

	COUNCIL POLICY	
	Entertainment and Hospitality	
	POLICY NO	018
	DEPARTMENT	Organisational Services
	PROGRAM	Governance & Safety
ENDORSED BY COUNCIL	13 February 2019, Folio 60982	

1.0 Scope

This policy applies to all Mackay Regional Council (MRC) Councillors and employees.

2.0 Purpose

The purpose of this policy is to provide a framework for the management of entertainment and hospitality expenditure, in accordance with the requirements of the *Local Government Regulation 2012*.

3.0 Reference

- *Local Government Regulations 2012*
- *Fringe Benefits Tax Assessment Act 1986*
- *Local Government Act 2009*

4.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean the Mayor and Councillors of Mackay Regional Council.

Council Business shall mean work required to be performed a part of normal duties.

Councillors shall mean the Mayor and Councillors of Mackay Regional Council and within the meaning of the *Local Government Act 2009*.

Employees shall mean all persons employed by Council on a permanent, temporary or casual basis and includes persons engaged under a contract of service, and volunteers.

Entertainment and Hospitality Expense shall mean the following:

- a) entertaining members of the public in order to promote a local government initiative or project;
- b) providing food or beverages by MRC:
 - (i) to a person visiting MRC in an official capacity; or

- (ii) for a conference, meeting, training course, seminar, workshop or another forum that is held by MRC for its Councillors, employees or other persons;
- c) paying for a Councillor or employee to attend a function as part of the Councillor's or employee's official duties or obligations as a Councillor or employee.

MRC shall mean Mackay Regional Council.

5.0 Background

The *Local Government Regulations 2012* requires that a local government must prepare and adopt a policy about the local government's spending on entertainment or hospitality.

MRC recognises that in order to achieve its strategic objectives it is vital to foster effective working relationships with the community, business and government sectors. It is recognised that there are circumstances where the provisions of entertainment and/or hospitality are appropriate and can result in significant benefits.

6.0 Policy Statement

MRC commits to ensuring that all entertainment and hospitality expenditure meets reasonable community expectations of an effective local government.

6.1 General

MRC may spend money on entertainment or hospitality only if the entertainment or hospitality is in the public interest.

All entertainment and hospitality expenditure must be:

- Reasonable;
- Cost effective;
- Within the relevant budget allocations;
- For official purposes; and
- Able to withstand public scrutiny.

6.1.1 *Principles*

All entertainment and hospitality expenditure must be:

- Incurred in the public interest or be incurred as a means of promoting MRC business;
- Demonstrated to benefit the MRC and has been authorised for official purposes;
- Provided for in an appropriate budget;
- Properly documented to satisfy audit, legislative and reporting requirements;

- Repaid to MRC within 14 days of the date of payment if the expenditure is deemed by this policy to be inappropriate or unreasonable.

6.2 Hospitality provided to Councillors and Employees

The MRC may meet the costs of food and non-alcoholic drinks provided to Councillors and employees in the following circumstances:

- If the Councillor or employee is required to attend a committee, working group meeting, conference, seminar and training session where a light meal is provided for which MRC meets the costs.
- If the Councillor or employee is required to attend a meeting or other function attended by external persons where food and drink maybe provided for all attendees provided it is in accordance with this policy.

6.3 Training Courses, Conferences and Other Functions

Where a training course, conference or other function is arranged by MRC and employees or visitors may be present during the normal meal period, the MRC may arrange for refreshments to be made available. Such refreshments are to be reasonable in relation the purpose and nature of the event and the expected attendees.

Alcohol may only be provided at a function if the Mayor or the Chief Executive Officer has approved it prior to the function. Alcohol will not be provided during meetings or training courses provided by the MRC.

If a Councillor or employee attends a conference or other function as an MRC representative at MRC's costs, and the conference package includes a formal dinner ticket (which includes alcoholic drinks) then the Councillor or employee may consume alcohol in moderation.

All other expenses and reimbursements will be in accordance with MRC's Corporate Travel Internal Operating Guideline.

6.4 Reasonable & Appropriate Expenditure

6.4.1 *Civic Receptions*

Civic Receptions and associated expenses must have prior approval from the Mayor or Chief Executive Officer.

Civic Receptions held after 5.00pm (i.e. twilight or night) may include alcohol at the CEO's discretion.

