

Submission to the Inquiry into Small Business Insurance

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Contents

Overview	4
Introduction	5
Background and context	5
About this submission	6
The National Strategy for Volunteering (2023-2033)	7
Section 1: Insurance for volunteers	8
Why volunteer involving organisations need insurance for their volunteers	8
Work health and safety laws	8
Negligence law	9
Managing risk	10
What sort of insurance is typically required?	11
Other obligations	12
Section 2: Barriers and challenges to getting insurance for volunteers	13
Awareness and information asymmetry	13
Availability	14
Hard to insure activities	14
Hard to insure organisations	17
Affordability	17
Coverage	18
Section 3: Impacts and existing options for volunteer involving organisations	21
Forming a group to access economies of scale	21
Auspice arrangements	22
Recognition of risk management practices	23
Government schemes to supplement the market or address market failure	24
Stop or alter activities that are uninsurable or too expensive to insure	25
Make cuts to operations to cover insurance costs	26
The consequences of operating without insurance	26
Section 4: Additional options for consideration	28
Ensuring every volunteer is covered by personal accident insurance	28
Expand or create government insurance schemes	30
Changes to the regulatory framework for civil liability	31

Public expectations of volunteer involving organisations	32
Recommendations	34
Authorisation	36
Endorsements	36
About Volunteering Australia	36
Volunteering Australia Contacts	37
State and Territory Volunteering Peak Bodies.....	37
Attachment 1	38
Attachment 2	40

Overview

Every year, millions of Australians volunteer, many unaware if they will be covered by insurance if something happens to them while they are volunteering. Volunteers should reasonably expect to be safe and protected from physical and psychological harm while they volunteer. And yet, many volunteers are not covered by insurance, with almost one in four volunteer involving organisations (24%) not holding insurance for their volunteers.¹ While insurance is only one element of good risk management, this statistic is nevertheless alarming.

There are tens of thousands of volunteer involving organisations, engaging millions of volunteers, whose operations are impacted by the provision, regulation and pricing of insurance. The key challenges faced by volunteer involving organisations seeking insurance products are awareness and information asymmetry, availability, affordability, and coverage.

This submission addresses the terms of reference of the Parliamentary Joint Committee on Corporations and Financial Services' inquiry into Small Business Insurance,² focussing on the insurance needs of volunteer involving organisations as a result of engaging volunteers. It does not address challenges with other types of insurance volunteer involving organisations may require (such as property insurance), that are common to many organisations.

Overall, to support the operation of volunteer involving organisations and improve the safety and wellbeing of volunteers, we recommend:

1. Any reforms to the regulatory framework for insurance recognise that volunteers are different from paid workers but equally deserving of protection.
2. Any reforms explore the balance between the costs (financial, regulatory burden, unintended consequences) and benefits of each of the options for volunteers, volunteer involving organisations, taxpayers and the community.
3. Commissioning research to better understand gaps in personal accident insurance for volunteers, which would also contribute to the objectives of the National Strategy for Volunteering.
4. The Australian Government take a leadership role and encourage national consistency, sharing of what works and proper consultation on all insurance issues, by convening meetings involving all key stakeholders.
5. The Australian, state and territory governments:
 - a. Ensure community organisations are funded appropriately to meet the full costs of the insurance required to deliver funded activity.

¹ <https://volunteeringstrategy.org.au/wp-content/uploads/2022/10/Volunteering-in-Australia-2022-The-Organisation-Perspective.pdf> 31

² https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance

- b. Consider including a requirement in funding agreements for fundees to hold appropriate insurance for their volunteers (if it is available and along with the funding to meet that cost).
- c. Ensure their own volunteers are protected by personal accident insurance.
- d. Work with ASIC to consider options to identify and address actual or potential market failures, in particular the provision of physical and sexual abuse insurance.
- e. Consider public liability requirements imposed on community groups using government facilities to ensure they are fit for purpose and risk-proportionate.
- f. Work with regulators and the Insurance Council of Australia to explore options to address information asymmetry and increase product transparency, competition and the ability of volunteer involving organisations to compare insurance policies for volunteers.
- g. Explore options to provide more affordable insurance for small, volunteer run organisations.
- h. Work together to investigate, in consultation with key stakeholders, whether existing regulatory settings should be used to drive increased protection for volunteers, recognising that this approach would not be suitable for all volunteer involving organisations.
- i. When reviewing relevant civil liability legislation to ensure it remains fit for purpose, ensure it provides appropriate protection for volunteers and appropriate risk sharing for volunteer involving organisations.

Introduction

Background and context

Volunteering Australia defines volunteering as time willingly given for the common good and without financial gain.³ In April 2023, 32.6% of adults volunteered formally through an organisation across the nation.⁴ Many more volunteer informally.⁵

A volunteer involving organisation is any organisation that engages volunteers. Volunteers can be engaged by not-for-profit, private (e.g. residential aged care providers) or government (e.g. schools or cultural institutions) organisations. They range in size from tiny local groups that are entirely volunteer run to large national and multinational organisations that also engage many paid workers.

While there is no aggregated figure that captures all forms of volunteer involving organisations in Australia, data is available on charities (a subset of not-for-profit organisations). According to

³ <https://www.volunteeringaustralia.org/resources/definition-of-volunteering/#/>

⁴ https://polis.cass.anu.edu.au/files/docs/2025/6/Ongoing_trends_in_volunteering_in_Australia.pdf 7

⁵ Formal volunteering is done through an organisation; informal volunteering is not.

the Australian Charities and Not-For-Profit Commission, 52,627 charities provided Annual Information Statements for the 2023 reporting period⁶ with 43% of these (22,629 charities) being entirely volunteer run.^{7,8} Smaller charities are more likely to be volunteer-run with 72.8% of very small charities being entirely volunteer run, compared to 3.9% of large charities.^{9,10} In fact, very small charities make up 51.4% (11,620 charities) of all volunteer-run charities while large charities make up 0.5% (111 charities).¹¹

Volunteers and volunteer involving organisations operate across a wide range of sectors including sport, religion, health, disability, aged care, community services, education, environment, emergency services, justice, arts and cultural groups. Volunteers perform a wide range of roles ranging from high-risk roles, such as volunteer fire fighters, to low-risk roles, such as managing rosters, scoring for community sporting matches or sorting clothing donations.

About this submission

This submission addresses the terms of reference of the Parliamentary Joint Committee on Corporations and Financial Services' inquiry into Small Business Insurance.¹² It focuses on insurance cover for volunteers and why organisations need insurance for their volunteers, then examines the barriers and challenges to obtaining it. The submission also explores the impacts on volunteer involving organisations (and volunteers) of those challenges before outlining potential options for consideration.

This submission was drafted by Volunteering Australia in collaboration with the State and Territory volunteering peak bodies and follows previous submissions and documents, most recently:

- June 2025 – Volunteering Australia Incoming Government Brief¹³

⁶ Australian Charities and Not-for-Profit Commission, Australian Charities Report - 11th edition, 4 June 2025, <https://www.acnc.gov.au/tools/reports/australian-charities-report-11th-edition> 11

⁷ Australian Charities and Not-for-Profit Commission, Charity by numbers: the volunteer effect, 10 December 2025, <https://www.acnc.gov.au/tools/reports/charity-numbers-volunteer-effect> 7

⁸ Another 9% operate without employees or volunteers (such as charitable trusts and giving funds that use contractors as company trustees), which is why the Australian Charities Report - 11th edition states that 52.1% of all operating charities reported having no employees/paid staff

<https://www.acnc.gov.au/tools/reports/australian-charities-report-11th-edition> 19

⁹ <https://www.acnc.gov.au/tools/reports/charity-numbers-volunteer-effect> 7

¹⁰ The ACNC measures charity size by revenue: total revenue for extra small charities is less than \$50,000 and for large charities is \$3 million or more but less than \$10 million.

