THE ECONOMIC VALUE OF VOLUNTEERING IN THE G21 REGION

NOVEMBER 2014 - HEALTH & WELLBEING PILLAR
G21 is the formal alliance of government, business and community organisations, working together to improve people’s lives in the Geelong region.
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This discussion paper reflects the findings from a project designed to calculate the economic value of volunteering in the G21 region\(^1\). There were two phases to the project.

The first was an examination of the information and data pertaining to the economic value of unpaid work and an assessment of its value in the G21 region – estimated at $60M. This figure is based on the total number of people who indicated they had undertaken unpaid work for an organisation or group as per the 2011 Census, multiplied by the 2011 projected wage rate, multiplied by the projected hours spent volunteering.

The second phase involved the development and administration of a survey to 1,624 community agencies, clubs and organisations listed in the community directories of each of the five councils in the G21 region, with the view to quantify the number of volunteer hours provided over the course of an ‘average’ seven day week. A lower than expected response rate of 9.6% has limited the possibility of determining a regional value, however it has demonstrated that the value of volunteering for the 136 respondents is $274,854 per week or $14,292,408 per annum.

Furthermore, the methodology outlined in this paper provides a framework for any agency, club or organisation to calculate the estimated value of unpaid work.

1.1 BACKGROUND

In 2011 funding was received from the Victorian government to develop the G21 Region Volunteering Strategy, the development of which was overseen by a Working Group\(^2\), which continues to meet to monitor its implementation and respond to presenting issues impacting on volunteering across the region.

One of the identified priorities that emerged from the Strategy was the development of a discussion paper on the economic value of volunteering in the region to be based on the work of Duncan Ironmonger, author of *The Economic Value of Volunteering in Victoria*\(^3\).

Undertaking such a project was deemed important in order to:

- Heighten awareness of the significant contribution volunteers make to the local economy;
- Provide individual agencies, clubs and organisations with evidence with which to advocate to government authorities and funding bodies;
- Encourage others to recognize that volunteers are valued for the contribution they make to the community through volunteering; and to
- Provide a baseline for further work in this area.

Testament to the link between the G21 Region Alliance and the Volunteer Working Group is a commitment to strengthen the regional profile of volunteering as per the G21 Health and Wellbeing Plan 2013-17\(^4\).

In addition and of relevance to this project, is the work undertaken by the Shire of Golden Plains in 2011, which ascertained that volunteers undertake 2,751 hours of unpaid work each week for the Council, which provided the rationale for the employment of a Volunteer Coordinator\(^5\).

1.2 METHODOLOGY

The development of this discussion paper has involved a number of data collection and information gathering activities, including:

1. Reviewing data from the Australian Bureau of Statistics (ABS) pertaining to the numbers of people who had undertaken unpaid work for an organisation or group in the 12 months prior to the 2011 and 2006 Census.
2. Reviewing literature regarding the economic value of volunteering in order to identify approaches to ascertaining its economic value and to identify projected wage rates for volunteering.

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1. The G21 Region incorporates the local government areas of Colac Otway, Geelong, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast. The G21 Region Alliance works as a forum to discuss regional issues across interest groups and municipalities resulting in better coordinated research, consultation and planning.
3. The Economic Value of Volunteering in Victoria, December 2012
The 2006 Census was the first Census to include questions on unpaid work and while people were asked to indicate whether they had done any unpaid work for an organisation or group in the previous 12 months (in 2006 and 2011), they were not requested to indicate how much time was spent doing unpaid work.

Table 1 shows the numbers of people who indicated they had volunteered through an organization or group in the 12 months prior to the 2011 and 2006 Census by local government area. It demonstrates that in 2011, all five local government areas had a higher percentage of the population volunteering than the Victorian and Australian averages. Of particular note is Queenscliffe, which had 36% of its population volunteering with an organisation or club in the previous 12 months. The number of volunteers in the G21 region increased by 2,950 between 2006 and 2011.

