

# RELATED PARTY DISCLOSURE - DECLARATION



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As per requirements of AASB 124 Related Party Disclosures, and Business Operating Procedure – Related Party Disclosures. For additional information to assist you in making a declaration, please refer to the Appendices to this form.

The following declaration must be completed by all Council members, the CEO and Senior Staff of the Shire of Chittering who were elected or employed at any time during the financial year.

Disclosure Period (Quarter Ended)	
Person making disclosure	
Position held by person (eg. Councillor, Manager)	

## CLOSE MEMBERS OF THE FAMILY (See Appendix 1)

*If there has been no changes since your last declaration, please complete "No Change"*

Name of Family Member	Relationship to you

## ENTITIES THAT I, OR A CLOSE FAMILY MEMBER CONTROLS OR JOINTLY CONTROLS (See Appendix 2)

*If there has been no changes since your last declaration, please complete "No Change"*

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

## ORDINARY CITIZEN TRANSACTIONS – NOT PROVIDED AT ARMS LENGTH

Did you or any member of your close family use facilities provided by the Shire of Chittering and receive a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person using the facility	Service/Facility used	Nature of transaction	Nature of discount or special conditions received

#### LEASING AGREEMENTS – DOMESTIC RESIDENTIAL

Did you, a close family member or related entity, enter into a lease agreement with the Shire (either as lessee or lessor) for the provision of a domestic rental property (includes properties owned by the Shire and privately owned properties sub-leased through the Shire from a real estate agent)? Did you receive or provide discount or special terms that would not otherwise be offered to any member of the public?

Name of person party to the lease	Property Address	Term of lease & weekly rent	Details of any non-arms length conditions

#### LEASING AGREEMENTS – COMMERCIAL

Did you, a close family member or related entity, enter into a commercial leasing agreement with the Shire for the provision of a commercial property? Did you receive a discount or special terms that would not otherwise be offered to any other member of the public?

Name of person party to the lease	Property Address	Term of lease & weekly rent	Details of any non-arms length conditions

#### TRADING ARRANGEMENTS

Were you or a close family member (as defined above) the owner of any business (or in a position to substantially control the business) that provided goods or services to the Shire? Were those goods or services provided on the same terms and conditions as those available to any other customer? If not, please provide details of the specific terms and provided to the Shire.

Business name	Goods or services provided	Approximate value for the reporting period	Terms & conditions

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

Did you, or a close family member or related entity, enter into any other agreements/arrangements with the Shire (whether or not a price was charged)?

This may include (but not limited to) construction contracts, consultancy services, service contracts (such as cleaning, maintenance, security).

For example a company that a close family member controls, was awarded a contract with the Shire for building a new office facility.

Name of person or business/company	Nature of agreement	Value of agreement	Terms & conditions

#### **PURCHASE OF PROPERTY**

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

Was the purchase made at arms length (eg. at a public auction), and on terms and conditions available to any other member of the public? If not, please provide details of the specific terms provided to you.

Name of person or entity name	Property purchased	Value of the purchase	Terms & conditions

#### **SALE OF PROPERTY**

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

Was the sale made at arms length, and 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 sale	Terms & conditions

#### **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

#### **SELF SUPPORTING LOANS**

Did you, a close family member or related entity, enter into a loan agreement with the Shire?  
For example, a club for which you have control (see Appendix 2 for example)

Name of person or entity name	Loan details	Value of the loan	Terms & conditions

## OTHER AGREEMENTS

Please list any other agreements or arrangements you believe us a related party transaction and should be declared.

Name of person or business/company	Nature of agreement	Value of agreement	Terms & conditions

I declare that all information and details provided in this form are true and correct to the best of my knowledge and belief and that no known relevant information has been omitted.

I have made this declaration after reading the information supplied by Council which details the meaning of the definitions to which this declaration relates.

Once signed, please provide to the Deputy Chief Executive Officer.

Signature	Date     /     /
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## APPENDIX 1

### CLOSE FAMILY MEMBERS

Close family members include:

- a child, spouse or domestic partner;
- children of your spouse or domestic partner;
- dependents of you or your spouse or domestic partner;
- any other close family member; who may be expected to influence, or be influenced by, your dealings with the council.

