



Amd Date 13/10/09

Policy Statement

This policy sets out Stanwell's requirements for entertainment, corporate hospitality and other discretionary expenditure.

Scope

- This policy applies to any corporate entertainment, hospitality and other discretionary expenditure incurred by Directors, employees and contract employees of Stanwell.

Discretionary expenditure on domestic and international travel is covered under the *Travel Policy* and is therefore outside the scope of this policy.

Objectives

- To ensure there are clearly identifiable commercial and organisational benefits for both Stanwell and the State from any corporate hospitality and entertainment expenditure.
- To ensure corporate hospitality and entertainment expenditure is appropriate, reasonable and able to withstand public scrutiny.
- To provide consistent guidelines for Stanwell staff in dealing with corporate entertainment and hospitality expenditure incurred during work duties or corporate functions.

Policy Outline

Discretionary expenditure represents any expenditure incurred where discretion is required to be exercised in determining the nature and amount of the expenditure and where the person incurring the expenditure normally, but not always, has a personal interest in the expenditure being incurred. Examples of discretionary expenditure include meals, entertainment, corporate hospitality, networking and other group functions.

Stanwell acknowledges that as part of doing business, it may be appropriate to offer corporate hospitality and entertainment to corporate customers, suppliers, key stakeholders, interest groups and associates from time to time.

Stanwell also acknowledges the high standards of accountability which the Government and public expect of Government Owned Corporations. Stanwell will ensure that all discretionary expenditure is appropriate, reasonable and able to withstand public scrutiny.

In assessing the appropriateness of any discretionary expenditure, the proposed spending must clearly support Stanwell's Statement of Corporate Intent and there must be clearly identifiable commercial and organisational benefits for both Stanwell and the State.

All dollar values in this policy are to be read as including Goods and Services Tax (GST) unless otherwise stated.

Policy requirements with respect to non-travel discretionary expenditure are set out below:



Amd Date 13/10/09

Corporate Entertainment & Hospitality

Corporate entertainment and hospitality events (events) are to be for official purposes only and must have a beneficial connection with the Corporation's interests as outlined in the Statement of Corporate Intent.

- + The benefits to Stanwell shall be documented and attached to any request for approval.
- + Approval for expenditure on an event must be received before the event is arranged.

The nature and cost of any event is to be reasonable by community standards and able to withstand public scrutiny.

It is not expected that corporate hospitality would be a substitute for business meetings.

Entertainment & hospitality can include meal and non-meal related events which may occur on business premises or at other venues. Such events would typically include but are not necessarily limited to:

Externally focussed events

- Official entertainment of important visitors (local, interstate or overseas)
- Attendance by senior staff at local community sponsored events, important functions or public relations events where staff are officially representing Stanwell
- Attendance and meals at industry events

Internally focussed events

- Working breakfasts, lunches and dinners
- Formal team building exercises
- Staff information sessions
- Occasional awards or rewards to staff in recognition of individual and/or team contribution or performance in line with the Performance Recognition Guidelines
- Board functions
- Staff functions

For externally focussed events, Stanwell expects that the attendees funded by Stanwell will be either Directors, employees or contract employees of Stanwell, or official guests of Stanwell. Attendance of partners at externally focussed events is allowable and should be in accordance the guidelines provided in this policy.

The mix of Stanwell representatives to official guests should be guided by the need to optimise the business outcomes to Stanwell and the list of Stanwell representatives should be limited to those with a direct involvement in the business interest being advanced by the event.

For internally focussed events, Stanwell expects that all attendees would be Directors, employees or contract employees of Stanwell.



Amd Date 13/10/09

Prior written approval must be obtained from the relevant Executive General Manager (EGM), the Chief Executive Officer (CEO) or the Board as required if family members are being invited to an official function at Stanwell's cost.

Networking and Group functions

Networking and group functions (functions) are externally focussed, are defined as having six or more attendees and as a guide, 50% of the attendees have no direct link to Stanwell.

For each function, there must be a demonstrated link to Stanwell's Statement of Corporate Intent.

Such functions are permitted where there is a clearly identified benefit in facilitating or conducting business through persons/organisations who are able to provide advice or service, or whose vocational or business interests are of value to the Corporation. Functions can include entertaining members of the public or industry where there is an involvement with business initiatives.

Functions are generally considered acceptable when resulting from an approved corporate marketing or sponsorship program or for which an attendance fee is charged by Stanwell.

Such functions should not be a substitute for business meetings, which would ordinarily be conducted in the workplace and be consistent with Stanwell values.

For each function, the guest list and business linkage or association to Stanwell shall be recorded for approval purposes, with evident oversight by the Board (for Board functions) and the CEO (for non-Board functions) prior to organising the function.

Acceptable Cost of Entertainment and Hospitality Events and Networking Functions

The nature and cost of any event is to be reasonable by community standards and able to withstand public scrutiny.

A general limit of \$125 per person inclusive of meals, drinks and other entertainment applies all events and functions with the expectation that the \$125 limit would be the exception rather than the rule.

On occasions where the general limit is insufficient, an explanation of the need for the higher cost must be included with the request for approval of the event.

There is an expectation that internally focussed events will be of a simple standard and will generally be at a cost of much less than the \$125 limit. For guidance, some examples are provided below:

- For a farewell morning tea, the cost may fall within the range \$2 to \$10 per person.
- A working breakfast or working lunch may fall within the range \$5 to \$20 per person.
- A team building exercise or lunch in recognition of significant staff efforts may fall within the range of \$15 to \$70.

For farewell events or recognition of service events for staff with over 5 years of service, a limit of \$125 per person would be the exception rather than the rule with \$70 per person being considered a reasonable amount.



