



# The Economic Value of **Volunteering** in South Australia

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## Executive Summary

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### Key results

The *Economic Value of Volunteering in South Australia* report shows South Australia's volunteers' contribution, based on 2006 data, is valued at more than \$4.89 billion annually. Their efforts equate to a volume of work equivalent to 107,400 full time jobs across the State.

The overall value of volunteering has been calculated in this report by adding together the value of *organised volunteering* (through an organisation or group), *unorganised volunteering* (not mediated through an organisation), and the cost of volunteer travel. To read more about the definitions of organised and unorganised volunteering, see page 4 of this report.

The figures in this report have been calculated by using the latest surveys conducted by the Australian Bureau of Statistics (ABS) on time use in 1992, 1997 and 2006 and on voluntary work in 1995, 2000 and 2006. In a first for South Australia, the volunteer participation surveys conducted by Harrison Research in 2006, 2008 and 2010, have also been used to explore 'Volunteering in South Australia through Organisations' (pages 16-20) The section on the 'Future of Volunteering in South Australia' (pages 19-25) gives projections of the hours and overall value of volunteering out to the year 2021.

The report shows that volunteering has maintained its high value in South Australia over the years. In the previous 2002 report for South Australia – *Valuing Volunteering: the Economic Value of Volunteering in South Australia* by Dr Duncan Ironmonger – volunteering was calculated to be worth more than \$4.98 billion annually, which is consistent with the latest 2006 findings of \$4.89 billion.

The high value calculated around the turn of the millennium is consistent with spikes of high participation in other parts of the country, such as Western Australia.

More broadly, the value of volunteering in South Australia has more than doubled over the 15 years from 1992 to 2006. Volunteering was worth \$2.4 billion to the State's economy in 1992, growing to \$4.9 billion in 2006. A significant contribution to the South Australian economy adding up to 7.7 per cent of the State's Gross State Product (GSP).

At a national level, the South Australian volunteering community's contribution to the State's GSP is considerable, when comparison is made with other States. In 2006, as a proportion of GSP, volunteering in South Australia (7.7 per cent) was higher than both Queensland (7.5 per cent) and Western Australia (5.6 per cent).

The international evidence also shows that the recent levels of organised volunteering in Australia and in South Australia are within the range of volunteering in the United States, Canada and the United Kingdom. To read more about this international perspective, see pages 24-25 of this report.

Other key results featured in this report include:

- Volunteers provided a volume of work equivalent to 87,000 full time jobs in 1992 rising to 107,400 in 2006.
- This volunteer effort was equivalent to 13.9 per cent of the paid number of people employed in South Australia in 1992 and 14.2 per cent in 2006.
- This adds up to several thousands more volunteers than the total number of people employed (13 per cent) in the health care and social assistance industry in South Australia of 68,400 in 1992 and 97,500 in 2006.
- There has been an 11 per cent rise in the average total hours an individual adult spends volunteering in South Australia over the 15 years from 1992 to 2006.
- In dollar terms in the 15 years from 1992 to 2006 South Australian adults, on average, increased their donation of volunteering time and associated costs by 86 per cent from \$2,156 to \$4,020 per annum.
- Of all the age groups, the 55-64 years group gave the highest contribution of \$1,618 per adult in 2008 and \$1,754 in 2010.
- Overall, women in South Australia contributed an estimated \$734 million dollars of time and other inputs to volunteer organisations in 2006. In comparison, South Australian men's donation was less, about \$616 million.
- Regional South Australians contributed approximately \$408 million to their communities in terms of organised volunteering in 2006. Volunteering through organisations of those living in Adelaide was estimated to be worth \$943 million.

# Volunteering

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## What is volunteering?

Many volunteers may be unaware that their activities are considered to be volunteering. For instance, a family member who provides care to an elderly person or someone who is a member of a sports club committee may not consider themselves 'volunteers'. Volunteering itself can mean different things to different people and from different cultural perspectives.

In reality there is a wide range of interpretations of what constitutes voluntary work. In 2001 the United Nations (UN) adopted specific criteria to distinguish volunteering from other forms of behaviour that may superficially resemble it. According to the UN, volunteering:

- is not to be undertaken primarily for financial gain
- is undertaken of one's own free will; and
- brings benefit to a third party as well as to the people who volunteer.

In its work on measuring and valuing volunteering, the Households Research Unit has distinguished between "organised" and "unorganised" volunteering.

Organised volunteering is defined as unpaid help in the form of time, service or skills willingly given by an individual through an organisation or group. Formal or organised volunteering is *indirect* as it is mediated through an organisation. Reimbursement of expenses or small gifts is not regarded as payment of salary. Work reimbursed by payment in-kind is not regarded as volunteering.

Unorganised volunteering is defined as the informal unpaid help and care that occurs within the personal networks of family, friends, neighbours and acquaintances. Informal or unorganised volunteering is *direct* as it is not mediated through an organisation. It includes regular, spontaneous and sporadic help that takes place between friends and neighbours such as giving advice, looking after other people's children or helping an elderly neighbour.

A more detailed discussion of the definitions of organised (formal) and unorganised (informal) volunteering can be found in Chapter 3 of the report *Giving Time: The economic and social value of volunteering in Victoria* (Soupourmas and Ironmonger, 2002) and is included as an Appendix to this report.

## Why put a dollar value on volunteering?

Valuing volunteer time is of enduring interest in volunteering research (Foster, 1997; Gaskin, 1999). Converting the currency of volunteering time into monetary terms can be a useful device for

measuring the contribution that volunteers make to society (Knapp, 1990). It is crucial that we as a community acknowledge that volunteer time is a real donation that is as valuable as money. This is especially important when time is the only resource many individuals have to offer. By exploring ways of putting a value on volunteer work we help to make this sort of work more visible.

The calculation of the economic value of volunteering in South Australia is important because it can:

- emphasise to government and policy makers that voluntary work makes a significant contribution to the South Australian community
- encourage South Australian people to become volunteers by demonstrating the economic benefits of volunteering; and
- inform the media and the community about the value of volunteer time to the South Australian economy.

Although anecdotal evidence suggests that the economic contribution of volunteering is great, there are limited reliable figures on the exact monetary value. While we have various official statistics about participation rates, there are no readily available official statistics to show the important contribution volunteering makes to the South Australian economy.

The purpose of this report is to address all of the issues highlighted above.

## Various methods of calculating the dollar value of volunteering

Each quarter the national accounts published by the ABS make visible only part of the valuable economic activities of Australia – the productive activities that we pay for through the market economy. Unpaid non-market activities that are about as valuable are omitted from the quarterly national accounts, thus unpaid household and volunteer work are invisible and consequently tend to be ignored from our national objectives and from indicators of our national performance.

To rectify this narrow focus, it is necessary to put a value on the unpaid production through household and volunteer work. Satellite national accounts of household productive activities are being developed to complete the picture of economic activity – to allow us to see the full range of economically productive activity (Ironmonger, 2000; Ironmonger & Soupourmas, 2002).

There are two benefits that flow from most human activities – **output benefits** and **process benefits**. The distinction between these two kinds of benefits is best illustrated by an example. Consider the activity of meal preparation. The positive *output benefits* are the meals themselves, the “transferable” outputs of the meal preparation which accrue to the persons eating the meals. The *process benefits* of meal preparation, which may be positive or negative, are the pleasure or displeasure the chef obtains from the time spent in meal preparation and cooking. These *process benefits* are non-transferable to another person. With voluntary work the transferable output benefits are the services provided to

others by the volunteers. The non-transferable *process benefits* are the pleasures obtained by the volunteers from the time spent in volunteering.

Unfortunately, the statistical methods so far devised for valuation have not come up with an objective method of valuing process benefits. The best that can be done is a subjective method of asking individuals to evaluate the pleasure/displeasure obtained from an activity on a scale of, say, one to five, as : (1) Very unpleasant, (2) Unpleasant, (3) Neither pleasant or unpleasant, (4) Pleasant, and (5) Very pleasant.

This scaling process does not lead to a monetary valuation of an activity but does allow comparisons between different activities, so that minding the grandchildren would be mainly pleasant or very pleasant and cleaning the toilet would be unpleasant or very unpleasant.

**Several methods have been devised to put a monetary value on the output benefits from the time spent in voluntary work.**

1. A method developed in the United Kingdom, called the Volunteer Investment and Value Audit (VIVA), puts a value on the resources used to support volunteers (management staff costs, training, recruitment, insurance and administration) in relation to the value of volunteer time. This approach quantifies the economic investment that organisations make in their volunteers. As many organisers of volunteers would contend, contrary to popular opinion, volunteers are not free of cost. The VIVA ratio, which states that for every dollar invested in volunteers there is a return of X dollars in the value of the volunteers' work, is calculated by dividing the value of volunteer time by organisational investments. This method is very useful in producing audit data for individual organisations. Gaskin (1999) has found that money spent on volunteers is more than doubled in value and may increase up to eightfold.
2. Undoubtedly, the most satisfactory valuation method involves counting the specific outputs and pricing these outputs at market prices of comparable goods or services produced and sold in the market. For example, the meals provided at home can be counted and valued at market prices for comparable restaurant or take-away meals. The 'value added' by the unpaid household labour is then obtained by deducting the costs of the purchased intermediate inputs of food, energy and other materials and the cost of the household capital used in the meal preparation. This method gives a more accurate reflection of the labour productivity of the technology of the household.
3. An alternative method, which is less satisfactory from the point of view of reflecting the productivity or efficiency of household technology, involves valuing the time spent in an unpaid activity at a 'comparable' market wage. The wage chosen is either –
  - (a) the 'opportunity cost' of the time the persons involved in unpaid work could have obtained if they had spent the time in paid work;
  - (b) the 'specialist wage' that would be needed to pay a specialist from the market to do the activity (say, a cook to do cooking or a baby-sitter to do baby sitting); or

- (c) the “generalist wage” that a general housekeeper would be paid to do the unpaid work.  
The “net” opportunity cost values unpaid work at the after tax wage rate less work-related expenses plus income by way of employer cost of superannuation and fringe benefits.

The Australian Bureau of Statistics used these comparable market wage methods to produce estimates for 1992 and 1997 of the value of unpaid household work and the value of volunteer and community work. In the ABS estimates, volunteer and community work excluded time spent in civic responsibilities, other community participation and in church and religious activities but included the time spent in travel for volunteer and community work.

Using this definition, the ABS published estimates of the value of volunteer and community work in Australia in 1992 and 1997 in their report *Unpaid Work and the Australian Economy* (ABS 2000).

