

CONSUMER AFFAIRS VICTORIA
BUSINESS SERVICES DIVISION

**ASSOCIATIONS
INCORPORATION
ACT (1981)**

Schedule .5

MODEL RULES

For an

**INCORPORATED
ASSOCIATION**

INCLUSIVE OF 1ST July 1998 - AMENDMENTS

SCHEDULE: 5

MODEL RULES FOR AN INCORPORATED ASSOCIATION

1. *Name*

The name of the incorporated association is (in these Rules called "the Association").

2. *Definitions*

(1) In these Rules, unless the contrary intention appears-

"**Act**" means the **Associations Incorporation Act 1981**;

"**committee**" means the committee of management of the Association;

"**financial year**" means the year ending on 30 June;

"**general meeting**" means a general meeting of members convened in accordance with rule 12.

"**member**" means a member of the Association;

"**ordinary member of the committee**" means a member of the committee who is not an officer of the Association under Rule 21;

"**Regulations**" means regulations under the Act;

"**relevant documents**" has the same meaning as in the Act.

(2) In these Rules, a reference to the Secretary of an Association is a reference--

(a) if a person holds office under these Rules as Secretary of the Association--to that person; and

(b) in any other case, to the public officer of the Association.

3. *Alteration of the rules*

These Rules and the statement of purposes of the Association must not be altered except in accordance with the Act.

4. *Membership, entry fees and subscription*

(1) A person who applies and is approved for membership as provided in these Rules is eligible to be a member of the Association on payment of the entrance fee and annual subscription payable under these Rules.

(2) A person who is not a member of the Association at the time of the incorporation of the Association (or who was a member at that time but has ceased to be a member) must not be admitted to membership unless-

(a) he or she applies for membership in accordance with sub-rule (3); and

(b) the admission as a member is approved by the committee.

(3) An application of a person for membership of the Association must-

(a) be made in writing in the form set out in Appendix 1; and

(b) be lodged with the Secretary of the Association.

(4) As soon as practicable after the receipt of an application, the Secretary must refer the application to the committee.

(5) The committee must determine whether to approve or reject the application.

(6) If the committee approves an application for membership, the Secretary must, as soon as practicable-

(a) notify the applicant in writing of the approval for membership; and

(b) request payment within 28 days after receipt of the notification of the sum payable under these Rules as the entrance fee and the first year's annual subscription.

(7) The Secretary must, within 28 days after receipt of the amounts referred to in sub-rule (6), enter the applicant's name in the register of members.

(8) An applicant for membership becomes a member and is entitled to exercise the rights of membership when his or her name is entered in the register of members.

(9) If the committee rejects an application, the committee must, as soon as practicable, notify the applicant in writing that the application has been rejected.

(10) A right, privilege, or obligation of a person by reason of membership of the Association-

(a) is not capable of being transferred or transmitted to another person; and

(b) terminates upon the cessation of membership whether by death or resignation or otherwise.

(11) The entrance fee is the relevant amount set out in Appendix 4.

(12) The annual subscription is the relevant amount set out in Appendix 4 and is payable in advance on or before 1 July in each year.

5. *Register of members*

(1) The Secretary must keep and maintain a register of members containing-

(a) the name and address of each member; and

(b) the date on which each member's name was entered in the register.

(2) The register is available for inspection free of charge by any member upon request.

(3) A member may make a copy of entries in the register.

6. *Ceasing membership*

(1) A member of the Association who has paid all moneys due and payable by a member to the Association may resign from the Association by giving one month's notice in writing to the Secretary of his or her intention to resign.

(2) After the expiry of the period referred to in sub-rule (1)--

(a) the member ceases to be a member; and

(b) the Secretary must record in the register of members the date on which the member ceased to be a member.

7. Discipline, suspension and expulsion of members

(1) Subject to these Rules, if the committee is of the opinion that a member has refused or neglected to comply with these Rules, or has been guilty of conduct unbecoming a member or prejudicial to the interests of the Association, the committee may by resolution--

(a) fine that member an amount not exceeding \$500; or

(b) suspend that member from membership of the Association for a specified period; or

(c) expel that member from the Association.

(2) A resolution of the committee under sub-rule (1) does not take effect unless--

(a) at a meeting held in accordance with sub-rule (3), the committee confirms the resolution; and

(b) if the member exercises a right of appeal to the Association under this rule, the Association confirms the resolution in accordance with this rule.

(3) A meeting of the committee to confirm or revoke a resolution passed under sub-rule (1) must be held not earlier than 14 days, and not later than 28 days, after notice has been given to the member in accordance with sub-rule (4).

(4) For the purposes of giving notice in accordance with sub-rule (3), the Secretary must, as soon as practicable, cause to be given to the member a written notice--

(a) setting out the resolution of the committee and the grounds on which it is based; and

(b) stating that the member, or his or her representative, may address the committee at a meeting to be held not earlier than 14 days and not later than 28 days after the notice has been given to that member; and

(c) stating the date, place and time of that meeting; and

(d) informing the member that he or she may do one or both of the following--

(i) attend that meeting;

(ii) give to the committee before the date of that meeting a written statement seeking the revocation of the resolution;

(e) informing the member that, if at that meeting, the committee confirms the resolution, he or she may, not later than 48 hours after that meeting, give the Secretary a notice to the effect that he or she wishes to appeal to the Association in general meeting against the resolution.

