



## NORTHERN TERRITORY OF AUSTRALIA

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No. 75 of 1981

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### AN ACT

To amend the Associations Incorporation Act

[Assented to 21 September 1981]

**B**E it enacted by the Legislative Assembly of the Northern Territory of Australia, with the assent as provided by the *Northern Territory (Self-Government) Act 1978* of the Commonwealth, as follows:

#### 1. SHORT TITLE

This Act may be cited as the Associations Incorporation Amendment Act 1981.

#### 2. PRINCIPAL ACT

The Associations Incorporation Act is in this Act referred to as the Principal Act.

#### 3. NEW SECTION

The Principal Act is amended by inserting after section 22A the following:

##### "22B. TRANSFER OF PROPERTY

"(1) An incorporated association may, by resolution passed in accordance with the rules of the association, determine to transfer all its real and personal property, other than prescribed property, to any other body, whether corporate or unincorporate, formed for promoting objects similar to its own or charitable objects or to a council or community government council within the meaning of the Local Government Act or other governing authority constituted pursuant to any Act, for the area within which the property is situate.

"(2) Within 14 days of the passing of a resolution mentioned in sub-section (1), the incorporated association shall file a copy thereof with the Registrar and shall give notice in one daily newspaper published in the Territory and in the Gazette of its intention so to transfer all its property.

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"(3) A member of an association, not being a member who voted in favour of the resolution, or any creditor of the association may, within 28 days of publication of the resolution under sub-section (2), apply to the Supreme Court for an order prohibiting the association from transferring its property, and the Supreme Court shall have full power and authority to determine the matters in question, but the only ground on which a creditor may apply for an order shall be that his debt has not been paid.

"(4) An association shall not transfer its property until the expiration of 28 days after the publication of the last notice which it has given, nor, where an application to the Supreme Court has been made under sub-section (3), until the Supreme Court so orders but, notwithstanding the foregoing provisions of this sub-section, nothing in this sub-section shall affect the title of any bona fide transferee under any transfer of any such property.

"(5) When an association has completed the transfer of all its property the public officer thereof shall immediately file notice thereof with the Registrar and, on the expiration of 3 months after the filing of such notice, the association shall be deemed to be dissolved.

"(6) Nothing contained in this section shall be deemed to prevent an association making gifts which do not constitute the whole or the greater part of the property of the association."

4. AUDIT AND BALANCE SHEET

Section 25(1) of the Principal Act is amended by omitting paragraph (a) and substituting the following:

"(a) cause the financial affairs of the association to be audited by a person who either -

(i) is a member of the association other than the public officer of that association and who has been approved for that purpose by the Registrar; or

(ii) is not a member of the association; and"

5. NEW PART

The Principal Act is amended by inserting after section 25AS the following:

"PART IIIA - INVESTIGATION AND JUDICIAL  
MANAGEMENT OF ASSOCIATIONS

"25AT. INTERPRETATION

"In this Part, unless the contrary intention appears -

'association' includes both an incorporated association and an incorporated trading association;

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'Court' means the Supreme Court;

'judicial manager', in relation to an association, means the judicial manager appointed under section 25AY(2) to manage the affairs of that association.

### "25AU. INVESTIGATION OF ASSOCIATION'S AFFAIRS

"(1) Where the Minister or the Registrar has in his possession any information that he considers calls for an investigation under this section into the affairs of an association, he may serve on the public officer of the association a notice in writing calling upon the association to show cause within such period, being not less than 6 weeks, as is specified in the notice, why the conduct of the affairs of the association should not, on the ground specified in the notice, be investigated.

"(2) If an association fails, within the period specified in a notice under sub-section (1), to show cause -

- (a) to the satisfaction of the Minister, where the notice was served by the Minister; or
- (b) to the satisfaction of the Registrar, where the notice was served by the Registrar,

the Minister may cause the Registrar to, or the Registrar himself may, as the case may be, make the investigation referred to in the notice.

"(3) For the purposes of an investigation under sub-section (2), the Registrar may, by notice in writing given to a person whom the Registrar believes to have some knowledge of the affairs of the association, require that person to attend before him at the time and place specified in the notice and there to answer questions relating to the affairs of the association.

"(4) A person is not excused from answering a question when required to do so under sub-section (3) on the ground that the answer to the question might tend to incriminate him or make him liable to a penalty, but his answer to any such question is not admissible in evidence against him in any proceedings, other than proceedings for an offence against section 25AV(1) or (2).

### "25AV. OFFENCES

"(1) A person shall not, without reasonable excuse, refuse or fail -

- (a) to attend before the Registrar; or
- (b) to answer a question put to him by the Registrar,

when so required in pursuance of section 25AU(3).

Penalty: \$200.

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"(2) A person shall not, when appearing before the Registrar for examination in pursuance of section 25AU(3), make a statement that he knows to be false or misleading in a material particular.

Penalty: \$1,500.

