

**To: Committee Secretary**  
**Parliamentary Joint Committee on Corporations and Financial Services**  
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Volunteering Victoria welcomes the opportunity to make a submission to the Small Business Insurance Inquiry. Volunteering Victoria is pleased to have contributed to and endorses the submission made by Volunteering Australia on behalf of all the state and territory peaks. In reviewing that submission, we considered that the direct voice of our Victorian members deserved to be more clearly heard by the Committee. This supplementary submission therefore provides Victorian member feedback and examples to complement the national submission and assist the Committee in understanding how current insurance settings are directly affecting volunteer-involving organisations in practice.

The feedback we have received in Victoria highlights a consistent set of concerns: for many, particularly small not-for-profit volunteer-involving organisations, modern insurance products are not affordable, accessible or appropriate, with the result that volunteers are not always adequately protected and organisations are not always well equipped to assess risk or secure the right cover.

Insurance is just one aspect of a volunteer-involving organisation's approach to risk, but it is critical. In practice, volunteers fall into a protection gap unless the organisation holds specific cover, such as volunteer personal accident insurance. Unlike paid employees, who are generally protected through workers compensation schemes, volunteers have no equivalent baseline protection, and volunteer-involving organisations are not required to hold insurance for them. The result is a structural inequity: people undertaking socially valuable work can be exposed to harm without any assured pathway to protection, or knowledge of the lack of that protection. This has been a matter of concern for Volunteering Victoria for some time.<sup>1</sup> It was brought into sharp focus during COVID when so many volunteers stepped forward to meet community need - and governments were confronted with the fact that many were not protected should they suffer harm, loss or contract illness while volunteering.<sup>2</sup>

This matters because volunteering is not peripheral activity. Many volunteer-involving organisations rely heavily on volunteers for the activities, most registered charities and community organisations are run entirely by voluntary board members, and many are entirely run by volunteers at the operational level as well. Across a large, diverse and essential ecosystem, volunteers help deliver services and social connection that benefit communities, reduce pressure on government systems, and generate substantial economic and social value.<sup>3</sup> Insurance settings should reflect that reality.

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<sup>1</sup> Volunteering Victoria's Submission to the Victorian State Budget 2023–2024, calling for subsidised insurance coverage and training for small volunteer-involving organisations on page 15: [https://www.volunteeringvictoria.org.au/wp-content/uploads/2022/12/VV\\_Budget-2023-2024-Submission\\_FINAL-1.pdf](https://www.volunteeringvictoria.org.au/wp-content/uploads/2022/12/VV_Budget-2023-2024-Submission_FINAL-1.pdf) and [https://www.volunteeringvictoria.org.au/wp-content/uploads/2023/01/5\\_Subsidised-insurance-coverageFINAL.pdf](https://www.volunteeringvictoria.org.au/wp-content/uploads/2023/01/5_Subsidised-insurance-coverageFINAL.pdf)

<sup>2</sup> [https://www.volunteeringaustralia.org/wp-content/uploads/COVID-19\\_Volunteer\\_Protection\\_Joint\\_Policy\\_Statement\\_final\\_19Aug2020.pdf](https://www.volunteeringaustralia.org/wp-content/uploads/COVID-19_Volunteer_Protection_Joint_Policy_Statement_final_19Aug2020.pdf)

<sup>3</sup> <https://www.volunteeringvictoria.org.au/volunteer-benefits/>



At present, however, insurance arrangements do not consistently reflect the structure or value of that ecosystem. Products are not always accessible, affordable or well matched to volunteer-led and community-based operating models. That creates a systemic problem: where organisations cannot secure appropriate cover, the burden of risk is shifted onto volunteers, small community organisations, and ultimately the communities and public systems that rely on them.

As Victoria's 2025 State of Volunteering Report indicates, formal volunteering is already under pressure. Barriers such as inaccessible or inadequate insurance further weaken participation and organisational capacity.<sup>4</sup> Barriers to volunteering such as insurance are exacerbating the situation.<sup>5</sup>

This Inquiry therefore presents an opportunity not only to improve existing insurance products and processes, but also to consider whether new mechanisms are needed to ensure volunteers and the organisations that rely on them are protected in ways that are fair, proportionate and consistent with the public value they create.

This is not simply a private market issue to be left to individual organisations to navigate. Where the market does not reliably provide suitable insurance for socially valuable community activity, alternative mechanisms — including pooled, mutual, government-backed or other public-interest models — must be considered as a necessary response to the limits of the market.

