Gifts, Benefits and Hospitality Policy

# Policy statement

This policy states Gippsland Water’s position on:

* responding to offers of gifts, benefits and hospitality; and
* providing gifts, benefits and hospitality.

# Purpose

This policy is intended to support individuals and Gippsland Water to avoid conflicts of interest and maintain high levels of integrity and public trust.

Gippsland Water has issued this policy to support behaviour consistent with the Code of conduct for Victorian public sector employees (the Code). All employees are required under clause 1.2 of the Code to comply with this policy.

# Scope

This policy applies to all board members and employees (for the purposes of this policy, an employee is defined as being any casual, part time, fulltime, contract employee or board member of Gippsland Water as well as any person performing work on behalf of Gippsland Water such as independent committee members, contractors[[1]](#footnote-1), consultants, volunteers, industry placement students, trainees and work experience students).

# Policy principles

This policy has been developed in accordance with requirements outlined in the *Minimum accountabilities for managing gifts, benefits and hospitality* issued by the Victorian Public Sector Commission.

Gippsland Water is committed to and will uphold the following principles in applying this policy:

**Impartiality:** individuals have a duty to place the public interest above their private interests when carrying out their official functions. They will not accept gifts, benefits or hospitality that could raise a perception of, or actual, bias or preferential treatment. Individuals do not accept offers from those about whom they are likely to make business decisions.

**Accountability:** individuals are accountable for:

* declaring all non-token offers of gifts, benefits and hospitality;
* declining non-token offers of gifts, benefits and hospitality, or where an exception applies under this policy, seeking approval to accept the offer; and
* the responsible provision of gifts, benefits and hospitality.

Individuals with direct reports are accountable for overseeing management of their direct reports’ acceptance or refusal of non-token gifts, benefits and hospitality, modelling good practice and promoting awareness of gifts, benefits and hospitality policies and processes.

**Integrity**: individuals strive to earn and sustain public trust through providing or responding to offers of gifts, benefits and hospitality in a manner that is consistent with community expectations. Individuals will refuse any offer that may lead to an actual, perceived or potential conflict of interest.

**Risk-based approach:** Gippsland Water, through its policies, processes and Audit and Risk Committee, will ensure gifts, benefits and hospitality risks are appropriately assessed and managed. Individuals with direct reports will ensure they are aware of the risks inherent in their team’s work and functions and monitor the risks to which their direct reports are exposed.

## Minimum accountabilities

The Victorian Public Sector Commission has set binding minimum accountabilities for the appropriate management of gifts, benefit and hospitality. These can be found at [Appendix 1](#_Appendix_1).

## Definitions

|  |  |
| --- | --- |
| Business associate | An individual or body which the organisation has, or plans to establish, some form of business relationship, or who may seek commercial or other advantage by offering gifts, benefits or hospitality. |
| Benefits | Include preferential treatment, privileged access, favours or other advantage offered to an individual. They may include invitations to sporting, cultural or social events, access to discounts and loyalty programs, and promises of a new job.  The value of benefits may be difficult to define in dollars, but as they are valued by the individual, they may be used to influence the individual’s behaviour. |
| Ceremonial gifts | Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are usually provided when conducting business with official delegates or representatives from another organisation, community or foreign government.  Ceremonial gifts are the property of the organisation, irrespective of value, and should be accepted by individuals on behalf of the organisation. The receipt of ceremonial gifts should be recorded on the register but does not need to be published online. |
| Conflicts of interest | Conflicts may be:  *Actual:* There is a real conflict between an employee’s public duties and private interests.  *Potential:* An employee has private interests that could conflict with their public duties. This refers to circumstances where it is foreseeable that a conflict may arise in future and steps should be taken now to mitigate that future risk.  *Perceived:* The public or a third party could form the view that an employee’s private interests could improperly influence their decisions or actions, now or in the future. |
| Gifts | Are free or discounted items and any item that would generally be seen by the public as a gift. These include items of high value (e.g. artwork, jewellery, or expensive pens), low value (e.g. small bunch of flowers) and consumables (e.g. chocolates). |
| Hospitality | Is the friendly reception and entertainment of guests. Hospitality may range from light refreshments at a business meeting to expensive restaurant meals and sponsored travel and accommodation. |
| Legitimate business benefit | A gift, benefit or hospitality may have a legitimate business benefit if it furthers the conduct of official business or other legitimate goals of the organisation, the public sector or the State. |
| Public official | Has the same meaning as under section 4 of the *Public Administration Act 2004*. This includes public sector employees, statutory office holders and directors of public entities. |
| Public Register | A public register is an electronic record, of all declarable gifts, benefits and hospitality.  It records the date an offer was made and by whom, the nature of the offer, its estimated value, the raising of any actual, potential or perceived conflicts of interest or reputational risks and how the offer was managed.  For accepted offers, it details the business reason for acceptance and the officer approving the acceptance.  A copy of the register for the current and previous year will be published on the Gippsland Water website with the names of the gift donor and recipient de-identified. |
| Token offer | Is an offer of a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the recipient (such as basic courtesy).  Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside the organisation as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth more than $50 (including cumulative offers from the same source over a 12 month period). |
| Non-token offer | Is an offer of a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value.  All offers worth more than $50 are non-token offers and must be recorded on a gift, benefit and hospitality register. |
| Victorian public sector organisations | State government departments, administrative offices, Victorian Public Sector Commission, special bodies and public entity organisations as defined within the *Public Administration Act 2004*. |

