




Speech By
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MEMBER FOR GLASS HOUSE

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**ASSOCIATIONS INCORPORATION AND OTHER LEGISLATION AMENDMENT
BILL**

CO-OPERATIVES NATIONAL LAW BILL

 **Mr POWELL** (Glass House—LNP) (12.48 pm): I rise to address the cognate debate on the Co-operatives National Law Bill 2020 and the Associations Incorporation and Other Legislation Amendment Bill. I want to start with the Co-operatives National Law Bill because, as was picked up by the shadow Attorney-General, the electorate of Glass House is basically the home of cooperatives in the state of Queensland and indeed has an international reputation. Many of the individuals who were instrumental in setting up cooperatives in the Glass House electorate went on to international fame and often were doing a lot of work in establishing cooperatives around the world.

At the outset I want to acknowledge a good friend of mind, Jill Jordan, who sadly passed away a number of years ago. Jill and I would be the first to admit that we come from different sides of the political perspective, but we did a lot of work in a previous career of mine around community and establishing community. It was Jill who was instrumental in setting up the Maleny Credit Union under a cooperative model at the time and many others in the area, including the Maple Street Co-op—one of the great grocery stores in the middle of Maleny.

We have plenty of others. We have land share type cooperatives such as Crystal Waters Community Cooperative and, as was mentioned, a number of hardware and agricultural supply cooperatives like Coochin Creek Fruit Growers' Cooperative, the Elimbah Fruitgrowers' Cooperative managed by Lionel Sach and the famous Wamuran Cooperative as well—my good mate Howard Walters, the de facto mayor of Wamuran, runs that cooperative. They do a fantastic job servicing the residential community of Wamuran but also the broader agricultural producers in the area with everything they need to get those strawberries, pineapples and the other fruit and veges we grow in our part of the world to market. I acknowledge each of those cooperatives.

The good news for those cooperatives is that this legislation will modernise and improve the regulatory framework in which they operate. Importantly, it will reduce the regulatory burden around financial reporting. The Coochin Creek Fruit Growers Cooperative put in a submission on the bill. They said that the existing financial reporting regulations are onerous on a small cooperative such as theirs. This bill removes the requirement to submit an audit or financial report to the registrar if a cooperative is considered a small cooperative. To be a small cooperative it needs to comply with two out of the following three: have consolidated revenues of less than \$8 million, assets less than \$4 million or fewer than 30 employees. If a cooperative fits within that definition there is a huge reduction in financial reporting requirements, which is great.

This bill also brings in a new fundraising opportunity through the offer of cooperative capital units to members and non-members. I think this is exciting. We have seen it in operation in New South Wales since 1992. It gives the potential for external sources to provide funding to cooperatives to help them grow, expand and continue their operation. It is fantastic to see this positive red-tape-reduction work in this bill as it pertains to cooperatives. I and the LNP will be supporting it.

I am concerned that it is the opposite approach being taken within the Associations Incorporation and Other Legislation Amendment Bill. Before I continue, like others I do need to declare that I am a member of a number of incorporated associations, as is my wife. I am also patron of a number as well. The shadow Attorney-General used the phrase 'this bill is a missed opportunity'. It really is. At a time when we should be looking for ways to reduce the regulatory burden on our largely volunteer associations, we appear to be making it harder and more onerous for them.

Does the government know what is going on in volunteer land at the moment? Let me give members one example. My wife serves on the executive of the local soccer club. Football of any code has been incredibly hard hit by COVID. We had only pretty much started the season, teams were starting to train, when COVID hit and everything was rightly shut down. No-one is disputing that. The repercussions on an executive of a small volunteer based association like a football club is that a number of members lost their jobs, a number of members had serious health concerns, a number of members had to put aside their support of the club to focus on teaching their kids while their kids were not at school. It meant that keeping that club afloat during COVID became the responsibility of a couple of individuals.

As we have come through the worst of the health situation and into the economic crisis that is starting to arise through restrictions, some coaches and managers are wanting to get on the field sooner than the restrictions allow, while others do not want to have a bar of it. Teams are all over the shop. The rules are changing on a daily basis. We are relying on volunteers to step up and implement COVID-safe plans as well as continue to meet their obligations under the Associations Incorporation Act. It has put an extraordinary level of strain and stress on individuals such as my wife and others on that executive.

Shaun De Courcy at the Beegees—the Beerwah-Glass House United Football Club, the mighty Stanley River Wolves, who won the Sunshine Coast A division rugby league competition last year—and volunteers at all the sporting and community associations around the electorate of Glass House are really struggling with their responsibilities under the Associations Incorporation Act. It pains me to read that we are increasing the regulatory burden on these people. As was mentioned by others, we will be opposing clause 31 because it does create onerous corporate director style duties on officers. The bill imposes many new compliance obligations on an association's management committee, some of which are quite onerous for organisations which are typically led and run by those volunteers I mentioned.

We agree with the view of the Queensland Law Society that the amendments shift the position of an incorporated association firmly out of the middle ground into the corporate regime and, in fact, have some more onerous regulatory features. It is not coupled with safe harbour defences available to directors of corporations. These are organisations largely run by volunteers yet we are treating them more harshly than corporates.

We are also concerned about the onerous reporting obligations under the bill. As the shadow Attorney-General mentioned, it seems that because of a small number of very large corporations all incorporated associations will be penalised by these new regulations. The Queensland Law Society were arguing that the Office of Fair Trading be given the power to move large organisations away from incorporated associations to a company limited by guarantee structure. That would seem like a far more appropriate solution to what we are facing. There is so much burden already on these associations. We should not be adding more and certainly not in an environment where many of them are struggling to continue because of COVID.

I believe this is an opportunity lost. I hope that an incoming LNP government actually picks this up and runs with it, that we do a lot more work at trying to find ways to reduce the regulatory burden on our incorporated associations, that we find ways to encourage people back into volunteering in their local clubs and their local community organisations, not trying to push them away because of the hurdles that they have to overcome. I think our communities are what they are because people step up and take on these roles. The fabric of our communities is changing because people do not want to do that anymore because they are fearful of those responsibilities. We will do a lot as a government, as a parliament, if we can come up with solutions that empower people to be part of these associations, whether it be sporting, community, financial or what have you, and get them back on those executives, powering those organisations within our communities.