

Comments on Draft PC Report on Not For Profit Sector

Dear sir

Following are comments by ABS on the Draft Productivity Commission Report on the Not For Profit Sector.

I note that of the significant number of draft recommendations, only one is addressed specifically to the ABS, draft recommendation 5.1 relating to ABS co-ordinating an Information Development Plan (IDP) for the not-for-profit (NPI) sector. However, a significant number of the other recommendations contain data measurement components, or components related to measurement boundaries (e.g. identification of NPIs, classification of government funding), or represent opportunities for data gathering as a by-product (e.g. establishment of registers, common reporting arrangements, research and evaluation activities).

The many draft recommendations that contain data-related elements cannot be implemented in isolation from each other, and will require overall coordination across jurisdictions and between parts of the NPI sector. Given this context, the **ABS supports draft recommendation 13.2**, to establish an Office for Not-For-Profit Sector. Without a means for overarching coordination, independent pursuit of individual recommendations may not result in a cohesive set of outcomes, including measurement and evidence gathering outcomes.

Draft recommendation 5.1 concerns the development of an Information Development Plan and ABS' role in its formulation and consultation thereon. **ABS supports draft recommendation 5.1**. An IDP provides the basis for elaborating measurement boundaries, roles and responsibilities for data gathering and requirements for dissemination and frequency of results. An IDP will also clarify objectives of data gathering, for example distinguishing between data required about NPIs for inclusion in core national datasets such as the national accounts and the need for data with a more micro focus such as performance and contribution in various fields of service delivery.

Subject to funding the ABS is willing to perform the coordination role for the IDP. We point out that there are a large number of dependencies and interplay between this and other draft recommendations that have data related conceptual or practical impacts and opportunities. In this context the remarks made above about draft recommendation 13.2 are relevant. ABS would seek to pursue its role in formulating an IDP as part of the overall coordination specified in draft recommendation 13.2.

The ABS is considering how best to pursue the development of an IDP for NPIs. The draft measurement framework presented in Figure 3.2 of the draft report represents a useful starting point for IDP formulation. Teasing out outcomes-related data requirements will require a consideration of how to integrate data on this aspect of NPI activity with for profit and government delivery channels for the same services. In particular, the development of outcomes-related metrics for health and education services should not be undertaken in isolation for only the NPI delivery channel. This is another dimension on the coordination task referred to above. Within this framework the ABS suggests a recommendation concerning **development of common metrics for health and education related outcomes across all delivery channels**, not just NPIs, in the final report. ABS would be able to contribute to such a development..

The tension between macroeconomic accounting and more micro focussed objectives is illustrated in the dot points listed in draft recommendation 5.1. The NPISA contains estimates that cover the contribution of very small NPIs by the inclusion of tax-based data for NPIs with ABNs supplemented by an estimate of the value of volunteer work provided to NPIs of all sizes. The 2008-09 Community Services Industry Survey has collected more detailed employee and volunteer information. There is also the question of frequency of measurement. In a national accounting context the absolute numbers of NPIs is of peripheral relevance. While the current scope and frequency of ABS data gathering is adequate for macroeconomic accounting purposes and feasible within funding constraints, there is a wider range of needs it cannot meet. While the IDP will identify those additional needs, there will, inevitably, be questions of priorities and resources. In this context, there are opportunities represented by a number of other draft recommendations concerning systematic rules for identifying NPIs, establishing registers, developing standards for addressing questions like the nature of government funding, common reporting frameworks and sharing information. The following table attempts to summarise the potential interplay of the various recommendations.

Type of data opportunity	Recommendation
measurement initiatives	5.1, 5.2, 5.3
systematic data concepts	6.1, 6.2, 6.3, 6.4, 7.1, 7.2, 9.1, 10.2, 10.3, 11.1, 11.4, 12.1, 12.2, 12.4, 12.7
data collection and knowledge sharing	5.4, 7.3, 11.2, 11.3,

The ABS welcomes the draft recommendations that assist in identifying and clarifying the role of NPIs, criteria for charitable status, and tax deductibility criteria in a systematic fashion applicable across jurisdictions. We particularly support draft recommendations 6.1, 6.2, 6.3, 6.4 and 7.1. Objective criteria and systematic registration will assist resolving the ambiguities for many purposes, including data collection and analysis. The ABS will be involved to ensure that statistical needs are taken into account at the early developmental stage. One particular advantage in early participation is ensuring reporting obligations are consistent with international requirements

The ABS will participate actively in the development of an IDP and other data coordination activities subject to adequate funding of this new work.

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