

NON-PROFIT INSTITUTIONS SATELLITE ACCOUNT

AUSTRALIAN
NATIONAL
ACCOUNTS

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- For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Tony Johnson on Canberra 6252 7297.

NOTES

ABOUT THIS PUBLICATION This publication presents the results of the non-profit institutions satellite account for the financial year 1999–2000.

DATA VALUES 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.



ABBREVIATIONS

- ABN Australian Business Number
- ABR Australian Business Register
- ABS Australian Bureau of Statistics
- ANDP Australian Non-Profit DataProject
- ANZSCC Australian and New Zealand Standard Commodity Classification
- ANZSIC Australian and New Zealand Standard Industrial Classification
- EAS Economic Activity Survey
- GDP gross domestic product
- GNIS Global Non-Profit Institutions System
- GST Goods and Services Tax
- GVA gross value added
- ICNPO International Classification of Non-Profit Institutions
- JHU Johns Hopkins University
- NPIs non-profit institutions
- NPISH non-profit institutions serving households
- SIS Service Industry Survey
- SNA93 System of National Accounts 1993

R.W. Edwards
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PREFACE

Non-profit institutions 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 1999–2000 in response to demand for information on the economic impact of non-profit institutions.

The notion of a satellite account was conceived in the *System of National Accounts 1993* to expand the core national accounts for selected areas of interest, while using relevant concepts and structures of the core national accounts. A non-profit institutions satellite account involves the identification of non-profit activities within the national accounting framework so that a comprehensive 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 *Handbook on Nonprofit Institutions in the System of National Accounts*. The *Handbook* is intended to facilitate international collection and comparison of information on non-profit institutions, and it is the culmination of many years intensive effort by partners in the Global Non-profit Information Systems Project.

This publication represents the first ABS 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 macro-economic variables such as 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 tool with a wide range of applications.

The Australian Bureau of Statistics welcomes user comments on this satellite account. Comments can be directed to:

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INTRODUCTION

BACKGROUND TO THE NPI SATELLITE ACCOUNT

There has been increasing interest in recent years, both in Australia and internationally, in the set of entities or institutions known variously as 'non-profit', 'voluntary' or 'non-government' organisations. In order to differentiate them from corporations and government institutional units, these entities are referred to as 'non-profit institutions' (NPIs) in the national accounts. The scale and number of such organisations has been increasing and they have taken on expanded roles as governments seek to provide social and other services in more flexible, cost-effective ways. At the same time, economic statistics covering non-profit organisations have been quite limited.

The economic value of services provided by NPIs is already included in the national accounts. It is implicitly included in key economic aggregates such as gross domestic product and household final consumption expenditure. In recognition of the growing importance of NPIs, the latest edition of the international standard for national accounting, *System of National Accounts 1993* (SNA93), recommends that NPIs serving households be separately identified as an institutional sector in its own right. The ABS intends to work towards that objective, and this satellite account is part of that process.

The Australian Non-Profit Data Project (ANDP) was established in 1997 as a collaborative research project between the Centre for Australian Community Organisations at the University of Technology, Sydney, and the Australian Bureau of Statistics (ABS), to map for the first time the scale and contribution of Australia's non-profit sector. The results from this project, mostly in respect of 1995–96, were published by Lyons and Hocking in 2000 in *Dimensions of Australia's Third Sector*. Information published included data on the number and type of such organisations, their employment and numbers of volunteers, their expenditures and sources of revenue. The value of the contribution of NPIs to gross domestic product (GDP) was also calculated. A broad comparison of the results of this project for 1995–96 with the current satellite account for 1999–2000 is included as Appendix 2.

In 2000, the ABS agreed to participate in a pilot test of the *Handbook on Nonprofit Institutions in the System of National Accounts* (the *Handbook*), as part of the Global Nonprofit Institutions Systems (GNIS) project. The GNIS project was designed to develop and implement systems to provide a better and fuller representation of the non-profit sector in international and national data systems. The project is directed by the Centre for Civil Society Studies at the Johns Hopkins University (JHU), and the Centre for Civil Society at the London School of Economics. The *Handbook* was prepared in close collaboration between JHU and the Economic Statistics Branch of the United Nations Statistical Division.

The pilot test was designed to test definitions, classifications and accounting structures to derive empirical estimates of the contribution of NPIs to the overall economy. The ABS and a number of statistical agencies from other countries submitted reports of the pilot test, including estimates of key economic aggregates for NPIs. On completion of work for the pilot test, the ABS decided to take its involvement in the GNIS project a step further and produce and publish a NPI satellite account for Australia for the reference year 1999–2000.

INTRODUCTION *continued*

BACKGROUND TO THE NPI SATELLITE ACCOUNT *continued*

Continuing community interest in the area of NPIs has sparked several initiatives that were drawn upon in the development of this satellite account. The Treasury Inquiry into the Definition of Charities looked at a range of issues impacting on charities—a subset of NPIs. The report of the Inquiry was released in July 2001. ABS has released three publications that provided valuable additional information for compiling the estimates in this satellite account. *Voluntary Work, Australia, 2000* (cat. no. 4441.0) provided a range of data on volunteer services. *Community Services, Australia, 1999–2000* (cat. no. 8696.0) and *Sports Industries, Australia 2000–01* (cat. no. 8686.0), provided detailed data on an important range of services provided by NPIs.

ANALYSIS OF RESULTS

KEY RESULTS

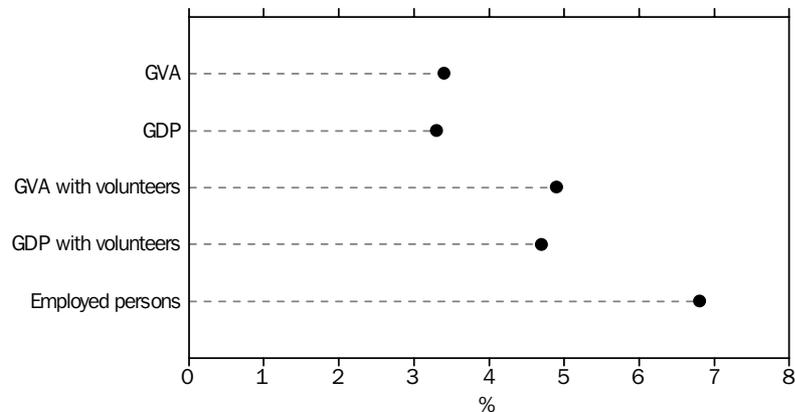
Non-profit institutions (NPIs) have the following characteristics: they are organisations, they are not-for-profit and non-profit-distributing, they are institutionally separate from government, are self-governing, and non-compulsory. In this satellite account NPIs that are classified to the general government sector (the most notable being universities and public hospitals operated by religious orders) have been excluded, even where they are self-governing and institutionally separate from government. NPIs that operate in the commercial sphere and permit the distribution of assets to members in the event that they are wound up (NPIs in the finance and insurance industry and trading co-operatives) have also been excluded. The scope of the NPI satellite account is important, as it will affect the size of the sector.

The direct value that NPIs add to the economy is measured by NPI GDP and NPI gross value added (GVA). NPIs accounted for \$20.8 billion or 3.3% of total GDP in 1999–2000. When imputed wages for volunteer services are included in GDP, the NPI contribution increases to \$29.7 billion or 4.7% of GDP (adjusted to include the imputed wages).

NPI gross value added contributed 3.4% to industry gross value added in 1999–2000, increasing to 4.9% when the value of volunteer services are included. Gross value added measures the value of production exclusive of product taxes and is the theoretically preferred measure of a sector's value of production.

NPIs also contribute significantly to employment, accounting for 6.8% of total employed persons in 1999–2000.

NPI SHARE OF THE AUSTRALIAN ECONOMY, 1999-2000



NPI GROSS VALUE ADDED

NPI gross value added measures the value of output of goods and services produced by NPIs less the cost of goods and services used up in the process of production. NPI gross value added was \$19.7 billion in 1999–2000. When the value added of volunteer services (\$8.9 billion) is added, total adjusted gross value added for NPIs increases to \$28.6 billion. Volunteer services contributed 31% of the total adjusted NPI gross value added.

ANALYSIS OF RESULTS *continued*

NPI GROSS VALUE ADDED

continued

NPI GROSS VALUE ADDED

	<i>National accounts basis</i>	<i>Volunteer services</i>	<i>Total</i>
	\$m	\$m	\$m
Total	19 702	8 874	28 576

With volunteering services included, education and research NPIs made the largest contribution to NPI adjusted gross value added (25%), followed by culture and recreation (23%) and social services (22%). Excluding volunteering services, education and research NPIs generated 31% of NPI gross value added, whilst culture and recreation NPIs contributed 22%. Social service NPIs made the largest contribution to volunteer services, followed by 'other' NPIs. Other NPIs include those that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy, and international assistance.

