



**SPORT
NEW ZEALAND
IHI AOTEAROA**

Brief Sector Advisory

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Honoraria in relation to PCBUs and the Health and Safety at Work Act 2015
June 2024 Buddle Finlay

Potential impacts of paying honoraria in relation to PCBUs under the Health and Safety at Work Act 2025

Sport NZ has been asked from time to time if the payment of an honoraria to board members of volunteer organisations results in them being considered employees and therefore the organisation considered a PCBU (person conducting a business or undertaking) under the Health and Safety at Work Act 2015.

The following is a brief advisory, noting each organisation would need to seek their own legal advice on their specific situation.

A PCBU has the primary duty of care under the Health and Safety at Work Act 2015. PCBU is defined in [section 17 HSWA](#). A 'volunteer association' is excluded from the definition of a PCBU and is defined in section 17(2) as: *a group of volunteers (whether incorporated or unincorporated) working together for 1 or more community purposes where none of the volunteers, whether alone or jointly with any other volunteers, employs any person to carry out work for the volunteer association.*

As soon as the group of volunteers employs someone, it will no longer be a volunteer association, and it will become a PCBU with significant health and safety duties, and risk of liability.

To identify whether the payment of an honorarium (or something similar) to a volunteer board member (or other volunteer) would deem that person to be an employee consider the following:

An 'employee' is defined in [section 6 of the Employment Relations Act 2000](#), and excludes a volunteer who:

- a) does not expect to be rewarded for work to be performed as a volunteer, and
- b) receives no reward for work performed as a volunteer.

If the payment of the honorarium is made as a reward for, or in exchange for, the volunteer's work, it is possible that the volunteer could be considered an employee. If the payment of the honorarium is a genuine gift or token of appreciation and is not offered in exchange for the volunteer's work, it may not affect the volunteer's status as a volunteer.

Whether an honorarium payment (or something similar) could affect the volunteer's status as a volunteer (and therefore affect the organisation's status as a volunteer association) should be considered on a case by case basis, taking into account various factors including the purpose of the payment, how it is described, the frequency and nature of the payment, and the volunteer's understanding of and expectations around the payment. A broader assessment of the 'real nature of the relationship' between the parties should also be considered. We encourage each organisation to seek legal advice on their specific situation.