

ENTERTAINMENT AND HOSPITALITY POLICY

POLICY: Far North Queensland Ports Corporations Limited (trading as Ports North) will keep and maintain adequate policies, procedures and controls over expenditure on entertainment and hospitality to ensure that such expenditure constitutes an acceptable use of funds and is properly accounted for in accounting records.

DEFINITION: Entertainment and Hospitality expenditure includes:

- the provision of food and drink
- the provision of recreation including amusement, sport, theatrical, sightseeing and similar leisure time pursuits
- accommodation or travel associated with any of the abovementioned activities.

It does not include the provision of minor food, drink or lunches consumed on Ports North premises.

PROCEDURES/ GUIDELINES

1. The following officers/employees of Ports North are authorised to approve or incur reasonable Entertainment and Hospitality expenses in accordance with this Policy to further Ports North's business interests:
 - Chairman (to a maximum of \$20,000)
 - Chief Executive Officer (to a maximum of \$10,000)
 - Direct Reports to the Chief Executive Officer (to a maximum of \$2,000)

Amounts in excess of these thresholds will require the approval of the Board.

2. No other officer/employee shall be authorised to incur Entertainment and Hospitality expenditure without the approval of an officer/employee listed in paragraph 1 above and all Entertainment and Hospitality expenditure must comply with this Policy.
3. All expenditure on Entertainment and Hospitality incurred by authorised officers/employees must satisfy the following:
 - a) the expenditure must have a direct link to advancing the business interests of Ports North and invited guests will be considered of benefit to advancing the business interests of Ports North
 - b) The delegated approving officer must be able to identify the benefit of the expenditure for Ports North and the State
 - c) the expenditure must be properly reported and authorised in accordance with the requirements of Ports North's Financial Management Practice Manual
 - d) only "reasonable" and "appropriate" expenditure may be incurred. The authorised officer shall be responsible for determining the reasonableness of any expenditure and shall give regard to the following:
 - the cost involved (depending on the business requirement an amount in normal circumstances up to and not exceeding \$150 per head for an external function and \$100 per head for a function conducted on Ports North premises). It is recognised that expenditure over \$150 per head may be appropriate in limited circumstances, in which case CEO approval is required.

- the frequency of the provision of such expenditure
 - whether the expenditure advances the business interests of Ports North
 - e) whether the expenditure may be considered to be an acceptable use of public monies
 - f) The number of invited Ports North staff is expected to be less than invited external guests.
4. Examples of expenditure that is not “reasonable and appropriate” includes:
 - where there is an unacceptable element of risk
 - the provision of excessive food or drink
 - where there is an obvious mis-match between the quantum of the expenditure and the outcome
 - gifts of any kind other than that approved by the Chief Executive Officer.
 5. The incurrence of Entertainment and Hospitality expenditure that may involve family and friends of the officer/employee is not appropriate. It is however accepted that, in some limited circumstances, it is appropriate that a spouse will accompany the Ports North officer/employee on business related activities.
 6. When requesting reimbursement of expenses incurred on Entertainment and Hospitality, the authorised officer/employee shall include the following:
 - a) the names of all Ports North recipients of the benefit (include spouse, if applicable)
 - b) the names of all other recipients of the benefit and the company / department/organisation of which they are a representative
 - c) tax invoices which clearly detail the nature of the expenditure incurred. No service tips or gratuities are to be claimed.
 - d) a statement by the authorised officer/employee as to how the business interests of Ports North have been advanced by the incurrence of the expenditure
 - e) such other matters that may be required by the Financial Management Practice Manual for the reimbursement of expenses.
 7. The use of Corporate Credit Cards for Entertainment or Hospitality must be in accordance with the provisions of the Financial Management Practice Manual relating to the use of credit cards.
 8. Amounts for expenditure on Entertainment and Hospitality expenditure will be agreed and included in Ports North business plans each financial year.
 9. In accordance with the *Sponsorship, Advertising, Donations, Corporate Entertainment and Hospitality Guidelines*, annual budgeted expenditure for corporate entertainment and hospitality must be documented within the Statement of Corporate Intent. Details should include total expenditure and individual commitments over \$5,000. Shareholding Ministers are to be notified of any significant changes to corporate entertainment and hospitality commitments outlined in the Statement of Corporate Intent and details of actual expenditure incurred through the quarterly reporting process. Individual events where costs exceed \$5,000 must also be included in the quarterly reporting process along with the benefits accruing from them. The annual report must also include a table on corporate entertainment and hospitality covering all individual corporate

entertainment and hospitality expenses over \$5,000, undertaken during the financial year. This table should list the event, date and total cost for each item. If there are no individual expenditure items over \$5,000 to report the following sentence should be included: "Ports North did not undertake any corporate entertainment and hospitality events over \$5,000 in FY20xx".

APPROVED BY:	Board	DATE:	28 May 2010
APPROVING AUTHORITY	Audit and Risk Committee		
DELEGATION INSTRUMENT	Board Resolution – 28 May 2010		
CUSTODIAN:	General Manager Corporate Affairs & Sustainability		
COMMENTS:	<ul style="list-style-type: none"> • Reviewed by Acting Chief Executive Officer – January 2009 • Corporate Governance Review – February 2010 • Reviewed by ARC – August 2012 • Reviewed by ARC – August 2014 • Reviewed by ARC – August 2016 • Reviewed by ARC – August 2019 • Reviewed by ARC – November 2022 		