

Please note: These minutes are yet to be confirmed as a true record of proceedings

CITY OF BUSSELTON

MINUTES FOR THE POLICY AND LEGISLATION COMMITTEE MEETING HELD ON 24 FEBRUARY 2021

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MINUTES

MINUTES OF POLICY AND LEGISLATION COMMITTEE HELD IN THE COMMITTEE ROOM, ADMINISTRATION BUILDING, SOUTHERN DRIVE, BUSSELTON, ON 24 FEBRUARY 2021 AT 10.00AM.

1. DECLARATION OF OPENING, ACKNOWLEDGEMENT OF COUNTRY AND ANNOUNCEMENT OF VISITORS

The Presiding Member opened the meeting at 10.03am.

The Presiding Member noted this meeting is held on the lands of the Wadandi people and acknowledged them as Traditional Owners, paying respect to their Elders, past and present, and Aboriginal Elders of other communities who may be present.

2. ATTENDANCE

Presiding Member:

Cr Ross Paine

Members:

Cr Grant Henley

Cr Kate Cox

Cr Kelly Hick

Cr Lyndon Miles

Officers:

Mr Tony Nottle, Director, Finance and Corporate Services

Mr Paul Needham, Director, Planning and Development Services

Mrs Tanya Gillett, Manager Environmental Services

Mrs Emma Heys, Governance Coordinator

Ms Melissa Egan, Governance Officer

Apologies:

Nil

3. PUBLIC QUESTION TIME

Nil

4. DISCLOSURE OF INTERESTS

Nil

5. CONFIRMATION AND RECEIPT OF MINUTES

5.1 Minutes of the Policy and Legislation Committee Meeting held 27 January 2021

COMMITTEE DECISION

PL2102/384 Moved Councillor G Henley, seconded Councillor K Cox

















That the Minutes of the Policy and Legislation Committee Meeting held 27 January 2021 be confirmed as a true and correct record.

CARRIED 5/0

10.06am: At this time, Mr Nottle and Mr Needham entered the meeting.

6. REPORTS

6.1 REVIEW OF COUNCIL POLICIES: BUSHFIRE POLICIES

STRATEGIC GOAL	6. LEADERSHIP Visionary, collaborative, accountable
STRATEGIC OBJECTIVE	6.1 Governance systems, process and practices are responsible, ethical and transparent.
SUBJECT INDEX	Council Policies
BUSINESS UNIT	Environmental Services
REPORTING OFFICER	Manager Environmental Services - Tanya Gillett
AUTHORISING OFFICER	Director, Planning and Development Services - Paul Needham
NATURE OF DECISION	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations
VOTING REQUIREMENT	Simple Majority
ATTACHMENTS	<p>Attachment A Proposed Council Policy - Bush Fire Brigades  </p> <p>Attachment B Current Council Policy 32 - Bush Fire Brigade Grievance Process and Disciplinary Action  </p> <p>Attachment C Current Council Policy 33 - Meetings of Bush Fire Brigades  </p> <p>Attachment D Current Council Policy 34 - Membership of Bush Fire Brigades  </p> <p>Attachment E Current Council Policy 35 - Qualifications of Bush Fire Brigade Officers  </p> <p>Attachment F Current Council Policy 36 - Roles of Bush Fire Brigade Officers  </p> <p>Attachment G Current Council Policy 40 - Bush Fire Brigade Accounting  </p> <p>Attachment H Current Council Policy 41 - Code of Conduct, Bush Fire Brigade Objectives and Values  </p>

OFFICER RECOMMENDATION

That the Council:

1. Acknowledge the proposal to adopt the proposed Council Policy – Bush Fire Brigades (Attachment A) and rescind the Council policies listed below and attached (Attachments B-H):
 - a. 32 – Bush Fire Brigade Grievance Process and Disciplinary Action;
 - b. 33 – Meetings of Bush Fire Brigades;
 - c. 34 – Membership of Bush Fire Brigades;
 - d. 35 – Qualifications of Bush Fire Brigade Officers;
 - e. 36 – Roles of Bush Fire Brigade Officers;
 - f. 40 – Bush Fire Brigade Accounting; and
 - g. 41 – Code of Conduct, Bush Fire Brigade Objectives and Values.
2. Acknowledge the Policy and Legislation Committee support of the proposal contained in recommendation 1.
3. Refers the proposal contained in recommendation 1 to the Bush Fire Advisory Committee, with the Bush Fire Advisory Committee to provide a recommendation to Council.

COMMITTEE RECOMMENDATION**PL2102/385**

Moved Councillor G Henley, seconded Councillor L Miles

That the Council:

- 1. Do not adopt the proposed Council Policy (Attachment A) and do not rescind the Council policies listed below and attached (Attachments B-H):**
 - a. 32 – Bush Fire Brigade Grievance Process and Disciplinary Action;**
 - b. 33 – Meetings of Bush Fire Brigades;**
 - c. 34 – Membership of Bush Fire Brigades;**
 - d. 35 – Qualifications of Bush Fire Brigade Officers;**
 - e. 36 – Roles of Bush Fire Brigade Officers;**
 - f. 40 – Bush Fire Brigade Accounting; and**
 - g. 41 – Code of Conduct, Bush Fire Brigade Objectives and Values.**
- 2. Request officers to undertake a detailed review of the Council policies (Attachments B-H) in consultation with the Bush Fire Advisory Committee and return the policies to the Policy and Legislation Committee at a later time.**
- 3. Acknowledge the current review of the State Government bushfire framework which may have a future impact on Council policies or local laws.**

CARRIED 5/0

Reasons: The Committee requested a further review of the Council policies and consultation with the Bushfire Advisory Committee before it would make a recommendation to Council. The Committee also considered it to be prudent to determine the impact of the outcomes of the State Government's bushfire framework review on these policies and any future local laws.

EXECUTIVE SUMMARY

This report proposes the adoption of a new Council Policy – Bush Fire Brigades, and the rescission of the following current Council policies pertaining to Bush Fire Brigades:

- a. 32 – Bush Fire Brigade Grievance Process and Disciplinary Action
- b. 33 – Meetings of Bush Fire Brigades
- c. 34 – Membership of Bush Fire Brigades
- d. 35 – Qualifications of Bush Fire Brigade Officers
- e. 36 – Roles of Bush Fire Brigade Officers
- f. 40 – Bush Fire Brigade Accounting
- g. 41 – Code of Conduct, Bush Fire Brigade Objectives and Values

It is considered that the proposal should be considered by two Committees of Council, the Policy and Legislation Committee and the Bushfire Advisory Committee; and as such this report recommends that Council acknowledges the Policy and Legislation Committee review of the Policy and proposal to rescind the current policies, and further refer the proposal to the Bushfire Advisory Committee before the Council makes a final decision.

BACKGROUND

In 2015, the current Bush Fire Brigade Council Policies were adopted with the aim of providing governance and operational direction across a variety of matters pertaining to the City's Bush Fire Brigades. The policies have not been reviewed since that time.

During 2017, the City engaged Mr John Woodhouse who produced a report entitled 'Promoting Confidence: A Review of the City of Busselton Governance Systems And Processes'. Within this report, Mr Woodhouse recommended the following (bold text in original):

17.4 Local laws – Bush Fires – Recommendations

- (1) *The Bush Fires Act 1954 not only empowers a local government to make local laws for certain matters but also **requires** that certain matters are to be dealt with by way of local laws.*
- (2) *An example of a power to make local laws is section 41(1) which provides:
"For the purpose of carrying out normal brigade activities a local government may, in accordance with its local laws made for the purpose, establish and maintain one or more bush fire brigades and may, in accordance with those local laws, equip each bush fire brigade so established with appliances, equipment and apparatus."*
- (3) *An example of a requirement to make a local law is section 43 which provides:
"A local government which establishes a bush fire brigade **shall by its local laws provide for** the appointment or election of a captain, a first lieutenant, a second lieutenant, and such additional lieutenants as may be necessary as officers of the bush fire brigade, and prescribe their respective duties." [Emphasis added]*
- (4) *Despite this, the City has no local laws made under the Act.*
- (5) *There is a Council Policy but no local law.*
- (6) *Consideration should be given, therefore, to the preparation of suitable local laws under the Bush Fires Act 1954.*

The use of a Bush Fire Brigades Local Law would most certainly streamline governance structures for the Brigades and reduce the need for comprehensive Council Policies and Operational Practices to be developed and implemented. At this stage, though, adoption of a local law is not recommended – for reasons set out in 'Officer Comment' below.

Further, Mr Woodhouse, in relation to the City's policy framework also recommended:

- (7) *There should be a review of the Council Policies with the intent that a Council Policy:
 - a. *Should deal with higher level objectives and strategies;*
 - b. *Should not deal with operational matters, employee matters, or other matters which are the responsibility of the CEO; and*
 - c. *Should, where appropriate provide sufficient direction to the CEO to develop OPPs which deal with the implementation of the Council Policy or other detailed matters.**
- (8) *As part of that review, any existing Council Policy should be deleted where it could, more sensibly, be dealt with by an OPP adopted by the CEO.*

Accordingly, review of the current policies has been undertaken.

OFFICER COMMENT

Currently within local government, Bush Fire Brigades are either governed by Council policies, as per the City's current governance model, or local governments have adopted a version of a 'Model Local Law' developed some years ago.

In October 2019, WALGA advised that the Minister for Emergency Services, the Hon Francis Logan MLA announced the commencement of a review of the emergency management legislation, including the *Fire Brigades Act 1942*, *Bush Fires Act 1954* and *Fire and Emergency Services Act 1998*. It is envisaged that the legislation will be consolidated under a single Act. The existing legislation is, in substantial part, quite dated, and it is fair to say that in many ways, it is no longer 'fit-for-purpose'.

While it is acknowledged that the drafting of new legislation is rarely a quick process, the development of a local law under the current legislation is unlikely to be a swift process either. With the announcement by the Minister that the legislation review is imminent, and the need to review the City's policies with reasonable frequency (and also align them with the City's overall governance framework), it is at this stage recommended that the Council adopt a new, higher level, integrated 'Bush Fire Brigades' Council Policy, and that more detailed and / or operational elements of the existing policies are incorporated instead into Operational Practices.

Council has established a Policy and Legislation Committee and a Bush Fire Advisory Committee, with both committees asked to review and provide recommendations to Council in relation to the above proposal.

It should also be noted that officers do not envisage that there will be any significant change in terms of how Brigade governance functions at an operational level. There may, at times in the future, be a need to update and refine operational governance, and it is envisaged that consultation with the Bush Fire Advisory Committee would occur as required.

Statutory Environment

In accordance with section 2.7(2)(b) of the *Local Government Act 1995* (the Act), it is the role of the Council to determine the local government policies. The Council does this on recommendation of a Committee it has established in accordance with section 5.8 of the Act.

The *Bush Fires Act 1954* provides the City of Busselton the power to establish and maintain Bush Fire Brigades.

The Council has, in accordance with section 5.8 of the Act established a Bush Fire Advisory Committee, its role being to provide advice to Council in regard to all matters relating to bush fire control, prevention and management.

Relevant Plans and Policies

In response to the Governance Services Review, the City developed a policy framework to clearly establish the strategic nature and intent of Council policies, as opposed to operational documents.

The proposed Council Policy – Bush Fire Brigades, will replace the seven current Council Policies and a series of Operational Practices will be drafted to provide for the operational requirements to effect this Policy.

Financial Implications

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

As per the officer recommendation, consultation is recommended with the Bush Fire Advisory Committee before Council makes a final decision in relation to this matter.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

The governance measures currently applied to the Bush Fire Brigades will not change in an operational sense but will administratively align to the City's requirements with respect to policy and procedural documentation.

Options

As an alternative to the proposed recommendation the Council could:

1. Retain the seven Council Policies as listed above;
2. Make changes to the proposed Council Policy – Bush Fire Brigades; or
3. Commence preparation of a Local Law where it is applicable to the City's requirements;
and
4. Rescind the current 7 Council Policies as listed when the Local Law has been Gazetted.

CONCLUSION

Following a review of the current Bush Fire Brigade policies, officers have determined that they are not strategic in nature, and propose that a single Council Policy replace them. In addition, Operational Practices will then be developed to administer the more operational requirements of the brigades.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Should the Officer Recommendation be endorsed by the Council, the proposals contained within this report will be referred to the next Bush Fire Advisory Committee meeting, with a further recommendation presented by that Committee to Council.

Council Policy



Council Policy Name: Bush Fire Brigades

Responsible Directorate: Planning and Development Services

Version: Draft

1. PURPOSE

- 1.1. The purpose of this Policy is to demonstrate the Council's commitment to the City of Busselton Bush Fire Brigades and the important role they play in managing community safety.

2. SCOPE

- 2.1. This Policy is applicable to all City of Busselton (City) Bush Fire Brigades (Brigades) and their Members pursuant to section 41 of the *Bush Fires Act 1954*.

3. DEFINITIONS

Term	Meaning
Member	Has the same meaning as 'volunteer fire fighter', as defined in section 35A of the <i>Bush Fires Act 1954</i> .
Policy	This City of Busselton Council policy titled "Bush Fire Brigades".

4. STRATEGIC CONTEXT

- 4.1. This Policy links to Key Goal Areas 6 (Leadership) and 1 (Community) of the City's Strategic Community Plan 2017 and specifically the following Community Objectives:
- a. 1.1 A friendly safe and inclusive community with a strong community spirit
 - b. 6.1 Governance systems, process and practices are responsible, ethical and transparent.

5. POLICY STATEMENT

- 5.1. The City acknowledges the important role that Brigades play in fire response and community safety and is committed to the establishment of a governance structure which supports the effective function of its Brigades.
- 5.2. The Chief Executive Officer is responsible for the development of governance systems which:
- a. clearly establish the roles and responsibilities of Members of the Brigades;
 - b. establish qualification and training pathways across both operational and administrative functions;
 - c. ensure Members are inducted and provided appropriate training ; and
 - d. ensure that Brigade finances are appropriately managed.
- 5.3. All Members of a Brigade are expected to conduct themselves in a manner that:
- a. is consistent with the best interests of the Brigade;
 - b. is consistent with the Brigade chain of command;
 - c. does not bring discredit to the Brigade or the City; and
 - d. contributes to an inclusive environment where all Members are treated fairly and with respect.

6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *Bush Fires Act 1954*

7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE		Resolution #	
Previous Adoption	DATE	12 August 2015	Resolution #	C1508/216

Last updated 12/08/2015 (Implementation)

032	Bush Fire Brigade Grievance Process and Disciplinary Action	V1 Current
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PURPOSE

Objective

The purpose of this policy is to establish an environment where members of Volunteer Bush Fire brigades of the City of Busselton can expect to be treated equally and with respect.

SCOPE

Policy Statement

Through the application of this Policy, Volunteer Bush Fire Brigades of the City of Busselton shall operate in a manner that affords respect to all brigade members and provides for a fair process for dealing with grievances within the brigade.

POLICY CONTENT

1. Grievance Process / Disciplinary Action

- (1) All Brigades, through their management and members shall commit to providing an environment in which all persons can expect to be treated equally and with respect.
- (2) All members upon joining a brigade shall be provided with a copy of this Policy as part of their induction into the brigade.
- (3) A grievance is any serious allegation, dispute or claim, arising during any training or activity involving the brigade, in relation to an act committed by a member. Examples that may be considered a grievance include acts that—
 - (a) constitute a breach of the Rules that may be from time to time be formed by a brigade,
 - (b) contravene the values of the Rules or the *Code of Conduct Policy*,
 - (c) bring the brigade, the City of Busselton Volunteer Bush Fire Service, and or the City of Busselton into disrepute;
 - (d) contravenes any reasonable direction given by the brigade's Fire Control Officer, Captain or the delegated authority of the committee of the Brigade;
 - (e) shows disregard for brigade regulations, City of Busselton policies or procedures;
 - (f) jeopardises the safety of the member or others; and/or
 - (g) results in the member being convicted of an offence for which an offender may be imprisoned.
- (4) Where a grievance arises, an investigation must be conducted by the Chairman of the Brigade and the CBFCO if necessary, or the CBFCO if the grievance involves the Chairman, or by the Chief Executive Officer or their nominee if the grievance involves the CBFCO.
- (5) During the investigation it may be determined that the member be suspended from all or part of brigade activities, subject to the CBFCO's approval. If a member is to be suspended during the investigation the CBFCO shall notify the member in writing or email of the terms of the suspension, including the reason for the suspension and the time period. The time period for suspension during an investigation, should not exceed three (3) consecutive months.

When an investigation is completed a report will be provided by the investigating officer to the CBFCO outlining the process of the investigation, the conclusions drawn and any recommended action.

Last updated 12/08/2015 (Implementation)

- (6) Disciplinary action in relation to the member may include—
 - (a) suspension of membership;
 - (b) termination of membership; or
 - (c) any other reasonable disciplinary action as determined by the Brigade Executive Committee in consultation with the CBFCO.
- (7) If a disciplinary suspension is imposed, the CBFCO must notify the member in writing or email that they are suspended, including the suspension period and reason for suspension. Suspension may be from complete or specific brigade duties and activities.
- (8) The period of disciplinary suspension shall be determined by the CBFCO in consultation with the Chairman and the Brigade Executive Committee.
- (9) On completion of the suspension period the member may be required to undertake refresher training before resuming active fire fighting duties which will be supervised and or acknowledged by the Captain.
- (10) If a membership is to be terminated, the Chairman with the approval of the CBFCO will notify the member in writing or email, and provide a reason for termination.
- (11) Where a membership is terminated, all property owned by the local government shall be returned to the local government within fourteen (14) days of giving notice. Failure to meet these conditions may require the local government to seek reimbursement of costs against the member.

2. Termination by the Member

- (1) A member can decide to resign from brigade activities and terminate their membership by providing written notification to the Brigade Executive Committee.
- (2) Where a member resigns, all property owned by the local government shall be returned to the local government within fourteen (14) days of giving notice. Failure to meet these conditions may result in the local government to seeking reimbursement of costs against the member.

3. Rights of a Volunteer Member

- (1) A member shall not be suspended or dismissed from any brigade duty without an opportunity to defend the allegation.
- (2) Any member may lodge a written objection to the CBFCO should they consider they have been unfairly dealt with by the Brigade Executive Committee.
- (3) The CBFCO shall consider the objection and deal with it in consultation with the Brigade Executive Committee. This may include either—
 - (a) dismissing the objection;
 - (b) varying the decision;
 - (c) revoking the original decision;
 - (i) imposing an independent decision; or
 - (ii) referring the matter back to the Brigade Executive Committee to reconsider the decision.

