	Music and other sound recording activities
		5 610	Radio broadcasting
		5 621	Free-to-air television broadcasting
		5 622	Cable and other subscription broadcasting
		6 010	Libraries and archives
		7 299	Other administrative services n.e.c.
		8 910	Museum operation
		8 921	Zoological and botanical gardens operation
		8 922	Nature reserves and conservation parks operation
		9 001	Performing arts operation
		9 002	Creative artists, musicians, writers and performers
		9 003	Performing arts venue operation
1200	Sports	8 211	Sports and physical recreation instruction
		9 111	Health and fitness administration
		9 112	Sports and physical recreation clubs and sports professionals
		9 113	Sports and physical recreation venues, grounds and facilities operation
		9 114	Sports and physical recreation administrative service
		9 121	Horse and dog racing administration and track operation
		9 129	Other horse and dog racing activities
		7 299	Other administrative services n.e.c.
1300	Other recreation and social clubs	4 530	Hospitality clubs
		5 010	Scenic and sightseeing transport
		9 001	Performing arts operation
		9 131	Amusement parks and centres operation
		9 139	Amusement and other recreational activities n.e.c.
		9 201	Casino operation
		9 202	Lottery operation
		9 209	Other gambling activities
Group 2	Education and research		

APPENDIX 2 ANZSIC—ICNPO CONCORDANCE *continued*

CONCORDANCE: ICNPO-ANZSIC06 *continued*

ICNPO	Description	ANZSIC06	Description
2100	Primary and secondary education	4 512	Takeaway food services (including canteens)
		8 021	Primary education
		8 022	Secondary education
		8 023	Combined primary and secondary education
		8 024	Special school education
2200	Higher education	8 102	Higher education
		8 101	Technical and vocational education
2300	Other education	8 010	Preschool education
		8 212	Arts education
		8 219	Adult, community and other education n.e.c.
		8 220	Educational support services
2400	Research	6 910	Scientific research services
Group 3	Health		
3100	Hospitals and rehabilitation	8 401	Hospitals (except psychiatric hospitals)
3200	Nursing homes	8601(part)	Aged care residential services
3300	Mental health and crisis intervention	8 402	Psychiatric hospitals
3400	Other health services	8 511	General practice medical services
		8 512	Specialist medical services
		8 520	Pathology and diagnostic imaging services
		8 531	Dental services
		8 532	Optometry and optical dispensing
		8 533	Physiotherapy services
		8 534	Chiropractic and osteopathic services
		8 539	Other allied health services
		8 591	Ambulance services
		8 599	Other health care services n.e.c.
Group 4	Social services		
4100	Social services	4 400	Accommodation services
		7 714	Correctional and detention services
		8601(part)	Aged care residential services
		8 609	Other residential care services
		8 710	Child care services
		8 790	Other social assistance services
4200	Emergency and relief	7 713	Fire protection and other emergency services
		8 609	Other residential care services
4300	Income support and maintenance(a)	9559 (part)	Other interest groups n.e.c.
Group 5	Environment		
5100	Environment	9559 (part)	Other interest groups n.e.c.
5200	Animal protection	9559 (part)	Other interest groups n.e.c.
Group 6	Development and housing		

(a) ICNPO subgroup 'Income support and maintenance' concurred to part of ANZSIC06 class 9559 (Other interest groups n.e.c.). It was not possible to select only the 'Income support and maintenance' units from ANZSIC 9559, therefore 'Income support and maintenance' was excluded from Group 4 (Social Services).

APPENDIX 2 ANZSIC—ICNPO CONCORDANCE *continued*

CONCORDANCE: ICNPO-ANZSIC06 *continued*

ICNPO	Description	ANZSIC06	Description
6100	Economic, social and community development	9559 (part)	Other interest groups n.e.c.
6200	Housing	6 711	Residential property operators
6300	Employment and training	7 211	Employment placement and recruitment services
		7 212	Labour supply services
Group 7	Law, advocacy and politics		
7100	Civic and advocacy organisations	6 931	Legal services
7200	Law and legal services	6 931	Legal services
7300	Political organisations	9559 (part)	Other interest groups n.e.c.
Group 8	Philanthropic intermediaries and voluntarism		
8100	Grant-making foundations	9559 (part)	Other interest groups n.e.c.
8200	Other philanthropic intermediaries and voluntarism promotion	9559 (part)	Other interest groups n.e.c.
Group 9	International		
9100	International activities	9559 (part)	Other interest groups n.e.c.
Group 10	Religion		
10100	Religious congregations and associations	9 540	Religious services
Group 11	Business and professional associations, unions		
11100	Business associations	9 551	Business and professional association services
11200	Professional associations	9 551	Business and professional association services
11300	Labour unions	9 552	Labour association services
Group 12	Not elsewhere classified		
12100	Not elsewhere classified		all other ANZSIC06s

APPENDIX 3 VOLUNTARY WORK SURVEY ORGANISATION TYPE

The following table shows the concordance between the Voluntary Work survey type of organisation categories and ICNPO.

VOLUNTARY WORK SURVEY ORGANISATION TYPE — ICNPO

<i>Voluntary work survey type of organisation</i>	<i>ICNPO</i>	<i>2006-07 NPI Satellite Account ICNPO(a)</i>
Arts/ Heritage	Group 1: Culture and recreation - 1100 "Culture and Arts"	1 Culture and recreation
Business/ professional/ union	Group 11: Business and Professional associations, unions	11 Business and Professional Associations, Unions
Community/ Welfare	Group 4: Social services - 4100 "Social services"	4 Social services
Education/ training	Group 2: Education and Research	2 Education and research
Emergency services	Group 4: Social services - 4200 "Emergency relief"	4 Social services
Environment/ animal welfare	Group 5: Environment	19 Environment, development, housing, employment, law, philanthropic, international
International aid/ development	Group 9: International	19 Environment, development, housing, employment, law, philanthropic, international
Health	Group 3: Health	3 Health
Law/ justice political	Group 7: Law, advocacy and politics	19 Environment, development, housing, employment, law, philanthropic, international
Parenting/ children/ youth	Group 4: Social services	4 Social services
Religious	Group 10: Religion	10 Religion
Sport/ physical recreation	Group 1: Culture and recreation - 1200 "Sports"	1 Culture and recreation
Other recreation/ interest	Group 1: Culture and recreation	1 Culture and recreation
Ethnic and ethnic Australian groups	Group 4: Social services	4 Social services
Other unspecified	Group 12: nec	00 Other activities

(a) For the purposes of NPI Satellite Account compilation, the 12 ICNPO groups were rearranged to form 9 ICNPO groups. For further information, refer to the ICNPO classification.

