

# Related Party Disclosures

## Introduction

s.6.4 of the *Local Government Act 1995* and r.5A of the *Local Government (Financial Management) Regulations 1996*, requires that all local governments in Western Australia must produce annual financial statements that comply with Australian Accounting Standards.

This policy has been developed to ensure that all transactions, relationships, and arrangements involving related parties are:

1. Identified and disclosed with the required transparency;
2. Documented and reported in accordance with statutory obligations;
3. Monitored and reviewed to safeguard public assets; and
4. Managed in accordance with sound financial management practices as outlined by s.62 of the *Financial Management Act 2006*, which requires *local government authorities* prepare financial statements referred to in section 61(1)(a) in accordance with the accounting standards and other requirements issued by the Australian Accounting Standards Board (AASB).

## Objective

To ensure that the existence of certain related party relationships, related party transactions and information about the transactions, necessary for users to understand the potential effects on the financial statements are properly identified, recorded in the Shire of Toodyay systems, and disclosed to achieve compliance with the Australian Accounting Standard AASB 124 – Related Party Disclosures.

## Scope

This policy applies to:

- All Shire Officers, employees, and Councillors (key management personnel) who have delegated authority, and are engaged in transactions or decision making relating to the financial management of the Shire.
- All transactions and arrangements (both financial and non-financial) where a “related party” as defined in AASB 124 is involved.
- All reporting periods and financial statements subject to internal and external auditing.

## Definitions

Refer to Attachment B – Definitions in regard to Related Party Disclosures Policy.

Term	Definition
Refer to Associated Documents or the Shire of Toodyay (Shire) Glossary (Definitions) located on the Shire website for definitions not listed: <a href="https://www.toodyay.wa.gov.au/documents/470/corporate-documents-glossary-(definitions">https://www.toodyay.wa.gov.au/documents/470/corporate-documents-glossary-(definitions</a>	

## Policy Statement

A related party transaction is a deal or agreement between two parties who have a pre-existing business relationship or common interest. These transactions, while legal and a normal feature of commerce, they can potentially create conflicts of interest and they can affect the profit or loss, financial position, and cashflows of an entity. Related parties may transact with an entity on terms that would not be available to an unrelated party. The disclosure of the entity's transactions, outstanding balances (including commitments), and the relationships with related parties may affect assessments of the Shire's operations by users of the financial statements.

Therefore the Shire of Toodyay is committed to:

- (a) ensuring that all related party transactions shall be transparently disclosed in the financial statements;
- (b) maintaining high ethical standards in the identification, documentation, and reporting of related party transactions; and
- (c) ensuring that such transactions are conducted on an arm's length basis and are approved at the appropriate level of oversight as required under this policy.

### 1. Establishment of a process

- (a) The identification of related parties and relationships occurs through maintenance of a register of related party transactions and Related Entities in which is recorded information that has been identified and determined in respect to:
  - (i) Shire subsidiaries, associates and joint ventures (incorporated and unincorporated);
  - (ii) whether Council has control or joint control of an entity;
  - (iii) whether an entity is an associate of, or in a joint venture with, the Shire of Toodyay or a subsidiary of the Shire;
  - (iv) whether any identified Shire subsidiaries, associates or joint ventures have an existing related party transaction with the Shire through the Shire's business systems;
  - (v) extracting information against each existing related party transaction in the Shire's business systems for the purpose of recording the related party transaction and associated information; and
  - (vi) Manually reviewing the transactional documentation for related party transactions that are not captured by the Shire's business systems and recording the information for the subject transaction.
- (b) Other sources of information held by the Shire of Toodyay including, but not limited to Minutes of Council and Committee Meetings; and Council's Contracts and Lease Registers.
- (c) Key Management personnel are identified through the register for Delegations and Financial Interest Returns. The register is updated regularly through the Shire's compliance management processes.

