



Affiliate Clubs Information

The Arabian Horse Society of Australia Ltd

An incorporated association is a club or group, operating not-for-profit, whose members have decided to give their organisation a formal legal structure. You can recognise an incorporated association by the word 'Incorporated' or the abbreviation 'Inc.' after its name.

When a club or group incorporates, it becomes a legal entity that stays the same even if its members change. It can enter into contracts in its own name; for example, to borrow money or buy equipment. This protects the individual members of the association from legal liabilities.

There are some restrictions to the way in which clubs or groups may operate once incorporated, such as:

- Any changes to the constitution can only be made in accordance with the existing constitution and the Associations Incorporation Reform Act 2012 (the Act).
- The Associations Incorporation Reform Act 2012 (the Act) governs the winding up or dissolution of a club. The club's constitution must include a dissolution that complies with the requirements of the Act. To wind up a club that has not been operative for more than twelve (12) months or has less than six (6) members or has insufficient members to comply with its own dissolution clause, the commissioner can be requested to dissolve the club.

A committee (sometimes referred to as the 'management committee' or 'board') is generally appointed to manage the affairs of the club, rather than leaving the responsibility with individual members. The committee has legal duties under the Associations Incorporation Reform Act 2012 (the Act).

ROLE OF OFFICE BEARERS

An office bearer of an incorporated association refers to:

- a committee member
- the secretary
- a person, including an association employee, who takes part in making decisions that affect all or a large part of the association's operations (generally, this will only be senior employees, for example, where an association has a chief executive officer or chief financial officer)
- a person involved in the association's management, who can significantly affect the association's financial standing
- a person whose instructions or wishes the committee is used to following; this does not include a person giving professional advice.

Office bearers have certain legal duties. For example; An office bearer must:

- carry out their duties with care and diligence;
- carry out their duties in good faith in the best interests of the association, and for a proper purpose (not, for example, their own profit);
- not use information acquired through their position for personal advantage, the advantage of others, or to the detriment of the association.



PROTECTION FOR OFFICE BEARERS

Your association must indemnify its office bearers from liability for activities they undertake on behalf of the association in good faith.

This will protect these individuals (although not where they have deliberately broken the law).

For example, if an office bearer is sued for something they have done on behalf of the association and must pay damages, the association must indemnify the office bearer. That is, the association will be responsible for paying damages.

If the office bearer is sued, the club may pay the damages but subsequently take action against the office bearer if they did not exercise a duty of care.

COMPLIANCE

Clubs must comply with their usual and specific legal obligations, including:

- Income Tax
- Goods and Services Tax

