



COUNCIL POLICY

POLICY TITLE:	ENTERTAINMENT AND HOSPITALITY POLICY
POLICY NUMBER:	023
INFOXPRT REF:	73289
DATE OF ADOPTION:	25 July 2015
TIME PERIOD OF REVIEW	2 Year
DATE OF NEXT REVIEW:	July 2023

1. OBJECTIVE

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 (QLD)*.

2. SCOPE

This Policy applies to all employees, councillors, contractors and volunteers, who perform work for or on behalf of Richmond Shire Council (Council), and who are involved in entertainment and hospitality on behalf of Council.

3. LEGISLATIVE BACKGROUND

The *Local Government Regulation 2012* requires Council to have a policy on Entertainment and Hospitality.

Section 196 states:-

- (1) A local government must prepare and adopt a policy about the local government's spending on entertainment or hospitality (an ***entertainment and hospitality policy***).

Examples of entertainment or hospitality—

- entertaining members of the public in order to promote a local government project
- providing food or beverages to a person who is visiting the local government in an official capacity

- providing food or beverages for a conference, course, meeting, seminar, workshop or another forum that is held by the local government for its councillors, local government employees or other persons
 - paying for a councillor or local government employee to attend a function as part of the councillor's or employee's official duties or obligations as a councillor or local government employee
- (2) A local government may spend money on entertainment or hospitality only in a way that is consistent with its entertainment and hospitality policy.

4. POLICY

4.1 Principles

Council recognises that there are circumstances where the provision of entertainment is appropriate and can result in significant benefits to the region. However, as a publicly funded entity, Council must ensure that public sector standards of accountability are maintained, and that practice is consistent across the organisation.

All entertainment and hospitality expenditure must comply with the following principles: -

Expenditure must be:

- For official purposes and incurred in the public interest as a means of gaining a benefit for the local government and/or the local community;
- Reasonable and appropriate under the circumstances (e.g. considering the purpose, nature, timing and venue of the event and the expected attendees and participants);
- Value for money;
- Clearly documented, with clear evidence of expenditure (receipts), to satisfy audit, legislative and reporting requirements;
- In accordance with Council's adopted budget;
- Able to withstand public scrutiny; and
- Repaid to Council if the expenditure is deemed by this policy to be inappropriate or unreasonable.

4.2 Reasonable and Appropriate Expenditure

Council employees (other than Directors and Chief Executive Officer) are required to discuss any proposed entertainment and hospitality expenditure with their direct supervisor before commencing any arrangements.

From time to time Council will engage in entertainment and hospitality activities, of which the following types are considered appropriate: -

- Official functions
- Business related functions
- Employee functions

Where the estimated expenditure of an entertainment or hospitality activity are expected to exceed \$10,000.00 (ex GST) in total, a Council resolution will be required to approve the activity.

4.3 Official Functions

Entertainment and hospitality expenditure is considered appropriate in circumstances when it is necessary or desirable to facilitate the conduct of Council business and promote the community's interest.

Appropriate expenditure for official functions include, but are not limited to:-

- Visitors when Council has an interest in, or an obligation towards, their visit;
- Representatives of government, business, industry or recognised community organisations; and
- Civic receptions and/or functions to recognise significant contributions from groups or individuals to the community.

Expenditure considered appropriate includes the provision of tea, coffee, morning/afternoon tea, light refreshments, breakfast, lunch or dinner and registration and/or ticket costs to attend official functions.

Official functions and associated expenses must have prior approval from the Chief Executive Officer and the Mayor.

4.4 Business Functions

CEO may approve hospitality expenditure in circumstances where official business involving employees and/or councillors is being transacted and it is reasonable for catering to occur.

Appropriate expenditure for business functions include, but are not limited to:-

- Functions where official business is engaged in during a meal;
- Functions such as meetings, conferences, seminars where light refreshments, including non-alcoholic drinks are provided;
- Functions where there are cost advantages in continuing through the normal meal break; and
- Functions where it is more time efficient to have attendees remain in the room for meals/refreshments.

Expenditure considered appropriate includes the provision of tea, coffee, morning/afternoon tea, light refreshments, lunch and registration and/or ticket costs to attend functions.

4.5 Employee Functions

Council recognises that there are circumstances where providing entertainment and hospitality at functions attended only by employees have clear and demonstratable benefits to Council in terms of training and/or employee morale.

Appropriate expenditure for employee functions include, but is not limited to:-

- Reward or celebration of an achievement;
- Training programs; and
- Recognised events, such as an annual Christmas party.

Generally, the frequency of employee functions paid for by the Council should be limited to a reasonable level.

Employee functions and associated expenses must have prior approval from the Chief Executive Officer.

4.6 Provision of Alcohol

Alcohol may only be provided at a function or dinner if it has been approved prior to the function by the Chief Executive Officer or Mayor. Under no circumstances shall the provision of alcohol be provided during business meetings, seminars, conferences, training or workshops.

4.7 Inappropriate expenditure

Expenditure which will generally be considered to be unreasonable and inappropriate include:

- Employee lunches, or meals, without a business benefit or away at a Council sanctioned event;
- Tips or gratuities;
- Alcoholic beverages and mini bar expenses, other than in accordance with this policy;
- Club membership fees; and
- The cost of providing meals at a private residence.

4.8 Partners and Spouses

The inclusion of a spouse/partner of a councillor or employee where the councillor or employee is involved in an entertainment and hospitality activity shall not automatically occur. A councillor or employee's spouse/partner shall only be hosted by Council where the prior approval of the Mayor (in the case of the councillors) or the Chief Executive Officer (in the case of employees) has been obtained.

4.9 Fringe Benefits Tax (FBT)

Fringe Benefits Tax may be payable on a portion of any expenditure which is attributable to councillors, employees of other persons.

Reviewed and adopted at the Budget Council Meeting held on 29th July 2022.

This policy is to remain in force until otherwise determined by Council.