FOR THE PURPOSE OF THE CENSUS, UNPAID VOLUNTARY WORK INCLUDES:
• ASSISTING AT ORGANISED EVENTS AND WITH SPORTS ORGANISATIONS
• HELPING WITH ORGANISED SCHOOL EVENTS AND ACTIVITIES
• ASSISTING IN CHURCHES, HOSPITALS, NURSING HOMES AND CHARITIES
• OTHER KINDS OF VOLUNTARY WORK E.G. EMERGENCY SERVICES, SERVING ON A COMMITTEE FOR A CLUB, ETC.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Colac-Otway</td>
<td>4,029</td>
<td>24.4</td>
<td>4,200</td>
<td>25.9</td>
<td>-171</td>
</tr>
<tr>
<td>Golden Plains</td>
<td>3,182</td>
<td>22.1</td>
<td>3,012</td>
<td>24.1</td>
<td>+170</td>
</tr>
<tr>
<td>Greater Geelong</td>
<td>31,706</td>
<td>18.4</td>
<td>29,671</td>
<td>18.6</td>
<td>+2,035</td>
</tr>
<tr>
<td>Queenscliffe</td>
<td>923</td>
<td>36.0</td>
<td>879</td>
<td>34.2</td>
<td>+44</td>
</tr>
<tr>
<td>Surf Coast</td>
<td>5,448</td>
<td>26.7</td>
<td>4,576</td>
<td>26.6</td>
<td>+872</td>
</tr>
<tr>
<td>G21 Region</td>
<td>45,288</td>
<td>20.1</td>
<td>42,338</td>
<td>20.4</td>
<td>+2,950</td>
</tr>
<tr>
<td>Victoria</td>
<td>772,444</td>
<td>17.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australia</td>
<td>3,090,874</td>
<td>17.8</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TABLE 1: THE CHANGE IN NUMBER OF VOLUNTEERS BETWEEN 2006 AND 2011

Australian Bureau Of Statistics, Census 2011
2.1 COLAC OTWAY
Analysis of the voluntary work performed by the population in Colac Otway Shire in 2011 compared to the G21 Region shows that there was a lower proportion of people who volunteered for an organisation or group. Overall 24.4% of the population reported performing voluntary work, compared with 20.1% for the G21 Region. The number of volunteers in the Colac Otway Shire decreased by 171 between 2006 and 2011.

2.2 GOLDEN PLAINS
Analysis of the voluntary work performed by the population in Golden Plains Shire in 2011 compared to the G21 Region shows that there was a higher proportion of people who volunteered for an organisation or group. Overall, 22.1% of the population reported performing voluntary work, compared with 20.1% for the G21 Region. The number of volunteers in the Golden Plains Shire increased by 170 between 2006 and 2011.

2.3 GREATER GEELONG
Analysis of the voluntary work performed by the population in City of Greater Geelong in 2011 compared to the G21 Region shows that there was a lower proportion of people who volunteered for an organisation or group. Overall, 18.4% of the population reported performing voluntary work, compared with 20.1% for the G21 Region. The number of volunteers in the City of Greater Geelong increased by 2,035 between 2006 and 2011.

2.4 QUEENSCLIFFE
Analysis of the voluntary work performed by the population in Borough of Queenscliffe in 2011 compared to the G21 Region shows that there was a higher proportion of people who volunteered for an organisation or group. Overall, 36.0% of the population reported performing voluntary work, compared with 20.1% for the G21 Region. The number of volunteers in the Borough of Queenscliffe increased by 44 people 2006 and 2011.