## 1.1. Identifying Related Parties (Key Management Personnel – KMP)

- (a) The most common related parties to the Shire will be:
  - (i) A Councillor (KMP);
  - (ii) A person employed under section 5.36 of the *Local Government Act 1995* in the capacity of Chief Executive Officer (CEO) and other Executive Management staff (KMP);
  - (iii) Close family members of any person listed above (e.g. spouse/domestic partners, dependants and children of the Councillors, CEO and Executive Management staff);
  - (iv) Possible close family members of any person listed above;
  - (v) Entities that are controlled or jointly controlled by KMP's or their close family members (entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs); and
  - (vi) Entities subject to significant influence by the Shire and Shire Joint Venture entities.
- (b) In the context of AASB 124, the following are not related parties:
  - (i) Two entities simply because they have a member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity.
  - (ii) Two joint ventures simply because they share joint control over a joint venture.
  - (iii) Financial providers;
  - (iv) Trade Unions;
  - (v) Public utilities
  - (vi) Departments and agencies of a government that does not control, jointly control or significantly influence the local government; and
  - (vii) Simply by virtue of their normal dealings with the local government (even though they may affect the freedom of action of a local government or participate in its decision-making process).
  - (viii) A customer, supplier, franchisor, distributor or general agent with whom the local government transacts a significant volume of business.

## 1.2. KMP Disclosure responsibilities

- (a) Key Management personnel (KMP) are responsible for providing a **Related Party Disclosure** in the form set out in **Attachment A**, notifying any existing or potential related party transactions between the Shire of Toodyay and either themselves, their close family members or entities controlled or jointly controlled by them or any of their close family members, subject to exclusions.

- (b) Disclosures will be required:
  - (i) annually, no later than 30 days after 30 June;
  - (ii) 30 days after a KMP has commenced employment;
  - (iii) when staff movements occur for an KMP role; and
  - (iv) after elections of Council in October of relevant year and or after any extraordinary election held
- (c) These requirements are in addition to the notifications a KMP must make to comply with their Code of Conduct and disclosure of interests responsibilities in a primary or annual return in accordance with the *Local Government Act 1995*.
- (d) In all instances if any uncertainty exists regarding the status of a transaction or party it is advisable to make the requisite disclosure. The Executive Manager Finance and Corporate Services will be able to assess and confirm the nature of the transaction.
- (e) If a KMP believes a transaction or relationship may constitute a related party transaction or relationship but is uncertain and is not comfortable with disclosure, the CEO can be notified. The CEO will be able to obtain resolution from the Executive Manager Finance and Corporate Services regarding the status of the transaction or relationship.

## 2. **Identifying related party transactions**

For the purposes of determining whether a related party transaction has occurred, common transactions or provision of services have been identified as meeting the criteria include but are not limited to the following:

- (a) Paying of Rates, fees and charges or any other amount to the Shire;
- (b) Use of Shire owned or operated facilities such as halls, pavilions, other buildings, library, parks, ovals and other public open spaces (whether charged a fee or not);
- (c) Attending Shire functions that are not open to the public;
- (d) Employee compensation whether it is for KMP or close family members of KMP;
- (e) Application fees paid to the Shire for licences, approvals or permits;
- (f) Lease agreements for housing rental (whether for a Shire owned property or property sub-leased by the Shire through a Real Estate Agent);
- (g) Lease agreements for commercial properties;
- (h) Monetary and non-monetary transactions between the Shire and any business or associated entity owned or controlled by the related party (including family) in exchange for goods and/or services provided by/to the Shire (trading arrangement);
- (i) Sale or purchase of any property owned by the Shire to a person identified above;

- (j) Sale or purchase of any property owned by a person identified above, to the Shire;
- (k) Loan Arrangements;
- (l) Contracts and agreements for construction, consultancy or services.
- (m) Any transaction, monetary or otherwise, involving an entity that could affect the financial and operating policies of the Shire through presence of Control, Joint Control or significant influence.