(5) At a meeting of the committee to confirm or revoke a resolution passed under sub-rule (1), the committee must-

- (a) give the member, or his or her representative, an opportunity to be heard; and
- (b) give due consideration to any written statement submitted by the member; and
- (c) determine by resolution whether to confirm or to revoke the resolution. (6) If at the meeting of the committee, the committee confirms the resolution, the member may, not later than 48 hours after that meeting, give the Secretary a notice to the effect that he or she wishes to appeal to the Association in general meeting against the resolution.

(7) If the Secretary receives a notice under sub-rule (6), he or she must notify the committee and the committee must convene a general meeting of the Association to be held within 21 days after the date on which the Secretary received the notice.

(8) At a general meeting of the Association convened under sub-rule (7)--

- (a) no business other than the question of the appeal may be conducted; and
- (b) the committee may place before the meeting details of the grounds for the resolution and the reasons for the passing of the resolution; and
- (c) the member, or his or her representative, must be given an opportunity to be heard; and
- (d) the members present must vote by secret ballot on the question whether the resolution should be confirmed or revoked.

(9) A resolution is confirmed if, at the general meeting, not less than two-thirds of the members vote in person, or by proxy, in favour of the resolution. In any other case, the resolution is revoked.

8. *Disputes and mediation*

(1) The grievance procedure set out in this rule applies to disputes under these Rules between-

- (a) a member and another member; or
- (b) a member and the Association.

(2) The parties to the dispute must meet and discuss the matter in dispute, and, if possible, resolve the dispute within 14 days after the dispute comes to the attention of all of the parties.

(3) If the parties are unable to resolve the dispute at the meeting, or if a party fails to attend that meeting, then the parties must, within 10 days, hold a meeting in the presence of a mediator.

(4) The mediator must be-

- (a) a person chosen by agreement between the parties; or
- (b) in the absence of agreement-
 - (i) in the case of a dispute between a member and another member, a person appointed by the committee of the Association; or

(ii) in the case of a dispute between a member and the Association, a person who is a mediator appointed or employed by the Dispute Settlement Centre of Victoria (Department of Justice).

(5) A member of the Association can be a mediator.

(6) The mediator cannot be a member who is a party to the dispute.

(7) The parties to the dispute must, in good faith, attempt to settle the dispute by mediation.

(8) The mediator, in conducting the mediation, must--

(a) give the parties to the mediation process every opportunity to be heard; and

(b) allow due consideration by all parties of any written statement submitted by any party; and

(c) ensure that natural justice is accorded to the parties to the dispute throughout the mediation process.

(9) The mediator must not determine the dispute.

(10) If the mediation process does not result in the dispute being resolved, the parties may seek to resolve the dispute in accordance with the Act or otherwise at law.

9. Annual general meetings

(1) The committee may determine the date, time and place of the annual general meeting of the Association.

(2) The notice convening the annual general meeting must specify that the meeting is an annual general meeting.

(3) The ordinary business of the annual general meeting shall be-

(a) to confirm the minutes of the previous annual general meeting and of any general meeting held since that meeting; and

(b) to receive from the committee reports upon the transactions of the Association during the last preceding financial year; and

(c) to elect officers of the Association and the ordinary members of the committee; and

(d) to receive and consider the statement submitted by the Association in accordance with section 30(3) of the Act.

(4) The annual general meeting may conduct any special business of which notice has been given in accordance with these Rules.

10. Special general meetings

(1) In addition to the annual general meeting, any other general meetings may be held in the same year.

(2) All general meetings other than the annual general meeting are special general meetings.

(3) The committee may, whenever it thinks fit, convene a special general meeting of the Association.

(4) If, but for this sub-rule, more than 15 months would elapse between annual general meetings, the committee must convene a special general meeting before the expiration of that period.

(5) The committee must, on the request in writing of members representing not less than 5 per cent of the total number of members, convene a special general meeting of the Association.

(6) The request for a special general meeting must--

(a) state the objects of the meeting; and

(b) be signed by the members requesting the meeting; and

(c) be sent to the address of the Secretary.

(7) If the committee does not cause a special general meeting to be held within one month after the date on which the request is sent to the address of the Secretary, the members making the request, or any of them, may convene a special general meeting to be held not later than 3 months after that date.

(8) If a special general meeting is convened by members in accordance with this rule, it must be convened in the same manner so far as possible as a meeting convened by the committee and all reasonable expenses incurred in convening the special general meeting must be refunded by the Association to the persons incurring the expenses.

11. Special business

All business that is conducted at a special general meeting and all business that is conducted at the annual general meeting, except for business conducted under the rules as ordinary business of the annual general meeting, is deemed to be special business.

12. Notice of general meetings

(1) The Secretary of the Association, at least 14 days, or if a special resolution has been proposed at least 21 days, before the date fixed for holding a general meeting of the Association, must cause to be sent to each member of the Association, a notice stating the place, date and time of the meeting and the nature of the business to be conducted at the meeting.

(2) Notice may be sent--

(a) by prepaid post to the address appearing in the register of members; or

(b) if the member requests, by facsimile transmission or electronic transmission.

(3) No business other than that set out in the notice convening the meeting may be conducted at the meeting.

(4) A member intending to bring any business before a meeting may notify in writing, or by electronic transmission, the Secretary of that business, who must include that business in the notice calling the next general meeting.

13. Quorum at general meetings

(1) No item of business may be conducted at a general meeting unless a quorum of members entitled under these Rules to vote is present at the time when the meeting is considering that item.

(2) Five members personally present (being members entitled under these Rules to vote at a general meeting) constitute a quorum for the conduct of the business of a general meeting.

(3) If, within half an hour after the appointed time for the commencement of a general meeting, a quorum is not present-

(i) in the case of a meeting convened upon the request of members--the meeting must be dissolved; and

(ii) in any other case--the meeting shall stand adjourned to the same day in the next week at the same time and (unless another place is specified by the Chairperson at the time of the adjournment or by written notice to members given before the day to which the meeting is adjourned) at the same place.

