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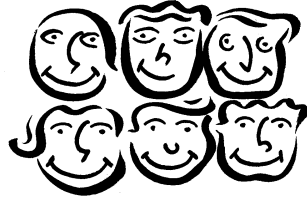
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A quick guide to the Main Street/Small Towns process



Sponsoring organisation gathers information and approaches DSRD



Interim committee formed



Stakeholders, projects and information identified



Funds raised for interim coordinator and planning workshops



Application to DSRD



Initial Community Workshop held

BASIC RESEARCH

- A sponsoring organisation is interested in the Main Street/Small Towns Program, it gathers information. (See 'Sponsoring organisations' section of this module).
- Initial contact is made with DSRD, and information about the program is provided .
- Information about the program is disseminated locally.
- Broad brush information is gathered about the community e.g.:
 - What are our community's needs and issues?
 - Why are we interested in the program?
- Community groups and stakeholders are identified.
- Support is tested through consultation and/or a public meeting. DSRD may be invited to address the meeting.
- An interim committee is formed. (See the *The local committee* module in this series).
- Local advocates are contacted and local partnerships are formed.
- Existing projects, studies, reports and research are identified.

SET-UP

- A meeting with DSRD is requested to discuss the establishment of the program.
- Funds are raised by the community towards an interim coordinator, an Initial Community Workshop and a Strategic Planning Workshop. Contact your DSRD Client Manager for further information and a Main Street/Small Towns program application form.
- If eligible and seeking DSRD assistance, further investigations are made to enable completion of an 'Application for Assistance' with the community planning process to DSRD. A Community Profile may be completed.
- The 'Application for Assistance' and Community Profile are submitted.
- An Initial Community Workshop is held. (See the *Collaboration and strategic planning* module in this series).
- An economic assessment may be completed.
- Options for ongoing funding are identified and action is begun to achieve sustainability. (See the *Local financial sustainability* module in this series).
- Some early projects are undertaken.

ESTABLISHMENT

- An interim coordinator may be appointed. Preparations are made for a Strategic Planning Workshop including publicity. (See the *Collaboration and strategic planning* module in this series.)
- Some options for organisational and committee structures are identified. Incorporation may be necessary. (See this module and *The local committee* module in this series.)
- Links to other organisations and supporters (e.g. DSRD) are strengthened.
- The Strategic Planning Workshop is held.
- The Strategic Plan is finalised. Organisational and committee structures are agreed.
- The interim coordinator writes a report and the Strategic Plan is circulated and publicised.
- Some tasks (below) are allocated to interim committee members or task groups as a result of the Strategic Planning Workshop.
- Preliminary budgets for the management and operational aspects of the program and for projects are developed. (See the *Financial management and reporting* module in this series.)
- Sources of funds are identified. (See the *Local financial sustainability* module in this series.)
- Recruitment of a coordinator proceeds and an office is prepared for the coordinator. (See *The local coordinator* module in this series.)



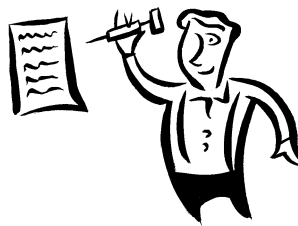
Interim coordinator appointed



Strategic planning workshop held



Strategic plan completed. Organisation and committee structures agreed.



Tasks are allocated to the committee



Preliminary budgets developed, funding identified, recruitment of coordinator



Coordinator appointed and begins workplan



Public meeting held



Final committee formed



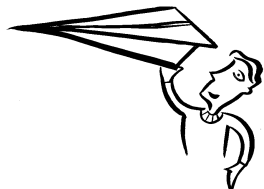
Preliminary program and budgets reviewed. Detailed budgets completed.



Sub committees to begin projects



Monitoring and reporting takes place regularly, evaluations conducted



Reports sent to DSRD and Fair Trading if necessary

IMPLEMENTATION

A coordinator is appointed.

- The coordinator is publicly welcomed and receives induction. The coordinator develops and begins implementation of his/her work plan. (See *The local coordinator* module in this series.)
- A public meeting is held to endorse the Strategic Plan, and the committee and organisational structure. Priority projects are endorsed and project plans are completed for these. (See the *Project management* module in this series).
- The final committee is formed, and the public officer initiates the incorporation process, if necessary. (See *The local committee* and *Forming an incorporated association* sections in this module).
- Sources of funds are identified. (See the *Local financial sustainability* module in this series).
- Lead times for fundraising are identified.
- The preliminary program and project budgets are reviewed. (See the *Financial management and reporting* module in this series).
- Detailed budgets are completed.
- An events calendar is developed in conjunction with regional events and local organisations. (See the *Event management* module in this series).
- Fundraising activities begin.
- Sub-committees, aware of local activities and working with local organisations, embark upon projects.

ONGOING

- Monitoring and reporting to the committee and funding bodies takes place as required.
- If incorporated, the requirements of the NSW Department of Fair Trading are met. (See the 'Forming an incorporated association' section in this module).
- The Strategic Plan is reviewed and the program is evaluated annually. If funded by the Department of State and Regional Development, a completed 'Coordinator and Program Performance Review' form is submitted to DSRD. (See the *Monitoring and evaluation* module in this series).

Developing an appropriate structure for your program

Program structures

There is an astonishing array of models of Main Street/Small Town programs operating in NSW. Communities are very creative in taking up opportunities, forming alliances and creating structures tailored to their particular circumstances.

However, in developing different program structures, there are some elements in common. These are:

- a sponsoring body which undertakes to give the Main Street/Small Towns program a 'home', is ultimately responsible for its management and finances. The sponsoring body is also the coordinator's employer.
- a well defined relationship with the local council (which can also be the sponsoring body).
- strong alliances with other key organisations which create synergies and may avoid duplication. This can include 'working in' with other community projects to such a degree that a new body is formed.
- an ongoing source of funding which ensures the long term financial sustainability of the program. Some strategies are discussed in the *Local financial sustainability* module in this series.

The diagrams on the right show the most common organisation and committee structures.

The case studies on the following pages show how three communities created a structure to suit their needs. In each case local demands have resulted in a particular structure.

The section on sponsoring organisations looks at the advantages and disadvantages of three common options – a council, a business association and a development corporation.

Common structures for committees and subcommittees

Programs also generally set up a committee structure made up of:

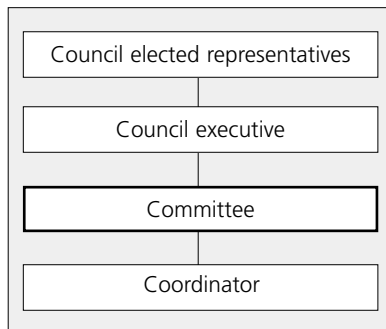
- a Main Street committee to manage the program which comprises representatives from business, the community and council. The coordinator is generally immediately accountable to the executive of the committee.
- sub-committees of the Main Street committee which carry out the projects identified in the Strategic Plan. Subcommittees may be geographically based and represent smaller local towns and communities.