¹¹ Calculated from data in <https://www.acnc.gov.au/tools/reports/charity-numbers-volunteer-effect> 7

¹² https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Corporations_and_Financial_Services/SmallBusinessInsurance

¹³ https://www.volunteeringaustralia.org/wp-admin/admin-ajax.php?juwpfisadmin=false&action=wpfd&task=file.download&wpfd_category_id=275&wpfd_file_id=57648&token=&preview=1

- Volunteering Australia 2025 Election Platform: Volunteer Nation: Positive Impact, Strong Communities¹⁴
- National Strategy for Volunteering 2023-2033¹⁵
- Volunteering Tasmania's Submission on TasInsure: Discussion Paper and Draft Bill¹⁶
- Volunteering ACT's Submission to the Inquiry into Insurance Costs in the ACT¹⁷
- Volunteering Queensland's Submission to the Inquiry into Volunteering¹⁸
- Volunteering WA State Budget Submission November 2025 ¹⁹
- Volunteering WA State Election Priorities October 2024²⁰
- Volunteering Victoria's Submission to the Victorian State Budget 2023–2024²¹
- Supporting Volunteers from Crisis to Resilience: 2022 – 2023 State Budget Submission Volunteering Queensland²²

The National Strategy for Volunteering (2023-2033)

The National Strategy for Volunteering (2023–2033), funded by the Australian Government Department of Social Services, is a ten-year blueprint for a reimagined future for volunteering in Australia, providing a strategic framework for enabling safe, supported, and sustainable volunteering. The National Strategy for Volunteering was developed through a 12-month co-design process with members of the volunteering ecosystem.²³ The Strategy highlights the importance of safe volunteering and of enabling infrastructure. Any actions to address challenges with insurance for not-for-profit and community organisations should consider alignment with the National Strategy for Volunteering. Three of the Strategy's strategic objectives are particularly relevant:

- Strategic Objective 1.1: Focus on the Volunteer Experience
- Strategic Objective 1.3: Ensure Volunteering is Not Exploitative
- Strategic Objective 3.3: Commit to Strategic Investment

¹⁴ <https://www.volunteeringaustralia.org/policy/budget-election-platform-2025/>

¹⁵ <https://volunteeringstrategy.org.au/wp-content/uploads/2024/01/National-Strategy-for-Volunteering-2023-2033.pdf>

¹⁶ https://volunteeringtas.org.au/wp-content/uploads/2026/01/090426_TasInsure_Final.pdf

¹⁷ <https://volunteeringact.org.au/wp-content/uploads/2025/03/ACTCOSS-VACT-2025-Submission-Inquiry-into-Insurance-costs-in-the-ACT.pdf>

¹⁸ <https://volunteeringqld.org.au/resources/volunteering-queenslands-submission-to-the-inquiry-into-volunteering/>

¹⁹ <https://www.volunteeringwa.org.au/assets/advocacy-policy/vwa-pre-budget-submission-2025-26-final.pdf>

²⁰ <https://www.volunteeringwa.org.au/assets/advocacy-policy/vwa-stateelectionpriorities-2024-digital.pdf>

²¹ https://www.volunteeringvictoria.org.au/wp-content/uploads/2022/12/VV_Budget-2023-2024-Submission_FINAL-1.pdf

²² <https://stage.volunteeringqld.au/wp-content/uploads/2022/06/2022 - 2023 QLD pre-budget submission-1.pdf>

²³ <https://volunteeringstrategy.org.au/the-strategy/>

Section 1: Insurance for volunteers

Ideally, insurance should support volunteer involving organisations to operate while also being affordable, accessible, and fit for purpose.

Why volunteer involving organisations need insurance for their volunteers

Volunteer involving organisations have legal obligations towards their volunteers that stem from work health and safety laws and negligence law. These obligations are designed to keep volunteers safe from the physical and psychosocial hazards while volunteering. Volunteer involving organisations' responsibilities for the safety of their volunteers may differ from the obligations they have towards any paid workers, as volunteers are different to paid workers in their role types, obligations, and work expectations and often in the way they are treated in the regulatory framework. Volunteer involving organisations also have responsibilities towards people their volunteers interact with, such as clients, customers, other workers and the public.²⁴ Insurance is one of the tools in the risk management tool kit that can help organisations meet their safety obligations, but first we need to understand those obligations.

Work health and safety laws²⁵

Under work health and safety laws, volunteer involving organisations must provide a safe workplace for volunteers.

For all jurisdictions except Victoria, the harmonised work health and safety laws apply to organisations that meet the definition of Person Conducting a Business or Undertaking (PCBU). This definition means that the law captures all volunteer involving organisations that also have at least one employee but does not apply to an organisation which only engages volunteers. The PCBU "has a duty to ensure, so far as is reasonably practicable, the health and safety of workers (including volunteers) and other people who might be affected by the work".²⁶ Workers (including volunteers) "have a duty to take reasonable care for their own health and safety and for the health and safety of anyone who might be affected by their actions or omissions".²⁷

The Victorian legislation applies to "all community organisations that have employees and may also apply to community organisations that are completely volunteer-based where they manage or control a 'workplace'".²⁸ Employers owe a duty to employees, and other persons (including volunteers) who may be affected by the work or activities of the organisation, "to ensure so far as is reasonably practicable that employees and other persons are not exposed to risks to their health and safety arising from the organisation's activities".²⁹ Persons who control or manage a

²⁴ <https://content.nfplaw.org.au/wp-content/uploads/2025/10/National-Volunteering-Guide.pdf> 44

²⁵ The content for this section is taken from Ibid 76-97

²⁶ Ibid 79

²⁷ Ibid

²⁸ Ibid 88

²⁹ Ibid 90

workplace “must ensure, as far as is reasonably practicable, that the workplace and the means of entering and leaving it are safe and without risks”.³⁰ Any person at a workplace, including volunteers, “must not recklessly endanger another person in the workplace”.³¹

The organisation, and its workers (including volunteers) could be personally liable for failure to comply with work, health and safety laws and be prosecuted by the state regulator. Volunteer directors and officers are expected to comply with the duty of officers under work, health and safety laws but can’t be prosecuted for failing to comply with that duty. This immunity from prosecution under these laws has been designed to ensure that people are not discouraged from taking up voluntary officer positions in organisations.³²

Even if none of the above work health and safety legislation applies to a volunteer involving organisation, the common law of negligence does apply, as do negligence provisions in relevant state and territory legislation.

Negligence law

Under negligence law, volunteer involving organisations may be found liable (legally responsible) for injury, loss or damage caused to a volunteer while performing their duties and be ordered by the court to provide a remedy, usually financial compensation.³³

The liability of an organisation for the actions of its volunteers is more complicated.

Previously, because of the High Court decision in *Bird v DP (A Pseudonym)* [2024] HCA 41, organisations were only vicariously liable for child abuse committed by employees, not volunteers.³⁴ As a result, the states and territories sought to close this loophole with the ACT and Victoria being the only jurisdictions to have passed legislative changes that extend organisational vicarious liability for child abuse to include individuals “akin to employees”.³⁵

However recently, in *AA v The Trustees of the Roman Catholic Church for the Diocese of Maitland-Newcastle* [2026] HCA 2, the High Court found that organisations can be held liable for a breach of their non-delegable duty of care towards a vulnerable person committed by their delegate.³⁶ The non-delegable duty of care is owed to a vulnerable person where the organisation has assumed the care, supervision or control of that person. This decision significantly expands the circumstances in which organisations can be held liable for the actions

³⁰ Ibid

³¹ Ibid

³² <https://content.nfplaw.org.au/wp-content/uploads/2024/10/Community-organisations-and-WHS-laws.pdf> 28-31

³³ <https://content.nfplaw.org.au/wp-content/uploads/2025/10/National-Volunteering-Guide.pdf> 45-7

³⁴ Ibid 48-9

³⁵ (Civil Law (Wrongs) Act 2002 (Australian Capital Territory) section 114BC

<https://www.legislation.act.gov.au/View/a/2002-40/current/html/2002-40.html> and Justice Legislation Amendment (Vicarious Liability for Child Abuse) Act 2026 (Victoria) section 3

<https://content.legislation.vic.gov.au/sites/default/files/2026-02/601300bs1.pdf>

³⁶ <https://www.moore.com.au/major-high-court-decision-expands-duty-of-care-to-keep-children-safe/>

of delegates, including volunteers, and including when those actions are an intentional criminal act, outside the normal scope of their role or not authorised.

These legal changes will have impacts for insurance premiums as they increase institutional responsibility for the actions of others, including volunteers, particularly in relation to the abuse of vulnerable people.

In addition, “in some circumstances, organisations may be held liable for the negligent actions (or any failures to act) of its volunteers [under statutory law]. This is because each state and territory has legislation that sets out a special protection for volunteers from personal civil liability for anything done or not done in good faith when performing community work for a community organisation.”³⁷ This means that if a volunteer meets the requirements under the relevant legislation and causes injury, loss or damage to someone else because of what they do or don’t do while performing their duties, then the volunteer won’t be personally liable, but the community organisation they are volunteering for might be.³⁸

Managing risk

The first step for volunteer involving organisations in meeting their obligations for the health and safety of volunteers and those they interact with is managing risk. This includes things like:

- Understanding the organisation’s safety obligations
- Understanding the risks associated with the organisation’s operations
- Putting in place strategies to manage those risks
- Making sure volunteers and those they interact with are aware of any risks
- Providing adequate training and support to volunteers to perform their roles safely
- Reporting mechanisms for incidents
- Appropriate supervision

For example, a soup kitchen should have procedures around food handling and storage, maintaining the cleanliness of equipment and facilities, safe operation of equipment etc. A sports club would have procedures around injury prevention and treatment, and who is allowed to do what if someone is injured (amongst other things). Organisations like Scouts Australia and Surf Living Saving Australia have child protection frameworks in place, including policies, training, guidance and reporting procedures.

Data from April 2022 shows the prevalence of some risk management techniques. Training and induction were each provided by 84% of organisations surveyed and resources such as Frequently Asked Questions, manuals, tip sheets, checklists etc were provided by 64%.³⁹ In addition, 69% of organisations provided debriefing/personal support for their volunteers and

³⁷ Ibid 49

³⁸ Ibid. In addition, a summary of state and territory negligence laws is provided on pp. 50-75

³⁹ <https://volunteeringstrategy.org.au/wp-content/uploads/2022/10/Volunteering-in-Australia-2022-The-Organisation-Perspective.pdf> 31

30% provided access to an employee assistance program, both of which are strategies for managing psychological risks.⁴⁰

What sort of insurance is typically required?