## **2.1 Identifying ordinary citizen transactions (OCT)**

The Shire acknowledges that there are related party transactions that also satisfy the definition of an Ordinary Citizen Transaction (OCT).

Some of the transactions listed above, occur on terms and conditions no different to those applying to the general public and have been provided in the course of delivering public service objectives. Where the Shire can determine that the OCT was:

- (a) Provided at arm's length;
- (b) In similar terms and conditions applying to the general public; and
- (c) That the nature of the transaction is immaterial.

Where these services were not provided as per above OCT description, Councillors and KMP will be required to make a declaration. The disclosure requires KMP's to identify the nature of the transactions, discount or special terms received in accordance with AASB124.

## **2.2 Exclusions**

The notification requirements do not apply to:

- (a) Related party transactions that are ordinary citizen transactions not assessed as being material as determined under this policy; and
- (b) The Member sitting fees provided and reimbursable expenses incurred, during the financial year under members policy "Sitting Fees and Reimbursable expenses," the particulars of which are contained in councils annual report pursuant to r.19B of the *Local Government (Administration) Regulations 1996*.

## **2.3 Identifying KMP's close family members, possible close family members and entities controlled or jointly controlled by any of them**

- (a) Close family members and possible close family members of KMP

These are family members who may be expected to influence, or be influenced by a KMP person in their dealings with the entity and include but are not limited to:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependants of that person or that person's spouse or domestic partner.

- (iv) stepparents, grandparents, aunts, uncles, and cousins; and
  - (v) any other close family member
- (b) The following table may assist in identifying close family members and possibly close family members.

<b><i>Definitely a close family member</i></b>	<b><i>May be a close family member</i></b>
<i>Your spouse/domestic partner</i>	<i>Your brothers and sisters, if they could be expected to influence or be influenced by you in their dealings with council</i>
<i>Your children</i>	<i>Your aunts, uncles and cousins, if they could be expected to influence or be influenced by you in their dealings with council</i>
<i>Your dependants</i>	<i>Your parents and grandparents, if they could be expected to influence or be influenced by you in their dealings with council</i>
<i>Children of your spouse/domestic partner</i>	<i>Your nieces and nephews, if they could be expected to influence or be influenced by you in their dealings with council</i>
<i>Dependants of your spouse/domestic partner</i>	<i>Any other member of your family if they could be expected to influence or be influenced by you in their dealings with council</i>

- (c) Entities controlled or jointly controlled by KMP, close family members and possibly close family members

The control and joint control criteria detailed in *AASB 10 Consolidated Financial Statements (AASB 10)* and *AASB 11 Joint Arrangements (AASB 11)* must be applied in determining whether an entity is a related party of the Shire. Entities, regardless of their legal form or purpose that are controlled or jointly controlled by a KMP or Close Family Member of a KMP are related parties of Council.

Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships. Control over an entity is:

- (i) Power over the entity;
- (ii) Exposure, or rights, to variable returns from involvement with the entity; and
- (iii) The ability to use power over the entity to affect the amount of returns.



To jointly control an entity there must be contractually agreed sharing of control of the entity, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

3. **Assess Materiality**

- (a) Management will apply professional judgement to assess the materiality of transactions disclosed by related parties and their subsequent inclusion in the financial statements.
- (b) In assessing materiality (quantitative and qualitative), management will consider both the size and nature of the transaction, individually and collectively.
- (c) Where the assessment of transactions made with key management personnel or entities is required, the assessment panel will comprise of the Chief Executive Officer, the Manager Corporate and Community Services and/or the Finance Coordinator.
- (d) Where there may be an impartiality issue (perceived or otherwise), either the Manager Assets and Services or the Manager Planning and Development may be selected at the discretion of the Chief Executive Officer.

