

Where the University provides food and drink for staff and their associates which does not meet a Fringe Benefits Tax (FBT) exemption the provision of the food and drink is considered to be 'entertainment' and the costs will be subject to FBT.

The provision of alcohol is regarded by the Australian Taxation Office (ATO) as being primarily for social purposes, the provision of which at events will generally denote that the entire event is 'entertainment' or a social event.

Food and drink provided as 'entertainment' to third parties (students, clients, suppliers etc.) is not subject to FBT.

However where food and drink is provided by way of 'entertainment' to third parties, the University is not able to claim back from the ATO any Goods and Services Tax (GST) paid on the food and drink provided to third parties.

Events which are categorised as 'entertainment' or social functions and for which food and drink provided free of charge to staff and their families will attract FBT include:

- staff welcomes
- staff farewells
- staff thankyou's
- staff achievement celebrations
- staff/section/school morning or afternoon teas
- business lunches
- Accommodation Services 'Res Ball'
- VIOSH Australia Annual Dinner

FBT Exemptions for food and drink

- Food and drink provided to staff on premises at their workplace as sustenance to complete the day in comfort. This includes morning or afternoon tea or light meals. Morning and afternoon tea includes light refreshments such as tea, coffee, fruit drinks, cakes and biscuits, but does not include alcohol.
- Food and drink provided to staff while travelling. Travelling is defined as a staff member travelling away from their home city of employment for University business purpose and staying overnight.
- Food and drink provided to staff whilst on day travel up to a value of \$25.00 per meal. Meal values are not to be pooled or accumulated and are only to be paid for the meal time occurring during actual travel. Day travel is defined as a staff member travelling away from their home city of employment for University business with no overnight stay.
- Food and drink provided as an incidental addition to an eligible training seminar. An eligible training seminar is any training session, including a conference, convention, lecture, meeting, speech, question and answer session or educational course, which has a duration of 4 hours or greater, not including any part of the seminar that occurs during a meal or any breaks during the seminar for meals, rest or recreation.

The business of the seminar must not be to give or receive information, or discuss matters relating to the University in general or to promote or advertise the University.

The food and drink must be :

- provided for sustenance because of the duration, time of day or location of the seminar;
- provided immediately before, during or immediately following working sessions of the seminar;
- available to all seminar participants.

For a more detailed examination, the 'Taxation Consequences of the Provision of Food and Drink' table is available from Financial Operations. This provides various scenarios involving the provision of food and drink and the FBT and GST treatment required.

This table is available both in hardcopy and electronically, and can be accessed from the Taxation page on the Finance@FedUni website