



FBT and festivities: what employers need to know

Find out if your staff parties, recreational activities and employee gifts will attract FBT.

Published 31 October 2025

As the end of year approaches, many businesses celebrate with staff parties, events and gifts to recognise and reward their employees.

If you're planning an end-of-year workplace celebration, you should consider if the benefits you provide attract fringe benefits tax (FBT).

This will depend on:

- the amount you spend on each employee
- when and where your event is held
- who attends the event
- the value and type of gifts provided.

When FBT may not apply

If your business holds a workplace celebration or provides staff with gifts, these may be exempt from FBT in some situations. This can include when you provide:

- food and drink to your employees that is **consumed on your business premises** on a working day
- food and drink to your employees or associates (such as partners) off your business premises which costs less than \$300 per person and qualifies as a **minor benefit**

- infrequent gifts to your employees with a value of less than \$300 per person and qualifies as a **minor benefit**
- recreational activities (such as golf) which cost less than \$300 per person and qualify as a **minor benefit**
- benefits to your business clients, as they are not subject to FBT.

Check our **common entertainment fringe benefit examples** to see if they apply to your situation.

Make sure to **keep the right records** to stay compliant and avoid unexpected penalties.


Learn more about **How to work out FBT on entertainment** or seek advice from a registered tax agent.

Keep up to date

We have tailored communication channels just for small businesses – so you'll always be up to date with the latest information and changes relevant to you.

Explore more articles in our **Small business newsroom**.

Subscribe to our free:

- monthly [Small business email newsletter](#) 
- **email notifications** about new and updated information on our website – just select the *Business and organisations* category to get updates relevant to you, including more articles like this one.

QC 105799

Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we will take that into

account when determining what action, if any, we should take.

Some of the information on this website applies to a specific financial year. This is clearly marked. Make sure you have the information for the right year before making decisions based on that information.

If you feel that our information does not fully cover your circumstances, or you are unsure how it applies to you, contact us or seek professional advice.

Copyright notice

© Australian Taxation Office for the Commonwealth of Australia

You are free to copy, adapt, modify, transmit and distribute this material as you wish (but not in any way that suggests the ATO or the Commonwealth endorses you or any of your services or products).