4. **Making disclosures in the local government's financial statements**

To comply with AASB124, for annual periods beginning on or after 1 July each year, the Chief Executive Officer (Director) will ensure that the following disclosures are included in the Shire of Toodyay Annual Financial Statements:

- (a) Relationships between the Shire of Toodyay and its subsidiaries, irrespective of whether there have been transactions between them.
- (b) Key Management Personnel (KMP) compensation in total and for each of the following categories:
  - i. Short-term employee benefits;
  - ii. Post-employment benefits;
  - iii. Other long-term benefits;
  - iv. Termination benefits.
- (c) Amounts incurred by the Shire of Toodyay for the provision of KMP services that are provided by a separate management entity.
- (d) Information for related party transactions with the following persons during the periods covered by the Financial Statement:
  - i. Council subsidiaries;
  - ii. Entities who are associates of Council or of a Council subsidiary;
  - iii. Joint ventures in which Council or a Council subsidiary enters into a joint venture;
  - iv. Key management Personnel (KMP) of the Shire;
  - v. Other related parties comprising:

- Close members of the family of any person listed above, including that person's child, spouse or domestic partner, children of a spouse or domestic partner, dependents of that person or persons' spouse or domestic partner;
- Entities that are controlled or jointly controlled by a KMP or their close family members.
- Entities include companies, trusts, joint ventures, partnerships and non-profit associations such as sporting clubs).

#### **4.1 Disclosed Information**

Where related party transactions have occurred (for each category of related party transactions, including related entities, KMP's, KMP's close family member/controlled entities and any other related parties) the Shire will disclose the following information in the Shire of Toodyay Annual Financial Statements:

- (a) The nature of the related party relationship;
- (b) Information about the transaction including the amount; the outstanding balances and commitments including:
  - (i) their terms and conditions;
  - (ii) whether they are secured, and the nature of the consideration to be provided in settlement;
  - (iii) details of any guarantees given or received;
  - (iv) Purchase/ sales and lease of goods, property and other assets;
  - (v) Rendering or receiving of goods, services, property and other assets;
  - (vi) Loans and settlements of liabilities;;
  - (vii) Provisions for doubtful debts related to the amount of outstanding balances; and
  - (viii) The expense recognised during the period in respect of bad or doubtful debts due from related parties.

It should be noted that the disclosure requirements apply to the existence of relationships regardless of whether a transaction has occurred or not. For each financial year, the Shire must make an informed judgement as to who is considered to be a related party and what transactions need to be considered, when determining if disclosure is required.

#### **4.2 Disclosures in aggregate or separate**

Generally, related party disclosures in the annual financial statements are reported in aggregate and as such, individuals are not specifically identified nor a specific transaction.

Management is required to exercise judgement in determining the level of detail to be disclosed based on the nature of a transaction or collective transactions and materiality.



Individuals may be specifically identified and separate disclosure may be necessary for an understanding of the effects of related party transactions on the financial statements, if the disclosure requirements of AASB 124 so demands.

For each related party category, the Shire of Toodyay will disclose items of a similar nature in aggregate (one lump sum), except when a separate disclosure is necessary for an understanding of the effect of a related party transaction on the financial statements and having regard to the following criteria:

- (a) the nature of the related party relationship.
- (b) the significance of the transaction (individually or collectively in terms of size or value (including where the materiality arises due to the fact that no consideration for the transaction is given or received by the Shire of Toodyay);
- (c) whether the transaction is carried out on non-arm's length terms;
- (d) whether the nature of the transaction is outside normal day-to-day business operations.

based on the factors and thresholds under the direction of the Manager Corporate and Community Services in consultation with the Chief Executive Officer and the Shire's external Auditor.

### 4.3 Confidentiality

All information contained in a disclosure return, will be treated in confidence. Generally, related party disclosures in the annual financial reports are reported in aggregate and as such, individuals are not specifically identified.

Notwithstanding, management is required to exercise judgement in determining the level of detail to be disclosed based on the nature of a transaction or collective transactions and materiality. Individuals may be specifically identified if the disclosure requirements of AASB 124 so demands.