6.1 Attachment B

Current Council Policy 32 - Bush Fire Brigade Grievance Process
and Disciplinary Action

Last updated 12/08/2015 (Implementation)

Policy Reference No. – 032

Owner Unit – Ranger & Emergency Services

Originator - Ranger & Emergency Services Coordinator

Policy approved by – Council

Date Approved – 12 August 2015

Review Frequency - As required

Related Documents - Acts, Regulations and Local Laws administered by the City

Background/History -

History

Council Resolution	Date	Information
C1508/216	12 August, 2015	Date of implementation Version 1

Last updated 12/08/2015 (Implementation)

033	Meetings of Bush Fire Brigades	V1 Current
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PURPOSE

Objective

The purpose of this policy is to provide a structure for the conduct of meetings of Volunteer Bush Fire Brigades to assist the operation of the Brigade and any Committee that the brigade may establish.

SCOPE

Policy Statement

Through the application of this Policy, meetings of Volunteer Bush Fire Brigades of the City of Busselton shall be held in a manner that is open to respected principles of inclusion and accountability.

POLICY CONTENT

Part 1 -Meetings of the Brigade

1. Ordinary meetings

- (1) The brigade may at any time call an Ordinary Meeting of its members.
- (2) The brigade shall hold a minimum of one (1) Ordinary Meeting between 1 July and 30 June each year or as they deem necessary.
- (3) A quorum for an Ordinary Meeting shall comprise not less than 25% of the eligible voting members of the Brigade.

2. Annual General Meeting (AGM)

- (1) The brigade shall hold an AGM in the month of May each calendar year.
- (2) A quorum for the AGM shall comprise not less than 25% of the eligible voting members of the Brigade.
- (3) A report may be presented to the membership by a Brigade Executive Committee Office Bearer.
- (4) At this meeting all Brigade Executive Committee and Brigade Officer positions will be declared vacant.
- (5) All equipment and documentation relevant to each position is to be made available for auditing at the AGM.
- (6) The Chairman or proxy will act as returning officer during the election of the new Brigade Executive Committee and brigade officer positions.
- (7) The incoming Brigade Executive Committee will assume the positions at the close of the AGM.
- (8) Any outgoing Brigade Executive Committee Member is to conduct a handover to the new incumbent.

6.1 Attachment C Current Council Policy 33 - Meetings of Bush Fire Brigades

Last updated 12/08/2015 (Implementation)

- (9) All minutes of the AGM including financial statements are to be lodged with Executive Officer of the Bush Fire Advisory Committee for the information of the local government within a period no later than twenty-one (21) days after the AGM.

3. Special Meeting

- (1) The Chairman may at any time convene a special meeting of the brigade.
- (2) The Secretary of the brigade must convene a special meeting when a written request is made by not less than ten (10) or fifty (50) percent (whichever is least) active members of the brigade.
- (3) The names of the members requesting the special meeting are to be recorded in the notice of meeting submitted to members and the minutes of the meeting.
- (4) A quorum for a Special Meeting shall comprise not less than 25% of the eligible voting members of the Brigade.

4. Notice of a Meeting

- (1) Notice of any Special Meeting of the brigade, must be given to all members of the brigade eligible to vote at least seventy two (72) hours before the commencement of the meeting.
- (2) Notice of the AGM of the brigade must be given to all members of the brigade eligible to vote, as well as the CBFCO, at least thirty (30) days before the commencement of the meeting.
- (3) Notice of any Ordinary Meeting of the brigade must be given to all members of the brigade eligible to vote, as well as the CBFCO, at least seven (7) days before the commencement of the meeting.
- (4) Notice of an Ordinary Meeting, Special Meeting or AGM—
 - (a) must be given by the Secretary;
 - (b) may be given by written notice to each member—
 - (i) Personally, by post or electronic email; or
 - (ii) By a notice published in a newspaper circulating in the area of the brigade;
 - (c) must set out the date, time, and venue of the meeting;
 - (d) must be signed by the Secretary or, in the case of a special meeting, by the person convening the meeting; and
 - (e) must set out an agenda for the meeting.

5. Quorum

No formal business is to be transacted at a meeting of the brigade unless a quorum of members is present.

6. Voting

- (1) Each Active and Auxiliary Member shall be entitled to one (1) vote.
- (2) In the event of an equality of votes, the Chairman may exercise the deciding vote.
- (3) Votes may be counted by either—
 - (a) formal secret ballot; or
 - (b) informal show of hands.

6.1 Attachment C Current Council Policy 33 - Meetings of Bush Fire Brigades

Last updated 12/08/2015 (Implementation)

- (4) The form of voting in (3) above shall be determined by a simple majority of members present at the meeting.
- (5) A member is not deemed to be active and is unable to cast a vote at any meeting of the brigade, unless all requirements in regards to brigade training and activities as set out under section 4.7 have been satisfied.

7. Procedure at Meetings

Meeting procedures and protocols are to be in accordance with the brigade's meeting procedures and protocol guidelines.

Part 2—Committee

1. Meetings

- (1) Each brigade shall have a Brigade Executive Committee. The Brigade Executive Committee shall meet each calendar month or as required.
- (2) Any functions of the brigade may be delegated to the Brigade Executive Committee provided that a motion approving of the delegation has been carried at either an Ordinary Meeting or AGM.
- (3) The Brigade Executive Committee shall consist of the following Office Bearers—
 - (a) Chairman
 - (b) Secretary
 - (c) Treasurer
 - (d) FCO's
 - (e) Captain
 - (f) Other Office Bearers
 - (g) A Bush Fire Ready Coordinator Representative where this organisation exists and the representative is a member of the Brigade.
- (4) The Brigade Executive Committee will be responsible for the management and administration of the brigade. The brigade officers are responsible for all operational requirements of the brigade.
- (5) A motion carried by the vote of a majority of those present at a Brigade Executive Committee meeting shall be accepted as the decision of the Brigade Executive Committee.
- (6) Each Brigade Executive Committee Member present at a meeting of the Brigade Executive Committee shall be entitled to one (1) vote. In the event of an equality of votes the Chairman will be entitled to a second or casting vote.
- (7) The Secretary must keep accurate minutes of the meeting.
- (8) Minutes of these meetings shall be made available to members of the brigade.
- (9) The term of all elected positions on the Brigade Executive Committee shall expire at the completion of the next AGM of the brigade.

Last updated 12/08/2015 (Implementation)

Part 3—Brigade Elections

1. Nomination of Candidates for Brigade Elections

- (1) Any person accepting a nomination for a Brigade Executive Committee position must be competent and qualified to perform the duties and responsibilities of that position.
- (2) The Secretary shall advise the Chairman of the brigade at the general meeting prior to the AGM that nominations are required to be presented at the AGM.
- (3) A person can only be nominated by an Active Member.
- (4) A nomination must be endorsed by a second Active Member filling out a Nomination Form in the form of Schedule 1 attached.
- (5) Each member is only entitled to nominate one (1) person per position.
- (6) A nomination may be made—
 - (a) in writing or email to be received by the Chairman before the official close of nominations; or
 - (b) verbally at a general meeting prior to the AGM.
- (7) Nominees must sign or indicate acceptance of nomination.
- (8) Nominees for operational Brigade Officer positions must meet the minimum requirements for training as set out under section 3 of these Rules.
- (9) Nominees for Brigade Officer positions must accept all requirements imposed by the Local Government, the brigade or legislation.
- (10) The Brigade Executive Committee will assist and mentor new Brigade Officers in their new roles.
- (11) The CBFCO or a proxy may act in the position as returning officer during the election of office bearers at the AGM if requested by the brigade.

2. Conduct of Elections

- (1) Positions shall be determined by vote in accordance with the following order:

Order	Officer	Term
1	Chairman	1 year
2	Secretary	1 year
3	Treasurer	1 year
4	FCO Nominations	1 year
5	Captain	1 year
6	Lieutenants	1 year
7	Training Officer	1 year
8	Equipment Officer	1 year
9	Other	1 year

- (2) Any additional positions to the Brigade Executive Committee or the Brigade are to be elected in accordance with Brigade standard meeting procedures.

6.1 Attachment C Current Council Policy 33 - Meetings of Bush Fire Brigades

Last updated 12/08/2015 (Implementation)

- (3) Any appointment to the office of Bush Fire Control Officer shall not have effect until the nomination has been considered by the Bush Fire Advisory Committee and the appointment has been approved by the local government.

3. Absentee Votes

- (1) Where a member of the Brigade or the Brigade Executive Committee is not able to be present to cast their vote in person, that member may cast an absent vote.
- (2) An absent vote shall be cast by the member in writing or email and be received by the brigade secretary prior to the voting on any matter before the meeting.
- (3) The absent vote shall contain the name of the person casting the vote and some verification of authenticity of the vote (ie signature or email address if voting by email).

4. Supplementary Elections

Where a supplementary election must be held due to a vacancy in a position as a result of an early resignation or other reason, the Brigade Executive Committee, by majority vote, will appoint a consenting Active Member for the remaining term of the vacant position.

Policy Reference No. – 033

Owner Unit – Ranger and Emergency Services

Originator – Ranger and Emergency Services Coordinator

Policy approved by – Council

Date Approved – 12 August, 2015

Review Frequency - As required

Related Documents - Acts, Regulations and Local Laws administered by the City

Background/History –

Council Resolution	Date	Information
C1508/216	12 August, 2015	Date of implementation Version 1

Last updated 12/08/2015 (Implementation)

Schedule 1

NOMINATION FORM

(Part 3 – Brigade Elections - Clause 1(4))
(Name of Brigade) Volunteer Bush Fire Brigade

Ias an active member of the
..... Volunteer Bush Fire Brigade hereby nominate for the position of (please tick v)–

Fire Control Officers	Lieutenant
Captain	Chairman
Secretary	Treasurer
Training Officer	Equipment/Comms Officer
First Aid Officer	Station/Callout Attendant

(If nominating for more than one position, separate forms are required)

I as an active member of
..... Volunteer Bush Fire Brigade hereby endorse the above nomination.

Signed Date

Full name of Nominee:

Address:

Contact Details—

Home:

Mobile:

E-mail:

DFES Identification Number:

I certify that I have read and understand the duties and responsibilities for the position I have been nominated as specified under the Volunteer Bush Fire Brigade Rules and that I have currency in all the competencies required. I understand that if I do not have currency in all the competencies required I can still be nominated subject to the approval of the CBFCO. Such approval may be conditional on further training or other arrangements as deemed necessary.

Signature Date

Received by Secretary/Returning Officer—

Signature Date

Last updated 12/08/2015 (Implementation)

034	Membership of Bush Fire Brigades	V1 Current
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PURPOSE

Objective

The purpose of this policy is to establish the classifications of membership within Bush Fire brigades of the City of Busselton and provide for the integration of new members into the brigade.

SCOPE

Policy Statement

Through the application of this Policy, persons seeking to become members of Volunteer Bush Fire Brigades of the City of Busselton shall have an understanding of the commitment expected of a brigade member so that they may contribute in a manner that enhances their experience and value as a member of the brigade.

POLICY CONTENT

1. New Membership Application

- (1) A new member is to complete a DFES volunteer nomination form and accept the conditions for membership.
- (2) A minimum of two (2) Brigade Executive Committee members, including the Captain, should decide whether to recommend the application to the Senior FCO.
- (3) At the meeting of the Committee, the brigade Office Bearers may-
 - (a) Accept Application;
 - (b) Defer the Application for further consideration; or
 - (c) Refer the application to the Senior FCO for consideration.

2. Dual Membership

- (1) A member may be a member of another local government brigade.
- (2) A member may not be a member of another brigade within the local government unless they have the written permission of the Senior FCO's of the brigades concerned. This permission may be conditional.

3. Categories of Membership

The categories of membership shall be—

- (a) Fire Fighters;
- (b) Management Support;
- (c) Auxiliary Members;
- (d) Cadets, and
- (e) Associates.

4. Training

6.1 Attachment D Current Council Policy 34 - Membership of Bush Fire Brigades

Last updated 12/08/2015 (Implementation)

- (1) A new member is required to complete the necessary Fire Fighter Training Courses as required by the local government prior to commencing active and unsupervised Fire Fighter duties.
- (2) Competency in these Training Courses shall be the minimum acceptable standard required for a Fire Fighter to perform active and unsupervised fire fighting duties. Currently this includes Induction, Introduction to Fire Fighting and Bush Fire Fighting training Courses.
- (3) Members must comply with the legislative requirements of the—
 - (a) *Bush Fires Act 1954 (WA)*;
 - (b) *FESA Act 1998 (WA)*; and
 - (c) *Equal Opportunity Act 1984 (WA)*.
- (4) Members must act within the—
 - (a) Local guidelines;
 - (b) Brigade's local policies;
 - (c) Code of Conduct Policy,
 - (d) Competency and commitment requirements for an active volunteer Fire Fighter or Operation and Management Support roles as required by the CBFCO; and
 - (e) Westplan Bushfire.
- (5) Members must maintain currency of the appropriate licenses to be able to operate brigade vehicles. Any traffic offence that results in a suspension or loss of license must be reported to the Captain, the FCO and CBFCO and the member must comply with the terms of their suspension.

5. Decision on Application Membership

- (1) The Chairman of the brigade must contact the applicant in writing or email within fourteen (14) days of a final decision by the brigade or the CBFCO.
- (2) The applicant has the right to appeal the decision of the Brigade Executive Committee. The appeal shall be in writing or email addressed to the Senior FCO and Chairman.

6. Induction

All new members shall be—

- (a) introduced to brigade members and shown all brigade facilities during induction;
- (b) instructed about any safety requirements;
- (c) made aware of brigade duties and responsibilities;
- (d) provided with a mentor/s until such time as they are familiar with Normal Brigade Activities;
- (e) provided with a copy of the Code of Conduct Policy, and
- (f) made aware of City of Busselton and local brigade guidelines and policies if any exist within that brigade.

7. Membership Requirements (Brigade Commitments)

- (1) Members are required to maintain currency in brigade activities and training to be deemed as an Active Member and or be granted special considerations due to extenuating circumstances.
- (2) Brigade Activities—
 - (a) During the Fire Season members are required to attend a minimum of one (1) brigade ordinary meeting or other brigade activity or incident.

6.1 Attachment D Current Council Policy 34 - Membership of Bush Fire Brigades

Last updated 12/08/2015 (Implementation)

- (b) During the Non-Fire Season members are required to attend a minimum of one (1) brigade ordinary meeting or other brigade activity or incident.
- (3) Brigade Training—
 - (a) During the Fire Season members are required to attend and participate at a minimum of one (1) brigade training activity or incident.
 - (b) During the Non-Fire Season members are required to attend and participate at a minimum of one (1) brigade training activity or incident.
- (4) If extenuating circumstances apply that a member is unable to meet brigade commitments, it shall be the responsibility of the member to notify the Brigade Executive Committee, in writing or email to advise of the circumstance, and the Brigade Executive Committee will acknowledge in writing or email any special considerations to the member.
- (5) The Training Officer should endeavour to make alternative arrangements for the member to meet the requirements wherever possible.

8. Failure to Comply with Commitments

- (1) Should an active member of a brigade fail to comply with section 7, correspondence will be forwarded to the member requesting contact be made with the brigade to indicate the intentions of the member's status.
- (2) The Brigade Member may—
 - (a) respond to the correspondence providing a reasonable explanation and request for alternative arrangements to be made for training or meeting obligations.
 - (b) request in writing or email for Leave of Absence from brigade commitments due to personal circumstances.
 - (c) terminate their membership.
- (3) If a member fails to respond to the correspondence Under section 8 within fourteen (14) days a subsequent letter will be forwarded putting the member on final notice. Should a member fail to acknowledge the final notice within fourteen (14) days, the membership shall be terminated, to take effect from the date of the final notice.

9. Change of Members' Details

The local government and DFES are to be notified of any change of personal details of a member. The brigade will complete a DFES volunteer application form and forward it to the Local Government representative and DFES within fourteen (14) days of the change.

10. Leave of Absence

- (1) A member may at any time request a Leave of Absence from all brigade commitments for a period not to exceed twelve (12) consecutive months.
- (2) The application should be made in writing or email and addressed to the Captain. Copy to Brigade FCO's.
- (3) On completion of the Leave of Absence period the member must complete a Membership Update Form if deemed necessary providing any change of details and forward to the Captain and FCO's.
- (4) On completion of the Leave of Absence period the member must undertake any refresher training required before resuming active fire fighting duties. If the request for Leave of

6.1 Attachment D Current Council Policy 34 - Membership of Bush Fire Brigades

Last updated 12/08/2015 (Implementation)

Absence is for a medical condition the member must provide confirmation of fitness to the satisfaction of the CBFCO to be able to resume active duties.

Policy Reference No. – 034

Owner Unit – Ranger & Emergency Services

Originator – Ranger & Emergency Services Coordinator

Policy approved by – Council

Date Approved – 12 August, 2015

Review Frequency – As required

Related Documents - Acts, Regulations and Local Laws administered by the City

Background/History –

Council Resolution	Date	Information
C1508/216	12 August,2015	Date of implementation Version 1

Last updated 12/08/2015 (Implementation)

035	Qualifications of Bush Fire Brigade Officers	V1 Current
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PURPOSE

Objective

The purpose of this policy is to establish the qualifications required of persons seeking to hold office within Volunteer Bush Fire Brigades of the City of Busselton; either in an operational or administrative capacity.

SCOPE

Policy Statement

Through the application of this Policy, member of Volunteer Bush Fire Brigades of the City of Busselton shall be informed in advance of required training and qualifications required of Brigade Officers. This will enable members aspiring to become brigade Officers to plan a training pathway to obtain the necessary qualifications.

This Policy will also serve to provide direction to the brigade Training Officer on appropriate training that will support a member's brigade aspirations.

POLICY CONTENT

Duties and Responsibilities of Brigade Office Bearers

The Office Bearers of the brigade should be able to demonstrate current competencies for the position of office they are nominated for, or give an undertaking to complete any training requirements prior to accepting the nomination or undertaking the duties and responsibilities of the said position.