Insurance is only one element of an organisation's approach to managing their safety responsibilities. The primary types of insurance that volunteer involving organisations need because they engage volunteers are personal accident insurance and public liability insurance.

Personal accident insurance covers volunteers in the event something happens to them while volunteering, as volunteers are generally not covered by workers' compensation. As noted by Justice Connect, "in all states and territories, volunteers will not be considered 'workers' for the purposes of workers compensation unless they are a part of special prescribed class in that jurisdiction",⁴¹ with each state and territory's legislation prescribing different volunteers. For example, in NSW, only emergency service workers, volunteer fire-fighters, and volunteer ambulance officers are covered by workers compensation.⁴² In Tasmania police volunteers, volunteer fire-fighters, police staff and prescribed volunteers are covered.⁴³ In Western Australia, no volunteers are prescribed.^{44, 45} Personal accident insurance arises from the gaps that otherwise exist in protections for volunteers compared to paid workers.

However, while it is compulsory for organisations to hold workers compensation for employees, it is not compulsory to hold personal accident insurance for volunteers, leading to gaps in protection for volunteers. Section 4 proposes options for consideration to ensure every volunteer is covered by personal accident insurance, including regulatory options.

Public liability insurance is designed to cover injuries a volunteer (or other worker) causes to third parties but does not cover injuries caused to the volunteer. This type of insurance is not unique to volunteer involving organisations but is included because it covers the actions of volunteers as well as other actors, and because some volunteer involving organisations mistakenly conflate personal accident and public liability insurance. Physical and sexual abuse insurance (or molestation insurance) is a specialised type of public liability insurance. Directors' and officers' liability insurance protects volunteer committee members or directors, as boards are increasingly held to higher governance standards, with legal duties the same regardless of whether board members are paid or volunteers.

⁴⁰ Ibid

⁴¹ <https://content.nfplaw.org.au/wp-content/uploads/2025/10/National-Volunteering-Guide.pdf> 106

⁴² Ibid 107

⁴³ Ibid 108

⁴⁴ Ibid

⁴⁵ See also Table 4.3: Workers' compensation coverage for volunteers, Safe Work Australia, https://www.safeworkaustralia.gov.au/sites/default/files/2024-04/comparison_of_workers_compensation_arrangements_in_australia_and_new_zealand_29th_edition_2023.pdf p. 128

Other obligations

There are other sorts of obligations that may require or encourage volunteer involving organisations to hold appropriate insurance.

Volunteer involving organisations may face contractual obligations to hold insurance, as part of a funding arrangement with a government or another funding organisation. It may also be a condition of operating in facilities owned or operated by governments to hold certain insurance. For example, organisations hiring or participating in events at ACT Government venues and properties are required to hold \$20 million in public liability insurance coverage.⁴⁶ Separately, state regulations prescribe the amount of public liability insurance that must be held by local councils.⁴⁷

These are levers governments could use more intentionally to encourage the desired behaviour, particularly with respect to personal accident insurance for volunteers (see Section 4).

In addition to the legal obligations they face, volunteer involving organisations are encouraged to adopt the National Standards for Volunteer Involvement⁴⁸. The National Standards are a best practice framework to guide volunteer involvement and can be used flexibly, recognising that volunteering takes place in highly diverse settings and ways. They help organisations attract, manage and retain volunteers and support effective risk and safety practices. They also help improve the volunteer experience and ensure that the wellbeing of volunteers is supported and their contributions are valued. Two of the standards are particularly relevant:

- Standard 5: Volunteers are supported and developed – Volunteers understand their roles and gain the knowledge, skills and feedback needed to participate safely and effectively.
- Standard 6: Volunteer safety and wellbeing is protected – The health, safety and wellbeing of volunteers is protected, and volunteers understand their rights and responsibilities.

State and territory Volunteering Peak Bodies generally require member organisations to hold personal accident insurance for their volunteers, as a condition of membership. Also, confirmation of volunteer personal accident insurance is required to advertise volunteer roles via the platforms operated by the Volunteering Peak Bodies.

⁴⁶ ACT Government Submission to the Inquiry into Insurance Costs in the ACT, https://www.parliament.act.gov.au/_data/assets/pdf_file/0009/2830563/Submission-028-ACT-Government-Published-26-March-2025.PDF 11

⁴⁷ LGAQ Submission - Inquiry into Volunteering in Queensland, <https://documents.parliament.qld.gov.au/com/LGSBCSC-AACA/IVQ-1A2A/submissions/00000534.pdf> 16

⁴⁸ <https://www.volunteeringaustralia.org/nationalstandards/>

Section 2: Barriers and challenges to getting insurance for volunteers

The key challenges faced by volunteer involving organisations seeking insurance products through the market are awareness and information asymmetry, availability, affordability, and coverage.

According to 2023 data, volunteer managers (the majority of which are volunteers themselves)⁴⁹ commented that their biggest concern outside their organisation was risk, insurance and legal requirements, with insurance making up about 10% of volunteer involving organisations' expenses.⁵⁰

Awareness and information asymmetry

The barriers and challenges to getting the appropriate insurance for volunteers start with volunteer involving organisations:

- knowing their obligations towards their volunteers,
- knowing that they need to insure them, then
- finding and assessing the options.

Data from 2022 showed that 24% of organisations reported not providing insurance to their volunteers.⁵¹ Awareness is one key reason why organisations may not hold insurance for their volunteers. For example, there may be lack of awareness about requirements to provide insurance for volunteers, not being cognisant that volunteers are different to paid workers and are generally not covered by workers compensation, incorrectly believing their public liability insurance covers volunteers, the cost of insurance, and feeling their activities may not warrant it (e.g., providing online support services).⁵²

“Another barrier is lack of understanding re insurance. So many groups are understanding they need Public Liability Insurance, but they don’t realise that this doesn’t necessarily cover their volunteers for any accidents. So many groups don’t have volunteer accident insurance. It opens them up for all sorts of issues down the track, not to mention the poor volunteers who don’t have adequate cover. Again, it would be helpful for groups to have education on this and for specific funds/grants available to purchase volunteer insurance”. Volunteer Resource Centre to Volunteering Victoria.

⁴⁹ n = 3948 volunteer managers (41% paid and 54.2% unpaid and 4.78% both)

⁵⁰ <https://www.volunteering.com.au/wp-content/uploads/2025/04/04058-TCfV-Snapshot-of-Volunteering-2023-FULL-Report-Final.pdf> 31, 38.

⁵¹ <https://volunteeringstrategy.org.au/wp-content/uploads/2022/10/Volunteering-in-Australia-2022-The-Organisation-Perspective.pdf> 31

⁵² Information provided by Volunteering Victoria

Research is needed to better understand those organisations that are not providing insurance coverage for their volunteers to better target awareness raising efforts and other strategies to increase protections for volunteers.

When they do seek insurance, they face information asymmetry in the insurance market (see for example Case Study 1). Despite the commitment to clear communication made in the General Insurance Code of Practice,⁵³ the process can be complicated and confusing, requiring volunteering involving organisations to get and compare multiple quotes and read through complicated insurance policies, with different insurers providing different types and levels of coverage. The ability to do this and know what to look for depends on the organisation and the skills and experience of its paid or volunteer workers but more importantly, the availability of this information in a clear form is lacking. This restricts competition and creates a power imbalance in the market between insurance buyers and sellers. More could be done to require insurers to provide better information on products, as has been done for health insurance.

“It truly is a minefield in trying to understand what you need and when and how and so on. I spent a good chunk of time trying to find out those answers and that was when I contacted you folks!” Volunteer Involving Organisation to Volunteering Victoria.

Assistance on all aspects of engaging volunteers is available to those volunteer involving organisations that know to ask for it. For example, state and territory Volunteering Peak Bodies provide support, information and resources are publicly available through the Volunteering Gateway and the National Knowledge Base, and Not-for-Profit Law, run by Justice Connect, offers free and affordable legal advice to not-for-profit organisations. However, more should be done to reduce information asymmetry, improve transparency by insurance companies and encourage competition by enabling consumers to easily compare products.

Availability

Hard to insure activities

For volunteer involving organisations, some activities are becoming increasingly hard to insure, meaning there are only a few, if any, providers who will provide the relevant insurance. Common examples include activities with children and activities considered high risk or dangerous, which require public liability insurance that is hard to secure, rather than personal accident insurance⁵⁴

Activities with children and vulnerable adults

Activities with children come with the risk of physical or sexual abuse and require stringent child protection frameworks to be in place, as well as relevant insurance for the remaining risk. The

⁵³ <https://insurancecouncil.com.au/cop/>

⁵⁴ Note, this submission does not cover the types of insurance affected by climate change and the risk of natural disasters, as these are not specific to volunteers.

