Melbourne Archdiocese
Catholic Schools

MARYMEDE
CATHOLIC COLLEGE
In the way of Mary

Related Parties Policy

1. Introduction

Melbourne Archdiocese Catholic Schools Ltd (**MACS**) is a company limited by guarantee established in 2021 by the Archbishop of the Catholic Archdiocese of Melbourne to assume the governance and operation of MACS schools across the Archdiocese of Melbourne. MACS subsequently established Melbourne Archdiocese Catholic Specialist Schools Ltd (**MACSS**) to provide educational services to children with special needs and Melbourne Archdiocese Catholic Schools Early Years Education (**MACSEYE**) to provide early years care and education services.

The Statement of Mission in the MACS Constitution, and the constitutions of its subsidiaries, MACSS and MACSEYE, sets out the Archbishop's expectations of Catholic schooling in the Archdiocese and provides an important context and grounding for the company and the direction which the MACS Board must always observe in the pursuit of the company's objects.

The Board must ensure that all policies and procedures concerning the operations of MACS, and its subsidiaries are consistent with the Statement of Mission and company objects, as well as any directions issued by the Archbishop from time to time.

Related party transactions must be managed, documented, disclosed, and reviewed in compliance with relevant legislation and standards, including the Education and Training Reform Regulations 2017 (Vic), the *Australian Charities and Not-for-profits Commission Act 2012* (Cth), and Australian Accounting Standards Board (AASB) Standard 124 Related Party Disclosures.

2. Purpose

To ensure compliance with relevant legislation and standards by providing a clear framework for the management, approval, and documentation of related party transactions.

3. Scope

This policy applies to all Responsible Persons within MACS who are responsible for overseeing its operations and hold delegated authority to approve transactions, enter into agreements, or authorise payments.

4. Principles

This policy is underpinned by the following principles to ensure entities within its scope operate with integrity, accountability, and transparency:

- **Not-for-profit operations:** ensure that property and assets are exclusively used to further organisational objectives. No property or assets should be distributed or used for personal profit or gain.
- **Arms-length transactions:** any payments or benefits provided to a related party are not part of prohibited agreements or arrangements and are at arms-length (free of conflicts of interest, based on fair market value, and comply with independent scrutiny standards).
- **Transparency** is maintained within MACS records including the financial statements regarding related party transactions.

5. Managing related party transactions

5.1. Any related party transaction entered by or on behalf of MACS must be approved in accordance with Instrument of Delegation of Authority.

6. Conflicts of interest

6.1. If any related party transaction involves an actual, potential, or perceived conflict of interest concerning a Responsible Person, it must be managed in accordance with the Conflict of Interest Policy and Procedures.

7. Maintenance of related party transactions records

7.1. A record of related party transactions must be prepared and maintained by:

- Company Secretary, for MACS office Responsible Persons.
- General Manager, Employee Relations, for all relevant transactions involving Principals and other Responsible Persons within MACS schools.

7.2. Records of related party transactions must be retained for a period of seven years from the year of the transaction and will be maintained in sufficient detail to enable effective auditing by the external auditor of the related party transactions.

7.3. Schools must ensure transactions with related entities are identified in accordance with requirements set out in the Minimum Standards and other Requirements for School Registration (Minimum Standards) published by the Victorian Qualifications and Registration Authority (VRQA).

8. Ordinary citizen transactions

8.1. Where an ordinary citizen transaction occurs for MACS or a MACS responsible person under standard commercial terms, it is not required to be disclosed either in the register of related party transactions or in the financial statements of MACS. Examples of these transactions include banking on standard commercial terms with a related party banking entity (e.g. the Catholic Development Fund), the payment of standard tuition fees and levies by a responsible person for a child enrolled in a MACS school or MACSEYE Services, or purchases by a responsible person from a school's uniform shop, canteen or bookshop.

9. Disclosure of related parties and related party transactions

9.1. Related party transactions, including transactions with related entities or persons, will be disclosed in MACS consolidated financial statements in accordance with Australian Accounting standard AASB 124, subject to an audit assessment of materiality.

10. Review of related party transactions

10.1. Records of related party transactions are subject to regular review to ensure compliance with legislative requirements and to strengthen overall risk management practices.

10.2. The Company Secretary is required annually to:

- make formal inquiries with MACS office responsible persons to obtain details of any related party transactions.
- inform Group Finance of related party transactions as necessary, based on the disclosures received from these inquiries.

10.3. The Company Secretary may, with reasonable notice, request a copy of the related party transactions record maintained by the Employee Relations team for Responsible Persons within MACS schools.

