



New South Wales Government
Department of Commerce
Office of Fair Trading



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Management committee

This page provides general information on management committees of associations incorporated under the Associations legislation. References to the Act refer to this legislation, which is administered by the Office of Fair Trading.

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What does the management committee do?

The affairs of an incorporated association are normally managed by a committee. The committee may exercise the powers and functions of the association, subject to the Associations Incorporation Act 1984, the Associations Incorporation Regulation 1999 and the rules of the association.

The rules of an incorporated association must set out the name, constitution, membership and powers of the committee or other body having the management of the incorporated association. The rules of the association must also set out provisions regarding:

- the election or appointment of members of the committee
- the terms of office of members of the committee
- the grounds on which, or reasons for which the office of a member of the committee shall become vacant
- the filling of casual vacancies occurring on the committee
- the quorum and procedure at meetings of the committee.

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How many committee members are required and can a committee member hold more than one position?

The rules of the association will determine the membership of the management committee. If the incorporated association has adopted the model rules, the management committee will consist of the president, the vice president, the treasurer, the secretary plus three ordinary members.

As currently drafted, the model rules do not allow for a committee member to hold more than one position on the committee. However, the rules of an association may allow for a committee member to hold more than one position.

Unless the rules of an association provide otherwise, a committee member may also hold the position of public officer.

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Who can be a member of the management committee?

The association's legislation does not set out specific qualifications for persons who can become a committee member. Under the model rules, any member can be elected as a committee member, provided he or she is not a bankrupt or mentally incapacitated.

An association's rules may also set out additional qualifications for membership of the committee.

There is no prohibition in the legislation on an employee being a member of a committee. However, the rules of many associations restrict the number of employees who may be on the committee. In addition, an association that holds a fundraising authority under the *Charitable Fundraising Act 1991* should contact the Office of Charities if they wish to enable employees to serve on the committee.

The association's legislation does not prohibit persons under the age of 18 (minors) becoming a member of the management committee. However, care should be taken in this regard as questions about the legal capacity of minors can be complex. An association that wishes to allow persons under the age of 18 years of age to be members of the committee should obtain its own legal advice in relation to this issue.

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Can a member of the management committee be

paid?

There is no prohibition in the legislation on the payment of committee members, provided that the payment is a bona fide payment of remuneration. However, if it is intended that committee members be paid, it is advisable to provide for this in the rules of the association, to avoid potential disputes regarding this issue.

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Can a member of the management committee be resident outside New South Wales?

The Act expressly requires that the public officer be a resident of NSW. There is no express requirement that members of the management committee be resident in NSW or Australia. However, the legislation is designed as a means of incorporation for bodies in NSW. Hence it is appropriate that all, or at least a majority, of the committee members reside within NSW.

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How do casual vacancies of the committee occur?

The rules of an association are required to set out the circumstances in which a casual vacancy may occur. Model rule 18 provides a casual vacancy on the management committee will occur if the committee member:

- dies or
- ceases to be a member of the association or
- becomes a bankrupt or
- resigns office by notice in writing given to the secretary or
- is removed from office by resolution of the members in a general meeting or
- becomes mentally incapacitated or
- is absent without the consent of the committee from all meetings of the committee held during a period of 6 months.

It follows that where the model rules apply, a person who is not a member of the association or who is a bankrupt or mentally incapacitated cannot be a committee member.

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How are casual vacancies of the committee filled?

The rules of the association will determine how a casual vacancy of the committee is to be filled. If the rules of an incorporated association do not deal with this issue, the relevant provisions of the model rules will apply. Model rule 14(4) provides that the committee may appoint a member of the association to fill a casual vacancy. The appointed member holds office until the conclusion of the next annual general meeting following the date of his or her appointment.

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Do we need a record of committee members?

An incorporated association must keep a register of the members of the committee (Note: this information is **not** held by the Registry). The register must be kept at the residential address of the public officer and must be made available for inspection by any person, free of charge, at all reasonable hours. The register must include the following particulars:

- the name and residential address of each person who is a member of the committee
- the date on which the person became a member of the committee and the date on which they ceased to be a member
- the names of any members of the committee who hold the positions (if any) of president, vice-president, secretary or treasurer of the committee
- the date on which any such member was elected to such position and
- the date on which any such member ceased to hold such a position.

The register must be updated within one month of any change being notified to the public officer. It is an offence to fail to keep and maintain a register of members of the committee or to fail to permit a person to inspect the register as required by the Act.

The register of committee members must be kept by the last public officer of the association for a period of at least two years after the association ceases to exist: section 21A(5).

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What are the responsibilities of the committee members?

The committee is normally responsible for managing the affairs of an association in accordance with the legislation. The rules of the association may set out additional obligations and specific restrictions on the power of the committee. As a result, each member of the committee should be familiar with the association's rules and statutory obligations of the association. The statutory obligations include:

- ensuring that the association's full name appears in legible characters on all official documents including business letters, invoices, accounts, official notices, publications, cheques and receipts. Section 12(4) sets out the list of documents upon which the full name of the association must appear
- ensuring that the association does not act contrary to its objects and does not exercise any power contrary to a prohibition or restriction in its rules (section 18)

- notifying the Commissioner if the position of public officer becomes vacant and appointing a new public officer within 14 days (section 23)
- ensuring that an annual general meeting is held in each calendar year within 6 months after the end of the association's financial year and that a statement regarding the accounts of the association is submitted to the members at that meeting (section 26)
- ensuring that two committee members, who are authorised by a resolution of the committee to do so, certify that the annual statement has been submitted to the members and ensuring that the public officer lodges the annual statement with the Registry within one month after the annual general meeting (section 27)
- ensuring proper accounting records are kept which correctly record and explain the transactions of the association and its financial position (section 28),
- ensuring that minutes of all committee and general meetings are kept (section 28)
- ensuring that the association does not incur debts if there are reasonable grounds to expect that the association will not be able to pay all its debts as and when they fall due (section 38)
- ensuring that the association does not do any act with intent to defraud creditors or any other person (section 38)
- ensuring that any documents addressed to the association are brought to the attention of the committee as soon as practicable after receipt (section 63) and
- ensuring that documents provided to the Commissioner for Fair Trading or submitted to a meeting of members do not contain false or misleading statements and that such documents do not omit any matter that has the effect of making the document misleading (section 68).

In addition, members of the committee should:

- be aware of the duties of the public officer and ensure they are properly carried out
- use reasonable care and skill in the performance of their duties
- act in good faith
- advise the committee of any conflict that may arise between their own interests and the interests of the association.

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Further information

Additional information sheets are available from this website or by contacting the Registry of Co-operatives and Associations on 02 6333 1400 or 1800 502 042.

The Council of Social Service of NSW (NCOSS) website has a series of information sheets concerning management and governance that may assist incorporated associations.

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Related information:

- [Associations legislation](#)
- [Office of Charities](#)
- [Council of Social Service of NSW](#)