S0058

RELATED PARTY DISCLOSURE

1. Purpose & Scope

1.1 S177 of the *Local Government Regulation 2012* requires local governments' general purpose financial statements to comply with the prescribed accounting standards of the Australian Accounting Standards Board.

1.2 AASB 124 requires related party disclosures to be included in the annual financial statements and this Policy clarifies Council's application of the standard. The Policy covers the transactions of Council and its related entities as well as Key Management Personnel as defined in this policy.

1.3 This Policy is an additional disclosure to all perceived or genuine 'conflict of interests' required to be declared at the time of deciding to commence any type of transaction on behalf of Council.

a. Related parties include both related entities and related persons. Entities controlled by Council, jointly controlled by Council or over which Council has a significant influence, are related parties of Council.

b. Related parties also include the Mayor, Councillors, Chief Executive Officer, Senior Executive Officers (Key Management Personnel), their close family members and any entities that they control, or jointly control or have significant influence over.

1.4 Transactions between Council and these parties, whether financial or not, need to be identified, and may need to bedisclosed if material.

2. Commencement of Policy

2.1 This Policy will commence from 15 October 2025.

3. Application Of Policy

3.1 The Policy is to be applied to the collection of data to be disclosed in the annual financial statements herewith.

The Policy applies to the Mayor and Councillors, Chief Executive Officer, and Senior Executive Officers of the Charters Towers Regional Council.

4. Definitions

Term	Definition
AASB 124	The Australian Accounting Standards Board annual reporting standard on Related Party Disclosure
CEO	Chief Executive Officer
Close Family Members	Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include: a) that person's children and spouse or domestic partner; b) children of that person's spouse or domestic partner; and c) dependants of that person or that person's spouse or domestic partner. (See Note[1])
Council	Charters Towers Regional Council.
Councillor	The Mayor, Deputy Mayor, and Councillors of the Charters Towers Regional Council.
Contractor	Includes the personnel of the contracting entity.

[1] AASB124 "Definitions"

Entity	A business, association, corporation, partnership, proprietorship, trust, or individual.
Key Management Personnel (KMP)	Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of Council. (See Note [1]). Charters Towers Regional Council Key Management Personnel are as follows: i) Mayor and Councillors. ii) Chief Executive Officer. iii) Executive Managers
Related Party Transaction (RPT)	A 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.
Related Party	A related party is a person or entity that is related to the entity that is preparing its financial statements (See Note [1]) (a) A person or a close member of that person's family is related to a reporting entity if that person: i) has control or joint control of the reporting entity; ii) has significant influence over the reporting entity; or iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to a reporting entity if any of the following conditions applies: 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). 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). iii) Both entities are joint ventures of the same third party. iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. 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. vi) The entity is controlled or jointly controlled by a person identified in (a).

	vii) 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).

5. Declarations

5.1 Using the Related Party Declaration form F0372, key management personnel are required to declare entities owned and/or controlled by themselves, as well as the details of all close family members; and any entities owned and controlled by those family members if it's considered material.

5.2 Related Party Declarations are required to be reviewed annually prior to 30 June each year.

6. Policy Provisions

6.1 Disclosure:

6.1.1 In relation to meeting the requirements of AASB 124 Council will require declarations from the following key management personnel:

a) Any identified related entities;
b) Councillors and related parties;
c) CEO and related parties;
d) Senior Executive Officers and related parties;

6.1.2 In the annual general purpose financial statements, Council will disclose the following information:

a) The nature of the related party relationship;
b) The amount of the transaction;
c) The amount of outstanding balances, including commitments, and:
   i) Their terms and conditions, including whether they are secured, and the nature of the consideration to be provided in settlement, and
   ii) Details of any guarantees given or received;
d) Provisions for doubtful debts related to the amount of outstanding balances, and
e) The expense recognised during the period in respect of bad or doubtful debts due from related parties

6.2 Ordinary citizen transactions:

6.2.1 The following ordinary citizen transactions will be excluded from the reporting requirements:

Where the key management personnel or the related party receive discounts or waivers or receives a service or benefit from Council as an ordinary citizen under the same circumstances available to any other ordinary citizen.

