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NOLAN WELCOMES GREAT NEWS FOR COMMUNITY ORGANISATIONS

The Member for Ipswich Rachel Nolan today welcomed advice that small and medium sized community organisations across Queensland will soon be relieved from the burden of providing fully audited annual financial reports and taking out mandatory public liability insurance, thanks to changes introduced by the Beattie Government.

“Incorporated Associations do some of the most important work in our community and by reducing the red tape, these changes will make life a lot easier for them,” Ms Nolan said.

“Shortly, organisations with income and assets below \$100,000 will be relieved from some of their obligation to produce audited accounts.”

Currently, every incorporated association in Queensland must annually lodge an audited financial statement to the Office of Fair Trading. The audit can cost several hundred dollars and is particularly onerous for very small associations or associations in isolated areas.

However, the Beattie Cabinet has authorised the preparation of amendments to that legislation allowing:

- associations with both gross income and current assets of \$20,000 or less to simply certify the accuracy of their accounts lodged with the Office of Fair Trading; and
- associations with income or assets between \$20,001 and \$100,000 will have to lodge accounts which are simply certified by any accountant to be kept according to good accounting practise. That is a much less onerous process than a full audit.

“At the end of June, thousands of community associations will begin preparing their audited accounts for the last time,” Ms Nolan said.

“By reducing the financial burden of an annual audit, smaller associations that have previously struggled to meet the requirements can now focus more on the association’s core objectives.

In addition to these auditing changes, the Beattie Cabinet has also approved an amendment to relieve associations from the requirement that they must insure against public liability claims irrespective of their level of risk.

“When these changes come into effect, incorporated associations will be able to make a choice about whether they need public liability insurance, and what level of insurance they need. For those that do not require insurance, because they do not pose any risk at all to the public, they will be able to avoid expensive insurance

costs.” Ms Nolan said.

“Indeed, an association with a very low risk of causing public injury, such as a stamp collecting club or residents association with no property and which does not involve physical activity, may decide that public liability insurance is unnecessary,” she said.

The auditing and insurance relief amendments are expected to be introduced into the Parliament during the second half of 2006.

For further information on the current requirements for incorporated associations grab a free copy of the *Incorporated Associations Good Business Guide* by contacting the Office of Fair Trading on 13 13 04 or visit www.fairtrading.qld.gov.au.