2.5 SURF COAST
Analysis of the voluntary work performed by the population in Surf Coast Shire in 2011 compared to the G21 Region shows that there was a higher proportion of people who volunteered for an organisation or group. Overall, 26.7% of the population reported performing voluntary work, compared with 20.1% for the G21 Region. The number of volunteers in the Surf Coast Shire increased by 872 between 2006 and 2011.
3.0 THE PROJECTED VALUE OF VOLUNTEERING

A review of literature highlights the estimates of the levels, growth and value of unpaid work vary significantly depending on the valuation method used. For the purpose of this report the value of unpaid work = wage rate x time spent on unpaid work x population.

5.1 PROJECTED WAGE RATES

The Australian Bureau of Statistics published estimates of the value of volunteer and community work in Australia in 1992 and 1997 in their 2000 report *Unpaid Work and the Australian Economy*. In the absence of any further published estimates of volunteer wage rates by the ABS, estimates for volunteer wage rates for the intervening year 1995 and the subsequent years 2000 and 2006 were given in the report *The Economic Value of Volunteering in Victoria*. The series of wage rates per hour used to estimate the annual value of volunteering time are identified below, in Table 2.

<table>
<thead>
<tr>
<th>Year</th>
<th>Wage Rate per Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>$14.34</td>
</tr>
<tr>
<td>1995</td>
<td>$16.00</td>
</tr>
<tr>
<td>1997</td>
<td>$17.47</td>
</tr>
<tr>
<td>2000</td>
<td>$19.26</td>
</tr>
<tr>
<td>2006</td>
<td>$24.09</td>
</tr>
<tr>
<td>2011</td>
<td>$28.99</td>
</tr>
<tr>
<td>2016</td>
<td>$34.89</td>
</tr>
<tr>
<td>2021</td>
<td>$42.00</td>
</tr>
</tbody>
</table>

TABLE 2: GROSS OPPORTUNITY COST WAGE RATE

5.2 PROJECTED HOURS OF ORGANISED VOLUNTEERING

The Australian Bureau of Statistics produced *Time Use and Voluntary Work* data from surveys conducted in 1995, 2000 and 2006 and these provide the basis for estimating the average time spent in organized volunteer activities by the adult population of Victoria.

Table 3 below, shows that there was a rise in the organised volunteer hours per adult from 31 in 1992 to 55 in 2000 but a decline to a lower average of 46 hours in 2006.

<table>
<thead>
<tr>
<th>Year</th>
<th>Hours per Adult</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>31</td>
</tr>
<tr>
<td>1995</td>
<td>37</td>
</tr>
<tr>
<td>1997</td>
<td>35</td>
</tr>
<tr>
<td>2000</td>
<td>55</td>
</tr>
<tr>
<td>2006</td>
<td>46</td>
</tr>
<tr>
<td>2011</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>50%</td>
</tr>
<tr>
<td>2021</td>
<td>$42.00</td>
</tr>
</tbody>
</table>

TABLE 3: AVERAGE VOLUNTEER HOURS PER ADULT X YEAR

5.3 PROJECTED VALUE OF VOLUNTEERING BY LGA

The projected value of volunteering in the G21 region is $60,393,357 as per Table 4. This figure is based on the total number of people who indicated they had undertaken unpaid work for an organisation or group as per the 2011 Census (Table 1), x the projected wage rate of $28.99 in 2011 (Table 2), x the projected hours spent volunteering in 2006 as per Table 3.

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of People Who Volunteered (Census 2011)</th>
<th>Number of Hours Spent Volunteering per LGA Based on 2006 Rate of 46 Hours per Annum</th>
<th>Value of Volunteering per LGA Based on Projected 2011 Wage Rate of $28.99 Ph</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colac-Otway</td>
<td>4,029</td>
<td>185,334</td>
<td>$5,372,832</td>
</tr>
<tr>
<td>Golden Plains</td>
<td>3,182</td>
<td>146,372</td>
<td>$4,243,324</td>
</tr>
<tr>
<td>Greater Geelong</td>
<td>31,706</td>
<td>1,458,476</td>
<td>$42,281,219</td>
</tr>
<tr>
<td>Queenscliffe</td>
<td>923</td>
<td>42,458</td>
<td>$1,230,857</td>
</tr>
<tr>
<td>Surf Coast</td>
<td>5,448</td>
<td>250,608</td>
<td>$7,265,125</td>
</tr>
<tr>
<td>Total</td>
<td>45,288</td>
<td>2,083,248</td>
<td>$60,393,357</td>
</tr>
</tbody>
</table>

