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| Gifts, benefits and hospitality policy |
| August 2022 |
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Table of Contents

[1. Overview 2](#_Toc112420083)

[2. Policy application 2](#_Toc112420084)

[3. Policy principles 3](#_Toc112420085)

[4. What constitutes gifts, benefits and hospitality 3](#_Toc112420086)

[5. Soliciting gifts, benefits and hospitality 3](#_Toc112420087)

[6. Responding to offers of gifts, benefits and hospitality 4](#_Toc112420088)

[6.1. Declaring offers 4](#_Toc112420089)

[6.2. Deciding whether to accept or decline 5](#_Toc112420090)

[6.3. Getting approval 7](#_Toc112420095)

[6.4. Deciding ownership or custodianship 8](#_Toc112420096)

[7. Giving gifts, benefits and hospitality 8](#_Toc112420097)

[7.1. Deciding when gifts, benefits and hospitality can be provided 8](#_Toc112420098)

[7.2. Ensuring proportionate and reasonable costs 9](#_Toc112420099)

[7.3. Gifts, benefits and hospitality for employees 9](#_Toc112420100)

[8. Breaches 10](#_Toc112420101)

[8.1. Speak up – reporting breaches 10](#_Toc112420102)

[8.2. Handling breaches 10](#_Toc112420103)

[9. Governance and reporting 11](#_Toc112420104)

[9.1. Gifts, benefits and hospitality register 11](#_Toc112420105)

[9.2. Audit and Risk Management Committee 11](#_Toc112420106)

[9.3. Roles and responsibilities 11](#_Toc112420107)

[10. More information 12](#_Toc112420108)

[10.1. Getting advice 12](#_Toc112420109)

[10.2. Related policy, legislation and documents 12](#_Toc112420110)

[10.3. Document Version Control 13](#_Toc112420111)

[Appendix A. Glossary 14](#_Toc112420112)

[Appendix B. Minimum accountabilities 15](#_Toc112420113)

[Appendix C. Case studies 17](#_Toc112420114)

# Overview

This policy sets out the department’s position on receiving and giving gifts, benefits and hospitality in connection with official duties.

Gifts, benefits and hospitality are part of everyday life in the community, and a valued part of the cultural traditions and practices of communities we work with.

But in the public sector, they also involve risks. Anti-corruption bodies warn of people and organisations using gifts, benefits and hospitality to build favoured relationships with public officials. Accepting gifts, benefits and hospitality can lead to conflicts of interest or create the impression that department decisions are open to influence. Giving them can raise questions about the department’s use of public resources.

This policy supports employees to manage gifts, benefits and hospitality in a way that maintains trust in the department’s work and upholds the Victorian Public Sector values of impartiality, integrity and accountability.

The main requirements are:

* never solicit gifts, benefits or hospitality in connection with official duties
* declare offers worth $50 or more in the department’s gifts, benefits and hospitality register, regardless of whether the offer is accepted or declined
* only accept offers in the limited circumstances allowed by this policy. The department’s encourages employees to take a ‘thanks is enough’ approach and politely decline offers in most cases.
* get manager approval before accepting any offer worth $50 or more
* only provide gifts, benefits and hospitality for legitimate business reasons and ensure the costs are proportionate and reasonable in terms of community expectations.

This policy also acknowledges the importance of a culturally safe organisation and workplace for Aboriginal communities and employees. There are particular requirements for ceremonial gifts and cultural items offered or received as part of our work.

Failure to comply with this policy can lead to disciplinary action for employees and contractual action in the case of contractors and consultants.

# Policy application

This policy applies to:

* department employees (including executives, casual and temporary employees and secondees)
* contractors (including labour hire employees) and consultants, where compliance is required under the terms of their agreement with the department. Contract managers must draw these requirements to the attention of their contractors and consultants.
* volunteers, interns, cadets, trainees and work experience students directly undertaking activity for or on behalf of the department. This includes external assessors for grants.

For simplicity, the policy refers to all of these people as ‘employees’.

