

## SOME COMMENTS TO ACCOMPANY MICHAEL CONNOLLY'S PRESENTATION

### QUEENSLAND COUNCIL OF GARDEN CLUBS

#### PRESIDENTS' DAY 2024

Michael Connolly is a management consultant from CPR GROUP. His address was wide ranging covering topics from volunteering to changes in law and reporting affecting not for profit organisations.

The following comments seek to elaborate on some aspects of the slide presentation he gave.

(1) He listed 7 reasons people volunteer their time and skills to not for profit organisations. The more that management can understand and tap into these reasons for individuals the stronger the organisation will be.

Organisations can become less effective if those in management positions undertake too many of the tasks required rather than finding the right person for the job and delegating responsibility (with appropriate oversight) to them. In this way more people come to have a stake in the success of the group. That is the fundamental message he is trying to pass on when he says "Get out of the canteen". If a small group or an individual does everything then others may feel excluded. They don't develop the skills or confidence to lead which can have serious consequences when it comes time to find new leadership. Again if tasks can be split and delegated it helps remove the impression that some members may have that the jobs of secretary etc are huge and demanding. If this is the impression given fewer people will be willing to step up which can result in the failure of the organisation.

(2) Incorporated associations are subject to the 1981 Act and 1999 Regulations. These are reflected in the Model Rules published by the Office of Fair Trading. Club management needs to be aware of these rules and the obligations they impose. It is unwise to rely on the advice of "bush lawyers" – people who like to talk and profess to be experts and whose opinions, often loudly and strongly voiced, may dominate discussion while not necessarily being correct.

There have been several changes in law which may affect the operation of clubs and which should be incorporated into their constitutions and rules. A new set of model rules should become available in July which will include these changes. At that time clubs may:

- Do nothing
- Adopt the new model rules in their entirety
- Amend the model rules as seen fit
- Get an outside organisation to prepare a new constitution

If you decide to do nothing and leave your current constitution in place you should be aware that should an issue arise the OFT model rules will override provisions in your constitution that are in conflict with the model rules.

The slides outline aspects that have changed:

- General meetings can be conducted using electronic technology (we often did this during covid lockdowns anyway)
- There is no need to use a common seal
- The secretary must be at least 18 years old
- People on the management committee must disclose personal interests, exercise care and diligence, act in good faith, not use their position for personal benefit and prevent insolvent trading.

- Remuneration and benefits paid to committee members etc must be disclosed at the AGM (this would include gratuities and honorariums but not incidentals such as free entry to functions where the person concerned is carrying out an official function)

(3) Organisations are no longer classified as Level 1,2, or3. They are now large, medium or small. Small organisations with assets less than \$300000 and income less than \$150000 are NOT required to be audited. They still need to report their balance sheets and profit & loss to the OFT accompanied by a statement from the committee to the effect that the committee is satisfied that the documents present a true picture of the financial status of the organisation.

(4) Michael also touched briefly on the possibility that some changes in Australian Tax Office reporting requirements could potentially affect some not for profit organisations. There registered charities that are tax exempt as well as some large organisations that have formal tax exempt status. Garden clubs and a myriad of other organisations fall somewhere in the middle and it is unclear whether or not these groups will be affected by mooted changes in tax reporting requirements. QCGC will attempt to obtain some clarification on this matter from the Tax Office. It is most likely, however, that any response will be somewhat vague until a specific matter has been considered and a ruling issued. **Please don't panic about this as there is nothing that has changed at the moment. You will be kept informed of any new information that comes to hand.**