Royal Commission into Institutional Responses to Child Sexual Abuse found that volunteers were responsible for child sexual abuse in numerous cases. For example, in sport and recreation settings, the Royal Commission reported:

“Most survivors (95.1 per cent) who attended private sessions provided information regarding the role of the perpetrator. More than one-third of these survivors told us they were abused by a youth group leader (36.6 per cent), most of whom we were told were Scout leaders, followed by coaches or instructors (20.4 per cent) and volunteers in the institution (6.4 per cent).”⁵⁵

We understand that following the Royal Commission and the establishment of the Redress Scheme, the market for physical and sexual abuse insurance was significantly impacted (see Case Study 1). Organisations that held physical and sexual abuse insurance submitted claims on their policies for the redress payments they were required to make. Despite insurance policies holding different thresholds for responding to these payments, it created a precedent of response to these claims, leading to some insurers struggling to remain viable and others to withdraw from the market (i.e., cease offering new physical and sexual abuse insurance). Prices for physical and sexual abuse policies rose steeply due to increased risk and reduced supply. Drivers for increased risk (of future claims) were the absence of retroactive limitations on historic claims under the Redress Scheme, a higher number of claims being made than the market expected, the lack of risk management, client protection and safeguarding in place (at the time), the amount paid out per claim and the legal costs involved with claims. Reduced supply reflected the lack of providers willing to offer insurance due to the high risk potentially affecting their profitability and sustainability.

These developments were not clearly visible to or understood by the not-for-profit sector, leading to organisations struggling to find appropriate cover and not having sufficient information to make decisions about risk and cost.

Case Study 1: Organisation X – Public Liability including Physical and Sexual Abuse insurance

Organisation X is entirely volunteer run, has been operating in Western Australia for more than a decade and provides activities for vulnerable young people (under 18 years), including camps and one-one-one mentoring.

In August 2023, a day before their insurance policies were due to expire, and after two months of discussions, their existing insurer advised they would no longer provide Physical and Sexual Abuse (PSA) insurance for certain activities. The existing insurer was prepared to offer public liability insurance for a premium 9.5% higher than the previous policy but excluding PSA on all camps and one-on-one scenarios (i.e. less insurance coverage for more money).

⁵⁵ <https://www.childabuseroyalcommission.gov.au/sport-recreation-arts-culture-community> (Volume 14).

Note Scout leaders are generally volunteers.

Over the course of the next six months, Organisation X engaged with insurance brokers and other not-for-profit services in a similar situation, as well as the WA government to try to identify a solution.

Organisation X received one quote for Public Liability insurance including PSA coverage, with a premium 4 times higher than the cost of their previous insurance, which would have been 10% of the organisation's operating costs and did not include other required insurance. This was not considered feasible.

Most other providers did not offer PSA insurance at that time, but the organisation continued to contact insurance brokers.

Another not-for-profit organisation advised that as they were funded by the WA government Department of Communities, they had access to PSA insurance funded by the Department of Communities. Following discussions, the Department of Communities confirmed Organisation X did not meet the requirements for government funded PSA insurance as they did not have a service contract with the WA government.

Six months later, in early 2024, Organisation X obtained a quote from an insurer and in early 2024 purchased public liability insurance with a PSA extension for a premium 33% higher than their previous policy.

In addition, the excess payments increased dramatically, with excess payments for public liability claims not at camp of \$10,000 and for claims at camp of \$25,000 (compared to \$1000 for both types under the previous policy). For the PSA extension, the excess payment for PSA claims not at camp was \$25,000 (compared to \$10,000 previously) and \$25,000 for PSA claims at camp (same as previous policy).

Organisation X observed that while there was not technically a market failure, there was “very high market difficulty” and high levels of stress for this volunteer organisation to be able to maintain proper insurance coverage. Organisation X reported they were in the fortunate position of having sufficient financial reserves to be able to pay the higher premium, and (should it become necessary) the higher excess payments but noted that other volunteer involving organisations may not be able to do the same.

With the advent of significantly improved risk management measures to protect against child abuse, more insurers have now come back into the market, with prices reflecting continued high risk and with limitations on the cover available generally including no retrospective cover. As governments put in place child safety requirements for the organisations they fund, there can sometimes be a gap between what the funding body expects of a funded organisation and what the market will provide in terms of physical and sexual abuse insurance. There is a potential role here for governments to fill gaps in the market, with some state governments already doing so (see Section 3). There is also a gap for organisations that may require physical and sexual abuse insurance and are not government funded.

This will also impact organisations working with vulnerable people more broadly, not just children, particularly in the wake of the recent High Court decision *AA v The Trustees of the Roman Catholic Church for the Diocese of Maitland-Newcastle [2026] HCA 2*. According to Aon, insurer caution about direct engagement with vulnerable clients is not just about children but also extends to the disability and aged care sectors, both sectors where volunteers are part of the workforce.⁵⁶ According to 2022 data, 32.5% of volunteers undertook activities targeted at children and youth, 20.5% undertook activities targeted at older people and 13.3% undertook activities targeted at people with disability.⁵⁷ Insurers must communicate with the market as the impacts of new court decisions play out, particularly as it affects willingness to provide insurance.

Dangerous and other high risk activities

Activities considered high risk or dangerous are increasingly hard to insure. This could include activities such as abseiling and rock climbing or events. It is the increasing costs of public liability insurance primarily driving this, with insurers unwilling to cover activities that are not sustainable for them (see affordability below) and a potential mismatch with community expectations on activity availability.

Hard to insure organisations

It is more difficult to get insurance as an unincorporated group, and likely more expensive.⁵⁸ This is most likely to affect volunteer only organisations. Organisations may not be incorporated for a range of reasons, including the expense and obligations that come with doing so or because it is not necessary to achieve their objectives. Auspicing is one solution to this where the functions of both parties align (see Section 3) but the auspicer takes on legal risk.

Affordability

Even where insurance is available, it may not be affordable.

The cost of public liability insurance has increased markedly with the Insurance Council of Australia (ICA) reporting that since 2019, the average cost of public liability insurance has increased by 55-60%, outpacing inflation, with rising claims costs being the primary driver.⁵⁹ It is the legal system that determines claims amounts for liability cases. The ICA is arguing for regulatory reform to address this trend (see Section 4). However, in the absence of data from

⁵⁶ Derek Turner, not-for-profit senior client manager Aon, 'Insurance costs, cover and compliance tighten', in What not-for-profit leaders need to know in 2026, Community Directors Intelligence,

<https://www.communitydirectors.com.au/articles/what-not-for-profit-leaders-need-to-know-in-2026>
⁵⁷ <https://volunteeringstrategy.org.au/wp-content/uploads/2022/10/Volunteering-in-Australia-2022-The-Volunteer-Perspective.pdf> 46. Note: respondents could tick more than one category, so responses sum to more than 100%.

⁵⁸ See Attachment 1 – letter from Justice Connect.

⁵⁹ 'A Sustainable Public Liability Insurance Market in Australia: The Case for Civil Liability Reform', Insurance Council of Australia, October 2025, <https://insurancecouncil.com.au/wp-content/uploads/2025/10/Civil-Liability-Report-October-2024.pdf> 3-4

insurers or their regulators breaking down the sources of cost increases, we are unable to determine whether claims involving volunteers are a significant driver of these costs.

As outlined in Case Study 1, as well as not being widely available, physical and sexual abuse insurance is also expensive. While the return of some providers has eased the supply-driven reasons for price rises, the risk-based drivers remain and could increase. Further changes in legislation and in the Courts' interpretation of law⁶⁰ can be expected to impact the market and contribute to further increases in insurance costs as a result of an increased number of possible claims. Governments need to take this into account when progressing legislative amendments and setting requirements for organisations to receive government funding and should fund the full cost of all expenses, including insurance, involved in delivering an activity. The insurance industry needs to be more transparent and communicate with the not-for-profit sector about developments that impact on risk valuation and premiums, particularly in relation to volatile market segments like physical and sexual abuse insurance.

Personal accident insurance has not been subject to quite the same large cost increases as public liability insurance. This is because by law, costs must first be claimed under Medicare, and then on any personal private health insurance before claims can be submitted on personal accident insurance policies. This has the effect of limiting the number of, and circumstances in which, claims can be made. In addition, claim size is limited by the insurance policy parameters, with a direct relationship between the cost of the policy and what it covers and in what amount. This is in contrast with public liability insurance where claims amounts are determined through the legal system.

This and the high volume of low risk volunteer roles could explain why volunteer involving organisations are understood to make very few claims on their personal accident insurance policies. For example, the Insurance Commission of WA provides public accident insurance for 72,000 volunteers engaged in by the WA public sector and reports between 40 and 60 claims a year are made.⁶¹ If this is also the case for private insurers, it raises the question of whether the risk from volunteers making claims is properly costed and the risk appropriately pooled.

Another aspect of affordability is not just the cost of premiums, but of excess payments in the event a claim is made. Volunteer involving organisations could find themselves in the position of being able to afford the premium, but not being able to make (some or any) claims due to the size of the excess payments (see Case Study 1 above). Again, the biggest issue here is with public liability insurance, as well as with physical and sexual abuse insurance.

