



Australian Government

Department of Health and Aged Care

FBR R2.3 Hospitality

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the Department of Health, Disability and Ageing

Introduction

This Finance Business Rule (FBR) is to be read in conjunction with Accountable Authority Instruction (AAI) [2.3 – Hospitality](#) which detail the Department's key policies regarding hospitality.

FBRs are issued by the Chief Financial Officer based on a direction from the Secretary. All officials are required to act in accordance with this FBR.

Definitions

The following definitions apply in this Business Rule:

- **hospitality** is the reception or entertainment of officials and external parties for the purpose of transacting and advancing the Department's business / objectives. Hospitality can be either official or non-Official. **Note:** Key principles in this FBR outlines the characteristics of the two forms of hospitality.
- **entertainment** means the provision of food, drink (alcoholic or non-alcoholic), recreation or gifts for entertaining purposes.
- **external parties** includes people external to the Department or Ministers' offices; such as guests, visitors, clients, contractors, business associates and other government employees.
- **reception** may be an event, function, gathering, greeting, meeting.
- **recreation** includes amusement, sport and similar leisure-time pursuits.
Example: access to sporting or theatrical events, amusement parks, joy flights, sightseeing tours, harbour cruises

The terms used in this FBR are defined in the *Public Governance, Performance and Accountability* (PGPA) [Glossary](#).

Key principles

Official Hospitality

Official hospitality is characterised by taking place in formal settings generally supporting formal occasions. For example, Health officials providing stakeholders with a restaurant quality meal as part of a formal occasion and / or business lunch or dinner. Refer 'Types of Official Hospitality' per tables in this FBR.

There are specific reporting requirements for official hospitality. Parliament seek periodic advice through a standard Question on Notice (supporting public accountability) and some official hospitality must be reported in the annual Fringe Benefits Tax return.

Approval for official hospitality is as per the Official Hospitality Column in [Schedule 1 of the Departments financial delegation instrument](#).

Official hospitality may be provided to external parties:

- who are providing advice, assistance, counsel, information, options, guidance or service to the Department or Minister's office; or
- share vocational or business interests; or

- to an official's family or partner so they may attend a function where their presence is necessary.

Examples of official hospitality by Ministers include:

- formal and large occasions involving overseas visitors, Ministers from States and Territories, large private sector gatherings, advisory council meetings;
- smaller formal functions such as lunches or dinners for visitors from industry or other governments dealing with the Department's business and held at a restaurant, parliamentary dining room, or catered in the Minister's home or in the Department.

Note: Department of the Prime Minister and Cabinet will coordinate Guest of Government hospitality occasions in consultation with official from the Minister's office and the Department.

Types of Official Hospitality

The table below outlines the types of permissible official hospitality. Costs are charged to the Official Hospitality GL account:

Activity	Information
Small formal functions	Business lunches or dinners which are more elaborate in quality may be provided. These events are usually provided in restaurant or café.
Large formal functions	Cocktail parties, dinners or catered occasions may be provided. These events are usually provided in function room or hotel.
Private gatherings	The Secretary or nominated officials may host functions in their private home.
Reciprocation / Representation	Officials may reciprocate or extend hospitality when: • on placement, secondment or exchange programme • on official representation duties • on a short-term overseas trip, or • leading a delegation/travelling team.
Presentations	Purchase of flowers or minor gifts of a protocol or public relations nature for use at official functions as: • a reciprocal presentation, or • presentation in social circumstances (e.g. to the spouse of an important guest).

Non-official Hospitality

Non-official hospitality is less elaborate provision of hospitality, morning and afternoon teas which provide tea, coffee and biscuits and a working lunch such as sandwiches, fruit and non-alcoholic beverages to officials and external parties on a working day.

Approval for non-official hospitality is as per the general spending limits in [Schedule 1 of the Departments financial delegation instrument](#).

As for all other expenditure, non-official hospitality must be assessed as being a proper use of Commonwealth resources i.e. the commitment proposal is an efficient, effective, economical and ethical use of relevant money that is not inconsistent with the policies of the Commonwealth.

Examples of activities that are **Non-official** hospitality are listed in the following table:

Activity	Charging
officials only meetings on departmental premises - half day meetings or less.	where tea, coffee or biscuits for morning or afternoon teas are provided, the costs are charged to food and beverages "Non Official Hospitality" GL account.
officials only meetings on departmental premises - all day meetings.	where a light lunch of sandwiches, fruit, juice and/or morning/afternoon teas are provided, the costs are charged to "food and beverages – Non Official Hospitality" GL account.
- seminars, training courses, workshops - planning days - conferences, or - similar activities.	- the costs of the facility or associated fees are charged to the operating expenses of the responsible area. - the costs of lunches, morning and afternoon teas provided are to be charged against the food and beverages "Non Official Hospitality" GL account.
flowers on the death of an official.	the costs may be charged to the operating expenses of the responsible area.

Non-official Hospitality – Staff achievement

The special achievement of officials or farewell of an official on retirement, transfer or posting is a sub-set of non-official hospitality. Additional approval is required as detailed in section 1c below.