### Reference Information

- [\*AASB 124 Related Party Disclosures\*](#) Standard published by the Australian Government
- *Guidelines for financial policy and accounting:* <https://www.dlgsc.wa.gov.au/local-government/local-governments/support-and-advice/financial-policy-and-accounting>

### Legislation

[\*Financial Management Act 2006.\*](#)

[\*Local Government Act 1995\*](#)

[\*Local Government \(Financial Management\) Regulations 1996\*](#)

*AASB 10 Consolidated Financial Statement*

*AASB 11 Joint Arrangement and*

*AASB 128 Investments in Associates and Joint Ventures*

## Associated documents

Attachment A: Related Party Disclosures - Declaration form

Attachment B – Definitions in regard to Related Party Disclosures Policy.

Document control information	
Document Category	Governance
Document Title	Related Party Disclosures
Document ID	GOV6
Document Owner (position title)	Chief Executive Officer
Author (position title)	Executive Manager Finance and Corporate Services
Initial Council Adoption (including Date and Resolution No.)	27 July 2021 (CRN: 150/07/21)
Last Council Review (including Date and Resolution No.)	Adopted by Council on 26/06/2025 (CRN: OCM106/06/25)
Date of approval	26 June 2025
Approving authority	Council
Absolute or Simple Majority Decision:	Absolute
Access restrictions	Nil
Date Published	30 June 2025
Date of next review	Annually or as required



## Council Policy: Related Party Disclosures

### **Attachment A – Disclosure form**

Refer also to Attachment B – Definitions for Related Party Disclosures

#### Details of Key Management Personnel (KMP) disclosing related party transactions

Full Name: \_\_\_\_\_

Position: \_\_\_\_\_

Department: \_\_\_\_\_

Period covered by the disclosure: \_\_\_\_\_

### **Privacy Notice**

This form asks for details about transactions between you, your family, or entities you control, and the entity you are a Key Management Personnel (KMP) of, or any entity controlled by it.

The main reason for collecting this information is to help users of the financial statements understand how these transactions affect the Shire's financial position and performance.

We are collecting this information according to the Australian Accounting Standard AASB 124 – Related Party Disclosures. The Shire must follow these rules when preparing annual financial statements. The information you provide will be used to disclose related party transactions

### **Completion of this form**

- (a) Please fill out this form for each related party transaction with the Shire of Toodyay that you, a close family member, or an entity related to you or a close family member:
  - (i) has already entered into and will continue in the current financial year; or
  - (ii) has entered into, or is likely to enter into, in the \_\_\_\_\_ financial year, whether it continues into future years or not.
- (b) Write “not applicable” or “Nil” for anything that doesn't apply.
- (c) If nothing has changed since your last declaration, please write “no change”



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Within the period covered by the disclosure, were there any of the following transactions with the Shire?

Did any of the following apply?	Transactions between you and Council	Transactions between Council and entities related to you	Transactions between Council and entities related to your close family members
Purchase of goods or services from, or provision of goods or services.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Purchase of property or other assets from, or sale of property or other assets.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Leases entered into with the Shire.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Grants or subsidies provided to or grants or subsidies received from the Shire	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Voluntary work provided to, or received from the Shire	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Debts forgiven in part or in full by the Shire.	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Any other transactions that could be considered a related party transaction with the Shire	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

## 1. CLOSE MEMBERS OF THE FAMILY

List the details of known close family members, entities controlled or jointly controlled by Key Management Personnel (KMP), and entities controlled or jointly controlled by the close family members of the KMP.

**Name of Family Member**

**Relationship to you**



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## 2. ENTITIES THAT I, OR CLOSE FAMILY MEMBER CONTROLS OR JOINTLY CONTROLS

List details where you control the entity or can influence its financial and operating decisions. This includes companies, trusts, partnerships, sports clubs, societies, or any other organization where you have control or significant influence.