APPENDIX 4 CONCEPTUAL FRAMEWORK

INTRODUCTION

The national accounts are a comprehensive set of economic data which are fully consistent and complete within the boundary of the economic activities they cover. Gross domestic product (GDP) is perhaps the most recognisable and important economic statistic from the core national accounts. Satellite accounts allow an expansion of the national accounts for selected areas of interest while maintaining the concepts and structures of the core national accounts. Satellite accounts present specific details on a particular topic in an account which is separate from, but linked to, the core accounts. A non-profit institutions satellite account highlights non-profit institutions (NPIs) within the national accounting framework.

Implicitly, the data in respect of NPIs are included in the national accounts. The value of NPIs sales and transfers, compensation of employees and other items of income and expenditure are all part of the economic activity measured in the Australian national accounts. However, while all the production of NPIs is embedded in the accounts for industries such as health and community services and education, they are not separately identified.

An NPI satellite account provides a means by which the economic aspects of NPIs can be drawn out and analysed separately within the structure of the main accounts. One of the major features of an NPI satellite account is that it is set within the context of the whole economy, so that NPIs contribution to major national accounting aggregates can be determined. The NPI satellite account has two dimensions. The first is referred to as measurement on a national accounts basis. This is equivalent to production and other economic aggregates as defined in the national accounts. The second dimension is referred to as measurement on an NPI satellite account basis. This dimension extends the boundary of national accounts to include values for the non market output of market producers and NPI services provided by volunteers. Measurement on an NPI satellite account basis provides a more complete picture of the value of NPIs to society than is evident in estimates included in the national accounts.

INTERNATIONAL STANDARDS

The international standard for national accounting is the *System of National Accounts 1993* (SNA93). It makes recommendations about the scope, concepts and classifications to be used in compiling national accounts estimates. Australia's national accounts, like those of most other countries, are as far as possible compiled according to those guidelines. While the SNA93 contains recommendations about the separate identification of a sub set of NPIs the ABS, along with many other countries, has not yet implemented those recommendations.

The concepts and methods used in the Australian NPI satellite account are based on *The Handbook on Nonprofit Institutions in the System of National Accounts*. The *Handbook* was endorsed by the United Nations Statistical Commission in 2002.

THE SYSTEM OF NATIONAL ACCOUNTS

SNA93 identifies five institutional sectors which are the core building blocks of the national accounts. These are:

- Financial corporations
- Non financial corporations
- General government
- Households, and
- Non-profit institutions serving households (NPISH).

Each of these institutional sectors is made up of individual units capable of engaging in economic activities and transactions with other units, including non-residents. NPI units are concentrated in the NPISH sector but may also be included in other sectors. The table below shows the composition and structure of institutional units recommended in the SNA93.

APPENDIX 4 CONCEPTUAL FRAMEWORK *continued*

<i>Institutional units</i>	<i>Non-financial corporations sector</i>	<i>Financial corporations sector</i>	<i>General government sector</i>	<i>Households sector</i>	<i>Non-profit institutions serving households sector</i>
Corporations	Non financial corporations	Financial corporations			
Government units			Government units		
Households				Households	
Non-profit institutions (NPIs)	Non financial market NPIs	Financial market NPIs	Non market NPIs controlled and mainly financed by government units *		Non market NPIs serving households

THE SYSTEM OF NATIONAL ACCOUNTS *continued*

* The *Standard Economic Sector Classifications of Australia* (cat. no.1218.0) states the following with regard to government controlled NPIs:

3.6 "...Although it is theoretically possible for NPIs to be controlled by government units, this does not occur in Australia and is not discussed in this publication."

Institutional units can be engaged in market and non market production, and this affects the sector of the economy to which they are allocated in the national accounts.

According to the *Standard Economic Sector Classifications of Australia* (cat. no.1218.0), market and non-market operators are defined as follows:

3.19 "...Market operators are units which respond to market forces. Market operators make decisions about what to produce and how much to produce in response to expected levels of demand and expected costs of supply and are exposed to the risks associated with this production. Market operators adjust supply either with the goal of making a profit in the long run or, at a minimum, covering capital and other costs."

3.21 "...Non-market operators are not likely to respond to changes in economic conditions in the same way as market operators. Their economic behaviour is influenced by the receipt of material financial support in the form of transfers such as grants and donations."

NPIs defined as market operators are classified to either the Non financial or Financial corporations sectors. Examples of market NPIs include business and professional associations.

NPIs defined as non market operators are classified to the NPISH sector. Examples of non market NPIs include churches and most welfare organisations.

Australia implemented the majority of the recommendations of SNA93 in 1998. However, a decision was made to continue the existing practice of combining accounts for the household and NPISH sectors into a single sector pending the development of satisfactory data to allow a separate NPISH sector to be identified in the accounts. This satellite account is part of that development process.

NON-PROFIT INSTITUTIONS

Non-profit institutions are typically thought of as charities or community service organisations, but they are more than this. NPIs cover a wide range of activities and include organisations serving corporations as well as households. NPIs may be engaged in either market production or non market production, or a combination of both. SNA93 defines non-profit institutions in the following terms:

'...NPIs are defined as being legal or social entities created for the purpose of producing goods or services, whose status does not permit them to be a source of income, profit or other financial gain for the units that establish them.' (SNA93 4.54)

Non-profit in the title does not mean that such institutions do not, or are not capable of making a profit in the generally accepted sense.

NON-PROFIT INSTITUTIONS

continued

'...In practice, their productive activities are bound to generate either surpluses or deficits but any surpluses they happen to make cannot be appropriated by other institutional units. The articles of association by which they are established are drawn up in such a way that the institutional units which control or manage them are not entitled to share in any profits or other income which they receive. For this reason, they are frequently exempted from various kinds of taxes.' (SNA93 4.54)

SNA93 (4.56) describes the characteristics that distinguish NPIs from other institutional units. In summary, these include:

- Most NPIs are legal entities created by process of law whose existence is recognised independently of the persons, corporations or government units that establish, finance, control or manage them.
- Many NPIs are controlled by associations whose members have equal rights, including equal votes on all decisions affecting the affairs of the NPI.
- There are no shareholders with a claim on the profits or equity of the NPI.
- The direction of an NPI is usually vested in a group of officers, executive committee or similar body elected by a simple majority vote of all the members.
- The term 'non-profit institution' derives from the fact that the members of the association controlling the NPI are not permitted to gain financially from its operations and cannot appropriate any surplus which it may make.

