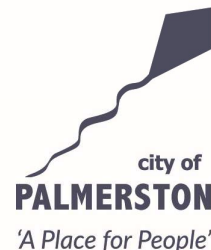


RELATED PARTY DISCLOSURE

COUNCIL POLICY



PURPOSE

The purpose of this policy to outline how Council will comply with the disclosure requirements under AASB124 *Related Party Disclosures*.

The policy will:

- Identify related parties, information and transactions about those parties
- Establish a system to capture and record transactions and information about those transactions; and
- Identify circumstances in which a disclosure is required

PRINCIPLES

Council is committed to complying with the requirements of the Australian Accounting Standard and providing open and transparent disclosures within the annual financial statements.

DEFINITIONS

For the purposes of this Policy, the following definitions apply:

TERM	DEFINITION
Close family members or close members of the family	<p>Are those family members who may be expected to influence, or be influenced by, that key management person in their dealings with Council and include:</p> <ul style="list-style-type: none">• that person's children and spouse or domestic partner;• children of that person's spouse or domestic partner; and• dependants of that person or that person's spouse or domestic partner. <p>For the purpose of AASB124 close family members can include extended members of a family, if they could be expected to influence, or be influenced by, the key management person in their dealings with Council.</p>

TERM	DEFINITION
Control	Control of an entity is present when there is: <ul style="list-style-type: none"> • power over the entity; and • exposure or rights to variable returns from involvement with the entity; and • the ability to use power over the entity to affect the amount of returns received.
Joint Control	The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.
Key management personnel or key management person (KMP)	Person(s) having authority and responsibility for planning, directing and controlling the activities of Council, directly or indirectly. Specifically, KMP of Council are: <ul style="list-style-type: none"> • the Mayor; • Elected Members; • the Chief Executive Officer; or • members of the Executive Leadership Team
Ordinary Citizen Transactions	Transactions that an ordinary citizen would undertake with Council, which is undertaken on arm's length terms and in the ordinary course of carrying out Council's functions and activities (eg. Paying rates or other charges, using Council's public facilities as an individual)
Related party	Is a person or entity that is related to the reporting entity. <ol style="list-style-type: none"> a) Council subsidiaries; b) Entities who are associates of Council and Council subsidiaries; c) Joint ventures in which Council or a Council subsidiary is a joint venturer; d) Council's KMP; e) A close family member of a KMP of Council; f) Entities controlled or jointly controlled by a KMP of Council; or g) Entities controlled or jointly controlled by a close family member of a KMP of Council; Other entities as specified in AASB124, paragraph 9(b)(iii),(iv), (v) and (viii).
Related party transaction	Is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
Reporting entity	Is the entity that is preparing its financial statements.



POLICY STATEMENT

1. Identifying Related Party Transactions with KMP and their Close Family Members

KMP must provide a related party disclosure, notifying any existing or potential related party transactions between Council and either themselves, their close family members or entities controlled or jointly controlled by them or any of their close family members to the Chief Executive Officer.

1.1. Related Party Disclosure Form

KMP will be required to complete a related party disclosure form as soon as a related party relationship exists or within 30 days of a specified notification period (even if no related party transactions exist).

1.2. Suspected Related Party Transaction

If a KMP suspects that a transaction may constitute a related party transaction, the KMP should provide a related party disclosure on the appropriate form to the Chief Executive Officer.

1.3. Specified Notification Periods

KMP have to provide a Related Party Disclosure Form in the following periods during a financial year:

- 30 days after initial approval of this policy;
- 30 days after a KMP commences their term or employment with Council;
- 30 November each year;
- 30 June each year.

1.4. Other Notifications

The notifications requirements under Section 4.1 are in addition to notifications a KMP must make to comply with other existing policies of Council.

1.5. Exclusions

The notification requirements under Section 4.1 do not apply to:

- For staff - salary and other employee benefits
- For Elected Members - transactions governed by Council policy EM02 Elected Members Benefits and Support Policy
- Transactions classified as ordinary citizen transactions as defined in this policy

1.6. Other Sources of Information

To ensure all related party transactions are captured and recorded other sources of information held by Council may be utilised; including, but not limited to:

- Minutes of Council and committee meetings;
- Council's Contracts Register
- Council's Tender Register
- Gifts and Benefits Register

2. Information Privacy

Information collected to comply with AASB124 Related Party Disclosures will only be used for that purpose and will not be disclosed for any other purposes.

ASSOCIATED DOCUMENTS

- Nil

REFERENCES AND RELATED LEGISLATION

- Nil

POLICY DETAILS

OWNER	Chief Executive Officer	RESPONSIBLE OFFICER	General Manager Finance & Governance
APPROVAL DATE	21 March 2023	NEXT REVIEW DUE	23 March 2027
RECORDS NUMBER	365983	COUNCIL DECISION	10/706