Table 1 shows the ABS estimates for three comparable market wage rates – specialist wage, gross opportunity cost and net opportunity cost – for 1992 and 1997.

**Table 1: Value of volunteer and community work, Australia**

|                          | 1992              |                | 1997              |                |
|--------------------------|-------------------|----------------|-------------------|----------------|
|                          | Wage rate \$/hour | \$billion/year | Wage rate \$/hour | \$billion/year |
| Specialist wage          | 12.17             | <b>18</b>      | 13.96             | <b>25</b>      |
| Opportunity cost – gross | 14.34             | <b>21</b>      | 17.47             | <b>31</b>      |
| Opportunity cost – net   | 10.87             | <b>16</b>      | 13.47             | <b>24</b>      |

The estimates prepared for this report of the value of volunteer time are based on the ABS estimates of the *gross opportunity cost* wage rates.

Although the gross opportunity cost wage is the highest of the three wage rates used by the ABS, the gross wage has been used in this report (and in the earlier reports by the Households Research Unit on volunteering in Victoria, South Australia, Queensland and Western Australia) because, if the services provided by volunteers were provided instead by paid employees, the costs incurred by organisations and households would need to cover gross wages including income taxes and other charges such as contributions to superannuation schemes.

In the absence of any further ABS published estimates of volunteer wage rates, the changes in the published ABS national accounts estimates for ‘average compensation per employee’ between 1992 and 2006 were used to make estimates for volunteer wage rates for the intervening year 1995 and the subsequent years 2000, 2006, 2008 and 2010.

The series of wage rates per hour are:

| 1992           | 1995    | 1997           | 2000    | 2006    | 2008    | 2010    |
|----------------|---------|----------------|---------|---------|---------|---------|
| <b>\$14.34</b> | \$16.00 | <b>\$17.47</b> | \$19.26 | \$24.09 | \$26.64 | \$27.45 |

These rates are used to make estimates of the annual values of volunteering time in South Australia.



## Volunteering in South Australia

### Total hours of volunteering in South Australia

The starting point for the estimates prepared for this report were the surveys of Time Use and Voluntary Work conducted by the Australian Bureau of Statistics in 1992, 1997 and 2006 (Time Use) and 1995, 2000 and 2006 (Voluntary Work).

The ABS Time Use Surveys collect detailed diaries covering all uses of time over two consecutive days. These surveys give daily participation rates and times spent in all types of activities. Hence the participation and times spent on both types of volunteering, organised and unorganised, are obtained in the Time Use Surveys.

On the other hand, the ABS Voluntary Work Surveys cover only volunteering through organisations. These are not obtained through detailed diaries but from asking respondents to recall their participation in this type of volunteering over the last twelve months. They also ask the amount of time spent on organised volunteering over the last year.

Despite the different methodologies of the surveys, together they provide the basis for making estimates of the average time spent in volunteer activities by the adult population of South Australia.

**Table 2: Hours of volunteer work, South Australia**

Annual hours per adult (Averaged over all adult population aged 18+)

| Volunteering       | 1992       | 1995      | 1997       | 2000      | 2006       | % Change<br>1992-2006 | Annual %<br>Change<br>1992-2006 |
|--------------------|------------|-----------|------------|-----------|------------|-----------------------|---------------------------------|
| <b>Organised</b>   | <b>32</b>  | <b>47</b> | <b>58</b>  | <b>73</b> | <b>41</b>  | <b>28%</b>            | <b>21.8%</b>                    |
| <b>Unorganised</b> | <b>75</b>  |           | <b>88</b>  |           | <b>84</b>  | <b>12%</b>            | <b>0.8%</b>                     |
| Adult Support      | 53         |           | 65         |           | 55         | 4%                    | 0.3%                            |
| Child Support      | 22         |           | 22         |           | 29         | 30%                   | 1.9%                            |
| <b>Travel</b>      | <b>26</b>  |           | <b>30</b>  |           | <b>23</b>  | <b>-12%</b>           | <b>-0.9%</b>                    |
| <b>Total</b>       | <b>133</b> |           | <b>176</b> |           | <b>148</b> | <b>11%</b>            | <b>0.7%</b>                     |

Source: Estimates of the Households Research Unit based on Australian Bureau of Statistics Time Use surveys 1992, 1997 and 2006 and Voluntary Work surveys 1995, 2000 and 2006.

The surveys indicate an 11 per cent rise in the average total hours per adult of volunteering in South Australia over the 15 years 1992 to 2006. It is noteworthy that after rising by 43 hours from an average of 133 hours per year in 1992 to 176 hours in 1997, the total average hours of volunteer work in South Australia fell by 28 hours to 148 in 2006.

Volunteering through organisations shows a rise of 28 per cent per adult over the 15 year period and unorganised volunteering a lower rise of 12 per cent. Within the unorganised there appears to have

been a large rise in the average amount of informal volunteering in support of children and only a small rise in informal support for adults. Total travel time in support of volunteering, both organised and unorganised, appears to have declined over the 15 years.

In macro-economic terms the total volume of volunteering time in South Australia increased by 23 per cent in the fourteen-year period from 1992 to 2006. These estimates are shown in Table 3.

**Table 3: Volume of volunteer work, South Australia**

Million hours per year

| Volunteering       | 1992         | 1995        | 1997         | 2000        | 2006         | % Change<br>1992-2006 | Annual %<br>Change<br>1992-2006 |
|--------------------|--------------|-------------|--------------|-------------|--------------|-----------------------|---------------------------------|
| <b>Organised</b>   | <b>35</b>    | <b>52.6</b> | <b>64.6</b>  | <b>83.4</b> | <b>49.7</b>  | <b>42%</b>            | <b>2.5%</b>                     |
| <b>Unorganised</b> | <b>82.8</b>  |             | <b>99.2</b>  |             | <b>102.2</b> | <b>24%</b>            | <b>1.6%</b>                     |
| Adult Support      | 57.6         |             | 74.4         |             | 66.7         | 16%                   | 1.1%                            |
| Child Support      | 24.7         |             | 24.8         |             | 35.6         | 44%                   | 2.7%                            |
| <b>Travel</b>      | <b>28.9</b>  |             | <b>34.4</b>  |             | <b>28.4</b>  | <b>-2%</b>            | <b>-0.1%</b>                    |
| <b>Total</b>       | <b>146.1</b> |             | <b>198.2</b> |             | <b>180.4</b> | <b>23%</b>            | <b>1.5%</b>                     |

Source: Estimates of the Households Research Unit based on Australian Bureau of Statistics Time Use surveys 1992, 1997 and 2006 and Voluntary Work surveys 1995, 2000 and 2006 a.

Table 4 presents estimates of the number of equivalent jobs that volunteers do in South Australia using 1,680 hours per year (equivalent to an average job requiring 35 hours per week for 48 weeks).

**Table 4: Volume of volunteer work, South Australia**

Equivalent jobs (000)

| Volunteering  | 1992        | 1995        | 1997         | 2000         | 2006         | % Change<br>1992-2006 | Annual %<br>Change<br>1992-2006 |
|---|-------------|-------------|--------------|--------------|--------------|-----------------------|---------------------------------|
| <b>Organised</b>                                    | <b>20.9</b> | <b>31.3</b> | <b>38.4</b>  | <b>49.6</b>  | <b>29.6</b>  | <b>42%</b>            | <b>2.5%</b>                     |
| <b>Unorganised</b>                                  | <b>48.9</b> |             | <b>59</b>    |              | <b>60.9</b>  | <b>24%</b>            | <b>1.6%</b>                     |
| <b>Travel</b>                                       | <b>17.2</b> |             | <b>20.5</b>  |              | <b>16.9</b>  | <b>-2%</b>            | <b>-0.1%</b>                    |
| <b>Total</b>  | <b>87</b>   | <b>118</b>  | <b>198.2</b> | <b>107.4</b> | <b>107.4</b> | <b>23%</b>            | <b>1.5%</b>                     |
| Additional per cent of total employed persons (15+) | 13.9%       |             | 17.8%        |              | 14.2%        |                       |                                 |

Source: Estimates of the Households Research Unit based on Australian Bureau of Statistics Time Use surveys 1992, 1997 and 2006 and Voluntary Work surveys 1995, 2000 and 2006.

Volunteers provided a volume of work equivalent to 87,000 jobs in 1992 rising to 107,400 in 2006. These numbers are equivalent to an additional 13.9 per cent of the paid number employed in South Australia in 1992 and 14.2 per cent in 2006. It is noteworthy that this additional per cent employed volume peaked in 1997 (17.8%) and then returned, in 2006, to a level similar to 1992.

## Total value of volunteering in South Australia

The estimates prepared for this report are based on a gross opportunity cost wage rates of \$14.34 per hour in 1992 and \$17.47 per hour used by the Australian Bureau of Statistics in their 1997 report on unpaid work.

Based on the increases in the ABS national accounts estimate for “average compensation per employee” the wage rates for 1995, 2000 and 2006 are estimated at \$16.00, \$19.26 and \$24.09 per hour respectively.

These rates are used to make estimates of the annual value per adult of volunteering time in South Australia. The wage rate estimates are Australia-wide averages to maintain comparability with the previous estimates by the Households Research Unit of the value of volunteering in Victoria, Western Australia and Queensland.