While it was considered that the SNA93 definition was broadly appropriate for NPIs, the *Handbook* provides a 'structural-operational' definition of NPIs which is the primary basis for the identification of NPI units on the ABS Business Register of organisations. The *Handbook* defines NPIs as entities that share the following set of five characteristics.

The NPI sector consists of units that are:

- organisations;
- do not exist primarily to generate profits and are non-profit distributing where they do make a profit;
- institutionally separate from government;
- self governing;
- non compulsory.

These characteristics are complementary to the SNA93 description of NPIs, though the notion of 'non compulsory' is introduced for the first time.

'...Non compulsory means that membership and contributions of time and money are not required or enforced by law or otherwise made a condition of citizenship' (*Handbook*, 2.19).

While non-profit organisations can perform regulatory functions that make membership in them necessary in order to practice a profession, the organisation can still be considered non compulsory so long as membership is not a condition of citizenship.

THE PRODUCTION BOUNDARY AND VALUATION OF NPI OUTPUT

The first dimension of the NPI satellite account provides estimates of production consistent with the production boundary of the national accounts. For the purposes of the satellite account publication, this is referred to as measurement on a national accounts basis. The second dimension extends the boundary beyond that defined for national accounts to include values for the non market output of market producers and volunteer services. This extended dimension is referred to as measurement on an NPI satellite account basis.

For market NPIs, valuation of the output of NPIs on a national accounts basis is consistent with the valuation method for incorporated and unincorporated enterprises more generally in the national accounts. It is the sum of:

APPENDIX 4 CONCEPTUAL FRAMEWORK *continued*

THE PRODUCTION BOUNDARY AND VALUATION OF NPI OUTPUT *continued*

- the total value of goods and services sold. In this context, the notion of income from service provision includes income received from governments on a volume basis (e.g. per student, per patient), rent, leasing and hiring income, membership fees and sponsorships;
- the total value of goods and services bartered or used as payments in kind, including to employees; and
- the total value of changes in inventories of finished goods and work in progress intended for one or other of the above uses.

The absence of a market price for non market services means that the output of non market NPIs is valued as the costs of production. These costs exclude interest payments and other transfers. Output for non market units is the sum of:

- purchases or intermediate consumption of goods and services;
- labour costs;
- depreciation; and
- taxes less subsidies on production, e.g. land tax and payroll tax.

This valuation of non market NPIs is consistent with the convention adopted for the valuation of General government sector output, the other non-market sector in the national accounts.

Although non market NPIs receive most of their income from sources such as transfers from government and donations, they may also receive revenue from sales of goods and services. If this were also included in the measure of output the value would be distorted by double counting. Once an NPI is defined as a non market producer because it provides most of its output free or at prices which are not economically significant, all output is then valued at cost.

GROSS VALUE ADDED AND GDP

NPI gross value added and NPI GDP are the major economic aggregates derived in this satellite account.

Gross value added shows the value which a producer adds to the raw material goods and services it purchases in the process of producing its own output. NPI gross value added is measured as the value of the output of NPI goods and services less the value of the intermediate consumption inputs used in its production. As non market NPI output is valued at cost, gross value added for non market NPIs is also equivalent to the sum of labour costs, depreciation and other taxes less subsidies on production, e.g. land tax and payroll tax. Output and value added is measured at basic prices, that is before any net taxes (taxes paid less subsidies received) on products are added.

NPI GDP measures the value added of NPIs at purchasers prices. It therefore includes taxes paid less subsidies received on NPI goods and services, as these are reflected in the prices consumers actually pay.

NPI INCOME — TRANSFERS AND SALES

NPIs receive income from market sales of goods and services, from governments, private sponsorships and donations and from other sources such as interest and dividends received on investments in financial assets. The satellite account makes a distinction between what is termed 'transfer income' and 'sales of goods and services'. Transfers are transactions in which one unit receives resources from another unit without providing a good or service in return. Receipts of donations, bequests, government funding which is not provided on a volume basis and income received from related or affiliated organisations are classified as transfers received. Sales of goods and services on the other hand are transactions where payment is received in return for a benefit provided. Sales income includes rent, leasing and hiring income, sponsorships, membership fees and government funding which is provided on a volume basis (e.g. per student, per patient).

NON MARKET OUTPUT OF MARKET PRODUCERS

The NPI satellite account extends the SNA93 production boundary beyond that which is usually measured in the national accounts. One such extension to the production boundary is the inclusion of a value for the non market output of market producers.

The non market output of market producers measures that component of the output of market NPIs which is not captured when output of market units is valued under the standard SNA convention of valuation by sales. The *Handbook* argues that if such an adjustment is not made to value any non market output produced by market units, then the value of the output of market NPIs is understated as such units can produce significant amounts of output which are supported by charitable contributions or other transfers that is not evident in sales revenue.

The non market output of market producers is valued as the difference between the output of market units when calculated by the standard SNA valuation method for non market units of cost summation, and output as calculated by the standard SNA method for market units of valuation by sales. Where output on a cost valuation basis exceeds output on a sales valuation basis, the difference is taken to be the non market output of market producers. Where output on a sales basis exceeds output on a cost basis, non market output of market producers is assumed to equal zero.

VOLUNTEER SERVICES

The second extension to the SNA93 production boundary which is seen in the NPI satellite account is the inclusion of a value for the services provided to NPIs by volunteers. SNA93 excludes all unpaid labour, including the value of volunteering.

The *Handbook* recognises that as volunteer labour is critical to the output of NPIs and their ability to produce a level and quality of service, it is important to capture and value this activity in the NPI satellite account. The *Handbook* proposes three methods by which volunteer services can be valued. Each method involves assigning a wage rate to the total number of hours worked by volunteers.

The first such valuation method mentioned in the *Handbook* is referred to as the "opportunity cost" approach. The notion behind this approach is that each hour of volunteer time should be valued at what the time is worth to the volunteer in some alternative pursuit. The applicable wage rate at which an hour of volunteer time is valued in this instance is therefore the wage rate associated with the usual occupation of the volunteer. The *Handbook* recognises that while theoretically desirable for some analytical purposes, this valuation approach is not often used. The ABS has considerable reservations as to the appropriateness of this valuation method, as it assumes that paid work is foregone in order to undertake voluntary work. Most workers, however, have limited choices in the hours they work and are more likely to be giving up leisure time for voluntary work. This being the case, the opportunity cost should not be based on the wage they receive in the market but on the value they place on leisure. Valuation of goods and services at market prices is fundamental to national accounting. In this context, two volunteers involved in identical unpaid activity should be valued at the same hourly rate irrespective of what they could each earn in their paid occupations. Additionally, this method raises the issue as to which is the appropriate wage rate to apply to those volunteers who do not have a usual occupation, for example those who are retired or unemployed or otherwise not in the labour force.