Coverage

Volunteer involving organisations experience two main challenges with coverage. The first is understanding what is and is not covered by an insurance policy and being able to compare

⁶⁰ Changes in vicarious liability laws to close the gaps identified by *Bird v DP (A Pseudonym)* [2024] HCA 41 and make volunteer involving organisations vicariously liable for child abuse committed by their volunteers.

⁶¹ Insurance Commission of WA (verbal presentation at meeting of Volunteering Community Reference Group 5 August 2026)

different insurance options with different coverage. The second is items commonly not covered by insurance, which volunteers and volunteer involving organisations may not be aware of.

It is common for insurance to have a specified set of activities or circumstances that are covered by a policy and to require certain precautions to be taken for coverage to apply. This may include the requirement that volunteers perform the agreed duties of their role in accordance with the organisations procedures to be covered by the organisation's personal accident insurance.⁶²

By law, insurance cannot cover Medicare expenses or any gap payment between the Medicare rebate on an item and the actual cost paid.⁶³ For example, unless it is bulk billed, there is a charge for most GP visits after the Medicare rebate is factored in. Some volunteer involving organisations may offer reimbursement to the volunteer for such costs, if they can afford to, while others must leave it to the volunteer to pay this gap.

Personal accident insurance covers accidents but generally not illness. During the COVID-19 pandemic, it became obvious that our systems were not set up to account for the essential role that volunteers play in service delivery.⁶⁴ Public messaging had to be adapted to ensure volunteers were included as a part of the essential workforce and many volunteer organisations struggled to maintain resources, support systems and infrastructure (including insurance coverage) to support their volunteers in the essential service delivery required. Many volunteer involving organisations experienced some hesitancy in bringing volunteers back to their workforce because of a lack of insurance coverage for COVID-19 related claims. If a volunteer were to contract COVID-19 while volunteering, they could incur out of pocket medical expenses and a loss of income (from being unable to participate in paid work or not having access to paid employment leave). The issue of serious illness contracted through volunteering still needs to be explored further.

In addition, Justice Connect reports instances where personal accident insurance covers physical injuries but not psychological ones, although policies vary.

One off, episodic, and spontaneous volunteering may not be covered, depending on the insurance policy, and organisations need to check with their insurer if they require this sort of coverage. Spontaneous volunteers may need to be registered with the organisations, trained or be working under the control of the organisation to be covered.

A common limit to coverage is based on age, i.e., policies may not automatically cover people under 18 or people over a certain age, i.e., 70. We understand the exclusion of minors, or additional costs for their inclusion, is related to child safety concerns and risks.

⁶² See Attachment 1 – letter from Justice Connect.

⁶³ <https://www.volunteeringwa.org.au/assets/advocacy-policy/volunteers-in-western-australia-and-insurance-gaps.pdf> 3

⁶⁴ <https://justiceconnect.org.au/fairmatters/were-asking-the-government-to-close-the-pandemic-insurance-gap-for-volunteers/>

Not surprisingly insurance does not cover criminal penalties, such as fines incurred by individuals or organisations found guilty of an offence, for example under work health and safety laws.

Informal volunteers,⁶⁵ i.e., those that do not volunteer through an organisation, cannot be insured for volunteering specifically. Informal volunteers would be covered by any personal health insurance they hold. If they are on someone else's property, they may be covered by that party's public liability insurance, depending on the circumstances. We do not know to what extent informal volunteers are aware of their situation with regards to insurance or how an increasing tendency for litigation could play out.

⁶⁵ Over 6.5 million people provided informal volunteering support in their community in the four weeks prior to the 2020 General Social Survey <https://www.volunteeringaustralia.org/wp-content/uploads/Volunteering-Australia-Key-Volunteering-Statistics-2024-Update.pdf> 7

Section 3: Impacts and existing options for volunteer involving organisations

This section outlines the range of existing options volunteer involving organisations may be able to pursue to deal with the impacts of rising insurance costs or the lack of availability or coverage of insurance products.

Forming a group to access economies of scale

One way that volunteer involving organisations currently reduce costs is through a type of group or umbrella arrangement that involves a cohort of similar organisations joining together to purchase insurance. This can increase purchasing power and allow the group to access economies of scale (i.e., lower unit costs) in the form of lower insurance costs for each member. This applies to organisations with similar activities and of similar risk, as this means a single policy for a specific list of covered activities is likely to be appropriate for all of them and the pooling of risk is both beneficial for the insured and sustainable for insurers.

This approach does require a strong central or lead organisation to be effective, meaning it is not an option for most small volunteer run organisations. The lead organisation must have the capacity to take on most of the administration and manage the group arrangement. They may have responsibility for setting and maintaining risk management standards and guidelines for the activities insured, and for ensuring members meet those standards to continue accessing the insurance. This is important – insurance works by transferring risk to the insurer, which they will only accept if the insured parties take steps to mitigate risks. An organisation whose sub-standard risk management practices result in higher claims rates/costs will lead to higher insurance premiums for everyone in the group.

A common use of this approach is organisations that have multiple member groups operating under the same banner, such as Landcare. Individual Landcare groups can access insurance through their state Landcare body (by becoming a financial member of the state body). For example, Landcare Victoria Inc advises on their website that financial members “are covered by the [insurance] policies that we take out on behalf of our membership base, with costs shared between around 600 groups each year”. These policies are Public and Product Liability Insurance, Volunteer Workers Personal Accident Insurance, and Association Liability. They provide cover for standard Landcare activities (there is a list of declared activities) with conditions for certain dangerous activities such as the use of firearms for pest control. Any individual undertaking work on behalf of and under the supervision of a financial Landcare Victoria Inc Member Group is covered, including volunteers (whether formal members of the

group or not), but excluding independent contractors (as they should hold their own insurance).⁶⁶

Another example of this umbrella approach is Surf Life Saving Australia (SLSA), which negotiates some insurance types that individual Surf Life Saving Clubs can access through their state branches. The SLSA example also demonstrates that potentially high-risk activities can be insured with the appropriate risk management frameworks in place (such as training, supervision, child safety etc).⁶⁷

Auspice arrangements

Auspicings is where one organisation provides “support, sponsorship or guidance” to another.⁶⁸ This would often be an incorporated organisation providing coverage to an unincorporated organisation because of the status one has compared to the other. For insurance purposes, if an unincorporated organisation cannot obtain insurance independently – or cannot afford the insurance they can get – then an auspice arrangement may be an option. This involves the auspice taking on the legal risk. This would work well for projects the two organisations are working on together where their interests and purposes are aligned. An auspice agreement is a binding legal arrangement between the parties, so both parties need to carefully consider the implications for them before entering into any such arrangement, as well as consulting with the insurer on whether it is possible to extend insurance cover in this way.

Auspicings can also be effective for spontaneous or one-off volunteering. According to Australian Institute for Disaster Resilience manager Blythe McLennan, there is an ongoing “shift away from longer-term, high-commitment volunteering towards shorter, more episodic volunteering and more flexible ways of volunteering,”⁶⁹ which can be helpful for disaster management, which is by nature irregular. During the recent floods in NSW, the NSW SES partnered with Mid Coast Community Flood Response, presumably under an auspice arrangement, to enable 1200 people who wanted to volunteer for short periods during the recovery from the Dec/Jan floods to do so. Mid Coast Community Flood Response had the social media presence and grass roots connections to generate a ready supply of spontaneous volunteers, and the NSW SES provided training, personal protective equipment and insurance to ensure those volunteers were properly supported and protected while volunteering and deployed in a coordinated and targeted way.⁷⁰

⁶⁶ Insurance Questions, <https://www.landcarevictoria.org.au/LVI/LVI/Members/FAQ-Insurance.aspx#:~:text=The%20most%20simple%20and%20affordable,facilitators%20at%20an%20additional%20cost> accessed 28 January 2026.

⁶⁷ <https://www.au.marsh.com/sport/surf-life-saving.html>

⁶⁸ <https://www.nfplaw.org.au/free-resources/working-with-others/what-is-auspicings>

⁶⁹ ‘NSW SES moves to embrace ‘volunteers for a day’ to boost members after May 2025 floods’, Claire Simmonds, ABC News, 10 Jan 2026, <https://www.abc.net.au/news/2026-01-10/nsw-ses-embraces-spontaneous-volunteering-from-mud-armies/106148252>

⁷⁰ Ibid

Justice Connect has created a guide to help both auspicees and auspitors consider whether to enter into an auspice arrangement and help them to do so if they decide to proceed.⁷¹

Recognition of risk management practices

There are mixed reports on whether risk mitigation activities impact premiums with many community organisations feeling that insurers do not take into account their particular circumstances and risk mitigation measures. Nevertheless, Aon notes that “investing in risk improvements – such as regular maintenance, stronger governance, staff training and thorough documentation – helps your broker present a stronger case to underwriters and differentiate your organisation from average risk”.⁷² The organisation in Case Study 2 did this successfully, but this level of effort may not be possible for small organisations and is only feasible where information is available on what risk mitigations and evidence will be considered by insurers.