The policy applies to the department and its Administrative Offices. It does not apply to:

* portfolio statutory authorities and appointees
* external organisations that receive department funding or perform a function on the department's behalf. Funded organisations must comply with any gift, benefit and hospitality requirements in their service and funding agreements.

Suppliers must comply with gift, benefit and hospitality obligations in the Victorian Government Supplier Code of Conduct and any obligations in their agreement with the department.

# Policy principles

The department is committed to and will uphold the following principles in applying this policy:

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| **Impartiality** | Employees have a duty to place the public interest above their private interests when carrying out their official functions. They make decisions and provide advice on merit and without bias, caprice, favouritism or self-interest. |
| **Accountability** | Employees seek to achieve the best use of resources and submit themselves to appropriate scrutiny. They make decisions and take actions within the scope of their authority that are lawful and consistent with relevant legislation and government policy. They are accountable for complying with the requirements in this policy. |
| **Integrity** | Employees 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. Employees refuse offers that may lead to an actual, perceived or potential conflict of interest, and report improper conduct. |
| **Risk-based approach** | The department, through its policies, processes and Audit and Risk Management Committee, ensures gifts, benefits and hospitality risks are appropriately assessed and managed.  |

# What constitutes gifts, benefits and hospitality

**Gifts** are free or discounted items or services, and items or services that would generally be seen by the public as a gift. They include:

* high value items (for example, artwork, jewellery or expensive pens)
* low value items (for example, a small bunch of flowers)
* consumables (for example, chocolates)
* services (for example, painting and repairs).

For the purposes of this policy, gifts do not include grants, sponsorships or donations. The *Standing Directions 2018 under the Financial Management Act 1994* create separate requirements for these funds*.* See section 10.2 for policies and guidelines applying to these funds.

**Benefits** include preferential treatment, privileged access, favours or other advantages offered to employees. This may include:

* invitations to conferences, training and business events
* invitations to sporting, cultural or social events
* access to discounts and loyalty programs
* promises of a new job.

The value of benefits can be difficult to define in dollars, but they are valued by people and can therefore be used to influence behaviour.

**Hospitality** is the reception and entertainment of guests. Hospitality may range from light refreshments at a business meeting to expensive restaurant meals and sponsored travel and accommodation.

# Soliciting gifts, benefits and hospitality

Employees must never seek or solicit gifts, benefits or hospitality in connection with their official duties, either for themselves or for others (for example, family and friends).

# Responding to offers of gifts, benefits and hospitality

The department’s process for responding to offers of gifts, benefits and hospitality depends on whether the offer is worth $50 or more (known as a non-token offer) or less than $50 (known as a token offer).

Figure 1. Process for responding to offers



These processes extend to gifts, benefits and hospitality offered to employees’ family and friends, where the offer is linked to the employee’s role with the department. These offers are treated as though they were made to the employee direct.

Any exceptions to these processes must have prior written approval from the Director, Integrity.

## Declaring offers

Employees must declare all non-token offers in the department’s gifts, benefits and hospitality register. Non-token offers must be registered **even if the offer is declined**.

The only exceptions, which do not have to be registered, are:

* generic, bulk event invitations that are declined or unanswered (for example, spam invitations to all department employees)
* hospitality, training and events offered by other Victorian public sector organisations as part of official business, where attendance is consistent with the department’s functions and the employee’s role.

Employees should declare offers using the Gifts, Benefits and Hospitality form on the department’s intranet. If an employee cannot access the intranet to complete the form online, they can complete a hard copy version. The form must be completed within **5 business days** of receipt of the offer.

The form asks employees for the value of the offer:

* Where employees do not know the actual dollar value, employees should provide a reasonable estimate. This can be determined by consulting online information, the person or organisation that made the offer or the event organiser. Where there is a range of possible dollar values, employees should record the higher amount in the interests of accountability.
* Where a ceremonial gift or cultural item has cultural value rather than monetary value, employees can record ‘cultural value’ on the form.