The most common way of structuring these is explored in The committee section of this module.

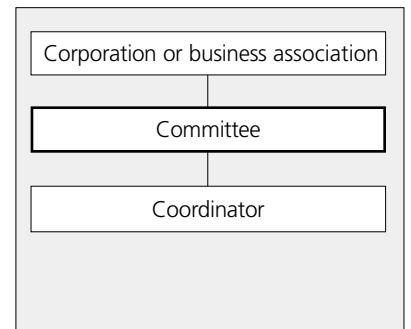
As an alternative to more conventional approaches, the Cabonne Shire case on pages 12 and 13 investigates a more flexible program and committee structure. Rather than a fixed committee and subcommittee structure, Cabonne Country has 'cascading' teams that can change as the needs of the program change. The program also 'contracts out' projects/activities to community organisations, which carry out activities on a voluntary basis on its behalf.

Common Main Street/Small Towns organisation and committee structures

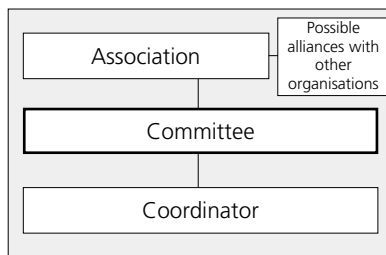
Committee as subcommittee of Council



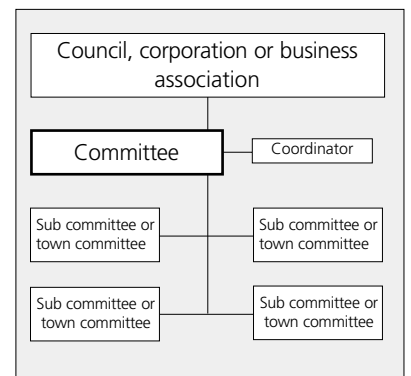
Committee as subcommittee of a development corporation or business association



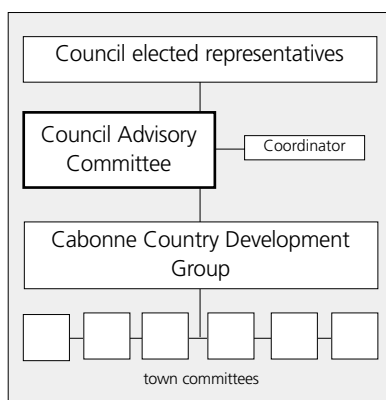
Committee as the executive of an incorporated or unincorporated association



Committee with multiple sub committees



Cabonne Country – flexible committee





Case studies of different program structures

The synergy of three community projects working together – Hay on Track

Snap Shot

Region: Riverina

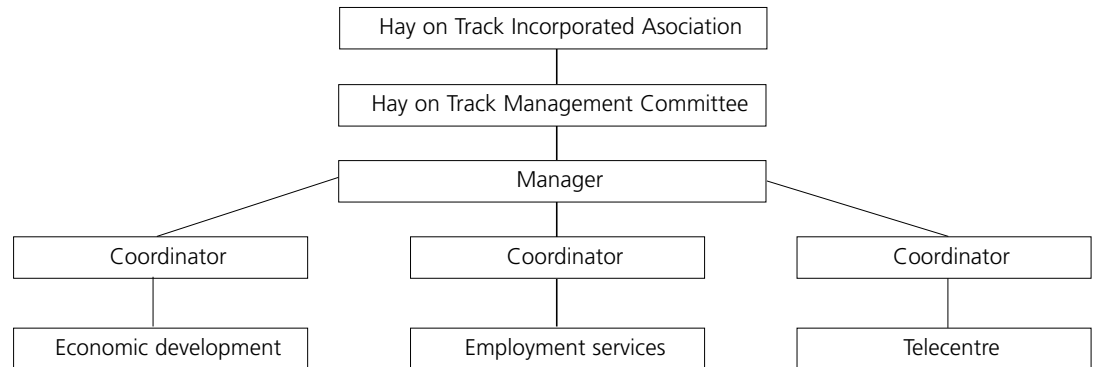
Geographical spread:
Hay Shire

Sponsoring

organisation: Hay on Track – an incorporated association

Committee: Hay on Track Management Committee

Funding: variety of sources, including DSRD



Hay on Track operates in a reasonably remote rural community halfway between Sydney and Adelaide on the amazing Hay Plains, the flattest plains on earth! The program involves the township of Hay, the villages of Booligal and Maude and the surrounding rural areas.

Hay on Track provides a community service focussed on increasing local employment and economic development. It aims to effectively respond to opportunities and fosters the exchange of ideas between business, industry, government and community.

The incorporated association is under the direction of the Hay on Track Management Committee which has 10 elected community members from the Hay Shire Council and local community and industry groups.

Hay on Track draws on the combined expertise, networks and resources of the association and other complementary individuals and groups. It has links with Council, including financial and in kind support, and with the Hay Business and Development Group.

Hay on Track takes an integrated approach to local economic development. It has three interlinked parts, each with a coordinator under the supervision of a manager. The three units focus on economic development, employment and information technology:

• **The economic development unit**

Issues raised by an Opportunity Analysis drive the work of this unit. Projects include a business survey, skills audit, training for businesses, a youth centre and the Hay Shire Prospectus and Information Directory. In conjunction with council, Hay on Track has also established the 'Hay POW and Internment Camp and Interpretive Centre', a permanent exhibition about the camps in Hay during World War II. The project is in a restored railway carriage and two more are planned. Another tourism project is 'Hay Host' which aims to increase recognition of the value of tourism, and has established visitor information agencies in 16 businesses throughout the shire.

• **The employment services unit**

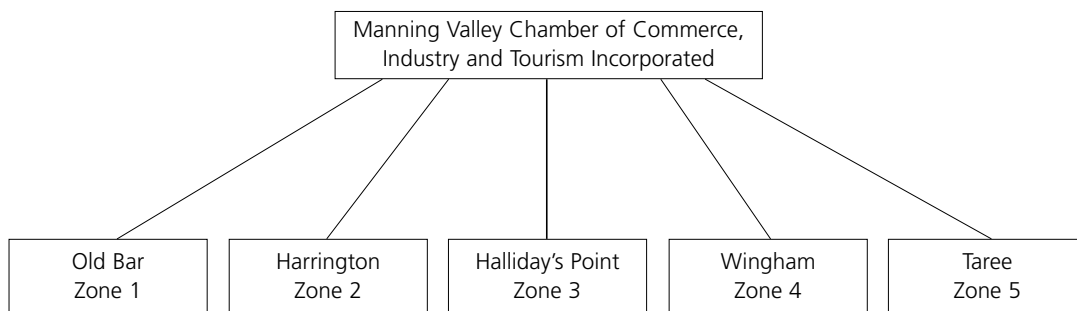
Formerly a Skillshare project, this unit now has a Job Network contract as well as managing three Work for the Dole projects. They also operate as a licensed employment agency and coordinate local training opportunities.

