



# Entertainment & Hospitality Policy

Policy Information			
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6	24/06/2026	2026/100	Full revision & Update

This is an official copy of the **Entertainment and Hospitality Policy**, made in accordance with the provision of the *Local Government Regulations 2012* and other current Council Policies.

Statutory Policies comply with a legislative requirement; the Entertainment and Hospitality Policy is approved by the Mornington Shire Council for the operations and procedures of Morning Shire Council ("Council").

## 1. Policy Scope

1.1 This policy provides a framework for the management of entertainment and hospitality expenditure by Councillors and Council Officers of Council in accordance with the *Local Government Regulation 2012* ("LG Reg").

## 2. Commencement

2.1 This policy will commence on and from 27 May 2026. It replaces all other policies or arrangements governing Council's expenditure on entertainment and hospitality (whether written or not).

### 3. Application

3.1 This policy applies to all councillors and employees of Council.

3.2 Part 6, section 196 of the LG Reg 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 Statement

4.1 Council recognises that there are circumstances where the provision of entertainment and hospitality is appropriate and can result in significant benefits for the Council. As a publicly funded body, however, it must ensure that public sector standards of accountability are maintained and associated practices are understood and consistently applied across the organisation.

4.2 All entertainment and hospitality expenditure must be in accordance with the following principles:

- a) Expenditure must be for official purposes and Councillors and Council Officers must identify the benefit for Council and demonstrate the benefit to the public interest.
- b) The expenditure must be properly documented with the purpose identified.
- c) The expenditure must be available for scrutiny by internal and external audit.
- d) Expenditure must be appropriate and reasonable, and where there is doubt on this issue, advice must be sought prior to the expenditure being incurred.
- e) Where there is any potential for a perceived conflict of interest or future obligation for Councillors or Council Officers, full disclosure must be included when requesting authorisation to incur expenditure.
- f) The Councillor or Council Officer who incurs an expense in accordance with this policy must not authorise that expenditure.
- g) Expenditure for hospitality or entertainment must be within Council's budget.

- h) Expenditure for hospitality or entertainment must be in accordance with Council's Procurement Policy.

4.3 In all instances of personal expenditure claimed for reimbursement or payment, the Chief Executive Officer ("CEO") or delegate should be comfortable in disclosing the expense.

4.4 CEO or delegate should be satisfied that the claim was reasonable, prior to the authorisation of any such payment or reimbursement.

4.5 In a situation where there is some doubt about the validity of a claim (i.e. where there is doubt that an activity or function relates to the official duties), the CEO should make a determination in relation to the principles of these guidelines and the Public Defensibility Test as outlined in Clause 7 of this policy.

## 5. Appropriate Hospitality

5.1 Entertainment should only be incurred where it is considered essential to facilitate the conduct of public business through persons who are able to do so, either by advice or because of their vocations or business needs.

5.2 Examples of expenditure considered to be appropriate hospitality include:

- a) Hosting dignitaries.
- b) Hosting representatives of business, industry and recognised community organisations, and the media.
- c) Hosting representatives of other local governments and other levels of government.
- d) Conducting special Council Officers functions such as farewells and annual Christmas parties.
- e) Special functions to recognise particular events/achievements of Council or Council Officers.
- f) Provision of tea, coffee, morning tea or afternoon tea for official visitors.
- g) Provision of light refreshments/lunches for internal meetings, conferences, seminars and workshops.
- h) Attendance at official functions for which charges are incurred; and
- i) Provision of lunch including refreshments for Councillors, senior Council Officers, and visiting dignitaries during official Council meetings.
- j) Provision of wreaths for ceremonies conducted by Council.

## 6. Prohibited Expenditure

6.1 The following types of entertainment or hospitality expenditure are prohibited:

- a) Tips and gratuities.
- b) Social and recreational club membership fees; and
- c) Parking offences and Traffic offences.

## 7. Transparency and Accountability

7.1 The following responsibilities apply to all Councillors and Council Officers:

- Be aware of and comply with the Entertainment and Hospitality Policy and other associated policies listed in this document.

- Ensure the expenditure is reasonable and appropriate, and consider the **Public Defensibility Test**.
  - *Public Defensibility Test*

Is a test that is applied to determine whether expenditure for hospitality or entertainment would be considered reasonable if an ordinary member of the public was aware. Examples of questions that should be asked before incurring the expenditure are:

    - ✓ would you be comfortable with disclosing the expenditure type and amount to the public;
    - ✓ the quantum of the expenditure;
    - ✓ the frequency of expenditure;
    - ✓ is it considered a traditional custom; and
    - ✓ is there an accepted community practice or standard?
- Report suspected breaches of policy in accordance with the Employee Code of Conduct
- A tax invoice must be obtained for all costs, and fringe benefits tax declarations must be completed in accordance with the Fringe Benefits Tax Guidelines. Where a tax invoice cannot be provided, the Councillor or Council Officer incurring the expense must provide a detailed list of items of expenditure, together with a statutory declaration certifying that the expenditure was incurred for official purposes.
- Ensure all expenditure for entertainment and hospitality is correctly recognised in the financial system as outlined above. This will assist Council in meeting the Annual Report disclosure requirements of the *Local Government Regulation 2012*.

## 8. Transparency and Accountability

8.1 All Councillors and Council Officers are bound to act in accordance with this policy.

## 9. Variations

9.1 Council reserves the right to vary, replace or terminate this policy from time to time.

## 10. Breach of Policy

10.1 Where Council reasonably believe a Councillor or Council Officer has breached this policy, the matter will be dealt with under the relevant legislation.

## 11. Related Policies and Procedures

11.1 The following where applicable apply:

- Employee Code of Conduct
- Procurement Policy
- Fringe Benefits Tax Guidelines
- Fraud and Corruption Policy
- Credit Card Policy