

Program: Executive Office
Date of Adoption: 23 November 2022
Resolution Number: ORD-2022-339
Review Date: 23 November 2025

Scope

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

Objective

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

Policy Statement

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

This process to remain in force until otherwise determined
by Mackay Regional Council

Contents

1.0 Principles 3

2.0 Complaints 3

3.0 Definitions 3

4.0 Review of Policy 4

5.0 Reference 4

1.0 Principles

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.

This policy must be read in conjunction with its associated Corporate Standard 018.1 Entertainment and Hospitality.

2.0 Complaints

Any complaints in relation to a decision or a service relating from this policy will be assessed and managed in accordance with MRC's Administrative Action Complaints Policy, a copy of which can be found on MRC's website.

When an individual feels that they are the subject of MRC's failure to act compatibly with human rights, they can make a complaint directly to MRC. These complaints will be assessed against the Human Rights Act 2019.

Complaints may be made as following:

In writing to
Chief Executive Officer
Mackay Regional Council
PO Box 41
MACKAY QLD 4740

Via Email - complaints@mackay.qld.gov.au

In person at the following MRC Client Services Centres:

- MRC Mackay Office – 73 Gordon Street, Mackay
- MRC Sarina Office – 65 Broad Street, Sarina
- MRC Mirani Council Office – 20 Victoria Street, Mirani

3.0 Definitions

To assist in interpretation the following definitions shall apply:

Council shall mean all elected representatives including the Mayor of Mackay Regional Council.

Councillors shall mean an elected representative including the Mayor of the Mackay Regional Council.

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 and Staff or other persons;
- c) paying for a Councillor or Staff to attend a function as part of the Councillor's or Staff official duties or obligations as a Councillor or Staff.

MRC shall mean Mackay Regional Council.

Staff shall mean all persons employed by Mackay Regional Council on a permanent, temporary, or casual basis, or otherwise engaged by Mackay Regional Council including those under a contract of service or a volunteer program.

4.0 Review of Policy

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

- The related documents are amended or replaced.
- 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 (3) years.

5.0 Reference

- *Local Government Regulations 2012*
- *Fringe Benefits Tax Assessment Act 1986*
- *Local Government Act 2009*
- MRC Policy No. 011 - Alcohol and Other Drugs
- MRC Policy No. 118 - Councillor Alcohol & Other Drugs
- MRC Corporate Standard 081.1 – Entertainment and Hospitality

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
3	Review of Policy	Amendments	ORD-2022-339	23.11.22

Attachment 'A'

Program	Executive Office
Date of Endorsement	23 November 2022
Review Date	23 November 2025

1.0 Scope

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

2.0 Objective

To provide for the management of entertainment and hospitality expenditure.

3.0 Reference

- *Local Government Regulations 2012*
- *Fringe Benefits Tax Assessment Act 1986*
- *Local Government Act 2009*
- MRC Policy 011- Alcohol and Other Drugs
- MRC Policy 118 - Councillor Alcohol & Other Drugs
- MRC Policy 018 - Entertainment and Hospitality

4.0 Definitions

To assist in interpretation the following definitions shall apply:

To assist in interpretation the following definitions shall apply:

Council shall mean all elected representatives including the Mayor of Mackay Regional Council.

CEO shall mean the Chief Executive Officer. A person who holds an appointment under section 194 of the *Local Government Act 2009*. This includes a person acting in this position

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

Councillors shall mean an elected representative including the Mayor of Mackay Regional Council.

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, Staff 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.

Staff shall mean all persons employed by Mackay Regional Council on a permanent, temporary, or casual basis, or otherwise engaged by Mackay Regional Council including those under a contract of service or a volunteer program.

5.0 Standard Statement

This Standard must be read in conjunction with Council Policy 018 – Entertainment and Hospitality.

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

5.1 Principles

All entertainment and hospitality expenditure must be:

- Reasonable;
- Cost effective;
- Able to withstand public scrutiny;
- Incurred in the public interest or be incurred as a means of promoting MRC business;
- Demonstrated to benefit 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.

5.2 Hospitality provided to Councillors and Staff

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

- If the Councillor or Staff are 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 Staff are 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.

5.3 Training Courses, Conferences and Other Functions

Where a training course, conference or other function is arranged by MRC and Staff or visitors may be present during the normal meal period, MRC may 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.

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

If a Councillor or Staff 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 Staff may consume alcohol in moderation.

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

5.4 Reasonable & Appropriate Expenditure

5.4.1 *Civic Receptions*

Civic Receptions and associated expenses must have prior approval from the Mayor or CEO.

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.

5.4.2 *Staff Reward and Recognition Presentations*

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

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

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

5.4.3 *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.

5.4.4 *Condolence Wreaths or Floral Presentations*

MRC may meet the costs for condolence wreaths or floral presentations for a Councillor or Staff death, or serious injury to a Councillor or Staff or their immediate family. This is in recognition of service 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 relevant Program Manager, Director or Executive Officer..