The second valuation method proposed in the *Handbook* is the "replacement cost" or "market cost" approach. This approach recommends that each hour of volunteer time be valued at what it would cost the organisation to replace the volunteer with paid labour. The applicable wage rate at which an hour of volunteer time is valued in this instance relates to the particular activity being undertaken by the volunteer. While this method is preferred over the opportunity cost approach, the value of volunteer services may be under or over estimated using this approach depending on variations in the productivity

APPENDIX 4 CONCEPTUAL FRAMEWORK *continued*

VOLUNTEER SERVICES

continued

of volunteers compared with labour provided to the market sector. The estimate of volunteer services included in this satellite account is based on this approach.

The *Handbook* recognises that both the opportunity and replacement cost methods require more information on the activities in which volunteers engage than is likely to be available in most countries. Where detailed data on volunteering are not available, the *Handbook* recommends a fallback option which values each hour of volunteer time at the average gross wage for the community, welfare and social service occupation category. The *Handbook* argues that the work of volunteers is most likely to resemble this occupation category, and that the associated wage rate is conservative and typically towards the low end of the income scale but not at the very bottom.

CLASSIFICATIONS

The classification system used in this satellite account is a reduced version of the classification that is recommended in the *Handbook*, the *International Classification of Nonprofit Organisations* (ICNPO). Although ICNPO does include some purpose criteria, it is fundamentally an activity classification. ICNPO permits a fuller specification of the components of the non-profit sector than the industry classification used in Australia, the *Australian and New Zealand Standard Industrial Classification* (ANZSIC). In some instances the detailed ANZSIC codes cut across several ICNPO groups and sub groups. In keeping with the current availability of data, a number of the broad level ICNPO groups have been combined in this publication and estimates have not been produced for classifications below the group level. A full version of ICNPO and the concordance between ICNPO and the ANZSIC classification are shown as part of the satellite account publication.

Data on voluntary work was collected using an activity classification which is similar to ICNPO, at least at the Group level. A concordance between ICNPO and the type of organisation for which volunteers worked is also available.

The principles detailed in the *Standard Economic Sector Classifications of Australia* (cat. no. 1218.0) have been applied to determine the market/non market classification of NPI data.

APPENDIX 5 SCOPE OF AUSTRALIAN NPI SATELLITE ACCOUNT

INTRODUCTION

The Australian NPI satellite account does not attempt to measure the universe of entities that could be defined as NPIs. This is partly for practical and partly for conceptual reasons. Decisions made around scope can significantly affect the size of the NPI sector, particularly with regard to units such as universities and public hospitals and the correct or theoretically desirable classification of units is far from clear cut in some instances.

DEFINITION OF AN NPI

The *Handbook* defines non-profit organisations in paragraphs 2.15 to 2.19 as:

- Organisations; which are
- Not-for-profit and non-profit-distributing;
- Institutionally separate from government;
- Self-governing; and
- Non compulsory.

This definition forms the basis of what is included within the scope of the NPI satellite account. Each criterion and its conceptual and practical implications is discussed below.

ORGANISATIONAL EXISTENCE

The first criterion noted in the *Handbook* refers to organisational existence. This means that in order to meet the definition of an NPI, an entity must have some institutional reality and a meaningful organisational boundary separate and distinct from its members.

For the purposes of the satellite account, a practical means to identify that an entity meets this criterion is the existence of an ABN. Without an ABN, an entity can not have employees or accept tax deductible donations. There are many non-profit groups in Australia who do not have an ABN, some of which if examined closely could be argued to have a separate organisational existence. However, if such groups are unable to employ or accept tax deductible donations then the economic significance of such units is likely to be negligible.

NOT-FOR-PROFIT AND NON-PROFIT DISTRIBUTING

The next criterion discussed in the *Handbook* is that in order to meet the definition of an NPI, an entity must be both not-for-profit and non-profit-distributing. This means that the organisation does not exist primarily to make a profit, and any surplus it accumulates must not be distributed to owners or members.

For the purposes of the satellite account, this meant that a number of units were excluded from the scope of the account on the basis that they are able to distribute surpluses to members, either on an ongoing basis or on liquidation. The *Handbook* mentions that to the extent that they are able to distribute profits to members, cooperatives and mutual societies are excluded from the NPI sector. Also excluded from the satellite account on this basis are strata titles, credit unions and building societies. According to ABN counts, there are currently approximately 103,000 strata titles in Australia, and according to the Australian Prudential and Regulatory Authority (APRA), as at June 2007 there were 143 credit unions and 14 building societies in Australia. Credit unions and building societies received interest income of \$2,747.2 million and \$1,351.2 million respectively in 2006-07.

Consistent with the previous NPI satellite account, any units classified to either finance or insurance were also excluded from the scope of the satellite account. There are a number of religious charitable development funds operating in Australia which are classifiable to the Financial corporations sector. According to APRA, there are approximately 55 of these funds in Australia.

INSTITUTIONALLY SEPARATE FROM GOVERNMENT

The third criterion discussed in the *Handbook* is that in order to meet the definition of an NPI, an entity must be institutionally separate from government. This means that the organisation must have sufficient discretion with regard to both its production and use of funds, and that its operating and financing activities cannot be fully integrated with government finances.

APPENDIX 5 SCOPE OF AUSTRALIAN NPI SATELLITE ACCOUNT *continued*

INSTITUTIONALLY SEPARATE FROM GOVERNMENT *continued*

For the purposes of the satellite account, this meant that any unit which was classified to the General government sector was excluded on the basis that if the unit is sufficiently controlled by government to be included in the General government sector, its finances are integrated with those of the government and the unit is not sufficiently separate from government to satisfy this criterion.

SELF GOVERNING

The fourth criterion discussed in the *Handbook* is that in order to meet the definition of an NPI, an organisation must be self governing. This means that the organisation must be able to control its own activities and is not under the effective control of any other entity.