**Table 5: Total value of volunteering, South Australia**

\$ million

| Volunteering   | 1992         | 1995       | 1997         | 2000         | 2006         | % Change<br>1992-2006 | Annual %<br>Change<br>1992-2006 |
|--|--------------|------------|--------------|--------------|--------------|-----------------------|---------------------------------|
| <b>A. Volunteer time inputs</b>                        |              |            |              |              |              |                       |                                 |
| <b>Organised</b>                                       | <b>503</b>   | <b>841</b> | <b>1128</b>  | <b>1,606</b> | <b>1,198</b> | <b>138%</b>           | <b>6.4%</b>                     |
| <b>Unorganised</b>                                     | <b>1,179</b> |            | <b>1,733</b> |              | <b>2,463</b> | <b>109%</b>           | <b>5.4%</b>                     |
| Adult support  | 825          |            | 1,300        |              | 1,606        | 95%                   | 4.9%                            |
| Child support  | 354          |            | 433          |              | 857          | 142%                  | 6.5%                            |
| <b>Travel</b>  | <b>412</b>   |            | <b>602</b>   |              | <b>684</b>   | <b>65%</b>            | <b>3.7%</b>                     |
| <b>Total value of time</b>                             | <b>2,095</b> | <b>118</b> | <b>3,463</b> | <b>107.4</b> | <b>4,345</b> | <b>107%</b>           | <b>5.3%</b>                     |
| <b>B. Other volunteer inputs<br/>(car, phone etc.)</b> |              |            |              |              |              |                       |                                 |
| <b>Organised</b>                                       | <b>64</b>    | <b>107</b> | <b>143</b>   | <b>204</b>   | <b>152</b>   | <b>138%</b>           | <b>6.4%</b>                     |
| <b>Unorganised</b>                                     | <b>150</b>   |            | <b>220</b>   |              | <b>313</b>   | <b>109%</b>           | <b>5.4%</b>                     |
| <b>Travel</b>  | <b>52</b>    |            | <b>76</b>    |              | <b>552</b>   | <b>107%</b>           | <b>5.3%</b>                     |
| <b>C. Total volunteer inputs</b>                       |              |            |              |              |              |                       |                                 |
| <b>Organised</b>                                       | <b>566</b>   | <b>948</b> | <b>1,272</b> | <b>1,810</b> | <b>1,350</b> | <b>138%</b>           | <b>6.4%</b>                     |
| <b>Unorganised</b>                                     | <b>1,329</b> |            | <b>1,953</b> |              | <b>2,776</b> | <b>109%</b>           | <b>5.4%</b>                     |
| <b>Travel</b>  | <b>466</b>   |            | <b>678</b>   |              | <b>770</b>   | <b>65%</b>            | <b>3.7%</b>                     |
| <b>Total value of volunteering</b>                     | <b>2,361</b> | <b>118</b> | <b>3,903</b> | <b>107.4</b> | <b>4,897</b> | <b>107%</b>           | <b>5.3%</b>                     |

Source: Estimates of the Households Research Unit based on Australian Bureau of Statistics Time Use surveys 1992, 1997 and 2006 and Voluntary Work surveys 1995, 2000 and 2006.

Table 5 shows that by adding the value of organised, unorganised and travel together, volunteering was worth about \$2.4 billion to the South Australian economy in 1992, growing to \$4.9 billion in 2006.

These estimates show that in dollar terms in the 14 years from 1992 to 2006 South Australian adults, on average, increased their donation of volunteering time and associated costs by more than 86 per cent from \$2,156 to \$4,020 per annum.

And as the South Australian adult population grew by 11 per cent in this period, the total value of organised and unorganised volunteering **time, including travel time**, increased by 107 per cent from \$2.1 billion in 1992 to \$4.3 billion in 2006.

### Other volunteer inputs

Volunteers often also contribute the use of their capital equipment, particularly the use of their own vehicles, to volunteering activities. Recent estimates of these inputs prepared for all sectors of the household economy show these inputs involve a 12.7 per cent additional cost to the value of labour time in volunteering. An additional 4.05 per cent for capital equipment, mainly vehicles, and 8.65 per cent for other inputs, mainly vehicle running costs (Ironmonger and Soupourmas, 1999).

Including the use of capital equipment and the donation of the running costs, fuel and other materials, the gross value of volunteering activity in South Australia is estimated to be \$2.4 billion in 1992 and \$4.9 billion in 2006. Table 5 shows full details of these values for all years 1992, 1997 and 2006 and the value of organised volunteering for the intervening years 1995 and 2000.

In 2006, organised voluntary work in South Australia was worth \$1.2 billion. However, the time use surveys show that organised volunteering is less than 40 per cent of all volunteering time.

Excluding the cost of volunteer travel, unorganised volunteering was estimated at \$1.3 billion in 1992 and \$2.8 billion in 2006. This represents 57 per cent of the total value of volunteering in South Australia in the later year. The remaining 20 to 16 per cent contribution by volunteers was through their travel, \$0.5 billion in 1992 and \$0.8 billion in 2006.

These figures can be compared with supplementary data in Tables 6 and 7.

**Table 6: Supplementary data, South Australia**

Equivalent jobs (000)

| <b>Supplementary data</b>                       | <b>1992</b> | <b>1995</b> | <b>1997</b> | <b>2000</b> | <b>2006</b> | <b>% Change<br/>1992-2006</b> | <b>Annual %<br/>Change<br/>1992-2006</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------------------------|--|
| Wage Rate (\$/hour)                             | 14.34       | 16.00       | 17.47       | 19.26       | 24.09       | 68%                           | 3.8%                                     |
| Adult Population 18+ ('000)                     | 1,095       | 1,111       | 1,124       | 1,149       | 1,218       | 11%                           | 0.8%                                     |
| Employed Persons 15+ ('000) (June)              | 625         | 649         | 662         | 676         | 758         | 21%                           | 1.4%                                     |
| Gross State Product (\$ million)(June Yr)       | 31,170      | 35,495      | 38,669      | 44,311      | 64,002      | 105%                          | 5.3%                                     |
| Compensation of Employees (\$ million)(June Yr) | 16,789      | 18,748      | 20,744      | 23,046      | 31,850      | 90%                           | 4.7%                                     |

Source: Estimates of the Households Research Unit based on Australian Bureau of Statistics Population, National Accounts and Employment estimates.

The 1992 estimate of the value of volunteering of \$2.4 billion can be compared with South Australia's Gross State Product (GSP) in 1992 of \$31.2 billion, as shown in Table 6. Similarly, the \$4.9 billion value of volunteering to the 2006 economy can be compared with the 2006 GSP figure for South Australia of \$64.0 billion.

Table 7 shows that South Australian volunteers donated to other households, both directly or through volunteer organisations and groups, an additional 7.6 per cent of GSP in 1992 and 7.7 per cent of GSP in 2006. These donations of time and services are additional to actual donations of money made directly to other households or through charitable organisations.

Total value of volunteer time was equivalent to an additional 12.5 per cent of the compensation paid to South Australian employees in 1992 and 13.6 per cent in 2006. Table 7 shows these estimates in comparison with earlier estimates for Western Australia, Queensland and Victoria.

**Table 7: Volunteering in South Australia**

Western Australia, Queensland and Victoria

| State  | 1992  | 1997  | 2006  |
|--|-------|-------|-------|
| <b>Value of Volunteering (\$ billion)</b>                                  |       |       |       |
| South Australia (a)  | 2.4   | 3.9   | 4.9   |
| Western Australia (b)  | 2.7   | 4.3   | 6.6   |
| Queensland (c)   | 5.3   | 8.1   | 13.4  |
| Victoria (d)   | 7.1   | 10.0  |       |
| <b>Value of Volunteering per Adult (\$ per year)</b>                       |       |       |       |
| South Australia (a)  | 2,156 | 3,447 | 4,020 |
| Western Australia (b)  | 2,244 | 3,255 | 4,252 |
| Queensland (c)   | 2,396 | 3,234 | 4,352 |
| Victoria (d)   | 2,113 | 2,967 |       |
| <b>Gross State Product (\$ billion)</b>                                    |       |       |       |
| South Australia (a)  | 31.2  | 38.7  | 64.0  |
| Western Australia (b)  | 41.5  | 57.3  | 118.2 |
| Queensland (c)   | 64.7  | 88.9  | 178.6 |
| Victoria (d)   | 106.2 | 131.4 |       |
| <b>Compensation of Employees (\$ billion)</b>                              |       |       |       |
| South Australia (a)  | 16.8  | 20.7  | 31.9  |
| Western Australia (b)  | 18.2  | 24.5  | 45.6  |
| Queensland (c)   | 30.5  | 44.1  | 83.2  |
| Victoria (d)   | 50.7  | 63.2  |       |
| <b>Value of Volunteering as per cent of Gross State Product</b>            |       |       |       |
| South Australia (a)  | 7.6   | 10.1  | 7.7   |
| Western Australia (b)  | 6.5   | 7.5   | 5.6   |
| Queensland (c)   | 8.3   | 9.2   | 7.5   |
| Victoria (d)   | 6.7   | 7.6   |       |
| <b>Value of Volunteering Time as per cent of Compensation of Employees</b> |       |       |       |
| South Australia (a)  | 12.5  | 16.7  | 13.6  |
| Western Australia (b)  | 13.1  | 15.5  | 12.9  |
| Queensland (c)   | 15.4  | 16.3  | 14.3  |
| Victoria (d)   | 12.4  | 13.9  |       |

Sources: (a) This report (Ironmonger, 2011). (b) Ironmonger (2009). (c) Ironmonger (2008) (d) Soupourmas and Ironmonger (2002).

Although the latest South Australian estimates for 2006 are higher in current dollars than in earlier years, they have declined as proportions of either Gross State Product or of Compensation of Employees from the high levels of 1997 but above the ratios in 1992.

Thus, on these macro-economic measures, volunteering was relatively more important in the South Australian economy in 1997 than in either 1992 or 2006. However, as a proportion of GSP, in 2006 volunteering in South Australia (7.7 per cent) is higher than both Queensland (7.5 per cent) and Western Australia (5.6 per cent).

## **Volunteering in South Australia through organisations**

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### **Value of volunteering through organisations**

Volunteering through organisations was worth \$0.6 billion to South Australia in 1992 and \$0.9 billion in 1995. This value increased by 91 per cent to \$1.8 billion in the five years from 1995 to 2000 between Voluntary Work Surveys but declined by 25 per cent in the next six years. In 2006, this indirect or formal volunteering through organisations was worth about \$1.4 billion to the South Australian economy. By 2010 the value rose to an estimated \$1.7 billion.

To be consistent with the estimates throughout this report the estimates in this section have used the definition of volunteering that is consistent with the definition used in the 1995 and 2000 ABS Voluntary Work Surveys. The volunteer rates and hours are thus slightly higher than those published in the main tables of the ABS 2006 survey.

All estimates have also been adjusted to the latest ABS estimates of the resident population (ERP) of adults (aged 18 or more years) for South Australia at 30 June 2006, 2008 and 2010.

Tables 8, 9 and 10 show estimates of the value of organised volunteering for various categories from the Harrison Research volunteer surveys in 2006, 2008 and 2010.

Three reports on volunteering in South Australia in these years were prepared by Harrison Research for the South Australian Office for Volunteers based on surveys of South Australians aged 15 years and over. Copies of these reports are available from the Office for Volunteers website.

The data on hours from the unit record files for these surveys have been re-tabulated by the Households Research Unit, re-weighted to the latest ABS population estimates for these years for those aged 18 years and older and then linked to the ABS 2006 Voluntary Work Survey.