Nominations are subject to the approval of the Senior FCO. Such approval may be conditional on the nominee undertaking further training or other necessary arrangements to satisfy the competency requirements.

The following are to be adopted as guidelines and where competencies names may vary from time to time the member may have an alternative appropriate competency.

1. Captain

- (1) The Captain of the brigade shall be responsible for the leadership and management of brigade operations in liaison with Fire Control Officers.
- (2) A member wishing to be appointed to the position of Captain of the brigade shall meet the following combination of technical qualification and experience:

Qualifications	Experience	Competency Required
Fire fighting and/or support experience	Minimum 3 years	Competent
Induction		Competent
Introduction to Fire fighting		Competent
Bush Fire Fighting		Competent
Sector Commander		Competent
Structural Fire fighting		Competent
AIIMS Awareness		Competent

Last updated 12/08/2015 (Implementation)

2. Fire Control Officer (FCO)

- (1) A FCO is a delegated representative of the local government responsible for the administration of provisions within the Act. The position is required to perform active operational duties in relation to both fire defence and fire prevention strategies within the local community.
- (2) A member wishing to be appointed to the position of Fire Control Office of the brigade shall meet the following combination of technical qualification and experience:

Qualifications	Experience	Competency Required
Fire fighting experience	Minimum 4 years	Competent
Induction		Competent
Introduction to Fire fighting		Competent
Bush Fire Fighting		Competent
Sector Commander		Competent
Structural Fire fighting		Competent
AIIMS Awareness		Competent
Fire Control Officer		Competent

3. Lieutenant

- (1) The Lieutenant of a brigade is responsible for the operational management of members during brigade activities. The position is required to provide operational support to the Captain in managing the brigade. The position reports to the Captain on all matters relevant to the functioning of the Brigade and/or personnel they are supervising.
- (2) A member wishing to be appointed to the position of Lieutenant of the brigade shall meet the following combination of technical qualification and experience:

Qualifications	Experience	Competency Required
Fire fighting experience	Minimum 3 years	Competent
Induction		Competent
Introduction to Fire fighting		Competent
Bush Fire Fighting		Competent
Sector Commander		Competent

4. Fire Fighter

A Fire Fighter is an active member of the brigade who, when engaging in Brigade operational matters shall act in accordance with the instructions of senior brigade officers.

A member shall be a competent fire fighter before being engaged on wildfire suppression duties.

The minimum qualifications for a person to be considered competent are as follows:

Qualifications	Experience	Competency Required
Induction		Competent
Introduction to Fire fighting		Competent
Bush Fire Fighting		Competent

6.1 Attachment E Current Council Policy 35 - Qualifications of Bush Fire Brigade Officers

Last updated 12/08/2015 (Implementation)

5. Chairman

The Chairman of the Brigade is elected to preside over all brigade meetings and promote open fair discussion during debate in relation to brigade matters.

The occupant of the position of Chairman is not required to perform active operational duties and may be inclusive to an additional position held within the brigade.

The Chairman must have:

- (a) Sound understanding of meeting procedures; and
- (b) Demonstrated ability to conduct and manage meetings.

6. Secretary

The Secretary is to record and manage administrative matters of the brigade. The position is not required to perform active operational duties and may be inclusive to an additional position held within the brigade.

The occupant of the position of Secretary must have:

- (a) Demonstrated ability to take minutes;
- (b) Demonstrated record keeping and filing skills;
- (c) An understanding of meeting procedure; and
- (d) Developing computer skills.

7. Treasurer

The role of the Treasurer is to manage and report on all financial matters relevant to the brigade. The position is not required to perform active operational duties and may be inclusive to an additional position held within the brigade.

The occupant of the position of Treasurer must have:

- (a) Knowledge and understanding of accounting principles; and
- (b) Developing computer skills.

8. Brigade Training Officer

(1) The Brigade Training Officer is responsible for the management and co-ordination of brigade training in conjunction with the Local Government Training Coordinator, including the documentation of these activities. The position is not required to perform active operational duties and may be inclusive to an operational position held within the brigade.

(2) Duties and Responsibilities of the Brigade Training Officer may include—

- (a) Ensure brigade members maintain necessary skill levels equivalent to the competency standards required by the local government and as recommended by DFES;
- (b) Endeavour to ensure regular training sessions are conducted within the brigade to maintain currency of qualifications and skills;
- (c) Maintain accurate records of training undertaken by members and ensure that qualification and training updates are forwarded to the Local Government Training Coordinator as required;
- (d) Provide mentoring for members who express an interest in training to encourage future facilitators.
- (e) Liaise with Captain and FCO's on training operations

Last updated 12/08/2015 (Implementation)

9. Brigade Equipment Officer

The Brigade Equipment Officer is not required to perform active operational duties but needs to be able to demonstrate a degree of knowledge of brigade equipment.

Policy Reference No. – 035

Owner Unit – Ranger and Emergency Services

Originator - Ranger and Emergency Services Coordinator

Policy approved by – Council

Date Approved – 12 August, 2015

Review Frequency - As required

Related Documents - Acts, Regulations and Local Laws administered by the City

Background/History -

Council Resolution	Date	Information
C1508/216	12 August, 2015	Date of implementation Version 1

Last updated 12/08/2015 (Implementation)

036	Roles of Bush Fire Brigade Officers	V1 Current
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PURPOSE

Objective

The purpose of this policy is to establish the roles of persons appointed as officers of Volunteer Bush Fire Brigades of the City of Busselton.

SCOPE

Policy Statement

Through the application of this Policy, officers of Volunteer Bush Fire Brigades of the City of Busselton, shall have a clear understanding of the extent of their authority and how their role will contribute to the strong management and operations of the brigade.

POLICY CONTENT

Roles and Responsibilities of Brigade Office Bearers

Office bearers of a brigade shall perform the following roles:

1. Captain

- (1) The Captain of the brigade shall be responsible for the leadership and management of brigade operations in liaison with Fire Control Officers.
- (2) As a role model and mentor for members, the Captain should always act with integrity and consider each member equally. All decisions should be in the interest of the Brigade and its members.
- (3) The position reports to the FCO's and the CBFEO on brigade related matters.
- (4) Duties and responsibilities of the Captain include—
 - (a) Demonstrate positive leadership and mentor members;
 - (b) If the Captain is the senior officer at an incident;
 - (i) command, control and confidently manage activities at emergency incidents
 - (ii) to ensure incident control systems and management principles are implemented and maintained during all emergency incidents if required;
 - (iii) maintain some form of personal incident diary with a record of events and decisions that occur at an incident;
 - (iv) conduct Brigade briefings and post incident analysis of any incident involving fire fighting, incident support or management issues;
 - (v) ensure members deployed for operational duties have the competencies to complete the task or duty assigned and hold currency in training to carry out the functions required, in accordance with training recommendations;
 - (vi) to undertake responsibility for the proper management and maintenance of Brigade property and equipment to the best of their ability;
 - (vii) ensure conduct of members is in accordance with the *Code of Conduct*, and
 - (viii) report any injuries of personnel or damage to fire fighting vehicles or equipment immediately to the FCO and the CBFEO.

Last updated 12/08/2015 (Implementation)

- (5) In the absence of the Captain, the next senior officer of the brigade has authority to exercise the powers of the Act delegated to the Captain (Part IV Section 44(1)).

2. Fire Control Officer (FCO)

- (1) A FCO is a delegated representative of the local government responsible for the administration of provisions within the Act. The position is required to perform active operational duties in relation to both fire defence and fire prevention strategies within the local community.
- (2) A member of the Brigade may be nominated for this position at the Brigade AGM.
- (3) Fire Control Officers are nominated by the brigade to the Bush Fire Advisory Committee. The nomination is considered by BFAC and the CBFCO and if appropriate it is forwarded to the local government for its consideration and ratification.
- (4) Duties and responsibilities of the FCO include—
 - (a) authorise permits for hazard reduction burns within the local government in accordance with the Act;
 - (b) identify and conduct risk assessments of fire hazards within the local government;
 - (c) perform duties prescribed by the Act and authorised by the local government;
 - (d) may take overall control of fire suppression activities or operational incidents where the local government is the Controlling Agency;
 - (e) maintain a personal incident diary to include a record of events and decisions during an incident;
 - (f) conduct brigade briefings and post incident analysis of any incident involving fire fighting or management issues.
 - (g) provide advice and guidance and assist in Brigade management to effect improvements to fire management in the area.
 - (h) carry out normal brigade activities
 - (i) ensure conduct of members is in accordance with the Code of Conduct.

3. Lieutenant

- (1) The Lieutenant of a brigade is responsible for the operational management of members during brigade activities. The position is required to provide operational support to the Captain in managing the brigade. The position reports to the Captain on all matters relevant to the functioning of the Brigade and/or personnel they are supervising.
- (2) The Brigade should appoint a minimum of two (2) Lieutenants. Additional Lieutenants may be appointed according to the needs of the Brigade. If operational circumstances require the number of Lieutenants for a brigade to be more than four (4), as decided by the Brigade Executive Committee, a request is to be submitted in writing or email to the CBFCO for endorsement.
- (3) The brigade must rank all Lieutenants numerically according to seniority including length of service and relevant skills.
- (4) Duties and responsibilities of a Lieutenant include—
 - (a) provide support to the Captain and assist with the operational management of the brigade;
 - (b) in the absence of the Captain administer all powers and responsibilities of the Act (Part IV Section 44(1));
 - (c) command and manage members during emergencies and other brigade related incidents and activities;

Last updated 12/08/2015 (Implementation)

- (d) maintain a personal incident diary with a record of events that occur during all incidents if assuming the role of the most Senior Officer;
- (e) in the absence of a more Senior Officer, conduct brigade briefings and post incident analysis of any incident involving fire fighting or management issues;
- (f) encourage positive interaction and teamwork between members;
- (g) ensure Bush Fire Operating Procedures are adhered to at brigade activities;
- (h) to endeavour to ensure active members engaged in brigade activities are allocated tasks relevant to their competencies;
- (i) work cohesively with the Brigade Training Officer to conduct training activities for active members;
- (j) to ensure the behaviour of members is in accordance with the Code of Conduct.

4. Chairman

- (1) The Chairman of the Brigade shall be elected at the Annual General Meeting of the Brigade, or a Special Meeting of the Brigade held for that purpose.
- (2) The Chairman shall be elected by a majority of the members present at the meeting, subject to sufficient members of the meeting being present to constitute a quorum.
- (3) The occupant of the position of Chairman is not required to perform active operational duties and may be inclusive to an additional position held within the brigade.
- (4) The position reports to the Captain and FCO's on administrative matters pertinent to the brigade. In the absence of the Chairman, the members of the Brigade present shall elect one of the members present to deputise as Chairman for the duration of that meeting.
- (5) The Chairman shall perform the following functions—
 - (a) preside over all brigade meetings;
 - (b) ensure meeting procedure and protocol is maintained;
 - (c) promote the aims and objectives of the brigade where possible;
 - (d) advise the brigade on administrative matters;
 - (e) report brigade matters to the Captain and FCO's;
 - (f) promote open fair discussion during debate in relation to brigade matters; and
 - (g) ensure minutes of meetings are signed and dated by the Chairman.

5. Secretary

- (1) The Secretary is to record and manage administrative matters of the brigade. The position is not required to perform active operational duties and may be inclusive to an additional position held within the brigade.
- (2) The position reports to the Chairman on administration matters relevant to the brigade. This position may be held in conjunction with the Treasurer position.
- (3) The Secretary shall perform the following functions—
 - (a) Ensure members receive notification of brigade meetings in accordance with Council Policy – Meetings of Brigades,
 - (b) Where deemed appropriate, prepare an agenda for brigade meetings and distribute to members prior to meetings;
 - (c) Ensure minutes of brigade meetings are recorded and where ever possible, distributed to all members prior to next meeting;
 - (d) Document and record all brigade correspondence;
 - (e) Ensure brigade information is disseminated to all listed members;
 - (f) Make available circulars and other information to members;

6.1 Attachment F Current Council Policy 36 - Roles of Bush Fire Brigade Officers

Last updated 12/08/2015 (Implementation)

- (g) Work cohesively with local government management and administration staff on matters relevant to brigade administration.
- (h) Maintain a register of Brigade Members

6. Treasurer

- (1) The role of the Treasurer is to manage and report on all financial matters relevant to the brigade. The position is not required to perform active operational duties and may be inclusive to an operational position held within the brigade.
- (2) The position reports to the Chairman on financial matters relevant to the brigade. This position may be held in conjunction with the Secretary position.
- (3) The Treasurer shall perform the following functions—
 - (a) Manage financial affairs including budgets of the brigade;
 - (b) Maintain brigade financial records and provide detailed reports of income and expenditure at meetings;
 - (c) Work cohesively with the City of Busselton on matters pertinent to brigade financial matters, including providing copies of financial statements when requested.

7. Brigade Training Officer

- (1) The Brigade Training Officer is responsible for the management and co-ordination of brigade training in conjunction with the Local Government Training Coordinator, including the documentation of these activities. The position is not required to perform active operational duties and may be inclusive to an operational position held within the brigade. The Office is expected to maintain a sound knowledge of the Competencies required by members.
- (2) Duties and Responsibilities of the Brigade Training Officer may include—
 - (a) Ensure brigade members maintain necessary skill levels equivalent to the competency standards required by the local government and as recommended by DFES;
 - (b) Endeavour to ensure regular training sessions are conducted within the brigade to maintain currency of qualifications and skills;
 - (c) Maintain accurate records of training undertaken by members and ensure that qualification and training updates are forwarded to the Local Government Training Coordinator as required;
 - (d) Provide mentoring for members who express an interest in training to encourage future facilitators.
 - (e) Liaise with Captain and FCO's on training operations.

8. Brigade Equipment Officer

- (1) The role of the Brigade Equipment Officer is to manage brigade property, fleet vehicles, general equipment and stock levels of personal protective equipment. The position is not required to perform active operational duties but may be able to demonstrate a degree of knowledge of brigade equipment. The position may be inclusive to an operational position held within the brigade.
- (2) The equipment officer shall perform the following functions—
 - (a) Manage brigade equipment and maintain a register of all assets;
 - (b) Coordinate and record maintenance of brigade equipment;
 - (c) Report all damage of brigade equipment or property to the FCO's and Captain immediately;
 - (d) Manage brigade requests for replacement items and equipment; and

Last updated 12/08/2015 (Implementation)

- (e) Compile documentation of replacement items and submit to the Captain and FCO's and CBFCO.

Policy Reference No. – 036

Owner Unit – Ranger and Emergency Services

Originator – Ranger and Emergency Services Coordinator

Policy approved by – Council

Date Approved – 12 August, 2015

Review Frequency - As required

Related Documents - Acts, Regulations and Local Laws administered by the City

Background/History -

Council Resolution	Date	Information
C1508/216	12 August,2015	Date of implementation Version 1

Last updated 12/08/2015 (Implementation)

040	Bush Fire Brigade Accounting	V1 Current
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PURPOSE

Objective

The purpose of this policy is to ensure that the financial affairs of Bush Fire Brigades of the City of Busselton are conducted in a manner that will ensure accountability of community funds.

SCOPE

Policy Statement

Through the application of this Policy, the City of Busselton seeks to ensure that the financial affairs of volunteer bush fire brigades are managed in a manner that will ensure that brigade and community members can be satisfied that any funds held by the brigade are properly accounted for, and are used for the purposes for which they were raised.

POLICY CONTENT

1. Accounts at Financial Institutions

- (1) The brigade must disclose where brigade account(s) are to be held for the ensuing Financial Year at each AGM and record this information within the minutes of the AGM.
- (2) The brigade must have three (3) Brigade Executive Committee Members to act as signatories for the brigade accounts each Financial Year.
- (3) A minimum of two (2) signatures is required on any brigade account cheque or bank transaction form.
- (4) All brigade purchases are to be approved by the Brigade Executive Committee.
- (5) All accounts raised, works undertaken or goods to be purchased by the brigade must be authorised in advance by the Brigade Executive Committee.
- (6) All accounts raised, works undertaken or goods to be purchased need to be ratified by the brigade at the next Ordinary Meeting.
- (7) All funds raised by the brigade are to be used for the purpose of improving the profile and operation of the brigade and its members.
- (8) All payments issued must be accompanied by the appropriate documentation (invoice or monthly account).
- (9) All money received by the brigade or by a member on behalf of the brigade must be recorded in the brigade financial records.

2. Financial Reports

- (1) The Treasurer must, at each AGM, present a financial report for the previous 12-month period or since the last AGM.
- (2) The financial report must include—

6.1 Attachment G Current Council Policy 40 - Bush Fire Brigade Accounting

Last updated 12/08/2015 (Implementation)

- (a) a Statement of Receipts and Payments;
 - (b) a Bank Reconciliation Statement;
 - (c) notes detailing any outstanding receipts or payments; and
 - (d) an Inventory of Assets held by the brigade.
- 3) The financial report will be forwarded to the Executive Officer of the Bush Fire Advisory Committee for the information of the local government
- (4) The City shall have the option to re/view the financial statement of any brigade if it considers it is necessary, and may undertake an audit if required by the Chief Executive Officer

3. Rules for Deductible Gift Recipient Funds

- (1) If a Volunteer Bush Fire Brigade establishes a Fire and Emergency Public Fund, the fund called the "(insert Brigade name) Volunteer Bush Fire Brigade Public Fund" is to be governed by this policy.
- (2) The object of the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund is to solicit and receive gifts from the public solely for the purpose of supporting the volunteer-based emergency service activities of the (insert Brigade name) Volunteer Bush Fire Brigade.
- (3) The (insert Brigade name) Volunteer Bush Fire Brigade must maintain the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund as a 'gift fund' to receive and record all of the following:
- a) gifts of money or property;
 - b) deductible contributions described in item 7 and 8 of the table in section 30-15 of the *Income Tax Assessment Act 1997* in relation to a fund-raising event held for that purpose;
 - c) money received because of such gifts and contributions.
- (4) The public fund is not to receive any other money or property.
- (5) All receipts for gifts must include all of the following:
- a) be issued in the name of the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund;
 - b) state that the receipt is for a gift;
 - c) state the (insert Brigade name) Volunteer Bush Fire Brigade's ABN.
- (6) The (insert Brigade name) Volunteer Bush Fire Brigade may invite the public to donate to the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund.
- (7) A Brigade Executive Committee of management of no fewer than three persons will be appointed by the (insert Brigade name) Volunteer Bush Fire Brigade to administer the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund. A majority of the members of the Brigade Executive committee of management are required to be persons having a degree of responsibility to the general community by reason of their occupation or standing in the community.
- (8) The (insert Brigade name) Volunteer Bush Fire Brigade Public Fund (Fund) shall operate on a non-profit basis. No portion of the assets or income of the Fund will be distributed directly or indirectly to members of (insert Brigade name) Volunteer Bush Fire Brigade or the Fund's management Brigade Executive committee apart from bona fide compensation for services rendered or expenses incurred on behalf of the Fund.

