

The Implications of Providing Entertainment Under the 'Actual Method'				
Type of Entertainment/Non-Entertainment Provided:	Meal Entertainment or Recreation	Does FBT Apply	Income Tax Deduction	GST Claim
1. Provisions of Entertainment/non-entertainment on employer's business premises				
(a) <b>Employee Amenities</b> for current employees including tea and coffee, water dispensers, food and drink vending machines.	Not Entertainment	No	Yes	Yes
(b) <b>Light Refreshments</b> in connection with meetings, training sessions, overtime, working lunches, weekend work etc (Light refreshments include sandwiches, pizza, take away food and soft drink): • Employees • Clients, Contractors, supplies, etc.	Not Entertainment	No	Yes	Yes
	Not Entertainment	No	Yes	Yes
(c) <b>Social Activity/Function</b> such as Friday night drinks, Christmas party or similar function.  Food and drink including alcohol, caterers, waiting staff etc:  • Employees • Associates • Clients, contractors, suppliers, etc.	Meal Entertainment	No	No	No
	Meal Entertainment	Yes	Yes	Yes
	Meal Entertainment	No	No	No
(d) A buffet dinner (without alcohol) provided as sustenance on the employer's premises before a monthly evening meeting	Not Entertainment	No	Yes	Yes
2. Business Lunches and Dinners at a Restaurant or Similar Venue				
• Employees • Clients, contrators, suppliers, etc.	Meal Entertainment	Yes	Yes	Yes
	Meal Entertainment	No	No	No
3. Food and Drink Consumed by Employees Travelling Overnight on Business				
(a) <b>Travelling Employee</b> dines alone or with other travelling employees	Not Entertainment	No	Yes	Yes
(b) <b>Travelling Employee</b> dines with non-travelling employee  • Travelling employee's meal • Non-travelling employee's meal	Not Entertainment	No	Yes	Yes
	Meal Entertainment	Yes	Yes	Yes
(c) <b>Travelling Employee</b> dines with non-travelling client • Travelling employee's meal • client's meal	Not Entertainment	No	Yes	Yes
	Meal Entertainment	No	No	No
(d) <b>Travelling Employee</b> dines with spouse • Travelling employee's meal • Spouse's meal	Not Entertainment	No	Yes	Yes
	Meal Entertainment	Yes	Yes	Yes
4. Overnight Conference for Employees Only				
• Food and drink provided during conference • Food and drink consumed with entertainment • Game of golf, tennis, sightseeing etc. (During Free Time) • Accommodation during conference only • Travel to and from conference venue	Not Entertainment	No	Yes	Yes
	Meal Entertainment	No	Yes	Yes
	Recreation	Yes	Yes	Yes
	Not Entertainment	No	Yes	Yes
	Not Entertainment	No	Yes	Yes
5. Food and Drink Consumed by Employees at Seminars				
• Food and drink provided during conference • Light refreshments provided at CPD seminar (May include alcohol)	Not Entertainment	No	Yes	Yes
	Not Entertainment	No	Yes	Yes
6. Social Functions at a Restaurant, Function Centre etc. for Employees and Associates only (E.g Christmas Party or Awards Night)				
• Food and drink provided during conference • Travel and/or accommodation connected with function • Venue hire (e.g at a function or reception centre) • Band and/or other entertainers (hired seperately)	Meal Entertainment	Yes	Yes	Yes
	Meal Entertainment	Yes	Yes	Yes
	Recreation	Yes	Yes	Yes
	Recreation	Yes	Yes	Yes
7. Gifts				
(a) Bottle of whisky, wine or similar drink, Christmas hamper, perfume, flowers, pen sets etc. • Employees and associates • Clients, Contractors, suppliers etc.	Not Entertainment	Yes	Yes	Yes
	Not Entertainment	No	Yes	Yes

(b)	Tickets to theatre, movie, sporting event • Employees and associates • Clients, Contractors, suppliers etc.	Recreation Recreation	Yes No	Yes No	Yes No
<b>8. Corporate Box Functions</b>					
(a)	Food and Drink (including Alcohol) • Employees and associates • Clients, Contractors, suppliers etc.	Meal Entertainment Meal Entertainment	Yes No	Yes No	Yes No
(b)	Hire of Corporate Box • Employees and associates • Clients, Contractors, suppliers etc.	Recreation Meal Entertainment	Yes No	Yes No	Yes No
(c)	Advertising	Not Entertainment	No	Yes	Yes
<b>9. Corporate Sporting Days (e.g Golf, Tennis etc.)</b>					
(a)	Food and Drink (Including alcohol) • Employees and associates • Clients, Contractors, suppliers etc.	Meal Entertainment Meal Entertainment	Yes No	Yes No	Yes No
(b)	Hire of Sporting Facilities • Employees and associates • Clients, Contractors, suppliers etc.	Recreation Recreation	Yes No	Yes No	Yes No
<b>10. Weekend planning retreat held by an employer at a hotel complex with conference facilities</b>					
(a)	Sandwiches, finger food and soft drink or fruit juice provided during lunch	Not Entertainment	No	Yes	Yes
(b)	Evening dinner held on hotel premises with no associated entertainment	Not Entertainment	No	Yes	Yes
(c)	Dinner held on or off the hotel premises with entertainment (eg. Live band or floor show)	Entertainment	Yes	No	No
(d)	Dinner held off hotel premises (eg. At a local restaurant)	Not Entertainment	No	Yes	Yes