

Media Release
28 August 2007

GDP contribution of non-profit organisations on a par with Tourism sector's \$6.9 billion per annum

The NZ Federation of Voluntary Welfare Organisations (NZFVWO) has welcomed the launch today of a key report that quantifies the economic value of the contribution of non-profit institutions as being of an equivalent scale, measured in GDP, as the Tourism sector which accounts for 4.8 percent of GDP.

"The *Non-Profit Institutions Satellite Account Report*, published by Statistics New Zealand in line with internationally agreed definitions, will become a standard addition to the growing amount of quantitative information made available about the size, scale and scope of the non-profit sector in recent years", said Tina Reid, NZFVWO Executive Director.

"As well as putting a dollar value against the GDP contribution estimated for non-profit organisations this report now puts a value on the contribution of unpaid volunteers to our economy as at least \$3 billion a year, which is the equivalent of having a workforce of 133,799 unpaid full-time positions," said Tina Reid.

"An aspect of the report that is especially relevant to our members – who vary from large national organisations to smaller local and regional organisations – is that it sets out key indicators of the diversity of the non-profit sector and some of the funding dynamics and challenges of our sector," said Tina Reid.

"As with all sets of complex statistics we have to carefully read the way that the numbers have been aggregated to realise, for instance, the large overlaps between the ways that organisations have been grouped under headings such as social services, health, development, housing, religion, advocacy and voluntarism promotion. In addition many non-profit institutions have multiple activities but can only be classified in one group.

"Statistics New Zealand has acknowledged there are significant overlaps to take into account. As an example provision of homeless shelters and supported housing is included under a social services classification rather than under development and housing, and rest homes and other aged residential care is under social services, not under the health subgroup.

"Understanding where those overlaps might fall is important to put the qualitative role of not-for-profit institutions into a proper perspective. Understanding inter-connections within the sector is also important to ensure we don't continue to underestimate the amount of social and economic activity supported by those organisations that work for broadly similar goals.

"When non-for-profit organisations delivering social services, health, community development and housing are grouped together for instance they make up 39 percent of the measurable GDP generated by the sector as a whole.

"The report released today shows that Government grants are an important source of income for these institutions and that significant sums are transferred within the sector itself at levels above \$500 million a year. At the same time it is apparent that the amount of longer-term investment income varies widely and that it resides mainly with those institutions that focus solely on managing and distributing funds to community groups," said Tina Reid.

The NZFVWO will be assessing the data released today alongside the Value Added by Voluntary Agencies (VAVA) project it has been working on with accounting firm Price Waterhouse Coopers. The VAVA project is currently in its second stage and the NZFVWO expects to release more information about the project later this year.

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