

**Objectives:** Progressive

**Outcome:** 4.1 - A resilient, efficient and effective organisation.

**Strategy:** 4.1.1 - Provide efficient, effective, innovative, professional management of Shire operations to deliver the best outcome for the community within allocated resources.

## Purpose

To provide guidelines governing appropriate expenditure on refreshments and alcohol, ensuring that the public monies are utilised prudently and properly.

The policy will also provide the following outcomes for the community and the Council:

- Clarity and consistency in decision-making in line with the community expectation;
- Improved efficiency in decision-making in line with community expectations; and
- Improved community outcomes through open and transparent governance.

## Definitions

Examples of '*Alcohol or refreshments*'

- 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.

For the purpose of this policy, where the cost is borne by Council, entertainment will include:

- a) The provision of food or drink other than as a commercial transaction for full payment;
- b) The provision of a performance other than as a commercial transaction for full payment; and
- c) Attendance by a Councillor or employee of Council at a function as part of the Councillor's or employee's official duties or obligations as a Councillor or employee of Council.

## Policy

The objectives of this policy are to ensure that expenditure on refreshments and alcohol is reasonable and appropriate, that it is incurred in the public interest, and that approval for such expenditure follows standard Council procedures.



### Principles

1. All entertainment and hospitality expenditure must be incurred in the public interest or be incurred as a means of promoting Council business. The person authorising the expenditure must also be able to demonstrate the benefits resulting from such expenditure.
2. The amount spent on refreshments and alcohol must be reasonable and must be commensurate with the benefit received by Council or the public.
3. The expenditure must be provided for in a Budget and be authorised in accordance with Council Policy 3.2.4 – Purchasing and be in accordance with the requirements of this policy.
4. Expenditure incurred by Council which is not reasonable and appropriate (eg private expenses or private entertainment) must be repaid to Council within 14 days of being paid.
5. Refreshments and alcohol expenses may only be charged to a corporate purchasing card or purchase order if prior authorisation has been obtained and such expenditure has been authorised within a specific limit, and the expenditure complies with this policy.

### Hospitality Provided to Council Employees

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

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 Council Meetings, Agenda Discussions, Policy Concept Forums, working group meetings, conferences, seminars and training sessions where the Council meets the cost;
2. If the employee is required to attend a meeting or other function attended by a non-employee and food and drink is provided for all attendees under this policy; and
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.

Council may contribute towards the cost of providing food and drink (including alcoholic drinks) to employees in the following circumstances:

- Where the employee attends a function at which alcoholic drinks are provided for non-employees under this policy. As representatives of the Council, employees must adhere to the Fitness for Work and the Drug and Alcohol Policies.
- At Staff Christmas parties, as a means of recognising the dedication and commitment shown by Council staff in the provision of services.



### **Training Courses and Other Functions**

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 purpose of 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.

Alcohol may only be provided at a function if the Shire President 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 Council.

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

### **Reasonable and Appropriate Expenditure**

#### **Civic 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 in the Council area.

#### **Employer Reward and Recognition Presentations**

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

#### **ANZAC Day Wreaths**

Recognition of the service of war veterans to the community.

#### **Condolence Wreaths or Floral Presentations**

For the death of, or serious injury to, an Elected Member or employee or their immediate family. This is in recognition of service and a mark of respect to his/her family.

#### **Visits by Other Delegates/Business Forums/State or other relevant Working Groups**

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

**Annual Christmas Celebration**

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

**Meetings within Ordinary Hours**

Refreshments for meetings held within ordinary working hours should be kept to a minimum. Where Councillors or employees are required to work through a meal break or outside normal hours due to the impracticality of holding the meeting at any other time, the relevant meal is to be used as a guide. Such refreshments and hospitality should not be substituted for business meetings that would ordinarily be conducted in the workplace. Examples may include Ordinary Meetings of 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.

**Associate Persons Expenditure**

Only in exceptional circumstances, specifically approved by Council, Shire President, Chief Executive Officer or the relevant Director and where the attendance of an Associate is of demonstrated benefit to the Council, and the entertainment and hospitality costs for such a person 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 Code of Conduct.

**Other Refreshment Expenses**

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.

**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 - tipping is not customary in Australia, however, when travelling overseas and tipping is the custom, these will be considered official expenditure.
- Drinks only costs - including hot and cold beverages.
- Morning/Afternoon Tea outside Council premises, where only Councillors or Council officers are attending.
- Mini bar expenses.
- Employees working on Council premises, where food and beverages are on sale, are not entitled to charge food and beverages to Council in the normal course of their duties.
- Inappropriate entertainment (e.g. a floor show).
- Excessive alcohol consumed in conjunction with a meal.



### Fringe Benefits Tax (FBT)

The provision of entertainment by way of food, drink or recreation may have implications for fringe benefits tax. The following types of fringe benefits may arise from Council providing such entertainment:

- An expense payment fringe benefit if, for example, the cost of tickets purchased by an Employee is reimbursed by Council;
- A property fringe benefit through the provision of food and drink; or
- A residual fringe benefit resulting from the provision of accommodation or transport in connection with such entertainment.

Council must keep sufficient records to enable the correct calculation of its FBT liability. With this objective in mind, a separate work order is required for each function funded wholly or in part by Council, detailing the following:

- The number of Council Employees in attendance;
- The nature of the event and its purpose;
- The date and time of the event (e.g. whether it has been held during business hours);
- The location of the event; and
- Whether or not alcohol has been provided.

### Controls

- A person may not authorise his or her own expenditure.
- Expenditure by the Chief Executive Officer must be authorised by the Shire President.
- Expenditure by a employee must be authorised by the Chief Executive Officer only.
- Expenditure by a Councillor is not allowed.
- Appropriate documentation must be supplied when claiming reimbursement for expenses incurred (eg. tax invoices, receipts etc).
- Where there is some doubt about the validity of claiming particular expenditure, the principles of these guidelines should be used to make the determination.

**References**

<b>Name of Policy</b>	1.1.17 Refreshments and Alcohol Policy
<b>Previous Policy</b>	New Policy
<b>Date of Adoption and Resolution Number</b>	Adopted OCM179/12/17 18/12/2017 Ordinary Council Meeting
<b>Review dates and Resolution Numbers</b>	
<b>Next review date</b>	
<b>Related documents</b>	<p><b>Acts/Regulations</b> <i>Local Government Act 1995</i></p> <p><b>Plans/Strategies</b> Strategic Community Plan 2017 - 2027</p> <p><b>Policies</b> Nil</p> <p><b>References</b> Nil</p> <p><b>Delegations</b> Nil</p> <p><b>Work Procedures</b> Nil</p>

Note: changes to references may be made without the need to take the Policy to Council for review.