6.1 Attachment G Current Council Policy 40 - Bush Fire Brigade Accounting

Last updated 12/08/2015 (Implementation)

- (9) If the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund is wound up or if the endorsement of the (insert Brigade name) Volunteer Bush Fire Brigade as a deductible gift recipient for the operation of the Fund is revoked, any surplus assets of the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund remaining after the payment of liabilities attributable to it, shall be transferred to a fund, authority or institution which has similar objects and to which income tax deductible gifts can be made.
- (10) (insert Brigade name) Volunteer Bush Fire Brigade must notify the Australian Taxation Office in writing or email if it is no longer entitled to be endorsed for the operation of the (insert Brigade name) Volunteer Bush Fire Brigade Public Fund, or of any changes that would affect its entitlement to endorsement.

Policy Reference No. – 040

Owner Unit – Ranger & Emergency Services

Originator – Ranger & Emergency Services Coordinator

Policy approved by – Council

Date Approved – 12 August 2015

Review Frequency - As required

Related Documents - Acts, Regulations and Local Laws administered by the City

Background/History –

Council Resolution	Date	Information
C1508/216	12 August, 2015	Date of implementation Version 1

Last updated 12/08/2015 (Implementation)

041	Code of Conduct, Bush Fire Brigade Objectives and Values	V1 Current
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PURPOSE

Objective

The purpose of this policy is to establish core values that underpin membership of, and the operations of Volunteer Bush Fire Brigades of the City of Busselton.

SCOPE

Policy Statement

Through the application of this Policy, Volunteer Bush Fire Brigades of the City of Busselton, and the members of those brigades will conduct themselves in a manner that is worthy of the respect of the community in acknowledgement of their dedication to community values and safety.

POLICY CONTENT

1. Code of Conduct

The City of Busselton has established Volunteer Bush Fire brigades pursuant to the powers enabling the City contained in Section 41 of the Bush Fires Act 1954.

As members of Volunteer Bush Fire Brigades established under the Act, members of the brigade are officers of the City and as such are expected at all times to conduct themselves in a manner that is

1. consistent with the best interests of the brigade,
2. is in line with the organisational chain of command for both fire fighting and brigade activities, and
3. does not in any way bring discredit to either the brigade, it's members or the City.

To this end, the City of Busselton has adopted the Code of Conduct for Volunteer Bush Fire Fighters. Members of Brigades are required to commit to the standards of the Code and be governed by the Code.

Any person who is a member of a Brigade, when acting in that capacity shall:

- Act with reasonable care and diligence;
- Act with honesty and integrity;
- Act lawfully;
- Avoid damage to the reputation of the local government;
- Be open and accountable;
- Base decisions on relevant and factually correct information;
- Treat others with respect and fairness;
- Not be impaired by mind affecting substances.
- Fulfil their public and professional duties in a manner that is ethical, impartial, objective and responsible;
- Not use or attempt to use their positions for personal benefit or the personal benefit of others, either by influencing others, the improper use of information gained in the performance of their duties, or otherwise;
- Understand and be mindful of their role, responsibilities, empowerment and limitations and act within those parameters
- Refrain from making allegations which are improper or derogatory, unless true, in the public interest and in an appropriate forum;

6.1 Attachment H

Current Council Policy 41 - Code of Conduct, Bush Fire Brigade
Objectives and Values

Last updated 12/08/2015 (Implementation)

- Refrain from any form of conduct in the performance of their official or professional duties which may cause any reasonable person unwarranted offence or embarrassment.

2. Brigade Objectives

The Brigade shall undertake the following objectives—

- provide timely, efficient and effective emergency services;
- minimise the impact of emergencies on the community;
- work with the community to increase bush fire awareness and fire prevention;
- ensure that active Members' training requirements are maintained and documented to meet City of Busselton and DFES standards
- ensure all operational equipment is serviceable and available for emergencies;
- provide an environment where every individual is treated with respect, and which is free from discrimination or harassment;
- uphold the City of Busselton's Policy - *Code of Conduct*; Brigade Objective and Values; and
- service the needs of the community and work cohesively with other agencies.

3. Brigade Values

- Members are to adopt the Brigade values at all times when representing the Brigade in accordance with the *Code of Conduct as in Clause 3*.
- The Brigade values include—
 - Put the community first;
 - Act with integrity and honesty;
 - Work together as a committed team;
 - Strive to keep ourselves and others safe;
 - Respect and value the contribution of others;
 - Have open and honest two way communication; and
 - Continuously develop our skills to improve our service to the community.

Policy Reference No. – 041

Owner Unit – Ranger and Emergency Services

Originator - Ranger and Emergency Services Coordinator

Policy approved by – Council

Date Approved – 12 August, 2015

Review Frequency - As required







Related Documents - Acts, Regulations and Local Laws administered by the City

Background/History -

Council Resolution	Date	Information
C1508/216	12 August, 2015	Date of implementation Version 1

10.32am: At this time, Mrs Gillett and Mr Needham left the meeting.

6.2 REVIEW OF COUNCIL POLICY: AASB 124 RELATED PARTY DISCLOSURES

STRATEGIC GOAL	6. LEADERSHIP Visionary, collaborative, accountable
STRATEGIC OBJECTIVE	6.1 Governance systems, process and practices are responsible, ethical and transparent.
SUBJECT INDEX	Council Policies
BUSINESS UNIT	Financial Services
REPORTING OFFICER	Manager Financial Services - Paul Sheridan
AUTHORISING OFFICER	Director Finance and Corporate Services - Tony Nottle
NATURE OF DECISION	Executive: Substantial direction setting, including adopting budgets, strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee recommendations
VOTING REQUIREMENT	Simple Majority
ATTACHMENTS	Attachment A AASB 124 Related Party Disclosures - Proposed Draft Policy   Attachment B AASB 124 Related Party Disclosure - Current Policy   Attachment C AASB 124 Standard - Related Party Disclosures  

OFFICER RECOMMENDATION

That the Council endorse the revised Council policy 'AASB 124 – Related Party Disclosures' (Attachment A), to replace the current policy as per Attachment B.

COMMITTEE RECOMMENDATION

PL2102/386 Moved Councillor K Hick, seconded Councillor L Miles

That the Council endorse the revised Council policy 'AASB 124 – Related Party Disclosures' (Attachment A), to replace the current policy as per Attachment B, inclusive of the following Committee amendments:

- Clause 5.4(d) to be amended to read "An external or internal auditor appointed by the City";
- Clause 5.4(e) to become "An Auditor from the WA Auditor General's Office; and
- The addition of "KMP" in parenthesis to clause 2.1 and the abbreviation "KMP" to replace the words "Key Management Personnel" in clauses 5.2 and 5.3.

CARRIED 5/0

Reasons: The Committee recommended an amendment to clause 5.4(d) of the revised policy to clarify the reference to the Auditor from the WA Auditor General's Office and one appointed by the City; and a minor administrative amendment to the policy.

EXECUTIVE SUMMARY

This report presents Council policy AASB 124 Related Party Disclosures (the Policy), which has been transferred into the City's updated policy template (Attachment A) and amended to provide for a simple statement of compliance. The Policy is recommended for endorsement by Council. The current policy is included at Attachment B for reference.

The Policy relates to the disclosure of related party transactions, which all local governments are required to disclose in annual financial reports, in accordance with AASB 124 Related Party Disclosures (the Standard) as published by the Australian Accounting Standards Board (Attachment C).

Changes to the Standard in 2016 required that certain transactions of Key Management Personnel – Council Members, the Chief Executive Officer and senior management – must be detailed separately in the annual financial reports.

The Policy has been reviewed and officers are recommending that the Policy be retained to support a culture of compliance in line with Departmental and industry advice. In addition to the Policy having been transferred into the updated Council policy template, changes include the removal of content which is contained within the Standard (and is best referred to there) and an overall refinement of the policy back to a simple statement of the need to comply with the accounting standard.

OFFICER COMMENT

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

The Australian Accounting Standards Board determined that from 1 July 2016, AASB 124 Related Party Disclosures applied to government entities, including local governments. The City is required to disclose Related Party Relationships and Key Management Personnel compensation in its Annual Financial Statements.

The purpose of the Policy is to stipulate compliance with the Australian Accounting Standard AASB 124 – Related Party Disclosures.

Statutory Environment

In accordance with section 2.7(2)(b) of the *Local Government Act 1995* (the Act) it is the role of the Council to determine the local government policies. The Council does this on recommendation of a Committee it has established in accordance with section 5.8 of the Act.

The *Local Government (Financial Management) Regulations 1996* requires all local governments to produce annual financial statements that comply with the Australian Accounting Standards.

Australian Accounting Standard AASB 124 Related Party Disclosures applies to all government entities.

Relevant Plans and Policies

The City has a policy framework which was developed and endorsed by Council in response to the recommendations of the 2017 Governance Service. The framework sets out the intent of Council policies, as opposed to operational documents such as Operational Practices.

AASB 124 Related Party Disclosures sets out the definitions and requirements of disclosures all local governments are required to make.

Financial Implications

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

No external stakeholder consultation was required or undertaken in relation to this matter.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation the Council could:

1. Propose amendments to the Policy; or
2. Propose that the Policy be rescinded, noting that the requirements to comply with the Standard exist and are outlined in regulation.

CONCLUSION

Council endorsement of the AASB 124 Related Party Disclosures policy is being sought, with the Policy having been reduced to a statement of the need to comply, and being transferred into the City's updated policy template (Attachment A).

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The Policy will be placed on the City's website within one week of adoption.

Council Policy



Council Policy Name: AASB 124 Related Party Disclosures

Responsible Directorate: Finance and Corporate Services

Version: Draft

1. PURPOSE

- 1.1. The purpose of this Policy is to stipulate compliance with the Australian Accounting Standard AASB 124 – Related Party Disclosures.

2. SCOPE

- 2.1. This Policy applies to Key Management Personnel at the City of Busselton.

3. DEFINITIONS

Key Management Personnel	AASB 124 defines Key Management Personnel as 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 that entity. Key Management Personnel for the City of Busselton are: <ul style="list-style-type: none">• Elected Members;• Persons employed under section 5.36 of the Local Government Act 1995 in the capacity of the Chief Executive Officer or Director.
Policy	This City of Busselton Council policy titled "AASB 124 Related Party Disclosures".

4. STRATEGIC CONTEXT

- 4.1. This Policy links to Key Goal Area 6 – Leadership of the City's Strategic Community Plan 2017 (reviewed 2019) and specifically the Community Objective 6:1: Governance systems, processes and practices are responsible, ethical and transparent.

5. POLICY STATEMENT

- 5.1. Under the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*, all local governments in Western Australia must produce annual financial statements that comply with Australian Accounting Standards.
- 5.2. The Australian Accounting Standards Board has determined that from 1 July 2016, AASB 124 Related Party Disclosures (AASB 124) will apply to government entities, including local governments. The City is required, in accordance with AASB 124, to disclose Related Party Relationships, Related Party Transactions, and Key Management Personnel compensation in its Annual Financial Statements.
- 5.3. Key Management Personnel must comply with AASB 124 by filling out an annual related party declaration in the format stipulated and supplied by the City, as part of the year-end financial statement preparation process.
- 5.4. The following persons are permitted to access, use and disclose the information provided in a related party disclosure or contained in a register of related party transactions for the purposes of paragraph 5.5:
- a. the Chief Executive Officer;
 - b. Director, Finance and Corporate Services;
 - c. Manager Financial Services;

6.2 Attachment A AASB 124 Related Party Disclosures - Proposed Draft Policy

- d. an Auditor of the City (including an Auditor from the WA Auditor General's Office); and
 - e. other officers as determined by the Chief Executive Officer.
- 5.5. Persons specified in paragraph 5.4 may access, use and disclose information in a related party disclosure or contained in a register of related party transactions for the following purposes:
- a. assess and verify the disclosed related party transaction;
 - b. reconcile identified related party transactions against those disclosed in the related party disclosure or contained in a register of related party transactions;
 - c. comply with the disclosure requirements of AASB 124; or
 - d. verify compliance with the disclosure requirements of AASB 124.
- 5.6. The following information is classified as confidential and is not available for inspection by or disclosure to the public:
- a. Information (including personal information) provided by KMP in a related party disclosure; and
 - b. personal information contained in a register of related party transactions.

6. RELATED DOCUMENTATION / LEGISLATION

- 6.1. *Local Government Act 1995*
- 6.2. *Australian Accounting Standards AASB 124 – Related Party Disclosures*
- 6.3. *AASB 10 Consolidated Financial Statement*
- 6.4. *AASB 11 Joint Arrangements*
- 6.5. *AASB 128 Investments in Associates and Joint Ventures*
- 6.6. City of Busselton Code of Conduct

7. REVIEW DETAILS

Review Frequency		3 yearly		
Council Adoption	DATE		Resolution #	
Previous Adoption	DATE	13 September 2017	Resolution #	C1709/215

NEW	AASB124 Related Party Disclosures	V1
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1. PURPOSE

To define the parameters for Related Party Relationships and the level of disclosure and reporting required for the City to achieve compliance with the Australian Accounting Standard AASB 124 – Related Party Disclosures.

2. SCOPE

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

The Australian Accounting Standards Board has determined that from 1 July 2016, AASB 124 (Related Party Disclosures) will apply to government entities, including local governments. The City is now required to disclose Related Party Relationships and Key Management Personnel compensation in its Annual Financial Statements.

This Policy provides guidance on:

- the identification of the City's related parties;
- management of related party transactions;
- recording such transactions; and
- disclosure of the transactions in the City of Busselton annual financial statements in accordance with AASB 124;

And addresses the four (4) different types of related party that must be considered by the City:

1. Entities related to the City;
2. Key Management Personnel;
3. Close family members of Key Management Personnel; and
4. Entities that are controlled or jointly controlled by either 2 or 3 above.

3. POLICY CONTENT

DEFINITIONS:

Australian Accounting Standards Board, Related Party Disclosures Standard 124

Close family members of Key Management Personnel (KMP)

Those family members who may be expected to influence, or be influenced by, that KMP in their dealings with the City of Busselton and include:

- the KMP's children, and spouse or domestic partner;
- children of that KMP's spouse or domestic partner; and
- dependants of the KMP or the KMP's spouse or domestic partner.

Entity

Can include a body corporate, a partnership or a trust, incorporated, or unincorporated group or body.

Entity Related to a KMP

Related Entities to Key Management Personnel are entities that are:

- *controlled or jointly controlled by a KMP;
- apart from Council, where a KMP has significant influence over, or is a member of the key management personnel of the entity or parent of the entity; or
- controlled or jointly controlled by a close family member of a KMP of the City.

*A person or entity is deemed to have *control* if they have:

- power over the entity;
- exposure, or rights, to variable returns from involvement with the entity; or
- the ability to use power over the entity to affect the amount of returns.

To jointly control, a person or entity must have contractual rights or 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.

Entity Related to the City

This includes any entity that is either controlled, jointly controlled or over which the City has a significant influence. A person or entity is a Related Party of the City if any of the following apply:

- they are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- they are an associate or belong to a joint venture of which the City is part of;
- they and the City are joint ventures of the same third party;
- they are part of a joint venture of a third party and the City is an associate of the third party;
- they are a post-employment benefit plan for the benefit of employees of either the City or an entity related to the City;
- they are controlled or jointly controlled by close family members of the family of a KMP;
- they are identified as a close or possibly close member of the family of a person with significant influence over Council or a close or possibly close member of the family of a person who is a KMP of the City; or
- they, or any member of a group of which they are a part, provide KMP services to the City.

Key Management Personnel (KMP)

AASB 124 defines KMP as “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 that entity”.

Key Management Personnel for the City of Busselton are:

- Elected Members; and
 - Persons employed under s5.36 of the *Local Government Act 1995* in the capacity of Chief Executive Officer or Director.
-

Material (materiality)

Means the assessment of whether a transaction, either individually or in aggregate with other transactions, by omitting it or misstating it could influence decisions that users make on the basis of an entity's financial statements. For the purpose of this Policy, it is considered appropriate to set a dollar value of \$5,000 for any individual transaction or \$25,000 for collective transactions to determine materiality.

Ordinary Citizen Transaction

A transaction that an ordinary member of the community would undertake in the ordinary course of business with the City of Busselton.

Related Party

A person or entity that is related to the entity preparing its financial statements.

Related Party Transaction

A transfer of resources, services or obligations between the City of Busselton and a related party, regardless of whether a price is charged.

Significant (significance)

Likely to influence the decisions that users of the City's financial statements make having regard to both the extent (value and frequency) of the transactions, and that the transactions have occurred between the City and related party outside a public service provider/ taxpayer relationship.

POLICY DETAILS:

1. Key Management Personnel (KMP)

All Key Management Personnel (KMP) are responsible for assessing and disclosing their own, their close family members' and their related entities' relationship with the City. All related parties must be included in the self-assessment. A disclosure form is provided as an Attachment to this Policy.

2. Related Party Transactions

2.1 Ordinary Citizen Transaction

For the purpose of this Policy, an Ordinary Citizen Transaction is one that occurs between the City and KMP and/or related parties which satisfy the following criteria. The transaction must:

- occur during the normal course of the City delivering its public service goals;
- be under the same terms that would be available to a member of the community; and
- belong to a class of transaction that an ordinary member of the community would normally transact with the City.

This includes for example the following:

- Using the council's facilities after paying the normal fee;
- Fines on normal terms and conditions; and
- Paying rates and council fees and charges.

There is no obligation to disclose Ordinary Citizen Transactions.

Transactions between the City and Related Parties that would normally be considered Ordinary Citizen Transactions but where the terms and conditions differ from normal practice however must be disclosed.

