

VPSC Gifts, Benefits and Hospitality Policy



**Victorian
Public Sector
Commission**

1. Purpose

This policy states the position of the Victorian Public Sector Commission (VPSC) on:

- responding to offers of gifts, benefits and hospitality, and
- providing gifts, benefits and hospitality.

The policy is intended to support the VPSC and its employees to avoid conflicts of interest and maintain high levels of integrity and public trust.

The VPSC has issued this policy to support behaviour consistent with the [Code of Conduct for Victorian Public Sector Employees](#) (the Code of Conduct).

Employees are required under clause 1.2 of the Code of Conduct to comply with this policy.

2. Scope

This policy applies to all VPSC employees. For the purposes of this policy, this includes:

- executives
- advisory board members
- individual employees
- contractors
- consultants, and
- any individuals or groups undertaking activity for or on behalf of the VPSC.

3. Principles

This policy is consistent with the **minimum accountabilities** for the management of gifts benefits and hospitality, which are issued by the VPSC. The policy is underpinned by the following principles:

Public interest

The VPSC, through its policies, processes and audit committee, ensures gifts, benefits and hospitality risks are appropriately assessed and managed.

Accountabilities

Employees are accountable for:

- accepting, refusing and recording offers of gifts, benefits in accordance with this policy
- the responsible provision of gifts, benefits and hospitality in accordance with this policy.

Employees with **direct reports** are also accountable for being aware of the inherent gifts, benefits and hospitality risks in the roles of their direct reports; overseeing management of their direct reports' acceptance, refusal and recording of offers; modelling good practice; and promoting awareness of this policy and related processes.

4. Minimum Accountabilities

The VPSC has issued minimum accountabilities on the management of gifts, benefits and hospitality that binding on the Victorian public sector ([see Schedule A](#)).

Organisations can choose to adopt higher standards and processes to take into account their role and functions. In parts of this policy, the VPSC has done so.

5. Definitions

Business associate – an individual or organisation the VPSC has established, or plans to establish, some form of business relationship with, 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 employee. For example, invitations to sporting, cultural or social events, access to discounts and loyalty programs, and promises of a new job.

The value of a benefit may be difficult to define in dollars, but if it is valued by the employee, it may be used to influence their behaviour.

Ceremonial gifts – 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.

Conflicts of interest – conflicts of interest may be:

- **Actual:** a real conflict exists between the employee's public duties and their private interests.
- **Potential:** the employee has private interests that could conflict with their public duties. It is foreseeable that a conflict may arise in future. Steps should be taken now to mitigate that future risk.
- **Perceived:** the public or a third party could reasonably form the view that an employee's private interests could influence a decision or action made by the employee in their public duties, now or in the future.

For details, such what is a 'private interest', see the [VPSC's Conflict of Interest policy](#).

Gifts – are free or discounted items or any item or service 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 legitimate business benefit furthers the conduct of official business or other legitimate goals of the VPSC, the public sector or the State.

Public Register – is the official record, preferably digital, of the information from the VPSC's register which is made public as required by the minimum accountabilities. It is usually published online.

Register – is the official record, preferably digital, of all declarable offers of gifts, benefits and hospitality received by VPSC employees. The full title is the 'Register of Gifts, benefits and hospitality (Declarable offers received)'.

Token offer – the offer of a gift, benefit or hospitality that is only trivial or inconsequential in value to both the recipient and the offeror. For example, hospitality that is a basic courtesy. Token offers cannot be worth more than \$50.

Non-token offer – the offer of a gift, benefit or hospitality that is or is seen by the recipient, the offeror or the public as more than trivial or inconsequential in value. Any offer worth more than \$50 is non-token.

6. Soliciting offers is prohibited

You must never solicit (ask for) a gift, benefit or hospitality for yourself or anyone else if it could reasonably be seen as connected to your employment with the VPSC.