NPI GROSS VALUE ADDED

	<i>National accounts basis</i>	<i>Volunteer services</i>	<i>Total</i>
	% pts	% pts	% pts
Education & research	31.5	9.7	24.7
Health	15.1	5.2	12.0
Social services	17.4	31.0	21.6
Culture & recreation	22.5	24.4	23.1
Associations (business, etc)	3.0	3.2	3.0
Other	10.5	26.5	15.5
Total	100.0	100.0	100.0

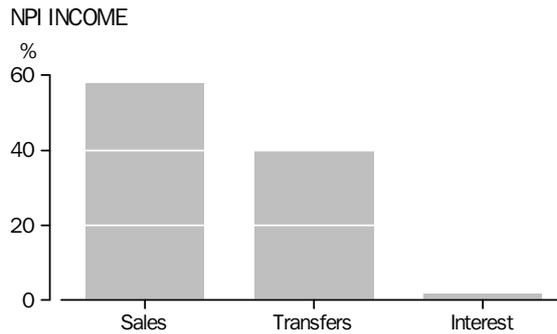
Although NPIs are not an industry (they are institutional units) the contribution of NPIs to the economy can be compared against traditional industries as a point of reference. The NPI contribution of 3.4% to gross value added in 1999–2000 is greater than the contribution made by the communications; electricity, gas and water; accommodation, cafes and restaurants; personal and other services; and cultural and recreational services industries. NPI gross value added is only slightly less than agriculture, forestry and fishing (3.5%). If an imputation is also made for the value of services provided by volunteers, the adjusted gross value added of NPIs (4.9%) is greater than that for government administration and defence (4.1%) and mining (4.6%).

NPIs make a large contribution to the gross value added of service industries but a negligible or zero contribution to the gross value added of primary and goods producing industries, where for profit corporations and unincorporated enterprises are dominant. The industries where NPIs contribute 10% or more to total industry gross value added are accommodation, cafes and restaurants (22%), education (22%), health and community services (18%), cultural and recreational services (12%) and personal and other services (14%).

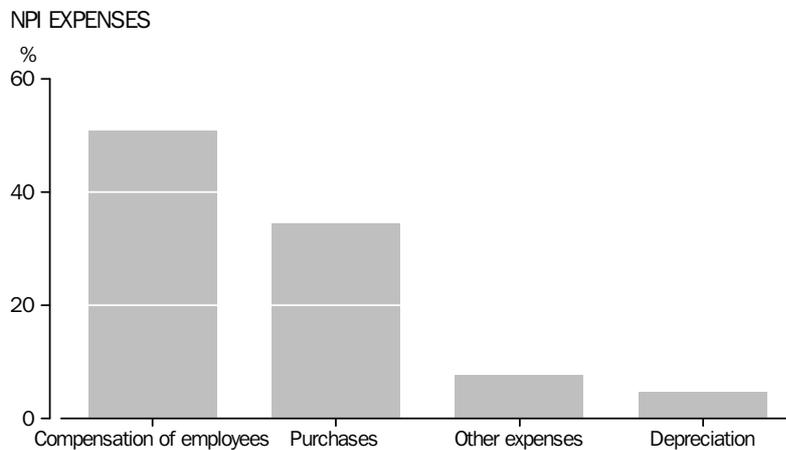
ANALYSIS OF RESULTS *continued*

NPI INCOME AND EXPENSES

Total NPI income in 1999–2000 was \$33.5 billion. Most NPI income was generated through sales of goods and services (58%). Sales of goods and services include school fees, hospital patient fees, gambling and hospitality income of registered clubs, business sponsorships, membership dues received by business and professional associations, and sales of goods. Transfers from other sectors was 40% of total income. Transfers were received from governments (75%), households (21%) and corporations (4%). Transfers from households and corporations includes receipts of donations and fundraising, and membership dues received from households (including union dues). The remaining 2% of income came from interest earned on financial assets less interest paid on liabilities.



NPI expenses were \$32.8 billion in 1999–2000. Compensation of employees (wages, salaries, superannuation and workers compensation) was the biggest expense for NPIs (51%). This was followed by purchases of goods and services (35%).



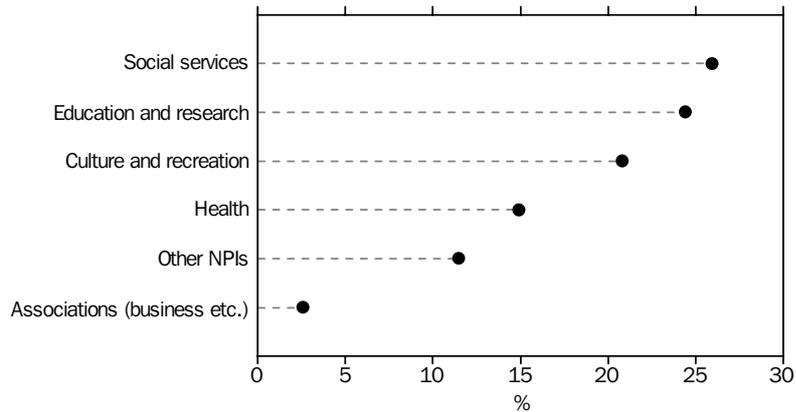
NPI EMPLOYMENT

NPIs employed 604 000 persons in 1999–2000, representing 6.8% of total employed persons in Australia. The social services sector was the highest employer representing 26% of the total, followed by education and research which employed 24% of total NPI employees.

ANALYSIS OF RESULTS *continued*

NPI EMPLOYMENT *continued*

NPI EMPLOYED PERSONS, percentage of total NPI employed persons

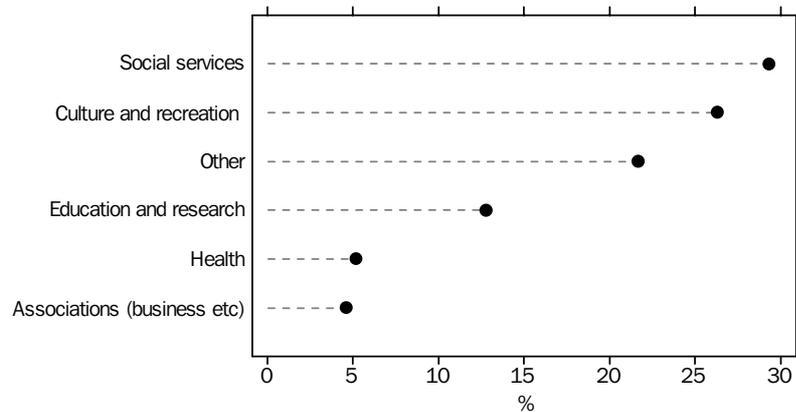


VOLUNTEERING

A volunteer is someone who willingly gives unpaid help, in the form of time, service or skills, through an organisation or group. 4.4 million Australians over the age of 18 participated in some form of volunteer work with NPI or government organisations during 1999–2000. The number of volunteer involvements is greater than the number of volunteers, as some individuals are involved with a number of the same or different types of organisations. There were 6.5 million involvements in 1999–2000. Of this, 5.1 million involvements were estimated to be with non-government NPIs.

The social services activity accounted for the greatest number of volunteer involvements with NPIs (29%). This was followed by culture and recreation NPIs (26%), and 'other' NPIs (22%).

NPI VOLUNTEER INVOLVEMENTS, percentage of total NPI involvements



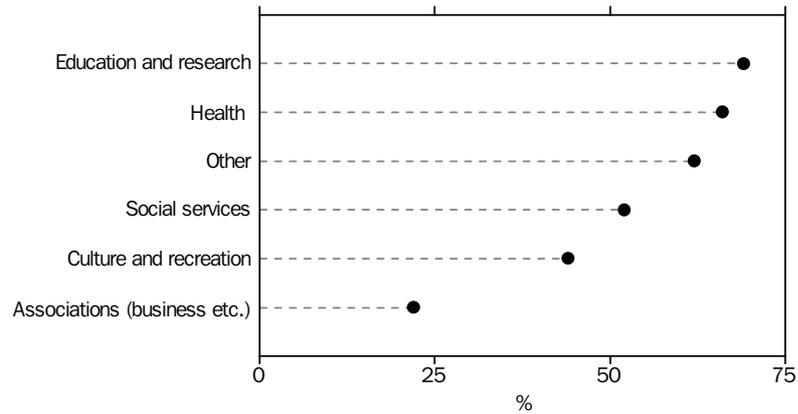
There were 558 million hours worked in NPIs by volunteers during 1999–2000, equating to 285 thousand full-time equivalent persons. The social services activity accounted for 31% of volunteer hours and full-time equivalent persons, followed by 'other' NPIs (27%) and culture and recreation (24%).