(4) If at the adjourned meeting the quorum is not present within half an hour after the time appointed for the commencement of the meeting, the members personally present (being not less than 3) shall be a quorum.

14. Presiding at general meetings

(1) The President, or in the President's absence, the Vice-President, shall preside as Chairperson at each general meeting of the Association.

(2) If the President and the Vice-President are absent from a general meeting, or are unable to preside, the members present must select one of their number to preside as Chairperson.

15. Adjournment of meetings

(1) The person presiding may, with the consent of a majority of members present at the meeting, adjourn the meeting from time to time and place to place.

(2) No business may be conducted at an adjourned meeting other than the unfinished business from the meeting that was adjourned.

(3) If a meeting is adjourned for 14 days or more, notice of the adjourned meeting must be given in accordance with rule 12. (4) Except as provided in sub-rule (3), it is not necessary to give notice of an adjournment or of the business to be conducted at an adjourned meeting.

16. Voting at general meetings

(1) Upon any question arising at a general meeting of the Association, a member has one vote only.

(2) All votes must be given personally or by proxy.

(3) In the case of an equality of voting on a question, the Chairperson of the meeting is entitled to exercise a second or casting vote.

(4) A member is not entitled to vote at a general meeting unless all moneys due and payable by the member to the Association have been paid, other than the amount of the annual subscription payable in respect of the current financial year.

17. Poll at general meetings

(1) If at a meeting a poll on any question is demanded by not less than 3 members, it must be taken at that meeting in such manner as the Chairperson may direct and the resolution of the poll shall be deemed to be a resolution of the meeting on that question.

(2) A poll that is demanded on the election of a Chairperson or on a question of an adjournment must be taken immediately and a poll that is demanded on any other question must be taken at such time before the close of the meeting as the Chairperson may direct.

18. Manner of determining whether resolution carried

If a question arising at a general meeting of the Association is determined on a show of hands-

(a) a declaration by the Chairperson that a resolution has been-

(i) carried; or

(ii) carried unanimously; or

(iii) carried by a particular majority; or

(iv) lost; and

(b) an entry to that effect in the minute book of the Association--

is evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that resolution.

19. Proxies

(1) Each member is entitled to appoint another member as a proxy by notice given to the Secretary no later than 24 hours before the time of the meeting in respect of which the proxy is appointed.

(2) The notice appointing the proxy must be--

(a) for a meeting of the Association convened under rule 7(7), in the form set out in Appendix 2; or

(b) in any other case, in the form set out in Appendix 3.

20. Committee of Management

(1) The affairs of the Association shall be managed by the committee of management.

(2) The committee--

(a) shall control and manage the business and affairs of the Association; and

(b) may, subject to these Rules, the Act and the Regulations, exercise all such powers and functions as may be exercised by the Association other than those powers and functions that are required by these Rules to be exercised by general meetings of the members of the Association; and

(c) subject to these Rules, the Act and the Regulations, has power to perform all such acts and things as appear to the committee to be essential for the proper management of the business and affairs of the Association.

(3) Subject to section 23 of the Act, the committee shall consist of--

(a) the officers of the Association; and

(b) two ordinary members--

each of whom shall be elected at the annual general meeting of the Association in each year.

21. Office holders

(1) The officers of the Association shall be--

(a) a President;

(b) a Vice-President;

(c) a Treasurer; and

(d) a Secretary.

(2) The provisions of rule 23, so far as they are applicable and with the necessary modifications, apply to and in relation to the election of persons to any of the offices referred to in sub-rule (1).

(3) Each officer of the Association shall hold office until the annual general meeting next after the date of his or her election but is eligible for re-election.

(4) In the event of a casual vacancy in any office referred to in sub-rule (1), the committee may appoint one of its members to the vacant office and the member appointed may continue in office up to and including the conclusion of the annual general meeting next following the date of the appointment.

22. Ordinary members of the committee

(1) Subject to these Rules, each ordinary member of the committee shall hold office until the annual general meeting next after the date of election but is eligible for re-election.

(2) In the event of a casual vacancy occurring in the office of an ordinary member of the committee, the committee may appoint a member of the Association to fill the vacancy and the

member appointed shall hold office, subject to these Rules, until the conclusion of the annual general meeting next following the date of the appointment.

23. Election of officers and ordinary committee members

(1) Nominations of candidates for election as officers of the Association or as ordinary members of the committee must be--

(a) made in writing, signed by two members of the Association and accompanied by the written consent of the candidate (which may be endorsed on the form of nomination); and

(b) delivered to the Secretary of the Association not less than 7 days before the date fixed for the holding of the annual general meeting.

(2) A candidate may only be nominated for one office, or as an ordinary member of the committee, prior to the annual general meeting.

(3) If insufficient nominations are received to fill all vacancies on the committee, the candidates nominated shall be deemed to be elected and further nominations may be received at the annual general meeting.

(4) If the number of nominations received is equal to the number of vacancies to be filled, the persons nominated shall be deemed to be elected.

(5) If the number of nominations exceeds the number of vacancies to be filled, a ballot must be held.

(6) The ballot for the election of officers and ordinary members of the committee must be conducted at the annual general meeting in such manner as the committee may direct.

24. Vacancies

The office of an officer of the Association, or of an ordinary member of the committee, becomes vacant if the officer or member--

(a) ceases to be a member of the Association; or

(b) becomes an insolvent under administration within the meaning of the Corporations Law; or

(c) resigns from office by notice in writing given to the Secretary.