**Name of Entity**

**Name of person who has control/nature of control**

## 3. ORDINARY CITIZEN TRANSACTIONS – NOT PROVIDED AT ARMS LENGTH.

Did you or any close family member use council facilities and receive a discount or special terms that are not available to the general public?

**Name of person using the facility**

**Service/facility used**

**Nature of transaction**

**Nature of discount or special conditions received.**

#### 4. LEASING AGREEMENTS – DOMESTIC RESIDENTIAL

Did you, a close family member, or a related entity enter into a lease agreement with the Shire of Toodyay for a rental property (including properties owned by the Shire or privately owned properties sub-leased through the Shire)? Did you receive or give a discount or special terms not available to the general public?

**Name of person party to the lease**

**Property Address**

**Term of Lease & Weekly rent.**

**Detail of any non-arms- length conditions**

#### 5. LEASING AGREEMENTS – COMMERCIAL

Did you, a close family member, or a related entity enter into a commercial lease agreement with the Shire of Toodyay for a commercial property? Did you receive a discount or special terms not available to the general public?

**Name of person party to the lease**

**Property Address**

**Term of Lease & Weekly rent.**

**Detail of any non-arms- length conditions**



## 6. TRADING ARRANGEMENTS

Were you or a close family member the owner or in control of a business that provided goods or services to the Shire of Toodyay? Were these goods or services provided on the same terms as to any other customer? If not, please provide details of the specific terms given to the Shire of Toodyay

**Business name**

**Goods or Services Provided**

**Approximate value for the reporting period**

**Terms and Conditions**

## 7. OTHER AGREEMENTS (Construction, Consultancy, Service Contracts)

Did you, a close family member, or a related entity enter into any other agreements or arrangements with the Shire of Toodyay, whether or not a price was charged? This could include construction contracts, consultancy services, or service contracts (like cleaning, maintenance, or security).

For example: a company controlled by a close family member was awarded a contract with the Shire to build a new office or facility.

**Name of person or business/company**

**Nature of Agreement**

**Value of Agreement**

**Terms and Conditions**

## 8. PURCHASE OF PROPERTY

Did you, a close family member or related entity, purchase any property or other assets from the Shire of Toodyay? (This may include vehicles or other plant items, land or buildings).

**Name of person or entity name**

**Property purchased**

**Value of the purchase**

**Terms & Conditions**

## 9. SALE OF PROPERTY

Did you, a close family member or related entity, sell any property or other assets to the Shire of Toodyay? (This may include vehicles or other plant items, land or buildings).

Was the sale made at arms-length, and or on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided.

**Name of person or entity name**

**Property sold**

**Value of the Sale**

**Terms & Conditions**

## 10. FEES & CHARGES FOR APPLICATIONS

Did you, a close family member or related entity, make an application to Council for a trading, building, planning or development application, licence or approval, or any other type of permit or licence?

**Name of person or entity name**

**Application Type**

**Application and/or receipt number**

## 11. SELF SUPPORTING LOANS

Did you, a close family member or related entity, enter into a loan agreement with the Shire of Toodyay? For example: a club for which you have control over or influence.

**Name of person or entity name**

**Loan details**

**Value of the loan**

**Terms & Conditions**

## 12. OTHER AGREEMENTS

Please list any other agreement or arrangement you believe is a related party transaction and should be declared.

### Name of person or entity name

### Details

### Value

### Other Terms

## Notification

I \_\_\_\_\_, \_\_\_\_\_  
(full name) (Position)

notify that, to the best of my knowledge, information and belief, as at the date of this notification, the above list includes all existing and potential related party transactions with Council involving myself, close members of my family, or entities controlled or jointly controlled by me or close members of my family relevant to the current financial year and the \_\_\_\_\_ financial year.

I have made inquiries of my close family members and to the best of my knowledge the information provided in this declaration is a complete and accurate record.

I understand this information is collected for the purpose of preparing note disclosures for inclusion in the financial statements of the Shire of Toodyay.