NON COMPULSORY

The final criterion mentioned in the *Handbook* is that in order to meet the definition of an NPI, an organisation must be non compulsory. This means that membership or contributions of time and money can not be required or enforced by law or otherwise made a condition of citizenship. However, a unit is still considered an NPI if membership is a necessary condition in order to practice a particular profession. For the purposes of the satellite account, this meant that professional associations are within scope.

SUMMARY

When all of the above criteria have been considered, the overall scope of the NPI satellite account is:

- all organisations registered for an ABN;
- which are not-for-profit and non-profit-distributing; and
- institutionally separate from government; and
- self governing; and
- non compulsory.

These criteria limit the scope of the NPI satellite account to all non profit organisations registered for an ABN which are classified to either the Non-financial corporations sector or the Non-profit institutions serving households sector.

APPENDIX 6 DATA SOURCES AND COMPILATION METHODS

INTRODUCTION

The NPI satellite account has been compiled from a variety of data sources, including ABS economic and social collections. The sources used to compile the various data contained in the satellite account are outlined below.

MONETARY AGGREGATES

The bulk of the data contained in the NPI satellite account are monetary aggregates. This includes data about income, use of income, capital expenditure and asset stocks, as well as the national accounting measures of output of goods and services and gross value added. The data used to compile this information were taken from the ABS publication *Not-for-profit Organisations Australia, 2006-07* (cat. no. 8106.0). This publication presents the results of a survey of all employing and significant non employing non-profit organisations which collected a range of information from a sample of these organisations, including detailed information about their financial performance over the reporting period. Information from the ABS Business Register of organisations was used to compile data about the number of non-profit organisations.

Micro non employing non-profit organisations with turnover below a set threshold were excluded from the scope of *Not-for-profit Organisations Australia, 2006-07*. Information for these organisations was therefore taken from Business Activity Statement (BAS) data as collected by the Australian Taxation Office. Data available from BAS records included in the satellite account relate to sales and service income, wages and salaries and non capitalised purchases. Data for other survey questionnaire items, including transfers and donations paid and received, were available from BAS records, nor was a suitable imputation method apparent for these items.

EMPLOYMENT AND VOLUNTEERS

Data in respect of permanent full time, permanent part time and casual paid employees of NPIs were taken from *Not-for-profit Organisations Australia, 2006-07*. Given the nature of the administrative arrangements for deducting tax with respect to paid employees, the ABN based survey frame should cover all employing NPIs.

Not-for-profit Organisations Australia, 2006-07 also collected information as to the number of volunteers that each organisation surveyed reported had worked for their organisation during the reporting period. However, more detailed information on volunteering is available from the ABS publication *Voluntary Work, Australia 2006* (Cat. no. 4441.0). The estimates presented in the *Voluntary Work, Australia 2006* publication are based on a household survey which collected detailed information about the activities undertaken by volunteers and their personal characteristics. This survey methodology is very different to that used in the *Not-for-profit Organisations Australia, 2006-07* publication, which is based on a survey of businesses/organisations that focussed on collecting information about the financial performance of these organisations over the reporting period. Given the different survey collection methods, it was considered that the data on the number of volunteers contained in the *Voluntary Work Australia, 2006* publication provided a more complete analysis of volunteer activity and would be used in the satellite account. Data on the number of annual hours volunteered was also taken from *Voluntary Work Australia, 2006*.

VOLUNTEER SERVICES

The compilation of data about the value of volunteer services involved taking information on the annual hours volunteered from the *Voluntary Work Australia, 2006* publication and assigning a wage rate to each of those hours. Information on wages and average weekly hours worked was taken from the ABS publication *Employee Earnings and Hours Australia, May 2006* (Cat. no. 6306.0). As detailed in the discussion contained in the conceptual framework, the *Handbook* recommends three alternative methods for estimating the value of volunteer services. The compilation of each of these methods and the different results generated are outlined below.

APPENDIX 6 DATA SOURCES AND COMPILATION METHODS *continued*

VOLUNTEER SERVICES

continued

<i>Valuation method</i>	<i>Volunteer services (\$b)</i>	<i>Full-time equivalent persons</i>
Opportunity cost	16.2	312 500
Replacement cost	14.6	317 200
Fallback option	14.6	313 400

The first valuation method described in the *Handbook* is the opportunity cost approach. Under this method, the appropriate wage rate to apply to each volunteer hour is what the volunteer could earn in their usual occupation. Data on the number of hours volunteered, classified by the usual occupation of the volunteer, was obtained from *Voluntary Work Australia, 2006*. Occupation categories are based on the *Australian and New Zealand Standard Classification of Occupations, First edition* (Cat. no. 1220.0). The number of hours volunteered for each occupation category was then multiplied by the relevant wage rate for that occupation category. For each valuation method described, calculations were done separately for males and females and the average ordinary time hourly rate for non managerial employees was used. Where the volunteer did not nominate a usual occupation, for example they were retired or not in the labour force, the average wage rate for all occupation categories was applied. The opportunity cost approach valued total volunteer services at \$16.2 billion. In addition, the total number of volunteer hours are able to be converted to full time equivalents by dividing hours volunteered by the average ordinary time hours worked in full time occupations associated with each occupation category. Full time equivalents will therefore vary with each valuation method, depending on the occupation categories used. Full time equivalents under the opportunity cost approach were 312,500 persons.

The second valuation method noted in the *Handbook* is the replacement cost approach. Under this method, the appropriate wage rate to apply to each volunteer hour is that associated with the activity being undertaken by the volunteer. *Voluntary Work Australia, 2006* does not contain information about the number of hours volunteered by each type of activity, so a single wage rate was applied to each volunteer hour under this method. This wage rate was calculated in a two step process. Firstly, volunteer activities were matched to occupation categories to determine a wage rate for each activity. For some volunteer activities, more than one occupation category was matched to the activity and in these instances an average of the relevant occupations was used. The second step was to weight the results for each activity to calculate a single weighted average wage rate. This weighted average wage for all activities was then applied to each volunteer hour to calculate the value of volunteer services. Weights for each activity were based on the actual number of volunteer involvements associated with the activity compared with the average number of involvements for all activities. The value of volunteer services calculated using the replacement cost method have been included in the satellite account, as this valuation method was considered the most appropriate. As seen in table 14 of the satellite account, volunteer services under this method were \$14.6 billion and full time equivalents were 317,200 persons. When volunteering for government and other organisations is added in order to value volunteering for all organisations, volunteer services under this method were \$16.5 billion and full time equivalents were 359,700 persons.