25. Meetings of the committee

(1) The committee must meet at least 3 times in each year at such place and such times as the committee may determine.

(2) Special meetings of the committee may be convened by the President or by any 4 members of the committee.

26. Notice of committee meetings

- (1) Written notice of each committee meeting must be given to each member of the committee at least 2 business days before the date of the meeting.
- (2) Written notice must be given to members of the committee of any special meeting specifying the general nature of the business to be conducted and no other business may be conducted at such a meeting.

27. Quorum for committee meetings

- (1) Any 4 members of the committee constitute a quorum for the conduct of the business of a meeting of the committee.
- (2) No business may be conducted unless a quorum is present.
- (3) If within half an hour of the time appointed for the meeting a quorum is not present--
 - (i) in the case of a special meeting--the meeting lapses;
 - (ii) in any other case--the meeting shall stand adjourned to the same place and the same time and day in the following week.
- (4) The committee may act notwithstanding any vacancy on the committee.

28. Presiding at committee meetings

At meetings of the committee-

- (a) the President or, in the President's absence, the Vice-President presides; or
- (b) if the President and the Vice-President are absent, or are unable to preside, the members present must choose one of their number to preside.

29. Voting at committee meetings

- (1) Questions arising at a meeting of the committee, or at a meeting of any sub-committee appointed by the committee, shall be determined on a show of hands or, if a member requests, by a poll taken in such manner as the person presiding at that meeting may determine.
- (2) Each member present at a meeting of the committee, or at a meeting of any sub-committee appointed by the committee (including the person presiding at the meeting), is entitled to one vote and, in the event of an equality of votes on any question, the person presiding may exercise a second or casting vote.

30. Removal of committee member

- (1) The Association in general meeting may, by resolution, remove any member of the committee before the expiration of the member's term of office and appoint another member in his or her place to hold office until the expiration of the term of the first-mentioned member.
- (2) A member who is the subject of a proposed resolution referred to in sub-rule (1) may make representations in writing to the Secretary or President of the Association (not exceeding a

reasonable length) and may request that the representations be provided to the members of the Association.

(3) The Secretary or the President may give a copy of the representations to each member of the Association or, if they are not so given, the member may require that they be read out at the meeting.

31. *Minutes of meetings*

The Secretary of the Association must keep minutes of the resolutions and proceedings of each general meeting, and each committee meeting, together with a record of the names of persons present at committee meetings.

32. *Funds*

(1) The Treasurer of the Association must-

(a) collect and receive all moneys due to the Association and make all payments authorised by the Association; and

(b) keep correct accounts and books showing the financial affairs of the Association with full details of all receipts and expenditure connected with the activities of the Association.

(2) All cheques, drafts, bills of exchange, promissory notes and other negotiable instruments must be signed by two members of the committee.

(3) The funds of the Association shall be derived from entrance fees, annual subscriptions, donations and such other sources as the committee determines.

33. *Seal*

(1) The common seal of the Association must be kept in the custody of the Secretary.

(2) The common seal must not be affixed to any instrument except by the authority of the committee and the affixing of the common seal must be attested by the signatures either of two members of the committee or, of one member of the committee and of the public officer of the Association.

34. *Notice to members*

Except for the requirement in rule 12, any notice that is required to be given to a member, by on behalf of the Association, under these Rules may be given by-

(a) delivering the notice to the member personally; or

(b) sending it by prepaid post addressed to the member at that member's address shown in the register of members; or

(c) facsimile transmission, if the member has requested that the notice be given to him or her in this manner; or

(d) electronic transmission, if the member has requested that the notice be given to him or her in this manner.

35. *Winding up*

In the event of the winding up or the cancellation of the incorporation of the Association, the assets of the Association must be disposed of in accordance with the provisions of the Act.

36. *Custody and inspection of books and records*

(1) Except as otherwise provided in these Rules, the Secretary must keep in his or her custody or under his or her control all books, documents and securities of the Association.

(2) All accounts, books, securities and any other relevant documents of the Association must be available for inspection free of charge by any member upon request.

(3) A member may make a copy of any accounts, books, securities and any other relevant documents of the Association.

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APPLICATION FOR MEMBERSHIP OF

(NAME OF THE ASSOCIATION)

I, , of desire to become a
 (name and occupation) (address)

member of
(name of Association)

In the event of my admission as a member, I agree to be bound by the rules of the Association for the time being in force.

Signature of Applicant _____
Date _____

I, , a member of the Association,
(name)

nominate the applicant, who is personally known to me, for membership of the Association.

Signature of Proposer _____
Date _____

I,....., a member of the Association, second
(name)
the nomination of the applicant, who is personally known to me, for membership of the
Association.

Signature of Secunder
Date

**FORM OF APPOINTMENT OF PROXY FOR MEETING OF
ASSOCIATION CONVENED UNDER RULE 7(7)**

I, _____
(name)

of
(address)

being a member of
(name of Incorporated Association)

appoint
(name of proxy holder)

of
(address of proxy holder)

being a member of that Incorporated Association, as my proxy to vote for me on my behalf at the appeal to the general meeting of the Association convened under rule 7(7), to be held on-
.....
(date of meeting)

and at any adjournment of that meeting.

I authorise my proxy to vote on my behalf at their discretion in respect of the following resolution (insert details of resolution passed under rule 7(1)).