Civic receptions include luncheons, dinners, cocktail parties and morning/afternoon teas for events that celebrate:

- Citizenship Ceremonies;
- A significant benefit to the community and/or MRC;
- Recognition of a significant achievement;
- A welcome for visiting individuals or groups who have achieved national or international significance;
- Official requests from Commonwealth, State or other Local Governments;
- International delegations visiting from MRC's sister cities or other significant cultural exchange missions;
- Trade missions;

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 local government area.

6.4.2 *Employee Reward and Recognition Presentations*

Recognition of MRC employees, to reward outstanding achievements in the provision of services to the MRC may include official reward and recognition events, length of service presentations and employee farewells and retirement. Such expenditure is to be approved by the Chief Executive Officer or relevant Director.

Expenditure in relation to Recognition of Service of employees or Councillors shall be in accordance with either the:

- Recognition of Service Administrative Policy for employees; or
- Recognition of Service of a Councillor Council Policy for Councillors.

6.4.3 *War Service Commemorations*

MRC may meet the hospitality costs and the cost of wreaths to recognise the service of war veterans to the community at various services throughout the local government area. Ceremonies may include but not limited to:

- Anzac Day
- Remembrance Day;
- Vietnam Veterans Day;
- Rats of Tobruk.

6.4.4 *Condolence Wreaths or Floral Presentations*

MRC may meet the costs for condolence wreaths or floral presentations for a Councillor or employee's death, or serious injury to a Councillor or employee or their immediate family. This is in recognition of serve and a mark of respect to his/her family.

All other floral presentations (i.e. birthdays, maternity announcements and special occasions) must be approved by the Mayor, Chief Executive Officer or respective Director.

6.4.5 *Visits by Overseas Delegates*

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

6.4.6 *Annual Christmas Celebration*

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

6.4.7 *Meetings within Ordinary Hours*

Entertainment and hospitality for meetings held within ordinary working hours should be kept to a minimum with expenses to occur only if Councillors or employees are required to attend a meeting which is scheduled to go through a normal meal break. Examples include project workshops, Ordinary meetings, Standing Committee meetings, Committee/Advisory Committees and Management Team meetings.

6.4.8 *Other Hospitality Expenses*

Other types of expenditure considered reasonable as official entertainment and hospitality include:

- Provision of tea, coffee, sugar and milk;

6.5 Inappropriate Expenditure

Examples of expenditure that is generally considered not to be reasonable and appropriate and is therefore to be treated as private expenditure:

- Tips or gratuities;
- Dinners/functions at the private residence of a Councillor or employee;
- Alcoholic drinks and mini bar expenses (including alcoholic drinks in conjunction with meals);
- Stocking of bar fridges (except in the instance of the Mayor, Chief Executive Officer for small scale entertainment);
- Personal club or subscription memberships

6.6 Fringe Benefits Tax

Instances of entertainment and hospitality undertaken in line with this policy shall be reported to Financial Services by way of declaration for Fringe Benefit Tax purposes. Such reporting shall include, but not limited to, details of the costs incurred, reason for entertainment/hospitality, number of attendees, and whether attendees were MRC staff or external persons.

MRC must keep sufficient records to enable the correct calculation of its FBT liability. With this objective in mind, either or both of the below FBT forms will be required to be completed:

- FBT Catering and Meals Form
- FBT Gift and Award Form

6.7 Documentation required for Expenditure

All expenditure for entertainment and hospitality must be authorised in accordance with the finance delegations.

A tax invoice must be obtained for all expenditure.

6.8 Controls

With regard to expenditure on entertainment and hospitality:

- A Councillor or an employee may not authorise his or her own expenditure;
- Expenditure by the Mayor must be authorised by the Chief Executive Officer;
- Expenditure by a Councillor must be authorised by either the Mayor or the Chief Executive Officer;
- Expenditure by the Chief Executive Officer must be authorised by the Mayor;
- Expenditure by a Director must be authorised by the Chief Executive Officers;
- Expenditure by Program Managers must be authorised by the relevant Director;
- Expenditure by employees must be authorised by the relevant Program Manager.

7.0 Review of Policy

This policy will be reviewed when any of the following occur:

1. The related documents are amended or replaced.
2. Other circumstances as determined from time to time by a resolution of Council

Notwithstanding the above, this policy is to be reviewed at intervals of no more than three years.

Version Control:

Version	Reason / Trigger	Change	Endorsed / Reviewed	Date
1	Review of Policy	Amendments to Policy	Council	28.09.16
2	Review of Policy	Amendments to Policy	Council	13.02.19