TABLE 4: PROJECT VALUE OF VOLUNTEERING IN THE G21 REGION

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8 The Economic Value of Volunteering in Victoria, Government of Victoria, 2012
10 The Economic Value of Volunteering in Victoria, Government of Victoria, 2012
The value of volunteer and community work in Australia was estimated to be worth $28.99 per hour in 2011 by the Australian Bureau of Statistics, and by multiplying this amount by the hours spent volunteering, the value of unpaid work can be calculated.

This calculation can benefit organisations in their endeavours to secure additional funding from government and non-government organisations to support their functions, by quantifying what their in-kind contribution to a program/activity is.

Furthermore, at a regional level quantifying the economic value of unpaid work demonstrates the significant contribution volunteering makes to the local economy and hopefully will alert others to recognise the contribution that volunteers make to the community.

An important limitation of this report is the exclusion of the social value of volunteering. If a volunteer surf lifesaver saves a child from drowning, what is that worth? If a community based group save a dozen hooded plovers each summer - what is that worth? Measuring the social value of volunteering was beyond the scope of this project and its absence demonstrates that the value of volunteering is under-represented.

4.0 CONCLUSIONS
5.1 DETERMINING THE VALUE OF VOLUNTEERING IN YOUR ORGANISATION

Determining the economic value of volunteering in your organisation might assist you to:

- Demonstrate the extent of human resources required to support program planning and implementation
- Justify ‘in-kind’ contributions in funding submissions
- Inform stakeholders when presenting monthly and or annual reports
- Quantify the contribution volunteers make and celebrate this at significant events such as Volunteer Week
- Inform the nature and scope of training and management necessary to support volunteer efforts
- Include in marketing and promotion activities of your organisation

The value of volunteer and community work in Australia was estimated to be worth $28.99 per hour in 2011 by the Australian Bureau of Statistics, and by multiplying this amount by the hours spent volunteering, the value of unpaid work can be calculated.

The formula to calculate the financial value of volunteering is:

\[
\text{NUMBER OF VOLUNTEERS} \times \text{NUMBER OF HOURS WORKED} \times \$28.99
\]

To determine the economic value of volunteering in your organisation use either of the Templates overleaf:

- **Template A** – is for organisations whose volunteers work the same number of hours each week.
- **Template B** – is for organisations whose volunteers work a different number of hours each week.
TEMPLATES A - FOR ORGANISATIONS WHOSE VOLUNTEERS WORK THE SAME NUMBER OF HOURS EACH WEEK

To determine the economic value of volunteering in your organisation:

1. Identify how many volunteers work in your organization each week - Column A.
2. Identify how many hours each volunteer works each week - Column B.
3. Determine the total hours worked by volunteers each week by multiplying Column A with Column B = Column C.
4. Multiply the total hours worked each week by volunteers - Column C by $28.99 to determine the economic value of volunteer effort to your organisation.

The example below demonstrates 7 volunteers working 3 hours each per week contribute $608.79 in voluntary effort to the organisation.