The *Handbook* recognises that data necessary to populate the opportunity or replacement cost approaches will not be available in all countries. Where detailed data on volunteering is not available, the *Handbook* recommends a fallback option which values each hour of volunteer time at the average gross wage for the community, welfare and social service occupation category. Under this approach, volunteer services were valued at \$14.6 billion and full time equivalents were 313,400 persons. While by

APPENDIX 6 DATA SOURCES AND COMPILATION METHODS *continued*

VOLUNTEER SERVICES

continued

coincidence the value of volunteer services under this approach when rounded is the same as that generated under the replacement cost approach, the number of full time equivalents differ under each approach as the average weekly hours worked in the relevant occupation categories are different.

APPENDIX 7 COMPARISON WITH OTHER NPI DATA SOURCES

INTRODUCTION

There is a range of information in various forms available with respect to non-profit institutions. The extent to which this information is comparable is dependent on a range of factors, most notably the scope of what is included in the data, data collection or compilation methods and the definitions or metadata associated with the data. The following discussion provides information about the comparability of the non-profit institutions satellite account with a range of other ABS publications.

NOT-FOR-PROFIT ORGANISATIONS AUSTRALIA, 2006-07 (ABS CATALOGUE NUMBER 8106.0)

While the *Not-for-profit Organisations Australia, 2006-07* publication was the principal data source used in compiling the non-profit institutions satellite account, there are notable differences between the two publications of which users must be mindful when making comparisons.

The non-profit institutions satellite account presents data for the non-profit sector which were compiled from a variety of existing economic and social collections conducted by the ABS. *Not-for-profit Organisations Australia, 2006-07* presents information from a survey of economically significant non-profit organisations and supplements the non-profit institutions satellite account statistics with a detailed examination of the structure and performance of non-profit organisations for the reference year of the survey.

Micro non employing NPIs with turnover below a set threshold were out of scope of *Not-for-profit Organisations Australia, 2006-07*. Data for these organisations for available data items was sourced from Business Activity Statement (BAS) information collected by the Australian Taxation Office (ATO) for inclusion in the satellite account. The inclusion of these units in the satellite account had a significant impact on the identified number of non-profit organisations.

Not-for-profit Organisations Australia, 2006-07 contains information about the number of volunteers who volunteered for non-profit organisations during the reporting period. The information regarding numbers of volunteers and the annual hours volunteered for non-profit organisations contained in the satellite account was sourced from the ABS publication *Voluntary Work Australia, 2006*. Further information about the different collection methodologies for *Not-for-profit Organisations Australia, 2006-07* and *Voluntary Work Australia, 2006* is presented in the data sources discussion.

VOLUNTARY WORK AUSTRALIA, 2006 (ABS CATALOGUE NUMBER 4441.0)

Detailed information about volunteering and the characteristics of volunteers is presented in the ABS publication *Voluntary Work Australia, 2006*. This publication was the principal data source for the number of volunteers and annual volunteer hours included in the satellite account. Differences between the totals presented in *Voluntary Work Australia, 2006* and the satellite account arise due to the exclusion of volunteering for government and for profit organisations in satellite account data. In addition, the list of organisation types published in *Voluntary Work Australia, 2006* has been matched with ICNPO categories for presentation of data in the satellite account. A detailed concordance between the different organisation type groupings is included in the satellite account.

PRIVATE HOSPITALS AUSTRALIA, 2006-07 (ABS CATALOGUE NUMBER 4390.0)

Information relating to private hospitals, including the number of private hospitals and data about income and expense flows, is available in the ABS publication *Private Hospitals Australia, 2006-07*. This publication presents separate information in respect of for profit and not for profit private hospitals.

To some degree, the data relating to not for profit private hospitals presented in *Private Hospitals Australia 2006-07* is comparable with data presented in the satellite account for ICNPO 13: Hospitals. However, important differences in scope, definitions and collection methods should be noted and any such comparisons should be undertaken with caution.

APPENDIX 7 COMPARISON WITH OTHER NPI DATA SOURCES *continued*

PRIVATE HOSPITALS
AUSTRALIA, 2006-07 (ABS
CATALOGUE NUMBER
4390.0) *continued*

The scope of organisations included in ICNPO 13 of the satellite account is any non-profit organisation classified to the *Australian and New Zealand Standard Industrial Classification 2006* (ANZSIC06) classes 8401 (Hospitals) and 8402 (Psychiatric hospitals). The basis of this classification is the predominant activity of the particular organisation, and data in the satellite account are based on a sample of organisations which represents the entire population. By contrast, the scope of *Private Hospitals Australia, 2006-07* includes all private, acute and psychiatric hospitals licensed by State and Territory health authorities and all free standing day hospital facilities approved by the Commonwealth Department of Health and Ageing for basic private health insurance benefits, and which operate for all or any part of the financial year. This includes sub-acute hospitals, rehabilitation hospitals and privately contracted public hospitals. As all private health establishments are included, this results in 100% coverage. Hence, *Private Hospitals Australia, 2006-07* is a census of private health facilities in Australia and information is collected from the entire population in scope.

Variances between data presented in *Private Hospitals Australia, 2006-07* and ICNPO 13 of the satellite account are further attributable to differences in the identification of non-profit organisations. For the purposes of the satellite account, non-profit organisations are identified on the ABS Business Register of organisations using a combination of indicators including a number of characteristics based on taxation data, or by individual profiling of the organisation by the ABS. For the *Private Hospitals Australia, 2006-07* publication, non-profit organisations were identified as all organisations that qualify as such with either the Australian Taxation Office or the Australian Securities and Investments Commission. In addition, *Private Hospitals Australia, 2006-07* collected information in respect of private hospital patients only, whereas the satellite account contains information relating to both public and private patients of private hospitals. This is an important distinction, as a number of private hospitals provide services to both private and public patients and results in the income and expenditure estimates for hospitals in the satellite account being greater than those in *Private Hospitals Australia, 2006-07*.

AUSTRALIAN NATIONAL
ACCOUNTS: NON-PROFIT
INSTITUTIONS SATELLITE
ACCOUNT, 1999-2000 (ABS
CATALOGUE NUMBER
5256.0)

The ABS has previously published a non-profit institutions satellite account in respect of 1999-2000. While the two satellite accounts are generally based on the same underlying conceptual framework and have been produced in accordance with *Handbook* recommendations, there are significant differences in compilation methods and classifications which should be noted in undertaking any comparisons between the two accounts.

