

Official Hospitality and Business Catering Policy

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Australian Government



Services
Australia



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Overview

This policy applies to all officials of Services Australia (the agency) including:

- all persons employed under the *Public Service Act 1999* by Services Australia
- any of the following persons whose services are made available to the agency in connection with the performance of any of the agency's functions:
 - an official of another Commonwealth entity (e.g. APS employees of other APS agencies seconded to the agency)
 - an employee of a Commonwealth company
 - an officer or employee of a State or Territory
 - an officer or employee of an authority of a State or Territory
- contractors and consultants engaged to provide services that require them to exercise powers or functions under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) or a rule made under it.

This policy details the rules you must follow when providing official hospitality or business catering and when an external party offers hospitality to an agency official. Adherence with this policy will assist you in meeting your obligations under the PGPA Act and the agency's [Accountable Authority Instructions \(AAIs\)](#).

Principles

Spending on official hospitality and/or business catering should only be undertaken where there is a clearly defined business need that directly contributes to building relationships (externally and internally), recognises significant achievements or events, or contributes to the efficient delivery of training or development.

The provision of business catering must be pre-approved by a spending delegate with an appropriate D4 General Expenditure financial delegation. Where alcohol is provided, written approval from the relevant Deputy Chief Executive Officer (DCEO) or the Chief Executive Officer (CEO) is required.

The provision of official hospitality must be pre-approved, in writing, by the relevant DCEO or the CEO.

Officials should be aware of Fringe Benefits Tax (FBT) implications when approving official hospitality and business catering as this represents an additional cost to the agency.

You must report all known instances of non-compliance with this policy as soon as practicable in the [Financial Management and Compliance System \(FMCS\)](#).

Acceptance of hospitality offered to an official by an external party is to be treated as a gift or benefit, in accordance with the agency's [Accepting Gifts and Benefits Policy](#).

All accepted gifts and benefits must be recorded in [FMCS](#). More information on gifts and benefits is available in the AAIs and the agency's [Accepting Gifts and Benefits Policy](#).

Official Hospitality

Official hospitality is defined as an agency-hosted event with a closed or defined guest list that includes external guests and at which the catering (e.g. sit-down meal, cocktails) is not incidental, or where hospitality is offered to agency officials by an external party.

For the purpose of this policy, the following definitions apply:

- **agency-hosted event** means an event where agency staff had primary responsibility for organising the event, and agency funds are used to fund the venue hire, entertainment and refreshments
- **a closed or defined guest list** means a defined number of guests who are invited by name (or organisation)
- **external guests** means any person who is not an agency official, an official from another Commonwealth entity, ministerial staff (including Ministers), and contractors, labour hire workers, volunteers, or consultants engaged by the agency
- **catering** excludes modest (incidental) food like sandwiches, fruit, finger-food or biscuits, and does not apply to non-alcoholic beverages.

Where the above conditions are not met, the expenditure may be considered as **business catering** (where appropriate) or a **personal expense** instead.

Conduct and Approvals

An official **must not** receive the relevant component of travel allowance for an event at which official hospitality is provided. Any official benefiting from official hospitality while in receipt of travel allowance must refund the relevant component of the allowance.

All official hospitality requires the following approvals in writing prior to the event occurring, or commitment of agency funds:

- spending approval by the relevant delegate in the area organising the event (D4 General Expenditure financial delegation)
- written approval from the owning business area DCEO
- written approval from the CEO for major events which are likely to attract significant public or media attention.

All instances of official hospitality must be recorded and approved in the [Food and Beverage/Official Hospitality application](#) in [FMCS](#).

Business Catering

Business catering is defined as the provision of simple refreshments where it is incidental to normal agency business and is provided at an internal event. Business catering is generally provided to agency officials, however, external guests may be present at internal events.

This includes light refreshments, inexpensive meals and non-alcoholic beverages including:

- work discussions, meetings, recognition of achievement and significant contributions
- training and development courses held away from the normal workplace where it is not practical for officials to get their own meal, or normal meal breaks are not provided
- significant agency events including NAIDOC Week, International Day of People with Disability, International Woman's Day, Australia Day Awards etc.
- development programmes orientation and training courses including graduate programmes, Indigenous traineeships, ICT traineeships etc.

Additionally, light refreshments, inexpensive meals and non-alcoholic beverages for non-officials where they provide a service free of charge (i.e. guest speakers and presenters) may also be considered business catering.

Business catering does not cover food or beverage items consumed by agency officials in their day-to-day business, i.e. tea, coffee, milk, and biscuits. These items must be purchased at **personal expense**.

Where officials attend an external event at which light refreshments, inexpensive meals and non-alcoholic beverages are served, that meet the definition of business catering, this does not need to be treated and recorded as a gift or benefit.

Conduct and Approvals

Delegates should use their professional judgment when considering if the food and beverages to be provided is appropriate and reasonable, ensuring that:

- there is a clearly defined business need
- the nature and cost of the purchase is reasonable and defensible
- it meets the criteria outlined in this policy
- FBT implications have been considered and the event has been modified to reduce FBT impacts where possible.

All business catering requires the following approvals prior to the catering being provided or agency funds being committed:

- spending approval by the relevant delegate in the area organising the event (D4 General Expenditure financial delegation)
- written approval from the relevant DCEO or the CEO if alcohol is being provided.

All instances of business catering must be recorded and approved in the [Food and Beverage/Official Hospitality application](#) in [FMCS](#).

Pre-approval may be sought verbally if time constraints apply, but must be recorded in FMCS as soon as practicable.

Reporting and Acquittal

All purchases must be recorded and approved in the [Food and Beverage/Official Hospitality application](#) in [FMCS](#). As a minimum, this must include the following information:

- contact details for the area planning/providing the official hospitality
- the event date and duration
- a description of the event
- event location
- details on the type of hospitality being provided
- whether alcohol will be provided
- the number of attendees split by type, e.g. officials, clients, customers, service providers
- cost centre details and planned expenditure by type, e.g. alcohol, food, venue hire
- any additional information or attachments that support the application

This will workflow to the appropriate delegate for approval and generate a unique FMCS identifier number which is used when acquitting purchases.

The FMCS identifier number must be included when acquitting your credit card transaction in ESSentials. An additional field will become available for this identifier when acquitting against a food and beverage General Ledger (GL) code.

When raising a purchase order, you must attach the FMCS approval email to the shopping cart at the time of creation.

It is important that the above data is entered accurately as it is used for external reporting including Senate Estimates and Questions on Notice.

FBT Impacts

The [Tax Team](#) is responsible for calculating the FBT expense for any events where official hospitality or business catering is provided.

Officials can help reduce FBT expenses by:

- ensuring hospitality and catering is only provided for work-related reasons and this information is clearly recorded in FMCS
- conducting events onsite or at another place where work is performed instead of a social context such as a bar or restaurant
- conducting events during normal working hours or while employees are working
- ensuring the food and beverages served are not substantial or lavish.

Additionally, officials can reduce FBT by separating major events into smaller components if they have substantially different characteristics. For example, a two day seminar with an evening meal between the two days should be split into two events and recorded in the FMCS as follows:

- event one is the two day seminar during work hours which is unlikely to attract FBT
- event two is the after hours dinner which is likely to attract FBT.

FBT will always apply if alcohol is served.

Please contact the [Tax Team](#) if you are uncertain about the FBT implications of an event and wish to seek further guidance.

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