## About Volunteering Victoria

Volunteering Victoria is the state peak body for volunteering in Victoria. We exist to enable organisations and individuals to meet community needs through volunteering, and to build the strength and sustainability of volunteering across the state.<sup>6</sup> We do this by shaping the operating and policy environment for volunteering, working to make volunteering more appealing and accessible, supporting and connecting those who lead volunteers, and elevating the value and recognition of volunteering. Through our ongoing engagement with volunteer-involving organisations, volunteer resource centres, place-based volunteering organisations and other sector partners, as well as research including Victoria's State of Volunteering reports, we have direct insight into the practical conditions affecting volunteering in community, including the growing challenge of securing accessible, affordable and appropriate insurance.<sup>7</sup>

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<sup>4</sup> "When viewed nationally against the other State of Volunteering Reports, Victoria's volunteer participation rate is below the national rate of 64.3%" and "At the same time, formal volunteering has declined sharply. Compared to 2020, there are now over 200,000 fewer formal volunteers in Victoria. This is not an isolated finding – major national datasets including the Census, the General Social Survey (GSS), and successive State of Volunteering reports in multiple States since 2014 have all shown a consistent decline in formal volunteering participation." - page 5 of Victoria's 2025 State of Volunteering Report: <https://www.volunteeringvictoria.org.au/wp-content/uploads/2025/08/VV-2025-SOVR-Executive-Summary-Final.pdf>

<sup>5</sup> Under the section titled Re-imagining Volunteering, answering the question: "If you had a magic wand, what one thing would you change about volunteering?", Leaders of Volunteers identify insurance as one of the areas where additional funding is urgently needed. Of the 5 top issues (per frequency of mention) this mention fitted under item 3, Increase funding and financial support. Item 1 was Reduce red tape and compliance barriers and Item 2 was Ensure volunteering is properly recognised and supported. Page 64: 2025 SoVR - <https://www.volunteeringvictoria.org.au/wp-content/uploads/2025/08/VV0012-VV-SOVR-Report-FINAL.pdf>

<sup>6</sup> <https://www.volunteeringvictoria.org.au/about-us/about-volunteering-victoria/>

<sup>7</sup> <https://www.volunteeringvictoria.org.au/state-of-volunteering-vic/>

## The Victorian Context

In Victoria, a number of public, statutory and sector-based arrangements help some volunteer-involving organisations and volunteers access insurance cover. These mechanisms are important, but they are far from universal. Their limited reach and eligibility criteria also point to a broader problem: in many cases, the commercial insurance market does not reliably provide accessible, affordable and fit-for-purpose cover for volunteer-involving organisations.

The Victorian Government, through the Victorian Managed Insurance Authority (VMIA), provides free insurance cover to certain Community Service Organisations, generally those receiving state government funding. Some sectors also benefit from dedicated arrangements, such as neighbourhood houses through Neighbourhood Houses Victoria. These schemes provide important protection, but only for defined categories of organisations.

Most volunteers are not covered by workers compensation legislation. In Victoria, only certain classes of volunteers are deemed to be workers under specific Acts, such as some emergency service volunteers, jurors, volunteer workers in government schools, volunteers assisting police officers, and volunteer firefighters. This again highlights that protection is selective rather than universal.

Local governments may access insurance through the Municipal Association of Victoria Scheme, and some community groups can obtain cover through Local Community Insurance Services. In addition, some peak bodies, such as Landcare Victoria and Life Saving Victoria, secure umbrella insurance arrangements for their members. These models can improve access and affordability by pooling risk and negotiating cover at scale.

Taken together, these examples show that where insurance is available, it is often because governments, legislation, local government, or sector-based intermediaries have stepped in to structure access. That is important, but it also shows that access is uneven and far from universal. Many volunteer-involving organisations and volunteers remain outside these arrangements and continue to face difficulty obtaining cover that is affordable, appropriate and dependable.

These Victorian examples therefore suggest not that the market is working well, but that alternative mechanisms are often required before suitable cover becomes available at all.

## What Victorian members and grassroots organisations are telling us:

Volunteering Victoria's ongoing engagement with volunteers, volunteer-involving organisations and sector partners provides direct insight into how the current insurance landscape is impacting organisations on the ground.

Feedback from Volunteering Victoria members indicates that the insurance problem is not limited to isolated cases or poor purchasing decisions. Their experiences point to three recurring structural barriers: **affordability**, **difficulty navigating the market and understanding cover**, and the importance of **umbrella or local government-backed arrangements** where they exist.

