

## Comparison - companies limited by guarantee and incorporated associations

Note:

1. This table sets out the position in Queensland.
2. This table assumes the entity is not registered with the Australian Charities and Not-for-Profits Commission as a charity and does not consider other registrations or endorsements the entity may have, such as tax and fundraising.

|              | <i>Company limited by guarantee</i>                                                                                            | <i>Incorporated association (Qld)</i>                                                                                                                           |
|--------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Status       | Legal body at law                                                                                                              | Legal body at law                                                                                                                                               |
| Members      | At least one                                                                                                                   | At least seven                                                                                                                                                  |
| Governance   | Constitution<br><br>Director/secretary – minimum three directors and one secretary<br><br>The secretary can also be a director | Rules<br><br>Committee – minimum three committee members – including a president, treasurer and a secretary<br><br>The secretary can also be a committee member |
| Office       | Registered office and must be open to the public                                                                               | Principal place of administration                                                                                                                               |
| Perpetuity   | Perpetual succession                                                                                                           | Perpetual succession                                                                                                                                            |
| Liability    | Members of the company are only liable for any amount of money they guarantee to contribute upon winding up of the company     | Members' liability is generally limited to outstanding subscriptions and other charges                                                                          |
| Property     | The company itself can own property                                                                                            | The association itself can own property                                                                                                                         |
| Legal rights | The company can sue and be sued                                                                                                | The association can sue and be sued                                                                                                                             |
| Costs        | Costs associated with incorporation and annual fees                                                                            | Costs associated with establishment and annual fees                                                                                                             |

|                    | <i>Company limited by guarantee</i>                                                                                                                                                                                                                                                                                                                                                                   | <i>Incorporated association (Qld)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Reporting          | <p>All records of meetings and resolutions must be kept</p> <p>Lodge notice of any changes to the company with ASIC within specified timeframes under the <i>Corporations Act 2001</i></p> <p>A company auditor must be appointed within one month of the company's registration and the company must be audited unless a 'small company limited by guarantee' under the <i>Corporations Act</i>.</p> | <p>All records of meetings and resolutions must be kept.</p> <p>Provide the Office of Fair Trading (OFT) with information of any changes to the committee membership.</p> <p>OFT to approve amendments to Rules before amendments are effective.</p> <p>Incorporated associations not on the Australian Charities and Not-for-profits Commission (ACNC) charities register are required to provide the OFT with completed yearly audited reports (if an audit is required).</p> <p>Incorporated associations registered as a charity with ACNC will only need to comply with the ACNC reporting requirement and not be required to lodge an annual summary of financial affairs with the OFT or pay the annual lodgement fee.</p> |
| Incorporation fees | Currently \$524                                                                                                                                                                                                                                                                                                                                                                                       | Currently \$190.20                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Annual fees        | Currently \$1,591                                                                                                                                                                                                                                                                                                                                                                                     | Currently \$66.40                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

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