Where employees accept an offer, the form asks them to record the business reason for acceptance. Employees must provide sufficient detail to explain the connection between their acceptance, their official functions and the benefit to the department. These are examples of unacceptable and acceptable details:

Figure 2. Legitimate business reasons – unacceptable and acceptable descriptions

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| **Unacceptable**  | “Networking” |
| **Acceptable**  | “I am responsible for evaluating and reporting outcomes of the department’s sponsorship of this event. I attended in an official capacity and reported back to the department on the event.” |

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| **Unacceptable**  | “Maintaining stakeholder relationships” |
| **Acceptable**  | “I gave a presentation to a visiting international delegation. The delegation presented me with a cultural item worth an estimated $200. Declining the gift would have caused offence. I accepted the gift on behalf of the department.” |

## Deciding whether to accept or decline

### ‘Thanks is enough’ approach

The department encourages employees to take a ‘thanks is enough’ approach to their work. This means employees politely decline offers of gifts, benefits and hospitality in most cases. A thank you is all that is needed if people want to express appreciation for our services.

Employees can often avoid offence or awkwardness, and continue to engage with stakeholders, by:

* informing people of this position in advance, for example when accepting an invitation to speak at an event
* paying to attend conferences and events, instead of accepting free invitations.

Gifts, benefits and hospitality can be politely declined, or gifts returned, using words such as “Thank you for your kind offer of [X]. In the public sector, we have policies and processes about accepting gifts, benefits and hospitality in our work. While I appreciate your gesture, I have to [decline/return your gift].”

### What must be declined

Some gifts, benefits and hospitality pose significant risks to our impartiality and integrity. Employees must always decline gifts, benefits and hospitality that fall within any of the following categories:

* **Money and similar items**: money, items used in a similar way to money (for example, gift vouchers or debit cards) or items easily converted to money (for example, shares)
* **Bribes and inducements**: any offer that is likely to be a bribe or inducement to make a decision or act in a particular way. If an employee considers they have been offered a bribe or inducement, they must report the matter to the Integrity Unit. The Integrity Unit may report the matter to the Independent Broad-based Anti-corruption Commission and/or Victoria Police.
* **Conflicts of interest:** offers that are likely to influence the employee, or be perceived to influence the employee in the course of their duties or raise an actual, potential or perceived conflict of interest
* **Reputational damage**: offers that could bring the employee, the department or the public sector into disrepute
* **Offers from people or organisations subject to decisions**: offers made by a person or organisation about whom the employee will likely make or influence a decision, except for token hospitality during business meetings (such as tea or coffee). This includes decisions about:
	+ current and prospective suppliers
	+ procurement and tendering
	+ recruitment
	+ licensing, regulation and enforcement
	+ the awarding of grants, sponsorship and other funding.
* **No legitimate business benefit**: any non-token offers which do not have a legitimate business benefit (in other words, they do not further the conduct of official business or other legitimate goals of the department, the public sector or the State)
* **Tickets to conferences and work events**: offers of tickets, travel or accommodation to attend conferences and events. If there is a legitimate business benefit for an employee to attend a conference or event, the department should pay for registration and associated travel and accommodation. The exceptions are
	+ - * where the event is organised by another Victorian public sector organisation as part of their official business, and the employee’s attendance is consistent with the department’s functions and the employee’s role (see section 6.2.3)
			* where an employee is presenting at the conference or event, in which case they may accept offers from the event organiser if they meet the conditions in section 6.2.3, and it does not fall within any of the other categories in this list.
* **Endorsements**: offers where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions
* **Lobbyist offers**: offers made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament or public sector agencies
* **Secret offers**: any offers made in secret.

### What can be accepted

While the department encourages a ‘thanks is enough’ approach, it recognises that some offers have a legitimate business benefit or are relatively low risk. Employees may accept such offers if they do not:

* involve 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
* adversely affect the employee’s standing as a public official or bring the department or the public sector into disrepute.