Costs associated with non-official hospitality – staff achievement may be charged to the operating expenses of the responsible area.

Rules

1. All officials requesting or providing commitment approval:

- a. Officials requesting approval of hospitality (official or non-official) must complete and submit an online application in the [Financial Management Compliance System – Entertainment Module](#) for approval by the relevant delegate prior to entering into any arrangements or agreements. Section 3 outlines arrangements for the Geneva office which is a modification to this rule.
- b. The delegate approving a request for hospitality must ensure:
 - i. the expenditure complies with the Commonwealth Procurement Rules (CPRs), and [AAI 3.1](#) and [FBR R3.1](#) - Procurement;

- ii. the hospitality meets the expectation of achieving a benefit to the Department;
 - iii. the number of officials and external parties is limited to those whose presence is required; and
 - iv. associated costs must be reasonable and appropriate.
- c. Expenditure relating to the special achievement of officials or the farewell of an official on retirement, transfer or posting, including gifts, should be limited to \$50 and must be endorsed by the divisional First Assistant Secretary prior to expenditure. Where expenditure exceeds \$50 it must be endorsed by the Deputy Secretary. (refer [AAI 10.2](#) and [FBR R10.2](#) - Disposing of relevant property – gifts).
 - d. Cash prizes or cash awards using relevant money are not permitted. (refer [FBR R2.1](#) – Approving commitments of relevant money and entering into arrangements).
 - e. An official may not receive travel allowance and official hospitality for the same meal.
 - f. Officials should not provide a tip or gratuity from within official hospitality expenditure for services received, except where this is the expected and universal practice (e.g. in certain overseas countries) in which case the amount of the tip or gratuity should be consistent with that practice.

2. Ministerial hospitality:

- a. Ministers are responsible for the official hospitality they wish to provide within Australia. Official hospitality related to departmental business will be met from the Department's funds.
- b. The Department will **Not** meet the following hospitality expenses:
 - i. small scale day-to-day expenses associated with the Minister's office; and
 - ii. entertainment of official guests of Government.
- c. The number of people invited to a function should be kept to a minimum and be commensurate with what is appropriate to the purpose of the hospitality.
- d. There may be occasions when a member of a Minister's office incurs official hospitality expenses at the Minister's direction. When a claim for hospitality expenditure is made by the office member, the Minister should endorse the claim indicating the office member was acting as directed.

3. Overseas Post Hospitality (Geneva office):

- a. Requests for official hospitality with a financial commitment greater than AUD \$300 must be submitted in advance to the Assistant Secretary, International Strategies Branch for approval. Expenditure is to be paid for with a corporate credit card. Details of the actual expenditure, persons involved and nature of

discussions must be provided to the Branch Head after the event within a reasonable time.

- b. Holders of credit cards made available to support the Geneva office have financial delegations for small scale hospitality, up to a value of AUD \$300. The Assistant Secretary, International Strategies Branch is responsible for reviewing and endorsing all hospitality expenditure incurred on the departmental credit card.
- c. Requests for non-official hospitality are not required in advance but must be acquitted monthly (with the purchasing credit card acquittal). Annual budgets (where relevant) must be monitored and reconciled monthly. Details of the occasion, actual expenditure, persons involved and nature of discussions must be included with the reconciliation.
- d. The Assistant Secretary, International Strategies Branch is responsible for ensuring all information required by the department to meet reporting requirements on hospitality is provided and appropriately held.

References and forms

In applying this FBR, you must consider all relevant Accountable Authority Instructions (AAIs), Finance Business Rules (FBRs), Resource Management Guides (RMGs) and other government and Department of Health and Aged Care policies **including** the reference material and forms listed in the following tables.

Department of Health and Aged Care Requirements

References	Forms and other guidance
• AAI 2.3 – Official hospitality • AAI 2.1 and FBR R2.1 – Approving commitments of relevant money and entering into arrangements • AAI 3.1 and FBR R3.1 - Procurement • AAI 10.1 and FBR 10.1 – Acquiring relevant property • AAI 10.2 and FBR R10.2 – Disposing of relevant property • Financial Delegations: ○ Schedule 1 – Approve a proposal to commit relevant money - Hospitality	• Procurement Resources • FMCS - Request for official hospitality • Gift from Health - Register Template • Relevant Property Disposal Form • Intranet – FBT guide – special achievements

Commonwealth Guidance and References

Key Guidance	Key References
• Resource Management Guide No. 400: Approving commitments of relevant money • Commonwealth Procurement Rules (CPRs) • PGPA Glossary	• PGPA Act 2013: s21 • PGPA Rule 2014: s18

Penalties

Failure to comply with this Finance Business Rule may involve a breach of the Code of Conduct, and may lead to disciplinary action. If such a failure includes a breach of finance law it may result in civil or criminal penalties.

Ownership

All FBRs are maintained by Financial Governance section on behalf of the Chief Financial Officer and the business areas which hold the expertise in the relevant subject matter.

If you have suggestions regarding changes to its contents, please provide advice in the first instance to Financial Governance, with the FBR's number in the title of your email. Financial Governance section will consult with relevant business areas.

This FBR was approved on 5 September 2022.