Signed
Date

FORM OF APPOINTMENT OF PROXY

* Delete if not applicable

APPENDIX 4

SCHEDULE OF FEES

<i>Fee</i>	<i>Amount</i>
Entrance fee	
Annual subscription fee	

NOTES

"SCHEDULE 1

PREPARATION OF FINANCIAL STATEMENTS BY PRESCRIBED ASSOCIATIONS--AUSTRALIAN ACCOUNTING STANDARDS

Australian Accounting Standard Number	Name of Australian Accounting Standard	Issued
AAS 1	Statement of Financial Performance	October 1999
AAS 4	Depreciation	August 1997
AAS 5	Materiality	September 1995
AAS 6	Accounting Policies	March 1999
AAS 8	Events Occurring After Reporting Date	October 1997
AAS 15	Revenue	June 1998
AAS 17	Leases	October 1998
AAS 28	Statement of Cash Flows	October 1997
AAS 36	Statement of Financial Position	October 1999
AAS 38	Revaluation of Non-Current Assets	December 1999".

Consumer Affairs Victoria

Incorporated Associations - Forms and Fees

Effective from 27 July 2003

Application for Association Incorporation	
- Model Rules	\$50
- Own Rules	\$100
Application for Association Incorporation by a Company/Co-operative /Society	\$100
Annual Statement by Public Officer	\$35
Application for Change of Association Details (for change of addresses or appointment of new public officer)	No Fee
Application for Change of Association Name	\$30
Application for Alteration of Rules or Purposes	\$60
Notice of Special Resolution Approving Amalgamation of Incorporated Association (this form must be completed by all Associations Amalgamating)	No Fee
Notice of Special Resolution Distribution of Assets on Voluntary Wind Up	\$60
Application for Amalgamation of Incorporated Associations	\$100
Application for Extension of Time (for holding annual general meeting or lodging annual statement	\$20
Other Fees	
Inspection of the register, or inspection of prescribed documents kept by the Registrar or obtaining a copy of a prescribed document kept by the Registrar	
-for the first page	\$10
-for each additional page	\$2
(up to a maximum of)	\$50
(prescribed documents should be rules, statement of purposes, annual returns including prescribed forms lodged)	
Obtaining a certified copy of a prescribed document kept by the Registrar	
-for the first page	\$10
-for each additional page	\$2
(up to a maximum of)	\$50
Obtaining a certified duplicate of a certificate of incorporation	\$15
Associations Search - Computer Extract	\$12
Obtaining a computer copy of a document kept by the Registrar	
- Report of all associations incorporated in past 12 months	\$75
- for each additional year	\$25
(up to a maximum of)	\$125
- for transfer of copies of documents to computer storage disk, per disk	\$25
Updated: 2/07/2003 ;	

INCORPORATED ASSOCIATIONS FACT SHEET 1

HOW DOES AN ASSOCIATION BECOME INCORPORATED?

Associations Incorporation Act 1981 Section 4, 5

There are 3 main steps to incorporation:

Step 1

The association must hold a meeting of which all members are given at least 21 days notice.

Step 2

At this meeting, a majority of votes cast by members, whether personally or by proxy (if proxies are allowed), must:

- a) authorise a particular person to incorporate the association. This person must be at least 18 years old and reside in the State of Victoria;
- b) approve a proposed statement of purposes;
- c) approve proposed rules that comply with the Act or approve the adoption of the model rules.

Step 3

The person authorised to apply for incorporation must complete and lodge with the Registrar:

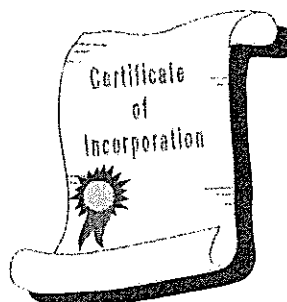
- a) the form *Application for Association Incorporation* together with the prescribed fee of \$60;
- b) a copy of the proposed statement of purposes;
- c) a copy of the proposed rules of the association. These rules must contain the matters specified in the Schedule to the Act.

- d) copies of any trusts affecting the association.

(Note: If the association has approved the adoption of the Model Rules without any amendments, there is no need to attach a copy of the Model Rules to the application).

Unless the rules otherwise provide, the person lodging the application becomes the first Public Officer of the incorporated association and the committee members of the unincorporated association form the first management committee of the incorporated association.

A Certificate of Incorporation will be issued by the Registrar after the application for incorporation has been accepted. This will bear the name of the incorporated association, the registration number and the date of incorporation.



For further information contact Consumer Affairs Victoria

Location: Level 2, 452 Flinders St
Melbourne 3000
Postal address: G.P.O. Box 4567
Melbourne 3001
Telephone: 1300 361 673 (cost of local call)
Fax: (03) 9627 6210
Website: www.consumer.vic.gov.au
E-mail: associations@justice.vic.gov.au
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INCORPORATED ASSOCIATIONS FACT SHEET 2

THE RULES OF AN INCORPORATED ASSOCIATION

Associations Incorporation Act 1981 Section 6

An association may:

- adopt the Model Rules;
- adopt the Model Rules with changes;
- draft its own rules which must contain the matters specified in the Schedule to the Act.