The types of offers that may be considered for acceptance are:

* **Token offers (worth less than $50)**: offers that are of inconsequential or trivial value to both the person making the offer and the recipient. Examples are small promotional items such as pens and note pads; modest one-off hospitality that would be considered a basic courtesy, such as light refreshments during a meeting; and small tokens of appreciation such as flowers or chocolates. The offer must not fall within an of the categories of offers that must be declined (see section 6.2.2).
* **Non-token offers (worth $50 or more) with a legitimate business benefit**: offers that further the conduct of official business or other legitimate goals of the department, the public sector or the State. The offer must not fall within an of the categories of offers that must be declined (see section 6.2.2). Employers must get manager approval before accepting such offers (see section 6.3).
* **Ceremonial gifts and cultural items**: items that are provided as part of the culture and practices of communities and government, within Australia or internationally. See section 6.4 for more information about custodianship of these items.
* **Victorian public sector hospitality and events**: hospitality or events organised by Victorian public sector organisations as part of their official business, where the employee’s attendance is consistent with the department’s functions and the employee’s role.

### Assessing conflicts of interest and reputational risks

Employees need to exercise judgement when considering if an offer could be perceived as influencing them in the performance of their duties or lead to reputational damage.

The GIFT test assists with such judgements. It is also important to remember:

* the more valuable the offer, the more likely that a conflict of interest or reputational risk exists
* repeated or multiple offers (token or non-token) from the same person or organisation can generate a strong perception that the person or organisation has influence over an employee. Employees should refuse repeat offers from the same source if they create a conflict of interest or may lead to reputational damage.

Figure 3. The GIFT test

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| G | Giver | Who is providing the gift, benefit or hospitality and what is their relationship to me?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, now or in the future? |
| 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 my endorsement of 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? |

## Getting approval

Employees must get approval from their manager to accept any non-token offer (worth $50 or more). In the case of the Secretary, written approval should be sought from the deputy secretary responsible for the Integrity Unit. Contractors and consultants seek approval from their contract manager.

Employees seek approval by completing the Gifts, Benefits and Hospitality form on the department’s intranet. The form will ask employees for their manager’s contact details. Once the employee submits the form, the details will automatically be sent to their manager for decision.

Approval must be sought **before** accepting the offer. The only exception is where there is no opportunity to seek approval before accepting. For example, an employee may be offered a wrapped gift that they later identify as being worth $50 or more, or they may be working in an emergency and need to accept protective equipment or other help. In these cases, the employee must seek manager approval within five business days. If it is later discovered that the gift would likely bring the employee or department into disrepute, the department should return the gift or pay for the cost. Where the gift represents a conflict of interest for the employee, the department should either return the gift or transfer ownership to the department to mitigate this risk.

Managers have delegated authority from the Secretary to approve acceptance in most cases. Managers should familiarise themselves with the Delegation and Authorisation of the Secretary’s Functions and Powers to Department of Families, Fairness and Housing officers’, which can be found on the department’s website.

Managers who approve employee’s acceptance of offers must confirm that they are satisfied that acceptance:

* is consistent with this policy
* will not give rise to a conflict of interest
* will not adversely affect the employee’s standing as a public official or bring the department or the public sector into disrepute.

## Deciding ownership or custodianship

Employees can retain gifts and items that have been accepted and, where necessary, registered in accordance with this policy.

The exceptions to this rule are:

* ceremonial gifts and cultural items
* other gifts of cultural significance
* gifts of significant value (worth more than $200). The value of gifts can usually be determined by online searches.
* official gifts provided to employees on behalf of the department or their office.

The department is responsible for the ownership or custodianship of these items and the general expectation is that they are transferred to the department. In the case of cultural items provided by Aboriginal community-controlled organisations or communities, consideration should be given to the cultural safety or Aboriginal staff and communities.

# Giving gifts, benefits and hospitality

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

## Deciding when gifts, benefits and hospitality can be provided

The department may provide gifts, benefits and hospitality to welcome guests, 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, employees must ensure:

* any gift, benefit or hospitality is provided for a business reason, in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities
* that any costs are proportionate to the benefits obtained for the State and would be considered reasonable in terms of community expectations. The ‘HOST’ test at Figure 4 will help employees make this assessment.
* it does not raise an actual, potential or perceived conflict of interest.