Of full-time equivalent persons in volunteer work, 54% were female. Males contributed more volunteer labour to culture and recreation and business and professional associations and unions than females.

ANALYSIS OF RESULTS *continued*

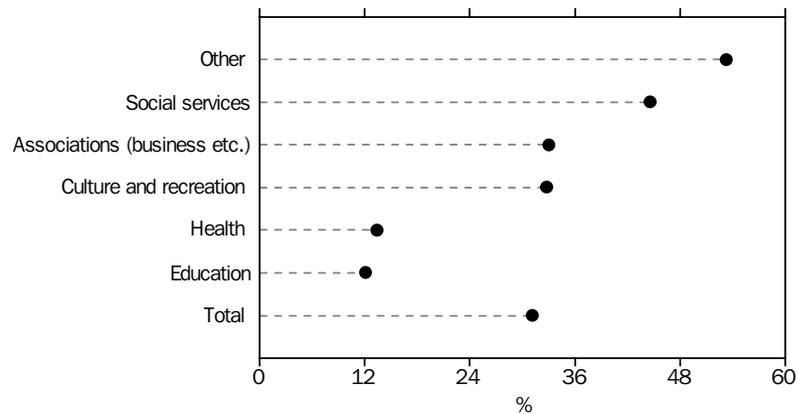
VOLUNTEERING *continued*

FULL TIME EQUIVALENT VOLUNTEER PERSONS, Percentage of females



The number of hours worked and average hourly ordinary time earnings in selected occupations in each sector have been used to impute the value of volunteer work with NPIs. In 1999–2000 the value of imputed volunteer wages was \$8.9 billion. This substantially increases the output and gross value added of NPIs compared with that conventionally measured in the national accounts. As a percentage of NPI adjusted industry gross value added, volunteer services contributed 53% to 'other' NPIs and 45% to social services.

NPI ADJUSTED GROSS VALUE ADDED, Contribution of volunteer services



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1

NPI SHARE OF GROSS DOMESTIC PRODUCT (a)

1999–2000

NPI gross value added(b)	\$m	19 702
plus net taxes on NPI products	\$m	1 106
equals NPI GDP	\$m	20 808
plus volunteer services	\$m	8 874
equals NPI GDP with volunteers	\$m	29 682
Industry gross value added	\$m	577 705
Gross domestic product	\$m	628 621
NPI share of industry gross value added	%	3.4
NPI with volunteers share of industry gross value added(c)	%	4.9
NPI share of GDP	%	3.3
NPI with volunteers share of GDP(c)	%	4.7

(a) Excludes NPIs in the general government sector (e.g. universities) and the financial sector (e.g. credit unions).

(b) NPI gross value added is at basic prices.

(c) Volunteer services have been added to total industry value added and GDP for the purpose of calculating these shares.

2

NPI OUTPUT OF GOODS AND SERVICES

NATIONAL ACCOUNTS BASIS

	Non-market(a)	Market	Total	Volunteer services	Total
	\$m	\$m	\$m	\$m	\$m
Education and research	7 952	—	7 952	857	8 809
Health	4 103	—	4 103	461	4 564
Social services	4 919	—	4 919	2 754	7 673
Culture and recreation	3 454	5 653	9 107	2 162	11 269
Business and professional associations, and unions	619	811	1 429	288	1 717
Other(b)	3 786	—	3 786	2 353	6 138
Total	24 832	6 464	31 295	8 874	40 169

— nil or rounded to zero (including null cells)

(a) While non-market organisations may have some market sales, their output is valued at cost.

(b) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy, and international assistance.

3

NPI GROSS VALUE ADDED(a)

	<i>National accounts basis</i>	<i>Volunteer services</i>	<i>Total</i>
	\$m	\$m	\$m
Education and research	6 208	857	7 065
Health	2 981	461	3 442
Social services	3 422	2 754	6 175
Culture and recreation	4 439	2 162	6 601
Business and professional associations, and unions	583	288	871
Other(b)	2 069	2 353	4 422
Total	19 702	8 874	28 576

- (a) NPI value added equals the value of output of NPI goods and services less the value of the intermediate consumption inputs used in producing the output.
- (b) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy, and international assistance.

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NPI GROSS VALUE ADDED(a), Percentage Contribution to Total

	<i>National accounts basis</i>	<i>Volunteer services</i>	<i>Total</i>
	% pts	% pts	% pts
Education and research	31.5	9.7	24.7
Health	15.1	5.2	12.0
Social services	17.4	31.0	21.6
Culture and recreation	22.5	24.4	23.1
Business and professional associations, and unions	3.0	3.2	3.0
Other(b)	10.5	26.5	15.5
Total	100.0	100.0	100.0

- (a) NPI value added equals the value of output of NPI goods and services less the value of the intermediate consumption inputs used in producing the output.
- (b) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy, and international assistance.

NPI SHARE OF INDUSTRY GROSS VALUE ADDED(a)

	<i>NPI gross value added</i>	<i>Industry gross value added</i>	<i>NPI share of industry gross value added</i>
	\$m	\$m	%
Agriculture, forestry and fishing	—	20 282	—
Mining	—	26 708	—
Manufacturing	—	71 541	—
Electricity, gas and water supply	—	14 559	—
Construction	—	38 521	—
Wholesale trade	—	32 211	—
Retail trade	—	33 009	—
Accommodation, cafes and restaurants(b)	3 122	14 332	21.8
Transport and storage	—	31 080	—
Communication services	—	18 129	—
Finance and insurance	—	40 773	—
Property and business services	803	66 589	1.2
Government administration and defence	—	23 850	—
Education	6 037	27 700	21.8
Health and community services	6 419	34 999	18.3
Cultural and recreational services	1 317	10 726	12.3
Personal and other services	2 004	14 536	13.8
Ownership of dwellings	—	58 160	—
Total	19 702	577 705	3.4

— nil or rounded to zero (including null cells)

(a) NPI and industry gross value added is at basic prices.

(b) Includes hospitality clubs.

6

NPI INCOME

		<i>Sales of goods and services</i>	<i>Interest received</i>	<i>Transfers received</i>	<i>Total</i>
Education and research	\$m	3 958	151	4 713	8 822
Health	\$m	1 741	63	2 412	4 217
Social services	\$m	1 652	118	3 483	5 253
Culture and recreation	\$m	8 620	155	600	9 375
Business and professional associations, and unions	\$m	811	86	569	1 465
Other(a)	\$m	2 567	87	1 697	4 351
Total	\$m	19 349	660	13 474	33 484
<i>Contribution to total</i>	% pts	57.8	2.0	40.2	100.0

(a) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy, and international assistance.

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NPI USE OF INCOME

		<i>Purchases of goods & services</i>	<i>Consumption of fixed capital</i>	<i>Compensation of employees</i>	<i>Other expenses(a)</i>	<i>Saving</i>	<i>Total</i>
Education and research	\$m	1 744	242	5 871	1 198	-233	8 822
Health	\$m	1 122	307	2 646	77	64	4 217
Social services	\$m	1 497	195	3 210	144	206	5 253
Culture and recreation	\$m	4 668	679	2 788	596	644	9 375
Business and professional associations, and unions	\$m	846	60	596	39	-76	1 465
Other(b)	\$m	1 717	101	1 913	533	87	4 351
Total	\$m	11 594	1 585	17 024	2 588	693	33 484
<i>Contribution to total</i>	% pts	34.6	4.7	50.8	7.7	2.1	100.0

(a) Includes interest and transfers paid and other taxes on production.

(b) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy, and international assistance.

8

NPI TRANSFERS RECEIVED, By Source of transfer

\$m

Government grants	10 124
Corporate donations	470
Household donations and membership dues	2 880
Transfers received by NPIs	13 474

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CORPORATE DONATIONS(a), By type of activity and industry—2000-01

	<i>Education and research</i>	<i>Health</i>	<i>Social services</i>	<i>Culture and recreation</i>	<i>Other</i>	<i>Total all activities</i>
	\$m	\$m	\$m	\$m	\$m	\$m
Mining	1.0	0.7	2.3	1.4	2.5	7.9
Manufacturing	4.0	8.4	22.1	13.6	3.0	51.1
Electricity, gas and water supply	0.1	0.4	0.9	0.4	0.5	2.2
Construction	8.2	3.5	10.3	4.4	2.9	29.3
Wholesale Trade	5.9	9.5	15.6	5.8	5.1	42.0
Retail Trade	6.6	7.6	21.9	11.0	3.1	50.1
Accommodation, cafes and restaurants	4.8	np	26.9	np	3.6	69.3
Transport and storage	1.7	2.1	5.7	3.9	2.0	15.5
Communication services	0.3	np	0.3	np	np	1.2
Finance and insurance	6.0	11.1	53.4	5.4	4.1	80.1
Property and business services	12.6	15.5	41.1	39.2	15.5	123.8
Education	7.9	0.6	3.2	1.2	1.6	14.6
Health and community services	5.4	5.4	12.8	np	np	28.5
Cultural and recreational services	1.6	14.0	20.7	8.8	7.1	52.2
Personal and other services	3.2	3.1	5.5	3.2	2.9	17.9
Total	69.3	86.7	242.8	131.6	55.3	585.7

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

(a) Total corporate donations in this table are different to those shown in Table 8. This table relates to 2000-01 and includes donations to government institutions as well as NPIs. Businesses classified to

Agriculture, Government administration and defence and Religious organisations are outside the scope of the Business Generosity Survey.