• **The telecentre**

The telecentre encourages the use of information technology and telecommunications through training and raising community awareness. This project, funded by the Rural Communities program of the Federal Department of Primary Industries and Energy, aims to broaden skills, provide business opportunities and increase competitiveness through telecommunications. The telecentre develops home pages for local businesses, runs training classes, provides information technology sessions and one-on-one tutoring. The telecentre secured a point of presence for Hay through the Farmwide program resulting in far cheaper Internet access for local people.

Hay on Track sees the objectives of building the local economy, increasing the skills base and creating opportunities for employment as interlinked. They see telecommunications as an opportunity in all three cases. The common community based approach for each unit gives the program a synergy. As all three units operate under one incorporated association, this allows it to be flexible and respond to community need – anything is possible.

Forming an umbrella organisation which brings together multiple associations from many towns and villages – Manning Valley Chambers of Commerce, Industry and Tourism Inc. (MVCCITI)



The Manning Valley is on the coast about four hour's drive north of Sydney.

For around two years discussions took place about bringing together a number of business, tourism and industry organisations that were operating independently in the Manning Valley. As a result an umbrella organisation was formed – the Manning Valley Chambers of Commerce, Industry and Tourism Inc. (MVCCITI). It combines six existing organisations: two tourism associations, one chamber of commerce, and three chambers of commerce/tourism associations. Each organisation each retains its own legal entity, operations and responsibilities for its individual zone.

The advantage of this approach is strength in unity by combining efforts and resources and removing duplication. The aim of the program is to stimulate jobs and economic growth in an area that has been experiencing financial hardship. It also provides a public face for the contributions made by business to local community and sporting organisations.

The umbrella organisation aims to function as a coordinating body and information centre that supports local, commercial and community organisations. It also works with the Greater Taree City Council and the Manning Development Corporation and plans to expand its membership by involving other incorporated associations in the valley. The committee of management is made up of two people from each zone.

The organisation has divided the council area into five zones that cover 23 towns and surrounding rural areas and align with the operations of the member chambers of commerce and tourism associations. Harrington and Wingham zones, each include six towns, Taree zone has three towns, and Halliday's Point and Old Bar, each have two towns. MVCCITI plans to operate across the zones.

The process of developing a united approach has just begun in the Manning Valley. Even so, this solution looks set to ensure a strong united direction in the future.

Snap Shot

Region: Australia's Holiday Coast

Geographical spread: 23 country towns and rural areas in the Greater Taree City Council local government area

Sponsoring organisation: a new incorporated association

Committee: an umbrella committee for a number of local committees which combines many associations

Funding: to be determined





A town centre representative committee – Newtown South Main Street Program

Snap shot

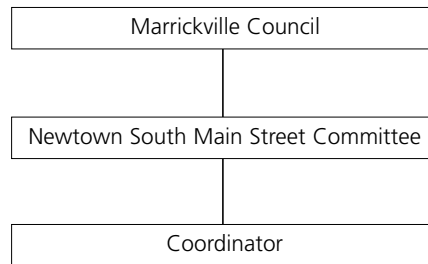
Location: inner city Sydney

Geographical spread: across two suburbs, Marrickville and Newtown

Sponsoring organisation: Council

Committee: a council subcommittee

Funding: a special rate levy



This program centres on two lively inner city main roads – King Street and Enmore Road. It caters for a variety of businesses that serve a local population made up of a wide cultural and ethnic mix. The area is popular for shopping and eating and brings in many Sydneysiders and visitors.

The program positions Newtown as "a fascinating and eclectic alternative destination for the adventurous traveller who wants:

- to shop for unique arty, original, creative products not seen in other Sydney locations
- an extensive choice of casual and inexpensive dining
- a colourful and authentic daytime experience and the opportunity to enjoy a stimulating evening experience."

Marrickville Council formed the Newtown South Main Street Committee as a community representative committee of Council. It has a strong business focus and is made up of eight retailers, two residents and a Council staff member. Four ward Councillors are invited to sit on the committee. The Main Street Coordinator is an ex officio member of the committee. The Coordinator and the Main Street activities are funded by a levy paid by Newtown business owners.

The role of the Coordinator, who is employed by Council, is best described as a town centre manager. She answers to the chairperson regarding the day to day running of the program and implementation of the Plan, while Council takes care of salary and employment related matters and financial management. She organises and coordinates centre-wide projects such as the 'Eat Streets' fair and 'Feastability' events, cooperative marketing campaigns and tourism promotions, including a map and guide to the area's businesses. The Coordinator also recommends streetscape improvements, especially those with a heritage value. All development applications go before the Main Street Committee for recommendations.

To make life interesting, the Newtown South program does not have complete coverage of the 'town centre'. The area is shared with another Council, South Sydney, which has jurisdiction over one side of King Street. As a result, the Coordinator works closely with the South Sydney counterpart and is involved in an inter-Council Urban Design Study of King Street and a joint Development Control Plan.

The program also works with community based organisations which serve the local community. The Coordinator liaises with the Newtown Chamber of Commerce, which acts as a lobby group and provides services to members. This close association is valuable because it gives the Coordinator access to advice, ideas and member networks. It also results in joint events.

Some other community organisations that the Main Street Committee works with are:

- a Tourism Steering Committee which has representatives from both South Sydney and Marrickville Main Street programs which promotes Newtown as a destination particularly for 'visiting friends and relatives' travellers
- the Newtown Neighbourhood Centre, which is government funded, provides support for community groups including an information and referral service which runs the Newtown Fair
- Community Arts Marrickville one of a number of arts funded organisations
- The Live Music Task Force which aims to promote Newtown as a live music venue.
- The South Newtown Committee complements these by its focus on retail and service businesses.

Sponsoring organisations

A sponsoring organisation has a stake in Main Street/Small Towns Program outcomes. The most common sponsor organisations are a:

- Council
- business association, such as a Chamber of Commerce
- progress association
- development corporation which has the economic development of the local area as its charter
- local tourism associations.

Sometimes a suitable sponsoring body does not exist and a number of organisations are combined, an old association is ‘rebadged’ or an entirely new body is formed to tackle Main Street challenges. If the new organisation is not an incorporated association, it is well advised to consider becoming one. The section ‘Forming an incorporated association’ on page 15 of this module gives an outline of the main issues and steps to incorporation.

