Why you have received the accompanying declaration forms:

You have been identified by the Queensland Government entity named on first page of Part B as a member of its KMP.

“Key management personnel” (KMP) of an entity (e.g. the Queensland Government) are people with the authority and responsibility for planning, directing and controlling the activities of that entity, directly or indirectly.

Any questions in relation to the application of the KMP concept to you, or the completion of Part A and/or Part B, should be directed to the entity that distributed these forms to you.

Why you need to complete the accompanying declaration forms:

The Financial Accountability Act 2009 requires that the published financial statements of departments and statutory bodies comply with Australian Accounting Standards.

The Australian Accounting Standards Board (AASB) has extended the scope of Australian Accounting Standard AASB 124 Related Party Disclosures (the standard) to include not-for-profit public sector entities. This is effective from 1 July 2016, and means that annual financial statements for 2016-17 and onward must comply with the standard.

The standard’s objective is to ensure that information provided in an entity's financial statements highlights that the existence of, and transactions or amounts receivable/payable (including commitments) with, “related parties” may have affected the entity’s operating result and/or financial position.

For the purposes of the standard, related parties include KMP, their close family members, and entities any of those people control or jointly control. An illustration of how the related parties concept (for the purposes of this standard) applies is set out in Appendices 1 and 2.

Part A and Part B are designed to collect information from you to enable Queensland Government entities’ compliance with the standard. You will be requested to provide new declarations one or more times during each financial year in respect of periods of time you meet the KMP definition. This ensures relevant information for the full financial year is complete and collected in a timely manner. You will also be required to complete new declarations if you cease employment with your entity.
It is important that you carefully read and strictly follow the instructions and guidance contained in Parts A and B and in this guidance document, to optimise the relevance of the information provided.

**NB. Completion of Parts A and B is in addition to declarations of interests you may have or may make under the Public Service Act 2008.** Those declarations do not provide the information required for compliance with the standard. For example, the standard uses a much broader definition of “related parties” (refer to Appendices 1 and 2), and the information required by the standard is about transactions and amounts receivable from/payable to Queensland Government entities.

**What happens with the information you declare:**

Your completed Parts A and B will be stored in compliance with relevant Queensland Government policies and entity-specific policies. Part A information that you provide will only be accessed by officers from the Queensland Audit Office.

**Financial Statement Disclosures**

Transactions you declare in Part B may be disclosed in the entity’s published financial statements, in aggregate (as far as possible) as required by the standard. Not all information collected via Part B may require disclosure in those statements.

Information from financial systems that is directly associated with a related party transaction declared in Part B (e.g. amounts payable/receivable, debts written-off etc) may also be used when preparing disclosures to be included in published financial statements.

Judgement will be exercised by appropriately skilled officers and negotiated with the Queensland Audit Office, in determining which transactions and amounts receivable/payable warrant disclosure, based on the information provided.

**Information Privacy**

The *Information Privacy Act 2009* (IP Act) permits the collection and use of the personal information required by Parts A and B for the preparation of financial statements, including the disclosure of such personal information in those statements. The IP Act allows you to access declarations provided by you. Where you have declared information that identifies other people, those people may be able to access any information that concerns them under the IP Act.

**Right to Information**

The declaration is subject to the provisions of the *Right to Information Act 2009* (RTI Act), and may be disclosed by application under the RTI Act.

Where an application is received pursuant to the RTI Act, the usual decision-making processes under the RTI Act apply in determining whether or not to release the information requested.
APPENDIX 1

Definitions for Identifying Related Parties (People and Entities)

NB. The definition of “related parties” for this declaration is provided by Australian Accounting Standard AASB 124 Related Party Disclosures, and is much broader than the scope of people/entities that applies to declarations of interests made under the Public Service Act 2008.

“Related parties” of an entity include:

- the entity’s own KMP (including the entity’s responsible Minister(s), if they meet the KMP definition);
- KMP of the entity’s parent (i.e. each Minister, as the Whole of Government (WoG) is the “parent” of Queensland Government controlled entities, and all Ministers are regarded as KMP of WoG);
- any close family members (refer below) of people in the above two groups; AND
- any entities controlled or jointly controlled (refer below) by a person from any of the above three groups.

According to the standard, “close family members” are those family members who may be expected to influence, or be influenced by, you in their dealings with the [insert names of entities identified on the first page of Part B]. Close family members includes:

- your spouse or domestic partner – including married and de facto couples and civil union partnerships;
- your children or children of your spouse/domestic partner –. The term “children” applies to all children (including biological children, step-children, adopted children and children-in-law), regardless of their age and their degree of financial dependency on you or your spouse/domestic partner;
- dependants of you or your spouse/domestic partner – including family members who are financially supported by you or your spouse/domestic partner; and
- in exceptional circumstances, other close family members - refer to Appendix 2. These are other family members who would be expected to influence you, or be influenced by you, in relation to any of the entity/entities identified on the first page of Part A and Part B. Such people are likely to be family members that you are in regular contact with. This is a judgement to be made by you. In other words, if a stranger became aware of the circumstances of your relationship with that family member, is it reasonable that the stranger would conclude that your relationship with that person would bias your decision-making regarding any of the entity/entities identified on the first page of Part A and Part B? For example – influence may exist if a person is involved in a business activity or investment with another family member, or if a person has legal authority (e.g. by way of a power of attorney) to make decisions on behalf of another family member.

Appendix 2 depicts the “close family members” concept.
For the purposes of completing the tables in Parts A and B2, the following categories should be used to classify close family members or related entities:

- Myself
- My spouse/domestic partner
- My child (N.B. Minors do not need to be named provided the minor and their age is identified on the declaration form).
- My dependant
- Child of my spouse/domestic partner
- Dependant of my spouse/domestic partner
- Another close family member (where this applies, please instead enter the nature of the relationship)
- Entity controlled/jointly controlled by me
- Entity controlled/jointly controlled by my spouse/domestic partner
- Entity controlled/jointly controlled by my child
- Entity controlled/jointly controlled by my dependant
- Entity controlled/jointly controlled by child of my spouse/domestic partner
- Entity controlled/jointly controlled by dependant of my spouse/domestic partner
- Entity controlled/jointly controlled by another close family member (where this applies, please instead enter the nature of the relationship)

Control or joint control of an entity

In assessing whether a person controls or jointly controls an entity:

- “entity” refers to an entity of any legal form e.g. sole trader, partnership, company, trust etc;

- “control” should be regarded as existing where:
  - a person has 50% or more of the entity’s voting rights e.g. as a director, KMP, trustee, through voting rights etc; AND
  - ownership of 50% or more of the entity’s equity; and

- “joint control” exists where there is a contractually agreed sharing of control i.e. decisions about key business activities require unanimous consent of the parties sharing control.
ILLUSTRATION OF WHO WOULD BE CLOSE FAMILY MEMBERS OF A KMP
(refer to note below)

Note:
For the purposes of the “related parties” definition, any entities controlled or jointly controlled by any of these people would have the same definite/potential relationship to the KMP as applies to those people themselves.