"25AW. ENTRY ON PREMISES

"(1) Where the Registrar believes on reasonable grounds that it is necessary for the purposes of his investigation of the affairs of an association to enter land or premises occupied by the association, he may, at all reasonable times, enter the land or premises and may -

- (a) examine books on the land or premises that relate to the affairs of the association or that he believes, on reasonable grounds, relate to those affairs;
- (b) take possession of any of those books for such period as he thinks necessary for the purposes of the investigation; and
- (c) make copies of, or take extracts from, any of those books.

"(2) The Registrar is not entitled to refuse to permit a person to inspect books referred to in sub-section (1) that are in the possession of the Registrar under that sub-section if the person would be entitled to inspect those books if the Registrar had not taken possession of them.

"(3) A person shall not obstruct or hinder the Registrar in the exercise of his powers under this section.

Penalty: \$1,500.

"25AX. APPLICATION FOR JUDICIAL MANAGEMENT OF ASSOCIATION

"(1) Where the Registrar, having regard to the results of an investigation made by him under section 25AU into the conduct of the affairs of an association, is of the opinion that it is necessary or proper to do so, he may apply to the Court for an order that the association be placed under judicial management.

"(2) An application to the Court under sub-section (1) shall ask that, if the application is granted, the Registrar or a person included in a panel of 3 persons nominated by the Registrar for the purpose shall be appointed as the judicial manager of the association.

"(3) The association whose affairs have been investigated is entitled to be heard on any application made to the Court under this section.

"25AY. JUDICIAL MANAGEMENT

"(1) An order for the judicial management of an association on an application under section 25AX is subject to the provisions of this section and of sections 25AZ to 25AZD inclusive.

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"(2) The Court shall, in an order for the judicial management of an association, appoint as judicial manager the Registrar or one of the panel nominated by the Registrar in the application for the order.

"(3) The Court may, at any time, cancel the appointment of a person as a judicial manager and appoint in his stead any other person.

"(4) A judicial manager shall receive such remuneration, if any, as the Court directs.

"(5) The Court may direct how and by whom the remuneration, charges and expenses of the judicial manager shall be borne and may, if it thinks fit, charge that remuneration and those charges and expenses on the property of the association in such order of priority in relation to any existing charges on that property as it thinks fit.

"(6) The conduct of the affairs of an association shall, on and after a date specified in an order of the Court, vest in the judicial manager appointed by the Court and, on and after that date, no person not so appointed shall have the conduct of those affairs while the association continues to be under judicial management.

"(7) The judicial manager shall act as the public officer of the association and the person who was the public officer of the association immediately before the appointment of the judicial manager ceases to be the public officer of the association.

"(8) The Court shall issue such directions to the judicial manager as to his powers and duties as it deems desirable in the circumstances of the case, including directions as to the making of reports to the Court from time to time on the conduct of the affairs of the association.

"(9) The judicial manager shall act under the control of the Court and may apply to the Court at any time for instructions as to the manner in which he shall conduct the judicial management or in relation to any matter arising in the course of the judicial management.

"(10) The judicial manager shall give to the Minister such information as the Minister from time to time requires and shall report to the Minister whenever he intends to apply to the Court for instructions and shall, at the same time, furnish to the Minister particulars of the application.

"(11) The Minister is entitled to be heard on any application under sub-section (9) and may himself make application to the Court with reference to the conduct of the judicial management.

**"25AZ. ORDER DECLARING ALL OFFICES OF COMMITTEE VACANT**

"At any time after the making of an order on an application under section 25AX for the judicial management of an association, the Court may declare vacant all executive offices of the association and all offices of the committee of the association.

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"25AZA. INDEMNITY

"The judicial manager is not subject to any action, claim or demand by, or liable to, any person in respect of anything done, or omitted to be done, in good faith in the exercise, or in connection with the exercise, of the powers conferred on the judicial manager by this Act.

"25AZB. CANCELLATION OF CERTAIN CONTRACTS

"The Court may, either of its own motion or on the application of the judicial manager, at any time while an order for judicial management is in force with respect to an association, after hearing all persons who, in the opinion of the Court, are entitled to be heard, cancel or vary, either unconditionally or subject to such conditions as the Court thinks fit, any contract or agreement between the association and any other person, being a contract or agreement entered into before the management of the association was vested in the judicial manager.

"25AZC. ORDER FOR ELECTION OF COMMITTEE

"Before cancelling, in accordance with section 25AZD, an order for judicial management in relation to an association in respect of which a declaration has been made under section 25AZ declaring vacant all executive offices of the association and all offices of the committee of the association, the Court shall direct the Registrar to conduct an election, as specified in the direction, to fill the vacancies.

"25AZD. CANCELLATION OF ORDER FOR JUDICIAL MANAGEMENT

"(1) If, at any time, on the application of the judicial manager or of any other person interested, it appears to the Court that the purpose of the order for the judicial management of an association has been fulfilled or that for any reason it is undesirable that the order should remain in force, the Court may cancel the order and, thereupon, the judicial manager shall be divested of the conduct of the affairs of the association, which shall again vest in the committee of the association.

"(2) Section 12 applies in relation to incorporated associations and section 25R applies in relation to incorporated trading associations as if the office of public officer of the association had become vacant on the date of the cancellation of the order of judicial management of the association."