2.2 Non-ordinary Citizen Transactions

All related party transactions that do not satisfy the definition of an Ordinary Citizen Transaction (as per 2.1) must be disclosed in accordance with AASB 124.

The following are examples of transactions that must be disclosed if they are with a related party and are not an Ordinary Citizen Transaction:

- purchases of sales or goods (finished or unfinished);
- purchases or sales of property or other assets;
- rendering or receiving services;
- leases;
- transfers of research and development;
- transfers under licence agreements;
- transfers under finance arrangements (including loans and equity contributions in cash or kind);
- provisions of guarantees or collateral;
- commitments to do something if a particular event occurs or does not occur in the future, including execution of contracts (recognised or unrecognised); and
- settlement of liabilities on behalf of the City or by the City on behalf of the related party.

3. Disclosure of Information

3.1 City disclosure

AASB 124 provides that the City must disclose the following financial information in its financial statements for each financial year period:

- the nature of any related party relationships;
- the amount of the transactions;
- the amount of outstanding balances, including commitments, including:
 - (i) their terms and conditions, whether they are secured, and the nature of the consideration to be provided in settlement; and
 - (ii) details of any guarantees given or received;
- provisions for doubtful debts related to the amount of outstanding balances; and
- the expense recognised during the period in respect of bad or doubtful debts due from related parties.

The following matters must be considered in determining the materiality and significance of any related party transactions:

- significance of transaction in terms of size;
- whether the transaction was carried out on non-market terms;
- whether the transaction is outside normal day-to-day business operations, such as the purchase and sale of assets;
- whether the transaction is disclosed to regulatory or supervisory authorities;
- whether the transaction has been reported to senior management; and
- whether the transaction was subject to Council approval.

Regard must also be given for transactions that are collectively, but not individually significant.

All transactions involving related parties will be captured and reviewed to determine materiality or otherwise of such transactions, if the transactions are Ordinary Citizen Transactions (OCTs), and to determine the significance of each of the transactions.

3.2 Key Management Personnel disclosure

In accordance with this Policy, KMP must provide a Related Party Disclosure in the form set out in the Attachment twice yearly, no later than the following dates each financial year:

- 30 December each year; and
- 30 June each year.

4. Review of Related Parties

A review of KMP's and their related parties will be completed every 6 months. Particular events, such as a change of Elected Members, Chief Executive Officer or Directors or a corporate restructure will also trigger a review of the City's related parties immediately following such an event.

The Chief Executive Officer shall implement a suitable system to identify related parties. The primary identification method of close family members and associated entities of Key Management Personnel shall be by (but not limited to) KMP self-assessment. KMP have a responsibility to identify and report any changes to their related parties as they occur.

The Chief Executive Officer shall identify suitable methodology and procedures for identifying and reporting on related party transactions such that accurate data will be collated from 01 July 2017. Identification and reporting methods shall consider:

- transactions occurring via the City's accounting and electronic records management systems;
- other transactions not passing through the City's electronic accounting / management systems;
- the identification of the associated terms and conditions of the related party transactions;
- declarations in the Financial Interests Register; and
- information provided in Primary and Annual Returns.

If any elected member or employee believes a transaction may constitute a related party transaction they must notify the Chief Executive Officer who will, in consultation with the Director, Finance and Corporate Services, make a determination on the matter.

5. Privacy & Confidentiality

5.1 Access to information

The following persons are permitted to access, use and disclose the information provided in a related party disclosure or contained in a register of related party transactions for the purposes of 5.2.

- the Chief Executive Officer;
 - Director, Finance and Corporate Services ;
 - an Auditor of the City (including an Auditor from the WA Auditor General's Office); and
-

- other officers as determined by the Chief Executive Officer.

5.2 Permitted purposes

Persons specified in 5.1 may access, use and disclose information in a related party disclosure or contained in a register of related party transactions for the following purposes:

- assess and verify the disclosed related party transaction;
- reconcile identified related party transactions against those disclosed in the related party disclosure or contained in a register of related party transactions;
- comply with the disclosure requirements of AASB 124; or
- verify compliance with the disclosure requirements of AASB 124.

5.3 Confidentiality

The following information is classified as confidential and is not available for inspection by or disclosure to the public:

- Information (including personal information) provided by a KMP in a related party disclosure; and personal information contained in a register of related party transactions.

LEGISLATION AND OTHER REFERENCES:

- *Local Government Act 1995*
- *Australian Accounting Standards AASB 124 Related Party Disclosures*
- *AASB 10 Consolidated Financial Statement AASB 11 Joint Arrangements*
- *AASB 128 Investments in Associates and Joint Ventures*
- *City of Busselton Code of Conduct*

Attachment 1 – Related Party Declaration – Key Management Personnel

Policy Background

Policy Reference No. - NEW
Owner Unit – Financial Services
Originator – Director, Finance and Corporate Services
Policy approved by – Council
Date Approved –
Review Frequency –
Related Documents –

- *Local Government Act 1995*
- *Australian Accounting Standards AASB 124 Related Party Disclosures*
- *AASB 10 Consolidated Financial Statement AASB 11 Joint Arrangements*
- *AASB 128 Investments in Associates and Joint Ventures*
- *Department of Local Government and Communities AASB 124 Related Party Disclosures Implementation Guide*
- *City of Busselton Code of Conduct*
- *Attachment 1 – AASB124 Related Party Declaration*

History

Council Resolution	Date	Information
C1709/215	13 September 2017	
		Version 1

Compiled AASB Standard

AASB 124

Related Party Disclosures

This compiled Standard applies to annual periods beginning on or after 1 January 2020. Earlier application is permitted for annual periods beginning on or after 1 January 2014 but before 1 January 2020. It incorporates relevant amendments made up to and including 21 May 2019.

Prepared on 2 March 2020 by the staff of the Australian Accounting Standards Board.

Compilation no. 1

Compilation date: 31 December 2019



Australian Government
Australian Accounting
Standards Board

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Australian Accounting Standards Board
PO Box 204
Collins Street West
Victoria 8007
AUSTRALIA

Phone: (03) 9617 7600
E-mail: standard@aaasb.gov.au
Website: www.aasb.gov.au

Other enquiries

Phone: (03) 9617 7600
E-mail: standard@aaasb.gov.au

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COMPARISON WITH IAS 24

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AASB 124 RELATED PARTY DISCLOSURES

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BASIS FOR CONCLUSIONS ON AASB 2015-6

AVAILABLE ON THE AASB WEBSITE

Basis for Conclusions on IAS 24

Australian Accounting Standard AASB 124 *Related Party Disclosures* (as amended) is set out in paragraphs 1 – Aus29.2, Appendices A and B and the Australian Implementation Guidance. All the paragraphs have equal authority. Paragraphs in **bold type** state the main principles. AASB 124 is to be read in the context of other Australian Accounting Standards, including AASB 1048 *Interpretation of Standards*, which identifies the Australian Accounting Interpretations, and AASB 1057 *Application of Australian Accounting Standards*. In the absence of explicit guidance, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* provides a basis for selecting and applying accounting policies.

Comparison with IAS 24

AASB 124 *Related Party Disclosures* as amended incorporates IAS 24 *Related Party Disclosures* as issued and amended by the International Accounting Standards Board (IASB). Australian-specific paragraphs (which are not included in IAS 24) are identified with the prefix “Aus”. Paragraphs that apply only to not-for-profit entities begin by identifying their limited applicability.

Tier 1

For-profit entities complying with AASB 124 also comply with IAS 24.

Not-for-profit entities’ compliance with IAS 24 will depend on whether any “Aus” paragraphs that specifically apply to not-for-profit entities provide additional guidance or contain applicable requirements that are inconsistent with IAS 24.

Tier 2 Entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2) will not be in compliance with IFRS Standards.

AASB 1053 *Application of Tiers of Australian Accounting Standards* explains the two tiers of reporting requirements.

Accounting Standard AASB 124

The Australian Accounting Standards Board made Accounting Standard AASB 124 *Related Party Disclosures* under section 334 of the *Corporations Act 2001* on 24 July 2015.

This compiled version of AASB 124 applies to annual periods beginning on or after 1 January 2020. It incorporates relevant amendments contained in other AASB Standards made by the AASB up to and including 21 May 2019 (see Compilation Details).

Accounting Standard AASB 124 *Related Party Disclosures*

Objective

- 1 The objective of this Standard is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances, including commitments, with such parties.

AusCF1

AusCF entities are:

- (a) not-for-profit entities; and
- (b) for-profit entities that are not applying the *Conceptual Framework for Financial Reporting* (as identified in AASB 1048 *Interpretation of Standards*).

For AusCF entities, the term 'reporting entity' is defined in AASB 1057 *Application of Australian Accounting Standards* and Statement of Accounting Concepts SAC 1 *Definition of the Reporting Entity* also applies. For-profit entities applying the *Conceptual Framework for Financial Reporting* are set out in paragraph Aus1.1 of the *Conceptual Framework*.

Scope

- 2 This Standard shall be applied in:
- (a) identifying related party relationships and transactions;
 - (b) identifying outstanding balances, including commitments, between an entity and its related parties;
 - (c) identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
 - (d) determining the disclosures to be made about those items.
- 3 This Standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of a parent or investors with joint control of, or significant influence over, an investee presented in accordance with AASB 10 *Consolidated Financial Statements* or AASB 127 *Separate Financial Statements*. This Standard also applies to individual financial statements.
- 4 Related party transactions and outstanding balances with other entities in a group are disclosed in an entity's financial statements. Intragroup related party transactions and outstanding balances are eliminated, except for those between an investment entity and its subsidiaries measured at fair value through profit or loss, in the preparation of consolidated financial statements of the group.

Purpose of related party disclosures

- 5 Related party relationships are a normal feature of commerce and business. For example, entities frequently carry on parts of their activities through subsidiaries, joint ventures and associates. In those circumstances, the entity has the ability to affect the financial and operating policies of the investee through the presence of control, joint control or significant influence.

- 6 A related party relationship could have an effect on the profit or loss and financial position of an entity. Related parties may enter into transactions that unrelated parties would not. For example, an entity that sells goods to its parent at cost might not sell on those terms to another customer. Also, transactions between related parties may not be made at the same amounts as between unrelated parties.
- 7 The profit or loss and financial position of an entity may be affected by a related party relationship even if related party transactions do not occur. The mere existence of the relationship may be sufficient to affect the transactions of the entity with other parties. For example, a subsidiary may terminate relations with a trading partner on acquisition by the parent of a fellow subsidiary engaged in the same activity as the former trading partner. Alternatively, one party may refrain from acting because of the significant influence of another—for example, a subsidiary may be instructed by its parent not to engage in research and development.
- 8 For these reasons, knowledge of an entity's transactions, outstanding balances, including commitments, and relationships with related parties may affect assessments of its operations by users of financial statements, including assessments of the risks and opportunities facing the entity.

Definitions

- 9 The following terms are used in this Standard with the meanings specified:
- A *related party* is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').
- (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).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
- 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.
- 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.

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. Compensation includes:

- (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;
- (b) post-employment benefits such as pensions, other retirement benefits, post-employment life insurance and post-employment medical care;
- (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;
- (d) termination benefits; and
- (e) share-based payment.

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 that entity.

Government refers to government, government agencies and similar bodies whether local, national or international.

A *government-related entity* is an entity that is controlled, jointly controlled or significantly influenced by a government.

The terms 'control' and 'investment entity', 'joint control' and 'significant influence' are defined in AASB 10, AASB 11 *Joint Arrangements* and AASB 128 *Investments in Associates and Joint Ventures* respectively and are used in this Standard with the meanings specified in those Australian Accounting Standards.

- 10 In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.
- 11 In the context of this Standard, the following are not related parties:
 - (a) two entities simply because they have a director or other 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.
 - (b) two joint venturers simply because they share joint control of a joint venture.
 - (c)
 - (i) providers of finance,
 - (ii) trade unions,
 - (iii) public utilities, and
 - (iv) departments and agencies of a government that does not control, jointly control or significant influence the reporting entity,
 simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
 - (d) a customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.
- 12 In the definition of a related party, an associate includes subsidiaries of the associate and a joint venture includes subsidiaries of the joint venture. Therefore, for example, an associate's subsidiary and the investor that has significant influence over the associate are related to each other.

Disclosures

All entities

- 13 Relationships between a parent and its subsidiaries shall be disclosed irrespective of whether there have been transactions between them. An entity shall disclose the name of its parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces consolidated financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.**
- Aus13.1** When any of the parent entities and/or ultimate controlling parties named in accordance with paragraph 13 is incorporated or otherwise constituted outside Australia, an entity shall:
- (a) identify which of those entities is incorporated overseas and where; and
 - (b) disclose the name of the ultimate controlling entity incorporated within Australia.
- 14** To enable users of financial statements to form a view about the effects of related party relationships on an entity, it is appropriate to disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.
- 15** The requirement to disclose related party relationships between a parent and its subsidiaries is in addition to the disclosure requirements in AASB 127 and AASB 12 *Disclosure of Interests in Other Entities*.
- 16** Paragraph 13 refers to the next most senior parent. This is the first parent in the group above the immediate parent that produces consolidated financial statements available for public use.
- 17 An entity shall disclose key management personnel compensation in total and for each of the following categories:**
- (a) short-term employee benefits;
 - (b) post-employment benefits;
 - (c) other long-term benefits;
 - (d) termination benefits; and
 - (e) share-based payment.
- 17A** If an entity obtains key management personnel services from another entity (the 'management entity'), the entity is not required to apply the requirements in paragraph 17 to the compensation paid or payable by the management entity to the management entity's employees or directors.
- 18** If an entity has had related party transactions during the periods covered by the financial statements, it shall disclose the nature of the related party relationship as well as information about those transactions and outstanding balances, including commitments, necessary for users to understand the potential effect of the relationship on the financial statements. These disclosure requirements are in addition to those in paragraph 17. At a minimum, disclosures shall include:
- (a) the amount of the transactions;
 - (b) 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;
 - (c) provisions for doubtful debts related to the amount of outstanding balances; and
 - (d) the expense recognised during the period in respect of bad or doubtful debts due from related parties.
- 18A** Amounts incurred by the entity for the provision of key management personnel services that are provided by a separate management entity shall be disclosed.
- 19** The disclosures required by paragraph 18 shall be made separately for each of the following categories:
- (a) the parent;
 - (b) entities with joint control of, or significant influence over, the entity;
 - (c) subsidiaries;
 - (d) associates;

- (e) **joint ventures in which the entity is a joint venturer;**
 - (f) **key management personnel of the entity or its parent; and**
 - (g) **other related parties.**
- 20 The classification of amounts payable to, and receivable from, related parties in the different categories as required in paragraph 19 is an extension of the disclosure requirement in AASB 101 *Presentation of Financial Statements* for information to be presented either in the statement of financial position or in the notes. The categories are extended to provide a more comprehensive analysis of related party balances and apply to related party transactions.
- 21 The following are examples of transactions that are disclosed if they are with a related party:
- (a) purchases or sales of goods (finished or unfinished);
 - (b) purchases or sales of property and other assets;
 - (c) rendering or receiving of services;
 - (d) leases;
 - (e) transfers of research and development;
 - (f) transfers under licence agreements;
 - (g) transfers under finance arrangements (including loans and equity contributions in cash or in kind);
 - (h) provision of guarantees or collateral;
 - (i) commitments to do something if a particular event occurs or does not occur in the future, including executory contracts¹ (recognised and unrecognised); and
 - (j) settlement of liabilities on behalf of the entity or by the entity on behalf of that related party.
- 22 Participation by a parent or subsidiary in a defined benefit plan that shares risks between group entities is a transaction between related parties (see paragraph 42 of AASB 119).
- 23 Disclosures that related party transactions were made on terms equivalent to those that prevail in arm's length transactions are made only if such terms can be substantiated.
- 24 **Items of a similar nature may be disclosed in aggregate except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the entity.**

Government-related entities

- 25 A reporting entity is exempt from the disclosure requirements of paragraph 18 in relation to related party transactions and outstanding balances, including commitments, with:
- (a) a government that has control or joint control of, or significant influence over, the reporting entity; and
 - (b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.
- 26 If a reporting entity applies the exemption in paragraph 25, it shall disclose the following about the transactions and related outstanding balances referred to in paragraph 25:
- (a) the name of the government and the nature of its relationship with the reporting entity (ie control, joint control or significant influence);
 - (b) the following information in sufficient detail to enable users of the entity's financial statements to understand the effect of related party transactions on its financial statements:
 - (i) the nature and amount of each individually significant transaction; and
 - (ii) for other transactions that are collectively, but not individually, significant, a qualitative or quantitative indication of their extent. Types of transactions include those listed in paragraph 21.

¹ AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* defines executory contracts as contracts under which neither party has performed any of its obligations or both parties have partially performed their obligations to an equal extent.

- 27 In using its judgement to determine the level of detail to be disclosed in accordance with the requirements in paragraph 26(b), the reporting entity shall consider the closeness of the related party relationship and other factors relevant in establishing the level of significance of the transaction such as whether it is:
- (a) significant in terms of size;
 - (b) carried out on non-market terms;
 - (c) outside normal day-to-day business operations, such as the purchase and sale of businesses;
 - (d) disclosed to regulatory or supervisory authorities;
 - (e) reported to senior management;
 - (f) subject to shareholder approval.

Effective date and transition

- 28 [Deleted by the AASB]
- Aus28.1 An entity shall apply this Standard for annual periods beginning on or after 1 July 2016. Earlier application is permitted for periods beginning on or after 1 January 2014 but before 1 July 2016. If an entity applies this Standard for a period beginning before 1 July 2016, it shall disclose that fact.
- Aus28.2 AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* amended the previous version of this Standard as follows: deleted paragraph Aus1.3, amended paragraph Aus9.1 and added the Australian Implementation Guidance for Not-for-Profit Public Sector Entities. An entity shall apply those amendments for annual periods beginning on or after 1 July 2016. Earlier application is permitted. Those amendments shall be applied prospectively as at the beginning of the annual period in which this Standard is initially applied. For example, a not-for-profit public sector entity shall apply this Standard prospectively as at the beginning of the annual period in which this Standard is initially applied.
- 28A–
28B [Deleted by the AASB]
- 28C AASB 2014-1 *Amendments to Australian Accounting Standards*, issued in June 2014, amended the previous version of this Standard as follows: amended paragraph 9 and added paragraphs 17A and 18A. An entity shall apply that amendment for annual periods beginning on or after 1 July 2014. Earlier application is permitted. If an entity applies that amendment for an earlier period it shall disclose that fact.

