

Question on Notice
No. 1500
Asked on 29 November 2006

MR FINN ASKED THE MINISTER FOR TOURISM, FAIR TRADING, WINE INDUSTRY DEVELOPMENT AND WOMEN (MRS KEECH)—

What is the Government doing to reduce the administrative and financial burdens on incorporated associations?

ANSWER:

I thank the Member for the question and his continued interest in community development through the work of our fantastic community associations. I know he is a strong supporter of the community groups in his electorate of Yeerongpilly.

I know in particular that Mr Finn has advocated very strongly for these reforms on behalf of a number of groups in his electorate, including the Annerley Moorooka Senior Citizens Club, Stephens Croquet Club, Moorooka Slimmers Club, Wheel Drive Club of Queensland and the Darling Downs Radio Club Inc, which will benefit from a relaxation of audit requirements.

In June 2006, I announced the Beattie Government's plans to amend the *Associations Incorporation Act 1981* following a comprehensive review and community consultation process. The first stage of the amendments resulting from the review will remove the requirement that every association obtain fully audited annual financial reports and mandatory public liability insurance.

Under the amendments, only associations with assets or turnover greater than \$100,000 per year will be required to have their accounts fully audited. Associations with income and assets both under \$20,000 will be able to simply certify the accuracy of the financial accounts they lodge with the Office of Fair Trading. Organisations associated under the Act with assets and income both under \$100,000 will be required to present their financial statements according to good accounting practice and have an accountant certify that they have done so. These requirements are much less onerous for associations than the existing auditing process.

The Beattie Government has also indicated that it will relax the present requirement that incorporated associations hold insurance in respect of property damage or personal injury in the amount of at least \$1.1 million.

Instead, as a safeguard, associations which do not own or lease land or real property will be required to make a formal decision as to their insurance needs, and to report that decision to all members as well as to other parties that might be affected.

While higher risk organisations, obviously, will still require public liability insurance, certain smaller organisations with a very low risk of causing public injury, such as a bridge club or residents' association with no property or assets, may decide that public liability insurance is unnecessary.

These changes will make life a lot easier for community groups, and I am advised that up to 15,000 community-based incorporated associations will benefit from the relaxation of the requirements of the Act.

The above proposals are contained in the *Associations Incorporation and Other Legislation Amendment Bill* which I introduced into Parliament on 28 November 2006.

The review of the Act is on-going, with further policy options being developed in consultation with Clubs Queensland, consumer groups, lawyers and volunteer representatives of a range of community associations.