
year to the following persons, if any, is presented to the association's annual general meeting in the way prescribed by regulation—

- (a) each member of the management committee of the association;
- (b) each senior staff member of the association;
- (c) each relative of a person mentioned in paragraph (a) or (b).

Maximum penalty for each member of the management committee—10 penalty units.

- (2) In this section—

relative, of a person, means a spouse, parent, sibling, child, grandparent or grandchild of the person.

remuneration—

- (a) includes salary, allowances and other entitlements; and
- (b) does not include reimbursement of out of pocket expenses.

senior staff member, of an incorporated association, means a person who—

- (a) makes, or participates in making, decisions that affect the whole, or a substantial part, of the activities of the association; or
- (b) has the capacity to affect significantly the association's financial standing.

Division 3 Duties of officers

70E **Duty of care and diligence**

- (1) An officer of an incorporated association must exercise the officer's powers and discharge the officer's duties with the degree of care and diligence that a reasonable person would exercise if that person—

[s 70F]

- (a) were an officer of the association in the association's circumstances; and
- (b) occupied the office held by, and had the same responsibilities within the association as, the officer.

Maximum penalty—60 penalty units.

- (2) An officer of an incorporated association who makes a business judgment is taken to meet the requirements of subsection (1), and the officer's equivalent duties at common law and in equity, in relation to the judgment if the officer—
 - (a) makes the judgment **in good faith for a proper purpose**; and
 - (b) does not have a material personal interest in the subject matter of the judgment; and
 - (c) is informed about the subject matter of the judgment to the extent the officer reasonably believes to be appropriate; and
 - (d) reasonably believes the judgment is **in the best interests of the association**.

- (3) In this section—

business judgment means any decision to take or not to take action in relation to a matter relevant to the operations of the incorporated association.

70F Duty of good faith

An officer of an incorporated association must exercise the officer's powers and discharge the officer's duties—

- (a) in good faith in the best interests of the association; and
- (b) **for a proper purpose**.

Maximum penalty—60 penalty units.

70G Use of position

An officer of an incorporated association must not improperly use the officer's position to—

- (a) gain, directly or indirectly, a pecuniary benefit or material advantage for the officer or another person; or
- (b) cause detriment to the association.

Maximum penalty—60 penalty units.

70H Use of information

A person who obtains information because the person is, or has been, an officer of an incorporated association must not improperly use the information to—

- (a) gain, directly or indirectly, a pecuniary benefit or material advantage for the person or another person; or
- (b) cause detriment to the association.

Maximum penalty—60 penalty units.

70I Duty to prevent insolvent trading

(1) A person who was a member of the management committee of an incorporated association, or took part in the management of an incorporated association, at the time the association incurred a debt commits an offence if—

- (a) the association was insolvent at the time the debt was incurred or becomes insolvent by incurring that debt, or by incurring at that time debts including that debt; and
- (b) immediately before the debt was incurred—
 - (i) there were reasonable grounds to expect that the association was insolvent; or
 - (ii) there were reasonable grounds to expect that, if the association incurred the debt, the association would become insolvent.

Maximum penalty—60 penalty units.

- (2) In any proceedings against a person under subsection (1) it is a defence if the accused proves that—
- (a) the debt was incurred without the accused's express or implied authority or consent; or
 - (b) at the time the debt was incurred, because of illness or for some other good reason, the accused did not take part in the management of the association; or
 - (c) at the time the debt was incurred, the accused had reasonable grounds to expect, and did expect, that the association was solvent at that time and would remain solvent even if it incurred that debt and any other debts that it incurred at that time.

70J Reliance on information or advice

- (1) This section applies if the reasonableness of the reliance of an officer of an incorporated association on information or advice given to the officer arises in a proceeding brought to decide whether the officer has performed a duty under this Act or an equivalent duty at common law or in equity.
- (2) Unless the contrary is proved, the officer's reliance on the information or advice is taken to be reasonable if—
- (a) the information or advice was given or prepared by—
 - (i) an employee of the association whom the officer reasonably believed to be reliable and competent in relation to the matters concerned; or
 - (ii) a professional advisor or expert in relation to the matters that the officer reasonably believed to be within that person's professional or expert competence; or
 - (iii) another officer of the association in relation to matters within the other officer's authority; or
 - (iv) a sub-committee of the association of which the officer was not a member in relation to matters within the sub-committee's authority; and

- (b) the reliance was made—
 - (i) in good faith; and
 - (ii) after making an independent assessment of the information or advice, having regard to the officer's knowledge of the association and the complexity of the structure of the association.

Part 8

Rights and obligations of members

71 Rights of members

- (1) Upon incorporation the rules of the association shall constitute the terms of a contract between the members from time to time and the incorporated association.
- (2) Where a member of an incorporated association is deprived by a decision of that association of a right conferred on the member by the rules of that association as a member thereof, the Supreme Court shall have jurisdiction to adjudicate upon the validity of that decision under the rules.
- (3) An incorporated association shall be bound by the rules of natural justice in adjudicating upon the rights of its members conferred by the rules of such association on its members.

72 Enforcement of rights and obligations

- (1) The Supreme Court may, on the application of an incorporated association, or of a member thereof, make orders, including interim orders—
 - (a) giving directions for the performance and observance of the rules of such incorporated association by any person who is under an obligation to perform or observe those rules; or
 - (b) declaring and enforcing the rights and obligations of members of such incorporated association between