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ABS Submission

Context

- 1 Official Statistics produced by the Australian Bureau of Statistics (ABS) will be impacted by the proposed legislation outlined in *Australian Charities and Not-for-profits Commission Bill 2012, Exposure Draft*.
- 2 Of key interest to the ABS is that the information that is reported to the Australian Charities and Not-for-profits Commission (ACNC) by way of registration of not-for-profit entities and resulting reporting requirements will become a valuable administrative data source for use in measuring the economic contribution of the NFP sector. In particular, the information can be used to produce a Satellite Account for Non Profit Institutions, which has been recognised as highly desirable by Australian Government and by the NFP sector itself.

ABS view

- 3 To meet the ABS objective of utilising the information collected by the ACNC the following comments on the exposure draft are provided:
 - i. Chapter 2, Part 2.1, Division 5 Entitlement to registration – The ABS suggests the use of the International Classification of Non-Profit Organisations (ICNPO) to be used as the subtype of registered entities. The ICNPO is the recommended classification for non-profit organisations in the United Nations Handbook on Non-Profit Institutions in the Systems of National Accounts. It was developed by John Hopkins University following significant consultation and provides a detailed classification of the activities undertaken by NFPs. Its use would mean that Australian data was internationally comparable.
 - ii. Chapter 3, Part 3.1, Division 55 Reporting & Chapter 8, Part 8.1 Division 210 Core concepts – different levels of reporting required by different sizes of entities and definition of those sizes. While the ABS appreciates the reasons for this it needs to be recognised that this will impact upon the usefulness of the information collected for statistical output. Choosing just one indicator of size may mean that some units which are large in an aspect other than revenue (for example asset rich) may fall into the small or medium size. ACNC may also want to consider applying the cut-off to an average of their revenues over a given number of years in order to reduce units 'bouncing' between sizes.
 - iii. Chapter 8, Part 8.1, Division 210 Core concepts – the ABS considers that the legislation should contain a definition of "not-for-profit" or at least a reference to a definition within other legislation.

Australian Bureau of Statistics
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