Matters to be provided for in the Rules of an Incorporated Association

1. The qualifications (if any) for membership of the incorporated association.
2. The maintenance and inspection of the register of members.
3. The entrance fees, subscriptions, and other amounts (if any) to be paid by members.
4. The name, constitution, membership and powers of the management committee, and the:
 - a) election or appointment of members of the committee;
 - b) terms of office of members of the committee;
 - c) grounds on which, or reasons for which, a position on the committee shall become vacant;
 - d) filling of casual vacancies occurring on the committee;
 - e) quorum and procedure at meetings of the committee.
5. The quorum and procedure at general meetings of members of the incorporated association and whether members are entitled to vote by proxy at general meetings.
6. The time within which, and the manner in which, notices of general meetings and notices of motion are to be given, published, or circulated.
7. The sources from which the funds of the incorporated association are to be, or may be, derived.
8. The manner in which the funds of the association are to be managed and, in particular, the mode of drawing and signing cheques on behalf of the incorporated association.
9. The intervals between general meetings of members and the manner of calling general meetings.
10. The manner of altering the statement of purposes of the incorporated association.
11. The manner of altering, rescinding, and making additional rules of the incorporated association.
12. Provisions for the custody and use of the common seal of the incorporated association.
13. The custody of relevant documents and securities of the incorporated association.
14. The inspection by members of relevant documents of the association (membership and accounting records and other 'relevant documents' as defined in Section 3 of the Act).
15. The distribution of any surplus assets upon winding up or dissolution.
16. The procedure (if any) for disciplining members and the mechanism (if any) for appearances by members in respect of disciplinary action taken against them.
17. The grievance procedures for settling disputes under the rules between the incorporated association and any of its members or between a member and any other member.

For further information contact Consumer Affairs Victoria

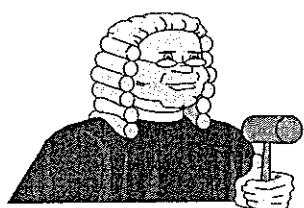
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INCORPORATED ASSOCIATIONS FACT SHEET 3

THE STATUTORY OBLIGATIONS OF AN INCORPORATED ASSOCIATION

Associations Incorporation Act 1981 Section 12A, 13A(2), 16(4), 22(3), 22A, 28, 30(2A), 30(4), 30(7A), 30A, 30B, 33A(6)

Incorporation may benefit an association and its members, yet it also brings a number of statutory obligations. Failure to comply with these obligations may lead to



prosecution or a direction from the Registrar to wind up the association.

Annual reporting obligations

Each calendar year an incorporated association must:

- hold an annual general meeting, within 5 months **after** the end of the association's financial year; [Section 30(2A)]
- lodge an *Annual Statement by Public Officer* with the Registrar within one month **after** the annual general meeting. [Section 30(4)]

Ongoing obligations

An incorporated association is also required to:

- ensure that the registered name and number of the association appears in all its notices, advertisements, publications and business documents; [Section 12A]
- notify the Registrar of a change of its registered address; [Section 13A(2)]
- notify the Registrar if it becomes a trustee of a trust; [Section 16(4)]

- notify the Registrar of any changes to its statement of purposes or rules; [Section 22(3)]
- make a copy of its rules available for inspection by its members on request; [Section 22A]
- notify the Registrar of a change of Public Officer or change of Public Officer's address; [Section 28]
- maintain adequate and accurate accounting records of its financial transactions; [Section 30A]
- make a copy of the trust deed of any trust held on behalf of the incorporated association by a person or body other than the association available for inspection by its members on request; [Section 30(7A)]
- have its accounts audited at the end of each financial year and retain accounting records for 7 years (prescribed associations only); [Section 30B]
- notify the Registrar of any special resolution relating to winding up and distribution of assets. [Section 33A(6)]

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INCORPORATED ASSOCIATIONS FACT SHEET 4

ANNUAL GENERAL MEETINGS

Associations Incorporation Act 1981 Section 30

When to hold an annual general meeting

An incorporated association must hold an annual general meeting each calendar year.

- The first annual general meeting may be held at any time within 18 months **after** becoming incorporated.
- The second and any subsequent annual general meeting must be held within 5 months **after** the end of the incorporated association's financial year.

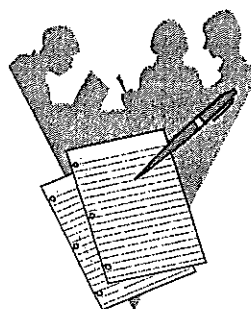
What to submit at an annual general meeting

At the annual general meeting, the incorporated association must submit to its members a financial statement containing particulars of:

- the income and expenditure of the association during its last financial year;
- the assets and liabilities of the association at the end of its last financial year (balance sheet);
- any mortgages, charges and securities affecting any of the property of the association at the end of its last financial year;
- in respect of each trust of which the association was trustee during the whole or part of the last financial year, particulars of:

- the income and expenditure of the trust;
- the assets and liabilities of the trust;
- any mortgages, charges and securities affecting any of the property of the trust;

- any trust, held on behalf of the association by a person or body other than the association, in which funds or assets of the association are placed.



This financial statement must give a true and fair view of the financial position of the incorporated association during and at the end of its last financial year.

An association may apply to the Registrar for an extension of time for holding an annual general meeting. An *Application for Extension of Time* form must be lodged with the prescribed fee of \$15.

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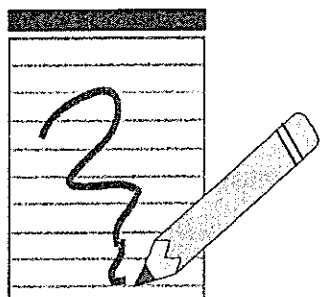
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INCORPORATED ASSOCIATIONS FACT SHEET 5

ANNUAL STATEMENTS

Associations Incorporation Act 1981 Section 30(4)

Within **one month** after the annual general meeting, the Public Officer must lodge with the Registrar an *Annual Statement by Public Officer* with the prescribed fee of \$33.



