



Good Governance Guided Discussion

21 March 2026

HOW IS GOOD GOVERNANCE DEFINED?

The Governance Institute of Australia says:

Governance can be argued to have **four** key components:

- 1. Transparency:** being clear and unambiguous about the organisation's structure, operations and performance, both externally and internally, and maintaining a genuine dialogue with, and providing insight to, legitimate stakeholders and the market generally.
- 2. Accountability:** ensuring that there is clarity of decision-making within the organisation, with processes in place to ensure that the right people have the right authority for the organisation to make effective and efficient decisions, with appropriate consequences for failures to follow those processes.
- 3. Stewardship:** developing and maintaining an enterprise-wide recognition that the organisation is managed for the benefit of its shareholders/members, taking reasonable account of the interests of other legitimate stakeholders.
- 4. Integrity:** developing and maintaining a culture committed to ethical behaviour and compliance with the law.

In simplified terms it is often referred to a **doing the right thing**. Added to that must also be the proviso of **being seen to be doing the right thing**. As important as these are, they overlook the critical importance of **Stewardship** as defined above, or in simple terms looking after and operating for the benefit of our members.

As Historic Vehicle Clubs we have governance responsibilities not only to our membership but also to three key external bodies, namely:

**Department of Fair Trading;
Transport for New South Wales; and
Australian Tax Office.**

Each of these will be explored in the context of what they dictate to us Good Governance should look like.

NSW DEPARTMENT OF FAIR TRADING INCORPORATED ASSOCIATIONS

An excellent reference document is Fair Trading "Incorporated Association Management Committee Self-Evaluation Checklist". This is downloaded from the Fair Trading Website.

Objects/Purpose

Do the original objects align with the current objects and activities and does the constitution support these and comply with the Act?

Both Fair Trading and the ATO recommend revisiting these on a regular basis, eg, every 5 years.

Annual General Meeting (AGM)

Is an AGM held within 6 months after the end of the Association's financial year?

Does the management committee ensure financial statements are prepared as soon as practicable for presentation to the AGM?

Accounting Records and Financial Reporting

We all fall within Tier 2 - gross income \$500K< and current assets \$1M<

After the AGM do you lodge the Form A12 -T2 within 1 month? (This can be lodged and paid on-line, or at a S/NSW with a lodgement fee)

Are you keeping financial records for 5 years?

Record Keeping

Does the Association have an up-to-date current copy of its constitution? (Recommend dating these)

If you have adopted your own as opposed to Model Constitution, does it address each of the matters referred to of the Act (Section 25)?

Do you have a member's register as required by the Act (Schedule 1)?

Do you keep a register of committee members? Is this updated within 1 month after any change?

Does the management committee keep minutes of its meetings?

Does the management committee keep records of authorised signatories?

Do you have a public officer and official address? (Note: can't be a PO Box)

Is the current public officer and official address recorded with Fair Trading? (required within 28 days of a vacancy/appointment)

Does the management committee have 3 or more members?

Legal Duties of the Management Committee and Public Officer

Does each committee member ensure they carry out their functions for the benefit of the Association with due care and diligence?

Does the management committee ensure any conflicts of interest are declared and properly managed?

Does the management committee understand and ensure when debts are incurred that the Association will be able to pay those debts?

Is the management committee clear on how complaints between, about and from members must be dealt with?

Delivery of Records and Documents

Have outgoing committee members delivered all the Association documents in their possession to the public officer within 14 days after vacating office?

Has the outgoing public officer returned all Association documents in their possession to a committee member within 14 days upon vacating office?

General Obligations

Does the full name of the Association appear on all documents in legible characters?

Does the Association have at least 5 members and 3 committee members? Note: This is a requirement to remain registered.

TRANSPORT FOR NEW SOUTH WALES (TNSW)

TNSW treats its recognised clubs as "regulatory Partners". Whilst clubs do not make the regulations they do play a critical role in ensuring that only vehicles compliant with HVS / CVS are entered to the registration schemes and club approved usage is consistent with the HVS / CVS policy as on the website.

1. Appointment of Club Scrutineers

Does your club have approved scrutineers that by way of competency levels (qualifications and/or experience) are able to conduct historic vehicle inspections?

