



GST & FBT - Tax Liabilities Applicable to Meal Entertainment

CIRCUMSTANCE IN WHICH FOOD & DRINK ARE PROVIDED	PROVIDED TO	MEAL ENTERTAINMENT	SUSTENANCE	FBT	REPORTABLE	GST (ITC)
CONSUMED ON EMPLOYER'S BUSINESS PREMISES						
At a social function	Staff	Yes	No	Yes	No	Yes
	Associate	Yes	No	Yes	No	Yes
	Client	Yes	No	No	No	No
In an in-house dining facility (not at a social event)	Staff	No	Yes	No	No	Yes
	Associate	No	Yes	Yes	Yes	Yes
	Client	No	Yes	No	No	No
Morning & afternoon teas & light lunches i.e. No alcohol	Staff	No	Yes	No	No	Yes
	Associate	No	Yes	Yes	Yes	Yes
	Client	No	Yes	No	No	Yes
FOOD & DRINK CONSUMED OFF THE EMPLOYER'S PREMISES						
At a social function or business lunch	Staff	Yes	No	Yes	No	Yes
	Associate	Yes	No	Yes	No	Yes
	Client	Yes	No	No	No	No
BUSINESS TRAVEL FOR EMPLOYEES						
Food and/or drink provided to	Staff	No	Yes	No	No	Yes
Wine accompanying an evening	Staff	No	Yes	No	No	Yes
Employee dines with a client who is travelling separately	Staff	No	Yes	No	No	Yes
Employer pays for all meals	Staff	No	Yes	No	No	Yes
	Associate	Yes	No	Yes	No	Yes
	Client	Yes	No	No	No	No
USE OF CORPORATE CARD						
Staff members dine together at a restaurant & the meal is paid for with the credit card	Staff	Yes	No	Yes	No	Yes
MEALS CONSUMED BY STAFF MEMBERS WHILE ATTENDING A SEMINAR						
Provided incidental to a seminar not held on the employer's premises	Staff	No	No	No	No	Yes
Light breakfast provided at a CPD seminar that does not satisfy "eligible CPD seminar"	Staff	No	Yes	No	No	Yes
Light refreshments (including moderate amount of alcohol) provided immediately after a CPD seminar that is not an eligible	Staff	No	Yes	No	No	Yes
Alcohol provided at the conclusion of a CPD seminar with finger food	Staff	No	Yes	No	No	Yes
CONSUMED BY STAFF MEMBERS AT EMPLOYER PROMOTIONS						
Function not held on employer's premises & open to general public	Staff	Yes	No	Yes	No	Yes
Function held on employer's premises & open to the general public (e.g. graduations are not	Staff	No	Yes	No	No	Yes
	Client	No	Yes	No	No	Yes
FOOD & DRINK PROVIDED WHILST OVERSEAS AND IS NOT CSU BUSINESS RELATED						
Food & Drink	Staff	No	Yes	Yes	Yes	No
	Associate	No	Yes	Yes	Yes	No
	Client	No	Yes	No	No	No



Glossary of definitions

Staff	Employee of CSU and its controlled entities.
Associate	Includes all relatives, defacto, spouses, partners, partners' spouses and children.
Clients	Includes students, guests, business associates but not staff or associates.
FBT	Fringe Benefits Tax – is generally applicable to any material benefit, other than salary or wages derived by an employee from employment. Usually takes a non-monetary form.
ITC	Input Tax Credit – where GST is charged on a taxable goods & services and can be claimed from the Australian Tax Office.
In-house Dining Facility	An approved internal dining facility is defined under Division 32 of the income Tax Assessment Act 1997 ("ITAA97") to mean: a) canteen, dining room or similar facility; or b) a café, restaurant or similar facility; which is c) operated wholly or principally for providing food or drink on working days to employees which is located on property occupied by the employer and is not open to the public .
Social function	A social function is characterised by the provision of entertainment, amusement or hospitable provisions for the wants of a guest. A social function displays a clear intention to treat food or drink consumed in such situations as entertainment, where the purpose of the function is for the employees to enjoy themselves or interact, whether or not business discussions or business transactions occur at the same time. In order to determine when the provision of food or drinks results in entertainment you should consider: the reason why; what; when; and where it is being provided.
Morning and Afternoon Tea/Light Lunches	Morning and afternoon tea includes light refreshments such as tea, coffee, juice, & biscuits, but does not include alcohol . Light lunches may include sandwiches, finger food, salads etc. It is generally merely providing refreshment/sustenance only, and not for the entertainment or social interaction of recipients.
Eligible Continuing Professional Development (CPD) Seminar	To constitute a seminar within the meaning of Section 32-35 of ITAA97, the following conditions must be satisfied: a) there must be a conference, convention, lecture, meeting, award presentation, speech, training session or educational course; and b) it must have a continuous duration of four (4) hours or more. Meals, rest or recreation breaks are not treated as affecting the continuity of a seminar & are not taken into account in determining its duration. The sole or dominant purpose of the seminar must not be the promotion or advertising of the business or of the goods & services which it provides. The sole or dominant purpose of the seminar must not be the provision of entertainment. If more than light refreshments are provided incidental to the CPD seminar, such as a gala dinner (which constitutes meal entertainment as opposed to sustenance), then the cost of the meal entertainment will be taxable.