The following table may assist you in identifying your close family members:

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

There may be relationships that a council has which are not identified in this appendix but still meet the definition of a related party.

Example: Cousin of Councillor

A Councillor for the Shire has lived in the Shire her whole life. In fact her family has been in the area for generations.

The Councillor's cousin owns and operates the local newsagent through a company ABC Pty Ltd, in which she owns 100% of the shares. The Councillor and her cousin have always been close and regularly socialise together.

From these facts it would appear that the Councillor's cousin is a close family member of the Councillor because she would be expected to influence, or be influenced by, that person in her dealings with Council.

Both the cousin and the company she controls, ABC Pty Ltd would therefore be related parties of Council.

Any transactions that the Council makes with the newsagent would need to be separately identified and may need to be disclosed.

## APPENDIX 2

### Control in entities

What is an entity that I, or my close family member, control or jointly control?

Entities include companies, trusts, incorporated and unincorporated associations such as clubs and charities, joint ventures and partnerships.

You control an entity if you have

- a) power over the entity;
- b) exposure, or rights, to variable returns from involvement with the entity; and
- c) the ability to use your power over the entity to affect the amount of your 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.

In some cases it will be obvious that you or a family member control or have joint control over an entity. In other cases it will be less clear.

If you are unsure whether you, or a close family member, has control or joint control of an entity then you should contact the Deputy Chief Executive Officer for a confidential discussion.

**Example: Clubs or other incorporated bodies (A Shire Councillor is the President of a local football club)**

A Shire Councillor is the President of Chittering Football Club Inc, the local football club. This club is overseen by a committee which comprises the President and four other committee members. Each member has a single vote when making decisions at meetings. The committee members are not related and do not have agreements to vote with one another. The club has over 100 members that each have a vote in electing the committee members at the club's annual general meeting.

From these facts it would appear that the Councillor does not control or jointly control the football club so it will not be a related party of Council just because the Councillor is the president of the club.

Other examples

**Example 1 (Audit committee member)**

Shire of Chittering's audit committee comprises two Councillors and a local retired accountant, Fred. Fred has no other connection with the council.

The audit committee attends to the functions as required under the *Audit Regulations*. It does not make any decisions on behalf of the council but simply provides reports, with recommendations, for the Mayor and councillors to consider.

Based on the facts outlined Fred would not be a KMP of council.

**Example 2 (Son of DCEO employed by council)**

The Shire of Chittering has recently employed Paul's son (George) in the Council's parks and garden's area. Paul is Council's Deputy Chief Executive Officer but was not involved in hiring George. This process was managed by the Director of Parks and Gardens and included an independent assessment process. Paul did not have any influence in George securing the job.

Paul has been identified as a KMP of council, which makes him a related party.

George will also be a related party of Council because he is a close family member of Paul. The recruitment process that was undertaken for George's position is irrelevant when assessing whether George is a related party.

Example 3 (Cousin of President - related party commonly known but omitted from declaration)

Shelley, the President of the Shire of Chittering forgets to include her cousin Mavis, and Mavis' company, when she completes her KMP declaration.

It is commonly known in the community that Shelley and Mavis are close and that Shelley would be expected to influence, or be influenced by, Mavis in her dealings with Council and vice versa.

Mavis and her company are related parties of Council, even though Shelley omitted them from her declaration.

Example 4 (Example of control)

Fred is the President of the Shire of Chittering and owns 100% of the ordinary shares in Shire of Chittering Development Company Pty Ltd (the company). The ordinary shares are the only shares in the company that have voting rights.

Fred controls the company because he has the power to affect the company's decisions and the return that he will get from the company.

Fred will need to include the company on his related party declaration.

Example 5 (Example of joint control)

Fred is the President of the Shire of Chittering and owns 50% of the ordinary shares in Shire of Chittering Development Company Pty Ltd (the company). Fred's brother Stan owns the other 50% of ordinary shares. Fred and Stan are the only Directors of the company and have equal voting rights on the board.

Fred and Stan have joint control of the company because any decisions require the unanimous consent of them both.

Fred will need to include the company on his related party declaration.