

	CENTRAL HIGHLANDS REGIONAL COUNCIL POLICY	
	Entertainment and Hospitality	POLICY REF NO CHRCP: 0037

1.0 Policy Purpose

1.1 The purpose of this policy is to provide guidelines for appropriate expenditure on entertainment and hospitality, ensuring that the public monies are utilised prudently and properly. This policy applies to all council representatives and employees. It also applies to councillors where the Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy does not apply.

2.0 Policy Statement

2.1 This policy ensures that expenditure on entertainment and hospitality is reasonable and appropriate, is incurred in the public interest, and that approval for such expenditure follows standard council procedures.

3.0 Principles

- 3.1 All entertainment and hospitality expenditure must be incurred in the public interest or as a means of promoting council business. The person authorising the expenditure must also be able to demonstrate the benefits resulting from such expenditure.
- 3.2 The amount spent on entertaining and hospitality must be reasonable and commensurate with the benefit received by council or the public.
- 3.3 The expenditure must be provided for in a budget, be authorised in accordance with Council's normal accounting procedures.
- 3.4 Entertainment and hospitality expenses may only be charged to a corporate credit card if prior authorisation has been obtained and such expenditure has been authorised within a specified limit.

4.0 Hospitality Provided to Council Employees

4.1 Council may meet the cost of food and non-alcoholic drinks provided to employees in the following circumstances:

- 4.1.1 A light meal may be provided for employees who are required to work during a mealtime and an alternative meal break is not available. This includes committee, working group meetings, conferences, seminars and training sessions where the council meets the cost.
- 4.1.2 If the employee is required to attend a meeting or other function attended by non-employees and food and drink is provided for all attendees under this policy.
- 4.1.3 If the employee is working at premises remote from normal place of work so that normal arrangements for a particular meal are not available.

4.2 Council may contribute towards the cost of providing food and drink to employees in the following circumstances:

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4.2.1 Where the employee attends a function at which alcoholic drinks are included and provided for non-employees. As representatives of the council, employees may drink in moderation.

5.0 Training Courses and other Functions

5.1 Where a training course, meeting or other function is arranged and employees or visitors will be present during the normal meal period, council may, if it facilitates the event, arrange for refreshments to be made available. Such refreshments are to be reasonable in relation to the purpose and nature of the event and the expected attendees.

5.2 If an employee attends a training course, meeting or other function not provided by the council but at council's cost, council may pay for meals if they are included in an overall cost for the event, or are provided as meals which are an integral part of the event.

5.3 Alcohol will not be provided during meetings or training courses provided by the council.

6.0 Reasonable and Appropriate Expenditure

6.1 Civic Functions

6.1.1 Functions such as citizenship ceremonies that provide community recognition or a welcome by the council. The decision as to reasonable and appropriate costs will take into consideration the number of attendees, the timing of the function, the venue and the location within the region.

6.2 Council Projects

6.2.1 Entertaining members of the public to promote a council project.

6.3 Employer Reward and Recognition Presentations

6.3.1 Recognition of council officers to reward outstanding achievements in the provision of services to council, this may include official reward and recognition events, length of service presentations and officer farewells. Such expenditure is to be approved by the Chief Executive Officer or the relevant General Manager.

6.4 ANZAC or Vietnam Veteran's Wreaths

6.4.1 Recognition of the service of war veterans to the community.

6.5 Condolence Wreaths or Floral Presentations

6.5.1 For death of, or serious injury to, a Councillor or council officer or their immediate family. This is in recognition of service and a mark of respect to his/her family.

6.6 Visits by Overseas Delegates

6.6.1 These visits occur for cultural or economic development reasons and have the potential to increase investment in the council area.

6.7 Annual Christmas Celebration

6.7.1 In order to recognise and appreciate council officers for their dedication and commitment to the provision of council services to the public, a contribution will be provided for the annual Christmas function.

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6.8 Meetings within Ordinary Hours

6.8.1 Entertainment and hospitality for meetings held within ordinary working hours should be kept to a minimum. Where Councillors or council officers are required to work through a meal break or outside normal hours due to the impracticality of holding the meeting at another time, the relevant meal allowance is to be used as a guide. Such entertainment and hospitality should not be substituted for business meetings that would ordinarily be conducted in the workplace.

6.8.2 Examples may include ordinary meetings of the council, committee meetings, and management team meetings. Where there are regular meetings that are similar in nature each time, there will be no need to justify the reasonableness and appropriateness of expenditure for each meeting, provided that the expenditure for the first meeting is reasonable and appropriate and has been incurred in the public interest.

