

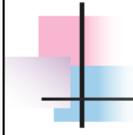
Topic 2.10 Lecture 2

The Nonprofit Sector



communitycapacitybuilders

Welcome to lecture 2 of Topic 2.10. In this lecture we are going to focus on the nonprofit sector.



Australian Nonprofit Organisations

- Two types
 - Charities
 - Other Nonprofits

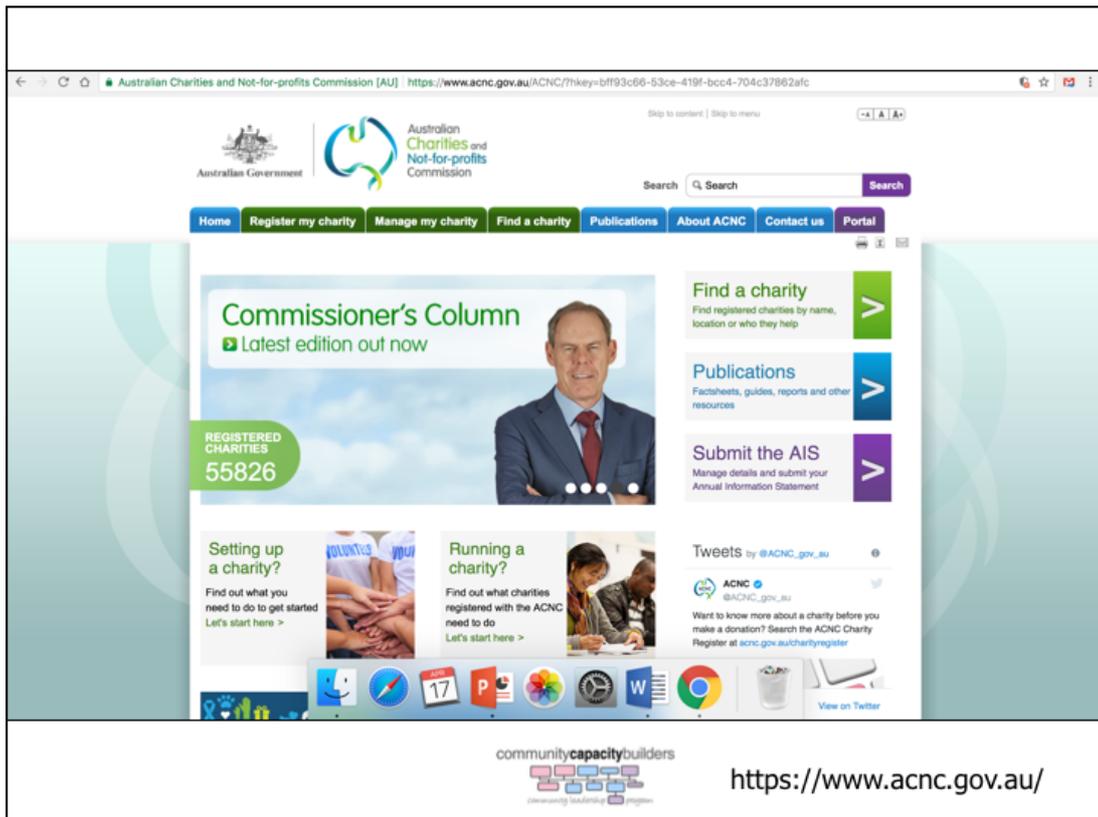
Government of South Australia, 2018a



Nonprofit organisations do not operate for the profit or personal gain of its individual members. They can make a profit, but any profit made must be used to carry out the organisation's purposes and must not be distributed to owners, members or other private people.

In Australia non-profit organisations fall into two broad categories:

- Charities, and
- other nonprofit organisations that are not charities – these are the numerous sporting and recreational clubs, community service organisations, professional and business associations and social organisations that we see in our communities.



A charity is a legal entity that is established and operated for a purpose that the law considers to be charitable. It must:

be a not-for-profit organisation

be for the public benefit

have a charitable purpose, which includes:

health services and research

help for disabled, sick, poor, destitute or unemployed people and their families

war relief for anywhere in the world

help for current or past members of the armed forces and their families

helping animals.

Most charities in Australia are registered with the Australian Charities and Not-for-profits Commission.

