



Australian Nonprofit Sector

*Fact Sheet presented by
The National Roundtable of Nonprofit Organisations*

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Size

- There are as many as 700,000 nonprofit organisations in Australia, most of which are small and entirely dependent on the voluntary commitment of members
- Approximately 380,000 nonprofit organisations are incorporated in some form or another (meaning that they have a legal identity independent from their members)
- About 35,000 nonprofit organisations employ staff
- There are approximately 20,000 organisations with Deductible Gift Recipient status in Australia. Most of these are nonprofit organisations

Economic Contribution

In 1999/2000, nonprofit organizations that employed staff:

- Employed 604,000 people, 6.8% of Australians in employment
- Had an income of \$33.5 billion
- Contributed \$21 billion, or 3.3%, to GDP
- Made an economic contribution larger than the communications industry and about equal to that of the agriculture industry; a contribution almost twice as large as the entire economic contribution of the state of Tasmania

Sources of Income

In 1999/2000 the nonprofit sector's main sources of income were as follows:

- 58% - sale of goods and services
- 30% - government grants and contracts
- 9% - household transfers

Overseas Comparisons

In terms of its contribution to employment, Australia's nonprofit sector:

- Is of a similar size to that of the United States
- Is larger than that in the United Kingdom and most other European countries
- Is smaller than the nonprofit sector in the Netherlands and Ireland



Components of the Sector

Organisations in the following fields account for the following percentages of nonprofit sector employment:

- Social Services - 26%
- Education and Research - 24%
- Culture and Recreation (including registered clubs) - 21%
- Health - 15%
- Business and Professional Associations and Unions - 2.5%
- Other - 11.5%

Not Just an Economic Contribution

Professor Mark Lyons, author of *Third Sector: the contribution of nonprofit and cooperative enterprises in Australia* (Allen & Unwin, 2001), says:

“Nonprofit organisations make an even more important contribution to society through their demonstration of, and thus encouragement for, collective action. They play a central role in the regeneration of social capital. Nonprofit organisations also sustain and shape a democratic political system. They are the “elementary schools of democracy”. While the vast number of nonprofit organisations that do not employ people may not contribute greatly to the economy, they contribute greatly to the nonprofit sector’s social and economic impact.”

Philanthropy

In 2004, 13.4 million Australians donated \$5.2 billion to nonprofit organisations

- A further \$2 billion was provided by 10.5 million Australians who brought raffle tickets or attended charity auctions and similar events
- Not all donations can be claimed as a tax deduction; in 2002/03, \$913 million was claimed
- In 2003/04, over half a million Australian businesses provided \$3 billion to nonprofit organisations as gifts of money, goods services and sponsorship

Volunteering

- During 2004, 6.3 million Australians, 41% of adults, volunteered a total of 750 million hours of labour for non-profit organisations of all sizes
- This voluntary contribution was equivalent to an additional \$13.3 billion donated to the non-profit sector
- In 1999-2000, when the contribution of volunteers (then estimated at \$8.9 billion) is added to the financial data, Australia’s nonprofit sector contributed \$42 billion to the national economy. This was equivalent to the contribution of the mining industry



Membership

- In 2003, over 13 million Australians (86% of adults) belonged to at least one nonprofit association; 48% belonged to at least three organisations
- Just under 1 million held office in a nonprofit organisation

The Sector's Importance to Democracy

“Like most modern democracies, Australian society is supported and served by a not-for-profit charitable sector which delivers a range of social welfare services to its citizens. In this role the charitable sector is a crucial partner with business and government, which it complements but with which it also contrasts. The sector in Australia pre-dates any form of comprehensive government intervention on behalf of people in need. It arose from the compassion, goodwill and foresight of men and women of philanthropic, humanitarian and religious convictions and has continued to serve, expand and diversify since early colonial days.

The charitable sector underscores many basic values in Australian democracy. It exemplifies the principles of pluralism, free choice and the rights of citizens to participate in and take responsibility for their community. It helps ensure that no government has a monopoly on the way society deals with its citizens – especially those who are most vulnerable because of economic or personal need.”

Industry Commission 1995

Future of Nonprofit Sector

“The 21st Century will be the century of the social sector organisation. The more economy, money and information become global, the more community will matter. And only the social sector nonprofit organisation performs in the community, exploits its opportunities, mobilizes its local resources, solves its problems. The leadership, competence, and management of the social sector nonprofit organization will thus largely determine the values, vision, the cohesion and performance of 21st Century Society.”

Peter F Drucker, Drucker Foundation 1999

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