6.9 Associated Persons Expenditure

6.9.1 Only in exceptional circumstances, specifically approved by council, Mayor, Chief Executive Officer or the relevant General Manager, and where the attendance of an associate is of demonstrated benefit to the council, the entertainment and hospitality costs for such a person are to be met by the council. In these instances, the associate will be considered an official representative of the council and will be expected to comply with council's Employee Code of Conduct policy.

7.0 Other Hospitality Expenses

7.1 Other types of expenditure considered reasonable as official hospitality includes the provision of tea, coffee, sugar and milk and morning or afternoon tea for official visitors and appropriate staff.

8.0 Inappropriate Expenditure

8.1 Examples of expenditure that is considered inappropriate and are therefore treated as private expenditure:

8.1.1 Tips or gratuities – tipping is not customary in Australia, however, when travelling overseas and tipping is the custom, these will be considered official expenditure.

8.1.2 Drinks only costs – including hot and cold beverages.

8.1.3 Morning/afternoon tea outside council premises, where only Councillors or council officers are attending.

8.1.4 Stocking of fridges (except in the instance of the Mayor, Chief Executive Officer, and the General Managers) for small scale entertainment.

8.1.5 Mini bar expenses (alcohol).

8.1.6 Inappropriate entertainment (e.g. a floor show).

8.1.7 Alcohol consumed in conjunction with a meal (excepting as specified in this policy).

9.0 Fringe Benefits Tax

9.1 The provision of entertainment by way of food, drink or recreation may have implication for fringe benefits tax. The following types of fringe benefits may arise from council providing entertainment such as farewell dinners for senior employees:

9.1.1 An expense payment fringe benefit if, for example, the costs of tickets purchased by an employee is reimbursed by council.

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- 9.1.2 A property fringe benefit through the provision of food and drink.
- 9.1.3 A residual fringe benefit resulting from the provision of accommodation or transport in connection with such entertainment.

9.2 Council must keep sufficient records to enable the correct calculation of its Fringe Benefit Tax liability. With this objective in mind, the following details are to be recorded for each function funded wholly or in part by council, detailing the following:

- 9.2.1 Invoice number.
- 9.2.2 Supplier.
- 9.2.3 Work order number/GL account number.
- 9.2.4 Purpose of expenditure.
- 9.2.5 Particulars of expenditure.
- 9.2.6 Breakdown of attendance – staff, Councillors, staff associated, visitors.
- 9.2.7 Duration of meeting/seminar.

10.0 Expenditure Controls

- 10.1 A person may not authorise his or own expenditure. All expenditure must be authorised by General Managers, Chief Executive Officer or Mayor with the necessary financial delegation.
- 10.2 Appropriate documentation must be supplied when claiming reimbursement for expenses incurred (for example, tax invoices, receipts etc.).
- 10.3 Where there is some doubt about the validity of claiming particular expenditure, the principles of this policy should be used to make the determination.

11.0 Definitions

- 11.1 Entertainment as defined in section 196 of the *Local Government Regulation 2012*: A service provided by Local Government for entertaining members of the public for promoting an initiative or project of the local government.
- 11.2 The provision of food or beverages by local government:
 - 11.2.1 To a person visiting the local government in an official capacity.
 - 11.2.2 For a conference or meeting held by the local government for its Councillors, employees or other persons.
 - 11.2.3 For a seminar, course workshop or another forum provided by local government for its Councillors, employees or other persons.
- 11.3 Attendance by a Councillor or employee of local government at a function:
 - 11.3.1 As part of the Councillor’s or employee’s official duties or obligations as a Councillor or employee of the local government.
- 11.4 For the purposes of this policy, where cost is borne by council, entertainment will include:
 - 11.4.1 The provision of food or non-alcoholic drink other than as a commercial transaction for full payment.
 - 11.4.2 The provision of a performance other than as a commercial transaction for full payment.

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11.4.3 Attendance by a Councillor or employee of the local government at a function as part of the Councillor or employee's official duties or obligations.

Strategic Link	s 196 , <i>Local Government Regulation 2012</i>
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Lead Business Unit	Governance
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Record Keeping	Council website and the Vine
Related Documents	Employee Code of Conduct Policy. Expenses Reimbursement and Provision of Facilities for Mayor and Councillors Policy.

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