Source: Generosity of Australian Businesses (cat. no. 8157.0).

NPI EMPLOYED PERSONS (a)

	<i>Employed persons</i>	<i>Contribution</i>
		<i>to total NPI employed persons</i>
	'000	%
Education and research	148	24.4
Health	90	14.9
Social services	156	25.9
Culture and recreation	126	20.8
Business and professional associations, and unions	16	2.6
Other(b)	69	11.5
Total NPI employed persons	604	100.0
Total employed persons	8 938	—
NPI share of total employment	—	6.8

— nil or rounded to zero (including null cells)

(a) Excludes volunteers.

(b) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy, and international assistance.

11

NPI VOLUNTEERS

	<i>Number of involvements(a)</i>	<i>Total number of volunteers</i>
	'000	'000
Education and research	649	na
Health	264	na
Social services	1 482	na
Culture and recreation	1 327	na
Business and professional associations, and unions	233	na
Other(b)	1 097	na
Total NPI volunteer involvement	5 053	na
Volunteers in the general government sector	1 430	na
Total volunteer involvement	6 483	4 396

na not available

(a) Volunteers may be involved with a number of the same or different types of organisations. Therefore total involvements are greater than total volunteers.

(b) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy and international assistance.

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NPI ANNUAL HOURS OF VOLUNTARY WORK

	<i>Males</i>	<i>Females</i>	<i>Total</i>
	million	million	million
Education and research	16.6	37.3	53.9
Health	9.9	19.0	29.0
Social services	83.8	89.4	173.2
Culture and recreation	75.8	60.2	136.0
Business and professional associations, and unions	14.2	3.9	18.1
Other(a)	56.8	91.2	148.0
Total	257.2	301.0	558.1

(a) Includes NPIs that are religious congregations and associations, political organisations, and those involved in environmental and animal protection, advocacy and international assistance.

NPI VOLUNTARY WORK AND IMPUTED VALUE OF SERVICES

	FULL-TIME EQUIVALENT PERSONS(a)			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
Education and research	8.5	19.1	27.6	264	593	857
Health	5.1	9.7	14.8	158	303	461
Social services	42.8	45.7	88.5	1 332	1 421	2 754
Culture and recreation	38.8	30.7	69.5	1 206	956	2 162
Business and professional associations, and unions	7.3	2.0	9.3	226	62	288
Other(b)	29.0	46.6	75.6	903	1 450	2 353
Total	131.5	153.8	285.3	4 089	4 785	8 874

(a) Hours of volunteering converted to standard annual working hours for full-time employed persons.

in environmental and animal protection, advocacy and international assistance.

(b) Includes NPIs that are religious congregations and associations, political organisations, and those involved

NPI VOLUNTARY WORK AND IMPUTED VALUE OF SERVICES, Contribution to total

	FULL-TIME EQUIVALENT PERSONS(a)			IMPUTED WAGES		
	<i>Males</i>	<i>Females</i>	<i>Total</i>	<i>Males</i>	<i>Females</i>	<i>Total</i>
	% pts	% pts	% pts	% pts	% pts	% pts
Education and research	6.5	12.4	9.7	6.5	12.4	9.7
Health	3.9	6.3	5.2	3.9	6.3	5.2
Social services	32.6	29.7	31.0	32.6	29.7	31.0
Culture and recreation	29.5	20.0	24.4	29.5	20.0	24.4
Business and professional associations, and unions	5.5	1.3	3.2	5.5	1.3	3.2
Other(b)	22.1	30.3	26.5	22.1	30.3	26.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

(a) Hours of volunteering converted to standard annual working hours for full-time employed persons.

involved in environmental and animal protection, advocacy and international assistance.

(b) Includes NPIs that are religious congregations and associations, political organisations, and those

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 accounts. Satellite accounts present specific details on a particular topic in an account which is separate from, but linked to, the core accounts. Therefore, a 'non-profit institutions' satellite account highlights non-profit institutions (NPIs) within the national accounting framework.

Implicitly, 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 are embedded in the accounts for industries such as health and community services, education and cultural and recreational services, they are not separately identified.

A 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 a NPI satellite account is that it is set within the context of the whole economy, so that NPI's contribution to major national accounting aggregates can be determined. The NPI satellite account has two dimensions. The first is equivalent to production and other economic aggregates defined in the national accounts. The second dimension extends the national accounts to include values for NPI services provided by volunteers. A more complete picture of the value of NPIs to society can be obtained by adding the value of volunteer services to the estimates included in the national accounts.

INTERNATIONAL STANDARDS

The international standard for national accounting is the *System of National Accounts*. The latest edition was released in 1993 (SNA93). It makes recommendations about the scope, concepts and classifications to be used. Australia's national accounts, like those of most other countries, are as far as possible compiled according to those guidelines. While SNA93 contains recommendations about the separate identification of a sub-set of NPIs (see below), 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 March 2002. It was prepared in co-operation with the Center for Civil Society Studies at the Johns Hopkins University, Baltimore, USA.

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).

APPENDIX 1 CONCEPTUAL FRAMEWORK AND DATA SOURCES *continued*

THE SYSTEM OF NATIONAL ACCOUNTS *continued*

Each of these institutional sectors is made up of individual units capable of engaging in economic activities and transactions with other units. NPI units are concentrated in the NPISH sector but may also be included in the other sectors. The identification of a separate NPISH sector is a new development in the SNA, as prior to the 1993 edition they were included with the household sector. Table 1 shows the composition and structure of institutional units and sectors recommended in SNA93.

<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 institution 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

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.

Market producers are those that sell most or all of their output at prices that are economically significant—i.e., at prices which have a significant influence on the amounts the producers are willing to supply and on the amounts purchasers wish to buy. NPIs which are market producers are allocated to either the non-financial or financial corporations sector.

Non-market producers provide most of their output to others free or at prices which are not economically significant. Thus, institutional units engaged in non-market production may be distinguished by the fact that they must rely principally on funds other than receipts from sales to cover their cost of production or other activities. Non-market NPIs are allocated to either the general government or NPISH sector, depending on whether it is general government or households that are deemed to have control of the NPI operations.

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 and governments 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 INSTITUTIONS

continued

'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.

'...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 a 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 of institutional units was broadly appropriate for NPIs, the *Handbook* provides a 'structural-operational' definition of 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 a NPI's characteristics, 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.

In the Australian context, an organisation is deemed to be a non-profit company for taxation purposes if it is a company that is not carried on for the purposes of profit or gain to its individual members. Organisations satisfy this criteria if the constituent documents prohibit it from making any distribution, whether in money, property or otherwise, to its members, and the organisation's actions are consistent with this requirement (Australian Taxation Office, 2000).

NON-PROFIT INSTITUTIONS

continued

There is also a group of organisations that generally do not allow the distribution of profits but permit the distribution of assets to members if the organisation is wound up or taken over. Examples include credit unions, building societies, mutual insurers and some trading co-operatives. Lyons and Hocking (2000) use the term 'third sector' to include NPIs plus these organisations. See *Dimensions of Australia's Third Sector* by Lyons and Hocking (2000) for a more detailed discussion and estimates of the third sector for 1995–96.

SCOPE OF THE AUSTRALIAN
NPI SATELLITE ACCOUNT

The Australian NPI satellite account does not attempt to measure the universe of entities that could be legally defined to be NPIs. This is partly for practical and partly for conceptual reasons. It excludes NPIs mainly controlled by governments. The boundary between government units and NPIs controlled by governments is particularly difficult to draw and the ABS has not yet classified the many units in the general government sector in this way. The decisions made on scope can have a significant effect on the size of the NPI sector as many of the institutions within this grey area are quite large. Examples include universities and public hospitals operated by religious orders but funded by the government. Consistent with the recommendations in the *Handbook*, units operating in the finance and insurance industry and other trading cooperatives are not included in this satellite account as they are in the commercial sphere and are primarily guided by commercial goals and considerations. For further details on the types of NPIs in Australia see Lyons and Hocking (2000).

The scope of the Australian NPI satellite account is therefore all NPIs classified either as NPISH or to the non-financial corporations sector. There are only two types of NPIs included in the latter - hospitality clubs and business and professional associations.