Withdrawal of IAS 24 (2003)

- 29 [Deleted by the AASB]

Commencement of the legislative instrument

- Aus29.1 For legal purposes, this legislative instrument commences on 30 June 2016.

Withdrawal of AASB pronouncements

- Aus29.2 This Standard repeals AASB 124 *Related Party Disclosures* issued in December 2009. Despite the repeal, after the time this Standard starts to apply under section 334 of the Corporations Act (either generally or in relation to an individual entity), the repealed Standard continues to apply in relation to any period ending before that time as if the repeal had not occurred.
- [Note: When this Standard applies under section 334 of the Corporations Act (either generally or in relation to an individual entity), it supersedes the application of the repealed Standard.]

Appendix A

Australian defined terms

This appendix is an integral part of AASB 124.

Aus9.1 The following terms are also used in this Standard with the meaning specified.

Director means:

- (a) a person who is a director under the Corporations Act; and
- (b) in the case of entities governed by bodies not called 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.

Remuneration is compensation as defined in this Standard.

Aus9.1.1 Although the defined term 'compensation' is used in this Standard rather than the term 'remuneration', both words refer to the same concept and all references in the Corporations Act to the remuneration of directors and executives is taken as referring to compensation as defined and explained in this Standard.

Appendix B

Australian reduced disclosure requirements

This appendix is an integral part of AASB 124.

AusB1 **The following do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements:**

- (a) paragraphs Aus13.1, 26 and 27;
- (b) in paragraph 17, the text “and for each of ... (e) share-based payment”; and
- (c) in paragraph 22, the text “(see paragraph 42 of AASB 119)”.

Entities applying Australian Accounting Standards – Reduced Disclosure Requirements may elect to comply with some or all of these excluded requirements.

AusB2 The requirements that do not apply to entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements are also identified in this Standard by shading of the relevant text.

Australian implementation guidance for not-for-profit public sector entities

This guidance is an integral part of AASB 124 and has the same authority as the other parts of the Standard. The guidance applies only to public sector entities. The guidance does not apply to private sector entities or affect their application of AASB 124.

- IG1 AASB 124 *Related Party Disclosures* incorporates International Financial Reporting Standard IAS 24 *Related Party Disclosures*, issued by the International Accounting Standards Board. Consequently, much of the text of the body of this Standard and the Illustrative Examples is expressed from the perspective of for-profit entities. The AASB has prepared this guidance to explain and illustrate the principles in the Standard to assist application of the Standard by not-for-profit public sector entities, particularly to address circumstances where a for-profit perspective does not readily translate to a not-for-profit public sector perspective. This guidance also assists not-for-profit public sector entities in determining the extent of the information necessary to meet the objective of the Standard. This guidance does not remove the need for judgement to be applied by an entity in complying with the requirements of the Standard.
- IG2 This guidance addresses a range of matters affecting not-for-profit public sector entities broadly in the order in which the related paragraphs appear in the body of the Standard. Illustrative examples are provided in the implementation guidance. The examples apply by analogy to types of not-for-profit public sector entities other than those identified in the examples and similar circumstances. It is the facts and circumstances in any case, not simply the type of not-for-profit public sector entity, that need to be assessed in determining the appropriate disclosures that apply.

Identification of key management personnel

- IG3 Paragraph 9 of the Standard defines key management personnel as being those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the entity. In a public sector context, entities should consider the facts and circumstances, including the terms of the relevant legislative instruments that give rise to the entity, in assessing whether a person is a member of the key management personnel, as defined, of the entity. For example, the facts and circumstances may reflect that not all persons described as 'senior executive staff' or 'Secretary' or 'Minister' may be a member of the key management personnel of the entity. Similarly, in relation to a not-for-profit public sector entity, the facts and circumstances may reflect that a person's powers do not give rise to a capacity to direct or control the activities of an entity, where the powers are only ceremonial or procedural in substance.
- IG4 Normally, the determination of key management personnel is similar for entities in the public sector and the private sector. However, ministerial-type roles do not normally arise in a private sector context. A Minister would be a member of the key management personnel of an entity that is within the Minister's portfolio if the Minister has the "authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly". In some entities or jurisdictions, the responsible Minister may not, in substance, have such authority and responsibility over the activities of the entity, and consequently would not meet the definition of key management personnel.
- IG5 A Minister may be a member of the key management personnel of an entity where the Minister's role and responsibilities result in the Minister forming part of the group of persons tasked with determining the direction of the entity. It would be uncommon for a Minister to be a member of the key management personnel of an entity that is within their portfolio where the entity is not otherwise controlled by the government, as the government's powers and functions (executed by the Minister) in relation to that entity would have formed part of the government's assessment of whether it controls the entity. Whether a Minister is a member of the key management personnel of an entity controlled by the government will depend on the facts and circumstances that apply in each instance, as the determination of the key management personnel of an entity is made on an entity by entity basis. Accordingly, a member of the key management personnel of the government is not necessarily also a member of the key management personnel of each entity controlled by that government (see also paragraph IG10).
- IG6 Examples 1–6 illustrate application of the definition of key management personnel by not-for-profit public sector entities. These examples do not limit the persons who may be key management personnel of a not-for-profit public sector entity to only those roles described.

Example 1

Minister A is the Australian Minister for Education and Training. Minister A administers their portfolio through the Department of Education and Training (the Department), a controlled entity of the Australian Government. Minister A is accountable to Parliament for the actions of the Department. As part of the portfolio, the Minister is responsible for:

- education policy and programs including schools, vocational, higher education and Indigenous education, but excluding migrant adult education;
- education and training transitions policy and programs;
- science awareness programs in schools;
- training, including apprenticeships and training services;
- policy, co-ordination and support for education exports and services; and
- income support policies and programs for students and apprentices.
- Minister B is the Assistant Minister for Education and Training. Assistant Ministers are appointed to assist Ministers in prioritising work, to provide a training experience for future Ministers, to facilitate public access to the Ministers and to enable the bureaucracy to have an ongoing point of contact so that parliamentary correspondence and other parliamentary administrative issues are neither overlooked nor downgraded. As an Assistant Minister, Minister B cannot:
 - sit as a Minister in Cabinet;
 - attend a meeting of the Executive Council or sign Executive Council Minutes on behalf of the Minister;
 - perform any duties in Parliament on behalf of the Minister including answering questions without notice, presenting Ministerial Statements, tabling documents and introducing legislation; or
 - appear before a Committee of Parliament on behalf of the Minister.

The Department is responsible for delivering national policies and programs that help Australians access quality early childhood education, school education, higher education, vocational education and training, international education and research. The Department is headed by the Secretary of the Department, who reports to the Australian Minister for Education and Training. At the same time, the Secretary also makes reports to the Assistant Minister for Education and Training. The Secretary of the Department, and two Associate Secretaries and a Deputy Secretary within the Department, operate as the executive management team responsible for the day-to-day delivery of the Department's services.

Based on the facts and circumstances above, Minister A, the Secretary of the Department, and the two Associate Secretaries and Deputy Secretary are members of the key management personnel of the Department as they have the authority and responsibility for planning, directing and controlling the activities of the entity. Minister A's role is akin to that of a director in a company, as the Minister discharges their role and responsibilities regarding the Department and is ultimately responsible for the performance of the Department. Minister B is not a member of the key management personnel of the Department as Minister B's role supports that of the Minister, rather than having any authority and responsibility for planning, directing and controlling the activities of the Department in Minister B's own right.

Example 2

The Cabinet is a group within the Australian Government (the Commonwealth of Australia) comprising the Prime Minister and a number of senior Ministers. All current Ministers are part of the Executive Council, but not all Ministers are also part of Cabinet. The Governor-General is the chair of the Executive Council.

Minister A, the Australian Minister for Education and Training, is part of Cabinet. Minister B, the Assistant Minister for Education and Training is not part of Cabinet but is part of the Executive Council. Minister D, the Minister for Justice, is also not part of Cabinet but is part of the Executive Council.

Cabinet's role is to direct the overall government policy and make decisions about national issues. In Cabinet meetings, Ministers also present bills from their government departments. Cabinet examines these bills, and recommends whether bills should proceed to Parliament or changes should be made. A Minister who is not part of Cabinet may be invited to a Cabinet meeting to speak about developments within their portfolio. The Cabinet is accountable to Parliament for the running of the government.

The Executive Council is a constitutional body charged with advising the Governor-General. Legally, members of the Executive Council are chosen by the Governor-General; however, in practice, all current Ministers are part of the

Executive Council. The Executive Council acts as a formal ratification body for the decisions of Cabinet, and is required to undertake a range of functions including making proclamations, regulations and ordinances as delegated by various Acts of Parliament, issuing writs for elections, appointing public servants and recommending the appointment of judges.

Section 61 of the Australian Constitution provides that “The executive power of the Commonwealth is vested in the Queen and is exercisable by the Governor-General as the Queen’s representative, and extends to the execution and maintenance of this Constitution, and of the laws of the Commonwealth”. However, the Governor-General is bound by convention to follow the advice of the Executive Council.

Based on the facts and circumstances above, Minister A is a member of the key management personnel of the Australian Government. As part of Cabinet and having regard to Cabinet’s powers, Minister A has the authority and responsibility for planning, directing and controlling the activities of the Australian Government. In addition, as a member of the key management personnel of the Australian Government, Minister A is also a related party of any entities controlled by the Australian Government, consistent with paragraph 9 of the Standard.

Minister B and Minister D are unlikely to be members of the key management personnel of the Australian Government as, although they are part of the Executive Council, they are outside the group of persons responsible for making decisions about the overall running of the government. Further, in substance, neither the members of the Executive Council nor Governor-General have the authority and responsibility for directing and controlling the activities of the Australian Government, and accordingly, are not members of the key management personnel of the Australian Government reporting entity.

Example 3

University XYZ is a not-for-profit public sector entity established under an Act of the State Government. The State Government has determined that it does not control the University.

The governing body of the University is the University Council. The University Council consists of 17 members, five of whom are appointed directly or indirectly by the State Minister for Education. The Chair of the University Council is the Chancellor, who is the formal head of the University. The Chancellor is responsible for ensuring the efficient operation of the University Council in the performance of its governance role, presiding at ceremonial occasions of the University and acting as a signatory to official statutory reports of the University.

The Act specifies that the University Council’s responsibilities, powers and functions include:

- approving the mission, strategic direction and annual budget and business plan of the University;
- establishing policies (‘university statutes and regulations’) relating to the governance and operation of the University, including trusts and endowments, and research, development, consultancy, commercial activities and other services undertaken for commercial organisations or public bodies;
- developing guidelines (if any) concerning the carrying out of commercial activities, finance and property matters, or any other related matter;
- overseeing the management of the property, finances and business affairs of the University, such as risk management across the University, including its commercial activities;
- any other powers and functions conferred on it by or under legislation or any university statute or regulation; and
- the power to do anything else necessary or convenient to be done for or in connection with its powers and functions.

The University Council has a range of powers and functions that it can exercise directly, including the following:

- appointing the Vice-Chancellor, who is the chief executive officer of the University and responsible for the conduct of the University’s affairs in all matters;
- determining the composition of borrowings within the parameters set by the State Government;
- approving the University’s budget for a financial year, incorporating total revenue and the planned revenue sources, including planning the mix between teaching, research and commercial activities, the fees and charges to apply to those activities, and the type and value of government grants desired;
- determining the course mix and target student mix, such as vocational, undergraduate, graduate and executive courses, on-campus or distance learning, and local and international students;
- appointing staff and determining their terms and conditions;

- deciding whether to operate through multiple campuses and how to utilise the University's infrastructure; and
- making university regulations with respect to any matter relating to the University.

The University Council has delegated the day-to-day management responsibilities and other functions to the University's executive and other senior staff in order to be able to focus on the broader policy and strategic issues.

The State Minister for Education has the following powers and functions as part of the Minister's role in the State Government:

- fixing the remuneration and fees to be paid to University Council members who are not full-time staff of the University or holders of statutory office;
- approving (or vetoing) University statutes and guidelines made by the University Council;
- declaring an activity to be a university commercial activity;
- making interim guidelines concerning university commercial activities and finance and property matters – these apply unless replaced by University-submitted guidelines approved by the Minister;
- in conjunction with the State Treasurer, approving the limits and conditions (eg security) for University borrowings;
- approving (or vetoing) the disposal of land that was previously Crown land granted to the University;
- requesting commercial and financial reports from the University;
- referring a university commercial activity or any aspect thereof to the auditor-general for investigation; and
- ensuring that the University complies with certain rights specified in State Government grants provided to the University – some of the grants are required to be repaid if not applied as specified.

Based on the facts and circumstances above, as the State Government has determined that it does not control the University, it is unlikely that the State Minister for Education, as the executor of the State Government's powers, is a member of the key management personnel of the University, as the evaluation of control includes an assessment of the State Government's ability to direct the activities that most significantly affect the University's outcomes. The State Minister's powers and functions (provided to the position) may restrict the way in which the University operates, but do not of themselves give the State Minister authority and responsibility for the activities of the University.

Rather, based on the facts and circumstances above, it is the University Council (who are akin to a board of directors, with the Chancellor akin to a non-executive chairman) and the University's executive and other senior staff who have the authority and responsibility for planning, directing and controlling the activities of the University.

The purpose of this Example is to assist entities with the identification of key management personnel of a not-for-profit public sector entity. However, an entity should also consider whether the State Minister for Education, or the State Government, will otherwise meet the definition of a related party of the University (see paragraph 9 of the Standard).

Example 4

The LMN local government (the Council) is a local government entity created under a State's Local Government Act (the Act) and is subject to a wide range of State Government regulatory powers. The interest of the State Government in the activities of the Council is primarily to ensure that the general objectives set out in the Act are being achieved or furthered. The State Government's rights in respect of the Council are held primarily by the State Minister for Local Government. These rights allow the State Government (via the State Minister for Local Government) to advise or guide the Council in its activities, or under particular circumstances, to intervene in the activities of the Council.

Minister X is the State Minister for Local Government. The Minister administers their portfolio through the Local Government branch of the State Department of Transport, Planning and Local Infrastructure (the Department). As part of the Minister's role and responsibilities, Minister X is responsible for:

- the scrutiny of councils, including municipal boundaries;
- making recommendations for allocation of project grants to local governments for projects;
- overseeing tendering processes for council services;
- ensuring the concerns of local governments are communicated to the State Cabinet; and
- the coordination of council community and infrastructure work at a State level.

The Council's primary objective is to achieve the best outcomes for the local community over the long term. The Council is empowered by the Act to do all things necessary and convenient for the achievement of its objectives and the performance of its functions, subject to any limitations under the Act or any other legislation.

The Council is administered by 10 councillors, who are elected directly by the local community in periodic elections. The Council's functions include raising revenue to fund its functions and activities, and planning for and providing services and facilities (including infrastructure) for the local community. In carrying out its functions, the Council undertakes a wide range of activities including the imposition of rates and charges upon constituents, and the provision without charge of services such as parks and roads. The day-to-day operations of the Council are carried out by council staff under the direction of its elected councillors.

The State Government has determined that it does not control the Council.

Based on the facts and circumstances above, Minister X is not a member of the key management personnel of the Council, as the Minister's role does not extend to having the authority and responsibility for planning, directing and controlling the activities of the Council itself. Having concluded that the State Government does not control the council, Minister X's role as executor of the State Government's powers and rights over the Council cannot of itself enable Minister X to meet the definition of key management personnel of the Council. Rather, in this example, it is the councillors and senior council staff who have the authority and responsibility for the activities of the Council (similar to a board of directors and senior management of a company).

The purpose of this Example is to assist entities with the identification of key management personnel of a not-for-profit public sector entity. However, an entity should also consider whether Minister X, or the State Government, will otherwise meet the definition of a related party of the Council (see paragraph 9 of the Standard).

Example 5

Minister E, the State Minister for Education, Minister F, the State Minister for Children and Early Childhood, and Minister G, the State Minister for Higher Education and Skills, administer their portfolios wholly through the State Department of Education (the Department), a controlled entity of the State Government.

The day-to-day operations of the Department are managed by an Executive Board comprising the Secretary of the Department and the head of each of the Department's divisions. The Executive Board is the governance and decision-making body for the Department accountable for the:

- strategic direction and leadership of the Department;
- management of the Department;
- decision-making and risk management;
- monitoring and evaluation of the Department's activities; and
- compliance and stakeholder management.

The Department reports to the three Ministers, separately or jointly as appropriate to the nature of the Ministers' portfolio. The Ministers are jointly accountable to Parliament for the actions of the Department.

Based on the facts and circumstances above, Minister E, Minister F and Minister G, and the members of the Executive Board are members of the key management personnel of the Department as they have the authority and responsibility for planning, directing and controlling the activities of the Department. The Ministers' roles are akin to that of directors in a company, even though each has responsibility only to the extent of their respective portfolios, as they discharge their roles and responsibilities regarding the Department and are ultimately responsible for the performance of the Department.

Example 6

Statutory authority SLA is a statutory authority of the State Government tasked with providing legal information, advice and representation to financially disadvantaged residents of the State. As a statutory authority, SLA was established under its own enabling legislation, which sets out its functions, powers and responsibilities. Its remit is such that it generally operates independently of any governmental direction or influence.

SLA is funded by the State Government to undertake state law matters. The State Government may specify areas to which certain of the funds granted should be allocated. SLA is a controlled entity of the State Government.

The execution and authority for the day-to-day operations of SLA are the responsibility of its executive management team, who report to the Board of SLA. The Board is the statutory authority's governing body and is responsible for

managing SLA and ensuring that its objectives are achieved. The Board is responsible for deciding SLA's priorities and strategies, leading its policy direction and ensuring its sound and prudent financial management. Board members are appointed by the State Governor in Council, on advice of the State Minister for Justice.

SLA is accountable to the State Government for the delivery of legal assistance services. As a statutory authority, the Board of SLA reports to the State Minister for Justice, who is responsible to Parliament for the oversight of statutory authorities within the Minister's portfolio.

SLA's enabling legislation provides that the Board must:

- if asked by the State Minister for Justice, give the Minister a report on any issue relevant to its functions, other than about legal assistance for a particular person; and
- act upon a written direction given by the State Minister for Justice about the performance of SLA's functions or exercise of its powers, and its policies, priorities or guidelines, including priorities in legal assistance funding. The direction cannot be about giving legal assistance to a particular person.