Unlike the 2006-07 satellite account, the 1999-2000 satellite account was not compiled from a survey of non-profit institutions. For compilation of the 1999-2000 satellite account, existing social and economic data from a range of sources was analysed and the non-profit institutions component of each data set was identified. Given the limited data available, the 1999-2000 satellite account contains information about a smaller number of ICNPO categories and less detailed data about the income and expense flows of non-profit organisations than is presented in the 2006-07 satellite account.

Following feedback received after the 1999-2000 satellite account, it became apparent that there was a need to implement on the ABS Business Register of organisations a consistent means of identifying non-profit organisations for the purposes of compiling all ABS economic data. A substantial body of work was undertaken by the ABS in this regard to improve and standardise the identification of non-profit organisations. This improvement has resulted in differences of coverage of the 2006-07 satellite account with that of the 1999-2000 satellite account.

APPENDIX 7 COMPARISON WITH OTHER NPI DATA SOURCES *continued*

AUSTRALIAN NATIONAL
ACCOUNTS: NON-PROFIT
INSTITUTIONS SATELLITE
ACCOUNT, 1999-2000 (ABS
CATALOGUE NUMBER
5256.0) *continued*

Since the 1999-2000 satellite account, there has been an updated version produced of the underlying industry classification used across all ABS business collections, namely the *Australian and New Zealand Standard Industrial Classification 2006* (ANZSIC06). The 2006-07 satellite account is based on this updated industry classification.

The tables below provide some analysis of gross value added, income and expenses data published in the two satellite accounts.

NPI SHARE OF GROSS DOMESTIC PRODUCT

	1999-2000	2006-07
NPI gross value added—national accounts basis (\$m)	19 702.0	40 959
Plus net taxes on NPI products (\$m)	1 106	1 918
Equals NPI GDP—national accounts basis (\$m)	20 808	42 877
NPI gross value added—national accounts basis (\$m)	19 702	40 959
Plus non market output of market producers (\$m)	na	288
Plus volunteer services (\$m)	8 874	14 598
Equals NPI gross value added NPI satellite account basis (\$m)	28 576	55 845
Plus net taxes on NPI products (\$m)	1 106	1 918
Equals NPI GDP—NPI satellite account basis (\$m)	29 682	57 763
Industry gross value added (\$m)	592 632	962 501
Gross domestic product (\$m)	645 058	1 045 674
NPI gross value added—national accounts basis share of industry gross value added (%)	3.3	4.3
NPI GDP—national accounts basis share of GDP (%)	3.2	4.1

na not available

NPI INCOME—1999-2000 and 2006-07

	1999-2000	2006-07
	\$m	\$m
Sales of goods and services	19 349	54 081
Interest received	660	1 733
Other investment income	na	881
Transfers received	13 474	16 566
Other income	na	3 377
Total income	33 484	76 639

na not available

NPI USE OF INCOME—1999-2000 and 2006-07

	1999-2000	2006-07
	\$m	\$m
Purchases of goods and services	11 594	13 633
Depreciation	1 585	2 700
Labour costs	17 024	32 806
Other expenses(a)	2 588	21 543
Saving	693	5 957
Total	33 484	76 639

(a) includes interest expenses, current taxes and transfers paid.

GLOSSARY

Advertising, marketing and promotion	Advertising expenses are the costs incurred by an organisation for promotional and publicity campaigns aimed at bringing the activities of the organisation to the attention of consumers for the purpose of increasing sales. Marketing expenses are the costs incurred in the long-range promotion of an organisation and its goods or services. Promotional expenses are those costs associated with generating good relations of an organisation and/or its services to the general public, e.g. promotional brochures. Sponsorship expenses are excluded.
Assets	This refers to items with future economic benefits, for example providing future costs savings or generating future revenue. Includes cash and deposits, investments held with fund managers, property, plant and equipment and other items.
Australian resident organisation	This item represents any organisation domiciled in Australia. Australian branches and Australian subsidiaries of foreign organisations are regarded as Australian residents.
Casual employees	This item refers to employees who are not entitled to take paid leave.
Depreciation and amortisation	This item refers to regularly recurring financial charges made in the accounts to reflect that part of the value of the asset which may be regarded as having been used up in producing revenue in a particular accounting period. Depreciation generally refers to physical (tangible) non current assets, and amortisation generally refers to intangible non current assets.
Donations	This item refers to transactions for which the donor receives no material benefit other than a tax deduction (if eligible). Donations can be financial or in-kind.
Employed persons	This item represents all permanent, temporary and casual employees on the payroll of the organisation for the last pay period ending in June. Employees absent on paid or prepaid leave are included. Consultants, contractors, people paid by commission only and volunteers are excluded.
Full time equivalent of voluntary employment	This item is calculated by taking the annual hours of voluntary work divided by average annual hours worked in full time jobs for each occupation category.
Funding from government	This item refers to project or program payments made by federal, state/territory or local government in the form of funds for ongoing (current) operations and capital funds to purchase or improve equipment or property. It includes: <ul style="list-style-type: none"> ■ volume based funding, which refers to funding provided subject to an agreement or contract specifying the volume of services to be delivered, and paid in proportion to the volume of services delivered (e.g. per student funding to schools, per bed funding to residential aged care facilities); ■ non volume based funding, which refers to general purpose grants or to funding which may be provided under a funding agreement for a specific purpose, but which is not dependent on the delivery of a specified volume of services; and ■ funding for specific capital items, which refers to one-off funds to make capital improvements or to purchase equipment or property (e.g. motor vehicles, buildings, etc.).
Gross domestic product	This item represents the total market value of goods and services produced in Australia within a given period after deducting the cost of goods and services used up in the process of production, inclusive of net product taxes but before deducting allowances for the consumption of fixed capital.
Gross fixed capital formation	This item refers to the total expenditure on acquiring fixed tangible and intangible assets, before deduction of trade-in allowances, and including expenses (except capitalised interest) incurred during the year in acquiring such assets. Fixed tangible assets include dwellings, other buildings and structures, plant, machinery and equipment (including motor vehicles). Intangible assets include patents and licences. This item also includes capitalised work done by own employees