I make this notification after reading the Related Parties and Related Party Transactions Policy provided by the Shire of Toodyay which details the meaning of the words:

- “related party”;
- “related party transaction”;
- “close members of the family of a person”; and
- In relation to an entity, “control” or “joint control” and the purposes for which this information will be used and disclosed.

I authorise the Shire of Toodyay to provide personal information about me or my close family members in respect of transactions between me or my close family members, or entities controlled or jointly controlled by me or my close family members, and the Shire of Toodyay.

I consent to the Shire of Toodyay collecting, using and disclosing my personal information for the purposes of meeting its financial reporting obligations.

SELECT OPTION 1: ☐ Handwritten Signature.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**Once signed please provide to the CEO.**

SELECT OPTION 2: ☐ Electronic Signature.

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

**This form can be sent by email to the CEO provided the email is sent by the person making the disclosure from their work or persona (e.g.: Councillors) email account.**



## Attachment B – Definitions for Related Party Disclosures Policy

Term	Definition
<i>Arm's Length transactions</i>	<i>A transaction in which the parties act independently and in their own self-interest, ensuring that neither party is influenced by the relationship with the other for favourable terms.</i>
<i>Associate</i>	<p><i>In relation to an entity (the first entity), an entity over which the first entity has significant influence. It includes subsidiaries of the associate.</i></p> <p><i>For example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other.</i></p>
<i>Compensation</i>	<p><i>Compensation includes all employee benefits (as defined in AASB 119 Employee Benefits) including employee benefits to which AASB 2 Share-based Payment applies. Employee benefits are all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. It also includes such consideration paid on behalf of a parent of the entity in respect of the entity.</i></p> <p><u><i>Compensation includes:</i></u></p> <ul style="list-style-type: none"> <li><i>(a) short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave, profit-sharing and bonuses (if payable within twelve months of the end of the period) and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for current employees;</i></li> <li><i>(b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;</i></li> <li><i>(c) other long-term employee benefits, including long-service leave or sabbatical leave, jubilee or other long-service benefits, long-term disability benefits and, if they are not payable wholly within twelve months after the end of the period, profit-sharing, bonuses and deferred compensation;</i></li> <li><i>(d) termination benefits; and</i></li> <li><i>(e) share-based payment.</i></li> </ul>
<i>Control</i>	<i>The power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.</i>



Term	Definition
Director	<i>A person who is a director under the Corporations Act; and in the case of entities governed by bodies that are not named a board of directors, a person who, regardless of the name that is given to the position, is appointed to the position of member of the governing body, council, commission or authority.</i>
Dutiable transaction	<i>Is made between related parties if the parties are:</i> <i>(a) related by blood, marriage, co-ownership or prior business relationship</i> <i>(b) related companies as defined in the Corporations Act 2001</i> <i>(c) partners in a partnership</i> <i>(d) participants in the same joint venture</i> <i>(e) trustees of trusts which have common beneficiaries</i> <i>(f) joint owners of property</i> <i>(g) not at arms' length by any other circumstances.</i>
Entity	<i>Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships.</i> <u><i>You control an entity if you have:</i></u> <i>(a) power over the entity;</i> <i>(b) exposure, or rights, to variable returns from involvement with the entity; and</i> <i>the ability to use your power over the entity to affect the amount of your returns.</i>
Financial benefit	<i>A financial benefit includes giving a financial benefit indirectly through an interposed entity, making an informal, oral or non-binding agreement to give the benefit, and giving a benefit that does not involve paying money.</i> <i>Examples of "giving a financial benefit" to a related party may include but is not limited to:</i> <i>(a) Giving or providing the Related Party finance or property.</i> <i>(b) Buying an asset from or selling an asset to the Related Party.</i> <i>(c) Supplying services to or receiving services from the Related Party.</i> <i>(d) Issuing securities or granting an option to the Related Party.</i> <i>Taking up or releasing an obligation of the Related Party.</i>