Taken together, these experiences suggest that many small volunteer-involving organisations are not struggling because they are reckless or unwilling to insure, but because the market is not consistently offering products that are affordable, proportionate, easy to understand, or suited to volunteer-led community activity.

## 1. Affordability

Feedback from members indicates that affordability is not an occasional concern but a recurring barrier, particularly for very small not-for-profit volunteer-involving organisations with limited operating budgets and low administrative capacity. Insurance premiums can be disproportionate to the scale of operations, the number of volunteers involved, and the level of activity undertaken. In practice, this means organisations are forced to choose between holding an uninsured risk or being forced to divert scarce funds from community purpose, borrow money, consider reducing volunteer engagement, or operate under significant financial pressure simply to maintain basic protection.<sup>8</sup>

- *“We are a volunteer based organisation and we cannot pay for volunteer insurance.”*
- *Feminista Vinyl story - <https://www.volunteeringvictoria.org.au/feminista-vinyl/> - “Volunteer work has always led the push to creating more inclusive and diverse communities, and volunteers need safe and supportive workplaces – just like the paid workforce. We had to really look hard to find an insurance option we could actually afford. Volunteer-based organisations should not be priced out of creating a safe workplace or forced to operate without those staff protections”.*
- *“We have just paid for our insurance” (personal injury including volunteers) “of \$740 which relative to our other items of coverage is quite expensive. We only have 5 volunteers who collectively contribute about 10 hours of voluntary work a week, so we did really give consideration to scrapping our volunteer program. I would note that whilst the volunteer coverage does include director’s we do in fact have another level of coverage (Management Liability) which covers our directors so as I would hope you would appreciate it is quite costly, if not close to prohibitive based on the costs incurred.”*
- *“We've found the cost to be prohibitive – for public liability and personal accident insurance for volunteers which we had to borrow from the Management Committee to pay the premiums expected for our contractual collaborations with Workforce services Providers. Something should definitely be done about this.”*
- *“We have to pay 2 lots of the same insurance ie. double insurance eg. Pub Liab– one for the program/volunteers we have, and one for the shop we lease to run the program via the landlord insurance outgoings, 2 different insurers will not amalgamate to one insurance. By the nature of our client group they are higher risk = higher premiums. Insurers won’t send out certificate of currency automatically, you have to go through a process of requesting. We need these for funding and other submissions. No-one funds grants for insurance, its deemed business cost.”*
- *...market which runs twice a month with volunteers helping with setting up and packing up and kitchen help. “Have both Volunteer Workers insurance which is affordable, but \$20M Public Liability cover is huge cost! I think the PL insurance is where your submission for reductions should be focused, as that is a major drain on our Not-For-Profit funds that could be returned to our community as part of our local donations program. When you consider the actual time that the public attend our markets for a year, it is costing us \$50/hour just for PL insurance...” We work with a local broker (again trying to keep our spending within the local community), and they have selected the most cost effective solutions across the industry” The Volunteers Insurance is through ....*

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<sup>8</sup> Sitting alongside other baseline expenses like rent, equipment, administration in a table showing the breakdown of the average cost to manage volunteers and volunteer recognition, insurance is included = **\$2,236 per year**. Page 58, 2025 SoVR - <https://www.volunteeringvictoria.org.au/wp-content/uploads/2025/08/VV0012-VV-SOVR-Report-FINAL.pdf>

These examples show that the issue is not simply that insurance exists, but that its cost is often out of proportion to the realities of small community-based volunteering. For some organisations, insurance is becoming an operational constraint that affects whether volunteer activity can continue at all.

## 2. Navigating insurance

Member feedback also highlights that the challenge is not only affordability, but complexity. Small organisations often struggle to identify what cover they need, where to obtain it, and whether they have adequately protected their volunteers. This creates a significant risk that organisations may believe they are insured when they are not or may purchase incomplete or unsuitable cover because the market is difficult to navigate.

- *“I started a not for profit last year and had problems with getting insurance. The price of insurance and the fact that there is only one NFP insurer makes it tough. This means there is no competition.”*
- *One of Volunteering Victoria’s associate members (category of membership not holding Personal Accident (volunteer) and public liability insurance) – does hold public liability insurance which it described as “exorbitant” – which it is obligated to take out for some of its activities - and believed its volunteers were adequately covered under that policy.*
- *“We’re well covered, but I think this can be confusing and unaffordable for many small volunteer run organisations so glad to see you’re investigating and will put in a submission.”*
- *“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!”*
- *“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”.*

This feedback is important because it shows that the problem is not just premium level. It is also a problem of product clarity, market accessibility and insurance literacy. Where organisations do not clearly understand the difference between public liability and volunteer personal accident cover, gaps in protection become much more likely.