7. When an offer must be refused

You must refuse an offer of a gift, benefit or hospitality if any of the following reasons apply. These **reasons** apply and expand on the minimum accountabilities.

1. **Influence:** The offer is likely to influence or be seen to influence you in the course of your duties (or otherwise raises an actual, potential or perceived conflict of interest).
2. **Disrepute:** The offer could bring you, the VPSC or the public sector into disrepute.
3. **Money:** The offer is money, used in a similar way to money, or easily converted to money.
4. **Friends and relatives:** The offer extends to your relatives or friends.
5. **Lobbyist:** The offer is made by a person or organisation whose primary purpose is

to lobby Ministers, Members of Parliament or public sector agencies.

6. **Secret offer:** The offer is made in secret.
7. **Bribe:** The offer is likely to be, or be seen as, a bribe or inducement to make a decision or act in a particular way.
8. **Endorsement:** Accepting the offer could reasonably be seen as endorsing a product or service.
9. **Advantage:** Accepting the offer could reasonably be seen as advantaging a sponsor in future procurement decisions.
10. **Sufficient attendees:** For hospitality and events, if the VPSC will already be sufficiently represented to meet its business needs.
11. **Business reason:** A non-token offer must have a legitimate business reason to accept.
12. **May influence decision:** The offer is from a person or organisation you are likely to make or influence a decision about:
 - Examples: A decision affecting a current or prospective supplier or a decision about grants, sponsorship, regulation, enforcement or licensing.
 - Exceptions: If no other reason to refuse applies, an offer from a (prospective) supplier or similar can be accepted if it is:
 - Token hospitality that is a basic courtesy, or
 - An invitation to a free seminar that has a legitimate business purpose.

7.1 Repeat offers

Receiving multiple offers (token or non-token) from the same person or organisation can generate a stronger perception that they could influence you. Refuse repeat offers from the same source if they could reasonably be seen as adding up to a conflict of interest or lead to reputational damage.

7.2 GIFT test – helpful questions

The GIFT test below may be helpful in deciding whether you must refuse an offer. For example, whether it could be seen as influencing you in your public duties. The questions are useful prompts. However, they are only some of the considerations that may be relevant in deciding whether you must refuse the offer.



GIFT Test

G

Giver

Who is providing the gift, benefit or hospitality and what is their relationship to me?

- Does my role require me to select suppliers, award grants, regulate industries or determine government 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 basic courtesy or token of appreciation or is it a valuable non-token offer?
- Does its timing coincide with a decision I am about to make or know I will be making in the foreseeable future?

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, or result in me feeling 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?

8. How to accept a token offer

If there are not reasons (above) why you must refuse an offer:

1. **Approval:** You can accept a token offer without seeking approval.
2. **Business reason:** You do not need a legitimate business reason to accept a token offer.
3. **Declare and record:** You do not need to declare a token offer.
4. **Ownership:** You are the owner of the non-token gift, benefit or hospitality.
5. **Ownership exception:** special requirements apply to official and ceremonial gifts and to gifts of cultural or other significance (see 'Ownership', below).
6. **Other Victorian public sector organisations (exceptions to requirements):**
If you accept hospitality from another Victorian public sector organisation as part of official business, you do not need to declare or record it, provided your attendance is consistent with:
 - the VPSC's functions and objectives, and
 - your work duties.

9. How to accept a non-token offer

If none of the reasons why you must refuse an offer apply:

1. **Prior approval:** You can accept a non-token offer, but only if you have prior approval in writing of your manager or an appropriate delegate of the Commissioner.