The sponsoring body plays an important role in the success of a program. In the initial stages it will take the lead by:

- gathering and disseminating information about the program
- doing broad brush research of local issues and needs
- identifying and seeking the involvement and support of stakeholders, advocates and supporters
- raising funds
- setting up and supporting an interim committee and coordinator
- approaching DSRD for assistance (through the local Client Manager), if eligible.
- organising and taking responsibility for the running of community planning workshops and ultimately the preparation of the community Strategic Plan.

While the interim and final Main Street committees manage the business of the program, the sponsoring organisation can have a continuing role in overseeing the process and in providing advice, as well as practical and financial support in the longer term.





Councils, business organisations and Development Corporations as sponsoring organisations

Following are some advantages and disadvantages of each of these types of sponsoring bodies.

Sponsoring body *Council*

Advantages

- Cost-saving through sharing premises and overheads (phone, photocopying, etc.)
- Good contact with staff - good information and communication
- Opportunities to contribute to decision making about big ticket items such as infrastructure and streetscape works
- An ongoing, reliable body with substantial resources, compared to voluntary community organisations.
- As a formally adopted S36 subcommittee of Council, the committee is covered by Council's insurance.

Disadvantages

- Support of elected Councillors can vary across the life of a program and this can influence Council behaviour
- The program can lose its separate identity
- Some people's existing opinions and prejudices about the Council can influence their perception of the Main Street program.

Business organisations (eg. Chamber of Commerce)

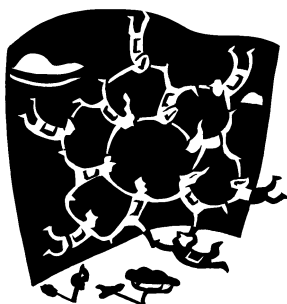
- Possible cost-saving through sharing premises and overheads (phone, photocopying, etc.)
- Strong connection with a network of business and professional people who can provide good ideas, advice and decisions
- Direct association with the key people in the business community
- A ready-made database of community-minded people who are likely to support initiatives
- Generally an established and respected body within the community

- Business organisations go through cycles. They can run out of steam
- The program can lose its separate identity
- Existing opinions and prejudices about the business organisation can influence their perception of the Main Street program.

Development corporation

- Cost-saving through sharing premises and overheads (phone, photocopying, etc.)
- As development bodies can combine more than one economic sector, there are greater opportunities for united efforts and reduced antagonism
- Strong connections with a network of business and professional people who can provide good ideas, advice and decision
- Direct association with the key people in the business community
- A ready-made database of community-minded people who are likely to support initiatives
- Generally a respected, established body within the community.

- Development bodies can also go through cycles. They can lose their way because of the range of things they are tackling
- The program can lose its separate identity
- Existing opinions and prejudices about the business organisation can influence their perception of the Main Street program.



Informal program and committee structures

Case study: A cascade approach to team structures and regional challenges – Cabonne Country program

An alternative to formal structures with incorporated associations, office bearers and fixed committees is a more organic approach.

Cabonne Country developed a flexible, team based structure which effectively ‘outsourced’ many projects and activities of the program to community groups in a cascading flow or pyramid structure.

About Cabonne

Cabonne Shire is made up of eight villages that are 30 to 85 kilometres apart and spread over 6017 sq km in the central west of New South Wales. Of the total shire population of 12, 600 people, 5,600 live in the eight villages and towns that participate in the Small Towns Development Project run by Cabonne Council.

460 businesses that act mainly as service and ancillary services to the major industry of agriculture are situated within these towns and villages – with a further 500 or so farm enterprises.

There are also a number of large industries within the shire, namely Manildra Flour Mills, Eugowra Granite Mills, Cadia-Ridgeway mining company and a large timber milling industry.

The Shire wraps around Mt Canobolas, a now extinct volcano, which has given the area the rich and diverse product that underlies its great wealth. The basalt soils provide for a variety of stone fruit and vineyards in the east of the shire, and vegetables, lucerne flats, excellent cropping and grazing lands to the west.

Cabonne Country, Australia’s Food Basket is a major provider of the basic food groups not to mention a wealth of gourmet products from mushrooms to olives, venison and quail. All this lies within an easy driving distance from Sydney.

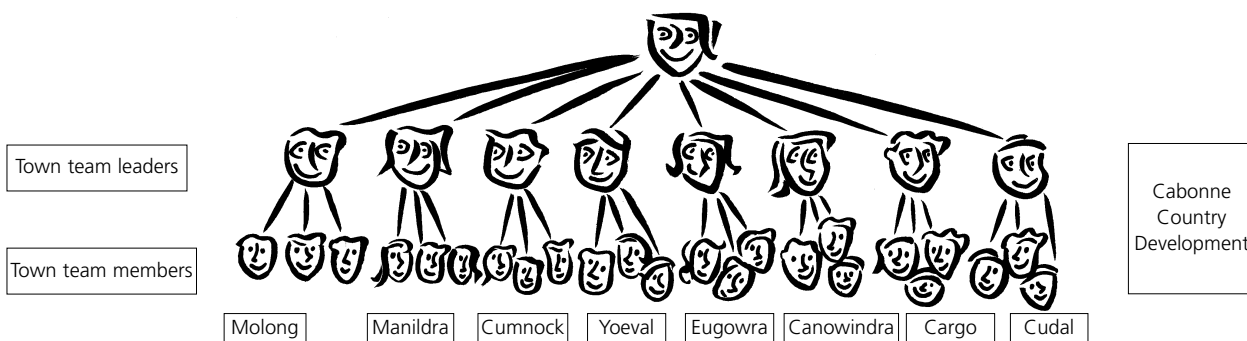
Small Towns Development Project

Cabonne Council wanted to provide its village residents with the means to grow positively towards the future and to foster the development of the shire’s physical, economic and social environment. In 1997, the Council implemented a shire wide Small Towns Development Project with funding from the Department of State & Regional Development (DSRD).

The approach taken used a new structure to meet the local challenges of a diverse geographically separated program. The main features of Cabonne’s approach are:

1. The structure ensures representation of all towns

Cabonne’s structure ensures all the villages are represented. Though the organisation is fluid, it contains basic elements that don’t change – the Coordinator and eight permanent team leaders, one from each village.



To establish the program the Coordinator attended the local progress associations, service clubs and town meetings to invite volunteers to be town team members. These town team members then elected a team leader. As a result, 33 people formed the Cabonne Country Development Group. The group’s town teams drive activities at village level and participate in across-the-shire projects in which their village has an interest.

The town teams are also subcommittees of the local progress associations as well as the Cabonne Country Development Group.

