

RELATIONSHIP BETWEEN BALINGUP PROGRESS ASSOCIATION AND SUB-COMMITTEES WHAT YOU NEED TO KNOW

This document explains the relationship between BPA and sub-committees - what BPA does on your behalf and what the obligations of sub-committees are.

Structure

BPA is an incorporated body. This means we are a legal entity and able to open bank accounts and apply for grants. It also means that we are required to:

- maintain, update and comply with a Constitution approved by DEMIRS,
- complete annual returns to DEMIRS and the Australian Tax Office
- provide documentation to our insurers each year so that the following insurances are in place for both BPA and sub-committees:
 - Personal accident (volunteers)
 - Associations liability
 - Public liability
 - Building and contents.

Over 30 years ago, BPA took out an Agricultural Show insurance to cover the Small Farm Field Day. We then discovered that this insurance covers ALL activities of BPA and this allowed us to use the Agricultural Show insurance to cover umbrella groups like the Medieval Carnivale, Patches and Craft, Townscape. As at October 2024 we have 17 sub committees operating under BPA umbrella and there is no other community in Australia that has this model.

So, in a nutshell, BPA looks after the paperwork/ red tape - and this service is provided for free.

Sub-Committee Profits

We will never tell a sub-committee how to spend their profits because you are the ones who have put in the volunteer hours to raise the money. We do however, encourage sub committees to make public the details of groups who receive money, what it was used for, and how much they received.

Trust Fund

For many years, profits from the SFFD have been returned to the community via a Trust Fund - with nearly \$500,000 being distributed in the last 20 years. In 2022, Balingup established a community trust fund so that profits from other groups (eg Medieval Carnivale, Upcycle and BACH) could be pooled and distributed once a year. Members of groups who give money to the Trust Fund are invited to be on the committee. The benefits of this are:

- The Trust Fund is advertised to the whole community.
- The Trust Fund committee processes all requests, publishes the results (name of groups and amount) and makes sure each grant is acquitted.
- The process is completely transparent and ensures that there is no 'double dipping' by any one group.

Insurance

If your group makes a profit, BPA will ask you to contribute to pay for the insurance - we have a formula to calculate this to ensure it is equitable. In January 2024, our insurance bill was \$12,200 and this is growing every year. BPA has been actively trying to find ways to reduce our premium and continues to lobby government on this issue.

Under the terms of our insurance, BPA is required to demonstrate 'active management' of all activities carried out under our name, including sub-committees. It is up to each sub-committee to determine its level of risk and take action to comply with this.

In exchange for having the freedom to make your own decisions and manage your sub-committee how you see fit, it is important that you understand that, in the event of a claim made as a result of your decisions, a representative of your group will be required to represent Balingup Progress Association in any subsequent legal action arising from that claim.

Sub-Committee Responsibilities

In addition to the above, and to ensure that BPA can demonstrate 'active management', we strongly recommend that:

- Event coordinators send a representative to the monthly BPA meeting, especially in the three months prior to the event.
- All sub-committees provide the following reports at the BPA AGM in October each year:
 - short report of group activities for the past 12 months (for inclusion in the AGM report). If the group has a bank account, a summary of income/expenditure.
 - overview of the group activities planned for the following year (to be sent to the insurer)
 - list of volunteers (plus \$1 fee for each person)
 - updated list of assets.

By providing this information, your group will have a much better chance of proving that you have been acting under the active management of BPA and will make it harder for claims to be rejected by the insurer. Your group should also advise BPA:

- If your group wants to open a bank account. Note, the account name needs to have BPA in the name - for example "Balingup Progress Association - Small Farm Field Day".
- If you want to apply for an external grant. Note, most funding bodies will only give grants to incorporated bodies so it will need to be submitted by "Balingup Progress Association", using Progress Association ABN and incorporation details.
- Details of new volunteers who start during the year - plus the \$1.00 fee.

What's the Alternative?

Your group can become an incorporated body in your own right. The following link describes how to go about that process and has templates to assist.

<https://www.commerce.wa.gov.au/books/inc-guide-incorporated-associations-western-australia>

If you choose this route however, you will not be able to access the BPA Agricultural Show insurance and your committee will be required to complete all governance (annual returns to DMIRS and ATO).