Employees must refer to the Hospitality and Conference Expenses Guideline when organising events. The guideline covers conferences, seminars, training and meetings and provides information about approvals, catering and alcohol.

When the department provides hospitality, employees must demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

Figure 4. The HOST test

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| **H** | **Hospitality** | To whom is the gift or hospitality being provided?Will recipients be external business partners, or employees 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 adequately explain the rationale for providing the gift or hospitality, if it was subject to external scrutiny? 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? |

## Ensuring proportionate and reasonable costs

Employees must ensure the costs involved in providing gifts, benefits and hospitality:

* are proportionate to the benefits obtained for the State
* would be considered reasonable in terms of community expectations

They must also 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 assist employees 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?
* Could the department adequately defend the gift, benefit or hospitality and its cost, if it was subject to external scrutiny?

Employees must retain records relating to the provision of hospitality, such as approval forms and records relating to procurement and expenditure, in accordance with requirements under the *Financial Management Act 1994* (Vic).

## Gifts, benefits and hospitality for employees

The department may fund modest and reasonable gifts, benefits and hospitality to its employees as part of:

* any reward and recognition program, which recognises and thanks employees for significant achievements and contributions.
* approved health and wellbeing activities and supports.

Employees must not use public funds for gifts and celebrations to mark events such as birthdays, marriages or the birth of children, or for condolences.

Employees must refer to the Hospitality and Conference Expenses Guideline when organising workplace events. As a general principle, catering for staff training or workplace meetings is not appropriate.

# Breaches

## Speak up – reporting breaches

The department is committed to a culture of integrity. It encourages anyone who suspects a breach of this policy to speak up and report their concerns.

People can report concerns to:

* their manager
* the manager of the person who has not complied with this policy
* the department’s Integrity Unit on 1300 131 431 or integrity@dffh.vic.gov.au
* the Secretary
* the Independent Based-based Anti-corruption Commission at [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au) if the matter could amount to corrupt or improper conduct).
* the Victorian Ombudsman at [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au) (if the matter could amount to improper conduct).

You can make an anonymous report. We encourage anonymous reporters to provide as much information as possible (for example, names, dates and any supporting evidence) so that we can properly consider their concerns.

Protections are available for employees who report integrity concerns. More information is available on the department’s Integrity intranet page.

## Handling breaches

The department may take disciplinary action consistent with the relevant industrial instrument and legislation, including dismissal, where an employee fails to comply with this policy.

Actions inconsistent with this policy may constitute misconduct under the *Public Administration Act 2004* and the department’s misconduct procedures. Misconduct 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). Clause 1.2 of the Code requires employees to comply with this policy.
* individuals making improper use of their position.

Where the breach involves a conflict of interest, it may also breach the department’s Conflict of interest policy and in some cases, the breach may meet the threshold for criminal or corrupt conduct.

Contractors and consultants are bound to comply with this policy under the terms of their agreements with the department. The department will communicate its policy on 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.

For more information on managing breaches of this policy, contact the Integrity Unit on 1300 131 431 or integrity@dffh.vic.gov.au.

# Governance and reporting

## Gifts, benefits and hospitality register

The department maintains a register of non-token offers of gifts, benefits and hospitality using the information declared by employees.

Access to the register is restricted to the Integrity Unit. The Integrity Unit reviews declarations regularly. It may contact employees, their managers and suppliers to clarify information or raise compliance issues. It may also report to senior managers or divisions on the register.

The department may also be required to release certain information under this policy for compliance purposes. This includes enquiries, investigations and audits by external integrity agencies.

The department is required to publish an online version of the register on its website every year. The public register does not include ceremonial gifts or cultural items. It includes the following information about other registered gifts:

* the date of the offer
* the employee receiving the offer:
	+ if the offer was accepted – the employee’s position title and branch (for example, Director, Safety)
	+ if the offer was declined – the employee’s position title (for example, Director)
* the person or organisation making the offer:
	+ if the offer was accepted – the organisation’s name and the person’s position title (for example, Director, Oz Sports)
	+ if the offer was declined – a generic description (for example, sports association)
* the nature of the offer and its estimated or actual value
* if the offer was accepted or declined
* ownership of gifts and other items.