As Cabonne Shire Council sponsors the program, there is an Executive Committee that oversees the project and provides accountability. It is comprised of the Coordinator, the Mayor, two Councillors and the Director of Environmental Services.

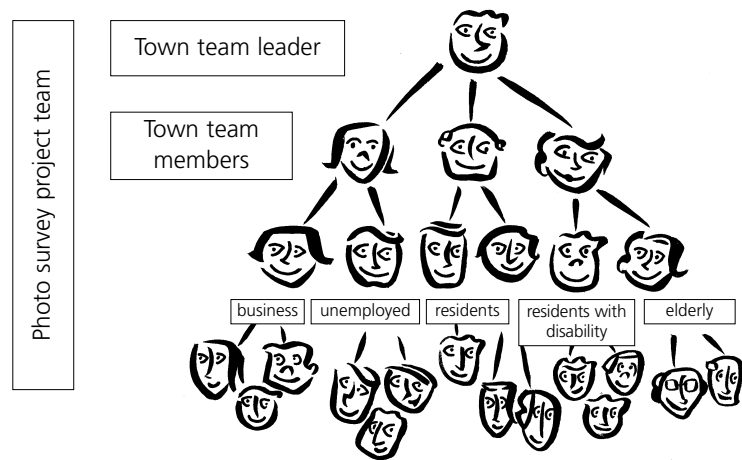


2. The structure can change as the needs of the program change

The role of each town’s team is to develop ideas and identify issues, set local priorities, stimulate projects at grass roots level and work with their local associations. The town team of four can draw other participants from their town.

For a local project, the team may decide to carry out the project themselves or pass it on to another local association which agrees to do the work on its behalf. For example, the local project team might identify an environmental project as a priority and ask their village’s Landcare group to carry out the work.

The structure can also be adjusted to the need of an across-the-shire project. An example is a photographic survey that was used to gather information and opinions about each village. Each town needed a group to represent their townspeople. For each of the eight towns a team was created in the following way:



The team leader was briefed by the Coordinator, and then told the town team members about the aims of the project and their role.

Each team member was responsible for getting a representative from certain sections of the local community – as labelled in the picture.

Each of these people were responsible for soliciting two more participants.

The result was a team of 10 people on the project, plus 12 additional representatives at the public meeting – 32 in all.

This structure is not permanent. The people involved in grass roots work and regional projects are changed to suit the activity. For another project, the team could be constructed quite differently and other people may be involved. The advantage of this cascading structure is that projects draw on a large body of people which minimises burnout.



3. The structure provides good communication channels

With such a large area, high number of participants and so many projects the Coordinator spends many hours of her time on the phone – catching up, talking things through, hearing what people have to say and suggesting solutions.

The Coordinator talks to team leaders often – at a minimum twice a week. When a project begins, she meets the team leaders to brief them about the details. It is then their responsibility to run the project in their town.

Every two months the Coordinator, the Cabonne Country Development Group and any interested members of the towns attend a whole program meeting. The dates for these are set a year in advance and the topics are set by the Strategic Plan priorities. By the group's choice they are always held at Manildra, the geographical centre of the shire.

The meetings include: motivational talks, information giving, training and take workshop formats. Some topics have included: the photographic survey 'visioning' project', the launch of the Strategic Plan, Arts Outwest, heritage and information technology.

The Coordinator meets with the Council's Executive Committee on a needs basis to set directions and work priorities or to discuss any other issues that arise.

4. The structure is a good way to approach local and shire-wide issues

To complete their Strategic Plan, Cabonne Country Development Group used a range of tools, many of which relied on the town teams and pyramid structure (the 'each person brings two people, and they bring two more' method).

As a result of this approach:

- a large number of people became involved
- many parts of the community were represented
- lots of ideas and viewpoints were contributed
- a strong idea of the priority issues emerged
- potential projects for each town were identified.

The next step was to see if there were any common patterns in the issues and projects identified by each town. The common themes that emerged became the shared vision and objectives for the Strategic Plan, and a guide to shire-wide projects for the teams.

For example, one priority was an information technology (IT) project to set up three cybercafes in more remote and rural areas together with an IT officer to help residents upgrade their skills and bring them online.

Postscript

The strong grassroots connections that the Coordinator engendered have ensured the success of the project and the support of a large network throughout the villages.

The overall shire wide approach was developed and documented in Vision 2007 which everyone shares having had a large say in its development.

The people of Cabonne Country are confident they have a bright future. When other rural towns are losing people, their research revealed that the population in the shire is increasing.

An overall achievement of the project has been the building of a common understanding of belonging to Cabonne Country, the larger region. With community representatives coming together for the first time in a common cause on a regular basis, a sense of belonging to the wider region has begun.

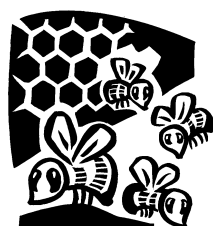
This case study shows a dynamic and responsive approach that is an alternative to a more formal arrangement. The structure can change as the needs of the program change, ensuring involvement of many different community members and guarding against burn out.



Advantages and disadvantages of formal and informal structures

The organisational structure described in the Cabonne Country case study will not suit everyone. Outlined below are some advantages and disadvantages of formal and informal approaches.

	ADVANTAGES	DISADVANTAGES
FORMAL STRUCTURE	• Clear structure and roles – favoured by funding bodies	• Skills growth may only occur within roles
	• Established transparent processes demonstrate accountability	• Time may be taken up by processes rather than results • May not be as responsive or identify opportunities as easily
	• Has a stable set of participants who can grow as an effective team	• May be seen as a "closed shop", not as suited to creating a wide network of participants
	• Continuity of participants can get things done, and suits some activities such as running a business	• May get calcified and complacent • May develop political factions and entrenched positions
	• Permits the retention of 'corporate memory' - don't have to reinvent the wheel	• Does not routinely encourage new ideas and new participants to join
	• Empowers committee members	• May disempower others
	• Does allow those involved to take credit	• May be seen as elitist
INFORMAL STRUCTURE	• Good for large, complex programs, particularly when a number of towns or suburbs are involved	• A lot of time and effort must be invested by the coordinator in 'keeping it all together' • Not so applicable to town centres
	• Open-ended, dynamic and responsive – can change as needs change	• May not suit those who are uncomfortable with ambiguity and letting go of control
	• Casual, informal and user-friendly – no need to be an expert in formal committees and procedures	• May not encourage participants who like and are accustomed to formal structures
	• Sociable, fun, for the gregarious	• Lack of formality means it is harder to be accountable ° the coordinator spends a lot of time keeping up with what is going on
	• Creates a huge network and pool of participants	• Large network are only as strong as the weakest link • Individuals or the committee cannot claim credit
	• Democratic – everyone can be involved	• No central pool of money – local committees mostly must be responsible for raising what they need
	• Empowers local community that have local control of resources, and they must be responsible for results	
	• Develops skills, especially autonomy and flexibility • May avoid political factions and entrenched positions that can develop in ongoing formal structures	• Because projects and activities are "outsourced" by the teams to community groups, there is not necessarily a guarantee of quality control



Forming an incorporated association

If your program does not operate under the auspices of a Council or an existing incorporated association, you should seriously consider the protection provided to your organisation by becoming incorporated.

