



Speech by

Rosemary Menkens

MEMBER FOR BURDEKIN

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ASSOCIATIONS INCORPORATION AND OTHER LEGISLATION AMENDMENT BILL

Mrs MENKENS (Burdekin—NPA) (5.15 pm): I am happy to speak on the Associations Incorporation and Other Legislation Amendment Bill and support the words of the shadow minister. This bill, as we have heard, seeks to amend acts to ease the burden on smaller, not-for-profit organisations by changing some of the current mandatory rules that come with incorporation. Basically this bill will amend the Associations Incorporation Act 1981, with the remainder amending the Classification of Computer Games and Images Act 1995 and Classification of Publications Act 1991.

Incorporation is not necessary for not-for-profit organisations, but there are many benefits of incorporation. One of those benefits is the ability of the club to be able to conduct business in its own name. It also limits the personal liability of the association's members and management. In many ways that is one of the more important reasons for incorporation of a group. Benefits also include the right to own property, to enter a lease and the ability to sue and be sued.

Many smaller not-for-profit organisations will certainly welcome this legislation. Currently there are about 20,000 incorporated not-for-profit organisations in Queensland. That is an enormous number. These organisations range from small local outfits with volunteers up to professionally run clubs with turnovers that reach into the millions. There are quite a few legal obstacles that these organisations currently face from the current Associations Incorporation Act. These include the criteria and eligibility for incorporation, the changing profiles of the association, various areas of dispute resolution, conflicts of interest, public liability insurance, and reporting and auditing requirements. It is understood that these amendments are quite complex and that a two-stage process is required. As I understand it, this bill is the first of two. It seeks to address the issues of public liability insurance and reporting and auditing requirements. These two areas are very important.

This bill seeks to introduce a three-tiered system that will ease reporting and auditing burdens on smaller incorporated not-for-profit organisations. The original Associations Incorporation Act was designed to be a simple and inexpensive instrument for not-for-profit organisations to become incorporated. However, there is room for improvement, especially when it comes to lowering these reporting burdens that are placed on smaller organisations by the current act.

The bill will free smaller organisations from fund auditing and reporting requirements and allow them to focus more on their activities. That is particularly important in smaller communities such as those in my electorate, which is a rural area. There are often problems with access to a registered accountant to do this auditing. Many local accountants are already too busy and many of them do not have the people available to do it. That is a real problem in small communities where this amendment will be very much welcomed. Some members of organisations have had to drive 50 or 100 kilometres to the next town to find an accountant who is willing to carry out this auditing. This means also that unnecessary red tape will be cut for these smaller organisations that currently have to spend a lot of money and effort filling out the full reports because of their incorporation.

The other major change this bill addresses is mandatory public liability insurance. This bill proposes that the mandatory public liability insurance clause will be removed in some associations. This is good news. It is a good move since a lot of smaller associations may not need that particular public liability insurance, and certainly many of them cannot afford it.

As a safeguard, associations will be required to investigate the need to take out public liability insurance and then report that decision to members and interested parties. As we all know, public liability premiums have been steadily increasing, with some organisations struggling to cover the costs. Some organisations cannot even find an insurer to cover them with public liability insurance. This is another clause which will help cut the red tape that is plaguing the not-for-profit organisations. There are so many not-for-profit organisations, and we have certainly heard so many named and applauded this afternoon. When I look across my community, I see just as many there.

Mr Deputy Speaker, through you, I want to ask the minister a question. Many of these not-for-profit organisations do approach us. Would it be possible for us to get a comprehensive list of the names of the not-for-profit organisations in our electorates if we wrote to the Office of Fair Trading? I put that question to the minister. It would be good to have that list, because it would give us an opportunity to feed out to those organisations the changes that will affect them as a result of this legislation, particularly with the end of the financial year and so forth coming up.

As I said, there are many not-for-profit organisations and they certainly work hard. These types of clubs are a great benefit to the community. I was looking at a report put out by the Department of Communities on the economic value of volunteering in Queensland. It reported the number of volunteers and the value of those volunteers, and these figures show that we must never undervalue them. The figures state that in 2004 there were 650 million hours of volunteer work performed in Queensland. A lot of that volunteer work would not have come through smaller not-for-profit organisations; they have probably been working for Queensland Health and various departments in a voluntary capacity. When we see that the 650 million hours of volunteer work in one year equates to—wait for it—a value of \$5.9 billion, we realise that we cannot undervalue the work these volunteers do.

These organisations are a huge benefit to the community and it is prudent to give them some leniency, particularly the smaller not-for-profit organisations. Whether it is the Burdekin Canine Obedience Club or the Orchard Society, every one of these organisations provides some benefit to the community. Some provide recreation for elderly folk who would otherwise be caught at home. One organisation I would like to comment on is the Canine Obedience Club. It provides an enormous amount of assistance, and I found that out when I was given an Alsation dog by my sons. I was most unimpressed when this thing turned up with 'Happy Christmas, Mum. My name is Jake.' Not having owned a dog for 20 years, I thought, 'What on earth am I going to do with this?' Then this wonderful Burdekin Canine Obedience Club, run by probably half a dozen people, helped us train this great animal. It provides great assistance to the community because, let us face it, we all have dogs and a well-trained dog is a huge assistance. We also have sporting clubs, major service clubs and humanity services such as Lifeline et cetera.

Where do we go from there? The three-tiered system is a terribly good idea. It will base the required level of reports directly on the financial level that the organisation is operating at. This legislation will help these small clubs focus more on their purposes rather than waste time and money fulfilling overlegalistic forms.

Also, this legislation will pave the way for more amendments to the Associated Incorporations Act, which will allow more ground level solutions to problems. For example, internal dispute resolution could end up in the jurisdiction of the Supreme Court, which would be very expensive. This bill should ultimately reduce monetary and legal burdens on small, not-for-profit organisations and will allow the next amendment to proceed. Certainly, for this reason I support the bill. I commend the bill to the House.