The scope of NPIs to be included in a NPI satellite account is worthy of further consideration and the ABS would welcome comments from users of the statistics.

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. The second dimension focuses on NPI production attributable to volunteer labour and extends the production boundary beyond that defined for the national accounts.

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

- the total value of goods and services sold;
- the total value of goods or services bartered;
- the total value of goods and services used for 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 NPIs that have been valued in this way are hospitality clubs and business and professional associations. (For the latter, member subscriptions are treated as sales receipts for services.)

The output of non-market NPIs is valued as the sum of costs incurred, excluding interest payments and other transfers, that is the sum of:

- intermediate consumption of goods and services;
- compensation of employees;
- consumption of fixed capital; and
- taxes, less subsidies, on production (e.g. payroll tax) other than those on products.

APPENDIX 1 CONCEPTUAL FRAMEWORK AND DATA SOURCES *continued*

THE PRODUCTION BOUNDARY AND VALUATION OF NPI OUTPUT *continued*

Valuation of the output of non-market NPIs at its cost of production is based on the absence of a market price for non-market services. It is consistent with the convention adopted for the valuation of general government sector output in the national accounts. When compared with market valuation, it excludes a return to capital (net operating surplus).

Although non-market NPIs receive most of their income from sources such as government grants or donations, they may also receive substantial revenue from sales of goods and services (e.g. school fees). If these were also included in the measure of output the value would be distorted by double counting. Once a NPI is defined as a non-market producer because it provides most of its output of goods and services free or at significantly reduced prices, all output is valued at cost.

Appendix 3 contains an example of the valuation of output and gross value added of market and non-market NPIs.

GROSS VALUE ADDED AND GDP

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

Gross value added shows only 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 compensation of employees, consumption of fixed capital and other taxes less subsidies on production.

Output and value added is measured at 'basic prices', that is before any taxes on products are added (or any subsidies are deducted). SNA93 states that basic price measures are to be used for comparisons between sectors and industries and across countries.

NPI GDP, on the other hand, measures the value added of NPIs at purchasers' (market) prices. It therefore includes taxes paid less subsidies received on NPI goods and services as these are reflected in prices that consumers actually pay. The only product taxes identified are poker/gaming machine and alcohol taxes applying to hospitality clubs.

INCOME—SALES, GRANTS, SPONSORSHIPS AND DONATIONS

NPIs receive income from market sales of goods and services, from government grants, private sponsorship and donations and from other sources such as interest and dividends received on investments in financial assets. The satellite account and the national accounts make 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 grants, and most membership dues and subscriptions 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, such as school fees, admission charges and food and beverages. In principle it should also include the imputed value of goods such as food and clothing provided free but data are not available to do this. The distinction between sales and transfers is not always clear cut in practice. Funds received from sponsorships and business/community partnerships have been included as sales of goods and services because the sponsor receives advertising or promotional benefits from the NPI. Membership dues received by business and professional associations (market NPIs serving businesses) are also treated as sales of goods and services by the NPI (SNA93, 8.94).

VOLUNTEER SERVICES

The second dimension of the NPI satellite account focuses on NPI production attributable to volunteer labour.

Two alternative methods that have been widely canvassed in the literature for the valuation of unpaid work are the individual function replacement cost method and the gross opportunity cost method. Consistent with the general approach recommended in the *Handbook*, the value of volunteer services in this NPI satellite account is calculated using a variant of the individual function replacement cost method.

The individual function replacement cost approach assigns values to the time spent on volunteering according to the cost of hiring a market replacement for each type of volunteer service. For example, time spent volunteering in the field of education is valued according to the rate of pay for education workers. While this is the preferred method, the value of volunteer services may be under or over estimated depending on variations in the productivity of volunteers compared with labour provided to the market sector.

Where detailed wage and volunteering information is not available, the *Handbook* recommends that the average gross wage for the community, welfare and social service occupation category be used. The *Handbook* argues that the work of volunteers is likely to resemble that occupational category, and that the wage rate is typically toward the low end of the income scale. This is the approach that has been used in this satellite account.

The opportunity cost method values voluntary work in terms of income assumed to be foregone by individuals when time is devoted to voluntary, rather than paid, work. A discussion of this technique can be found in *Unpaid Work and the Australian Economy, 1997* (cat. no. 5240.0). The ABS has reservations about the appropriateness of this 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 at the heart of national accounting. In this context, two volunteers involved in an identical unpaid activity should be valued at the same hourly rate irrespective of what they could each earn in their paid occupations.

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, and it 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 subgroups. A number of the broad level ICNPO groups have been combined in this publication in keeping with the current availability of data.

See Appendix 4 for a full version of ICNPO and Appendix 5 for a concordance between ICNPO and the industries in the ANZSIC classification.

Data on voluntary work was collected using an activity classification very similar to ICNPO, at least at the Group level. A concordance between ICNPO and the type of organisation for which volunteers worked is shown in Appendix 6.

DATA SOURCES

INTRODUCTION

The ABS has not conducted a dedicated survey of non-profit institutions. Data presented in these accounts are compiled from a variety of economic and social collections conducted by the ABS and other agencies. The objective of the majority of these collections is to provide industry or activity rather than institutional sector data. For some collections data for NPIs are part of the survey outputs. For others, data for NPIs had to be derived from input data.

Although the ABS industry surveys use the ABS business register as a survey frame, NPIs were self-identified by a question on the Economic Activity Survey (EAS) and Service Industry Survey (SIS) forms rather than by reference to a register of NPIs. There are a number of issues arising from this that may affect the quality of the estimates (see 'Quality of estimates' below).

DATA SOURCES

The main data sources used to compile the NPI satellite account are listed below.

Service Industry Surveys

Sports Industries, Australia 2000–01 (cat. no. 8686.0),

Community Services, Australia 1999–2000 (cat. no. 8696.0)

Clubs, Pubs, Taverns and Bars, Australia 1997–98 (cat. no. 8687.0)

The SIS collections are conducted on a rotating basis (generally every three or six years) for selected service industries. They are designed to collect data at the detailed industry level (4 digit ANZSIC), and as such have large sample sizes for the target industries. SIS data were used for sports clubs, hospitality clubs, nursing homes, social services and for interest groups nec. Where surveys related to a different year, the data were extrapolated to the 1999–2000 reference year of the satellite account using indicators.

Economic Activity Survey

The ABS Economic Activity Survey (EAS) is an annual survey designed to provide data for all industries at the 2-digit level of ANZSIC and is a key source for the national accounts. As it is an economy wide survey it has a relatively small sample size compared with the SIS for those industries where NPIs are significant. It was therefore only used where no other sources were available.

EAS data were used for education other than primary and secondary schools, research, health other than private hospitals and nursing homes, culture, business and professional associations, unions, and the remainder of 'other' NPIs.

National Report on Schooling in Australia

The *National Report on Schooling in Australia* is an annual report by the Ministerial Council on Education, Employment, Training and Youth Affairs. The incomes and expenditures of non-government primary and secondary schools reported in the 2000 publication were used in compiling the school estimates in the education and research ICNPO.

Private Hospitals

Private Hospitals, Australia 1999–2000, (Cat. no. 4390.0) was used in the compilation of private hospitals. This publication presents details from the 1999–2000 census of private hospitals.

Australian Electoral Commission

The incomes and expenditures of political parties were sourced from the Australian Electoral Commission website. Associated entities were excluded from the scope of NPIs. These include units that hold assets for a political party, investment / trust funds and fundraising groups.

Public finance data

ABS public finance data were used for government transfers to NPIs (transfers received by NPIs from general government).

APPENDIX 1 CONCEPTUAL FRAMEWORK AND DATA SOURCES *continued*

Generosity of Australian Businesses

Corporate donations to NPIs (transfers received by NPIs from corporations) were derived from data published in *Generosity of Australian Businesses, 2000–01* (Cat. no. 8157.0). The Business Generosity Survey was conducted as a supplementary survey run in conjunction with the 2000–01 EAS.

Survey data are available by broad types of activity for which donations were given, but not by type of institution receiving the donation. It was necessary to adjust the data for donations made to government organisations such as universities and museums as they are out of scope of this satellite account. This had to be done using rather arbitrary assumptions. Also, as the data related to 2000–01, it had to be extrapolated to the 1999–2000 reference year of the satellite account.

Household Expenditure Survey

Household donations to NPIs (transfers received by NPIs from households) were obtained from *Household Expenditure Survey: Detailed Expenditure Items* (Cat. no. 6535.0). As the survey related to 1998–99, estimates were extrapolated forward to 1999–2000.

Imputation of the Value of Volunteer Services

The principal data sources used to compile estimates of volunteer hours and imputed compensation were *Voluntary Work, Australia 2000* (Cat. no. 4441.0) and *Employee Earnings & Hours, Australia May 2000* (Cat. no. 6306.0).

