



Speech by

Rosa Lee Long

MEMBER FOR TABLELANDS

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ASSOCIATIONS INCORPORATION AND OTHER LEGISLATION AMENDMENT BILL

Ms LEE LONG (Tablelands—ONP) (3.25 pm): I rise to speak in support of the intent of this legislation. It is expected to make life easier for our not-for-profit groups. I am sure it will be very welcome news for them. The Associations Incorporation and Other Legislation Amendment Bill 2006 makes a number of significant changes to how these groups can become incorporated and how they are able to conduct themselves once they are incorporated.

The most significant change is the removal of the mandatory requirements for groups becoming incorporated to take out public liability insurance. However, this change does not apply to all organisations. Those which hold land on trust under the Land Act 1994 must still take out public liability insurance. This will be the case for any organisation which owns or leases land. The reasoning is that those organisations are generally considered to be larger and more likely to take out public liability insurance as a result of a risk assessment.

I would like to ask the minister to clarify what happens to organisations which may own their club grounds but are very small in terms of membership and tiny in terms of their financial position—for example, some CWA groups, country race clubs, church groups and so on. Is there any difference between those that own or lease land and those that just rent a permanent room? Nonetheless, many smaller associations—as we all know, there are many thousands of them—will be freed of this public liability burden. It has been a very onerous burden. Some organisations were completely unable to obtain affordable public liability cover and ceased to operate completely. One of these in my electorate is the Jacaranda Festival in Herberton. It was a very popular festival but when the public liability burden came in people turned away in droves. It was all too hard for them.

Others have been faced with enormous premiums which, in practical terms, were as bad as not being able to get cover at all. The major part of their fundraising efforts was going to pay the insurance premiums when they had never had a claim in the past and were unlikely to have one in the future. So people stopped raising money and lots of groups disbanded.

Other groups have endured tremendous struggles to try to scrape together premium payments that have gone through the roof to continue helping out their communities as they have been doing for years and decades. We do need to recognise that these organisations provide tremendous service to their communities. They provide recreational activities, community support, aged care, advocacy and the list goes on and on.

Certainly in my electorate these kinds of groups do fabulous work which is essential to the health and welfare of the entire community. Those organisations which are no longer required to have public liability insurance are, however, required to investigate whether they need to have it and report their decision to their members and to other parties that might be affected.

I turn now to the amendments affecting the reporting and audit requirements of smaller organisations defined as being those with total income and current assets of less than \$100,000. This is a

three-tiered system. I would like the minister to clarify whether this means a gross income of less than \$100,000 and assets of less than \$100,000. Do valuations of their land or anything like that have to be done? Groups may query those kinds of things.

Those groups which qualify will no longer have to meet full audit and reporting requirements, and for those groups that will be very welcome as it will mean a lot less in accountancy fees. The technical details vary depending on the specific data or details of an organisation, but for those groups at the smaller end of the scale which are now termed tier 3 incorporated associations the burden should certainly be less. For those groups it will be possible for a financial statement to be accompanied by a signed statement from the president or treasurer indicating financial records are kept in a way to properly record income, expenditure and dealing with assets and liabilities. This is significantly different to a full professional audit.

Other amendments in the bill relate to association members being entitled to a copy of club minutes and access, what constitutes a quorum and so forth. There is also recognition of a number of other areas still being investigated, including eligibility for incorporation, types of associations, dispute resolution and conflicts of interest. I want to recognise the level of consultation that took place in developing this bill. The explanatory notes indicate that there were some 280 stakeholder responses in addition to the government's own internal processes. This level of community input can only result in amendments that more closely reflect real-world problems and bring in practical real-world solutions. This bill does make changes that will benefit many of our community organisations which have been so badly hurt by the public liability debacle of recent years, and I will be supporting these amendments.