

# PROPOSED CHANGES TO THE *ASSOCIATIONS INCORPORATION ACT 1991* FACTSHEET

## Reducing red tape for associations

### Legislative Changes

The ACT Government is proposing to make changes to the *Associations Incorporation Act 1991* to modernise it, including clarifying obligations for Committee members, trade, privacy and dispute resolution.

These changes are included in the *Red Tape Reduction Legislation Amendment Bill 2018* and follow feedback from stakeholders in 2017 that the Act would work better if these areas were updated or clarified.

A summary of the changes are outlined below. The changes, if passed, will take effect from 1 July 2019.

### Model Rules

To support the legislative changes, the ACT will also be consulting on new Model Rules in 2018-19.

### Online reporting

To support these changes, Access Canberra will be implementing changes to enable associations to report online.

### Further information

To comment on the proposed changes or to find out more, email: [regulatoryreform@act.gov.au](mailto:regulatoryreform@act.gov.au)

## Proposed changes

Issue	Proposed Change	Benefit	Legislation reference
<b>Copies of documents from Access Canberra</b>	Instead of inspecting a document, a person can request a copy or extract of a document	This reduces confusion in accessing documents, which are now held electronically by Access Canberra	Section 11 - Update
<b>Confidentiality of contact details</b>	Change from address to contact details	This recognises email and telephone number as well as address	Section 13 - Update
<b>Restrictions on trading</b>	Remove reference to trading	Associations can trade provided it is: <ul style="list-style-type: none"> <li>- Not for the financial benefit of its members</li> <li>- Consistent with their overall objective</li> </ul>	Section 14 - Update
<b>Requirement for a common seal</b>	No requirement if a document is signed by two members of a committee	Modernises requirements in Act	Section 22 - Update

Issue	Proposed Change	Benefit	Legislation reference
<b>Restrictions on access to documents</b>	Provides criteria for which a committee may restrict access to documents		New section
<b>Removal of a public officer</b>	Makes criteria for removing a public officer related to their ability to perform the role	Consistent with human rights	Section 64 - Update
<b>Process for resigning as a committee member</b>	Requires resignation to be in writing to the public officer	Provides greater clarity on process for resigning	Section 65 - Update
<b>Disclosure of personal interest</b>	Updates disclosure of material personal interest	Brings the Act up to modern requirements	Section 65 - Update
<b>Dispute resolution procedure</b>	Requires an association to have a procedure for dispute resolution		Section 65 - Update
<b>Restrictions on access to personal information</b>	Provides for restrictions to be placed on access to information	Enhances privacy protections	New
<b>Charities reporting public officer changes</b>	Exempts ACNC-charities from reporting public officer to Access Canberra	Further streamlines reporting for ACNC charities	New
<b>Duties of committee members</b>	<p>Outlines the following duties in the Act:</p> <ul style="list-style-type: none"> <li>- Duty of care and diligence</li> <li>- Duty of good faith and proper purpose</li> <li>- Proper use of position</li> <li>- Proper use of information</li> </ul>	<p>Brings the ACT in line with other jurisdictions</p> <p>Makes clear the existing responsibilities</p>	New
<b>Register of members</b>	Provides for restrictions to be placed on access to personal information	Enhances privacy protections	Section 67 - Update
<b>Auditor</b>	Expands options for being a qualified auditor for purposes of Act	Reduces administrative costs	Part 5 - Update

Issue	Proposed Change	Benefit	Legislation reference
<b>Financial accounts</b>	Brings tiers for financial reporting from regulations into the Act and makes annual revenue the sole criteria for determining a small, medium or large association	<p>Makes it easier to understand reporting requirements</p> <p>No change to revenue amounts:</p> <ul style="list-style-type: none"> <li>- Small – less than \$400,000</li> <li>- Medium – less than \$1m</li> <li>- Large – over \$1m</li> </ul>	New
<b>One-off changes in annual revenue</b>	Organisations can apply for an exemption for one-off changes in annual revenue in a particular year	Enables associations to plan with certainty	New
<b>Small associations</b>	<p>No change to requirements</p> <p>Change of language from audit to review</p>	Makes it clear that the review process for a small association is not an audit process	Part 5 - Update
<b>Medium associations</b>	Introduces the option for medium associations to have the option of professionally reviewed or audited financial statements	<p>Enables medium associations to determine most suitable approach for their organisation</p> <p>Reduces administrative costs</p>	Part 5 - Update
<b>Large associations</b>	No change to requirements		