11. Roles and reporting responsibilities

Role	Responsibility	Reporting requirement
MACS Board	Approve related party transaction entered into by or on behalf of MACS	
Company Secretary	Maintain a record of related party transactions and conduct an annual review of these transactions for MACS office Responsible Persons	Subject to external audit
General Manager, Employee Relations	Maintain a record of related party transactions for school- based Responsible Persons	
Principal	Provide related party transactions records in each MACS school to General Manager, Employee Relations.	Subject to external audit

12. Definitions

Arm's length

To act independently and in their own self-interest without one party influencing another party.

Conflict of interest

A conflict of interest occurs when an individual's personal interests conflict with their duty to act in the best interests of MACS and its subsidiaries.

Delegate

A role, position or group (i.e. a committee) that has authority to act or make decisions in the manner and to the extent prescribed in a policy, framework or delegation instrument.

Financial benefit

The legal definition of the term "financial benefit" is broad. A non-exhaustive list of examples include:

- providing finance or property to a related party
- buying or leasing an asset from or selling an asset to a related party
- supplying or receiving services from the related party
- issuing securities or granting options to the related party
- taking up or releasing an obligation of the related party

Prohibited agreement or arrangement

As defined in Regulation 7A of the Education and Training Reform Regulations 2017, a prohibited agreement or arrangement is one made between two or more of the following parties:

- the governing body of a school
- the proprietor of the school
- any other person or entity

It is considered prohibited if the purpose of the agreement is to:

- divert profits or gains from the school's operations to the proprietor or another party; or
- make a payment from the school or its proprietor to another party that:
  - is excessive compared to normal market rates (unless it's a fair and reasonable payment); or
  - is a gift, loan, or similar payment unrelated to the school's operations (except legitimate payments to a bank) or

- is otherwise not made in good faith for the benefit of the school, or not reasonably required to operate the school.

Related party
For the purposes of this policy, a related party is, but is not limited to:

- a responsible person or a close family member of that responsible person
- the Archbishop of the Archdiocese of Melbourne, being the sole member of MACS and its subsidiaries
- any organisation that has the same proprietor/member as MACS
- any organisation affiliated with MACS, including specifically, but not limited to, Victorian Catholic Education Authority (VCEA), Catholic Capital Grants (Victoria) Ltd (CCG), Catholic Education Long Service Scheme (Victoria) (LSL Scheme)
- a company or other entity owned (wholly or partly) by any of the above
- a company or other entity under the control or significant influence of any of the above; or
- any third party otherwise acting in concert with any of the above.
- related party transactions

For the purposes of this policy, a related party transaction includes any transaction through which any responsible person, acting on behalf of MACS including a MACS school, provides a financial or other tangible benefit to a related party. This may include a transfer of resources, services or obligations between MACS including MACS schools and a related party regardless of whether a price is charged, and irrespective of whether there is cash or in-kind payment.

Related party transactions can include, without limitation:

- purchases, sales, donations
- receipt of goods, services or property
- leases and other occupancy arrangements
- transfers of property including intellectual property
- loans and other financial assistance
- guarantees
- assumption of an obligation of a related party
- provision of employees on a paid or complimentary basis.

Responsible Person
In accordance with the Responsible Persons Policy, MACS responsible persons are:

- the sole member of MACS, the Archbishop of the Archdiocese of Melbourne
- MACS Board of directors
- Executive Director and MACS Executives
- Company Secretary
- Principals, deputy principals and other personnel who are responsible for overseeing school governance structure and management of school operations
- any other person who by their conduct assumes a position of authority over the governance or management of a MACS school.

13. Related policies and documents

Related MACS policies and documents
Instrument of Delegation
Conflict of Interest Policy

Conflict of Interest Procedures – Board, Board Committees, MACS Executives and School-based Responsible Persons Policy

14. Legislation and standards

AASB 124 Related Party Disclosures
Education and Training Reform Regulation 2017
Australian Charities and Not-for-profits Commission (ACNC) Governance Standards
ACNC Related Party Transactions
Corporations Act 2001 (Cth)

Policy information

Responsible executive	Director, Finance, Infrastructure and Digital
Policy owner	General Manager, Group Finance
Approving authority	Executive Director
Assigned board committee	Finance and Audit Committee
Approval date	26 June 2025
Risk rating	Extreme
Review by	June 2028
Publication	CEVN, Gabriel

POLICY DATABASE INFORMATION	
Assigned framework	Financial
Supporting documents	See list of supporting documents and related policies above
Superseded documents	Related Parties Policy – v1.0 – 2022