What is incorporation?

An incorporated association, under the Associations Incorporation Act 1984, is an organisation which is a legal entity separate from its members.

Non-profit organisations which do not have financial gain for members as one of their objectives can incorporate under the Act. If the organisation raises money by trading, this must be a secondary role and support the main objectives of the organisation. An organisation must have a set of rules and at least five members to incorporate.

Advantages, obligations and costs of incorporation

Incorporation has a number of advantages, the main one is that it gives individual committee members some protection from financial liabilities of the organisation. In an unincorporated association individual committee members can be sued or held liable for debts.

Other advantages:

- the incorporated association can act in its own name (such as entering into a lease or buying property). In an unincorporated association, individual committee members must do this on behalf of the organisation
- there are fewer problems with changeover of committee personnel because the legal entity continues, eg. leases do not need to be transferred from individual to individual
- incorporation can help when seeking grants – it can be a requirement of a grant or sponsorship.

However, incorporation also brings a number of costs and obligations. These are:

- a fee for incorporation
- the obligation to take out public liability insurance with an insurer approved by the Department of Fair Trading
- a fee per annum to the Department of Fair Trading
- an obligation to lodge a financial statement with the Department of Fair Trading every year.

Incorporation does not provide blanket immunity

There are limits to the protection from liability for committee members provided by incorporation. They must still exercise proper judgement and carry out their duties with due diligence and skill.

For example, committee members must ensure that no debts are incurred when there are reasonable grounds to expect that the committee will not be able to pay them. In these circumstances, committee members could be personally liable and face a fine and/or a term of imprisonment.

Unfortunately, ignorance is no excuse. For example, if committee members do not keep up to date with the financial affairs and actions of the organisation, they may be held responsible for expenditure approved when they were not present. If, however, a committee member did not agree to a debt being incurred, or had reason to believe that there were sufficient funds, they would not be liable.

In all cases, the onus is on committee members to find out about the extent of their liability under incorporation.

Implications of incorporation

Before deciding to incorporate, a committee should consider the implications.

They should be aware that incorporation:

- formalises the structure of the committee and may rule out more informal options
- stipulates a substantial role for the committee and especially the public officer
- imposes some formal accountability and reporting requirements to an external body
- imposes some requirements about the way the business of the organisation is conducted, eg. holding of Annual General Meetings (AGMs)
- imposes some extra expenses.

Tip

The NSW Council of Social Services publication *Incorporation*, provides a full outline of the issues and the process of incorporation. The NSW Department of Fair Trading also publishes *Associations: a guide to incorporation*. Both these publications have been sources for this section. Details on how to obtain them are at the end of this module.





Steps to incorporation

To incorporate, a committee must follow the following steps:

1. Identify a person to be the public officer who lodges the application, or if the constitution stipulates otherwise, to become the public officer the day incorporation takes effect.
2. Prepare a constitution (the rules under which the association will operate).
3. Reserve a name for your organisation with the Department of Fair Trading.
4. Pass a special resolution at a general meeting to:
 - approve a statement of the organisation's objectives and rules (in other words, the constitution)
 - approve a person to apply for incorporation - the public officer.
5. Obtain public liability insurance from an insurer approved by the Department of Fair Trading.
6. Apply for incorporation to the Department of Fair Trading. The 'Application for Incorporation' form requires accompanying documents containing:
 - the name of the public officer
 - evidence of public liability insurance from an approved insurer
 - the constitution
 - the name reserved for the incorporated association.
7. Pay a fee when lodging the form.

After incorporation

After the incorporation, the association must:

- always show the association's name in full, including incorporated or Inc. on official documents and correspondence
- keep a register of its committee members
- hold its first annual general meeting (AGM) within 18 months of incorporation and within six months of the end of its first financial year
- keep proper accounting records of all financial transactions
- lodge the annual financial accounts after each AGM
- obtain a 'common seal' - a rubber stamp which is the association's signature, to be used only with the committee's authority and in accordance with the constitution
- keep minutes of committee and general meetings
- open a bank account
- arrange for any property to be transferred or for existing contracts to be considered for ratification by the committee.

The constitution – rules of your incorporated association

Having a written constitution is one of the requirements of incorporation. As a minimum, the Department of Fair Trading requires that the rules of the incorporated association cover such matters as:

- membership qualifications
- register of members
- fees, subscriptions, etc.
- members' liability
- disciplining of members
- internal disputes
- the functioning of the committee
- calling general meetings
- procedures for general meetings
- notices for general meetings
- sources of funds
- management of funds
- alteration to the objectives of the association
- alteration to the rules of the association
- custody and use of the common seal
- custody of books, etc.
- inspection of books, etc.

The public officer

The position of public officer is a special requirement of incorporation. This office bearer must be appointed by the committee. He or she is essential to the operation of the association and must be a capable person who is willing and able to carry the position's responsibilities. They may be a committee member, a member of the association or someone outside the association.

The public officer has important legal obligations and must appreciate the importance of being scrupulous in complying with requirements of legislation. The association may be subject to fines if requirements are not met. The position of public officer cannot be vacant for more than 14 days.

Tip

Draft model rules for a constitution are available from the Department of Fair Trading. Another simple set of model rules is provided in *Incorporation*. Both publications are listed in the contacts section at the end of this module.

There are three aspects of the public officer's role. These are to:

1. Act as official contact point

They must bring documents received to attention of committee as soon as possible.

2. Keep a register of committee members

The register contains details of members and office bearers, including addresses and the dates that they take up their role.

3. Lodge notices, applications and/or the annual financial statement with Department of Fair Trading

These may include:

- Notice of appointment and address of the public officer
- Notice of change of address of public officer
- Notice of alteration of objects or rules
- Application for approval to change of name
- Application for extension of time (*for lodging the Annual Statement*)
- lodging the *Annual Statement*.