6.2.2 The following transactions will be included:

Where the key management personnel or related party receives a special waiver or reduction in fees that is not normally provided in the ordinary course of business and where key management personnel or a related party have outstanding balances of debts to the Council as at 30 June in any financial year despite those debts being paid after 30 June.

The special waiver or reduction of fees or any overdue proportion of the outstanding balance amount at 30 June will be reported in detail.

6.3 Register of Related Party Transactions:

6.3.1 **Maintaining a Register:**

The Financial Services Coordinator will maintain a register of related party transactions capturing and recording the information specified in sections 6.1 and 6.2.2 for each existing or potential related party transaction (including ordinary citizen transactions assessed as being material in nature) during a financial year.

6.3.2 **Contents of the Register:**

The contents of the register of related party transactions must detail, for each related party transaction:

a) The description of the related party transaction;
b) The name of the related party;
c) The nature of the related party's relationship with Council;
d) Whether the notified related party transaction is existing or potential;
e) A description of the transactional documents, the subject of the related party transaction;
f) The information specified in sections 6.1.2 and 6.2.2.

6.4 Information Privacy:

6.4.1 The following information is classified as "confidential" and is not available for inspection by the public:

a) Information (including personal information) provided by a key management person in a RPT Notification; and
b) Personal information contained in a register of related party transactions.

Disclosure of this information is subject to the legislative provisions of the *Right to Information Act 2009* and *Information Privacy Act 2009.*

Except as specified in this Policy, Council and other permitted recipients will not use or disclose personal information provided in a RPT Notification by a key management person or contained in a register of related party transactions, for any purpose or to any other person except with the prior written consent of the key management person.

6.4.2 The following persons are permitted to access, use and disclose the information (including personal information) provided in a RPT Notification or contained in a register of related party transactions for the purposes specified in this policy:

a) KMP for information about themselves;
b) The Executive Services Manager or delegate - responsible for maintaining related party information;
c) The Financial Services Coordinator or delegate - responsible for the preparation of financial reporting;
d) Members of Council's Audit & Risk Committee;
e) An auditor of Council (including an auditor from Queensland Audit Office).

A person specified in 6.4.2 above may access, use and disclose information (including personal information) in a RPT Notification or contained in the register of related party transactions for the following purposes:

a) To assess and verify a notified related party transaction;
b) To reconcile identified related party transactions against those notified in a RPT
c) notification or contained in a register of RPT's;
d) To comply with the disclosure requirements of AASB 124;
e) To verify compliance with the disclosure requirements of AASB 124.

An individual (who is related to a KMP) may access their personal information provided by a KMP in a RPT Notification or contained in a register of related party transactions in accordance with Council's Information Privacy Policy or the *Information Privacy Act 2009*.

6.5 Right to Information Status:

6.5.1 The following documents are not open to or available for inspection by the public:

a) RPT Notifications provided by a KMP; and

b) A register of related party transactions.

An RTI application seeking access to the release of:

a) A document or information (including personal information) provided by a KMP in a RPT Notification, or
b) Personal information contained in a register of related party transactions;

May be refused on the grounds the document or information comprises information, the disclosure of which would, on balance, be contrary to the public interest under sections 48 and 9 of the Right to Information Act, Item 8, Schedule 3 and Items 2,3, and 16 of Part 3, Schedule 4.

An RTI application seeking access to and release of transactional information and documentation the subject of a related party transaction with Council will be considered, assessed and decided in accordance with Council's usual procedures regarding applications made under the Right to Information Act.

6 Variations

6.1 CTRC reserves the right to vary, replace or terminate this Policy from time to time.

Associated Documents

- AASB 124 Related Party Disclosure
- *Local Government Act 2009*
- *Local Government Regulation 2012*
- F0372 Related Party Declaration
- Councillors Code of Conduct
- Employee Code of Conduct
- S0022 Queensland Privacy Principles (QPP) Policy

The document is to be reviewed upon changes to relevant legislation, or every two years if no changes have been required to be enacted.

Document Review			
Date Adopted by Council	15 October 2025	**Council Resolution**	4606
Date Adopted by ELT	8 October 2025	**Next Review Date**	August 2027
ECM No.	1260711	**Document Contact**	Executive Services Manager