The Annual Statement must be accompanied by:

- a statement of the income and expenditure of the association during its last financial year;
- a statement of the assets and liabilities of the association at the end of its last financial year (balance sheet);
- details of any mortgages, charges and securities affecting any of the property of the association at the end of its last financial year;
- in respect of each trust of which the association was trustee during the whole or part of the last financial year, particulars of:
 - the income and expenditure of the trust;
 - the assets and liabilities of the trust;
 - any mortgages, charges and securities affecting any of the property of the trust;
- details of any trust, held on behalf of the association by a person or body other than the association, in which funds or assets of the association are placed.

Extension of Time to Lodge

The Public Officer of an association may apply to the Registrar for an extension of time to lodge an annual statement by completing the form *Application for Extension of Time* and paying the prescribed fee of \$15.

Note:

It should be noted that failure to lodge an annual statement is an offence under the *Associations Incorporation Act 1981* and may result in the association, the public officer and each member of the committee being liable to a penalty of up to \$500.

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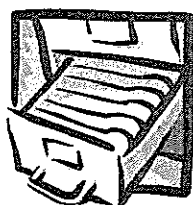
INCORPORATED ASSOCIATIONS FACT SHEET 6

ACCOUNTING AND AUDIT REQUIREMENTS FOR PRESCRIBED ASSOCIATIONS

Associations Incorporation Act 1981 Section 30B

What is a "prescribed association"?

A **"prescribed association"** is an incorporated association with gross annual revenue over \$200,000 or assets over \$500,000.



Additional Requirements

- A prescribed association must keep all accounting records of the incorporated association for a period of 7 years.
- After the end of each financial year a prescribed association must have its accounts audited by a:

registered company auditor; or
a person who is a member of CPA Australia (formerly the Australian Society of Certified Practising Accountants) or the Institute of Chartered Accountants in Australia; or
any other person who is approved by the Registrar for this purpose.

- A person may not be appointed as an auditor of the accounts of a prescribed association if the person is:
 - a member of the committee; or
 - an employer or employee of a member of the committee; or
 - a member of the same partnership as a member of the committee; or

an employee of the incorporated association.

- a prescribed association must prepare its financial statements in accordance with the **Australian Accounting Standards** specified in Schedule 1 of the *Associations Incorporation Regulations* 1998;

The applicable standards are set out below:

AAS1	Statement of Financial Performance	October 1999
AAS4	Depreciation	August 1997
AAS5	Materiality	September 1995
AAS6	Accounting Policies	March 1999
AAS8	Events Occurring After Reporting Date	October 1997
AAS15	Revenue	June 1998
AAS17	Leases	October 1998
AAS28	Statement of Cash Flows	October 1997
AAS36	Statement of Financial Position	October 1999
AAS38	Revaluation of Non-Current Assets	December 1999

- The annual statement lodged with the Registrar must include a cash flows statement and a copy of the auditor's

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INCORPORATED ASSOCIATIONS FACT SHEET 7

THE PUBLIC OFFICER

Associations Incorporation Act 1981 Section 13, 13A(2), 16(4), 22(3), 28, 30(4), 33A(6)

The Public Officer is the association's main point of contact with Consumer and Business Affairs Victoria. A Public Officer must be at least 18 years old and reside in the State of Victoria.

Unless the rules otherwise provide, a Public Officer may hold any other office in the incorporated association. Upon vacating the position, the Public Officer should pass on all information held on behalf of the association to their successor.



The responsibilities of the Public Officer

1. Notify the Registrar of appointment as Public Officer or a change of the Public Officer's address within 14 days of the change by lodging a *Change of Association Details* form. No fee is required. [Section 28]
2. Notify the Registrar of a change of the association's registered address within 14 days of the change by lodging a *Change of Association Details* form. No fee is required. [Section 13A(2)]
3. Within one month **after** the annual general meeting, lodge with the Registrar an *Annual Statement by Public Officer* and other required financial documents with the prescribed fee of \$33. [Section 30(4)]
4. Within 14 days of the association becoming trustee of a trust, lodge with the Registrar the particulars of the trust and a copy of any relevant documents. No fee is required. [Section 16(4)]
5. Apply to the Registrar for approval to alter the statement of purposes or rules within 28 days **after** the alteration was passed by special resolution. An *Application for Alteration of Rules or Purpose* must be lodged with the prescribed fee of \$30. [Section 22(3)]
6. Apply to the Registrar for approval of a change of name within one month **after** passing a special resolution to change the association's name. An *Application for Change of Association Name* must be lodged with the prescribed fee of \$28. [Section 13]
7. Notify the Registrar of a special resolution relating to the winding up and distribution of the assets of the association within 28 days of passing the resolution. A *Notice of Special Resolution for Distribution of Assets on Voluntary Wind Up* must be lodged with the prescribed fee of \$30. [Section 33A(6)]

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INCORPORATED ASSOCIATIONS FACT SHEET 8

Associations Incorporation Act 1981

THE MANAGEMENT COMMITTEE

Section 13A, 25(1), 29A, 29B, 29C, 30(8)

The affairs of an incorporated association are managed by the committee of management, which may exercise the powers and functions of the association, subject to the Act, the regulations and the rules of the association.

The rules of an incorporated association must set out the powers of the committee of management, quorum and procedure at committee meetings, election and terms of office of committee members, and grounds on which an office of a committee member becomes vacant.