## Management of offers of gifts, benefits and hospitality

This section sets out the process for accepting, declining and recording offers of gifts, benefits and hospitality. Any exceptions to this process must have the prior written approval of the Managing Director.

### Conflict of Interest and Reputational Risks

When deciding whether to accept an offer, individuals should first consider if the offer could be perceived as influencing them in performing their duties or lead to reputational damage. The more valuable the offer, the more likely that a conflict of interest or reputational risk exists.

Figure1: Gift Test

This table is a useful tool when considering how to respond to a gift offer.

|  |  |  |
| --- | --- | --- |
| **G** | Giver | **Who is offering the gift, benefit or hospitality and what is their relationship to me?**  Does my role require me to select contractors, award grants, make decisions regarding enforcement, licensing, leasing of land or regulation, undertake a recruitment exercise or determine policies? Could the person or organisation benefit from a decision I make? |
| **I** | Influence | **Are they seeking to gain an advantage or influence my decisions or actions?**  Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy or a token of appreciation or valuable non-token offer? Does its timing coincide with a decision I am about to make or endorse a product or service? |
| **F** | Favour | **Are they seeking a favour in return for the gift, benefit or hospitality?**  Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months? Would accepting it create an obligation to return a favour? |
| **T** | Trust | **Would accepting the gift, benefit or hospitality diminish public trust?**  How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think? |

### Requirement for refusing offers

Individuals should consider the GIFT test at Figure 1 and the requirements below to help decide whether to refuse an offer.

Individuals are to refuse offers:

* likely to influence them, or be perceived to influence them, in the course of their duties or raise an actual, potential or perceived conflict of interest;
* could bring them, Gippsland Water or the public sector into disrepute;
* made by a person or organisation about which they will likely make or influence a decision (this also applies to processes involving grants, sponsorship, regulation, enforcement or licensing), particularly offers:
  + made by a current or prospective supplier; or
  + made during a procurement or tender process by a person or organisation involved in the process (for tenders, the reporting period begins three months prior to advertisement and extends to three months following award of the contract)
* likely to be a bribe or inducement to make a decision or act in a particular way;
* that extend to their relatives or friends;
* with no legitimate business benefit;
* of money, or used in a similar way to money, or something easily converted to money;
* where, in relation to hospitality and events, the organisation will already be sufficiently represented to meet its business needs; (the number of employees attending an event must be approved prior to attending, and will be determined based on discretion taking into consideration the type of event and overall benefit to Gippsland Water).
* where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions;
* made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament or public sector agencies; and
* made in secret.

If an individual considers they have been offered a bribe or inducement, the offer must be reported to the Managing Director or the Manager Governance (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

### Token offers

A token offer is an offer of a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the individual. It may include promotional items such as pens and note pads, and modest hospitality which would be considered a basic courtesy, such as light refreshments offered during a meeting.

The minimum accountabilities state that token offers cannot be worth more than $50.

Individuals may generally accept token offers without approval or declaring the offer on the Gippsland Water register as long as the offer does not create a conflict of interest or lead to reputational damage.

### Non-token offers

Individuals can only accept non-token offers if they have a legitimate business benefit. All accepted non-token offers must be approved in writing by the General Manager, recorded in the gifts, benefits and hospitality register and be consistent with the following requirements:

* it does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, Gippsland Water or the public sector into disrepute; and
* there is a legitimate business reason for acceptance. It is offered in the course of the individual’s official duties, relates to the individual’s responsibilities and has a benefit to Gippsland Water, public sector or the State.

