



PEOPLE, CULTURE & EMPLOYMENT GOVERNANCE

Psychosocial Safety: The Hazard Category Regulators Now Treat as Physical Harm

Mental health claims rose nearly 37% between 2017-18 and 2021-22, and the rules differ depending on which state you operate in

Psychological harm at work is now treated under Australian work health and safety law with the same seriousness as physical harm, and the trend line is concerning. In 2021-22, mental health conditions made up 9% of serious workers' compensation claims, and the number of these claims had risen 36.9% since 2017-18 (Safe Work Australia, 2024). Check the latest Safe Work Australia Key WHS Statistics for current figures. This connects directly to the WHS officer liability discussion earlier in this series, and it deserves its own, more specific attention.

Which rules apply to your association?

The law depends on how your association is set up. A **company limited by guarantee** follows the Corporations Act 2001 (Cth) and its constitution. An **incorporated association** follows its state or territory associations Act and its rules. A **registered charity** also follows the ACNC Act and the ACNC Governance Standards, and some Corporations Act rules are replaced for charities that are companies. Check your own governing documents, and get advice before decisions with legal consequences.

In this resource

1. [An Expansion Of The Duty Already Discussed](#)
2. [A Compliance Complexity Worth Knowing Precisely](#)
3. [The Most Common Failure Pattern Identified In Practice](#)

An Expansion Of The Duty Already Discussed

Every Australian jurisdiction now has specific rules for psychosocial hazards, anything at work that may cause psychological harm. Most follow the model WHS Regulations, supported by a dedicated Model Code of Practice. Victoria has its own regulations under the Occupational Health and Safety Act 2004. The duty sits with the organisation, as a person conducting a business or undertaking (or, in Victoria, as an employer): it must eliminate psychosocial risk, or where that is not reasonably practicable, minimise it. Directors' due diligence duty, which this series has already covered, requires them to make sure the organisation complies across this specifically named category of hazard, bullying, harassment, discrimination, aggression, and poor work design among them.

A Compliance Complexity Worth Knowing Precisely

Here is a specific, important detail many multi-state associations miss. The approach to controlling psychosocial risk is not uniform across Australian jurisdictions. The model WHS Regulations do not require the formal hierarchy of controls (regulation 36) for psychosocial risks, but some jurisdictions, including the Commonwealth, Queensland, South Australia and the ACT, do. Victoria has its own regulations. An association with staff, volunteers, or events spanning multiple states cannot assume a single, uniform psychosocial risk management approach will satisfy every jurisdiction it operates in. Some jurisdictions add further requirements: since 1 March 2025, Queensland has required PCBUs to have a written prevention plan for sexual and gender-based harassment. Victoria's Occupational Health and Safety (Psychological Health) Regulations 2025 have applied since 1 December 2025; they require employers to identify and control psychosocial hazards but do not require a written prevention plan.

Directors do not need to become workplace psychology experts. They do need to understand precisely enough to ask informed questions, and a board that has never specifically discussed psychosocial hazards as distinct from general workplace safety has a gap in exactly the due diligence this series has already established directors are individually required to exercise.

The Most Common Failure Pattern Identified In Practice

A common weakness in practice is limited understanding at senior management and board level of the psychosocial hazards actually present in the organisation, their frequency, and their severity. This mirrors the general WHS due diligence discipline this series has covered, applied specifically to a hazard category that is harder to observe directly than a physical safety risk, and where reporting tends to be less mature precisely because the harm is less visible until it has already escalated.

- Treat psychosocial hazards as a distinct, named risk category for board attention, connecting directly to the WHS due diligence discipline discussed earlier in this series, rather than folding it into general workplace culture discussion.
- Confirm which specific state or territory psychosocial risk requirements apply to your association's actual operations, since the hierarchy of controls and specific prevention plan requirements differ by jurisdiction.
- Build mechanisms for identifying psychosocial risk before it escalates, worker feedback, exit interviews, and health and safety committee input, since these hazards are often harder to spot than physical ones.
- Ensure the board specifically discusses psychosocial hazards, not just general workplace safety, as part of its standing WHS oversight, addressing this common gap in senior-level understanding directly.
- Review whether your association's specific jurisdiction requires written prevention plans for harassment-related psychosocial risk, given that these requirements differ between states and territories.

Psychosocial safety is not a soft addition to an association's workplace safety obligations. It is now a formally regulated hazard category with its own specific compliance requirements, a documented rising claim trend, and director due diligence obligations that most boards have not yet given the specific, deliberate attention this series has already established the underlying WHS duty deserves. This is one of the practical governance topics built into our Board Director course, alongside the papers, tools and frameworks that turn the principle into your board's actual practice. [Explore the course](#)

Annie Gibbins

Founder and CEO, Nexus Leadership

BOARDROOM ACTION WORKSHEET

Psychosocial Safety: The Hazard Category Regulators Now Treat as Physical Harm

Turn the resource into evidence, a decision and an accountable next step. Keep the completed record in your association's approved board records system.

1 What is the issue or decision?

State the governance question in one clear sentence.

2 What evidence do we already have?

Record the facts, source documents and stakeholder evidence available now.

3 What evidence is still needed?

Identify the legal, regulatory, financial, member or operational information still required.

4 What is the agreed next action?

Capture the owner, timeframe and how the matter will return to the board.

Action owner	Review date	Board decision or resolution

General education, not legal, financial, tax, clinical or governance advice. Confirm specifics at the relevant primary source or with your own qualified adviser. Nexus Leadership is operated by Lipstick Consulting Pty Ltd · ABN 15 619 120 482.

CONTINUE YOUR LEARNING

Turn governance principles into practical board action.

Self-paced courses, editable resources and practical support for association boards and CEOs at nexusleadership.com.au.