<b>Term</b>	<b>Definition</b>
<i>Government</i>	<i>Government refers to government, government agencies and similar bodies whether local, national or international.</i>
<i>Government-related entity</i>	<i>A government-related entity is an entity that is controlled, jointly controlled or significantly influenced by a government.</i>
<i>Joint control</i>	<i>Joint control is the contractually agreed sharing of control over an economic activity/arrangement which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.</i>
<i>Joint Venture</i>	<i>An arrangement of which 2 or more parties have joint control and have right to the net assets of the arrangement. It includes subsidiaries of the joint venture.</i>
<i>Key Management Personnel (KMP)</i>	<p><i>Individuals having authority and responsibility for planning, directing and controlling the activities of the Shire, directly or indirectly, including any director (whether executive or otherwise) of that entity.</i></p> <p><i>KMPs having authority and responsibility for planning, directing and controlling activities of the Shire of Toodyay either directly or indirectly are as follows:</i></p> <ul style="list-style-type: none"> <li><i>(a) Shire President / Deputy Shire President / Councillors.</i></li> <li><i>(b) A relevant person employed under s.5.36 or s.5.37 of the Local Government Act 1995 (i.e. Chief Executive Officer/ Senior Executive Managers); and.</i></li> <li><i>(c) Other Officers with delegated authority, procurement responsibilities, or influence.</i></li> </ul>
<i>Management</i>	<i>Where “management” is mentioned in this policy it means the Chief Executive Officer and Senior Executive Officers responsible to the CEO.</i>
<i>Materiality</i>	<i>The assessment of whether the transaction, either individually or in aggregate with other transactions, could influence decisions that users make regarding financial matters of the Shire. In assessing materiality, management will consider both the size and nature of the transaction, individually and collectively.</i>
<i>Ordinary Citizen or Minor Transactions</i> <i>Referred to as</i> <b>OCT Transactions</b>	<i>Transactions that are provided on terms and conditions no different to those applying to the general public and which have been provided in the course of delivering public service objectives, are unlikely to influence the decisions that users of the Shire of Toodyay’s financial statements make. (e.g. rates</i>

Term	Definition
	<p><i>and fees for using council facilities, or transactions for Councillor fees and expenses).</i></p> <p><i>Note: transactions that have different terms and conditions to normal practice could be material in nature and would require reporting in the Related Parties Disclosure.</i></p>
Related Party	<p><i>Any person or entity that is related to the Shire that is preparing its financial statements (in this Standard referred to as the 'reporting entity').</i></p> <p><i>(a) A person or a close member of that person's family is related to a reporting entity if that person:</i></p> <ul style="list-style-type: none"> <li><i>i. has control or joint control over the reporting entity;</i></li> <li><i>ii. has significant influence over the reporting entity; or</i></li> <li><i>iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.</i></li> </ul> <p><i>(b) An entity is related to a reporting entity if any of the following conditions applies:</i></p> <ul style="list-style-type: none"> <li><i>i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).</i></li> <li><i>ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).</i></li> <li><i>iii. Both entities are joint ventures of the same third party.</i></li> <li><i>iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</i></li> <li><i>v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.</i></li> <li><i>vi. The entity is controlled or jointly controlled by a person identified in (a).</i></li> </ul> <p><i>A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</i></p>

Term	Definition
	<i>The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity (the Shire) or to the parent of the reporting entity.</i>
<i>Related Transactions</i> <i>Party</i>	<i>Any transaction or arrangement, regardless of whether a monetary amount is charged, that involves the transfer of resources, services or obligations between the Shire and a related party, regardless of whether a price is charged. These transactions are required to be disclosed in financial statements.</i>
<i>Remuneration</i>	<i>Consideration or benefit received or receivable by the person but excludes any reimbursement of out of pocket</i>
<i>Significant Influence</i>	<i>The power to participate in the financial and operating policy decisions of an entity but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.</i>