Voluntary Work, Australia 2000 (Cat. no. 4441.0) contains results from the Survey of Voluntary Work conducted in 2000 using the Population Survey Monitor, a quarterly household based collection. The major aim of the survey was to collect data on rates of participation in voluntary work, characteristics of people who volunteer, the broad purpose categories of organisations they work for, and the activities they undertake.

As data for annual hours of voluntary work also include volunteering for government organisations which are out of scope of this satellite account, adjustments had to be made to exclude this volunteering. This was done using a combination of the proportions used in Lyons and Hocking (2000) and a skirmish of units reported in 4441.0.

The value of volunteer services was calculated by multiplying annual hours of voluntary work by average hourly ordinary time earnings of full-time adult non-managerial employees in selected occupations. A single average hourly earnings rate was used for all ICNPO categories of NPIs. Ideally, rates based on the earnings of similar occupations in the paid work sector should be used to derive estimates for each of the ICNPO categories. It was not possible to do this as, although data on the types of activities undertaken by volunteers are available by ICNPO, the time spent on each type of activity by ICNPO could not be determined.

The average hourly rate was derived by a two step process. First, volunteer activities were matched to occupations in the *Australian Standard Classification of Occupations, Second Edition* (Cat. no. 1220.0). The second step was to calculate a weighted average earnings estimate for these occupations using average earnings data from *Employee Earnings & Hours, Australia, May 2000* (Cat. no. 6306.0). The number of persons engaged in each of the volunteer activities were used as weights. The average earnings estimate derived for 1999–2000 was \$15.90 per hour.

*Imputation of the Value of
Volunteer Services continued*

The methodology chosen here is consistent with the general tenor of the approach recommended in the *Handbook*. Where specific volunteer activity data are not available, the *Handbook* recommends that the average gross wage for the community, welfare and social service occupation category be used. It argues that the activities are most likely to resemble that occupation and that the wage rate is typically toward the low end of the income scale. One alternative would have been to use average earnings per hour by industry rather than by occupation which would enable ICNPO specific averages to be used. However industry estimates relate to a variety of professional and unskilled paid activities and are thought not to be representative of the activities undertaken by volunteers.

Full-time equivalent volunteer persons were derived by dividing the annual hours volunteers worked by the average annual hours worked in full-time jobs.

QUALITY OF THE ESTIMATES

Overall, the ABS considers that the estimates are of good quality, especially at the most aggregative level, such as total NPI gross value added and NPI GDP.

However, some care should be exercised in the use of the finer level components as the satellite account was compiled from a range of data sources of varying suitability for the purpose. As discussed above, NPIs are not a selection variable in ABS economic collections and a fully updated list of the NPI population was not available for use in the sample process. This problem is likely to be most significant for those ICNPO components that were estimated using input data from the EAS as that survey is not designed to provide estimates at a fine level of industry detail and therefore the sample size may not be sufficient for the target industries. In order to reduce the impact of this, some of the ICNPO groups for which EAS data have been used have been combined in this publication into a single 'other' category.

The following illustrates the estimation of NPI activity using input data from EAS. Assume there are 100 businesses in one of the EAS strata (N) and 10 (n) are sampled. The population weight is $N/n = 100/10 = 10$. If one of those sampled identifies itself as a NPI, then the data provided by that NPI are expanded by a factor of 10 to provide an estimate of the NPI population in that stratum.

NPIs are self identified in the surveys. The quality of the estimates depend upon accurate self identification. There is a slight tendency for some businesses to identify themselves as NPIs simply because they did not make a taxable profit. As far as possible, these records were discarded in the estimation process. It is also possible that this effect could be more or less offset by legitimate NPIs that may not have identified themselves as such in the surveys.

SIS data is the major data source used to compile these estimates. While the same estimation strategy as that described above is used, the NPI estimates so derived are considered to be of good quality because the surveys used target industries at a more detailed industry level (ANZSIC 4 digit) where NPIs are likely to be very significant or even predominant. They have a larger sample size for the target industry and NPI activity is often an output variable in the surveys. The main drawback is that they are only available periodically. Where the reference year of the surveys are different to the 1999–2000 reference year of this satellite account, broad indicators were used as an extrapolator.

Most ABS business surveys use the ABS register of employing businesses to draw a sample frame. To the extent that NPIs are employers, their chances of selection in these surveys are the same as any other unit of that size. There are a large number of very small NPIs that are non-employers, and these would not be included on the business register. However, a significant part of their activity

QUALITY OF THE ESTIMATES
continued

would be accounted for in the estimates of the value of volunteer services because the volunteer estimates are based on a household survey.

Changes currently underway in the ABS statistical infrastructure are likely to improve our capacity to make higher quality estimates of NPI activity in the future. With the introduction of the new tax system, organisations apply for an Australian Business Number (ABN) and are placed on the Australian Business Register (ABR). Businesses with an annual turnover of \$50,000 or more and NPIs with a turnover of \$100,000 or more must register for the goods and services tax (GST) and receive an ABN, while those with a lower turnover may choose to register. It is expected that most businesses and NPIs who are under the turnover threshold will register as they need an ABN to get GST credits. ABS is now moving to use the ABR together with additional information from the ATO as the source of information for the majority of businesses included on the ABS business register. The identification of NPIs on the new register should provide the opportunity for improved NPI estimates from ABS business surveys. The ability to identify all NPIs in the population, rather than relying on self-identification in the sample, will allow the ABS to use alternative estimation techniques to improve the quality of NPI estimates.

APPENDIX 2 COMPARISON OF NPI ESTIMATES

THE NPI SATELLITE ACCOUNT AND DIMENSIONS OF AUSTRALIA'S THIRD SECTOR

The Australian Non-Profit Data Project (ANDP) was established in 1997 as a collaborative research project between the Centre for Australian Community Organisations at the University of Technology, Sydney, and the ABS, to map for the first time the scale and contribution of Australia's non-profit sector. The results from this project are published in *Dimensions of Australia's Third Sector (Dimensions)* by Mark Lyons and Susan Hocking. It presents detailed estimates for the third sector, relating mainly to 1995–96, together with a detailed discussion of the concepts, sources and methods used. It has been used extensively as a resource for this current study.

The scope of data published in *Dimensions* for 1995–96 is wider than that published in this satellite account. *Dimensions*, in its definition of the third sector also includes organisations that, while generally not allowing distribution of profits, do permit the distribution of assets to members in the event that the organisation is wound up. These are organisations in the finance and insurance industry and trading co-operatives. Data for the what is termed the 'non-profit sector' in *Dimensions* are more or less comparable with the data in this satellite account at the more aggregative level.

There are some differences that need to be borne in mind when comparing data. *Dimensions* includes public hospitals administered by religious orders. As these hospitals are in the government sector in the national accounts, they have been excluded from the scope of this satellite account. *Dimensions* presents data classified by detailed ANZSIC industry, whereas the satellite account uses a broad level of the ICNPO consistent with the recommendations of the UN Manual. There is not a one to one correspondence between ANZSIC and ICNPO. While as far as possible the same data sources were used in each of the studies to estimate for the key groups of NPIs, *Dimensions* used some data collections (such as the ABS Survey of Other Interest Groups) that have not been conducted since and may not be conducted again for some time. The satellite account therefore had to make use of some alternative data sources that are ongoing but in some cases less satisfactory.

Data for 1995–96 (*Dimensions*) and 1999–2000 (Satellite account) are presented in the following tables. Non-profit public hospitals have been removed from the *Dimensions* data so that the scope of the two reports are on a comparable basis. The calculation of value added varies between the two reports. Value added in *Dimensions* only includes compensation of employees. Value added in the satellite account includes compensation of employees, consumption of fixed capital and other net taxes on production and, for market NPIs, net operating surplus.

APPENDIX 2 COMPARISON OF NPI ESTIMATES *continued*

THE NPI SATELLITE ACCOUNT
AND DIMENSIONS OF
AUSTRALIA'S THIRD SECTOR
continued

MAIN FINDINGS—1995–96 and 1999–2000

		Dimensions 1995–96(a)	Satellite account 1999–2000
Total income	\$m	26 591	33 484
Expenditure			
Labour costs	\$m	12 883	17 024
Other	\$m	12 506	15 766
Total	\$m	25 308	32 790
NPI Value added(b)	\$m	14 049	19 702
Industry gross value added	\$m	459 870	577 705
NPI share of industry gross value added	%	3.1	3.4
Employment	persons	564 250	604 000

- (a) Non-profit public hospitals have been removed from the data reported in Dimensions.
(b) NPI value added in Dimensions only includes compensation of employees. NPI value added in the satellite account also includes consumption of fixed capital (\$1,585 m) and other net taxes on production (\$330 m) and, for market NPIs, net operating surplus.

