



Entertainment and Hospitality Policy (Statutory Policy)

1. PURPOSE

The purpose of this policy is to ensure:

- (a) Compliance with section 196 of the *Local Government Regulation 2012*; and
- (b) Council's spending on entertainment and hospitality is reasonable and appropriate.

2. SCOPE

This policy applies to all purchases of entertainment and hospitality by Torres Strait Island Regional Council (Council) employees and Councillors while on Council business.

3. LINK TO CORPORATE PLAN

- *People Bisnis – Pipol*
- *Sustainability Bisnis - Mekem las long*
- *Prosperity Bisnis – Pruittpul*

4. POLICY STATEMENT

Council acknowledges that entertainment and hospitality expenses may be appropriate for official business when aligned with its strategic priorities. As a publicly funded body, Council ensures funds are used responsibly, transparently and in the public interest to:

- Advance the Torres Strait's economic, social, and cultural development.
- Strengthen the cultural and social fabric of Torres Strait communities.
- Build effective relationships with the community, business, and government.

All entertainment and hospitality expenses must benefit both Council and the community while maintaining accountability and consistency across the organisation.

4.1 Expenditure Guidelines

The following categories of entertainment and hospitality are considered appropriate and reasonable under this policy:

- Official Council functions; and
- Council business related activities.

All entertainment and hospitality expenditures must:

- Be pre-approved, reasonable, and withstand public scrutiny.
- Be funded from the adopted budget
- Include supporting documentation, such as:
 - A written request stating the purpose, approved by the authorising officer.
 - Quotes approved by the authorising officer.
 - For events not open to the public (invite-only) total number of attendees
- A completed Fringe Benefits Tax (FBT) Declaration Form.

Entertainment and hospitality expenditure will be deemed appropriate if it meets the following criteria:

- Is reasonable and cost-effective.
- Fits within the adopted budget allocation.
- Can withstand public scrutiny.
- Serves an official purpose as described above.
- Complies with legal, financial, audit, and ethical requirements.
- Aligns with Council's operational and strategic objectives.

4.1.1 Official Council Functions

It may be appropriate for Council to incur entertainment and hospitality expenditure on official council functions, including:

- Civic Events; and
- Civic Duty role.

4.1.1.1 Civic Events

Refreshments and catering may be provided for civic receptions, including Mayoral receptions and Council hosted functions:

- (a) To recognise significant contributions from groups or individuals to the community;
- (b) To host official dignitaries; and
- (c) For community celebrations.

4.1.1.2 Civic Duty Role

The Mayor and the Divisional Councillor may undertake a Civic Duty role.

Attendance for the Civic Duty role is restricted to events associated with past leaders, parent(s) of currently elected Councillors, elder statesmen or others generally recognised as contributing to the advancement of the Torres Strait.

Should a Councillor travel for Civic Duty purposes, it is an express requirement that the Councillor is the Divisional Councillor for the Division that the past leader represented in a public office capacity.

Civic Duty travel is taken to be part of official business with the Mayor or Councillor representing the Council at these significant events in the community.

Civic Duty travel costs are to be recognised and kept to a reasonable limit. Payment by the Council shall occur at Council adopted travel rates.

4.1.2 Council business related activities

Where appropriate, Council may incur entertainment and hospitality expenditure for:

- (a) Council meetings, committee meetings, and workshops;
- (b) training courses, conferences, and other functions;
- (c) stakeholder relationship management; and
- (d) staff meetings, gatherings, special events.

4.1.2.1 Council meetings, committee meetings, and workshops

Authorising officer: Chief Executive Officer or any Executive Director

Administration roles: Budget monitoring by Executive Director Financial Services

Additional requirements: Fringe Benefits Tax (FBT) Declaration Form must be completed if applicable.

Reasonable catering and refreshments (eg, light lunches, morning and afternoon teas, tea, coffee, juice etc) may be provided to attendees at Council meetings, committee meetings or Council workshops where:

- official council business is being undertaken; and
- it would be reasonable to do so given the time, location, and duration, and
- expenditure is within budget.

4.1.2.2 Training courses, conferences, and other functions

Authorising officer: Chief Executive Officer or any Executive Director

Administration roles: Budget monitoring by relevant Executive Director

Additional requirements: Fringe Benefits Tax (FBT) Declaration Form must be completed if applicable.

Council may arrange for refreshments to be made available if a training course, conference, meeting, or other function arranged by Council occurs during a normal meal period or is reasonable to do so given the time, location, and duration. Refreshments are to be reasonable (eg, light lunches, morning and afternoon teas, tea, coffee, juice etc) for the purpose of the event and for the number of expected attendees.