Amd Date 13/10/09

With the exception of morning teas (see above) Stanwell will not contribute to farewell events for staff with less than 5 years of service unless there are exceptional circumstances and with the prior approval of the CEO.

For farewells, the level of expenditure considered reasonable depends on a number of factors including the seniority of the departing employee, the number of years of service and contribution made to Stanwell.

For celebrations of major achievements, and other staff related entertainment, guidelines for the level of expenditure to be incurred will largely depend on the duration, complexity and extent of staff involvement across the corporation as well as the frequency of similar types of events. Such events require EGM pre-approval.

In circumstances where the cost of an event or function exceeds the limits set out above, it is allowable for employees to contribute personal funds to the extent required to reduce the cost to Stanwell to an allowable amount. If this should occur, the private transaction will ideally be kept completely separate from Stanwell by (1) obtaining a separate tax invoice for the portion being paid privately, and (2) paying for the private amount via means other than by Stanwell Corporate Credit Card.

Attendance of Non Stanwell Staff at Events and Functions

When an attendee at an event or function is not a Director, employee or contract employee of Stanwell, their name and respective organisation and their personal relationship to other attendees (if any) shall be provided on credit card expenditure reconciliations/declarations.

For example, if a partner of an employee attends a function, the description would be "Alex Volt partner of Stanwell employee, Sandra Volt" or in the case of a business connection, "Millie Watt – Electrical Engineer, Mitachi Co."

Given the need for a clear link between entertainment and hospitality expenses and the goals outlined in the Statement of Corporate Intent, there will be only limited times when the attendance of the partner of Directors, employees or guests will be justifiable.

Events held during business hours will usually take on a more professional tone and there would be very few occasions where Stanwell would find it appropriate to meet the costs of the attendance of a partner. Events held outside of normal business hours may take on a more relaxed tone and, on occasion, it may be socially appropriate and in the interests of Stanwell for partners to attend.

Expenses relating to an accompanying partner will only be met by Stanwell where the nature of the event requires the attendance of partners or is of benefit to Stanwell.

Prior written approval must be obtained from the relevant Executive General Manager, the CEO or the Board as required before the partner of a Director, employee or guest attends an official function at Stanwell's cost.



Amd Date 13/10/09

Receiving Hospitality

When receiving hospitality, care should be taken to avoid any possible conflict of interest. Transparency, accountability and integrity are to be maintained and it is particularly important that the situation should not be perceived or construed as providing any incentive for any commercial transactions.

Please refer to the *Giving and Receiving Gifts Policy* for details.

Reporting

The program for corporate functions and events is managed by the General Manager – Community and Stakeholder Engagement, endorsed annually by the Board and approved by shareholding Ministers as part of the Statement of Corporate Intent process.

Annual budgeted expenditure for corporate entertainment and hospitality is to be documented within Stanwell's Statement of Corporate Intent. Details shall include total expenditure and individual commitments over \$5,000 (excl. GST).

The *Corporate Entertainment and Hospitality Guidelines for Government Owned Corporations* directs Stanwell to provide details of any significant changes to its 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. Furthermore, each quarterly report shall include reporting on individual events which cost over \$5,000 (excl. GST) and the business purpose of those events. 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.

Approvals and Payment Process

A summary of approval requirements is provided below:

1. All approvals must be obtained before an event or function is booked.
2. All event and function expenditure (expenditure) over \$1,100 in total shall be approved by the relevant EGM.
3. Expenditure up to \$1,100 in total may be approved by the line manager (or relevant financial delegate).
4. Where the cost of an event or function exceeds \$125 per person, approval is required from the relevant EGM or CEO.
5. Under no circumstances can a person approve their own expenditure.

Where possible, the most senior person at an event is required to pay for the expenditure and must ensure the cost is kept within appropriate limits.

Expenditure is to be paid via the following methods (in order of preference):

1. Corporate credit card



Amd Date 13/10/09

2. Invoiced direct to the Corporation
3. Cash reimbursement

Supporting Documentation

Adequate documentation shall be available for scrutiny by both internal and external auditors and for corporate, accounting and taxation purposes, with the business purpose clearly identified.

The minimum supporting documentation required in support of the provision of official entertainment, hospitality events and networking functions is as follows:

1. A description of the event,
2. The names, organisation and relationship status (if any) of attendees,
3. A tax invoice (or a receipt for expenditure under \$75 excluding GST),
4. A signed declaration stating (1) that the expenditure was for official purposes, and, (2) the benefit of the event to Stanwell and the State.

In all cases, valid tax invoices and supporting documentation is to be provided for review and approval.

When an attendee at any event or function is not a Stanwell employee their name and respective organisations are to be provided on credit card expenditure reconciliations/declarations.

Responsibilities

The Board is responsible for approving this policy.

The Chief Financial Officer is responsible for administering and updating the policy.

All Stanwell Directors, employees and contract employees are responsible for ensuring the policy requirements are complied with.

Communication Plan

Stanwell will provide guidance to senior managers and decision makers to assist them in making the necessary judgements to ensure all discretionary expenditure is in accordance with this policy.

At a minimum, this policy and any subsequent updates are communicated via email to the entire corporation. Additional communication may be coordinated by the policy owner.

This policy is available electronically on the Intranet.

Review

This document shall be reviewed bi-annually as a minimum.



Amd Date 13/10/09

Links and References

- Corporate Entertainment & Hospitality Guidelines for Government Owned Corporations (version 1.0) released September 2008 (doc ref 130985)
- [Travel Policy](#)
- [Giving and Receiving Gifts Policy](#)

[Return To Top](#)