

Topic 2

EMERGE
Supporting Farmer Led Groups

A collaborative project between
TAS FARM INNOVATION HUB
RMCG

Why Formalise our Farmer-Focused Group?

Community groups often start with an idea and some passionate people, but as they grow, they may need to handle money or assets or want to manage liability. Then they may benefit from formalising as a separate legal entity. Grant funding regularly requires a formalised group format such as an incorporated association or alternative structures described on '**Emerge Sheet 3: Governance Structures**'. Formalising a group can also support the organisation's longevity and advocacy strength.

1. Legal identity

Creating a legal entity separate from the individual farmers/members means the group can:

- Enter contracts,
- Apply for funding, bank accounts and insurance in its own name,
- Hire staff
- Own assets including land.

2. Limited liability protection

Without incorporation or other legal entity individual members could be personally liable if something goes wrong (e.g. safety incident, financial loss, legal disputes).

Incorporation can help protect personal assets and members' businesses.

3. Access to grants and funding

Many funding programs, as well as banks and organisations require groups to be incorporated (or other legal structure) before they can:

- Apply for grants
- Receive funding or sponsorship
- Open certain types of bank accounts.

4. Credibility, trust and reputation

Being a formal entity can help a group appear more professional and to be seen as trustworthy; providing a stronger base for advocacy, funding, communication (industry newsletters and media), and partnerships.

This higher profile, with clear objectives, can also help draw new members.

5. Clear governance and structure

Becoming formalised requires a Constitution or Rules of Association with defined committee member roles and processes for decision making.

This supports transparency and accountability, makes it easier for members to inform and contribute to decision-making, can resolve conflict, and increase member interest in the future of the organisation.

6. Continuity over time

Formalised entities tend to continue to exist even if members change. This is particularly useful for long-term initiatives and community building; it minimises the risk of critical person dependency.

When it might not be necessary

If the group is very small, informal, and not handling money or risk, becoming a legal entity, particularly an incorporation might result in more administration and not much benefit for the time being. Still, it is useful to regularly reassess if the group and its members still accept the risks of being a non-legal entity, if activities and member numbers change.

Additional Resources

- **Consumer, Building & Occupational Services (CBOS)**

  www.cbos.tas.gov.au/topics/clubs-fundraising/incorporated-associations/what-is-incorporated-association#Advantages-of-incorporation

- **Landcare Tas**

  www.landcaretas.org.au/incorporating_a_group

- **WA Consumer Protection (DLGIRS)**

  www.consumerprotection.wa.gov.au/benefits-incorporating-association

How this resource came about

The Emerge project was funded by the Australian Government's Future Drought Fund to support new, emerging and informal farmer groups to develop their skills and knowledge, and to create this set of resources for use by groups into the future. Groups participating in 2026 received coaching and additional learning opportunities to supplement the content of these resources.

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Questions to ask your group

- ☑ Is money received by the group, and how is it currently handled? (e.g. separate bank account, cash only)
- ☐ Does the group need to sign contracts? (e.g. funding, hall hire, insurance, contractors)
- ☐ Are individuals at risk if something happens to the group or its members or is caused by the group? (e.g. a financial loss, legal issue, reputation)
- ☐ Would the group benefit from being able to receive grant funding?
- ☐ Would becoming a formal entity build reputation and focus?
- ☐ Does the group want to boost its advocacy strength?
- ☐ Would formal systems help with group dynamics, decision making and conflict resolution?
- ☐ Is the group at risk of sole person dependency, potential burn out, changes in lead member priorities, or otherwise eager to bring new organisers on board?
- ☐ Would becoming a formal entity help the group meet its goals?
- ☐ Is there an intent to grow and change over the next 1-2 years?
- ☐ Would the group like to distribute proceeds or surplus funds back to members?

Not all of these can only be resolved solely by becoming a legal entity, but it can help.

Formalising at the right time can help prepare a group for the future. Check out multiple options for selecting what might best suit your group on '**Emerge Topic 3: Governance Structures**'.