Table 8 shows estimates by gender and age groups. Women in South Australia contributed an estimated \$734 million dollars of time and other inputs to volunteer organisations in 2006, 54 per cent of the total of \$1,350 million. By 2010 women contributed \$866 million, 52 per cent of the total of \$1,677 million.

In comparison, South Australian men's contribution was worth \$616 million in 2006 (46 per cent) rising to \$811 million (48 per cent) in 2010. On average, a South Australian man gave volunteering worth \$1,037 per year in 2006, 12 per cent less than the average for South Australian women, \$1,177. By 2010 the average man's contribution had risen to \$1,294 per year, just two per cent less than the average South Australian woman.

Out of the \$1.35 billion given through organised volunteering in South Australia in 2006, the 65+ year age group gave \$326 million at an average value of \$1,378 per adult. This is 24 per cent higher than the average value over all ages of \$1,108. In the subsequent years the highest average age group was the 55-64 years group, \$1,618 in 2008 (36 per cent higher than the all ages average) and \$1,754 in 2010 (34 per cent higher than the all ages average).

For men in the later two years the 55-64 year group was also the highest average. However, for women in 2008 and 2010 the oldest age group 65+ years had the highest averages (\$1,645 and \$1,669), respectively 32 per cent and 26 per cent above the all-ages averages.

**Table 8: Value of volunteering through organisations by age and gender, South Australia, 2006-2010**

Western Australia, Queensland and Victoria

| South Australian Population Group | Annual Value of Organised Volunteering |       |       |                        |       |       |
|-----------------------------------|--|-------|-------|------------------------|-------|-------|
|                                   | Value per Adult \$                     |       |       | Total Value \$ million |       |       |
|                                   | 2006                                   | 2008  | 2010  | 2006                   | 2008  | 2010  |
| <b>All Adults 18+</b>             | 1,108                                  | 1,186 | 1,311 | 1,350                  | 1,479 | 1,677 |
| <b>Gender</b>                     |  |       |       |                        |       |       |
| Women                             | 1,177                                  | 1,243 | 1,326 | 734                    | 793   | 866   |
| Men                               | 1,037                                  | 1,127 | 1,294 | 616                    | 687   | 811   |
| <b>Age group (years)</b>          |  |       |       |                        |       |       |
| <b>Women</b>                      |  |       |       |                        |       |       |
| 18-34(a)                          | 735                                    | 990   | 822   | 126                    | 173   | 147   |
| 35-44                             | 1,511                                  | 1,045 | 1,354 | 189                    | 130   | 167   |
| 45-54                             | 1,237                                  | 1,157 | 1,386 | 125                    | 119   | 145   |
| 55-64                             | 1,263                                  | 1,469 | 1,632 | 117                    | 145   | 168   |
| 65+                               | 1,330                                  | 1,645 | 1,669 | 176                    | 225   | 239   |
| <b>Men</b>                        |  |       |       |                        |       |       |
| 18-34(a)                          | 765                                    | 905   | 1,062 | 136                    | 164   | 198   |
| 35-44                             | 908                                    | 934   | 1,092 | 103                    | 105   | 122   |
| 45-54                             | 963                                    | 805   | 1,151 | 106                    | 89    | 131   |
| 55-64                             | 1,360                                  | 1,774 | 1,880 | 122                    | 168   | 186   |
| 65+                               | 1,440                                  | 1,465 | 1,504 | 150                    | 160   | 174   |
| <b>Adults</b>                     |  |       |       |                        |       |       |
| 18-24                             | 779                                    | 920   | 871   | 117                    | 142   | 135   |
| 25-34                             | 729                                    | 967   | 999   | 145                    | 195   | 210   |
| 35-44                             | 1,225                                  | 992   | 1,229 | 292                    | 235   | 289   |
| 45-54                             | 1,094                                  | 974   | 1,264 | 231                    | 209   | 277   |
| 55-64                             | 1,310                                  | 1,618 | 1,754 | 239                    | 313   | 354   |
| 65+                               | 1,378                                  | 1,565 | 1,595 | 326                    | 385   | 413   |



6(a) Sample numbers are too small to provide reliable separate estimates by gender for age groups 18-24 and 25-34 years.

Source: Estimates of the Households Research Unit based on Harrison Research surveys of volunteers in South Australia 2006 – 2010 linked to ABS Voluntary Work Survey 2006 estimates. Adjusted to ABS estimated resident population for South Australia at 30 June 2006, 2008 and 2010.

Table 9 shows estimates of the value of organised volunteering for gender and location in South Australia from the Harrison Research volunteer surveys in 2006, 2008 and 2010 linked to the ABS Voluntary Work Survey 2006.

In 2006 regional South Australians contributed approximately \$408 million dollars to their communities in terms of organised volunteering. This rose to \$588 million by 2010. Those living in Adelaide contributed an estimated \$943 million through organised volunteering. By 2010 the Adelaide contribution had risen to \$1,089 million.

Per adult in each population group, in 2006 women outside Adelaide gave \$1,437 worth of volunteering, the highest annual value of organised volunteering; an average 32 per cent higher than women in Adelaide (\$1,088) and 29 per cent higher than men outside Adelaide (\$1,118). By 2010 the women outside Adelaide contributed a \$2,059 average, 92 per cent greater than the average for women residing in Adelaide and 42 per cent higher than men outside Adelaide.

**Table 9: Value of volunteering through organisations by location and gender, South Australia, 2006-2010**

Western Australia, Queensland and Victoria

| South Australian Population Group | Annual Value of Organised Volunteering |       |       |                        |       |       |
|-----------------------------------|--|-------|-------|------------------------|-------|-------|
|                                   | Value per Adult \$                     |       |       | Total Value \$ million |       |       |
|                                   | 2006                                   | 2008  | 2010  | 2006                   | 2008  | 2010  |
| <b>All Adults 18+</b>             | 1,108                                  | 1,186 | 1,311 | 1,350                  | 1,479 | 1,671 |
| <b>Gender</b>                     |  |       |       |                        |       |       |
| Women                             | 1,177                                  | 1,243 | 1,326 | 734                    | 793   | 866   |
| Men                               | 1,037                                  | 1,127 | 1,294 | 616                    | 687   | 811   |
| <b>Location</b>                   |  |       |       |                        |       |       |
| <b>Adelaide</b>                   | 1,049                                  | 1,189 | 1,154 | 943                    | 1,093 | 1,089 |
| Women                             | 1,088                                  | 1,189 | 1,075 | 505                    | 564   | 522   |
| Men                               | 1,006                                  | 1,189 | 1,238 | 438                    | 529   | 567   |
| <b>Outside Adelaide</b>           | 1,277                                  | 1,179 | 1,751 | 408                    | 386   | 588   |
| Women                             | 1,437                                  | 1,400 | 2,059 | 229                    | 228   | 344   |
| Men                               | 1,118                                  | 960   | 1,447 | 179                    | 158   | 244   |

Source: Estimates of the Households Research Unit based on Harrison Research surveys of volunteers in South Australia 2006-2010 linked to ABS Voluntary Work Survey 2006 estimates. Adjusted to ABS estimated resident population for South Australia at 30 June 2006, 2008 and 2010.

## Cost estimates of replacing volunteers in service delivery environments

Volunteers provide their time and other inputs through a variety of organisations. Some such as the State Emergency Services and government schools are essentially publicly oriented and funded and others such as sporting clubs and religious organisations are essentially privately oriented and funded.

The voluntary work surveys do not categorise the organisations for which volunteers work as either private or public but do give an indication of the type of organisation. These service providing organisations can be divided approximately into those that are likely to have a large element of public funding and those that are not, as shown in Table 10.

**Table 9: Value of volunteering through organisations by type of organisation, South Australia, 2006**

Western Australia, Queensland and Victoria

| Type of organisation            | Annual Organised Volunteering |              |              |                        |              |                |
|---------------------------------|-------------------------------|--------------|--------------|------------------------|--------------|----------------|
|                                 | Volunteer Hours Million       |              |              | Total Value \$ million |              |                |
|                                 | Women                         | Men          | Adults       | Women                  | Men          | Adults         |
| <b>Publicly Oriented</b>        | 1,108                         | 1,186        | 1,311        | 1,350                  | 1,479        | 1,671          |
| Education/Training              | 4.68                          | 1.60         | 6.28         | 127.0                  | 43.3         | 170.3          |
| Community/Welfare               | 6.03                          | 3.90         | 9.93         | 163.6                  | 106.0        | 269.6          |
| Health                          | 2.20                          | 0.55         | 2.75         | 59.8                   | 14.9         | 74.7           |
| Environment/animal/welfare      | 0.65                          | 0.98         | 1.63         | 17.6                   | 26.7         | 44.3           |
| Parenting/children/youth        | 0.59                          | 0.18         | 0.77         | 16.1                   | 5.0          | 21.1           |
| Emergency services              | 0.50                          | 1.76         | 2.26         | 13.5                   | 47.9         | 61.4           |
| <b>Total publicly oriented</b>  | <b>14.65</b>                  | <b>8.97</b>  | <b>23.62</b> | <b>397.6</b>           | <b>243.8</b> | <b>641.4</b>   |
| <b>Privately oriented -</b>     |                               |              |              |                        |              |                |
| Sport/physical recreation       | 5.40                          | 9.24         | 14.64        | 146.6                  | 250.9        | 397.5          |
| Religious                       | 3.35                          | 1.45         | 4.80         | 90.9                   | 39.5         | 130.4          |
| Other recreation/interest       | 0.45                          | 0.19         | 0.64         | 12.2                   | 5.1          | 17.3           |
| Arts/heritage                   | 0.99                          | 0.51         | 1.50         | 26.9                   | 13.9         | 40.8           |
| Other                           | 2.18                          | 2.35         | 4.53         | 59.4                   | 63.3         | 121.7          |
| <b>Total privately oriented</b> | <b>12.37</b>                  | <b>13.74</b> | <b>26.11</b> | <b>336.0</b>           | <b>372.7</b> | <b>708.7</b>   |
| <b>Total</b>                    | <b>27.02</b>                  | <b>22.71</b> | <b>49.73</b> | <b>733.6</b>           | <b>616.5</b> | <b>1,350.1</b> |

Source: Estimates of the Households Research Unit based on Harrison Research surveys of volunteers in South Australia 2006-2010 linked to ABS Voluntary Work Survey 2006 estimates. Adjusted to ABS estimated resident population for South Australia at 30 June 2006, 2008 and 2010.

