



PEOPLE, CULTURE & EMPLOYMENT GOVERNANCE

Volunteer Management: The Insurance Gap Most Boards Never Notice

If you employ staff, your WHS duty to volunteers broadly matches your duty to staff. Workers' compensation coverage usually doesn't

Where an association employs staff, volunteers who do work for it are generally treated as workers under the model WHS laws, and the association owes them broadly the same duty as paid staff, connecting directly to the WHS due diligence discipline discussed earlier in this series. An association run entirely by volunteers with no employees is not a PCBU under those laws, and Victoria has a different Act, though a common law duty of care still applies. What fewer boards realise is that this protection does not automatically extend to workers' compensation insurance, creating a specific, practical gap worth understanding rather than assuming coverage exists.

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.

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The Insurance Gap Most Boards Do Not See

Volunteers are generally not considered workers for the specific purposes of workers' compensation legislation, even where the same organisation owes them a WHS duty much like the one it owes paid employees. This means an association can be doing everything right on the safety side, providing training, supervision, and safe equipment, while still leaving an injured volunteer without the automatic compensation pathway a paid staff member in the same situation would have. Closing this gap requires deliberately arranged insurance, not an assumption that existing workers' compensation coverage extends to volunteers. Volunteer personal accident insurance gives injured volunteers no-fault cover for some costs. Public liability insurance protects the association if someone, including a volunteer, sues for negligence. Check whether any state or territory volunteer scheme also covers your volunteers. An association with excellent volunteer safety training and inadequate personal accident insurance has protected volunteers from harm while leaving them financially exposed if harm occurs anyway, precisely the gap a risk management approach should have closed.

The Dual-Hat Problem For Volunteer Board Members Specifically

A volunteer serving as a board member sits under a different protection than a volunteer performing hands-on operational work, and someone doing both simultaneously needs to understand the distinction precisely. Under the model WHS laws, volunteer officers cannot be prosecuted for failing their officer due diligence duty, a deliberate protection intended to avoid discouraging volunteer governance participation. Victoria's OHS Act works differently, so check the position there. That same individual, however, can still

be prosecuted as a worker for failing the WHS duties of a worker in whatever hands-on capacity they also volunteer in. Wearing both hats does not mean the more protective standard automatically applies to everything the person does for the organisation.

A Structured Framework Worth Adopting

Sector guidance offers a practical structure for volunteer risk management worth adopting deliberately: screening volunteers to confirm they are qualified and trained for their actual duties, removing or substituting high-risk situations where reasonably practicable, training volunteers on an ongoing basis, supervising their activities adequately, insuring against the specific gaps this article has identified, planning clear policies and incident reporting procedures, and investigating any incident thoroughly when one occurs.

- Confirm your association carries volunteer personal accident insurance, and public liability insurance that covers volunteer activities, rather than assuming existing workers' compensation arrangements extend to them.
- Understand which protection applies to a volunteer wearing both a governance and an operational hat, since, under the model WHS laws, officer-level immunity does not automatically extend to worker-level WHS duties in their hands-on role.
- Apply the same screening, training, and supervision discipline to volunteers as to paid staff, connecting directly to the WHS due diligence framework discussed earlier in this series.
- Keep volunteer arrangements clearly voluntary, with no obligation to work and no payment beyond reimbursement of actual expenses, so they are not mistaken for employment.
- Investigate any volunteer injury or incident with the same rigour applied to a paid staff incident, treating this as a standing organisational discipline rather than an occasional response.

Volunteers are not a lower-stakes category of person an association's safety obligations apply to more loosely. Where the WHS laws apply, the duty is broadly equivalent, and the specific insurance and protection gaps this article has identified deserve exactly the deliberate governance attention this series has recommended for every other risk category. 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](#)

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BOARDROOM ACTION WORKSHEET

Volunteer Management: The Insurance Gap Most Boards Never Notice

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.

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