Question on Notice

No. 418

Asked on Thursday, 13 March 2008

Mr Wendt asked the Attorney-General and Minister for Justice and Minister Assisting the Premier in Western Queensland (Mr Shine) -

QUESTION:

Following amendments to the Associations Incorporations Act last year, will the Minister advise how the changes have assisted local community groups to better serve their communities?

ANSWER:

I thank the member for his question and acknowledge the great work he does to support associations in his electorate.

The Government reformed the incorporated associations legislation in response to feedback from the community that associations and their management committees wanted to spend more time and money on their core objectives and less on complying with legislation.

The changes have assisted local community groups to better serve their communities by cutting red tape and decreasing financial and administrative pressures for small to medium size associations.

Two initiatives in particular have assisted associations. Firstly, associations' financial reporting requirements are now determined by their current assets and total revenue under a new tiered reporting system, in many cases avoiding the need for costly audited financial statements. Secondly, with exceptions for associations which own or lease property; public liability insurance levels, if any, are now determined by the associations' management committee.

These changes have provided significant savings for Queensland's estimated 20,000 incorporated associations. Potential savings for associations generated by the new tiered reporting system are estimated by the Department of Justice and Attorney-General at over $5 million.

RED TAPE REDUCTION 2007 Incorporated Associations
Financial Reporting

	percentage of total	Number	Audit Costs		Potential cost saving
Registered Level 3 <$20,000	43.65%	9073	200		$1,814,600
Registered Level 2 >$20,000 <$100,000	34.78%	7229	450		$3,253,050
Registered Level 1 >$100,000	21.56%	4485	N/A		N/A
Total number association Level 2 & 3		16302		Total	$5,067,650
Total number associations registered	100%	20785			

Public Liability Insurance is mandatory only in specified circumstances. If the association does not fall within the mandatory provisions, the management committee must determine whether insurance is required, and at what level.

Total Potential Cost Saving	$5,067,650