Just under half (47.5 per cent) of the annual value of volunteering through organisations in South Australia in 2006 was contributed to those with a public orientation. Education and training organisations benefited to the tune of \$170 million, community and welfare organisations by \$270

million and health by another \$75 million. The cost of replacing volunteering across all the publicly oriented service providers in 2006 is estimated at \$641 million.

The largest type of volunteer organisation providing privately oriented services was sports and physical recreation organisations with \$398 million worth of volunteering in 2006. About \$130 million dollars of volunteering was undertaken for religious groups.

In 2006 women provided \$398 million (62 per cent) of the publicly oriented volunteer services, whilst men provided \$373 million (52 per cent) of privately oriented services.

Women provided 80 per cent of health services, 76 per cent of parenting, children and youth services and 75 per cent of education/training services. For men the highest proportions were for emergency services (78 per cent), sport and physical recreation (63 per cent) and environmental/animal welfare (60 per cent).

## **The Future of Volunteering in South Australia**

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### **Are we all volunteers?**

Almost one in three (32%) of South Australian adults volunteered in the last twelve months **through an organisation** in 2006. This is a rise from just over one quarter (27 per cent) in 1995.

Unfortunately the rate of participation in **unorganised** volunteering over the course of a year is unknown. Time use surveys provide information only about the daily volunteering rate, not the annual rate. Unorganised volunteering, directly to friends and neighbours, involves more hours per year than organised volunteering and involves both those who do unorganised volunteering and those who do not. Thus the annual "total" volunteering rate is greater than either the organised rate or the unorganised rate but less than the sum of the two rates.

Recent overseas surveys show unorganised volunteering rates (for a period of the last 12 months) of more than 70 per cent in the United Kingdom and more than 80 per cent in Canada. In 2006 if 68 per cent of South Australian adults undertook only unorganised volunteering and 16 per cent undertook both unorganised and organised, and a further 16 per cent undertook organised volunteering, then the total South Australian volunteering rate would be 100 per cent.

Thus it could be the case that nearly all adults in South Australia undertook some form of organised or unorganised volunteering in 2006. As volunteering survey methodologies improve to recognise both organised and unorganised volunteering a more accurate and reliable portrait of volunteering will be drawn. If it could be comprehensively measured, perhaps the outcome would be that nearly everyone is a volunteer. The total volunteering rate could be 100 per cent!

## The future of South Australian volunteering

The future is always uncertain and hence difficult to forecast. For some things such as population it is possible to make “projections”, which are not forecasts, based on assumptions about the main factors involved. For example many national and international organisations make projections of the population of countries and indeed the world based on sets of assumptions about the main factors that determine population growth or decline – fertility, mortality and immigration.

For example the latest projections of the population of Australia and its States and Territories by the ABS states:

*“The projections are not predictions or forecasts, but are simply illustrations of the growth and change in population which would occur if certain assumptions about future levels of fertility, mortality, internal migration and overseas migration were to prevail over the projection period. The assumptions incorporate recent trends which indicate increasing levels of fertility and net overseas migration for Australia.”*  
(ABS, 2008b)

These ABS projections are made in three main series, A, B and C which the ABS states:

*“have been selected from a possible 72 individual combinations of the various assumptions. Series B largely reflects current trends in fertility, life expectancy at birth, net overseas migration and net interstate migration, whereas Series A and Series C are based on high and low assumptions for each of these variables respectively.”* (ABS, 2008b)

For population projections many years of research and continuous data collection has shown how the fertility, mortality and migration factors can be combined to make population projections. But the economic and social factors which cause changes in these components are less well known and are not brought into the ABS projections. All that is done is to assume a continuation of current trends (Series B) with some higher (Series A) or lower (Series C) assumptions added.

Although surveys and censuses can measure, fairly imprecisely, changes in volunteering through time, the factors which drive these changes are relatively un-researched. Thus, although this report has used the available volunteering data to produce some estimates of the value of volunteering in South Australia over the years 1992 to 2006, it has not revealed much about the factors behind the observed changes.

There are basically three components to the total estimate of the value of volunteering in this report. The first is the average hours of volunteering per adult per year. The second is the number of adults in South Australia and the third is the average volunteer comparable gross market wage. We can call these components ‘volunteering hours’, ‘adult population’ and ‘volunteer wage’.

The Office for Volunteers has requested the report to include “projections of the value of volunteering in South Australia, going on from 2006 in five-year steps to 2021”.

To make a projection of the total value of volunteering over the next five, ten or fifteen years, projections would need to be made for each of these three components.

## Population projections

The latest ABS Series B projections for the adult population aged 18 years and over of South Australia show the following data for the years 2006, 2011, 2016 and 2021.

**Table 11: Population projections, ABS Series B**  
Adults aged 18+ years at 30 June (000)

|                 | 2006    | 2011    | 2016    | 2021    | Per cent Change<br>2006-2021 | Annual Per cent Change<br>2006-2021 |
|-----------------|---------|---------|---------|---------|------------------------------|-------------------------------------|
| South Australia | 1,218.0 | 1,293.5 | 1,364.3 | 1,429.4 | 17.4%                        | 1.11%                               |

Source: ABS Time Series Workbook, 3222.0 Population Projections, Australia, Table B.4 Population projections, by age and sex, South Australia – Series B

## Volunteer wage rate projections

The ABS does not provide projections of wage rates for future years. However, a starting point is the estimate of \$24.09 per hour used in this report for the average opportunity cost volunteer wage rate in 2006. The report found that over the period 1992-2006 this rate grew at an annual rate of 3.8 per cent a year.

In the absence of any other guidelines, it could be plausibly assumed that this rate could continue to grow over the next 15 years at the same annual rate. Using this projection assumption, the volunteer wage rates per hour would be as shown in the following table.

**Table 12: Wage rate projections**  
(\$/hour)

|                                  | 2006  | 2011  | 2016  | 2021  | Per cent Change<br>2006-2021 | Annual Per cent Change<br>2006-2021 |
|----------------------------------|-------|-------|-------|-------|------------------------------|-------------------------------------|
| Gross opportunity cost wage rate | 24.09 | 28.99 | 34.89 | 42.00 | 74%                          | 3.8%                                |

Source: Projections of the Households Research Unit based on assumed continuation of the same annual rate of change over the projection years as measured for the years 1992-2006.

## Projections of volunteering hours

This is the vital component of the three. The data on volunteering hours per adult observed over the years 1992-2006 have shown a number of changes.

There are data for 1992, 1995, 1997, 2000 and 2006 for volunteering hours in South Australia. They show the organised volunteer hours per adult per year rose from 32 in 1992 to 47 in 1995, 58 in 1997 and 73 in 2000 but declined to a lower average of 41 hours in 2006.

For unorganised volunteering there are data only for the years 1992, 1997 and 2006. The annual hours per adult rose from 75 in 1992 to 87 in 1997 and then fell to 84 in 2006.

For the total hours of volunteering, organised, unorganised and travel, the annual hours per adult grew from 133 in 1992 to 176 in 1997 and then declined to 148 in 2006.

For projections over the next five to 15 years what assumptions should be made about these changes? Will high rates be retained? Can higher average volunteer hours be achieved in the future? Or will average hours continue to decline? Will women continue to volunteer informally at a higher rate than men? As South Australia continues to become richer, will the relative value of volunteering decline? Can levels and trends in volunteering in other countries provide a guide to trends in Australia?

Trends in volunteering rates and volunteering time vary from country to country and are difficult to measure because of changes in survey methodologies, generally infrequent measurement and sometimes small sample size.

In the United States where surveys were conducted using the same methodology over the six years from 2002 to 2007 participation rates in organised volunteering were relatively constant at around 28 per cent: 27 per cent in 2002, 29 per cent in 2003, 2004 and 2005, 27 per cent in 2006 and 26 per cent in 2007 (Bureau of Labor Statistics 2008).

In Canada, participation rates in organised (formal) volunteering grew from 27 per cent in 1987 to 31 per cent in 1997 but then were back to 27 per cent in 2000. However, a new survey in Canada in 2004 using improved methodology from the earlier surveys shows 45 per cent of Canadians 15 years and older volunteered through an organisation in the previous 12 months (Hall, Lasby, Gumulka and Tryon 2006). This survey also found that 83 per cent of Canadians had engaged in unorganised (informal) volunteering by helping others directly, without involving an organisation, at least once over the previous year.

In the United Kingdom volunteering surveys showed organised (formal) volunteering rates were 44 per cent in 1981, 51 per cent in 1991 and 48 per cent in 1997. The same surveys showed unorganised (informal) volunteering rates of 62 per cent in 1981, 76 per cent in 1991 and 74 per cent in 1997 (Institute for Volunteering Research 2008). The UK surveys relate to those aged 18 years and older. However the sample sizes were much smaller than in most other surveys – 1,800 in 1981 and just

under 1,500 in 1991 and 1997. Consequently, although the UK participation rates are indicative of higher volunteering rates than in Australia and the United States they do not give a reliable indication of trends up or down over time.

In summary, the international evidence indicates that the recent levels of organised volunteering in Australia and in South Australia are within the range of volunteering in the United States, Canada and the United Kingdom.

In Australia, the ageing of the population is likely to have effects on volunteering, largely on the demand for support for adults rather than for children. This is likely to be met principally by the supply of unorganised volunteering directly from one household to another.

The change in the total average hours of volunteering per adult observed in South Australia over the years 1992-2006 was 0.7% a year. A number of possible projections can be made using this rate of change. For this report three projections have been made. Series A assumes that this rate of change continues over the projection period to 2021. Series B assumes that the 2006 average hours are unchanged and Series C assumes that the average hours decline by 0.7% a year.

On these assumptions for the three series of projections of the annual hours of volunteering per adult in South Australia would be those shown in the next Table.

**Table 13: Annual hours of volunteer work projections, South Australia**

Annual hours per adult (Averaged over all adult population aged 18+)

|                 | 2006  | 2011  | 2016  | 2021  | Per cent Change<br>2006-2021 | Annual Per cent Change<br>2006-2021 |
|-----------------|-------|-------|-------|-------|------------------------------|-------------------------------------|
| <b>Series A</b> | 148.1 | 153.7 | 159.6 | 165.6 | +12%                         | +0.7%                               |
| <b>Series B</b> | 148.1 | 148.1 | 148.1 | 148.1 | + 0%                         | +0.0%                               |
| <b>Series C</b> | 148.1 | 142.6 | 137.5 | 132.5 | -11%                         | -0.7%                               |

Source: Projections of the Households Research Unit based on assumptions discussed in this report.