Individuals may be offered a gift or hospitality where there is no opportunity to seek written approval from their manager prior to accepting. For example, they may be offered a wrapped gift that they later identify as being a non-token gift. In these cases, the individual must seek approval from their manager within five business days.

Where the gift would likely bring you or the organisation into disrepute, the organisation should return the gift. If it represents a conflict of interest for you, the organisation should either return the gift or transfer ownership to the organisation to mitigate the risk.

### Recording non-token offers of gifts, benefits and hospitality

All non-token offers, whether accepted or declined, must be recorded in the Gippsland Water gifts, benefits and hospitality register. The business reason for accepting the non-token offer must be recorded in the register with sufficient detail to link the acceptance to the individual’s work functions and benefit to Gippsland Water, public sector or State.

Individuals should consider the following examples of acceptable and unacceptable levels of detail to be included in Gippsland Water’s register when recording the business reason:

|  |  |
| --- | --- |
| Unacceptable: | “Networking”  “Maintaining stakeholder relationships” |
| Acceptable: | “Individual is responsible for evaluating and reporting outcomes of Gippsland Water’s sponsorship of Event A. Individual attended Event A in an official capacity and reported back to Gippsland Water on the event.”  “Individual presented to a visiting international delegation. The delegation presented the individual with a cultural item worth an estimated $200. Declining the gift would have caused offence. The Gift was accepted, written approval was subsequently obtained for the gift, which became Gippsland Water’s property.” |

Employees are responsible for completing the *Gift, Benefit or Hospitality declaration form* which can be found on the intranet within 5 days of receipt of the offer. Declaration forms will be processed by Governance and stored in accordance with the *Public Records Act 1973*.

Gippsland Water’s Audit and Risk Management Committee will receive a report at least annually on the administration and quality control of the gifts, benefits and hospitality policy, processes and register. The report will include analysis of Gippsland Water’s gifts, benefits and hospitality risks (including multiple offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements.

To enhance transparency and public perception of Gippsland Water, a copy of the Gifts, Benefits and Hospitality Register will be published on Gippsland Water’s external website. To ensure employee privacy is maintained, personal details will be de-identified. Token offers or sustenance (light food and drink with business meetings, such as juice and sandwiches) are not required to be recorded).

### Ownership of gifts offered to individuals

Non-token gifts with a legitimate business benefit that have been accepted by an individual for their work or contribution may be retained by the individual where the gift is not likely to bring them or Gippsland Water into disrepute, and where the General Manager or Managing Director has provided written approval. Employees must transfer to Gippsland Water official gifts or any gift of cultural significance or significant value (over $50).

### Repeat Offers

Receiving multiple offers (token or non-token) from the same person or organisation can generate a stronger perception that the person or organisation could influence you. Individuals should refuse repeat offers from the same source if they create a conflict of interest or may lead to reputational damage.

### Ceremonial gifts

Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are the property of Gippsland Water, irrespective of value, and should be accepted by individuals on behalf of Gippsland Water. The receipt of ceremonial gifts should be recorded on Gippsland Water’s register but this information does not need to be published online.

### Hospitality provided by Victorian public sector organisations

Victorian public sector organisations may provide hospitality to stakeholders, as part of their functions. When offered hospitality by a Victorian public sector organisation, individuals should consider the requirements of the minimum accountabilities.

Accepted hospitality offered by a Victorian public sector organisation as part of official business does not need to be declared or reported, where the reason for the individual’s attendance is consistent with Gippsland Water’s functions and objectives and with the individual’s role.

### Hospitality provided by other organisations

Non-token hospitality offered by other public and private sector organisations as part of official business is not published in the public register, however must be declared and recorded on the internal register. This is based on the need to attend events for the purposes of stakeholder engagement, to develop professional and sector knowledge, and to collaborate on projects.

This allows for monitoring and oversight of declarations. Token offers or hospitality that is offered, but not accepted is not declared or recorded.

## Management of the provision of gifts, benefits and hospitality

This section sets out the requirements for providing gifts, benefits and hospitality.

### General requirements

Gifts, benefits and hospitality may be provided when welcoming guests, to facilitate the development of business relationships, further public sector business outcomes and to celebrate achievements.

When deciding whether to provide gifts, benefits or hospitality or the type of gift, benefit or hospitality to provide, individuals must ensure:

* any gift, benefit or hospitality is provided for a business reason that furthers the conduct of official business or other legitimate organisational goals, or promotes and supports Gippsland Water or government policy objectives and priorities;
* that any costs are proportionate to the benefits obtained for Gippsland Water, and would be considered reasonable in terms of community expectations (the ‘HOST’ test at Figure 2 is a good reminder of what to think about in making this assessment); and
* it does not raise an actual, potential or perceived conflict of interest.