The responsibilities of the management committee

Under the *Associations Incorporation Act 1981*, committee members have certain responsibilities. A breach of these responsibilities may constitute an offence under the Act, to which a penalty is attached. The statutory responsibilities of committee members include:

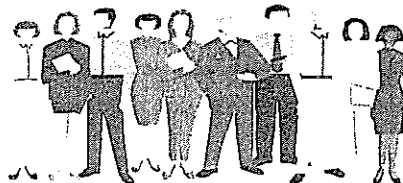
1. Ensure the Registrar is notified of a change of the incorporated association's registered address within 14 days of the change by lodging a *Change of Association Details* form. [Section 13A]
2. If the position of Public Officer becomes vacant, appoint a new Public Officer within 14 days. [Section 25(1)]
3. Ensure an annual general meeting is held within **5 months** after the end of the association's financial year and submit a financial statement to members at the meeting. [Section 30(2A) 30(3) 30(8)]
4. Ensure an *Annual Statement by Public Officer* is lodged with the Registrar within **one month** after the annual general meeting. [Section 30(4) 30(8)]

The Act provides that committee members must not make improper use of their position to obtain a pecuniary benefit:

- A member or former member of the committee must not knowingly or recklessly make improper use of their position in the incorporated association or information acquired by virtue of their position so as to gain, directly or indirectly, any financial benefit or material advantage for themselves or any other person, or so as to cause a detriment to the association. [Section 29A]
- A member of the committee who has any direct or indirect financial interest in a contract, or proposed contract, with the incorporated association must disclose the nature and extent of their interest to the committee. Their interest must be recorded in the financial statements submitted to the association's members at the next annual general meeting. [Section 29B]
- A member of the committee who has a direct or indirect pecuniary interest in a contract must not take part in any decision of the committee with respect to that contract [Section 29C].

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INCORPORATED ASSOCIATIONS FACT SHEET 9

SPECIAL RESOLUTIONS

Associations Incorporation Act 1981 Section 29



either in person or by proxy (if proxies are allowed);

- any additional requirements of the rules of the incorporated association relating to the passing of a special resolution have been met;
- the chairperson declares the resolution has been carried, unless a poll is demanded.

When is a special resolution required?

A special resolution must be passed when an incorporated association decides to:

- change its name;
- change its rules;
- change its statement of purposes;
- amalgamate with one or more incorporated associations;
- wind up.

Passing a special resolution

A special resolution is passed at a meeting if:

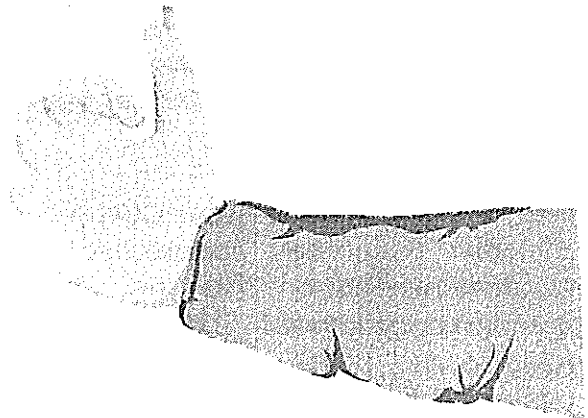
- at least 21 days notice has been given (in accordance with the rules) to all members entitled to vote, specifying the intention to propose the resolution as a special resolution at that meeting;
- at least three quarters of the members at the meeting who are entitled to vote, vote in favour of the resolution

Upon passing a special resolution, incorporated associations are required to notify the Registrar by completing and lodging the relevant form.

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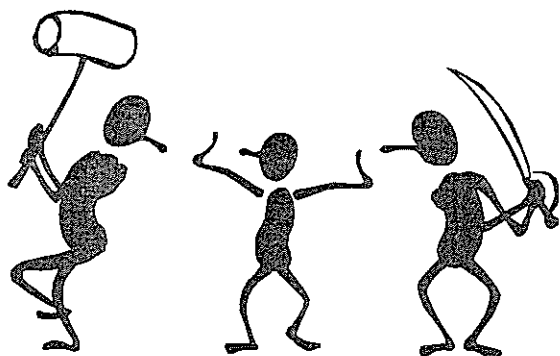
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INCORPORATED ASSOCIATIONS FACT SHEET 10

DISPUTE RESOLUTION

Associations Incorporation Act 1981 Section 14A, 14B



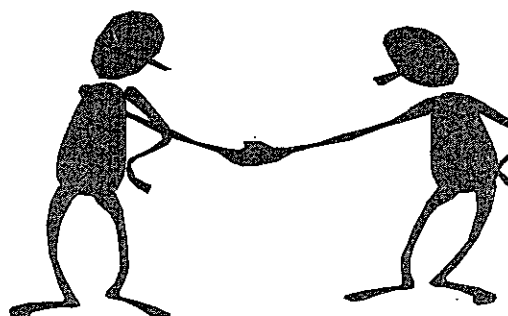
The rules of an incorporated association constitute the terms of a contract between the association and its members. A breach of the rules is a civil matter to be resolved by the parties. Consumer and Business Affairs Victoria does not generally intervene in disputes under the rules.

Dispute resolution options

There are several options available to assist in resolving disputes between an association and any of its members or between a member and another member.

- A dispute may be addressed through the application of the grievance procedure that must be contained in an association's rules. If an incorporated association has not provided for a grievance procedure in its rules, then the procedure set out in the Model Rules applies.
- The Dispute Settlement Centre of Victoria may be approached to conduct mediation. This free service is located on Level 3, 235 Queen St, Melbourne 3000, and can be contacted on (03) 9603 8370 or free call 1800 658 528.

- In associations which operate under the Model Rules, members may request the management committee call a special general meeting to consider any issues or resolutions they wish to put to the meeting. The management committee must call a special general meeting on the written request of members representing at least 5% of the total membership of the association.
- If all efforts to settle the dispute have failed, an application may be made to the Magistrates Court under Section 14A of the Act. The Court may make an order giving directions for the performance and observance of the rules of the incorporated association or to enforce the rights or obligations of the incorporated association and members.



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