

Gifts, Benefits and Hospitality Policy

Purpose	To outline the department's policy to minimise external offers of gifts, benefits and hospitality made to, and accepted by, employees and other workplace participants. And to outline department's policy on when it will provide gifts, benefits and hospitality.
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Policy rules

Gift offers to employees

Gifts are discouraged

1. To protect public confidence in the integrity of our decision-making we:
 - discourage external offers of gifts, benefits and hospitality (gift offers) to our employees, or their close relatives, friends or associates, that result from the employee's role with the department.
 - minimise the gift offers we accept.
2. Minimising the gift offers that we accept helps to foster and maintain a culture of integrity. Since most gifts are offered to cultivate a good relationship, accepting them can lead to the perception that we are vulnerable to compromise, or even corruption, in our decision-making.

Managing offers of gifts, benefits and hospitality

3. Employees must not seek gift offers for themselves or others.
4. Employees must refuse all gift offers (excluding sustenance):
 - made by a current or prospective supplier
 - made during a procurement or tender process by a person or organisation involved in the process
 - made by a person or organisation about whom they are likely to make a business decision involving:
 - tender processes, including managing a contract once the tender process has ceased
 - procurement
 - enforcement
 - licensing and regulation, or
 - awarding of grants, sponsorship or funding allocations.
5. Employees must refuse all gift offers that:
 - are 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
 - are likely to be a bribe or inducement to make a decision or act in a particular way
 - extend to their relatives or friends
 - have no legitimate business benefit (if the offer is \$50 or more)
 - are money or similar, such as vouchers, or easily converted into money, or
 - could in any other way bring their integrity, or that of the department, into disrepute.

6. If an employee receives multiple gift offers from the same external source they must be vigilant in assessing whether the overall effect (e.g. number, frequency, value) may bring their integrity, or that of the department, into disrepute.

Accepting gifts

7. The default position when offered a gift, benefit or hospitality is to politely say “no, thank you”. The only exceptions to this position are:
 - Ceremonial gifts offered as part of culture and practice of communities - e.g. a gift from an overseas delegation.
 - Certain ‘thank you’ gifts, such as a small gift to a speaker at a conference and seminar.
 - Certain conference and seminar attendance approved in advance, where the conference organiser offers to fund travel and accommodation costs for an employee to present a paper at the conference. Offers from persons or organisations other than the event organiser must be refused.
 - When there are strong business reasons in the public interest to accept.
8. It is useful to consider the GIFT test before deciding how to respond to an offer.

Table 1. GIFT test

G	Giver	<p>Who is offering the gift, benefit or hospitality and what is their relationship to me?</p> <p>Does my role require me to select contractors, award grants, regulate industries or determine government policies? Could the person or organisation benefit from a decision I make?</p>
I	Influence	<p>Are they seeking to gain an advantage or influence my decisions or actions?</p> <p>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 my endorsement of a product or service?</p>
F	Favour	<p>Are they seeking a favour in return for the gift, benefit or hospitality?</p> <p>Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months?</p> <p>Would accepting it create an obligation to return a favour?</p>
T	Trust	<p>Would accepting the gift, benefit or hospitality diminish public trust?</p> <p>How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?</p>

Disclosing and reviewing gift offers

9. All reportable (non-token) gift offers must be disclosed, even if the offer is declined. This is done by the employee completing and lodging a *Reportable Gift Offer Declaration Form* as soon as practicable within 10 business days of the offer. Declaration forms by the Secretary are approved by the Deputy Secretary - Corporate Services.
10. Even though the line manager reviews declaration form as part of their responsibility to identify and monitor risks inherent in their team’s work, the employee remains responsible for ensuring that their own conduct complies with this policy.

Business as usual exceptions - Sustenance and Official Business Event

11. Hospitality sometimes qualifies as ‘sustenance’ or an ‘official business event’ (OBE). These business as usual exceptions do not need to be disclosed as a gift offer. Examples are events hosted by another government agency, attending a function to support or accompany a Minister or their representative, and events organised by industry stakeholders. Further details are in the Official Business Events Policy.

Ownership of accepted gifts, benefits and hospitality

12. If a token gift offer is accepted, it belongs to the employee. If a reportable (non-token) gift offer is accepted, it belongs to the department.

Register of reportable gift offers

13. The department maintains a *Register of reportable gift offers* (register) based on information in declaration forms. A copy of the register that complies with privacy laws is published on the external website and updated at least every six months. Entries remain on the website for at least the current and previous financial year. A privacy collection statement accompanies the published register.

Bribes

14. Employees must refuse and report any bribe offered to them or others to the Protected Disclosure Coordinator (who will report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-Corruption Commission).

Managing the provision of gifts, benefits and hospitality

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

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

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

- there is a legitimate business reason that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities
- it does not raise an actual, potential or perceived conflict of interest, and
- any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations.