While SLA generally operates independently of any governmental direction or influence, from time to time, the State Minister for Justice has requested various reports and required SLA to act as directed.

Based on the facts and circumstances above, the Board and executive management team of SLA are members of the key management personnel of the entity, as they ultimately have the authority and responsibility for planning, directing and controlling the activities of the entity. In this fact pattern, the State Minister for Justice is also a member of the key management personnel of SLA, as the powers vested in the Minister's role also give the Minister authority and responsibility for planning, directing and controlling the activities of the entity, as SLA is required to act in accordance with the Minister's written directions (which may relate to SLA's execution of its remit).

The purpose of this Example is to assist entities with the identification of key management personnel of a not-for-profit public sector entity. However, consideration should also be given to whether the State Government is a related party of SLA (see paragraph 9 of the Standard).

Key management personnel compensation

- IG7 In the public sector, Ministers are normally compensated through one or more central government agencies or authorities. In relation to not-for-profit public sector entities, the central government agency typically operates as a management entity for the purposes of applying paragraph 17A of the Standard.
- IG8 Paragraph 18A of the Standard requires disclosure of amounts incurred by the entity preparing general purpose financial statements for the key management personnel services that are provided by a separate management entity. No disclosure is required to comply with the requirement in paragraph 18A where an entity is not obligated to reimburse the management entity for key management personnel services it has obtained.

Related party transactions

- IG9 Paragraph 18 of the Standard requires an entity to disclose information about transactions that have occurred between the entity and its related parties, including transactions between the entity and its key management personnel or key management personnel of the entity's parent, that is necessary for users to understand the potential effect of the relationship on the financial statements.
- IG10 Ministers, councillors and other senior public servants may qualify as a related party of a public sector entity under one or more of the criteria set down in paragraph (a) in the definition of 'related party' in AASB 124. For example, a Minister who is a member of the key management personnel of the Commonwealth or State government is, under the definition of 'related party', a related party not only of the Commonwealth or State government consolidated entity but also of each controlled entity of that government (see Example 2 in paragraph IG6). In such instances, the Standard requires the controlled government entity to disclose related party transactions with that Minister which are necessary to meet the objective noted in paragraph 1 of the Standard, whether or not the Minister has responsibility for the entity.
- IG11 A related party transaction is a transfer of resources, services or obligations between an entity and its related party, regardless of whether a price is charged. In the not-for-profit public sector, many entities are likely to engage frequently with persons who are a related party of that entity in the course of delivering the entity's public service objectives, including the raising of funds (for example, rates and taxes) to meet those objectives. These related party transactions often occur on terms and conditions no different to those applying to the general public (for example, the Medicare rebate or public school fees). A not-for-profit public sector entity may determine that information about related party transactions occurring during the

course of delivering its public service objectives and which occur on no different terms to that of the general public is not material for disclosure in its general purpose financial statements and accordingly need not be disclosed. Guidance relevant to an entity's assessment of the materiality of a disclosure to its general purpose financial statements is included in AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The factors described in paragraph 27 of the Standard may also assist an entity in making this determination.

IG12 Examples 7–8 describe different types of related party transactions that may occur between not-for-profit public sector entities and their related parties:

Example 7

Councillor P is a member of the key management personnel of the LMN local government (the Council). The Council's functions include raising revenue to fund its functions and activities, and planning for and providing services and facilities (including infrastructure) for the local community. In carrying out its functions, the Council undertakes a wide range of activities including the imposition of rates and charges upon constituents, and the provision without charge of services such as parks and roads.

Councillor P is a ratepayer residing within the Council's constituency. As such, Councillor P takes advantage of the availability of free public access to local parks and libraries. Councillor P also used the swimming pool at the Council's Recreation Centre twice during the financial year, paying the casual entry fee applicable to the general public each time. The recreation centre has approximately 20,000 visitors each financial year.

All of the transactions described above between the Council and Councillor P are related party transactions of the Council considered for disclosure in the Council's general purpose financial statements. Based on the facts and circumstances described, the Council may determine that these transactions are unlikely to influence the decisions that users of the Council's financial statements make having regard to both the extent of the transactions, and that the transactions have occurred between the Council and Councillor P within a public service provider/ taxpayer relationship.

Example 8

Minister Z, the State Minister for Planning, has responsibility for a range of functions and, in certain circumstances, has the power to intervene on matters associated with planning and heritage processes. Minister Z is a member of the key management personnel of State Government H.

Entity MED is a controlled entity of State Government H, and operates within the State Health sector. Entity MED is currently seeking State development approval for a potentially contentious new building.

Around this time, Entity MED enters into a contract with Entity STU, an entity wholly-owned and controlled by a close member of Minister Z's family for Entity STU to provide cleaning services at various current and future Entity MED locations, including the new building when completed. The cleaning contract was won by Entity STU in an open tender. Minister Z has declared information about the contract to provide cleaning services to Cabinet and it is included as part of the Minister's Register of Members' Interests. During the reporting period, Entity STU rendered services of \$50,000 to Entity MED. No amounts remain outstanding at Entity STU's reporting date. Entity MED assesses the cleaning services rendered to be a material component of its total operating expenses.

Entity STU is a related party of Entity MED in accordance with the definition of a related party in paragraph 9 of the Standard. The provision of \$50,000 cleaning services by Entity STU to Entity MED described above is a related party transaction of Entity MED as there has been a transfer of services and resources between Entity MED and Entity STU. Based on the facts and circumstances described, management of Entity MED may determine that information about the transaction is material for disclosure in its general purpose financial statements as there has been a transfer of resources occurring other than as a result of a public service provider/ taxpayer relationship between related parties and the amount of the transaction is material to Entity MED.

The provision of \$50,000 cleaning services by Entity STU to Entity MED described above is also a related party transaction of State Government H as Minister Z is a member of the key management personnel of State Government H and Entity MED is a controlled entity of State Government H. State Government H should separately assess whether the related party transaction is material for disclosure in the whole-of-government financial statements.

Government-related entities

- IG13 Paragraph 25 of the Standard provides a limited exemption from the disclosure requirements of paragraph 18 for government-related entities, subject to the alternative disclosures in paragraph 26 of the Standard. An entity considers, on balance, the range of factors included in paragraph 27, as well as any additional relevant factors, in determining the extent of the disclosure required by paragraph 26(b). In some instances, the presence of a single factor identified in paragraph 27 will not be sufficient to inform the entity of the level of individual or collective significance of the transaction. For example, a requirement of legislation to report on various transactions to Parliament may not of itself inform a not-for-profit public sector entity of the significance of a transaction to itself where the entity's objective is to carry out such transactions, and consequently, the entity should also have regard to other factors in forming its assessment of the significance of the transaction. In other instances, a single factor may be adequate to establish the extent of the significance of the transaction to the entity.
- IG14 Individually significant transactions would normally form a small subset, by number, of the total related party transactions of the entity. Paragraph IE3 in the Illustrative Examples accompanying the Standard provides examples of disclosure to comply with paragraph 26(b).

Illustrative examples

The following examples accompany, but are not part of, AASB 124 Related Party Disclosures. They illustrate:

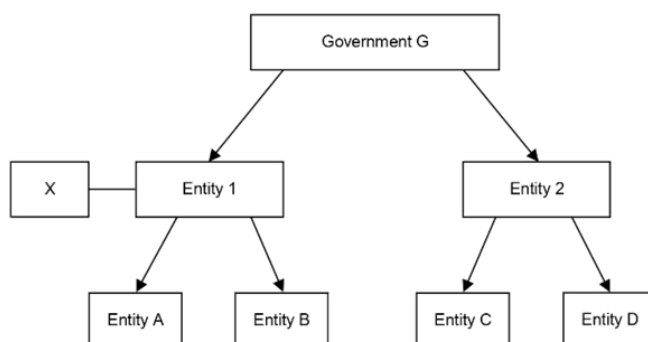
- the partial exemption for government-related entities; and
- how the definition of a related party would apply in specified circumstances.

In the examples, references to 'financial statements' relate to the individual, separate or consolidated financial statements.

Partial exemption for government-related entities

Example 1 – Exemption from disclosure (paragraph 25)

IE1 Government G directly or indirectly controls Entities 1 and 2 and Entities A, B, C and D. Person X is a member of the key management personnel of Entity 1.



IE2 For Entity A's financial statements, the exemption in paragraph 25 applies to:

- transactions with Government G; and
- transactions with Entities 1 and 2 and Entities B, C and D.

However, that exemption does not apply to transactions with Person X.

Disclosure requirements when exemption applies (paragraph 26)

IE3 In Entity A's financial statements, an example of disclosure to comply with paragraph 26(b)(i) for **individually** significant transactions could be:

Example of disclosure for individually significant transaction carried out on non-market terms

On 15 January 20X1 Entity A, a utility company in which Government G indirectly owns 75 per cent of outstanding shares, sold a 10 hectare piece of land to another government-related utility company for CU5 million.² On 31 December 20X0 a plot of land in a similar location, of a similar size and with similar characteristics, was sold for CU3 million. There had not been any appreciation or depreciation of the land in the intervening period. See note X [of the financial statements] for disclosure of government assistance as required by AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* and notes Y and Z [of the financial statements] for compliance with other relevant Australian Accounting Standards.

² In these examples monetary amounts are denominated in 'currency units (CU)'.

Example of disclosure for individually significant transaction because of size of transaction

In the year ended December 20X1 Government G provided Entity A, a utility company in which Government G indirectly owns 75 per cent of outstanding shares, with a loan equivalent to 50 per cent of its funding requirement, repayable in quarterly instalments over the next five years. Interest is charged on the loan at a rate of 3 per cent, which is comparable to that charged on Entity A's bank loans.³ See notes Y and Z [of the financial statements] for compliance with other relevant Australian Accounting Standards.

Example of disclosure of collectively significant transactions

In Entity A's financial statements, an example of disclosure to comply with paragraph 26(b)(ii) for **collectively** significant transactions could be:

Government G, indirectly, owns 75 per cent of Entity A's outstanding shares. Entity A's significant transactions with Government G and other entities controlled, jointly controlled or significantly influenced by Government G are [a large portion of its sales of goods and purchases of raw materials] or [about 50 per cent of its sales of goods and about 35 per cent of its purchases of raw materials].

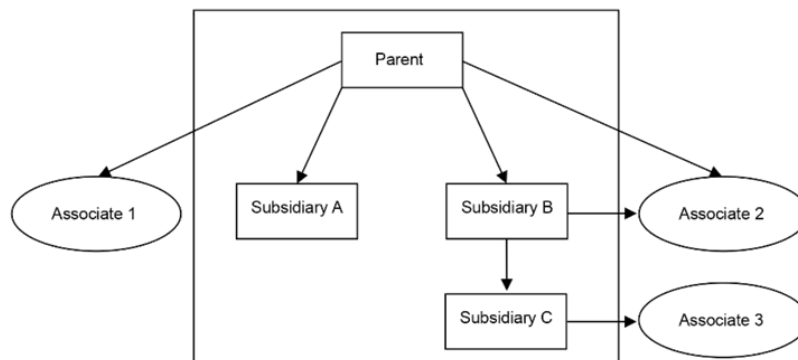
The company also benefits from guarantees by Government G of the company's bank borrowing. See note X [of the financial statements] for disclosure of government assistance as required by AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance* and notes Y and Z [of the financial statements] for compliance with other relevant Australian Accounting Standards.

Definition of a related party

The references are to subparagraphs of the definition of a **related party** in paragraph 9 of AASB 124.

Example 2 – Associates and subsidiaries

- IE4 Parent entity has a controlling interest in Subsidiaries A, B and C and has significant influence over Associates 1 and 2. Subsidiary C has significant influence over Associate 3.



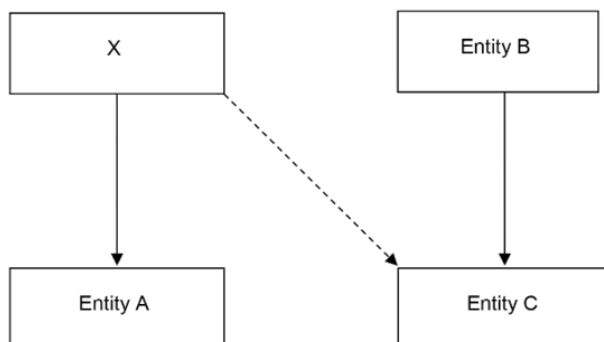
- IE5 For Parent's separate financial statements, Subsidiaries A, B and C and Associates 1, 2 and 3 are related parties. [Paragraph 9(b)(i) and (ii)]
- IE6 For Subsidiary A's financial statements, Parent, Subsidiaries B and C and Associates 1, 2 and 3 are related parties. For Subsidiary B's separate financial statements, Parent, Subsidiaries A and C and Associates 1, 2 and 3 are related parties. For Subsidiary C's financial statements, Parent, Subsidiaries A and B and Associates 1, 2 and 3 are related parties. [Paragraph 9(b)(i) and (ii)]
- IE7 For the financial statements of Associates 1, 2 and 3, Parent and Subsidiaries A, B and C are related parties. Associates 1, 2 and 3 are not related to each other. [Paragraph 9(b)(ii)]

³ If the reporting entity had concluded that this transaction constituted government assistance it would have needed to consider the disclosure requirements in AASB 120.

- IE8 For Parent's consolidated financial statements, Associates 1, 2 and 3 are related to the Group. [Paragraph 9(b)(iii)]

Example 3 – Key management personnel

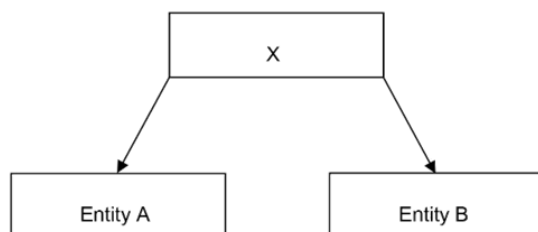
- IE9 A person, X, has a 100 per cent investment in Entity A and is a member of the key management personnel of Entity C. Entity B has a 100 per cent investment in Entity C.



- IE10 For Entity C's financial statements, Entity A is related to Entity C because X controls Entity A and is a member of the key management personnel of Entity C. [Paragraph 9(b)(vi)–(a)(iii)]
- IE11 For Entity C's financial statements, Entity A is also related to Entity C if X is a member of the key management personnel of Entity B and not of Entity C. [Paragraph 9(b)(vi)–(a)(iii)]
- IE12 Furthermore, the outcome described in paragraphs IE10 and IE11 will be the same if X has joint control over Entity A. [Paragraph 9(b)(vi)–(a)(iii)] (If X had only significant influence over Entity A and not control or joint control, then Entities A and C would not be related to each other.)
- IE13 For Entity A's financial statements, Entity C is related to Entity A because X controls A and is a member of Entity C's key management personnel. [Paragraph 9(b)(vii)–(a)(i)]
- IE14 Furthermore, the outcome described in paragraph IE13 will be the same if X has joint control over Entity A. The outcome will also be the same if X is a member of key management personnel of Entity B and not of Entity C. [Paragraph 9(b)(vii)–(a)(i)]
- IE15 For Entity B's consolidated financial statements, Entity A is a related party of the Group if X is a member of key management personnel of the Group. [Paragraph 9(b)(vi)–(a)(iii)]

Example 4 – Person as investor

- IE16 A person, X, has an investment in Entity A and Entity B.

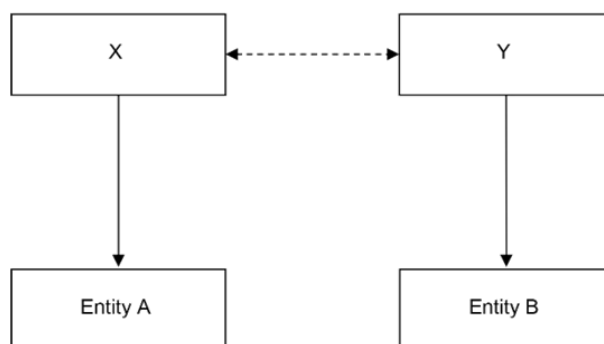


- IE17 For Entity A's financial statements, if X controls or jointly controls Entity A, Entity B is related to Entity A when X has control, joint control or significant influence over Entity B. [Paragraph 9(b)(vi)–(a)(i) and 9(b)(vii)–(a)(i)]

- IE18 For Entity B's financial statements, if X controls or jointly controls Entity A, Entity A is related to Entity B when X has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vi)–(a)(ii)*]
- IE19 If X has significant influence over both Entity A and Entity B, Entities A and B are not related to each other.

Example 5 – Close members of the family holding investments

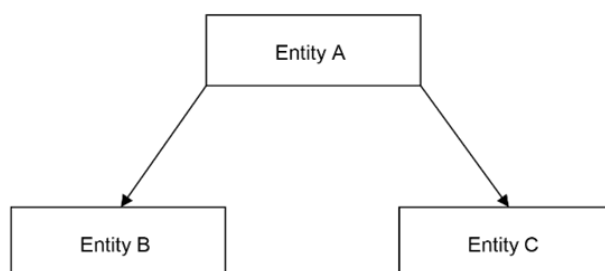
- IE20 A person, X, is the domestic partner of Y. X has an investment in Entity A and Y has an investment in Entity B.



- IE21 For Entity A's financial statements, if X controls or jointly controls Entity A, Entity B is related to Entity A when Y has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vi)–(a)(ii)*]
- IE22 For Entity B's financial statements, if X controls or jointly controls Entity A, Entity A is related to Entity B when Y has control, joint control or significant influence over Entity B. [*Paragraph 9(b)(vi)–(a)(i) and 9(b)(vi)–(a)(ii)*]
- IE23 If X has significant influence over Entity A and Y has significant influence over Entity B, Entities A and B are not related to each other.

Example 6 – Entity with joint control

- IE24 Entity A has both (i) joint control over Entity B and (ii) joint control or significant influence over Entity C.



- IE25 For Entity B's financial statements, Entity C is related to Entity B. [*Paragraph 9(b)(iii) and (iv)*]
- IE26 Similarly, for Entity C's financial statements, Entity B is related to Entity C. [*Paragraph 9(b)(iii) and (iv)*]

Compilation details**Accounting Standard AASB 124 *Related Party Disclosures* (as amended)**

Compilation details are not part of AASB 124.