Combining these projections with the ABS Series B population projections for South Australia gives three series of total volunteer hours for the projection period.

**Table 14: Total annual hours of volunteer work projections South Australia**

Millions of hours per year

|          | 2006  | 2011  | 2016  | 2021  | Per cent Change<br>2006-2021 | Annual Per cent Change<br>2006-2021 |
|----------|-------|-------|-------|-------|------------------------------|-------------------------------------|
| Series A | 180.4 | 198.8 | 217.7 | 236.8 | +31%                         | +1.8%                               |
| Series B | 180.4 | 191.5 | 202.0 | 211.7 | +17%                         | +1.1%                               |
| Series C | 180.4 | 184.5 | 187.6 | 189.5 | +5%                          | +0.3%                               |

Source: Projections of the Households Research Unit based on assumptions discussed in this report.

Then combing these projections with the average volunteer wage and including the extra 12.7 per cent for other volunteer inputs, the three series of the total value of volunteering in South Australia are as shown in the following table.

**Table 15: Total value of volunteering projections South Australia**

\$ billion per year

|          | 2006 | 2011 | 2016 | 2021 | Per cent Change<br>2006-2021 | Annual Per cent Change<br>2006-2021 |
|----------|------|------|------|------|------------------------------|-------------------------------------|
| Series A | 4.9  | 5.8  | 7.6  | 9.9  | +103%                        | +4.8%                               |
| Series B | 4.9  | 5.6  | 7.0  | 8.9  | +82%                         | +4.1%                               |
| Series C | 4.9  | 5.3  | 6.5  | 8.0  | +63%                         | +3.3%                               |

Source: Projections of the Households Research Unit based on assumptions discussed in this report.

**Table 16: Average value of volunteering projections South Australia**

\$ per adult per year

|          | 2006  | 2011  | 2016  | 2021  | Per cent Change<br>2006-2021 | Annual Per cent Change<br>2006-2021 |
|----------|-------|-------|-------|-------|------------------------------|-------------------------------------|
| Series A | 4,020 | 4,456 | 5,567 | 6,957 | +73%                         | +3.7%                               |
| Series B | 4,020 | 4,293 | 5,166 | 6,219 | +55%                         | +3.0%                               |
| Series C | 4,020 | 4,134 | 4,797 | 5,566 | +38%                         | +2.2%                               |

Source: Projections of the Households Research Unit based on assumptions discussed in this report.



On the supply side, volunteering by both women and men is very widespread across all ages, employment status and income levels. Given these factors, it seems probable that volunteering in South Australia, both indirectly through organisations and directly from one household to another will be maintained at something like current levels.

However, the attitudes of South Australians, the social relationships between households and the ways in which the thousands of volunteer organisations in South Australia grow, develop and operate, will determine what happens to volunteering in South Australia. The future of South Australian volunteering lies in the hands of its population and institutions.

## Acknowledgements

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For guidance and critical comments on the preparation of the report, the author wishes to thank the staff of the Office for Volunteers of the Government of South Australia.

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## Methodology

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This report draws on and extends the methodology used to estimate the value of volunteering in Victoria in the report for the Victorian government *Giving Time: the economic and social value of volunteering in Victoria* (Soupourmas and Ironmonger, 2002).

## Glossary

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### **Adult support (unorganised volunteering)**

The informal help and care given directly to the support of other adults including the elderly, sick or disabled.

### **Child support (unorganised volunteering)**

The informal help and care given directly to the support of other people's children.

### **Compensation of employees**

The total remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done by the employee during the accounting period. It is further classified into two sub-components: wages and salaries; and employers' social contributions. Compensation of employees is not payable in respect of unpaid work undertaken voluntarily, including work done by members of a household within an unincorporated enterprise owned by the same household. Compensation of employees excludes any taxes payable by the employer on the wage and salary bill (e.g. payroll tax).

### **Economically productive activities**

Activities that result in the production of goods or the delivery of services, including goods and services that are not sold, and goods and services that are self-provided; includes preparation of meals, care of children and adults, volunteer activities and time spent in educational activities.

### **Gross State Product**

The value added by all the economic units operating within the borders of a State. For a whole country this is known as Gross Domestic Product (GDP). This value excludes the value added by the household economy. (See **Household Economy**).

### **Household Economy**

The productive activities conducted by households using household capital and the unpaid labour of their own members to process goods and provide services for the use of their own or other households without payment.

### **Households**

A person living alone or two or more persons living together as a single domestic unit who make common provision for food and other essentials for living and occupy the whole or part of one dwelling unit.

### **Households Research Unit**

A research unit of the Department of Economics, University of Melbourne under the direction of Dr Duncan Ironmonger.

### **National accounts**

The set of statistics of the economic activities of countries prepared and published by national statistical organisations. The system for presenting these statistics is determined from time to time by the United Nations and published as the System of National Accounts (SNA). The most recent revision of this system (1993) recommended that statistics of the productive activities of households (the household economy) should be prepared by national statistical offices as a set of 'satellite' accounts. (See **Satellite national accounts of household productive activities**).

### **Organised volunteering (Indirect volunteering)**

Unpaid help in the form of time, service or skills willingly given by an individual through an organisation or group. Formal or organised volunteering is indirect as it is mediated through an organisation. Reimbursement of expenses or small gifts is not regarded as payment of salary. Work reimbursed by payment in-kind is not regarded as volunteering.

### **Queensland Household Survey**

This sample survey collects statistics from over 6,500 households throughout Queensland, including the Greater Brisbane area and nine non-metropolitan regions. The survey commenced in November 2000 and is conducted every May and November by the Office of the Queensland Government Statistician, located in the Office of Economic and Statistical Research of the Queensland Treasury.

The May 2004 survey collected data on volunteering through organisations at the request of the Department of Communities.

### **Satellite national accounts of household productive activities**

A set of statistical accounts of the productive activities of households that are separate from, but consistent with, the main accounts of economic activity included within the System of National Accounts. (See **National accounts**).

### **Time use surveys**

Sample surveys of the uses of time recorded in 24-hour diaries by individuals in households. The Australian Bureau of Statistics conducted diary-based time use surveys in Sydney in 1987 and nationwide in 1992, 1997 and 2006.

### **Unorganised volunteering (Direct volunteering)**

The informal unpaid help and care that occurs within the personal networks of family, friends, neighbours and acquaintances. Informal or unorganised volunteering is direct as it is not mediated through an organisation. It includes regular, spontaneous and sporadic help that takes place between friends and neighbours such as giving advice, looking after other people's children or helping an elderly neighbour.

### **Voluntary work surveys**

Sample surveys of the rates of participation in voluntary work through organisations, the characteristics of people who volunteer, the types of organisations they work for and the activities they undertake. The Australian Bureau of Statistics conducted voluntary work surveys in 1995, 2000 and 2006.

### **Volunteering**

Volunteering consists of unpaid help and care in the form of time, service and skills willingly given by an individual either

- . formally and indirectly through an organisation or group (Organised Volunteering) or
- . informally and directly within the personal networks of family, friends, neighbours and
- acquaintances (Unorganised Volunteering).

Travelling in connection with both organised and unorganised volunteering is part of volunteering. (See **Organised volunteering, Unorganised volunteering, and Volunteering travel**).

### **Volunteering travel**

Time spent in travelling in connection with both organised and unorganised volunteering.

### **Volunteer organisations**

A diverse range of social, economic, political, environmental, recreational and cultural organisations and groups, not limited to the not-for-profit welfare and community sectors. Volunteers operate

through schools, hospitals, sports clubs, museums, professional associations, business groups, community legal support services and Neighbourhood Watch associations. The ABS Voluntary Work Surveys defined an organisation or group as any body with a formal structure. It may be as large as a national charity or as small as a local book club. Purely ad hoc, informal and temporary gatherings of people did not constitute an organisation for the ABS Voluntary Work Surveys.

### **Volunteer rate**

For any group, the volunteer rate is the number of volunteers in that group expressed as a percentage of the total population in that group.

### **Volunteer time inputs**

The time spent by volunteers in carrying out volunteer activities, including the time taken to travel to, from and during these activities.

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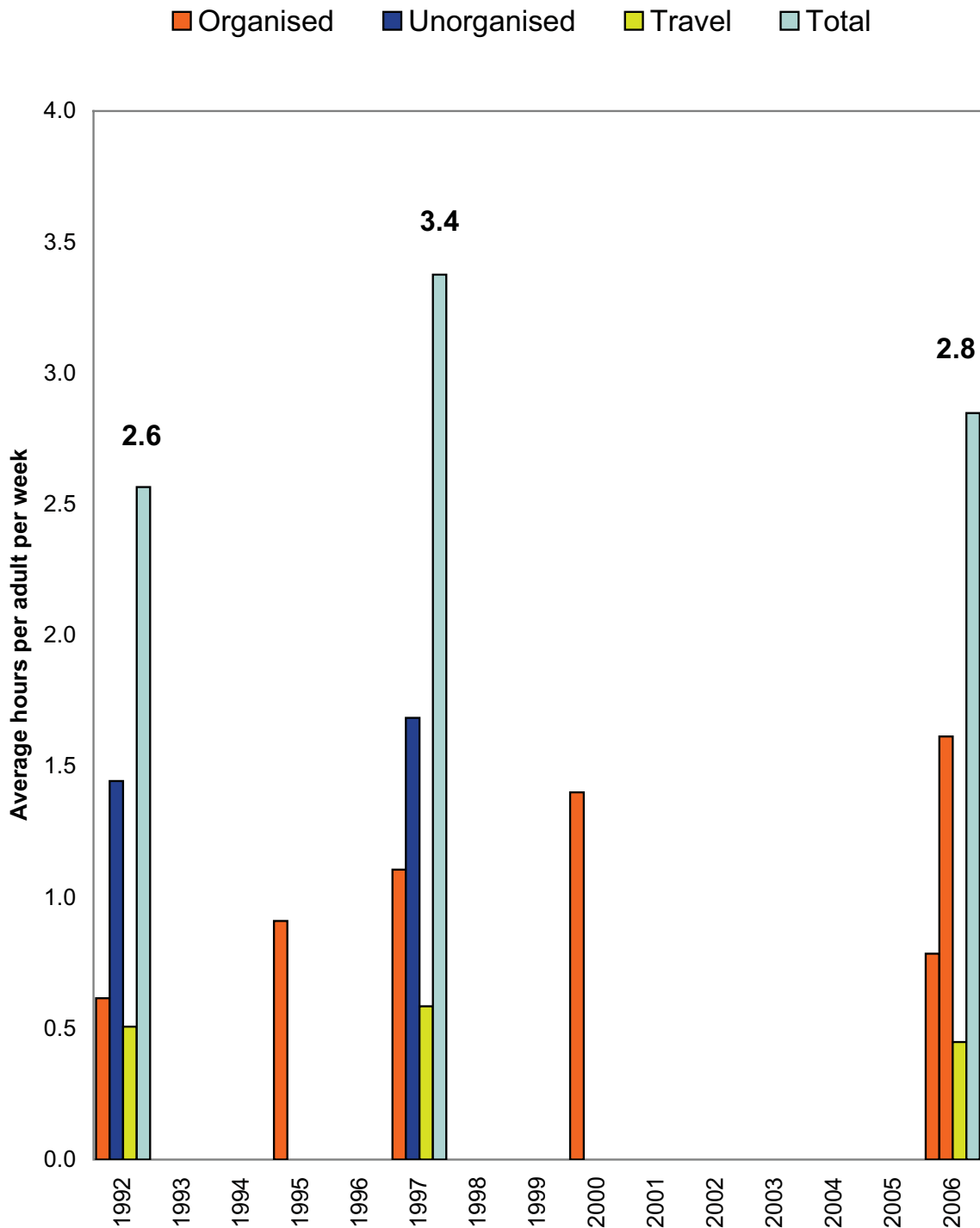
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## Charts

