

Key facts concerning Not-for-Profit Sector

Drawn from Productivity Commission Research Report on
Contribution of the Not-for-Profit Sector - January 2010

Size and contribution of the sector

- About 600 000 not-for-profit organisations (NFPs), up from 520 000 in 1995-96.
- 59 000 are deemed economically significant, (employ paid staff and/or have an active tax role) by the Australian Bureau of Statistics.
- The sector contribution to GDP grew from \$21 billion in 1999-2000 to \$43 billion in 2006-07 (7.7 per cent pa in real terms).
- This made up 4.1 per cent of GDP in 2006-07, up from 3.3 per cent in 1999-2000, which does not include volunteer contributions.
- Volunteers contributed \$14.6 billion in unpaid work in 2006-07 up from \$8.9 billion in 1999-2000 in nominal terms (4.3 per cent real annual average increase).

Legal Structures of NFPs

- Companies limited by guarantee – 11 700
- Incorporated Associations – 136 000
- Cooperatives – 1 850
- NFPs incorporated by other means – 9 000 (including around 2500 Indigenous corporations)
- Unincorporated entities – 440 000.

Volunteers and employees

- The sector attracted 4.6 million volunteers in 2006-07. This was 317 000 full time equivalents, up from 285 000 in 1999-2000.
- Median annual hours per volunteer decreased from 74 in 1995 to 56 in 2006.
- 32 per cent of people aged 18-24 volunteered in 2006, up from 17 per cent in 1995.
- NFPs employed 890 000 people in 2006-07, up from 604 000 in 1999-2000 (average annual growth rate of 6.7 per cent).
- Sector employment in 2006-07 was made up of 41 per cent full-time, 34 per cent part-time and 24 per cent casual.
- The wage gap between social workers employed by NFP and government providers in similar positions was estimated to be up to 25 per cent (after adjusting for Fringe Benefit Tax concessions).

Income and expenditure

- NFPs' income was \$76.6 billion in 2006-07. \$38 billion (49.6 per cent) was self-generated income and \$7.2 billion (9.4 per cent) was from philanthropic sources.
- Proportion of total funding from governments increased from 30.2 per cent in 1999-00 to 33.2 per cent (\$25.5 billion) in 2006-07 (including government funded services).
- Philanthropic giving increased (in real terms) by 8 per cent per annum over 1997-2005 to \$7.7 billion (comprising donations of \$5.7 billion and another \$2 billion raised through charity gambling or support for events).
- Australian giving (0.69 per cent of GDP in 2004) was significantly lower than in the US, and slightly lower than the UK and Canada (1.67, 0.73 and 0.72 per cent respectively) but higher than in New Zealand (0.29 per cent in 2000).
- Labour costs made up 43 per cent of the total expenditure of \$70.7 billion in 2006-07. New capital expenditure including land was \$8.7 billion, with surpluses from current operations (61 per cent) being the main source of funding.

Taxation concessions

- As of June 2009, 52 149 NFPs were registered as tax concession charities. 40 per cent were also endorsed as Deductible Gift Recipients (DGR).
- There are 26 123 NFPs with DGR status, of which 19 212 are also charities.
- Australian taxpayers claimed \$1.8 billion for deductible gifts in 2006-07, increasing around 11 per cent per annum from \$863 million in 2000-01.
- Fringe benefit tax concessions amounted to around \$1 billion in tax expenditures for 2008-09.
- State payroll tax concessions for NFPS are greater than \$800 million per annum.
- Concessional tax benefits on gaming machines in clubs are worth over \$700 million per annum.