Attorney-General Dr Peter Toyne today introduced amendments to Parliament designed to modernise current law and provide increased protection and accountability mechanisms for incorporated associations.

Dr Toyne said the reform was well overdue, highlighted by the number of clubs and associations that have folded in recent times due to financial difficulties.

"The Government has recognised the need to modernise current law in this area that has proven to be outdated, something highlighted as far back as 1997 but not acted upon by the CLP," he said.

"Importantly, the Government is increasing the focus on education for committee members by providing information sessions about responsible management and committee member responsibilities," Dr Toyne said.

"To assist members, office bearers, accountants and auditors of associations understand their obligations under the new legislation the Commissioner for Consumer Affairs will provide information and training sessions."

Dr Toyne said the apparent current lack of governance and accountability of some associations, which has concerned Government, will be addressed in these reforms.

"The changes being introduced aim to protect club members and the community by toughening rules and penalties for larger associations with high turnover and, at the same time, easing the reporting burden on smaller, community organisations."

"It is an important and welcome reform for the 1700 incorporated associations operating around the Territory, some of those with assets and annual turnover measured in the millions of dollars," Dr Toyne said.

The amendments will:

- strengthen accounting and auditing provisions
- give strong investigation and enforcement powers to the Commissioner of Consumer Affairs
- implement modern insolvency provisions

The changes include checks and balances and tiered structures to recognise the different scale of associations so smaller bodies will not be overburdened by regulation.

For example, in the area of auditing financial records smaller associations with low turnover can be audited by a person who is not a member of the
association, whereas there will be more stringent requirements for larger associations with significant turnovers.

Further, the amendments will permit the Commissioner of Consumer Affairs to appoint an administrator to conduct the affairs of an association if:

- the number of members falls below five
- if the incorporation was obtained by fraud
- if the association exists for an illegal purpose
- if the association has wilfully contravened the Act or their own constitution, or
- if following an investigation it is deemed necessary in the interests of creditors or the public.

Extensive consultation was undertaken around the Territory with a number of submissions made to Government on the proposed amendments.