We did receive positive feedback from a number of member organisations who have been well supported by Aon which “offers a particular product for not-for-profit organisations engaging volunteers.”<sup>9</sup> This is cited as an indication of what the insurance industry could do to more effectively support volunteer-involving organisations, particularly small, not-for-profit organisations.

- *AON is cited as good, easier to navigate, more affordable, with particular support for not-for-profits, covering a good range of volunteer activities.*
- *For an organisation operating across states “the volunteer insurance was easier than navigating workers compensation. “*

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<sup>9</sup> [AON information on insurance](#) for not-for-profit organisations

The relevance of this positive feedback is that it points to what a more responsive market could look like: products that are understandable, accessible and tailored to the operating realities of volunteer-involving organisations.

### 3. Umbrella group cover and local government authorities:

Member feedback also suggests that where collective, umbrella or local government-supported arrangements exist, access to appropriate cover can be easier and more affordable. These examples do not remove the broader market problem, but they do point to practical alternatives and models that may help close the gap for smaller organisations.

- *“We have insurance for volunteers through our (umbrella body ....having) different categories of membership to allow less risky members to join and be covered at a reduced rate.”*

While local government authorities have access to the Municipal Association of Victoria Scheme not all local government authorities in Victoria are covered under this scheme:

- *(... City Council) has its Public Liability & Professional Indemnity cover via the MAV Liability Mutual Insurance Scheme. The majority of LG’s fall under the MAV (LMI) Scheme but not all as some have other commercial arrangements in place. Council volunteers are covered, including personal accident and sickness category. Re insurance-related support to networks, this is an option groups could pursue and pay for. The LCIS for insurance offering is tailored towards community groups and is provided (an insurer that) has extensive local government sector experience. It is intended to be affordable for community organisations. Some of our hirers at Community Centres might purchase this cover – it forms part of Council’s Community Liability Pack that is brokered by (..... and insured by .....).”*
- *(...City Council) is insured through the Municipal Association of Victoria and also has an insurance product to cover volunteers under the heading \*Group Personal Accident\*. The Council holds a Community Liability Pack Insurance policy to support local community groups that want to run events but do not have their own public liability insurance. This cover allows them to proceed with activities under Council’s framework while still being protected for liability risks. Council also has separate Volunteer Insurance. This is important because volunteers are not covered under WorkCover, and the policy provides protection for injuries or incidents that occur while they are carrying out approved volunteer duties.” The Council “has a ‘Community Liability Pack’ as an ongoing insurance policy to support not for profit clubs and community groups. This cover applies to individuals or groups engaged in non profit activities that do not already have public liability insurance. ...CC’s insurer for this risk is (.....).” (As opposed to using LCIS) “Our (LGA) experience is many VIOs (not for profits) use AON as they have volunteer insurance products more suited to (and understanding of) NFPs.”*
- *The volunteers – about 350 or so – engaged through (a volunteer resource centre under a local government authority) does not insure through Municipal Association of Victoria scheme. They have separate insurance which “only covers Council’s volunteers The volunteer resource centre supports organisations in their area to recruit volunteers – to be eligible “they must have their own PL and personal accident insurance which we ask for a copy of when they join. I wasn’t aware of LCIS, we usually refer groups to AON. Having searched our records, yes there are some groups who have used this company. I am unsure on cost of it. Would be good to learn more and refer groups to it if recommended. Thanks for sharing it!”*

These examples are significant because they show that structured, pooled or umbrella arrangements can reduce some of the barriers faced by smaller organisations. At the same time, coverage remains uneven, and access depends heavily on local arrangements, sector intermediaries, or the existence of a suitable

broker or insurer. This reinforces the broader point that the current system is patchy rather than universal.

## What these experiences show

Taken together, member experiences suggest three core findings:

1. Volunteers need and deserve to be protected from and compensated for injury, harm and loss while volunteering – in the same way paid staff are.
2. Insurance is a rising operational cost, increasingly burdensome, especially for smaller or volunteer-run organisations which are financially fragile, placing pressure on limited budgets and, in some cases, threatening the continuation of volunteer programs.
3. Many organisations need more than cheaper premiums. They also need clearer, more accessible and more suitable products, better support to assess risk and understand coverage, and practical pathways to obtain insurance that properly protects their volunteers.