Any Board Director or employee who participates in the provision and/or acceptance of hospitality must demonstrate professional conduct at all times and will uphold his/her obligation to extend a duty of care to other participants.

**Figure 2. HOST test**

|  |  |  |
| --- | --- | --- |
| **H** | **Hospitality** | To whom is the gift or hospitality being provided?  Will recipients be external business partners, or individuals of the host organisation? |
| **O** | **Objectives** | For what purpose will hospitality be provided?  Is the hospitality being provided to further the conduct of official business? Will it promote and support government policy objectives and priorities? Will it contribute to staff wellbeing and workplace satisfaction? |
| **S** | **Spend** | Will public funds be spent?  What type of hospitality will be provided? Will it be modest or expensive, and will alcohol be provided as a courtesy or an indulgence? Will the costs incurred be proportionate to the benefits obtained? |
| **T** | **Trust** | Will public trust be enhanced or diminished?  Could you publicly explain the rationale for providing the gift or hospitality? Will the event be conducted in a manner which upholds the reputation of the public sector? Have records in relation to the gift or hospitality been kept in accordance with reporting and recording procedures? |

### Containing costs

Individuals should contain costs involved with providing gifts, benefits and hospitality wherever possible and should comply with the financial probity and efficient use of resources guidance outlined in the Code of Conduct for Victorian Public Sector Employees. The following questions may be useful to assist individuals to decide the type of gift, benefit or hospitality to provide:

* Will the cost of providing the gift, benefit or hospitality be proportionate to the potential benefits?
* Is an external venue necessary or does the organisation have facilities to host the event?
* Is the proposed catering or hospitality proportionate to the number of attendees?
* Does the size of the event and number of attendees align with intended outcomes?
* Is the gift symbolic, rather than financial, in value?
* Will providing the gift, benefit or hospitality be viewed by the public as excessive?
* Has there been multiple recent events that could result in the perception of excess should further events be funded?

### Provision of Gifts

Modest gifts may only be provided to employees in accordance with Gippsland Water’s *Reward and Recognition Framework*.

A nominal limit of $150 is set for the maximum expenditure on gifts to others, where the expenditure has not been explicitly budgeted for. This nominal limit is a total for a discrete, unbudgeted gift. It is not per person or an annual total.

Flowers may be purchased from public funds in the event of the death of an employee or close family member.

Should work colleagues choose to recognise life events such as the birth of a child, flowers and gifts may be funded through staff collections.

### Provision of Hospitality – External Events

Catering is provided at functions for external guests subject to the following criteria:

* there is a real benefit to Gippsland Water,
* the expenditure is modest and proportionate to the benefit,
* it is not excessive,
* it is not too frequent, and
* it is consistent with community expectations.

### Provision of Hospitality – Internal Events and Meetings

Modest catering for internal events and meetings is based on the additional following considerations:

* the extent to which the event will contribute to organisational objectives by, for example, reinforcing particular values or motivating staff, or
* the need to balance the positive benefits of public recognition with community expectations in relation to modest expenditure by public officials.

As a guideline, modest catering may be provided when meetings exceed these times:

* 2 hours - for morning or afternoon tea
* 3 hours - for lunch
* 5 hours - for lunch and either morning or afternoon tea
* 7 hours - for lunch, morning tea and afternoon tea

Catering may be provided for recognition of a significant milestone event in accordance with the Reward and Recognition Framework (e.g. retirement for a long standing employee) however, personal celebrations such as birthdays may not be funded with public funds.

### Provision of Alcohol

The provision, supply or consumption of alcohol for any event (external or internal) may only be provided in accordance with Gippsland Water’s *Drug and Alcohol Policy* (COR/16/23655).

## Breaches

Disciplinary action consistent with the relevant industrial instrument and legislation, including dismissal, may be taken where an individual fails to adhere to this policy. This includes where an individual fails to avoid wherever possible or identify, declare and manage a conflict of interest related to gifts, benefits and hospitality in accordance with Gippsland Water’s *Conflict of Interest policy*.

Actions inconsistent with this policy may constitute misconduct under the *Public Administration Act 2004,* which includes:

* breaches of the binding *Code of conduct for Victorian public sector employees,* such as sections of the Code covering conflict of interest (section 3.7), public trust (section 3.9) and gifts and benefits (section 4.2); and
* individuals making improper use of their position.

For further information on managing breaches of this policy, please contact the Manager Governance.