This compiled Standard applies to annual periods beginning on or after 1 January 2020. It takes into account amendments up to and including 21 May 2019 and was prepared on 2 March 2020 by the staff of the Australian Accounting Standards Board (AASB).

This compilation is not a separate Accounting Standard made by the AASB. Instead, it is a representation of AASB 124 (July 2015) as amended by other Accounting Standards, which are listed in the Table below.

Table of Standards

Standard	Date made	FRL identifier	Commence- ment date	Effective date (<i>annual periods</i> ... on or after ...)	Application, saving or transitional provisions
AASB 124	24 Jul 2015	F2015L01621	30 Jun 2016	(<i>beginning</i>) 1 Jul 2016	see (a) below
AASB 2019-1	21 May 2019	F2019L00966	31 Dec 2019	(<i>beginning</i>) 1 Jan 2020	see (b) below

- (a) Entities may elect to apply this Standard to annual periods beginning on or after 1 January 2014 but before 1 July 2016.
- (b) Entities may elect to apply this Standard to annual periods beginning before 1 January 2020.

Table of amendments

Paragraph affected	How affected	By ... [paragraph/page]
AusCF1	added	AASB 2019-1 [page 20]

Deleted IAS 24 text

Deleted IAS 24 text is not part of AASB 124.

- 28 An entity shall apply this Standard retrospectively for annual periods beginning on or after 1 January 2011. Earlier application is permitted, either of the whole Standard or of the partial exemption in paragraphs 25–27 for government-related entities. If an entity applies either the whole Standard or that partial exemption for a period beginning before 1 January 2011, it shall disclose that fact.
- 28A IFRS 10, IFRS 11 *Joint Arrangements* and IFRS 12, issued in May 2011, amended paragraphs 3, 9, 11(b), 15, 19(b) and (c) and 25. An entity shall apply those amendments when it applies IFRS 10, IFRS 11 and IFRS 12.
- 28B *Investment Entities* (Amendments to IFRS 10, IFRS 12 and IAS 27), issued in October 2012, amended paragraphs 4 and 9. An entity shall apply those amendments for annual periods beginning on or after 1 January 2014. Earlier application of *Investment Entities* is permitted. If an entity applies those amendments earlier it shall also apply all amendments included in *Investment Entities* at the same time.
- 29 This Standard supersedes IAS 24 *Related Party Disclosures* (as revised in 2003).

Basis for Conclusions on AASB 2015-6

This Basis for Conclusions accompanies, but is not part of, AASB 124. The Basis for Conclusions was originally published with AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities.

Background

- BC1 This Basis for Conclusions summarises the Australian Accounting Standards Board's considerations in deciding to extend the scope of AASB 124 *Related Party Disclosures* (December 2009) to the not-for-profit public sector. Individual Board members gave greater weight to some factors than to others.
- BC2 The first version of AASB 124, AASB 124 *Related Party Disclosures* (July 2004), applied explicitly to general purpose financial statements of companies and other for-profit entities. The December 2005 and subsequent versions of AASB 124 specifically exempt not-for-profit public sector entities from applying AASB 124. This exemption was provided on the grounds of practicability, including the number of intra-government transactions.
- BC3 The Board received representations from constituents that the disclosure of relevant related party information is a critical element of accountability in the public sector. A key example is information relating to key management personnel of public sector entities, the disclosure of which is not required under current Australian Accounting Standards.
- BC4 Following requests from its constituents to review IAS 24 *Related Party Disclosures*, the International Accounting Standards Board (IASB) made amendments to simplify the definition of 'related party' and, to ease concerns about practicability, provide a partial exemption from the disclosure requirements for entities that are related by virtue of being controlled, jointly controlled or significantly influenced by the same government. The Board incorporated the revised IAS 24 into AASB 124 (December 2009). The Board noted that this version of AASB 124 provides a more appropriate basis for application by not for profit public sector entities than the previous versions, as transactions between government-related entities of the same jurisdiction are exempted partially from disclosure.
- BC5 Therefore, in furtherance of its policy of promulgating transaction-neutral Standards to the extent feasible, the Board initiated a project to consider issues relating to extending the scope of AASB 124 (December 2009) to not-for-profit public sector entities. The Board issued Exposure Draft ED 214 *Extending Related Party Disclosures to the Not-for-Profit Public Sector* in July 2011. ED 214 exposed for public comment the Board's proposal to extend the scope of AASB 124 to include not-for-profit public sector entities. The ED explained the Board's reasons for its proposals, including its considerations as to the applicability of AASB 124 to a not-for-profit public sector context. In addition, public roundtables were conducted with public sector constituents to identify concerns and implementation issues arising from the Board's proposals.
- BC6 In finalising its proposals that not-for-profit public sector entities be required to apply AASB 124 unamended, the Board addressed a range of issues, including consideration of:
- (a) amending the definition of 'key management personnel' for such entities;
 - (b) amending the requirements to provide such entities with some relief from disclosure of ministerial compensation;
 - (c) exempting such entities from disclosing certain related party transactions with Ministers;
 - (d) not requiring general government sector (GGS) financial statements to comply with AASB 124;
 - (e) adding a public sector perspective to AASB 124, for example by inserting an alternative definition for the term 'business' in paragraph 5 of AASB 124; and
 - (f) extending the disclosure requirements in AASB 124 for key management personnel.
- Each of these issues and the outcome of the Board's considerations are noted below.
- BC7 In finalising its proposals, the Board also considered constituent feedback for implementation guidance to be developed to assist not-for-profit public sector entities in applying AASB 124. The Board noted that while some information about Ministerial or senior executive compensation or related party transactions may be disclosed pursuant to other legislation or directives, the requirement to apply AASB 124 will be the first time that information about a not-for-profit public sector entity's related parties is specified by Australian Accounting Standards for inclusion in its general purpose financial statements. Consequently,

such entities may not have previously considered challenges in implementing the Standard's requirements in a not-for-profit public sector environment. The Board considered that these entities may also have difficulty in identifying and determining the extent of the information necessary to meet the objective of AASB 124, as described in paragraph 1 of the Standard. Accordingly, the Board determined that the final amendments would include implementation guidance to assist not-for-profit public sector entities with their implementation of the Standard.

Significant issues

Definition of key management personnel

- BC8 The Board considered whether an amendment of the definition of key management personnel for the not-for-profit public sector would be necessary to facilitate a decision to remove the not-for-profit public sector exemption from AASB 124, but decided that the present definition was suitable. The AASB noted that, in a public sector context, entities should consider the facts and circumstances in assessing whether a person is a member of the key management personnel, as defined, of the entity.
- BC9 The Board considered that normally, the determination of key management personnel will be similar for entities in the public sector or the private sector. For example, a not-for-profit public sector entity will need to determine whether all, or only certain, of its senior executive service employees meet the definition of key management personnel. However, the Board acknowledged constituents' concerns that the determination of key management personnel may not be straightforward in the not-for-profit public sector given ministerial-type roles. The Board noted that it does not regard a Minister to always be a member of the key management personnel of a not-for-profit public sector entity; rather, this is dependent on the particular circumstances of the jurisdiction and of the entity. Accordingly, the Board decided to add guidance to the Standard, in the absence of a private sector analogy, to assist not-for-profit public sector entities in applying the definition of key management personnel to Ministers, as ministerial-type roles do not usually arise in a private sector context.
- BC10 The Board also noted that an entity may determine that a relevant Minister may not meet the definition of key management personnel of an entity. However, the Board observed that this did not preclude that Minister from being otherwise identified as a related party of the entity, for example, where the Minister is a member of the key management personnel of the entity's parent.

Key management personnel compensation – Ministers

- BC11 Respondents to ED 214 raised concerns that the requirements of AASB 124 pertaining to the disclosure of key management personnel compensation would be onerous if applicable to Ministers, noting also that any attribution of a Ministerial salary across entities coming under the responsibility of that Minister's portfolio would involve significant judgement.
- BC12 The Board considered whether some relief was necessary with respect to the compensation of a Minister who is a member of the key management personnel of an entity. The Board observed that Ministers are typically remunerated through Parliament via a central agency, and that a Minister's compensation, while related to their responsibilities, may not be related to services performed for any specific entity or group of entities.
- BC13 The Board noted the addition of paragraphs 17A and 18A into AASB 124 since the comment period on ED 214 closed. These paragraphs were inserted into AASB 124 by AASB 2014-1 *Amendments to Australian Accounting Standards* (June 2014) to address the disclosures that apply where members of the key management personnel are not employees of the reporting entity (see paragraphs BC51 and BC52 of IAS 24). The Board considered that these paragraphs will be of relevance to a not-for-profit public sector entity when considering the disclosure of the compensation of a Minister who has been identified as part of the key management personnel of the entity, and may alleviate the respondents' concerns noted in paragraph BC11. Accordingly, the Board decided that no amendment to AASB 124 to address the disclosure of ministerial compensation was necessary at this time. However, the Board decided to add implementation guidance to clarify the manner it considers paragraph 17A operates in relation to a Minister's compensation.

Related party transactions

- BC14 The definition of 'related party' in AASB 124 separately addresses persons and entities related to the entity preparing general purpose financial statements. The partial exemption in AASB 124 from the disclosure

requirements for government-related entities applies only in relation to those entities specified in paragraphs 25(a) and 25(b) of that Standard, and not also to persons who are related parties covered by paragraph 17 (key management personnel compensation) or paragraph 18 (transactions during the periods covered by the financial statements) of AASB 124.

- BC15 Having regard to the partial exemption for government-related entities in AASB 124, the Board considered whether providing an exemption for the disclosure of related party transactions with Ministers or local government councillors was justified by any circumstances unique to the public sector and that may not have been considered by the IASB, whose mandate is limited to for-profit entities. The Board's consideration included the role of Ministers in a government and how onerous the disclosures required under AASB 124 might be. As part of its consideration, the Board had regard to the New Zealand Accounting Standards Board's decisions relating to disclosures of related party transactions with Ministers.
- BC16 The Board observed that Ministers who are members of the key management personnel of their government would also be related parties not only of the government but also of each controlled entity of the government. Accordingly, a subsidiary government entity will be required to disclose related party transactions with Ministers who may have no responsibility for the entity to the extent the disclosures are considered material, from the entity's perspective, for disclosure. For example, the Board noted that in Example 1 of the Illustrative Examples accompanying AASB 124, Entities 1–, 2, A, B, C and D will be required to disclose in their financial statements related party transactions between a Minister who is a member of the key management personnel of Government G and the entity, even where the Minister's portfolio does not include the entity.
- BC17 The Board noted that, as is often the case with related party transactions, judgement would be required as to when transactions are material, especially when qualitative assessments are made about the nature of transactions. The Board considered situations in which key management personnel of a not-for-profit public sector entity, including Ministers or local government councillors where so identified, paid taxes, levies or other statutory charges or fees faced generally by citizens, or used public services such as state hospitals or schools. The Board does not expect, absent unusual circumstances, that the application of materiality would result in disclosure in many of these situations. In contrast, a commercial contract entered into by a Minister or local government councillor with a related public sector entity may be relevant for disclosure, similar to a commercial contract between a member of the key management personnel of a for-profit entity and the for-profit entity (for example, a contract to provide accountancy services between the entity and an entity controlled by a member of its key management personnel). Accordingly, the Board observed that a not-for-profit public sector entity would also need to apply judgement in determining the extent of information it needs to collect to meet the objective of AASB 124, as there is little value in an entity incurring significant costs to obtain data that is immaterial for disclosure. The Board noted that it would expect appropriate criteria to be identified so that information about transactions that are possibly material (for example, transactions that have occurred at a different price or volume to that applying to the general public) is captured for assessment.
- BC18 Having regard to the role of materiality, the Board decided that no specific exemption from disclosure of the related party transactions with key management personnel of a not-for-profit public sector entity, including any Ministers or local government councillors where so identified, was necessary. However, to respond to constituents' requests for clarification on the extent of disclosures required of related party transactions that occur in the not-for-profit public sector, the Board decided to add implementation guidance to AASB 124 to assist not-for-profit public sector entities in this regard.

Transactions with Ministers acting in their collective government capacity

- BC19 The Board considered whether transactions with Ministers who are related parties and who are acting in their collective government capacity would be assessed as being with the government and eligible for the partial exemption from disclosure in paragraphs 25 and 26 of AASB 124. The Board decided that such transactions were in substance transactions between the entity and the government-related entity, rather than being transactions with the Ministers in their own right, and that no clarification to the Standard was necessary in this regard (however, see also paragraphs BC20–BC22 below).

Government-related entities

- BC20 The Board noted that not-for-profit public sector entities were previously excluded from applying the Standard on grounds of practicability, including having regard to the number of intra-government transactions. In extending the Standard to apply to not-for-profit public sector entities, the Board

considered the extent of transactions for which disclosure may be necessary to comply with paragraph 26 of the Standard.

BC21 In its considerations, the Board had regard to the IASB's reasons for including the partial exemption, being to resolve concerns raised when the Standard was applied in environments where government control is pervasive. The Board noted that the IASB had indicated that it did not intend to require the entity to identify every government-related entity or to quantify in detail every transaction with such entities, as such a requirement would negate the exemption (see paragraph BC43 of IAS 24).

BC22 The Board noted that it shared the IASB's view communicated in paragraph BC45 of IAS 24. Paragraph BC45 of IAS 24 states:

BC45 The Board noted that this requirement should not be too onerous for the reporting entity because:

- (a) individually significant transactions should be a small subset, by number, of total related party transactions;
- (b) the reporting entity should know what those transactions are; and
- (c) reporting such items on an exceptional basis takes into account cost-benefit considerations.

Nevertheless, the Board decided to add implementation guidance to the Standard to respond to constituent concerns about the extent of disclosure required by paragraph 26.

Other issues

Applicability to the general government sector

BC23 Respondents to the Exposure Draft sought clarification as to whether related party disclosures would be required in general purpose financial statements of entities in the general government sector (GGS). The Board noted the requirements in AASB 1049 *Whole of Government and General Government Sector Financial Reporting* for GGS and whole of government financial statements to be made available at the same time and, if presented separately, to be cross-referenced to each other. The Board also noted that there may be considerable overlap between the related party disclosures for the GGS and whole of government financial statements, and that exempting GGS entities from the scope of the Standard may reduce complexity and duplication of disclosures.

BC24 The Board noted that the issue of related party disclosures by subsidiary entities is also relevant to for-profit entities, and considered that related party disclosures for the GGS entity need not be the same as the disclosures for the whole-of-government or other public sector entities. Accordingly, the Board decided that GGS financial statements should not be exempt from complying with the Standard.

Public sector perspective

BC25 The Board considered whether amendment was necessary to AASB 124, for example, to paragraphs 5 and 27, to add a public sector perspective to the Standard. The Board decided that amendment was not necessary in this regard and that the addition of limited implementation guidance in respect of not-for-profit public sector entities would provide a sufficient public sector perspective to the Standard.

BC26 For example, the Board considered whether an alternative definition (to that in Appendix A of AASB 3 *Business Combinations*) for the term 'business' in paragraph 5 of AASB 124 was necessary. The Board decided that an alternative definition is not required, which is consistent with its decision when it reissued AASB 3 in March 2008. In the Board's view, the term 'business' can be read broadly. In particular, the phrase "lower costs or other economic benefits directly to investors or other owners, members or participants" in the definition of 'business' in AASB 3 is broad and can be applied by not-for-profit public sector entities.

Extending the disclosures of key management personnel of public sector entities

BC27 In finalising the amendments, the Board considered requests from some public sector constituents for additional disclosures (such as salary banding disclosures) for key management personnel in the public sector. Some constituents also queried whether additional disclosures similar to those required by section 300A of the *Corporations Act 2001* of key management personnel of listed companies should be required in respect of key management personnel of government business enterprises, based on the view

that for-profit government business enterprises should be regarded as at least as publicly accountable as such entities.

- BC28 The Board follows a policy of transaction neutrality in the requirements in Standards. Therefore, the Board decided not to require any compensation or other related party disclosures for key management personnel of public sector entities in addition to those specified of key management personnel of private sector entities, including in instances where a not for profit public sector entity has availed itself of the relief in paragraph 17A of AASB 124. The Board was not convinced that there was a not for profit sector specific reason to impose disclosures that exceed the requirements for for-profit entities.

Reduced disclosure requirements

- BC29 The Board considered whether amendment was required to the reduced disclosure requirements specified in paragraph Aus1.11 for application by not-for-profit public sector entities, and decided that no amendment was necessary in this regard. Accordingly, the reduced disclosure requirements set out in AASB 124 that apply to Tier 2 not-for-profit public sector entities are the same as those applying to other Tier 2 entities.

Application date and transitional provisions

- BC30 The Board considered the application date and transitional provisions of the amendments to extend the scope of AASB 124 to include not for profit public sector entities. The Board acknowledged constituent concerns about the ability of existing systems, processes and controls to capture the information required, and requests for a lengthy transition period prior to mandatory application of the amendments.
- BC31 The Board was disinclined to unnecessarily further extend the period to which these amendments are on issue before mandatory application, having made its key decisions on the amendments in 2012, and as the finalised amendments are largely as were exposed. Further, the Board noted that Australian Implementation Guidance to AASB 10 *Consolidated Financial Statements* relating to the application of control by not-for-profit entities had been issued by the Board in October 2013. The Board also noted that the forthcoming issue of an amending standard extending the scope of AASB 124 to not-for-profit public sector entities has been signalled in its publicly available work program. Accordingly, the Board decided that the amendments should apply to annual reporting periods beginning on or after 1 July 2016.
- BC32 However, having regard to constituent concerns, the Board decided not to require comparative related party disclosures to be presented in the period of initial application of the amendments.

7. **GENERAL DISCUSSION ITEMS**

The Committee requested a review of Council policy: Media and Public Statements in respect to the new requirements of the Local Government (Model Code of Conduct) Regulations.

8. **NEXT MEETING DATE**

Wednesday, 24 March 2021

9. **CLOSURE**

The meeting closed at 10.53am.

THESE MINUTES CONSISTING OF PAGES 1 TO 81 WERE CONFIRMED AS A TRUE AND CORRECT RECORD ON WEDNESDAY, 28 APRIL 2021.

DATE: 28/04/2021 PRESIDING MEMBER: Paine