## Audit and Risk Management Committee

The department reports annually to its Audit and Risk Management Committee on the administration and quality control of the gifts, benefits and hospitality policy, processes and register. The Committee will consider any risks (including multiple offers from the same source and offers from business associates) and risk mitigation measures. The Committee may propose improvements when appropriate.

## Roles and responsibilities

This section summarises the roles and responsibilities of employees, managers and the Integrity Unit under this policy:

| Role | Responsibility |
| --- | --- |
| Employees | **Be aware** of the requirements of this policy and the consequences of breaching the policy**Comply** with the requirements of this policy **Seek advice** when unsure about the right course of action to take **Promote integrity** in the department, by modelling good practice and participating in manager and team discussions about integrity risks**Speak up and report** possible breaches of this policy, including reporting possible bribes or inducements to the Integrity Unit  |
| Managers (including senior managers such as deputy secretaries, executive directors and directors) | In addition to the requirements for employees, managers must:**Promote awareness**of this policy amongst team members**Model** **good practice** and promote a culture that is consistent with this policy and the Victorian Public Sector values**Monitor** the gifts, benefits and hospitality offered to, or provided by, their team and speak with team members about integrity risks arising in their work**Oversee compliance** by team members with this policy including:* ensuring team members register offers when required
* only approving acceptance of offers where acceptance is consistent with this policy
* only approving provision of gifts, benefits and hospitality that is consistent with this policy and department guidance

**Encourage reporting** of breaches of this policy**Act on reports and breaches** by taking timely and decisive action consistent with the Managing Misconduct Procedure.  |
| Integrity Unit  | **Own and manage** this policy and associated forms**Promote compliance** with this policy through training and advice **Manage** the department’s gifts, benefits and hospitality register **Report** on the register and this policy to the Audit and Risk Management Committee every year, and to senior management as required**Detect** breaches of this policy through risk reviews and cyber forensic detection program **Investigate** or oversee investigations into alleged breaches of this policy |

# More information

##  Getting advice

Conflicts of interest are not always clear to people who have them and we encourage employees to consult about their obligations. Employees who are unsure about how to deal with offers or provide gifts, benefits and hospitality should ask their manager or contact the Integrity Unit for advice at integrity@dffh.vic.gov.au or 1300 131 431.

##  Related policy, legislation and documents

Employees may wish to consult the following resources for further information:

* Public Administration Act 2004
* Code of Conduct for Victorian Public Sector Employees
* Victorian Public Sector Commission’s Gifts, Benefits and Hospitality Resource Suite
* Victorian Government Sponsorship Policy
* Conflict of Interest Policy
* Aboriginal and Torres Strait Islander Cultural Safety Framework
* Aboriginal Workforce Strategy
* Hospitality and Conference Expenses Guideline
* Managing misconduct procedure VPS 2020
* Victorian Public Sector Commission Management of Misconduct Common Policy.

## Document Version Control

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| --- | --- |
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| Distribution  | Department wide |

#### Change History

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| --- | --- | --- | --- |
| Version | Issue Date | Author  | Reason for change |
| Version 2.0 | 22/08/2022 | Integrity Unit | Refresh of previous gifts, benefits and hospitality policy including updates to cultural items, introducing thanks is enough approach, review of IBAC and VPSC guidelines and improvements to accessibility and language.  |
| Version 2.1 | 28/10/2022 | Integrity Unit | Removal of references to the Gift Card and reward and recognition policy |
| Version 2.2 | 14/01/2025 | Integrity Unit | Update of Integrity Unit contact details  |

1. Glossary

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| **Business associate** | An external individual or entity which the department has, or plans to establish, some form of business relationship, or who may seek commercial or other advantage by offering gifts, benefits or hospitality. |
| **Ceremonial gifts and cultural items**  | Ceremonial gifts and cultural items are items that are provided as part of the culture and practices of communities and government, within Australia or internationally. They include official gifts provided by official delegates or representatives of foreign governments. They also include cultural items provided by Aboriginal community-controlled organisations or communities as part of their engagement with the department.  |
| **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.

