



**Queensland Government**  
**Treasury**

# **Government Owned Corporations**

## **Corporate Entertainment and Hospitality**

### **Guidelines**

**Version 1.0**

**September 2008**

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## **1 Overview**

It is acknowledged that as part of doing business, Government owned corporations may determine that it is appropriate to offer hospitality from time to time to corporate customers, key stakeholders and interest groups.

Expenditure on corporate hospitality and entertainment is subject to the high standard of accountability which the Government and public expect from all Government agencies including Government owned corporations.

Accordingly, Government owned corporations' boards must ensure there are clearly identifiable commercial and organisational benefits for both the Government owned corporation and the State arising from any corporate hospitality and entertainment expenditure.

It is incumbent on Government owned corporations to provide guidance to their senior managers and decision makers to assist them in making the judgements necessary to ensure corporate hospitality and entertainment expenditure is appropriate, reasonable and able to withstand public scrutiny.

These guidelines express the minimum expectations of shareholding Ministers with respect to the provision of corporate hospitality and entertainment by Government owned corporations.

## **2 Scope**

These guidelines apply to any corporate hospitality or entertainment provided by boards and employees of Government owned corporations and their subsidiaries to:

- the board, senior executives and employees;
- clients and prospective clients;
- suppliers;
- stakeholders;
- shareholders and their representatives (including departmental officials); and
- community groups.

### **3 Principles**

1. Each Government owned corporation is to ensure it has a board approved policy relating to corporate hospitality and entertainment in place that is regularly reviewed at specified intervals to ensure it adequately reflects the operating environment of the organisation and to ensure that reasonable community standards of hospitality and entertainment are being implemented.
2. Corporate hospitality and entertainment expenditure is to be for official purposes only. The board approved policy should provide clear and unambiguous guidance on what is considered to be acceptable use of the corporation's monies for providing official entertainment or hospitality and clearly define what forms of entertainment and hospitality are considered essential to the operation of the corporation's business. The expenditure and the nature of the event are to be reasonable by community standards and be able to withstand public scrutiny. It is not expected that corporate hospitality would be a substitute for business meetings.
3. Adequate documentation should be available for scrutiny by both internal and external auditors and for corporate, accounting and taxation purposes, with the business purpose identified. The board approved policy should specify the type of supporting documentation required to support the provision of official entertainment and hospitality.
4. Corporate hospitality and entertainment expenditure should be authorised and approved by an appropriate officer. Board approved policies should clearly outline delegated approval levels for expenditure. The delegated approving officer must be able to identify the benefit of the expenditure for the Government owned corporation and the State. Relevant officers planning and/or authorising such events need to have sufficient experience and training to make judgements as to the reasonableness of the event and the event's capacity to comply with accepted industry and community standards.
5. Guidance should be provided in the board approved policy on appropriate expenditure limits associated with aggregate event expenditure and expenditure per head to ensure reasonable limits are observed taking into account the nature of the event.
6. The board approved policy should establish criteria for determining participants at official events. Particular regard should be given to defining the type of events at which it is considered appropriate for partners of employees, directors or guests to attend. Guidance should also be provided as to the appropriate proportion of the corporation's representatives relative to external guests.
7. Regular monitoring and reporting processes are to be undertaken to ensure official entertainment and hospitality provided aligns with the board approved policy and shareholding Ministers' expectations.

## 4 Receiving Hospitality

When receiving hospitality, care should be taken to avoid any possible conflict of interest. It is particularly important that such situations should not be perceived or construed as providing an incentive for any commercial transactions. Transparency, accountability and integrity are to be maintained and Government owned corporations' policy procedures are to give effect to achieving these outcomes. Government owned corporations should have separate board approved policies in place with respect to the receipt of gifts and entertainment.

## 5 Reporting

Annual budgeted expenditure for corporate entertainment and hospitality is to be documented by each Government owned corporation within its Statement of Corporate Intent. Details should include total expenditure and individual commitments over \$5,000. Government owned corporations are requested to provide details of any significant changes to their corporate entertainment and hospitality commitments, as specified in the Statement of Corporate Intent, and details of actual expenditure incurred within quarterly reports to shareholding Ministers. It is expected that quarterly reports to shareholding Ministers also include reporting on individual events which cost over \$5,000 and the benefits accruing from them. These reporting provisions are to appear in the Government owned corporation's board approved policy in relation to corporate entertainment and hospitality.

## 6 Version History

Version	Date	Contact	Changes
1.0	September 2008	Policy and Governance, OGOC, Treasury	Initial release