5.4.5 *Visits by Overseas Delegates*

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

5.4.6 *Annual Christmas Celebration*

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

5.4.7 *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 Staff are required to attend a meeting which is scheduled to go through a normal meal break. Examples include project workshops, Ordinary meetings, /Advisory Committees and Management Team meetings.

5.4.8 *Other Hospitality Expenses*

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

- Provision of tea, coffee, sugar and milk.

NOTE: For more information regarding the consumption of alcohol by Staff and Councillors please refer to the following policies:

1. MRC Policy 11- Alcohol and Other Drugs; and
2. MRC Policy 118 - Councillor Alcohol & Other Drugs.

5.5 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 Staff;
- Alcoholic drinks and mini bar expenses (including alcoholic drinks in conjunction with meals);
- Stocking of bar fridges (except in the instance of the Mayor, CEO for small scale entertainment);
- Personal club or subscription memberships

5.6 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 – See attachment 'A'.
- FBT Gift and Award Form – See attachment 'B'

5.7 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.

5.8 Controls

With regard to expenditure on entertainment and hospitality:

- A Councillor or Staff may not authorise their own expenditure;
 - Expenditure by the Mayor must be authorised by the CEO;
 - Expenditure by a Councillor must be authorised via the Councillor Support Officer, Executive Officer and CEO
 - Expenditure by the CEO must be authorised by the Mayor;
 - Expenditure by a Director must be authorised by the CEO;
 - Expenditure by Program Managers must be authorised by the relevant Director;
 - Expenditure by Staff must be authorised by the relevant Program Manager.

6.0 Review of Standard

This corporate standard will be reviewed when any of the following occur:

1. When any related policy documents are amended or replaced.
2. Other circumstances as determined from time to time.

Notwithstanding the above, this Corporate Standard is to be reviewed at intervals of no more than three (3) years.

Version Control:

Version	Reason / Trigger	Change	Endorsed / Reviewed	Date
1	New		ORD-2022-339	23.11.22

Attachment 'A' -

FORM	FBT – Meal, Entertainment & Catering Form	
-------------	--	---

PAYMENT / INVOICE DETAILS			
Supplier Name		Invoice Number	
Invoice Cost		Invoice Date	

EVENT DETAILS			
Event Name / Description			
Event Purpose			
Event Date			
Event Type			
<input type="checkbox"/> Training / Professional Development	<input type="checkbox"/> Toolbox Talk / Team Meeting	<input type="checkbox"/> Business Meeting	
<input type="checkbox"/> Social Function / Networking / Charity Event	<input type="checkbox"/> Awards / Gala Event	<input type="checkbox"/> Team Building	
<input type="checkbox"/> Christmas Party	<input type="checkbox"/> Community Event	<input type="checkbox"/> Travel for Work	
<input type="checkbox"/> Other	Details		

CATERING DETAILS				
Type of Catering				
<input type="checkbox"/> Light Catering	<input type="checkbox"/> Substantial Meal	<input type="checkbox"/> Other		
If Other, Details Required				
Who Attended		Total number attending	Alcohol consumed	
<input type="checkbox"/> Employees			<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Councillors			<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other			<input type="checkbox"/> Yes	<input type="checkbox"/> No
Event Location				
Start Time		Finish Time		

ATTENDEES	

AUTHORISATIONS			
I confirm that the expenditure was in accordance with relevant MRC Policy, and was incurred in relation to the performance of official duties and responsibilities of the recipient. It is further supported by correct documentation and has been checked to ensure compliance.			
Name		Date	
Signature			
Manager name		Date	
Manager signature			

ACCOUNTS PAYABLE TO COMPLETE			
FBT Selection Code			
GST applicable to		%	
Determination details			
AP Officer Name		Date	
Signature			

Annexure 'B'



FBT Gifts/Awards Form

This form is to be completed and attached to any invoices that results in Mackay Regional Council:
- providing any gifts or awards

For example: flowers, gifts, employee awards, gift vouchers, movie tickets, etc.

Supplier Name	<input type="text"/>		
Invoice Number	<input type="text"/>		
Date of Purchase	<input type="text"/>		
Total Cost (including GST)	<input type="text"/>		
Occasion/Purpose	<input type="text"/>		
	<i>E.g. Award, Long Service, Farewell, Sympathy, Congratulations</i>		
Details of Item Purchased	<input type="text"/>		
	<i>E.g. Flowers, movie tickets, gift voucher, etc.</i>		
Property given to:			
Employee	Name:	<input type="text"/>	
Employee's Associate (i.e. spouse, child)	Name:	<input type="text"/>	
Guest Speaker	Name:	<input type="text"/>	
Other	Name:	<input type="text"/>	
<i>Additional names to be recorded on back of form if necessary (Please advise if employees).</i>			
Authorisation			
I confirm that the expenditure was in accordance with relevant MRC Policy, and was incurred in relation to the performance of official duties and responsibilities of the recipient. It is further supported by correct documentation and has been checked to ensure compliance.			
Name	<input type="text"/>		
Signature	<input type="text"/>	Date	<input type="text"/>