2. **Business reason:** Remember that there must be a legitimate business reason to accept the offer.
3. **Declare and record:** Complete [a declaration form](#). Submit it to your manager, who will arrange for it to be recorded on the register. For details, see 'How to record a non-token offer' (below).
4. **Ownership:** If you accept a non-token gift, benefit or hospitality you do so on behalf of the VPSC. The VPSC is the owner, not you. If the gift was given to you for your work or contribution, you may retain it in certain circumstances (see 'Ownership', below).
5. **Ownership exception:** Special requirements apply to official and ceremonial gifts and to gifts of cultural or other significance (see 'Ownership', below)
6. **Other Victorian government organisations (exceptions to requirements):**
If you accept hospitality from another Victorian public sector organisation as part of official business, you do not need to declare or record it, provided your attendance is consistent with:- the VPSC's functions and objectives, and
– your work duties.
7. **Retrospective approval:** Sometimes, you are offered a gift, benefit or hospitality which you are unaware is non-token or where there is no realistic opportunity to refuse or seek prior written approval from your manager to accept. In such situations, seek approval retrospectively from your manager within five business days. See the 'Ownership' section, below.

Examples:

- You accept a wrapped gift that turns out to be non-token.
- You are presented with a non-token gift from a visiting official delegation. Refusing the gift would cause offence. (Note: except for official or ceremonial gifts or gifts of cultural or other significance, 'avoid offending' is not usually a reason to accept the gift.)

10. Recording all non-token offers (accepted and declined)

You must declare all non-token offers, **whether accepted or declined**. Use [the declaration form](#) and submit it to your manager, who will arrange for the offer to be recorded in the register.



Make sure that you record the business reason for accepting the non-token offer in sufficient detail to link the acceptance with your work functions and the benefit to the VPSC, public sector or State.

Examples

Examples of acceptable and unacceptable levels of detail to include when recording the business reason are:

Unacceptable

- "Networking"
- "Maintaining stakeholder relationships"

Acceptable

- "I am responsible for evaluating and reporting on the outcomes of the VPSC's sponsorship of Event A. I attended Event A in an official capacity and reported back to the VPSC on the event."
- "I presented to a visiting international delegation. The delegation presented me with a cultural item worth an estimated \$200. Declining the gift would have caused offence."

11. Ownership of gifts, benefits and hospitality

Ownership of accepted gifts is as follows:

- **Token:** If you accept a non-token gift, benefit or hospitality, you own it.
- **Non-token:** If you accept a non-token offer, you do so on behalf of the VPSC. The VPSC is the owner, not you. However, if the gift was given to you specifically in recognition of your work or contribution, you may retain it provided that: it is unlikely to bring you or the VPSC into disrepute, and your manager or an appropriate delegate of the Commissioner provides written approval.
- **Official, Ceremonial, Cultural, other significance:** Official gifts, Ceremonial gifts, and gifts of cultural or other significance are accepted on behalf of the VPSC. They



belong to the VPSC. Regardless of their monetary value, they are recorded on the register. However, they do not need to be published online.

11.1 Offers to the VPSC

Sometimes an individual or business offers gifts, benefits or hospitality to the VPSC itself. These offers may take the form of a discount to employees, offer of free tickets or provision of equipment free of charge. Any offer to the VPSC will be treated consistently with the requirements of this policy and, where required, recorded on the register.

12. Privacy and review of the register

Access to the register is restricted to relevant persons with the VPSC.

The VPSC's Audit and Risk Management Committee will receive a report at least annually on the administration and quality control of this policy, related processes, and the register. The report will include analysis of the VPSC's:

- gifts, benefits and hospitality risks (including multiple offers from the same source and offers from business associates)
- risk mitigation measures
- any proposed improvements.

13. Reporting bribes and inducements

If you believe that you may have been offered a bribe or inducement, the offer must be reported to the Victorian Public Sector Commissioner (who should report any criminal or corrupt conduct to [Victoria Police](#) or the [Independent Broad-based Anti-corruption Commission](#)).

14. Requirements for providing gifts, benefits and hospitality

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



behalf of the VPSC. In doing so, you must :

1. **Business reason:** Ensure that it is being provided for a business reason that furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities. Some examples of legitimate business reasons are to:
 - welcome guests
 - facilitate the development of business relationships
 - further public sector business outcomes
 - celebrate achievements.
2. **Costs proportionate:** Ensure that any costs incurred are proportionate to the benefits obtained for the State and would be considered reasonable and consistent with community expectations. The 'HOST' test at Figure 2 (below) is a good reminder of what to think about in making this assessment.
3. **No conflict of interest:** Ensure it does not raise an actual, potential or perceived conflict of interest.