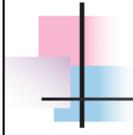
The screenshot shows the website of the Legal Services Commission of South Australia. The page is titled "Unincorporated associations" and is part of the "LAW HANDBOOK" section. The navigation menu includes "ABOUT US", "LEGAL HELP", "EDUCATION", "FOR LAWYERS", "NEWS", "LAW HANDBOOK", and "CONTACT". The page content includes a sidebar with a table of contents for "COMMUNITY ORGANISATIONS" and a main text area. The main text explains that unincorporated associations are not legal entities and that members are personally responsible for debts and actions. It also mentions that such associations cannot hold assets and must appoint trustees. A "Listen" button is visible above the main text. At the bottom of the page, there is a logo for "communitycapacitybuilders" and the URL "http://www.lawhandbook.sa.gov.au/ch08s02.php".

These other nonprofit organisation include incorporated and unincorporated organisations.

Unincorporated organisations or associations are the same as the unincorporated community groups which we referred to in the previous lecture. They have no legal identity.

As stated by the South Australian Legal Service Commission in this slide they are:

‘really only a collection of people acting together’. It is pointed out in this slide that ‘This is the most obvious difference between unincorporated and incorporated organisations’.



Incorporated Nonprofits

- Features:
 - lodged documents are kept on a public register
 - can sue and be sued
 - it can enter into contracts
 - affairs are usually run by a committee

Government of South Australia, 2018b



An incorporated non-profit organisation is set up when a non-profit group sets up a legal identity that is separate to its members.

Features of an incorporated nonprofit in Australia include:

They lodge documents and these are kept on a public register

They are a legal entity and therefore can sue and be sued which some protection for individual members

Being a legal entity, they can enter into contracts, and

Their affairs are usually run by a committee

Size of Nonprofit Sector



Created from information in ACPNS 2014 and ACNC 2016
Figure 1 Nonprofit and charitable sector in Australia

Crittall et al., 2017

communitycapacitybuilders
community building programs

The image in this slide represents the size of the non-profit sector in Australia. There are an estimated 600,000 Nonprofits in Australia with the bulk of these being small, non-employed organisations that rely on voluntary contributions.



Civil Society

- there is not a uniformly agreed definition
- It is most often used to refer to the nonprofit sector

Civil Society Development Foundation, 2001

- ‘...the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil Society Organizations (CSOs) therefore refer to a wide array of organizations: community groups, non-governmental organizations (NGOs), labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations.’

World Bank, 2013

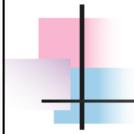


We noted in Topic 1.4 Participation and Collaboration that civil society is another name sometimes given to the non-profit sector.

We noted that there is not a uniformly agreed definition for the term ‘civil society’. But it is most often used to refer to the nonprofit sector (Civil Society Development Foundation, 2001).

We mentioned that the World Bank (2013) had adopted the following definition of civil society:

‘...the wide array of non-governmental and not-for-profit organizations that have a presence in public life, expressing the interests and values of their members or others, based on ethical, cultural, political, scientific, religious or philanthropic considerations. Civil Society Organizations (CSOs) therefore refer to a wide array of organizations: community groups, non-governmental organizations (NGOs), labor unions, indigenous groups, charitable organizations, faith-based organizations, professional associations, and foundations.’



References

- Australian Bureau of Statistics (2002), Non-profit Institutions Satellite Account, Australian National Accounts 5256.0 1999-2000, Canberra
- Civil Society Development Foundation (2001), What is civil society, viewed 15 March 2007, <<http://www.fdsc.ro/society/frames/index.html>>
- Crittall, Marie, Katie McDonald, Myles McGregor-Lowndes, Wendy Scaife, Jo Barraket, Rachel Sloper and Alexandra Williamson with Christopher Baker. 2017. Giving and volunteering: the nonprofit perspective. Giving Australia 2016 report series commissioned by the Australian Government Department of Social Services. Brisbane, Queensland: The Australian Centre for Philanthropy and Nonprofit Studies, Queensland University of Technology, Centre for Social Impact Swinburne University of Technology, and the Centre for Corporate Public Affairs
- Government of South Australian (2018a), Organisation types: Not-for-profit organisations, viewed 17 April 2018, <https://www.sa.gov.au/topics/family-and-community/community-organisations/types/not-for-profit-organisations>
- Government of South Australian (2018b), Organisation types: Incorporated associations, viewed 17 April 2018, <https://www.sa.gov.au/topics/family-and-community/community-organisations/types/incorporated-associations>
- World Bank (2013), Defining Civil Society, last updated 22 July 2013, viewed 2 July 2013, <<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/CSO/0,,contentMDK:20101499~menuPK:244752~pagePK:220503~piPK:220476~theSitePK:228717,00.html>>