Gippsland Water will communicate its policy on the offering and provision of gifts, benefits and hospitality to contractors, consultants and other business associates. Those identified as acting inconsistently with this policy may be subject to contract re-negotiation, including termination.

## Speak-up

Individuals who consider that gifts, benefits and hospitality or conflict of interest within Gippsland Water may not have been declared or is not being appropriately managed should speak up and notify their manager or the Manager Governance. Individuals who believe they have observed corrupt conduct in their colleagues may also make a protected disclosure directly to the Independent Broad-based Anti-Corruption Commission (IBAC).

Gippsland Water will take decisive action, including possible disciplinary action, against individuals who discriminate against or victimise those who Speak-Up in good faith.

## Contacts for Further Information

A conflict of interest resulting from the acceptance of a gift, benefit or hospitality is not always clear to those who have them. Individuals who are unsure about the acceptance of a gift, benefit or hospitality, or the application of this policy, should ask their manager or the Manager Governance for advice.

# Policy review and approval

|  |  |  |
| --- | --- | --- |
| Responsible Officer | Review Frequency | Approving Body |
| Manager Governance | Every Three Years | Executive Leadership Team |

# Normative references

Minimum accountabilities for the management of gifts, benefits and hospitality (see Instructions supporting the Standing Directions of the Minister for Finance)

*Public Administration Act 2004*

[Code of conduct for Victorian public sector employees](https://vpsc.vic.gov.au/html-resources/code-of-conduct-for-victorian-public-sector-employees/)

[Code of conduct for Directors of Victorian public entities](https://vpsc.vic.gov.au/html-resources/code-of-conduct-for-directors-of-public-entities/)

Victorian Public Sector Commission’s Gifts, benefits and hospitality policy framework.

Conflict of interest (COR/10/12097)

Fraud and Corruption Control Policy (COR/04/13841)

Human Resources Policy (COR/13/42956)

Privacy Policy (COR/04/3401)

Protected Disclosure Policy(COR/13/53031)

Hospitality Policy (COR/09/2413)

Drug and Alcohol Policy (COR/16/23655)

Rewards and Recognition Framework

Travel Policy

# Appendix 1

**Minimum accountabilities**

**Public officials offered gifts, benefits and hospitality:**

1. Do not, for themselves or others, seek or solicit gifts, benefits and hospitality.
2. Refuse all offers of gifts, benefits and hospitality that:

* are money, items used in a similar way to money, or items easily converted to money;
* give rise to an actual, potential or perceived conflict of interest;
* may adversely affect their standing as a public official or which may bring their public sector employer or the public sector into disrepute; or
* are non-token offers without a legitimate business benefit.

1. Declare all non-token offers (valued at $50 or more) of gifts, benefits and hospitality (whether accepted or declined) on their organisation’s register, and seek written approval from their manager or organisational delegate to accept any non-token offer.
2. Refuse bribes or inducements and report inducements and bribery attempts to the head of the public sector organisation or their delegate (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

**Public officials providing gifts, benefits and hospitality:**

1. Ensure that any gift, benefit and hospitality is provided for a business purpose in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities.
2. Ensure that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations.
3. Ensure that when hospitality is provided, individuals demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

**Heads of public sector organisations:**

1. Establish, implement and review organisational policies and processes for the effective management of gifts, benefits and hospitality that comprehensively address these minimum accountabilities.
2. Establish and maintain a register for gifts, benefits and hospitality offered to public officials that, at a minimum, records sufficient information to effectively monitor, assess and report on these minimum accountabilities.
3. Communicate and make clear within the organisation that a breach of the gifts, benefits and hospitality policies or processes may constitute a breach of binding codes of conduct and may constitute criminal or corrupt conduct, and may result in disciplinary action.
4. Establish and communicate a clear policy position to business associates on the offering of gifts, benefits and hospitality to employees, including possible consequences for a business associate acting contrary to the organisation’s policy position. This must take into consideration any whole of Victorian Government supplier codes of conduct.
5. Report at least annually to the organisation’s audit committee on the administration and quality control of its gifts, benefits and hospitality policy, processes and register. This report must include analysis of the organisation’s gifts, benefits and hospitality risks (including repeat offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements.
6. Publish the organisation’s gifts, benefits and hospitality policy and register on the organisation’s public website (applies only to organisations with an established website). The published register should cover the current and the previous financial year.

1. Note the application of clause 1.4 of the Code of conduct for Victorian public sector employees to the engagement of contractors and consultants. Contractors and consultants are only bound by the code if explicitly required by their contract for services. [↑](#footnote-ref-1)