17. The ‘HOST’ test is a good reminder of what to consider before providing hospitality.

Table 2. HOST test

H	Hospitality	<p>To whom is the gift or hospitality being provided?</p> <p>Will recipients be external business partners, or individuals of the host organisation?</p>
O	Objectives	<p>For what purpose will hospitality be provided?</p> <p>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?</p>
S	Spend	<p>Will public funds be spent?</p> <p>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?</p>
T	Trust	<p>Will public trust be enhanced or diminished?</p> <p>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?</p>

Containing costs

18. Individuals should contain costs involved in the provision of gifts, benefits and hospitality wherever possible. The following questions may be useful to assist individuals to decide the type of gift, benefit or hospitality to provide:
 - Is the cost of providing the gift, benefit or hospitality 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?
 - Will providing the gift, benefit or hospitality be viewed by the public as excessive?
19. Records relating the provision of hospitality such as approval forms and records relating to procurement and expenditure must be retained in accordance with the requirements under the *Financial Management Act 1994*.
20. Celebrations of events such as birthdays, marriages, or the birth of children are not to be funded using public money.

Alcohol

21. The provision of alcohol at internal or external functions should be relatively uncommon. Events with alcohol service should not exceed two hours in duration. No more than two standard drinks per person should be provided. Alcohol should be incidental to the overall level of hospitality provided. It should be associated with a meal, unless good reason otherwise is clearly documented.
22. An event where alcohol is served should be held at a time (e.g. late afternoon or early evening) that minimises the risk of attendees returning to work impaired by alcohol. Health and safety and liquor laws must be complied with.

Professional conduct

23. An employee who extends or receives hospitality must demonstrate professional conduct at all times and must uphold their obligation to extend a duty of care to other participants. They must comply with the *Code of Conduct for Victorian Public Sector Employees* and must not be impaired by alcohol whilst in the workplace and/or when representing the department or performing any other duties.

Guidance and advice for employees

24. The department provides guidance to assist employees to comply with this policy. If an employee has a query about a gift offer they should seek advice from their line manager or the Governance Branch at integrity@delwp.vic.gov.au. This does not change their responsibility to make the right decision.

Consequences of a breach of this policy

25. A breach of this policy or related processes may constitute a breach of the *Code of Conduct for Victorian Public Sector Employees* and may result in disciplinary action. In some circumstances (e.g. accepting a bribe), it may constitute corrupt or criminal conduct and may lead to criminal prosecution.

If an employee may be in breach through no fault of their own, it will usually be in the public interest for their line manager (for token gift offers) or the Secretary or their delegate (for reportable gift offers) to provide written 'public interest approval' of the person's actions, to nullify any breach.

Supporting information

Related policies

Conflict of interest policy

Official business events policy

Protected disclosure management policy

Guidelines

Gifts, benefits and hospitality decision flowchart (Attachment 1)

Related information

[Gifts, benefits and hospitality resource suite](#), Victorian Public Sector Commission

