

MINIMUM ACCOUNTABILITIES FOR THE MANAGEMENT OF GIFTS, BENEFITS AND HOSPITALITY

As public officials, we all have a duty to conduct ourselves in accordance with the highest standards of integrity, impartiality and accountability. The way we respond to offers of gifts, benefits and hospitality is critical to earning and sustaining the trust of those we serve. Government, customers, clients, business partners and the Victorian community need to be confident that we perform our public duties without favouritism, bias or for personal gain. Similarly, we need to be confident that we are using public resources responsibly when we provide gifts or hospitality in the course of our work.

The minimum accountabilities set out below for managing gifts, benefits and hospitality apply to all public officials and all public sector organisations. Each public sector organisation is required to develop and implement a gifts, benefits and hospitality policy that applies these minimum accountabilities or sets a higher standard. Gifts, benefits and hospitality policies assist us to differentiate modest tokens of appreciation, or hospitality that is a basic courtesy, from inducements, conflicts of interest or non-token offers without a legitimate business benefit. Organisations may choose to adopt the model policy for gifts, benefits and hospitality in the Victorian public sector.

When facing a decision about gifts, benefits and hospitality, I encourage all public officials to reflect on the overarching objective of these minimum accountabilities. Ultimately, we are seeking to earn and sustain trust in our people and our organisations so that we are best equipped to serve the Victorian community.

Belinda Clark QSO
Commissioner

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.
3. Declare all non-token offers (valued at \$50 or more¹) 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.

¹ Except where a person employed under the *Education and Training Reform Act 2006* in a Victorian Government school receives an offer from or on behalf of a parent, guardian, carer or student intended to express appreciation of the person's contribution to the education of a student or students, in which case non-token includes any offer worth more than \$100.

4. 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:

5. 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.
6. Ensure that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations.
7. 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:

8. Establish, implement and review organisational policies and processes for the effective management of gifts, benefits and hospitality that comprehensively address these minimum accountabilities.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.

Definitions

Business associate	an external individual or entity 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	<p>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.</p> <p>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.</p>
Conflicts of interest	
<i>Actual conflict of interest</i>	there is a <u>real conflict</u> between an employee's public duties and private interests.
<i>Potential conflict of interest</i>	an employee has private interests that <u>could conflict</u> 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.
<i>Perceived conflict of interest</i>	the public or a third party <u>could form the view</u> 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). Fundraising by public sector organisations that is consistent with relevant legislation and any government policy is not prohibited under the minimum accountabilities.
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	gifts, benefits and hospitality accepted or provided for a business purpose, in that it furthers the conduct of official business or other legitimate goals of the organisation, public sector or State.
Public official	has the same meaning as under section 4 of the <i>Public Administration Act 2004</i> . This includes: <ul style="list-style-type: none">• public sector employees;• statutory office holders; and• directors of public entities.

Register is a record, preferably electronic, 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.

Token offer is an offer of a gift, benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the individual. 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). This does not apply to a person employed under the *Education and Training Reform Act 2006* in a Victorian Government school, who receives an offer from or on behalf of a parent, guardian, carer or student intended to express appreciation of the person's contribution to the education of a student or students, in which case it cannot be worth more than \$100.

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 gifts, benefits and hospitality register (except for specific offers received by a person employed in a Victorian Government school, as defined under 'token offer').

[Note: public sector organisations may set lower thresholds for non-token offers.]

Further advice

Further guidance and tools for implementing these minimum accountabilities can be found on the VPSC's website at vpsc.vic.gov.au/gifts-benefits-and-hospitality. This includes a model policy, templates for declaration forms and registers, and a management guide.