Case Study 2: Getting risk mitigations reflected in insurance premiums

Like many community organisations across Australia, the Scout Association of Australia ACT Branch Inc. (Scouts ACT) is facing escalating challenges in obtaining appropriate, affordable, and fit-for-purpose insurance. Insurance costs were representing 25% of their operational budget and they came dangerously close to losing cover for core activities.

In November 2025 when their insurance was up for renewal, Scouts ACT decided to take a different approach than they had in the past. Throughout this process, they discovered several strategies that significantly reduced their premiums.

A key change was Scouts ACT’s decision to strengthen communication with their insurer. They focused on understanding exactly what information the insurer needed to properly assess risks and how Scouts ACT could demonstrate the measures they were taking to mitigate those risks.

As part of this, Scouts ACT were able to identify a much broader range of documents relevant to risk management. Instead of their usual 5–6 documents, they provided 72. These documents offered a comprehensive view of their risk management practices. This enabled the insurer to more accurately evaluate their exposure and recognise the strength of their controls.

Scouts ACT also arranged an onsite visit, giving the insurer the opportunity to observe risk mitigation measures. During a visit to their camp sites, the insurer identified several features that reduced risk but had never been reported. One example was the absence of gutters on cabins. Without gutters, there is less opportunity for leaf buildup, which in turn reduces fire risk.

⁷¹ <https://www.nfplaw.org.au/free-resources/working-with-others/what-is-auspicing>

⁷² Derek Turner, not-for-profit senior client manager Aon, ‘Insurance costs, cover and compliance tighten’, in <https://www.communitydirectors.com.au/articles/what-not-for-profit-leaders-need-to-know-in-2026>

The combination of improved communication, expanded documentation, and onsite assessments allowed the insurer to more accurately price the policy based on actual, not assumed, risk. As a result of this more collaborative process, Scouts ACT were able to reduce the cost of their public liability cover by 17% compared to the previous year.

Scouts ACT note that while better engagement with insurers can improve outcomes in the short term, the broader insurance environment for community organisations remains fragile and unsustainable without systemic reform. The 2025–26 renewal achieved a 17% reduction in premiums, partly due to greater engagement with the insurer and partly due to a softer insurance market, and greater engagement has also improved fit-for-purpose coverage. While this reduction is a positive outcome, it should be seen as a one-year result rather than a permanent solution, as premiums are likely to rise again. Insurance is, and is likely to remain, one of Scouts ACT's largest operational costs.

Government schemes to supplement the market or address market failure

The (state funded) Victorian Managed Insurance Authority (VMIA), in addition to insuring government entities also provides a suite of insurance policies to eligible Community Service Organisations (CSOs) through the CSO Insurance Program. It is the only state government insurance body of its sort. Insurance coverage available to eligible organisations under the CSO Insurance Program includes Public and Products Liability, Professional Indemnity, Directors and Officers Liability, Entity Fidelity (fraud), Volunteer Personal Accident, Medical Indemnity, and Volunteer Care Givers Property. To be eligible, CSOs must receive state government funding. VMIA provides this CSO coverage free of charge to CSOs; it is paid for by the relevant Victorian government department (which also reduces double handling of funding and reduces administrative overheads for CSOs).⁷³ This approach also creates a more consistent level of coverage across organisations and shared claim support infrastructure. In addition, it provides the coverage required by the Victorian government for child abuse claims.

There are also examples of more limited government schemes created to provide cover for organisations that are funded by government to deliver services on their behalf, to ensure that regardless of market availability (and especially in the event of market failure), the activities can be undertaken with appropriate cover and to the standards the government expects. For example, in NSW the Special Liability Insurance scheme “provides financial protection to NGOs [non-government organisations] contracted by the Department of Communities and Justice, from claims related to incidents of physical or sexual abuse committed by an employee or volunteer against a young person in your organisation's out-of-home-care and/or youth homelessness services”.⁷⁴ In WA, the government offers insurance to certain contracted homelessness and youth support services through the Physical and Sexual Abuse Indemnity

⁷³ Policies and cover, Community Service Organisations, <https://www.vmia.vic.gov.au/policies-and-cover>

⁷⁴ <https://www.icare.nsw.gov.au/government-agencies/our-funds-and-schemes/special-liability-insurance-scheme>

Scheme because “non-government organisations delivering out-of-home care services have reported difficulty in renewing or obtaining insurance policies with cover for physical and sexual abuse (PSA) claims, following commercial insurers withdrawing PSA cover from the market”.⁷⁵

There could be more governments could do here, including for vulnerable people more broadly and for services provided by organisations that do not receive government funding. This is likely to be increasingly necessary as the impacts of the recent High Court decision *AA v The Trustees of the Roman Catholic Church for the Diocese of Maitland-Newcastle [2026] HCA 2* play out in the insurance market.

Stop or alter activities that are uninsurable or too expensive to insure

The issue here is whether a community group can continue to operate and fulfil its purpose if it stops or alters certain activities and what the impact on the community is of those activities no longer being available.

All organisations need to consider whether the risks associated with the activities they want to pursue match their entity type and budget – charities don’t run sky diving schools. These decisions may need to be reviewed periodically as the environment changes. If insurance will not (or no longer) cover an activity, or the cost of getting insurance for an activity is too high, organisations may have to consider modifying or ceasing some activities or volunteer roles.

During the ACT Legislative Assembly’s Inquiry into Insurance Costs in the ACT, Volunteering ACT reported “In our consultation, other activities that we heard from one of our members was water play with children or trampolines with children—that, for playgroups, they are considered risky activities, even if they have been held in the past and there are risk mitigation strategies around them. Organisations have decided that they will not run those sorts of activities for their playgroups, because they are not insured.”⁷⁶ In this case, the playgroup is still able to perform its function and meet community needs without this specific activity being offered as other activities that achieve the purpose are available and insurable.

More concerning is a reduction in youth volunteering opportunities due to rising insurance costs. One organisation in South Australia or the Northern Territory reported “We have restricted school-age volunteering at [our organisation] due to the increase in liability insurance costs”.⁷⁷ This is detrimental not only to the organisation, but to the young people missing out on volunteering opportunities that help them build skills and experience, provide an avenue to participate actively in their communities and enable them to contribute to causes that matter to them. That is a net loss to the community and something governments should consider, for

⁷⁵ <https://www.wa.gov.au/government/document-collections/physical-and-sexual-abuse-indemnity-scheme>

⁷⁶ Transcript of Evidence, Wednesday 16 April 2025, ACT Standing Committee on Economics, Industry and Recreation, Inquiry into Insurance Costs in the ACT, <https://www.hansard.act.gov.au/Hansard/11th-assembly/Committee-transcripts/eir05a.pdf> 87

⁷⁷ Youth Volunteering Report (forthcoming), provided by Volunteering SA&NT.

example through filling gaps in the market for physical and sexual abuse insurance (see also Section 4).

The Local Government Association of Queensland (LGAQ) provides another example in the natural resource management field. LGAQ notes that insurance challenges arise, “especially when dealing with the management of high-risk activities (i.e. herbicide control, working in difficult terrain, etc.). At times, this has caused councils to abandon the delivery of certain activities with volunteers due to insurance coverage concerns.”⁷⁸

Make cuts to operations to cover insurance costs

Some organisations may determine that insurance is essential to their operations, but in the absence of increased revenue to cover increased costs, decide to cut other operating expenses to be able to afford the insurance they need. This may impact operations. For example, Domestic Violence Crisis Service in the ACT told the Inquiry into Insurance Costs in the ACT that to be able to cover substantially increased insurance costs, they had no choice but to reduce staff numbers/hours.⁷⁹ The simplest solution could be for government funded programs to fund the full costs of services and activities, particularly where essential expenses such insurance grow faster than program indexation. The same goes for other funders.

The consequences of operating without insurance

Some organisations are choosing to operate without insurance⁸⁰, judging the risk to be low. For example, Volunteering Victoria is aware of one organisation that provides online support services and does not consider the risk of these activities sufficient to warrant personal accident insurance. Another reason an organisation might operate without insurance is that it may be mandatory to hold some types of insurance, such as public liability, that might be beyond the financial means of the organisation, resulting in personal accident insurance not being taken out for their volunteers. Others may be consciously choosing to self-insure – effectively maintaining a rainy-day fund in case any costs are ever incurred.

If an organisation does not hold personal accident insurance and something happens to their volunteers, then depending on a range of factors such as whether the volunteer is covered by that jurisdiction’s workers compensation insurance and the duty of care owed under negligence law, the organisation may be liable for costs.⁸¹ Regardless of whether they are or not, the volunteer will likely face medical costs, time off paid work, loss of income, as well as impacts on

⁷⁸ LGAQ Submission - Inquiry into Volunteering in Queensland, <https://documents.parliament.qld.gov.au/com/LGSBCSC-AACA/IVQ-1A2A/submissions/00000534.pdf> 16

⁷⁹ https://www.parliament.act.gov.au/_data/assets/pdf_file/0003/2830557/Submission-022-Domestic-Violence-Crisis-Service-DVCS-Published-26-March-2025.pdf

⁸⁰ Derek Turner, not-for-profit senior client manager Aon, ‘Insurance costs, cover and compliance tighten’, in <https://www.communitydirectors.com.au/articles/what-not-for-profit-leaders-need-to-know-in-2026>

⁸¹ See Attachment 1 – Letter from Justice Connect

other aspects of their lives such as family responsibilities, as well as having to go through treatment and recovery.