Forms and templates

Reportable gift offer declaration form

Official business event attendance form

Contact

integrity@delwp.vic.gov.au

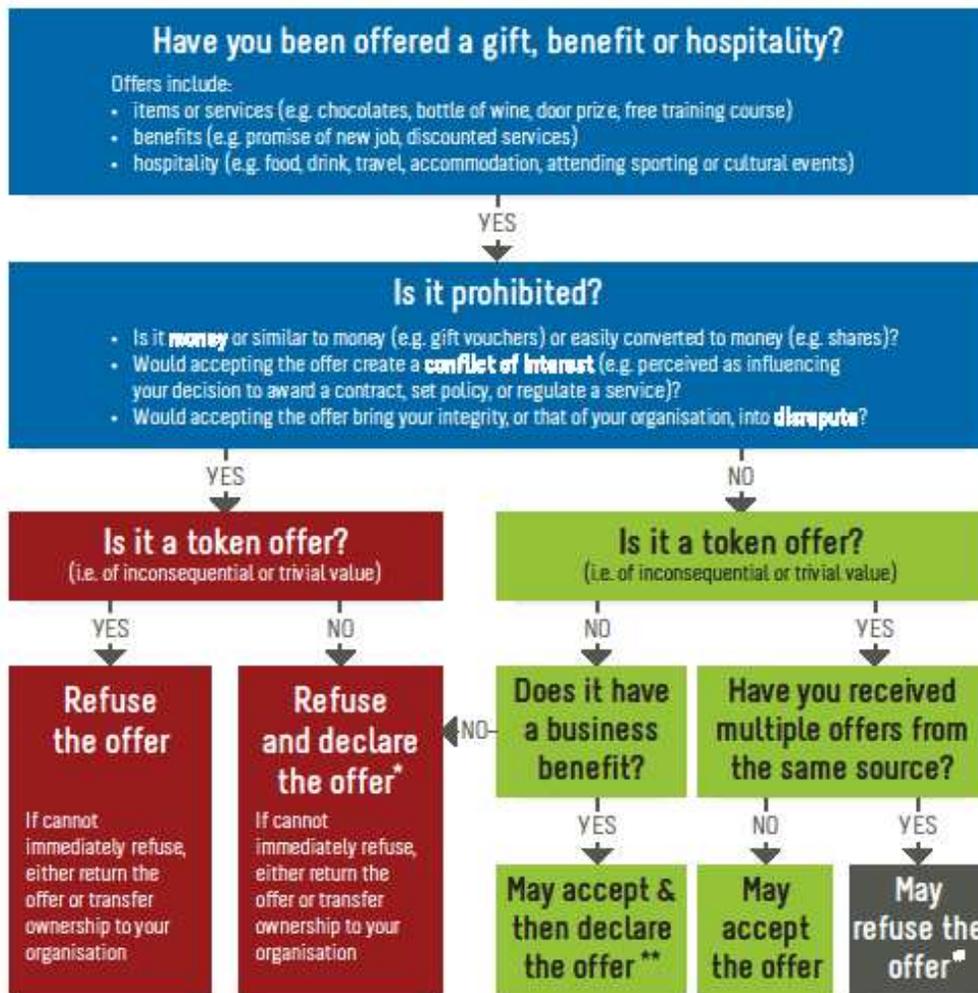
Terms used in this policy

Bribe	An inducement (e.g. offer of money) made with the intention to corruptly influence an employee in the performance of their duties. Bribery of a public official is a criminal offence.
Business associate	External organisation or individual that the department has established, or is likely to establish, a business relationship with, or who may gain from a business decision of the department, now or in the future.
Conflict of interest	<p>A conflict between a person’s public duty as an employee and their private interests (financial or non-financial) or duty to another organisation (conflict of duty). A conflict of interest exists whether it is:</p> <ul style="list-style-type: none"> • <u>Real</u> – it currently exists • <u>Potential</u> – it may arise, given the circumstances • <u>Perceived</u> – members of the public could reasonably form the view that a conflict exists, or could arise, that may improperly influence the employee’s or workplace participant’s performance of their duties, now or in the future.
Employees	Employees and other workplace participants such as trainees, university and work experience students, contractors, consultants, agency staff, union delegates, apprentices, cadets, visiting scientists and volunteers who perform work for or on behalf of the department.
Gift offer	<p>Anything of monetary or other value offered by an external source to an employee or their close relative, friend or associate because of the employee’s role with the department. It includes free or discounted:</p> <ul style="list-style-type: none"> • items or services – such as a food hamper, desk calendar, box of chocolates, door prize, tree-logging, or house painting • benefits - preferential treatment, privileged access, favours or other intangibles (e.g. a discount gym membership or the promise of a new job) • hospitality - the friendly reception and treatment of guests. It includes offers of food, drink, travel, accommodation, events and activities (e.g. sporting, social, industry, arts, entertainment). <p>Depending on its value, a gift offer is token or reportable.</p> <p>Note:</p> <ul style="list-style-type: none"> • Where an employee is offered hospitality that qualifies as sustenance or an official business event it is not a gift offer. • A generic bulk offer, such as via spam email, is not a gift offer unless it is accepted.
Legitimate business reason	A business purpose that furthers the official business or other legitimate goals of the agency, public sector or State.
Reportable (non-token) gift offer	Gift offer with an estimated value of \$50 or greater, or is of cultural, historic or other significance (e.g. a ceremonial gift).
Official business event (OBE)	<p>The employee attends an event that is for a business purpose consistent with the department’s functions and objectives, is directly related to their official duties, and is consistent with the criteria and approval requirements in the OBE policy.</p> <p>An OBE does not need to be disclosed as a gift offer.</p>
Sustenance	Food and drink that does not exceed common courtesy. It is polite, basic and modest. Offered by an external source to an employee while they are performing an official duty at the other organisation’s or individual’s work premises (e.g. coffee and sandwiches at a business meeting). Sustenance does not need to be disclosed as a gift offer.
Token gift offer	Gift offer that is inconsequential and trivial in value to both the offeror and the employee. Whilst this is the primary determinant, the offer must be worth less than \$50.

Attachment 1 – Decision flowchart

RESPONDING TO GIFTS, BENEFITS AND HOSPITALITY

Public officials do not seek offers of gifts, benefits and hospitality.



* Generic, bulk event invitations that are declined (e.g. spam email offers) do not need to be declared.
 ** Hospitality from Victorian public sector organisations does not need to be declared.
 * More than one token offer may be accepted. However, care should be taken to ensure that multiple offers are not used as a device to avoid offers being recorded on the register.