GLOSSARY *continued*

Gross value added	This item represents the total market value of goods and services produced in Australia within a given period after deducting the cost of goods and services used up in the process of production.
Income from related or affiliated organisations	A related or affiliated organisation is one which has a legal relationship with the receiving organisation, or which is part of the same group of organisations (e.g. a state equivalent of an Australian organisation, or an Australian chapter of an international organisation). This item includes grants, distributions, allocations and affiliation fees received, but excludes government funding, membership fees, donations and sponsorships income received.
Income from sales of services	This item refers to income received from the sale of services. It includes income from services provided for nominal consideration, contract, subcontract and commission income, management fees/charges from related and unrelated organisations, delivery charges separately invoiced to customers and takings from gambling activities, (net of pay-outs and rebates to players, but inclusive of specific gambling taxes and/or levies). This item excludes government funding and subsidies for service delivery, income from sponsorships and other fundraising activities, and income from investments, royalties, membership fees and rent, leasing and hiring.
Interest expenses	This item refers to outflows of funds related to the cost of borrowing money.
Investment income	This item includes three components: <ul style="list-style-type: none"> ■ interest income - the income earned through the lending out of funds owned by the organisation or interest earned on bank deposits.; ■ dividend income - the dividends received during the financial period that are recognised as income in that period; and ■ other investment income - includes earnings on discounted bills and distributions from trusts and managed funds.
Labour costs	This item includes the following components: <ul style="list-style-type: none"> ■ Wages and salaries; ■ Employer contributions to superannuation funds; ■ Salary sacrificed earnings paid on behalf of employees; ■ Workers compensation premiums/ costs; ■ Fringe benefits tax; and ■ Payroll tax
Liabilities	Liabilities are the future sacrifices of service potential or economic benefits that the entity is presently obliged to make to other entities as a result of past transactions or other past events.
Membership fees income	This item refers to payments received by an organisation from an individual or another organisation for the purpose of securing membership, which typically grants some form of benefit or right, (e.g. discounts, use of facilities, voting rights), to the individual or organisation paying the fee.
Membership fees paid	This item refers to payments made to another organisation for the purposes of securing membership, which typically grants some form of benefit or right, (e.g. discounts, use of facilities, voting rights), in return for payment of the fee.
National accounts basis	Refers to estimates which have been produced in accordance with standard national accounting valuation methods as prescribed in the System of National Accounts 1993. Estimates produced on a national accounts basis are directly comparable with estimates in the Australian System of National Accounts, as published in ABS catalogue number 5204.0.
Non market output of market producers	Is an imputation to measure the output of NPIs engaged in market production that is not measured when output is valued through sales. It is calculated as the difference between output for market units when calculated by the prescribed valuation method for non market units of cost summation, and output as calculated by the prescribed method for

GLOSSARY *continued*

Non market output of market producers <i>continued</i>	market units of valuation by sales. Where output on a cost valuation basis exceeds output on a sales valuation basis, the difference is taken to be the non market output of market producers. Where output on a sales basis exceeds output on a cost basis, non market output of market producers is assumed to equal zero.
Non-profit institutions	Non-profit institutions are legal or social entities, formed for the purpose of producing goods or services, and whose status does not permit them to be a source of income, profit or financial gain for the individuals or organisations that establish, control or finance them.
Non resident organisation	Refers to any organisation domiciled overseas. Foreign branches and foreign subsidiaries of Australian organisations are regarded as non-resident organisations.
NPIs engaged in market production	NPIs which receive income from sales sufficient to cover the majority of their costs of production. Sales in this context includes income received from government provided on a volume basis, rent, leasing and hiring income, sponsorship income and membership fees.
NPIs engaged in non market production	NPIs which rely principally on funds other than receipts from sales to cover their costs of production or other activities.
NPI satellite account basis	Refers to estimates which extend the boundary of production as described in the System of National Accounts to include imputations for the value of the non market output of market producers and the value of volunteer services.
Output	The goods and services that are produced within an establishment that become available for use outside that establishment, plus any goods and services produced for own final use.
Payments to other businesses (e.g. employment agencies) for staff	This item refers to payments made to other businesses or organisations, such as employment agencies, for the supply or recruitment of staff.
Permanent full-time employees	This item refers to employees who work 35 hours or more per week and are entitled to paid leave.
Permanent part-time employees	This item refers to employees who work less than 35 hours per week and are entitled to paid leave.
Philanthropic trusts/foundations	Philanthropic trusts/foundations are non-profit organisations which hold money in trust for the public benefit and which make grants of money for charitable or socially useful purposes.
Production	An activity carried out under the responsibility, control and management of an institutional unit, that uses inputs of labour, capital and goods and services to produce output of goods and services.
Production boundary	As defined in the System of National Accounts, the production boundary includes <ul style="list-style-type: none"> ■ the production of all individual or collective goods and services that are supplied to units other than the producers, or intended to be supplied, including the production of goods and services used up in the process of producing such goods and services; ■ the own-account production of all goods that are retained by their producers for their own final consumption or gross capital formation; and ■ the own-account production of housing services by owner-occupiers.
Purchases of goods and services	The cost of goods and services used in the production of the final output of a business. This item is further comprised of materials and goods for use by the reporting organisation and finished goods for resale.
Rent, leasing and hiring income	This item refers to revenue derived from the renting, leasing or hiring of assets such as land, buildings, vehicles, machinery or equipment to other businesses/organisations or individuals.

GLOSSARY *continued*

Sales of goods	This item refers to income earned from the sale of goods, whether or not produced by the organisation. It includes export sales, sales or transfers to related organisations or to overseas branches of the organisation, sales made for nominal consideration and delivery charges not separately invoiced to customers. This item excludes excise and duties received on behalf of the government, sales of assets, delivery charges separately invoiced to customers and income from investment, royalties and rent, leasing and hiring.
Saving	This item is derived as total revenue less total current expenses. Revenue includes funding from government of a capital nature. Current expenses do not include expenditure of a capital nature.
Sponsorship income	This item refers to transactions made which result in advertising and/or other benefits to the sponsoring business/organisation. Donations of a financial or in-kind nature are excluded.
System of National Accounts	The System of National Accounts is a framework of a coherent, consistent and integrated set of macroeconomic accounts, balance sheets and tables based on a set of internationally agreed concepts, definitions, classifications and accounting rules.
Volunteers	Volunteers are people who willingly give unpaid help, in the form of time, service or skills, to an organisation or group. Included in this category are the volunteer component of boards of management, fundraising committee members and auxiliary members.
Volunteer services	This item represents the imputed value of volunteer work. This is calculated by assigning a wage rate to each volunteer hour.

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PHONE

1300 135 070

EMAIL

client.services@abs.gov.au

FAX

1300 135 211

POST

Client Services, ABS, GPO Box 796, Sydney NSW 2001

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