More research is needed to determine the extent and impact of this issue.

Section 4: Additional options for consideration

This section outlines additional options that could address the challenges faced by volunteering involving organisations in relation to insurance. Some of the additional options outlined are extensions of existing arrangements and several require additional work to determine whether they are worth pursuing further. State and territory governments hold many of the levers, however, there is an important role for the Australian government through the regulators of the insurance industry and in driving nationally consistent reform to ensure volunteers are protected to the same level wherever they volunteer across the country. A summary of options and which challenges they address is at Attachment 2 [consider cutting attachment].

Ensuring every volunteer is covered by personal accident insurance

The aim should be for every volunteer to be appropriately protected by insurance if something happens to them while they are volunteering. Volunteers give their time freely and as they generally perform roles that are of benefit to the wider community, therefore, they should not have to wear the costs and consequences alone if something goes wrong.

More information is needed to better understand how widespread gaps in personal accident insurance cover for volunteers are and the reasons why organisations do not provide this cover for their volunteers.

- Australian Charities and Not-for-profit Commission could ask whether charities hold personal accident insurance for their volunteers as part of the Annual Information Statement and ask for details.
- Government(s) could provide funding for research to better understand gaps and the behaviours of volunteer involving organisations. This could also be included as an action under the National Strategy for Volunteering.

One of the issues identified in this submission is that while volunteer involving organisations have legal obligations for volunteer safety, there is no mandatory requirement to provide insurance protection. It is worthwhile for the Australian, state and territory governments to explore whether regulatory settings should be used to drive increased protection for volunteers. It is critical that this include exploring the balance between the costs (financial, regulatory burden, unintended consequences) and benefits of each of the following options for volunteers, volunteer involving organisations, taxpayers and the community.

- Prescribe more categories of volunteers under workers compensation legislation.
- Work towards (greater) national consistency on which categories of volunteers are prescribed under workers compensation legislation.
- Make it a legal requirement under work health and safety legislation for volunteer involving organisations to hold appropriate personal accident insurance for their volunteers. We recognise this level of regulatory burden is likely to be impractical to

enforce, and would likely have unintended consequences, such as causing organisations that are unable to meet the requirements to wind up.

- Require volunteer involving organisations to hold appropriate personal accident insurance for their volunteers as a condition of ACNC registration.

Governments also fund a lot of activities that engage volunteers, so the following could be actioned by all levels of government.

- Require funding recipients to hold personal accident insurance for their volunteers as a condition of funding (along with providing funding for the cost).
- Fund the full cost of activities, including specifying that funding can be used for insurance (particularly personal accident insurance for volunteers, but also public liability insurance) and funding the full cost of the expense, including price increases above indexation.⁸²
- Consider the public liability requirements imposed on community groups using government assets and facilities, with a view to ensuring they are fit for purpose in terms of the level of insurance cover required, and whether it is affordable for small groups.

Not all volunteer involving organisations receive government funding for their core activities (or at all), in particular small organisations and entirely volunteer run organisations. The following options aim to assist these organisations to meet the cost of holding personal accident insurance to protect their volunteers and overcome insurance as a barrier to volunteering.

- The Australian government to continue to include insurance as an eligible spending category under the Volunteer Grants program.⁸³
- The Australian government to increase the funding available under the Volunteer Grants program to recognise that while costs increase each year, the program is not indexed and so the funding envelope has not changed in over a decade.⁸⁴
- State, territory and local governments could consider supplementing this program with small grant programs of their own.
- Governments could explore other options for supporting small volunteer only organisations to access more affordable insurance.

⁸² This was a recommendation in the ACT inquiry report.

⁸³ The Hon Ged Kearney, Volunteers in over 3,800 organisations to get a helping hand, <https://ministers.dss.gov.au/media-releases/18316> and draft Grant Opportunity Guidelines for Volunteer Grants 2025-26.

⁸⁴ Volunteering Australia, Pre-Budget Submission 2026-27, https://www.volunteeringaustralia.org/wp-admin/admin-ajax.php?juwpfisadmin=false&action=wpfd&task=file.download&wpfd_category_id=275&wpfd_file_id=59326&token=&preview=1 6

Governments at all levels engage a lot of volunteers themselves. All governments should aim to be best practice volunteer managers when it comes to insurance by:

- Ensuring their volunteers are protected by personal accident insurance.

Finally, the difficulty of finding information about policies and comparing different options for personal accident insurance and different types of liability insurance is a barrier to competition and hinders the ability of organisations to understand their options. There is precedent in the private health insurance market for government to work with industry to reduce information asymmetry and increase transparency for consumers.

Expand or create government insurance schemes

Victoria is the only jurisdiction to have a comprehensive state-funded insurance scheme in the form of the VMIA. Other state and territory government could investigate the feasibility and desirability of establishing similar schemes (as the Tasmanian government is doing, see Case Study 3). A particular focus to investigate is supporting the delivery of government objectives through community organisations and other volunteer involving organisations. If a comprehensive scheme is not supported, all levels of government that do not already do so should address actual or potential market failure in relation to physical and sexual abuse insurance for government funded services for children. In addition, all levels of government should consider extending this to other essential services for children that are not government funded, as well as government funded and not government funded services for other vulnerable people.

Case Study 3: TasInsure⁸⁵

As part of its 2025 election commitment, the Tasmanian Government proposed the establishment of TasInsure, a state-owned general insurance company. This initiative is designed to address escalating insurance costs faced by households, small businesses, and community groups in Tasmania and provide more affordable, locally based insurance cover for these groups.

The Tasmanian government notes the rise in insurance premiums due to national and international risk profiles which it considers in many cases do not reflect Tasmania's actual risk exposure, resulting in disproportionately high premiums in Tasmania. This is creating local affordability challenges and increasing underinsurance or non-insurance, particularly in rural and regional areas.

The objective of TasInsure is to provide more favourable insurance outcomes for Tasmanians. The Tasmanian government proposes that TasInsure would do this by focussing on the following outcomes:

⁸⁵ This case study was created from information in the TasInsure discussion paper available via: <https://www.premier.tas.gov.au/latest-news/2025/november/progressing-tasinsure-cheaper.-fairer.-ours>

- * **Affordability:** reduce pressure on insurance premiums by supplementing existing insurance options;
- * **Local Ownership:** deliver a Tasmanian-owned entity that reinvests financial returns into the business rather than distributing them to external shareholders; and
- * **Expanded Coverage:** provide a Tasmania-focussed insurance solution to reduce loss of coverage or under-insurance in sectors where premiums have become unaffordable or risk coverage unavailable.

Changes to the regulatory framework for civil liability

The Insurance Council of Australia (ICA) is calling for reforms to state and territory civil liability laws that have not been reviewed or updated in 25 years.⁸⁶ According to ICA, inaction on these laws has contributed to claims becoming more complex, costly, and lengthy, with increasing claim costs the main driver of significant price rises and reduced affordability of civil liability insurance.

According to the ICA, reforms need to reduce complexity, address and manage rapid claims increases, and make updates to laws and definitions that are no longer fit for purpose. Our position is that this needs to be balanced against any unintended consequences and making sure risk is not inappropriately pushed on to volunteers or community organisations.

Concerns about civil liability laws were also raised during the Queensland Government's Inquiry in Volunteering.⁸⁷ For example, the Queensland Law Society (QLS)⁸⁸ noted that the definition of 'community work' in the *Civil Liability Act 2003 (Queensland)* (Civil Liability Act) in reference to protections from liability for food donors and volunteers performing community work, is lacking specific coverage for:

- environmental conservation,
- health-related or disability support volunteering,
- heritage preservation or conservation, and
- volunteers engaged in community centres, neighbourhood programs, community development and social enterprises.

Other amendments QLS recommended to the Civil Liability Act included:

- recognise new and emerging forms of volunteering (such as digital volunteering)
- covering non-emergency government volunteers, and

⁸⁶ <https://insurancecouncil.com.au/resource/reform-of-state-laws-needed-to-reduce-business-insurance-costs/>

⁸⁷ <https://documents.parliament.qld.gov.au/com/LGSBCSC-AACA/IVQ-1A2A/Department%20of%20Local%20Government,%20Water%20and%20Volunteers,%206%20May%202025.pdf> 19

⁸⁸ <https://documents.parliament.qld.gov.au/com/LGSBCSC-AACA/IVQ-1A2A/submissions/00000549.pdf>

- other changes to bring Queensland in line with other jurisdictions.

In its response to the Inquiry report, the Queensland government committed to “review legislative and regulatory obligations for volunteers to determine whether there are opportunities to improve efficiency and reduce barriers, to prevent unjustifiably overburdening volunteers and [volunteer involving organisations]” and to review relevant sections of the Civil Liability Act and consider “whether amendments are required to enhance liability protections for volunteers”.⁸⁹ The time frame for these commitments is long term (18 months+).

