






Test your knowledge

The officer and related party (ORP) disclosure statement

Officers of XYZ employer organisation have received money and benefits during the financial year (1 July 2019 – 30 June 2020) in connection with their roles at XYZ employer association.

How should XYZ employer association disclose the remuneration and benefits of their top five ranked officers, as required under s 293BC of the RO Act?

Complete the boxes in the table on page 3 with all of the required information.

<p>Tomas the Secretary</p> 	<p>Salary: Secretary \$150 000</p> <p>Left office: 1 May 2020</p> <p>Other: Mobile phone (for work purposes) Income protection insurance (value \$4000)</p> <p>Board income: None</p>
<p>Sophie the President</p> 	<p>Salary: President \$100 000</p> <p>Other: Motor vehicle (estimated value \$10 000) Laptop & mobile phone (for work purposes) Income protection insurance (value \$4000)</p> <p>Board income: Director HIJ Pty Ltd \$20 000 (connected to her role at XYZ)</p>
<p>Raavi the Committee of Management member</p> 	<p>Salary: Honorarium \$100/meeting (10 meetings) XYZ Chief Information Officer \$95 000</p> <p>Other: NIL</p> <p>Board income: None</p>

Mai the Vice President



Salary:

Vice President \$80 000

Other:

Mobile phone (for work purposes)

Income protection insurance (value \$4000)

Board income:

Director EFG Pty Ltd \$10 000 (nominated by XYZ) Fees paid to Mai but forwarded to XYZ as per XYZ policy

Marco the Committee of Management member



Salary:

Honorarium \$100/meeting (8 meetings)

Other:

Reimbursed for cost of petrol travelling to meetings due to remote location (\$952)

Board income: None

Paige the Committee of Management member



Salary:

Honorarium \$100/meeting (8 meetings)

Self-employed bookkeeper \$80 000 (not related to XYZ)

Other:

NIL

Board income: None



Top Five Rankings of Officers – Relevant remuneration and non-cash benefits

When all officers in **XYZ employer association** are ranked by relevant remuneration for the **2019/20** financial year, the following officers are ranked no lower than fifth:

Full Name	Office (e.g. Secretary)	Actual Amount of Relevant Remuneration	Value of Relevant non-cash benefits	Form of relevant non-cash benefits (e.g. car)
1. Tomas Hunt				
2. Sophie Hayes				
3. Raavi Ball				
4. Mai Lee				
5. Marco Ricci				
5. Paige Mahoney				

Test your knowledge Answers – Officer and related party (ORP) disclosure statement

Top Five Rankings of Officers – Relevant remuneration and non-cash benefits

When all officers in XYZ employer association are ranked by relevant remuneration for the 2019/20 financial year, the following officers are ranked no lower than fifth:

Full Name	Office	Actual Amount of Relevant Remuneration	Value of Relevant non-cash benefits	Form of relevant non-cash benefits (e.g. car)
1. Tomas Hunt	Secretary	\$150 000	\$4 000	Income protection insurance
2. Sophie Hayes	President	\$120 000	\$14 000	Motor vehicle Income protection insurance
3. Raavi Ball	Committee of Management	\$96 000	NIL	NIL
4. Mai Lee	Vice President	\$90 000	\$4 000	Income protection insurance
5. Marco Ricci	Committee of Management	\$800	NIL	NIL
5. Paige Mahoney	Committee of Management	\$800	NIL	NIL

Additional notes (You can include further information to clarify the information in the table. The RO Act does not require this additional information):

- Raavi's remuneration includes the sum of money he received in his capacity as an employee of XYZ.
- \$10 000 of Mai's remuneration was money she received for sitting on the board of EFG Pty Ltd. Mai passed on the money to XYZ.
- The value of the non-cash benefit of Sophie's motor vehicle has been estimated using the ATO's Fringe benefits tax (FBT) car calculator

Test your knowledge Answers – Relevant legislation

Tomas Hunt:

Definition of remuneration and non-cash benefit (s 6)

Definition of non-cash benefit (excludes a computer, mobile phone or other electronic device used only or mainly for work purposes)

The disclosure is based on the remuneration paid to officers during the financial year. Even though Tomas ceased being an officer before the end of the financial year his identity is still required to be disclosed because he is ranked no lower than fifth by relevant remuneration for the financial year (s 293BC)

Sophie Hayes:

Definition of remuneration (s 6)

Sophie's relevant remuneration includes the sum of money paid to her by XYZ and the sum of money she disclosed to XYZ that was paid to her by HIJ Pty Ltd (s 293BC(4) and s 293B(1)(b))

Definition of non-cash benefit (excludes a computer, mobile phone or other electronic device used only or mainly for work purposes) (s 6)

Raavi Ball:

Definition of remuneration (s 6) (this is a broad definition which is likely to capture an honorarium)

Raavi's relevant remuneration includes remuneration paid to him by the organisation in his capacity as both an officer, and as an employee (s 293BC(4) does not limit the disclosure to payments paid to the officer in their capacity as an officer)

Mai Lee:

Definition of remuneration (s 6)

Definition of non-cash benefit (excludes a computer, mobile phone or other electronic device used only or mainly for work purposes) (s 6)

Mai's relevant remuneration includes the sum of money paid to her by XYZ and the sum of money she disclosed to XYZ that was paid to her by EFG Pty Ltd (s 293BC(4) and s 293B(1)(a))

Marco Ricci:

Definition of remuneration (s 6) (this is a broad definition which is likely to capture an honorarium)

The reimbursement of petrol relates to a business expense, which is unlikely to meet the s 6 definition of remuneration

Paige Mahoney:

Definition of remuneration (s 6) (this is a broad definition which is likely to capture an honorarium)

The ORP statement includes both Marco and Paige as they are ranked equal fifth (s 293BC)

The earnings of officers that are unrelated to the registered organisation (i.e. Paige's bookkeeping business) is not relevant remuneration

Note: NIL statements have been used appropriately to indicate "\$0" / "not applicable".

Note: In accordance with s 293G(3), XYZ employer organisation also needs to disclose payments made to related parties and declared persons or bodies (refer to the second table on ROC's template ORP statement)