Responsibilities for an incorporated association's committee

The obligations of the committee fall under three broad areas:

1. The committee must act within the powers set out in its constitution and follow any procedural requirements, eg. 'manage the affairs of the association' and 'hold monthly meetings'.
2. Conform with the requirements of the Associations Incorporation Act, eg. appoint the public officer within 14 days of the position being vacated, or not incur a debt unless there are reasonable grounds to believe the debt will be paid.
3. Meet their obligations under common law. These obligations are similar to those placed on company directors, and reflect many aspects of the Code of Conduct outlined in Module 4 The local coordinator. Some common law obligations of committee members are to:
 - place the interests of the association ahead of their own interests when acting for the association
 - use reasonable care, skill and diligence in the performance of their official duties
 - make known to the committee any conflict that may arise between their own interests and the interests of the association
 - not use information gained by reason of their position to gain advantage for themselves or anyone else at the expense of the association
 - act in good faith.

Tip

A simple guide for committee members wishing to fulfil their obligations and avoid liability is to:

- regularly attend committee meetings
- be aware of the association's activities
- be aware of the association's financial position
- follow up matters that seems troublesome or unclear
- get advice on matters beyond the committee's expertise or understanding.





Forming the committee

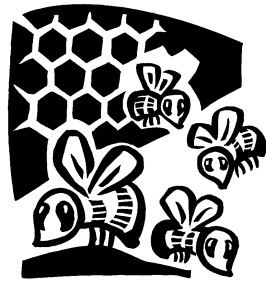
Community leaders

Present economic development research concentrates a lot on the importance of leaders. They are seen as change agents – ‘people who make things happen’.

However, present research also indicates that successful community and business leaders are not the high profile charismatic individuals of the past, but a new breed with qualities which allow them to operate in a global context, while maintaining the strength and cohesion offered by a community.

Leadership is seen as a collective activity. People play complementary roles. Teams bring about change by building the future together.

It is assumed too that people can develop leadership skills and be supported in them – many people in a community can play a leadership role.



Some important attributes of leaders in local economic development are:

Vision – an ability to keep an eye on the big picture, and set and work towards tough but achievable goals. They can consistently paint the picture for themselves and for others.

Strategic thinking – they are able to identify broad linkages between economic elements that are often seen in compartments. They understand for example, that business, transport, policy, communications, education and resource use are interconnected. They are able to identify strategies to create synergies and remove bottlenecks. They take a global perspective.

Entrepreneurial zeal – they are constantly on the lookout for opportunities. As catalysts and managers of change, they see it as an opportunity. They are original thinkers who can turn a situation on its head to see the possibilities lying within.

Passion – their unflinching commitment, dynamic energy and enthusiasm motivates others to work in a systematic and coordinated way to achieve the vision. When enthusiasm falters they act as a ‘spark plug’ to keep things moving. They stay focused and build and maintain interest in the program.

Altruism and a long range perspective – they are believers in enlightened self-involvement and that an investment in the general good will pay benefits for them in the longer term. They understand also that there are no quick fixes. They are in local economic development for the long haul.

People skills – they understand people and what motivates them, they have empathy and can find common ground. This means they effectively manage relationships and inspire trust. They are also strategic thinkers in terms of human connections. They understand that networking and collaboration are vital to success. They can create productive partnerships because they are seen as honest brokers.

Ideally, your committee should develop over time into a leadership team. The chairperson must take a leadership role and ensure that this happens. Also, formal and informal organisational structures can create different types of opportunities for members of the community to play leadership roles. It is worth considering both options for this reason.

The leadership team can also be an informal network that spreads well beyond the committee into local and regional businesses and communities. Maintaining these networks and harnessing their power to achieve goals is an important part of the job of the committee and the coordinator.

Representation

Main Street/Small Towns programs ultimately aim to improve the quality of life for the community. It is rarely possible to find out the wishes of every property owner, business owner and resident, so in practice we seek the involvement of representatives who speak on others' behalf.

A committee must represent as broad a cross section of stakeholders as possible. Community segments you may consider for your committee, include:

- local government elected representatives and staff
- the chamber of commerce, progress association or other business groups
- the local tourism organisation and local tourism operators
- local retail and service business people
- property owners
- local industry
- community groups, e.g. Tidy Towns, Historical Society, etc.
- service clubs, e.g. Lions, Rotary, sporting
- residents
- youth
- groups with special needs, e.g. the elderly or disabled
- multicultural and indigenous groups
- arts/cultural advisers
- the police
- educational institutions, e.g. universities, TAFE, schools
- the media
- registered clubs
- state or federal government agencies.



Who to have on your committee

While a local committee is a partnership of the main players, it is also important that its composition reflects the priorities identified in the Strategic Plan.

Main Street committee members are often generally actively involved in projects from the outset. Therefore, as well as having representative people, it is important to have the 'right' people. These are people who:

1. Have the right skills for your program.

A skills audit of your planned activities and projects will identify the skills needed. As well as these skills, your committee members ideally should have important personal qualities: they must be self-starters and team players with the ability to follow through.

2. Are key 'influencers' in business or the community.

Stakeholder organisations can help you identify these people. They are those who:

- play an important role in a number of networks
- can persuade others to come on board.

These qualities are not necessarily found in the biggest businesses or in the most high profile roles.

3. Know how to access resources, money, goods and labour.

These people are the 'gatekeepers' to important resources. They can include managers of financial institutions, developers, major property owners or facility managers.

4. Play a role in the media.

Ongoing support from the local media is invaluable. Don't forget to set up and maintain good relationships with others whose assistance you may need to seek from time to time. Some members of your community with particular skills may agree to be coopted to your committee for particular purposes. For example, the committee will probably need assistance with:

- professional skills, eg. solicitor, accountant, auditor, information technology expert, engineer, horticulturist, architect, landscape designer
- collaborative projects, eg. schools, tertiary education institutions, community education, community services staff, the cultural officer of Council, religious leaders, youth services, service clubs, sports.

A skills audit will reveal the skills in your community needed to achieve the objectives in the Strategic Plan. If some skills are not available, your committee must identify ways to develop them locally.



The committee

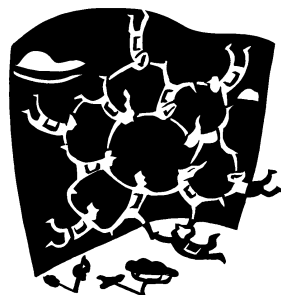
The interim committee

When a large number of people become involved in a program, it is easier and more efficient to choose a smaller number of members to be responsible for ongoing management decisions – the committee.

In the early stages of a program an interim committee may be formed while the program is 'sorting itself out'. Often the committee is formed by the sponsoring organisation which undertakes some of the tasks in setting up the program. These may include:

- seeking funds for strategic planning workshops, an interim coordinator and projects
- completing research about the community for an economic assessment and for strategic planning purposes
- identifying stakeholders, setting up networks and establishing alliances
- preparing options for organisational and committee structures
- identifying options for ongoing funding and taking action to achieve this
- developing budgets
- researching and planning for the recruitment of a coordinator
- undertaking some early projects.