Chart 1: Average hours of volunteer work, South Australia, 1992-2006

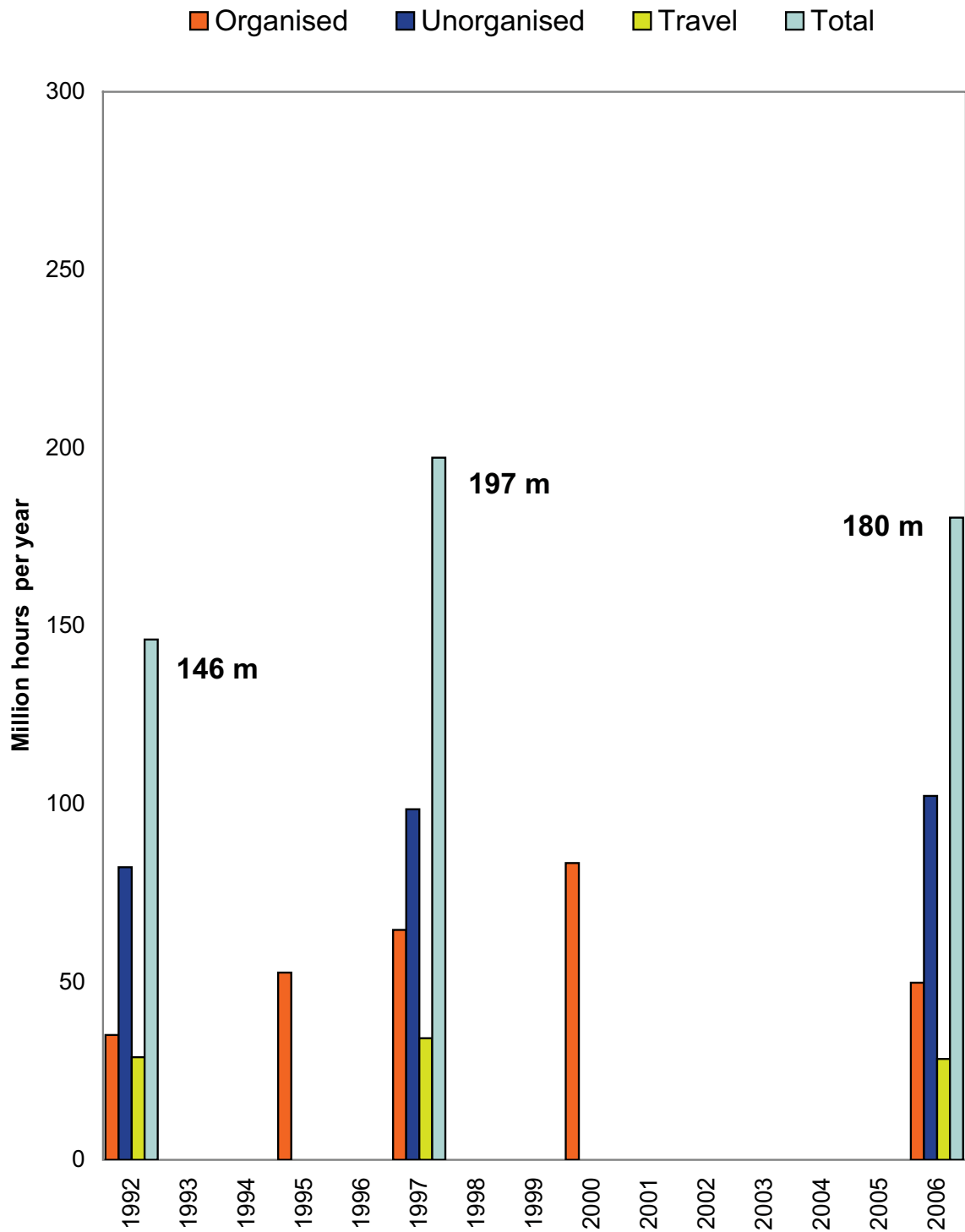
Hours per adult per week



Source: Data from Table 2 of this report converted from average hours per year to average hours per week.

**Chart 2: Total hours of volunteer work, South Australia, 1992-2006**

Million hours per week

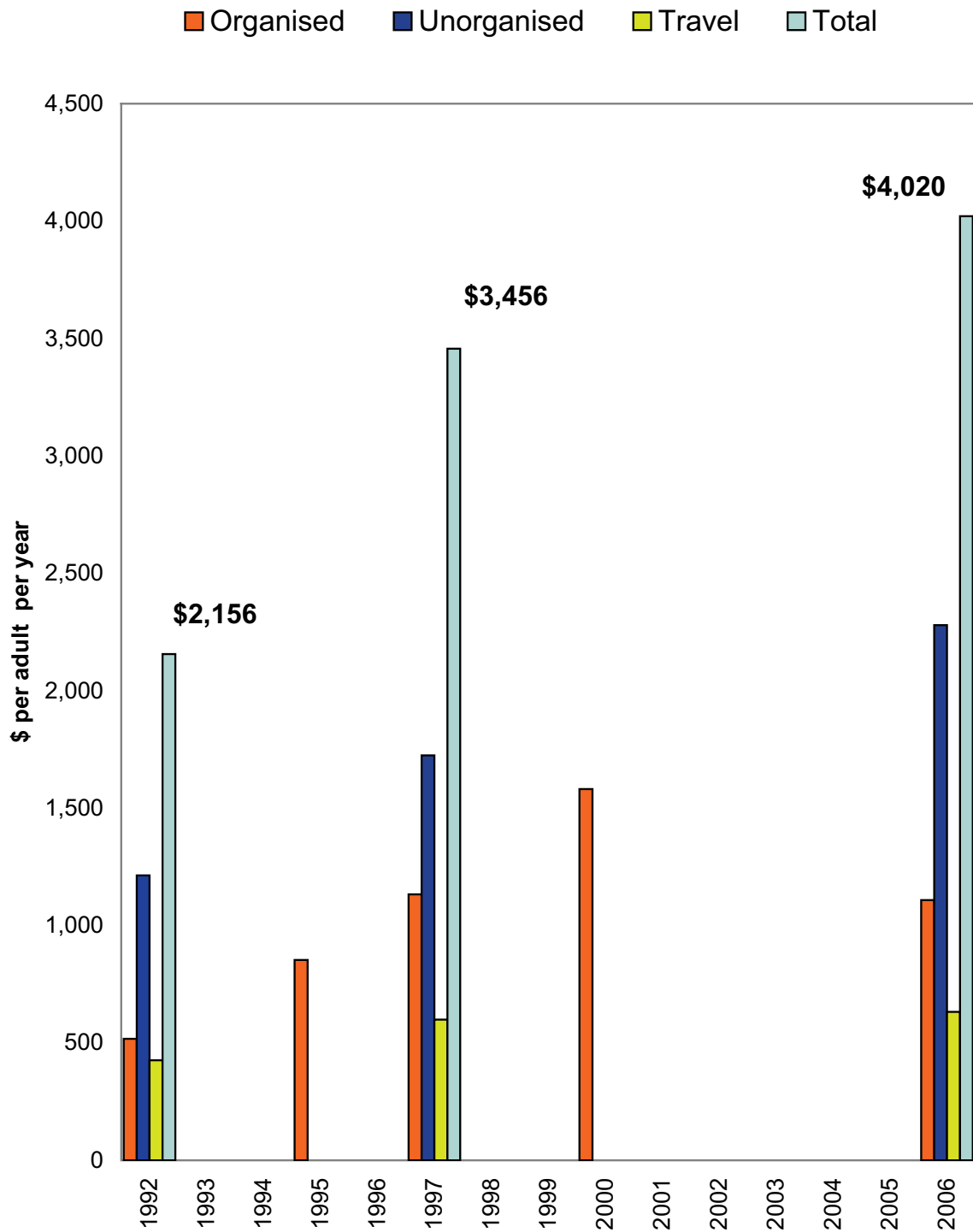


Source: Data from Table 3 of this report.



