

## Fringe Benefits Tax (FBT) – Eligible Seminars

### What is an eligible seminar?

An eligible seminar is any training session, including a conference, convention, lecture, meeting, speech, question and answer session or educational course, which goes for at least four hours.

A planning day (where employees discuss general policy issues relevant to the internal management of your business) conducted on property that is occupied by a person (other than the employer) whose business includes organising seminars or making property available for conducting seminars, is an eligible seminar.

### What is not a seminar?

A business meeting, where the main purpose of the meeting is to give or receive information, or discuss matters relating to the University, is not a seminar.

A presentation or event, for example, where the main purpose is to promote or advertise the business (or prospective business) of the University or its goods or services, is not a seminar.

An events which have business sessions with total duration, not including travel, meal and rest breaks, less than 4 hours, is not a seminar.

An events dedicated solely or principally to team building or bonding exercises and sessions do not meet the definition of a training session and is not a seminar.

### Which part of the seminar can be included in the four hours?

The four hours does not include any part of the seminar that which is travel, occurs during a meal, is a meal break or any breaks for rest or recreation.

### How to show what was discussed or presented at a seminar?

A seminar should have an agenda detailing the sessions to be undertaken during the event, the duration of the sessions and the nature of the subject matter to be discussed or presented.

### Food & drink provided at eligible seminars

Expenditure on food and drink that is reasonably incidental to the attendance of an employee at an eligible seminar is not considered to be meal entertainment and is not subject to fringe benefits tax.

### What does reasonably incidental mean?

Food or drink is reasonably incidental to a seminar if:

- it is not a central or primary focus of the event;
- it is not elaborate or fancy;
- it is provided for sustenance due to the duration, time of day or location of the seminar;
- it is provided immediately before, during or immediately following working sessions of the seminar; and
- it is available to all participants.

### What if the event is not an eligible seminar?

If an event is undertaken which cannot be classified as an eligible training seminar, then it is likely that all costs associated with the event would attract FBT, this would include but is not limited to: transport costs for staff to or from the event, staff accommodation costs, facility and room hire, equipment hire, catering costs, and facilitator costs.

#### **Example: Food and drink provided at seminar which is not entertainment**

A non-profit vocational guidance organisation pays for an employee to attend a seminar about adult learning trends. The seminar is held from 9.00am to 4.00pm in a city hotel. Morning and afternoon tea and lunch are provided during the day. The employer pays the organisation presenting the seminar.

The food or drink provided in these circumstances does not amount to entertainment and is therefore not meal entertainment. It is a property fringe benefit. The full cost of attending the seminar would have been income tax deductible to the employee had the employee paid for it. The taxable value of the property fringe benefit can be reduced to nil under the 'otherwise deductible' rule.