4.1.2.3 Stakeholder Relationship Management

Authorising officer: Chief Executive Officer (Mayor approval for Chief Executive Officer)

Administration roles: Budget monitoring by Executive Director Financial Services

Additional requirements: Fringe Benefits Tax (FBT)

Declaration Form must be completed if applicable.

Acquittal must include a brief description as to how the expenditure relates to maintenance and strengthening of stakeholder relationships.

Councillors and approved employees may be required to participate in meetings with representatives of government, business, industry, professional associations or community groups for the purpose of;

- (a) Building relationships including with government and industry representatives and funding bodies that can benefit the Torres Strait region in terms of access to people, services, goods and resources;
- (b) Forming regional links to ensure the continued economic development of the Torres Strait region; and
- (c) Working within the Torres Strait community to further develop the social and cultural fabric binding the region.

Reasonable entertainment and hospitality expenditure is allowed to facilitate the maintenance or strengthening of external stakeholder relationships with customers, suppliers, and/or government representatives. The maximum amounts for reasonable entertainment are not to exceed the Australian Taxation Office (ATO) reasonable amount for domestic meal expenses rates at Level 1 as determined by the ATO via Taxation Determinations from time to time.

As a general rule, the number of employees or Councillors in attendance must not exceed a ratio of 2:1 (ie, a maximum of 2 employees/Councillors for each external stakeholder in attendance) unless specific permission has been provided by the CEO.

4.1.3 Not reasonable or appropriate expenditure

Unless approved in accordance with this policy the following expenditure is considered not to be reasonable or appropriate:

- (a) Events not deemed official Council business;

- (b) Dinners/functions at the private residence of a Councillor or employee;
- (c) Other notable date celebrations/lunches outside of authorised whole of Council events;
- (d) Expenditure for attendance of a Councillor or employee's partner, spouse or associate except where prior approval has been obtained.

4.1.4 Payments for entertainment and hospitality expenditure and use of Corporate Purchase Card

Any payments payable under this policy will be made directly to the supplier unless there are extenuating circumstances, in which case the CEO must approve the alternative payment method.

An employee issued with a corporate purchase card may use this card to pay for entertainment and hospitality subject to the terms and conditions of the card and in accordance with this policy and the Corporate Purchase Card Procedure.

4.1.5 Claiming reimbursement of personal expenditure

A Councillor or employee may be eligible for reimbursement if they personally incur expenses related to entertainment or hospitality.

- Councillors must seek approval from the CEO
- Employees must seek approval from the delegated officer
- The CEO must seek approval from the Mayor

When approving the claim, the CEO or delegated officer will consider the following:

- a) Prior approval for the spending has been received;
- b) The activity is deemed official Council business;
- c) The frequency of claims;
- d) Factors such as accepted community practice or standard;
- e) Be satisfied it is reasonable;
- f) Includes appropriate documentary evidence;
- g) Whether the claim withstands the can withstand public scrutiny;
- h) For employees, is in accordance with the allowable and non-allowable expenditure detailed in the Travel Policy (if applicable); and

- i) For Councillors, is in accordance with the Councillor Remuneration, Reimbursement and Facilities Provision Policy.

4.2 Allocation of Funding

This policy is subject to the allocation of funding in the annual budget.

4.3 Fringe Benefits Tax Requirements

A Fringe Benefits Tax (FBT) Declaration (Entertainment and Hospitality Declaration Form) must be completed for all Council functions where meals or entertainment are provided and the event is not open to the general public.

5. REPORTING

No additional reporting required.

6. DEFINITIONS

Term	Meaning
CEO	The Chief Executive Officer of Council appointed pursuant to section 194 of the LGA.
Civic Duty	A role undertaken by the Mayor or Divisional Councillor to represent the Council at significant community events.
Council	Torres Strait Island Regional Council
Councillor	An elected member of Council, including the Mayor.
Deputy Mayor	Deputy Mayor of Council
Entertainment	Entertainment by way of food, drink, or recreation

7. RELATED DOCUMENTS AND REFERENCES

Local Government Act 2009

Local Government Regulation 2012

Corporate Credit Card Policy

Corporate Purchase Card Procedure

Travel Policy

Councillor Expense Reimbursement and Facilities Provision Policy

8. REVIEW

This policy is to be reviewed annually, if legislation changes, or at the direction of the Chief Executive Officer.

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