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
</tr>
</thead>
<tbody>
<tr>
<td>VOLUNTEERS</td>
<td>HOURS</td>
<td>TOTAL HOURS WORKED BY VOLUNTEERS (A x B)</td>
<td>FINANCIAL VALUE (C x $28.99)</td>
</tr>
<tr>
<td>How many volunteers work in your organisation each week?</td>
<td>How many hours does each volunteer work each week?</td>
<td>Multiply the number of volunteers by the number of hours (Column A x Column B) to determine the total number of hours worked by volunteers each week.</td>
<td>The total weekly financial value of volunteer effort to your organisation each week is column C (total hours) x $28.99.</td>
</tr>
<tr>
<td>EXAMPLE: 7 volunteers work in this organisation each week.</td>
<td>Each volunteer works exactly the same number of hours each week, being 3.</td>
<td>7 volunteers x 3 hours = a total of 21 hours each week.</td>
<td>Multiply 21 hours by the determined hourly rate of $28.99 = $608.79 per week. This is the value of volunteer effort to your organisation.</td>
</tr>
<tr>
<td>7</td>
<td>3</td>
<td>7 x 3 = 21</td>
<td>21 x $28.99 = $608.79</td>
</tr>
</tbody>
</table>
To determine the economic value of volunteering in your organisation:
1. Identify how many volunteers - Column A - work the same number of hours - Column B - each week.
2. Determine the total hours worked by volunteers each week by multiplying Column A with Column B = Column C.
3. Multiply the total hours worked each week by volunteers - Column C by $28.99 – Column D.
4. Total the amounts in Column D to determine the economic value of volunteer effort to your organisation.

As per below, the example demonstrates that at a Community Health Service:
- 2 volunteers work 6 hours each week in Occupational Therapy programs.
- 3 volunteers work 8 hours each week in the Community Transport Program.
- 4 volunteers work 3 hours each week in the Cafeteria.
- 7 volunteers work 4 hours each week in the Recreation and Respite Program.
- In total, 16 volunteers work 76 hours each week across a range of programs thereby contributing $2,203.24 per week in voluntary effort to the organisation.

<table>
<thead>
<tr>
<th>A VOLUNTEERS</th>
<th>B HOURS</th>
<th>C TOTAL HOURS WORKED BY VOLUNTEERS (A X B)</th>
<th>D FINANCIAL VALUE (C X $28.99)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HOW MANY VOLUNTEERS WORK IN YOUR ORGANISATION EACH WEEK?</td>
<td>HOW MANY HOURS DOES EACH VOLUNTEER WORK EACH WEEK?</td>
<td>MULTIPLY THE NUMBER OF VOLUNTEERS BY THE NUMBER OF HOURS (COLUMN A X COLUMN B) TO DETERMINE THE TOTAL NUMBER OF HOURS WORKED BY VOLUNTEERS EACH WEEK.</td>
<td>THE TOTAL WEEKLY FINANCIAL VALUE OF VOLUNTEER EFFORT TO YOUR ORGANISATION EACH WEEK IS COLUMN C (TOTAL HOURS) X $28.99.</td>
</tr>
<tr>
<td>EXAMPLE:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 volunteers</td>
<td>6 hours each</td>
<td>12</td>
<td>$347.88</td>
</tr>
<tr>
<td>3 volunteers</td>
<td>8 hours each</td>
<td>24</td>
<td>$695.76</td>
</tr>
<tr>
<td>4 volunteers</td>
<td>3 hours each</td>
<td>12</td>
<td>$347.88</td>
</tr>
<tr>
<td>7 volunteers</td>
<td>4 hours each</td>
<td>28</td>
<td>$811.72</td>
</tr>
<tr>
<td>TOTAL: 16 volunteers</td>
<td>N/A</td>
<td>76 HOURS</td>
<td>$2,203.24 PER WEEK</td>
</tr>
</tbody>
</table>
6.0 REFERENCES

Australian Bureau of Statistics, 2011 Census of Population and Housing Basic Community Profile, Colac–Otway

Australian Bureau of Statistics, 2011, 4159.0 - General Social Survey: Summary Results, Australia, 2010

Australian Bureau of Statistics, 2000 Unpaid Work and the Australian Economy

Australian Bureau of Statistics, 2011, 4441.0 - Voluntary Work, Australia, 2010


G21 Geelong Region Alliance, G21 Region Health and Wellbeing Plan 2013-17