Not all members on the interim committee will continue to play a role in the final committee. This is to be expected. People will find out if the program is for them and stay, or if not, they will move on.



The final committee

As the program matures, a more structured arrangement is generally needed to manage the program. A committee of about 10 people is formed. If the organisation is incorporated, the role and positions of the committee are clearly defined.

In the Main Street/Small Towns program, the committee may be:

- **A sub-committee of the sponsoring organisation, eg. Council or a business organisation.**

In this case, the sponsoring organisation will have the larger role and Main Street activities will contribute to achieving some of the sponsoring organisation's outcomes.

In these circumstances, the sponsoring body may appoint committee members from representatives nominated by community organisations. It is assumed that these nominees speak on behalf of their organisation and collectively represent the wishes of the whole community.

As a sub-committee of another body, the Main Street committee may have to seek approval for its activities from the elected members, management committee or executive of the sponsoring organisation. Also at regular intervals the organisation checks at public meetings or by other research, that it is carrying out the majority wishes of the community.

- **The management committee of an incorporated association or unincorporated body especially set up for the Main Street/Small Town program.**

The committee may be elected from the members of an incorporated association or unincorporated organisation.

If the committee is the management committee of an incorporated association, it exists to carry out the will of association members as determined at the AGM or other meetings. The community as a whole is represented to the extent to which people choose to become members of the association.

Once again the committee tests whether it is properly serving the community at public meetings or by other means.

In both cases when the Strategic Plan is endorsed at a public meeting or the AGM, its priorities become the main projects for the organisation to carry out, and form the basis of the coordinator's work plan.

The role of the committee

As a first step to determining its role the committee needs to decide how ‘hands-on’ it wants to be.

Some committees play the role of a board which sets strategic direction and stays at arms length from the operational aspects of the program. In these circumstances, the chairperson is the only member to be heavily involved in management, operational or project work of the program.

However, local committees can choose to be integrally involved in the work of the program. The following describes a case in which the committee plays an active role. You will need to decide whether this is the appropriate level of involvement for your committee.

A committee that decides to take a ‘hands-on’ approach will:

- provide decisions about policy and action, and approve expenditure on a month-to-month basis
- oversee the management of the program including monitoring and reporting
- be responsible for the legal and financial obligations of the program
- be involved in the work of subcommittees and act as a communication channel from the subcommittee to the main committee
- provide direction, support and advice to the coordinator
- actively participate in recruiting and setting up the coordinator and developing policy, procedures and structures so the program will run well
- act as advocates for the program.

The committee and delegations

When your committee has clarified its role, it must then decide what it wants to take final responsibility for (decisions or approvals) and how much it will delegate to the coordinator or sub-committees.

For example, the committee needs to decide what:

- decisions the coordinator can make, without referring to the committee
- decisions the sub-committee can make, without seeking the approval from the committee
- decisions the chairperson can make.

This is important when a decision is required between meetings. A chairperson needs to know whether they may make a decision alone, when they must consult one or more of the committee, and when they must call a special meeting.

The role of the sub committees

Subcommittees are formed for special tasks. In many programs we see two types of sub-committees:

- Permanent subcommittees set up each year to carry out specific parts of the Strategic Plan. Many Main Street/Small Town committees have a marketing committee, for example, which undertakes projects from the Strategy Plan.
- Sub-committees with a set life span, often called task or working groups which are set up for a specific project such as the planning and management of an event.

Subcommittees are ‘doing’ committees. It is important that they have a clear purpose and delegations and their communication channels are well maintained. The coordinator’s level of involvement will vary with individual subcommittees. For instance where a committee member manages a subcommittee, the coordinator plays a supporting role. In other cases the coordinator may lead a subcommittee.





The role and responsibilities of office bearers

The Executive of the committee is elected at an Annual General Meeting and for an incorporated association consists of a president, vice president, secretary, treasurer and public officer. The president in the Main Street/Small Towns program usually is called the chairperson – a very important role.

If the committee is a subcommittee of Council, the Council may appoint the Executive members at its own discretion.

The role of the chairperson/president

The chairperson's (or president's) responsibilities are threefold.

Responsibilities to the program as a whole

- lead the committee in focusing on the big picture of the Strategic Plan and continually act to ensure it is achieved.
- represent the program, organisation and committee and be its main public spokesperson and advocate

Responsibilities to the committee

- lead the committee and set direction for the program in collaboration with committee members
- ensure the committee carries out its role effectively
- develop and use the abilities of the committee
- mould the committee into a productive team.

Responsibilities to the coordinator

- ensure that the work of the coordinator is supported by appropriate resources
- ensure that the coordinator understands their responsibilities and the outcomes and behaviour that is expected of them
- meet with the coordinator at agreed times to review their work performance and behaviour
- identify, in consultation with the coordinator, their training and development needs
- acts as mentor, sounding board, collaborator, strategist and supporter
- support the coordinator publicly, particularly in times of difficulty
- support the coordinator as one of the public spokespeople for the program.



The role of vice president

The vice president's role is to back up the president and take over the president's role when he or she is not available.

The role of the secretary

The secretary generally:

- records minutes of meetings and ensures these are signed as true and correct when approved
- lists, presents and responds to correspondence on behalf of the committee
- disseminates action sheets arising from meeting minutes so that follow-up action is taken as quickly as possible
- sends out notices of meetings and agendas in which the purpose of items is clear, so that committee members can prepare for informed discussion
- supports the chairperson in their role
- has copies of the constitution, meeting rules and list of members at meetings
- keeps the attendance record
- maintains membership details or delegates this to a membership secretary.

Note: The secretary may also be the public officer. If so, they have additional duties. See the section 'Forming an incorporated association' in this module for a description of the role of the public officer.

The role of the treasurer

The treasurer generally:

- provides an accurate and up-to-date statement of the financial position for adoption at committee meetings each month
- supplies detailed information and gives advice on financial aspects of the organisation
- receives monies, provides receipts and banks them as soon as practicable
- maintains a complete record of cash receipts and payments
- liaises with the auditor and submits books for audit when required.



Contacts

NSW Department of Fair Trading

Head Office
1 Fitzwilliam Street
Parramatta 2150
Phone (02) 9895 0111
Facsimile (02) 9895 0222
General Phone 133220
Website <http://www.fairtrading.nsw.gov.au>

Associations: a guide to incorporation

Available from the NSW Department of Fair Trading

Model rules of association

Available from the NSW Department of Fair Trading

Council of Social Services of New South Wales

66 Albion Street
Surry Hills NSW 2010
Phone 02 9211 2599
Facsimile 02 9281 1968

Incorporation An explanation of the Associations Incorporation Act

Revised Fourth Edition 1997
Graham Wheeler
Available from the Council of Social Services of New South Wales