Where umbrella, pooled or local government-supported arrangements exist, they can provide a more workable model, but access to these arrangements is inconsistent, complex to create and does not resolve the problem across the sector. Accordingly, the experiences of members suggest that this is not simply an issue of individual organisations making better purchasing choices or working together in umbrellas or pools. It is a broader structural problem in the insurance market for small volunteer-involving organisations.

## Conclusion and recommendations

Volunteering Victoria does not claim specialist expertise as an insurance market analyst, insurer or economist. However, the evidence gathered through our engagement with members and the broader sector suggests more than a series of isolated purchasing difficulties. It points to a structural problem in the insurance market for small volunteer-involving and community organisations. For many of these organisations, insurance is clearly necessary, yet suitable cover is often unaffordable, unavailable, difficult to navigate, or poorly matched to their operating reality. This is indicative of a market failure, or at minimum a thin-market problem, in which the segment is fragmented, administratively costly to assess, and insufficiently attractive for insurers to design and distribute fit-for-purpose products at a price community organisations can sustain. The result is that organisations delivering substantial public and community benefit are left underinsured, priced out of cover, or forced to reduce activity.

Where this occurs, the issue is no longer simply one of individual organisations shopping more effectively. It becomes a question of whether the market, on its own, can meet the needs of community organisations, volunteers and the communities they serve. The experience of our members suggests that, on current settings, it often cannot. Where private provision does not reliably deliver accessible and appropriate cover for socially valuable community activity, alternative mechanisms should be considered. These may include pooled or collective arrangements, sector-specific products, public or quasi-public underwriting support, and policy settings that recognise insurance as an essential enabling cost of community participation. In this context, improving insurance access for volunteer-involving organisations is not only a market issue; it is a public policy issue.

Volunteers need and deserve to be protected from injury, harm and loss while volunteering, in the same way that paid staff are protected in the course of their work. Yet the evidence from our members shows that many volunteer-involving organisations are being asked to operate in an insurance environment that is

costly, complex, uneven and, too often, not fit for purpose. This places pressure not only on organisational budgets, but on the sustainability of volunteering itself.

The Committee should therefore treat this issue not only as a matter of insurance pricing, but as a question of market access, product suitability, regulatory design and public policy. In particular, the Inquiry should recommend action in the following areas:

- Call on governments to recognise and acknowledge the importance and benefits of volunteering, the role of volunteer-involving organisations in community life, and the right of volunteers to safe volunteer engagement.
- Require governments to gather better data, through public bodies and organisations like the ACNC, to assess where the main points of need are and priority areas to be addressed.
- Consider options for affordable, accessible and appropriate insurance for community volunteer groups to ensure the safety and protection of volunteers, and the members of the community with whom they interact.
- Call on governments to ensure that grant funding to volunteer-involving organisations includes provision for essential insurance funding.
- Consider the regulatory and compliance environment to ensure it is fit for purpose and effectively **enables** the support of volunteering.
- Review and assess insurance schemes, products and regulatory models across states and identify best practice, pooled, umbrella or mutual models that could be replicated across Australia.
- Recommend measures to ensure that the insurance industry provides affordable, accessible and appropriate insurance products for community volunteer groups that are clear, easy to understand and proportionate to the activities being undertaken, including where relevant public liability, personal injury, professional indemnity, cyber and business interruption cover.
- With the rise in informal and spontaneous volunteering, consider setting up a limited insurance fund or mechanism for volunteers who are unprotected, with claims being limited and possibly funded through contributions from volunteer-involving organisations and corporations that are affordable and reasonable (based on what was successfully delivered during COVID).
- Support the development of free training, risk assessment tools, and support for volunteer-involving organisations on the need for appropriate insurance coverage and the process by which to acquire volunteer insurance, such as that currently offered by Justice Connect.<sup>10</sup>
- Require the dissemination of information to volunteers on their right to a safe volunteering experience.

**Where the ordinary insurance market does not reliably provide suitable cover for socially valuable community activity, governments, regulators and industry must act to close the gap.**

Volunteering Victoria is happy to assist with further information on member and sector feedback received in preparing this submission.



Geoff Sharp  
CEO, Volunteering Victoria

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<sup>10</sup> [https://www.nfplaw.org.au/training/safety-risk-insurance?\\_ga=2.223244894.493630184.1772695247-544287376.1772695247](https://www.nfplaw.org.au/training/safety-risk-insurance?_ga=2.223244894.493630184.1772695247-544287376.1772695247)