Following the ACT government’s Inquiry into Insurance Costs in the ACT, the Committee recommended the ACT government consider amending the *Civil Law (Wrongs) Act 2002* (ACT) (Civil Law (Wrongs) Act) to allow proportional liability to be applied to both personal injury claims and claims made under the Workers’ Compensation Act 1951.

All state and territory governments should consider whether their civil liability law remains fit for purpose and whether it provides appropriate protections for volunteers. This includes considering who bears risks and whether regulatory settings encourage an inappropriate sharing of risk between participants in the market. Any moves to limit costs through regulatory settings, particularly limiting the amounts that can be awarded for financial compensations, also need to balance individual and community welfare with commercial operating considerations. Given the potential for unintended consequences, these matters require careful consideration and extensive consultation.

Public expectations of volunteer involving organisations

Volunteer involving organisations exist to do things the community wants or needs. The public rightly expects that volunteer involving organisations deliver these services and activities in a safe and appropriate way – safe for the public and safe for workers, including volunteers. Yet public expectation that services and activities are provided, may outweigh their willingness to support them through either the allocation of limited government resources to these activities, direct financial contributions (e.g., charitable giving), or volunteering. The cost of insurance is but one contributing factor to operating costs for many volunteer involving organisations. More importantly, the cost and availability of appropriate insurance is about risk management, who bears the risk and who pays if risk is realised, in order for those services and activities to be available, particularly where the interests of insurers and the community are not aligned.

This requires larger consideration of whether the public value created by volunteer involving organisations is worth the risks and costs of delivering that value, and if it is, who bears the costs and risks to deliver that public value.

One example raised in the Inquiry into Volunteering in Queensland highlighted concerns that conditions for use of Queensland Government assets, such as public liability insurance

⁸⁹ <https://www.parliament.qld.gov.au/Work-of-the-Assembly/Tabled-Papers/docs/5825t2026/5825t2026.pdf>

requirements, were designed more to protect the government from litigation than to support the community in accessing a public asset.⁹⁰

Another example is of a local Council that relinquished trusteeship of four local showgrounds and transferred responsibility for utilities, insurance and maintenance to volunteer-run committees. This case illustrates differing community views on the value of the showgrounds for a range of community activities, as well as on who should bear the operating costs and risks.

⁹⁰ <https://documents.parliament.qld.gov.au/com/LGSBCSC-AACA/IVQ-1A2A/submissions/00000124.pdf>

Recommendations

Based on the information we have reviewed, to boost protection for volunteers and ensure that appropriate and affordable insurance is available for volunteer involving organisations to deliver on their purposes, we recommend:

1. Any reforms to the regulatory framework for insurance recognise that volunteers are different from paid workers but equally deserving of protection.
2. Any reforms explore the balance between the costs (financial, regulatory burden, unintended consequences) and benefits of each of the options for volunteers, volunteer involving organisations, taxpayers and the community.
3. Commissioning research to better understand gaps in personal accident insurance for volunteers, which would also contribute to the objectives of the National Strategy for Volunteering.
4. The Australian Government take a leadership role and encourage national consistency, sharing of what works and proper consultation on all insurance issues, by convening meetings involving all key stakeholders.
5. The Australian, state and territory governments:
 - a. Ensure community organisations are funded appropriately to meet the full costs of the insurance required to deliver funded activity.
 - b. Consider including a requirement in funding agreements for fundees to hold appropriate insurance for their volunteers (along with the funding to meet that cost).
 - c. Ensure their own volunteers are protected by personal accident insurance.
 - d. Work with ASIC to consider options to identify and address actual or potential market failures, in particular the provision of physical and sexual abuse insurance.
 - e. Consider the public liability requirements imposed on community groups using government facilities to ensure they are fit for purpose and risk-proportionate.
 - f. Work with regulators and the Insurance Council of Australia to explore options to address information asymmetry and increase product transparency, competition and the ability of volunteer involving organisations to compare insurance policies for volunteers.
 - g. Explore options to provide more affordable insurance for small, volunteer run organisations.
 - h. Work together to investigate, in consultation with key stakeholders, whether existing regulatory settings should be used to drive increased protection for volunteers, recognising that this approach would not be suitable for all volunteer involving organisations.

- i. When reviewing relevant civil liability legislation to ensure it remains fit for purpose, ensure it provides appropriate protection for volunteers and appropriate risk sharing for volunteer involving organisations.

Authorisation

This submission has been authorised by the Chief Executive Officer of Volunteering Australia.

A handwritten signature in blue ink, appearing to read 'Mark Pearce'.

Mr Mark Pearce

Chief Executive Officer

Endorsements

This position statement has been endorsed by the seven state and territory Volunteering Peak Bodies.



About Volunteering Australia

Volunteering Australia is the national peak body for volunteering, working to advance volunteering in the Australian community. Volunteering Australia's mission is to support a thriving volunteering ecosystem in Australia by promoting and advocating for volunteering and providing leadership at a national level.

The seven state and territory Volunteering Peak Bodies work to advance and promote volunteering in their respective jurisdictions and are Foundation Members of Volunteering Australia.

Our vision is for a future where volunteering is the heart of Australian communities. This vision was co-designed with thousands of people from across Australia during the development of the National Strategy for Volunteering.

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26 February 2026

Volunteering Australia's submission to the Parliamentary Joint Committee on Corporations and Financial Services' inquiry into small business insurance

Volunteering Australia has asked Justice Connect to outline the legal complexities not-for-profit organisations encounter in relation to volunteer personal accident insurance. This letter addresses the most common legal questions raised about this form of insurance and is based on our direct experience advising the sector.

About Justice Connect and our expertise

In the face of huge unmet legal need, [Justice Connect](#)'s vision is a world in which legal support is within everyone's reach. We have been serving the community for more than 25 years. We are a registered charity and accredited community legal centre.

Our specialist, national [Not-for-profit Law](#) program provides free and low-cost legal assistance to a diverse range of not-for-profit organisations. Each year we receive hundreds of requests for legal assistance, training and information on insurance and risk management related issues.

Commonly asked questions

1. What happens if the organisation doesn't have volunteer personal accident insurance? Who is liable to cover the volunteers? Does the organisation have to cover the costs?

The answer is – it depends. Some of the factors include:

- The state or territory where the volunteering is occurring, for example in some states or territories volunteers can be covered by workers compensation insurance.
- Industry (for example, emergency service workers are often covered by workers compensation insurance).
- The type of harm and whether the accident has enlivened any of the organisation's obligations (for example, a duty of care under negligence laws).
- Whether the volunteer is willing to take legal action against the organisation.
- Requirements in government funding agreements.

This can make it difficult for both the organisation and volunteer to understand when and how they are covered. It is particularly complex for organisations that operate in more than one state or territory. More information can be found on pages 105 and 106 of Not-for-profit Law's [National Volunteering Guide](#).

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2. We are an unincorporated group made up of volunteers, can we take out volunteer personal accident insurance?

Yes, depending on the insurer, it is possible to secure an insurance policy in the name of an unincorporated group. It can, however, be more difficult and more expensive than an incorporated group and can open the volunteers up to personal liability (because there is no benefit of limited liability that an incorporated entity has).

More information can be found in Not-for-profit Law's factsheet, [how to decide whether your group should incorporate](#).

3. If a volunteer acts outside of their role or the organisation's policies and causes harm to themselves, who is liable – would volunteer personal accident insurance cover this situation?

It is common for insurance policies to limit coverage to 'voluntary work' that has been authorised, organised or under the control of the insured organisation. If an insured organisation has given clear instructions on the scope of the volunteer's role and the relevant policies and procedures, and the volunteer has acted outside of this, then it is less likely that the volunteer would be covered for the accident under the insurance policy.

It gets a bit 'grey' when it is *implied* that a volunteer is acting within the scope of their role or the organisation's policies – for example, when the organisation turns a 'blind eye' to certain behaviours or isn't clear on the scope of the role.

4. Are spontaneous volunteers covered by volunteer personal accident insurance? Or do they have to be engaged by the organisation?

The answer depends on the scope of the insurance policy. We strongly recommend that volunteer involving organisations speak to the insurer or an insurance broker if they have spontaneous volunteers.

For further information, please contact Amy Williams, Principal Lawyer of Not-for-profit Law, at Amy.Williams@justiceconnect.org.au.

Yours sincerely

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Attachment 2

Summary of Options by Challenge, from the point of view of volunteer involving organisations

	Awareness	Availability	Affordability	Coverage	Complexity
Group or umbrella arrangements			x		x
Auspice arrangements		x	x		x
Getting recognition of risk management practices		x	x	x	
Government schemes to fill gaps in the market		x	x	x	x
Other options to identify and address market failure		x	x	x	x
Changing workers compensation to cover more volunteers	x				
Making it a mandatory requirement to hold PAI for volunteers	x				
Funding the full cost of services including insurance costs			x		
Revised public liability insurance requirements for government facilities			x		
Volunteer Grants			x		
Other small grants for insurance			x		
Other support for small volunteer only organisations		x	x		x
Civil liability law reforms		x	x	x	
Address information asymmetry	x	x	x		x
Greater national consistency				x	x