

New regulations governing incorporated associations in Victoria

New regulations took effect on 18 November 2023, covering model rules, fees, penalties, and financial reporting tier thresholds. This follows a public consultation on Engage Victoria, which closed on 15 September 2023.

Updated model rules

Registered incorporated associations using model rules will automatically be governed by [new model rules](#) from **18 November 2023**.

Associations should review and circulate the new rules to members to ensure that everyone knows their rights and obligations.

If your incorporated association has drafted its own rules, changes to the model rules will not apply to your incorporated association's rules.

Key changes to the model rules include:

- Updated language to support the flexible use of technology. This includes using online membership applications (Rule 9), recording email addresses in

the register of members (Rule 18), and online attendance at general and committee meetings (Rules 35 and 62).

- New processes for disciplinary appeals where members have been suspended or expelled by a disciplinary subcommittee. A member now has 7 days to lodge an appeal with the secretary of the association, and the appeal must be heard by an appeal subcommittee made up of at least 3 unbiased persons who were not members of the disciplinary subcommittee that decided to suspend or expel that person (Rule 23).
- Changes to grievance procedures regarding mediation. In disputes between a member and the committee or association where the parties cannot agree on a mediator, any registered mediator can be appointed. This may include a registered mediator appointed or employed by the Dispute Settlement Centre of Victoria or accredited by the Victorian Bar (Rule 27). The rules also provide that any costs of mediation are to be paid by agreement between the parties, or where there is no such agreement, by the committee (Rule 28).
- Stronger disclosure requirements for a conflict of interest. Committee members that have a material personal interest in a matter being considered must disclose their position, as well as the nature and extent of their interest, to the committee. The committee must also maintain a conflict of interest

register that records any material personal interest declared by a member, as well as a management plan documenting actions required to mitigate the conflict (Rule 65).

Changes to revenue thresholds for financial reporting tiers

From 1 July 2024, the tiers and revenue thresholds for financial reporting will be revised to align with the Australian Charities and Not-for-profits Commission's financial reporting thresholds for small, medium and large charities. Where an association's financial year ends on or after 1 July 2024, their tier will be determined by the new revenue thresholds.

The new tier thresholds are:

- Tier One: total revenue less than \$500,000
- Tier Two: total revenue between \$500,000 and \$3 million
- Tier Three: total revenue more than \$3 million

Associations will need to review the [financial reporting requirements](#) to ensure that they understand their obligations and when these will come into effect. For example:

- An association's financial year ends on 30 June 2024 and the total revenue for its financial year is \$400,000. They will be a Tier Two association for

that financial year and will need to lodge financial statements prepared in accordance with Australian Accounting Standards with Consumer Affairs Victoria.

- An association's financial year ends on 30 September 2024, and the total revenue for its financial year is \$400,000. They will be a Tier One association for that financial year and will not need to lodge financial statements prepared in accordance with Australian Accounting Standards with Consumer Affairs Victoria (unless there is a requirement under their rules to do so).

Additional changes

The new Regulations also introduce the following changes affecting incorporated associations from 18 November 2023:

- Raising the asset ceiling for [voluntary cancellation](#) of an incorporation association from \$10,000 to \$50,000. This makes it easier for associations to stop operating without having to enter the voluntary wind-up process and appoint a liquidator.
- Making changes to promote equitable fees. For example, application fees will increase, while annual statement fees will be reduced. See more information about [fees and forms for incorporated associations](#).

For more information about the new Regulations, view [Incorporated associations](#). Download the [Associations Incorporation Reform Regulations 2023](#) on the Victorian Legislation website.