**Chart 3: Average value of volunteer work, South Australia, 1992-2006**

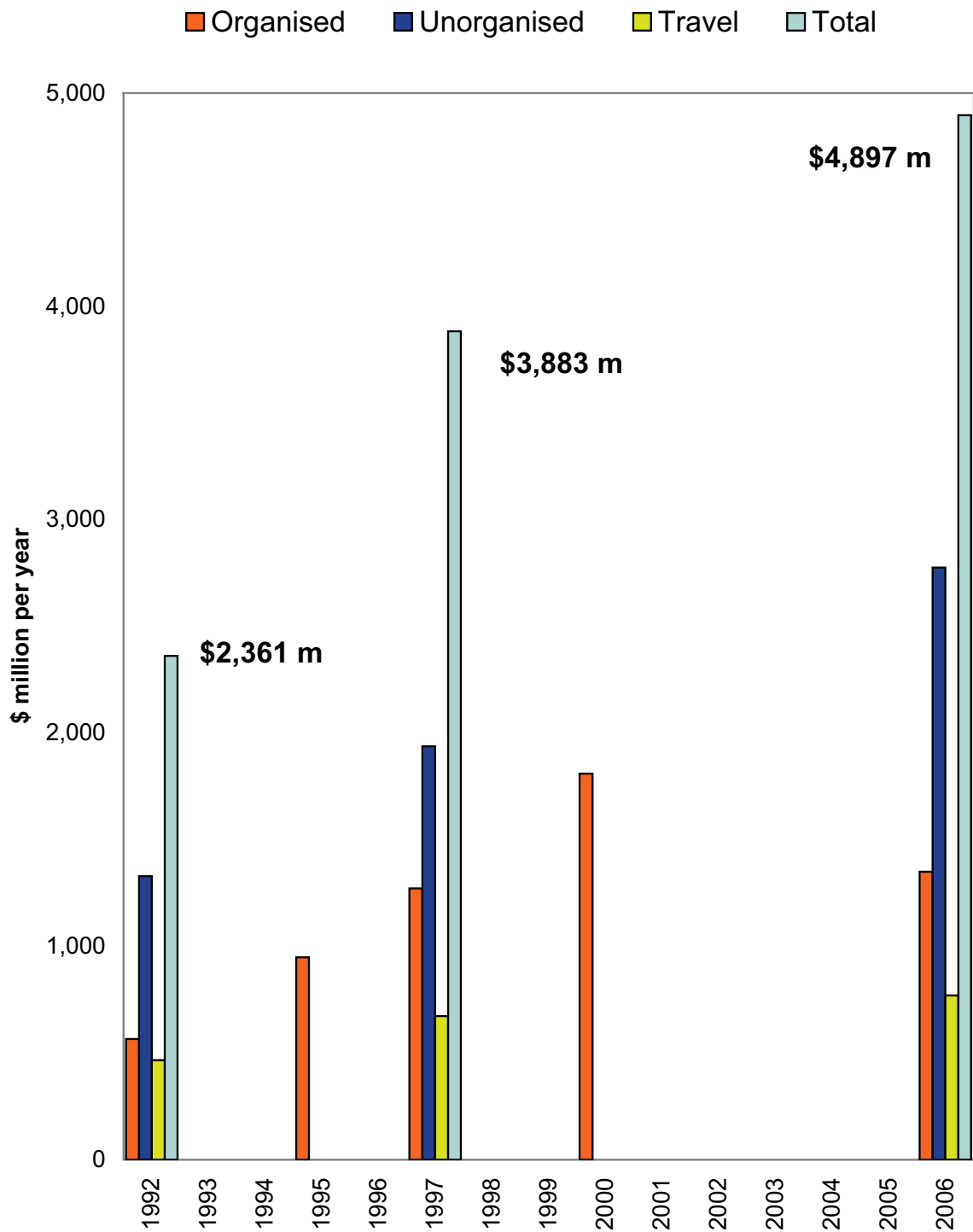
\$ per adult per year



Source: Data from Table 5 of this report converted to \$ per adult.

**Chart 4: Total value of volunteer work, South Australia, 1992-2006**

\$ million per year



Source: Data from Table 5 of this report.

## Appendix

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Extract from Chapter 3 of *Giving Time: The economic and social value of volunteering in Victoria* (Soupourmas and Ironmonger, 2002)

### Chapter 3 What exactly is 'Volunteering'?

#### Definitions of Volunteering

Although volunteers contribute to every area of society, there are differing opinions of what exactly constitutes 'volunteering'. In practice, definitions of volunteering are rather mutable and elusive. Many volunteers may be unaware that their activities are considered to be volunteering. For instance, a family member who provides care to an elderly person or someone who is a member of a sports club committee may not consider themselves 'volunteers'. Volunteering itself can mean different things to different people. In addition, perceptions of volunteering may be changing in contemporary society as a result of Government initiatives such as the Mutual Obligation Scheme<sup>2</sup> and Voluntary Work<sup>3</sup> Initiative. It has been argued that the compulsory nature of some aspects of the Mutual Obligation Scheme has demeaned the notion of volunteer work.

In reality, there are a wide range of interpretations of what constitutes voluntary work. Recently, the United Nations (UN) has adopted specific criteria to distinguish volunteering from other forms of behaviour that may superficially resemble it. According to the UN, volunteering:

- is not to be undertaken primarily for financial gain
- is undertaken of one's own free will; and
- brings benefit to a third party as well as to the people who volunteer.

According to this-three point criteria, there can be four basic types of volunteering activity – mutual aid and self help; philanthropy or service to others; campaigning and advocacy; and finally participation and self governance. These four broad areas encompass a wide range of volunteering activities.

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<sup>2</sup> People in receipt of the Youth Allowance or Newstart may also choose volunteer work as a means of participating in the Mutual Obligation Scheme. The Mutual Obligation Scheme applies to Centrelink customers, in receipt of Newstart, between the ages of 18-34.

<sup>3</sup> The Voluntary Work Initiative (VWI) is a program whereby a person on the Newstart benefit undertakes 32 hours a fortnight of volunteer work in a 'not-for-profit' organisation as part of Newstart's activity requirements. This type of arrangement is available to people over the age of 50 and people between the ages of 18-49 who have been in receipt of Newstart for twelve months or more and often has an element of compulsion. Referrals to volunteer work are often made by Centrelink.

### Formal (Organised) Volunteering

Critical to many of definitions of volunteering, including the UN definition, is the notion of 'free choice' or 'free will'. The idea of 'free choice' implies that individuals act of their own accord and are exempt from external authority, interference or coercion. As a result, volunteering is often described as a freely chosen 'gift of time'. For the purposes of their 1995 and 2000 Voluntary Work Surveys, the Australian Bureau of Statistics defined a 'volunteer' as:

*Someone who willingly gave unpaid help, in the form of time, service or skills, through an organisation or group.*

Fundamental to the ABS interpretation of a volunteer is the notion of 'free will'. This definition also reinforces the notion that volunteering is undertaken without financial gain. Although a volunteer may not seek financial gain, there are situations where the acceptance of money is allowed under this definition. The ABS sought to explain what was understood by the term 'unpaid help' by pointing out that the reimbursement of expenses or small gifts was not regarded as payment of salary. However, people who received payment in-kind for the work they did were not defined as volunteers.

The ABS also restricted voluntary work to activities managed through organisations. Formal or organised volunteering is indirect as it is mediated through an organisation. More direct forms of volunteering that are not managed through an organisation were not included in the ABS surveys. The ABS limited the scope of volunteering to unpaid activities that were formally managed by an organisation.

*Volunteering Australia* has distinguished 'formal' or 'organised' volunteering from 'informal' or 'unorganised' volunteering. Formal volunteering is identified as an activity which occurs in not-for-profit organisations and is:

- of benefit to the community and the volunteer
- undertaken of the volunteer's own free will and without coercion
- for no financial payment; and
- in volunteer designated positions only.<sup>4</sup>

While this approach shares a number of the characteristics of ABS definition, it extends beyond these definitions by distinguishing and specifying that formal/organised volunteering can only take place in a not-for-profit organisation or project and that volunteers can only work in designated volunteer positions. It also focuses on the fact that volunteering is fundamentally intertwined with our basic responsibilities in society and must be for the benefit of the community and the volunteer.

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<sup>4</sup> It is noted that Volunteering SA and Volunteering Victoria as member organisations of Volunteering Australia have also endorsed this definition.

In the same vein the *International Association for Volunteer Effort* adopted a definition of volunteering that takes the idea of active citizenship and community involvement even further. It specifies volunteering:

- is based on personal motivation and choices, freely undertaken
- is a way of furthering active citizenship and community involvement
- takes the form of individual or group activities generally carried out within the framework of an organisation
- enhances human potential and the quality of life, building up human solidarity
- provides answers for the great challenges of our time, striving for a better and more peaceful world; and
- contributes to the vitality of economic life, even creating jobs and new professions.

While this definition reinforces a number of the characteristics identified in the previous definitions, it places more emphasis on the social objectives or outcomes of volunteering.

Many people examining these definitions will find some overlap with their own beliefs about what volunteering is all about. Although there are some who will like a more specific and narrow definition of volunteering, there will be others who would welcome a broader and more encompassing definition that defines volunteering in terms of our basic obligations to our communities.

### **Informal (Unorganised) Volunteering**

The broader definitions of volunteering recognise donations of time outside formal organisations. Volunteering is often understood in reference to everyday social obligations, not some “special” activity that occurs through organisations.

For example, *Volunteer Canada* refers to volunteering as:

*The most fundamental act of citizenship and philanthropy in our society. It is offering time, energy and skills of one's own free will. It is an extension of being a good neighbour, transforming a collection of houses into a community, as people become involved in the improvement of their surroundings and choose to help others. By caring and contributing for change, volunteers decrease suffering and disparity, while they gain skills, self esteem, and change in their lives. People work to improve the lives of their neighbours and, in return, enhance their own.*

The *National Centre for Volunteering in the United Kingdom* identifies volunteering as:

*An important expression of citizenship and essential to democracy. It is the commitment of time and energy for the benefit of society and the community and can take many forms. It is undertaken freely and by choice, without concern for financial gain.*

Broader definitions highlight that volunteering is undertaken by people in their communities and social networks on both a formal and informal basis. Many voluntary work activities and tasks – such as giving advice, looking after other people’s children or an elderly neighbour – are crucial to community life and the building of social capital. However, many narrow definitions of volunteering ignore these activities.

The ABS definition of volunteering excludes the informal help and care that occurs within the personal networks of family, friends, neighbours and acquaintances.

Informal or unorganised volunteering is the spontaneous and sporadic helping that takes place between friends and neighbours – for example, child care or running errands for an elderly neighbour. It is the primary form of volunteering in many communities. It is misleading to insist that volunteering can only be undertaken through some kind of organisation because such a definition excludes the vast amount of mutual aid and help that goes on directly between friends and neighbours.

Expanding the ABS’s narrow definition of volunteering, we need to recognise that volunteering is also undertaken outside organisations on an informal basis within personal networks.

Therefore, volunteering research is complicated by the fact that there are two main types of volunteering:

- Formal or Organised; and
- Informal or Unorganised.

The profile of volunteers may change depending on what definition of volunteering you use. Furthermore, the profiles of volunteers in the formal and informal sectors may be quite different. State data from the national Voluntary Work Surveys (1995 and 2000) and Time Use Surveys (1992 and 1997) can be used to compose a portrait of formal and informal volunteers in Victoria.