For further information and examples of conflicts of interest see the Conflict of interest policy. |
| **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 department, the public sector or the State.  |
| **Public official** | Public official has the same meaning as section 4 of the Public Administration Act 2004 and includes public sector employees, statutory office holders and directors of public entities.  |
| **Token offer** | A token offer is 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). Token offers cannot be worth $50 or more. |
| **Non-token offer** | An offer of a gift, benefit or hospitality that is, or may be perceived by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth $50 or more are non-token offers. |

1. Minimum accountabilities

This policy was developed in accordance with the Victorian Public Sector Commission’s minimum accountabilities for managing gifts, benefits and hospitality:

**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.
3. Declare all non-token offers (valued at $50 or more) of gifts, benefits and hospitality (whether accepted or declined) on the department’s register, and seek written approval from their manager and the authorised delegate to accept any non-token offer.
4. Refuse bribes or inducements and report inducements and bribery attempts to the Secretary or the Manager, Corporate Integrity (who will 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.

**Department head:**

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 department 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. The published register should cover the current and the previous financial year.
7. Case studies

****Case study 1: Thank you chocolates and gift card****

Khahn is a Housing Services Officer and is offered a small box of chocolates and a $20 gift card from a client at Christmas.

What should Khahn do?

Khahn should politely inform the client that while he is touched by the gesture, gifts are unnecessary and their thanks is enough. In particular, he must decline the offer of the gift card because it is an item that can be used like money. Khahn does not need to register the offer in the department’s gifts, benefits and hospitality register because it is worth less than $50.

****Case study 2: Invitation to program launch****

Michelle works in the Office for Women and her manager asks her to represent the department at an event to launch a new program supported by a department grant. The invitation will enable Michelle to monitor performance and compliance with the terms in the grant agreement. The invitation says that refreshments and finger food will be provided. The cost of the event, including catering, is around $120. The invitation also gives Michelle the option of bringing her partner.

What should Michelle do?

Michelle must declare the offer on the department’s gifts, benefits and hospitality register.

Michelle can attend the event with her manager’s approval. The invitation has been extended to the department consistent with the requirements of an agreement which includes a performance monitoring requirement. Michelle is attending as the department’s nominated representative. There is a legitimate business reason for attending, and it would not create a conflict of interest or reputational risk for Michelle or the department. However, to avoid any perceived risks, Michelle’s manager asks the organisation to invoice the department for the cost.

Michelle should decline the offer to bring her partner because there is no legitimate business reason for accepting hospitality for members of her family.

Case study 3: Supplier lunch

Yasmin is on site for a meeting with a large department supplier. It is getting close to lunchtime and the supplier’s representative suggests lunch at a nearby gastropub. The supplier offers to charge the lunch to their expense account.

What should Yasmin do?

Yasmin declines the lunch offer on the basis that it has been made by a supplier and she is likely to be involved in recommending whether the department allocates them work in the future. While Yasmin might consider going to the pub and paying for herself, she would need to consider the reputational risk involved in a public officer dining out with a large department supplier. A reasonable member of the community might question the impartiality of Yasmin’s future procurement decisions involving that supplier. Even though Yasmin declines the offer, she declares it on department’s gifts, benefits and hospitality register.

Case ****study 4: Mate’s rates****

Tony works in the Fleet Management Unit and has a good relationship with one of the suppliers who sells cars to the department. When speaking with the supplier, Tony mentions that he is looking to buy a new car. The supplier invites Tony to come and see him and he will make sure he receives a significant discount.

What should Tony do?

Tony should decline and declare the offer as it creates a conflict of interest. The supplier is offering Tony a benefit in connection with his employment, which may be perceived to improperly influence Tony’s decisions or actions, now or in the future, relating to the supplier.

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