MAIN FINDINGS, Growth—1995–96 to 1999–2000

	Average annual growth	
	Growth	
	%	%
Total income	25.9	6.5
Expenditure		
Labour costs	32.1	8.0
Other	26.1	6.5
Total	29.6	7.4
NPI Value added(a)	40.2	10.1
Industry gross value added	25.6	6.4
Employment	7.0	1.8

- (a) NPI value added in Dimensions only includes compensation of employees. NPI value added in the satellite account also includes consumption of fixed capital (\$1,585m) and net taxes on production (\$330m).

APPENDIX 3 VALUATION EXAMPLE

VALUATION OF OUTPUT AND VALUE ADDED

INTRODUCTION

The valuation of the output of a NPI will be influenced by whether it is considered to be a market or non-market producer. This point can be illustrated using a simple example of an identical meal provided by a hospitality club (market producer) and a school canteen (non-market producer).

NATIONAL ACCOUNTS BASIS

Assume the hospitality club charges \$10 and the school canteen charges \$5. Assume that the labour, capital and intermediate inputs (ingredients etc.) that go into preparing the meal are the same.

For the market producer, output is equal to the value of sales (\$10) and gross value added is output less intermediate inputs (\$4), that is: \$6 (\$10-\$4). The gross value added is comprised of labour (\$4), depreciation (\$1) and net operating surplus (\$1).

For the non-market producer (school canteen run by paid supervisor and a roster of volunteer parents), output is measured as the cost of producing the meal: ingredients (\$4), plus supervisor wages (\$1) plus depreciation (\$1), equals \$6. Gross value added is \$2 (\$6-\$4). The gross value added is comprised of labour (\$1), and depreciation (\$1). There is no net operating surplus.

In the national accounts, the output and value added of the market and non-market producer in the above example would be shown at different values, even though they produce the same product (ignoring qualitative differences including the environment in which the meal is served). The output value of the market producer is sufficient to cover all costs including a return to capital (net operating surplus). The output value of the non-market producer covers the cost of paid labour, intermediate inputs and depreciation of capital, but does not provide for a return to capital or unpaid labour.

VOLUNTEER SERVICES

The NPI satellite account in its second dimension addresses the issue of the value of volunteer services. This is done by using the cost of a market replacement for the volunteer service. If wage rates were the same as for the market producer, then the value of both output and valued added of the school canteen with the extended production boundary would rise by \$3, with the new output being \$9 compared with \$10 for the market producer. The value still excludes a return to capital (net operating surplus).

APPENDIX 4 ICNPO

INTERNATIONAL CLASSIFICATION OF NONPROFIT ORGANISATIONS

The International Classification of Non-Profit Organisations (ICNPO) is the recommended classification for NPIs in the *Handbook on Nonprofit Institutions in the System of National Accounts*, published by the United Nations and the Center for Civil Society at the John Hopkins University. It is fundamentally an activity classification system, although some purpose criteria have been included where activities are similar.

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 centers, and architectural associations.

Performing arts. Performing arts centers, companies, and associations; includes theater, dance, ballet, opera, orchestras, chorals, 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 specialized museums covering art, history, sciences, technology, and culture.

Zoos and aquariums. Zoological and botanical gardens, and aquariums.

1 200 SPORTS

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

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, Zonta International, Rotary Club, and Kiwanis.

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, medical schools.

2 300 OTHER EDUCATION

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

APPENDIX 4 ICNPO *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, 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 centers, 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 such as health clinics and vaccination centers.

Rehabilitative medical services. Outpatient therapeutic care; includes nature cure centers, yoga clinics, and physical therapy centers.

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 centers, foster care; includes infant care centers and nurseries.

Youth services and youth welfare. Services to youth; includes delinquency prevention services, teen pregnancy prevention, drop-out prevention, youth centers and clubs, and job programs for youth; includes YMCA, YWCA, Boy Scouts, Girl Scouts, and Big Brothers/Big Sisters.

APPENDIX 4 ICNPO *continued*

Group 4: Social Services *continued*

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 specialized services.

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 counseling, and credit counseling/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 travelers 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 centers.

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

APPENDIX 4 ICNPO *continued*

Group 6: Development and Housing *continued*

Community and neighborhood organisations. Organisations working towards improving the quality of life within communities or neighborhoods, e.g. squatters' associations, local development organisations, poor people's cooperatives.

Economic development. Programs and services to improve economic infrastructure and capacity; includes building of infrastructure like 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.

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 counseling and guidance. Vocational training and guidance, career counseling, 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.

APPENDIX 4 ICNPO *continued*

<i>Group 7: Law, Advocacy, and Politics continued</i>	7 300 POLITICAL ORGANISATIONS <i>Political parties and organisations.</i> Activities and services to support the placing of particular candidates into political office; includes dissemination of information, public relations, and political fundraising.
<i>Group 8: Philanthropic Intermediaries and Voluntarism Promotion</i>	8 100 GRANT-MAKING FOUNDATIONS <i>Grant-making foundations.</i> Private foundations; including corporate foundations, community foundations, and independent public-law foundations. 8 200 OTHER PHILANTHROPIC INTERMEDIARIES AND VOLUNTARISM PROMOTION <i>Volunteerism promotion and support.</i> Organisations that recruit, train, and place volunteers and promote volunteering. <i>Fund-raising organisations.</i> Federated, collective fundraising organisations; includes lotteries.
<i>Group 9: International</i>	9 100 INTERNATIONAL ACTIVITIES <i>Exchange/friendship/cultural programs.</i> Programs and services designed to encourage mutual respect and friendship internationally. <i>Development assistance associations.</i> Programs and projects that promote social and economic development abroad. <i>International disaster and relief organisations</i> Organisations that collect, channel, and provide aid to other countries during times of disaster or emergency. <i>International human rights and peace organisations</i> Organisations which promote and monitor human rights and peace internationally.
<i>Group 10: Religion</i>	10 100 RELIGIOUS CONGREGATIONS AND ASSOCIATIONS <i>Congregations</i> Churches, synagogues, temples, mosques, shrines, monasteries, seminaries, and similar organisations promoting religious beliefs and administering religious services and rituals. <i>Associations of congregations.</i> Associations and auxiliaries of religious congregations and organisations supporting and promoting religious beliefs, services and rituals.
<i>Group 11: Business and Professional Associations, and Unions</i>	11 100 BUSINESS ASSOCIATIONS <i>Business associations.</i> Organisations that work to promote, regulate, and safeguard the interests of special branches of business, e.g., manufacturers' association, farmers' association, bankers' association. 11 200 PROFESSIONAL ASSOCIATIONS <i>Professional associations</i> Organisations promoting, regulating, and protecting professional interests, e.g. bar association, medical association. 11 300 UNIONS <i>Labour unions.</i> Organisations that promote, protect, and regulate the rights and interests of employees.
<i>Group 12: [Not Elsewhere Classified]</i>	12 100 N.E.C. All other non-profit organisations.

APPENDIX 5 CONCORDANCE ICNPO-ANZSIC

CONCORDANCE:
ICNPO—ANZSIC

The industry classification used in Australia is the *Australian and New Zealand Standard Industrial Classification* (ANZSIC). This Appendix concords ANZSIC to ICNPO. In some instances the detailed ANZSIC codes cut across several ICNPO groups and subgroups.

CONCORDANCE: ICNPO—ANZSIC

<i>ICNPO groups</i>	<i>ANZSIC groups</i>
Group 1: Culture & recreation	
1100 Culture & arts	911 Film and video services
	912 Radio and television services
	921 Libraries
	922 Museums
	923 Parks and gardens
	924 Arts
	925 Services to the arts
1200 Sports	931 Sport
1300 Other recreation & culture	574 Clubs (Hospitality)
	932 Gambling services
	933 Other recreation services
Group 2: Education & research	
2100 Primary & secondary	842 School education
2200 Higher education	843 Post school education
2300 Other education	841 Preschool education
	844 Other education
2400 Research	781 Scientific research
Group 3: Health	
3100 Hospitals & rehabilitation	8611 Hospitals (except psychiatric hospitals)
3200 Nursing homes	8613 Nursing homes
3300 Mental health & crisis intervention	8612 Psychiatric hospitals
3400 Other health services	862 Medical and dental services
	863 Other health services
Group 4: Social services	
4100 Social services	871 Child care services
	872 Community care services
4200 Emergency and relief	9633 Fire brigade services
4300 Income support & maintenance	9629 Interest groups n.e.c., part
Group 5: Environment	
5100 Environment	9629 Interest groups n.e.c., part
5200 Animal protection	9629 Interest groups n.e.c., part
Group 6: Development & housing	
6100 Economic social and community development	9629 Interest groups n.e.c., part
6200 Housing	7711 Residential property operators
6300 Employment & training	7861 Employment placement services