Do you expect scrutineers to be able to complete Section 3 of the 1259, declaring "the vehicle is in safe operating condition"? Alternatively, do you require a "pink slip".

Do your scrutineers check vehicles for HVS eligibility? If so, do you ensure that they have current knowledge of and consistently apply:

- HVS policy as on TNSW website;
- The Options, Accessories and Safety Items document;
- VSI 53; VSI 06; and VSI 09.
- Do your scrutineers check for ongoing eligibility?

2. Eligibility Committee

Does your club have an eligibility committee that has the final say on vehicles entering HVS?

3. Club Responsible Person and Club Stamps

Does your clubs responsible person/s receive advice from the eligibility committee?

Does your clubs responsible person/s have access to your current membership list?

How many club stamps does your club have? Do you maintain a record of who has these and have a system to recall these when a person ceases to be a Responsible Person?

4. Club Records

Does your club keep a record of vehicle safety and eligibility inspections undertaken by scrutineers?

Does your club maintain a register of vehicles it has approved for HVS?

5. Club By-Laws

Does your club have a set of by-laws or rules that clearly outline your clubs:

- Types of vehicles they will consider for HVS / CVS;
- Safety Inspection requirements (consider different requirements for vehicle types);
- Vehicle eligibility requirements (your standard can be higher than TNSW but it can't be less);
- Club procedures for new applications and renewals; and

- Training for scrutineers.

6. Updating your club records

It is expected that you keep TNSW with updated club details including:

Name/s of scrutineers, especially if declaring the "vehicle is in safe operating condition";
Name/s of the Club's Responsible Person/s; and
Club Contact, Address, Telephone.

This is done by either email to:
ais@transport.nsw.gov.au

or posting to:
Historic Vehicle Scheme
PO Box 122
Glen Innes NSW 2370

Telephone 1300 791 186

AUSTRALIAN TAXATION OFFICE (ATO)

Whether we like it or not, Historic Vehicle Clubs are not exempt from paying taxation. We are classified as **Taxable Not for Profits**. This imposes certain governance obligations on clubs.

1. Self Assessing Tax Exempt

If self-assessing as Tax Exempt, you need to be fully aware of what each category means, and your Objects of Membership must reflect these. Only some Sporting Car Clubs can qualify for exemption.

2. Determine if you will incur a tax liability

All clubs, whether holding a current ABN or not, need to determine if they have incurred a tax liability in the preceding financial year.

When determining this the principle of mutuality applies, ie. all income from members is non-assessable and all expenses for members is non-deductable, in simple words these do not count. All other income is assessable but expenses other than for members is also deductible against this. If donating to a charity or community organisation it must be a Deductible Gift Recipient (DGR) or you cannot claim a deduction. If using a registered tax agent, their fees are deductible in the following year.

Our clubs fall below the \$50m aggregate turnover threshold so subject to a Base Rate of taxation. If after deducting your expenses from assessable income you end up with:

- **\$0 - \$416** you pay **no** tax but if an ABN holder **must** notify the ATO that a return is not required. This can be done by phone, or using [NFP company non-lodgment advice \[PDF, 198KB\]](#) form.
- **\$417 - \$762** you pay 55% of every dollar over \$416. You **must lodge** a company tax return. Non-ABN holders will need to apply for an ABN before lodging a company tax return.
- **\$763 and above** you pay 25% on your whole taxable income. You **must lodge** a company tax return. Non-ABN holders will need to apply for an ABN before lodging a company tax return.

3. Lodging a Return or non-lodgement advice

A non-lodgement advice (return not required) can be made by phoning the ATO; using a form; or via a registered tax agent.

A company tax return can be lodged on a pen and paper form or via a registered tax agent. If lodging a pen and paper form, clubs need to be aware that this form must be signed by their public officer. Clubs may find it advantageous to have the treasurer as their public officer.

Taxable not for profits have a special lodgement date of 15th May in the next year.

The ATO website has many resources developed to support Taxable NFP organisations.

Ignorance is not an excuse. Remember that new rules for banks including reporting balances and payments, means that the ATO can match you easily and come “knocking” for what it has identified as potentially unpaid taxes.

If in doubt, engage the services of a registered tax agent.