14.1 Contain costs – be proportionate

It is essential to contain costs and ensure they are proportionate, consistent with the financial probity and efficient use of resources guidance in the Code of Conduct. The following questions can assist you to decide the type of gift, benefit or hospitality to provide:

1. **Proportionate:** Is the cost proportionate to the potential benefits?
2. **External venue:** Is an external venue necessary or does the VPSC have facilities to host the event?
3. **Catering:** Is the proposed catering or hospitality proportionate to the number of attendees?
4. **Intended outcome:** Does the size of the event and number of attendees align with the intended outcomes?
5. **Symbolic gift:** Is the gift symbolic, rather than financial in value?
6. **Public perception:** Will providing the gift, benefit or hospitality be viewed by the public as excessive?

14.2 HOST test – helpful questions

The HOST test (below) can help you to decide whether providing a particular gift, benefit, or hospitality would be consistent with the requirements of this policy. For example, with what should be spent on the event.

The questions in the HOST test are useful prompts. However, they are only some of the considerations that may be relevant in deciding what to provide to.

HOST Test		
H	Hospitality	To whom is the gift or hospitality being provided? <ul style="list-style-type: none">• Will recipients be external business associates, or individuals of the host organisation?
O	Objectives	For what purpose will hospitality be provided? <ul style="list-style-type: none">• 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? <ul style="list-style-type: none">• 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?

15. Preventing and dealing with breaches of policy

- **Preventing breaches:** The VPSC will communicate this policy to its staff; its other employees, such as contractors and consultants; and its business associates.
- **Dealing with breaches:** If you breach this policy it is important to notify your manager in writing immediately, so that an assessment can be made of the best way to mitigate the risk (for example, return the gift).
- A serious breach, particularly where there has been no effort to remedy the breach, may be subject to disciplinary action, including possible dismissal for a breach of *Public Administration Act 2004*, the Code of Conduct, this policy, or a relevant industrial instrument or legislation.
- Those who act inconsistently with this policy may be subject to dismissal as an employee or to contract re-negotiation, including termination.
- For information on managing breaches of this policy, please contact the Manager of Corporate and Governance Branch.

16. Speak up

Individuals who consider that gifts, benefits and hospitality or conflict of interest within the VPSC may not have been declared or is not being appropriately managed should speak up and notify their manager or the manager of Corporate and Governance Branch.

Individuals who believe they have observed corrupt conduct in their colleagues may also make a protected disclosure directly to [the Independent Based Anti-corruption Commission \(IBAC\)](#).



The VPSC will take decisive action, including possible disciplinary action, against individuals who discriminate against or victimise those who speak up in good faith.

17. Contact 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 accepting a gift, benefit or hospitality, or the application of this policy should ask their manager or the Corporate Services team via email on corporate.services@vpsc.vic.gov.au

18. Related policy, legislation and other documents

- Minimum accountabilities for the management of gifts, benefits and hospitality, issued by the Victorian Public Sector Commission
- The VPSC's Conflict of Interest Policy
- Public Administration Act 2004
- Code of Conduct for Victorian Public Sector Employees
- Victorian Public Sector Commission's Gift, Benefits and Hospitality Policy Guide.

19. Responsibility of Governance and Corporate Branch

This policy is issued under the authority of the Commissioner of the Victorian Public Sector Commission and is subject to annual review.

The organisational delegate is the Manager of Corporate and Governance Branch.

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Policy Reviewed: May 2021.



Schedule A – 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 employethe 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 their organisation’s register, and seek written approval from their manager or organisational delegate to accept any non-token offer.
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.

[Return to Policy](#)