APPENDIX 5 CONCORDANCE ICNPO-ANZSIC *continued*

CONCORDANCE:
ICNPO—ANZSIC *continued*

CONCORDANCE: ICNPO—ANZSIC *continued*

<i>ICNPO groups</i>	<i>ANZSIC groups</i>
Group 7: Law, advocacy and politics	services
7100 Civic and advocacy organisations	
7200 Law and legal services	9629 Interest groups n.e.c., part
7300 Political organisations	7841 Legal services
Group 8: Philanthropic intermediaries and volunteerism promotion	
8100 Grant-making foundations	9629 Interest groups n.e.c., part
8200 Other philanthropic intermediaries and volunteerism promotion	9629 Interest groups n.e.c., part
Group 9: International	
9100 International activities	9629 Interest groups n.e.c., part
Group 10: Religion	
10000 Religious congregations and associations	9629 Interest groups n.e.c., part
Group 11: Business and professional associations, unions	
11100 Business associations	961 Religious organisations
	9621 Business and professional associations, part
11200 Professional associations	9621 Business and professional associations, part
11300 Unions	
Group 12: Not elsewhere classified	
12100 n.e.c.	9622 Labour associations

APPENDIX 6 CONCORDANCE ICNPO-VOLUNTARY WORK

ICNPO—ABS SURVEY OF
VOLUNTARY WORK

Data on voluntary work was collected using an activity classification very similar to ICNPO, at least at the Group level. This appendix shows how the type of organisation for which volunteers worked have been concorded to ICNPO.

CONCORDANCE: ICNPO—ABS SURVEY OF VOLUNTARY WORK

<i>ICNPO Groups & Subgroups</i>	<i>Survey of Voluntary Work equivalent</i>
Group 1 : Culture & recreation	
1100 Culture & arts	Arts / culture
1200 Sports	Sport / recreation
Group 2 Education & research	Education / training / youth development
Group 3 Health	Health
Group 4 : Social services	
4100 Social services	Community / welfare
4200 Emergency and relief	Emergency services
Group 5: Environment	Environment / animal welfare
Group 6: Development & housing	Other
Group 7: Law, advocacy and politics	Law / justice / politics
Group 8: Philanthropic intermediaries and volunteerism promotion	Other
Group 9 : International	Foreign / international
Group 10: Religion	Religious
Group 11: Business and professional associations, unions	Business / professional / union
Group 12: Not elsewhere classified	Other / not collected

GLOSSARY

Compensation of employees	The total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee during the accounting period. It is further classified into two sub-components: wages and salaries; and employers' social contributions. Compensation of employees is not payable in respect of unpaid work undertaken voluntarily, including the work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (e.g. payroll tax, fringe benefits tax).
Consumption of fixed capital	Is the value at current market prices, of the reproducible fixed assets used up during a period of account as a result of normal wear and tear, foreseen obsolescence and the normal rate of accidental damage. Unforeseen obsolescence, major catastrophes and the depletion of natural resources are not taken into account.
Donations	Donations are unconditional voluntary transfers of money, goods or services to non-related community organisations or individuals. Any such arrangements would not form part of the commercial operations of the donor. The underlying motivation behind the donations is to show support, not receive a benefit.
Economically significant prices	Prices which have a significant influence on both the amounts the producers are willing to supply and the amounts purchasers wish to buy.
Employed persons	Persons aged 15 and over who, during the reference period, worked for one hour or more for pay, profit, commission or payment in kind.
Full-time equivalent of voluntary employment	Calculated by taking the annual hours of voluntary work divided by average annual hours worked in full-time jobs.
Full-time worker	An employed person who usually worked 35 hours or more a week (in all jobs) and others who, although usually working less than 35 hours a week, worked 35 hours or more during the reference week.
Gross domestic product	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, but before deducting allowances for the consumption of fixed capital. Thus gross domestic product, as here defined, is at 'market prices'. It is equivalent to gross national expenditure plus exports of goods and services less imports of goods and services.
Gross operating surplus	The operating surplus, before deduction of consumption of fixed capital, dividends, interest, royalties and land rent, and direct taxes payable, but after deducting the inventory valuation adjustment, of all enterprises from operations in Australia. It is the excess of gross output over the sum of intermediate consumption, compensation of employees, and taxes less subsidies on production and imports. Gross operating surplus is also calculated for general government, and it equals general government's consumption of fixed capital.
Gross value added	It is a measure of the contribution to GDP made by an individual producer, industry or sector. For market NPIs it is defined as the value of output minus the value of goods and services used up in the production process. For non-market NPIs it is defined as wages and salaries, employer contributions to superannuation funds, workers compensation costs and depreciation.
Interest	The amount that the debtor becomes liable to pay to the creditor over a given period of time without reducing the amount of principal outstanding, under the terms of the financial instrument agreed between them.
Market output	Output that is sold at prices that are economically significant or otherwise disposed of on the market, or intended for sale or disposal on the market.

GLOSSARY *continued*

Non-market output	Goods and services produced by non-profit institutions that are supplied free, or at prices that are not economically significant, to other institutional units or the community as a whole.
Non-profit institutions (NPIs)	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, control or finance them.
NPIs engaged in market production	NPIs which charge fees determined by their costs of production and which are sufficiently high to have a significant influence on the demand for their services. Any surpluses such institutions make must be retained within those institutions as their status as 'non-profit institutions' prevents them from distributing them to others.
NPIs engaged in non-market production	NPIs that are incapable of providing financial gain to the units which control or manage them, and which must rely principally on funds other than receipts from sales to cover their costs of production or other activities.
Non-profit institutions serving households (NPISHs)	NPIs that are not predominantly financed and controlled by government and which provide goods or services to households free or prices that are not economically significant.
Other expenses	Includes other taxes on production, interest expenses, and transfers paid.
Other taxes on production	All taxes that enterprises incur as a result of engaging in production, except taxes on products. Other taxes on production include: taxes related to the payroll or workforce numbers excluding compulsory social security contributions paid by employers and any taxes paid by the employees themselves out of their wages or salaries; recurrent taxes on land, buildings or other structures; some business and professional licences where no service is provided by the Government in return; taxes on the use of fixed assets or other activities; stamp duties; taxes on pollution; and taxes on international transactions.
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.
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 outputs of goods and services.
Production boundary	Includes <ul style="list-style-type: none">■ the production of all individual or collective goods or services that are supplied to units other than their producers, or intended to be supplied, including the production of goods or services used up in the process of producing such goods or 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
Sales of goods and services	The receipts derived from the sale of goods, or the provision of services offered for sale in the ordinary course of business operations.
Satellite accounts	These are accounts which provide a framework linked to the central accounts and enable attention to be focussed on a certain field or aspect of economic and social life in the context of the national accounts.

GLOSSARY *continued*

Subsidy on a product	A subsidy payable per unit of a good or service produced, either as a specific amount of money per unit of quantity of a good or service or as a specified percentage of the price per unit; it may also be calculated as the difference between a specified target price and the market price actually paid by a buyer.
System of National Accounts	The System of National Accounts consists 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.
Taxes on production and imports	Includes both 'taxes on products' and 'other taxes on production'. These taxes do not include any taxes on the profits or other income received by an enterprise. They are payable irrespective of the profitability of the production process. They may be payable on the land, fixed assets or labour employed in the production process, or on certain activities or transactions.
Taxes on products	A tax on a product is a tax that is payable per unit of some good or service. The tax may be a specific amount of money per unit of quantity of a good or service or it may be calculated ad valorem as a specified percentage of the price per unit or value of the goods or services transacted.
Third sector	Includes NPIs plus a group of organisations that permit the distribution of net assets to members if the organisation is wound up or taken over. Included are credit unions, building societies, mutual insurers and some trading co-operatives.
Transfer	A transaction in which one institutional unit provides a good, service or asset to another unit without receiving from the latter any good, service or asset in return.
Volunteer	A volunteer is someone who willingly gives unpaid help, in the form of time, services or skills, through an organisation or group.
Volunteer involvements	For each volunteer, the number of organisations worked for.
Volunteer services	The imputed wages of volunteer work.

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- INTERNET* **www.abs.gov.au** the ABS web site is the best place to start for access to summary data from our latest publications, information about the ABS, advice about upcoming releases, our catalogue, and Australia Now—a statistical profile.
- LIBRARY* A range of ABS publications is available from public and tertiary libraries Australia-wide. Contact your nearest library to determine whether it has the ABS statistics you require, or visit our web site for a list of libraries.
- CPI INFOLINE* For current and historical Consumer Price Index data, call 1902 981 074 (call cost 77c per minute).
- DIAL-A-STATISTIC* For the latest figures for National Accounts, Balance of Payments, Labour Force, Average Weekly Earnings, Estimated Resident Population and the Consumer Price Index call 1900 986 400 (call cost 77c per minute).

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