

**Gifts, Benefits and Hospitality Policy**

**Purpose/Scope**

As Victoria’s major revenue collection agency, the State Revenue Office of Victoria (SRO) administers a range of taxes and duties on behalf of the Victorian Government and operates under a Framework Agreement between the Victorian Treasurer, the Secretary of the Department of Treasury and Finance, and the Commissioner of State Revenue.

This policy recognises the high degree of importance that the SRO places on the active management of gifts, benefits and hospitality. This includes the requirement that employees identify and declare any offer or acceptance of any gift, benefit or the provision of hospitality and avoid or actively manage potential or actual conflicts of interest wherever possible

The purpose of this policy is to make clear SRO’s position on:

* Responding to offers of gifts, benefits and hospitality, and
* Providing gifts, benefits and hospitality

**Application**

This policy applies to all SRO workers. For the purpose of this policy, this includes executives, employees, contractors, consultants and any individuals or groups undertaking activity for or on behalf of the SRO

**Policy principles**

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

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

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

**Accountability:** individuals are accountable for:

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

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

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

**Minimum accountabilities**

The Victorian Public Sector Commission has set binding minimum accountabilities for the appropriate management of gifts, benefit and hospitality. These can be found at Schedule A.

**Definitions**

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| **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** | include preferential treatment, privileged access, favours or other advantage offered to an individual. They may include invitations to sporting, cultural or social events, access to discounts and loyalty programs, and promises of a new job.The value of benefits may be difficult to define in dollars, but as they are valued by the individual, they may be used to influence the individual’s behaviour. |
| **Conflicts of interest** |  |
| *Actual conflict of interest:* | There is a real conflict between an employee’s public duties and private interests.  |
| *Non pecuniary interest* | Do not have a financial component. Includes a tendency toward favour or prejudice resulting from friendship, animosity, or other personal involvement with another person or group. |
| *Pecuniary Interest* | Involves an actual, potential or perceived financial gain or loss. Does not have to involve money, may include discounts, gifts or hospitality, shares, etc. |
| *Potential conflict of interest:* | 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 conflict of interest*: | the public or a third party could form the view that an employee’s private interests could improperly influence their decisions or actions, now or in the future. |
| **Gifts** | are free or discounted items and any item that would generally be seen by the public as a gift. These include items of high value (e.g. artwork, jewellery, or expensive pens), low value (e.g. small bunch of flowers) and consumables (e.g. chocolates). Fundraising by public sector organisations that is consistent with relevant legislation and any government policy is not prohibited under the minimum accountabilities. |
| **Hospitality** | Hospitality includes food, alcoholic or soft drinks, tea and coffee, entertainment vouchers such as theatre tickets and corporate box tickets.In-house catering means food and drinks purchased externally and serviced within the SRO Building.External catering means meals and drinks consumed at venues external to the SRO, such as restaurants and hotels.  |
| **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. |
| **Private Interest** | Anything that can have an impact on an individual or a group. Includes not only an employee’s own personal, professional or business interests, but also those personal, professional or business interests of an individual or group with whom they are closely associated. |
| **Public Duty** | All public sector employees have a duty to put the public interest above their private interest when carrying out their official duties. Employees can best fulfil their duty to put the public interest first by: · Carrying out their prescribed official duties fully and effectively in accordance with relevant legislation and policy; · Carrying out their official duties in accordance with the public sector values and codes of conduct; and · Identifying any actual, potential or perceived conflicts of interest that they have and ensuring these are managed effectively. |
| **Public Interest** | The interests of the community as a whole. It is not the sum of individual interests or the interest of a particular group, but the collective interests of the entire community. |
| **Public official** | has the same meaning as under section 4 of the *Public Administration Act 2004*. This includes:* public sector employees;
* statutory office holders; and
* directors of public entities.
 |
| **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).  |
| **Non-token offer** | is an offer of a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth more than $50 are non-token offers and must be recorded on a gift, benefit and hospitality register.  |

**References**

* Public Administration Act 2004
* Victorian Public Service Code of Conduct
* VPSC Managing Conflicts of Interest – A guide to policy development and implementation
* VPSC Gift, Benefits and Hospitality Policy Framework
* SRO Code of Ethics
* SRO Financial Code of Practice
* SRO Private Employment Policy
* Guidelines for the Provision of Official Hospitality within DTF
* SRO Conflict of Interest Policy
* SRO Reward and Recognition Policy
* Minimum accountabilities for the management of gifts, benefits and hospitality (see Instructions supporting the Standing Directions of the Minister for Finance)

**Policy Statement**

**Management of offers of gifts, benefits and hospitality**

**Token offers**

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

While the primary determinant of a token offer is that it would not be reasonably perceived within or outside the SRO as influencing an individual raising an actual, potential or perceived conflict of interest, it cannot be worth more than $50. If token offers are made often by the same person or organisation, the cumulative value of the offers, or the perception that they may influence the recipient, may result in the offers becoming non-token.

Within the SRO, all offers of gifts or benefits should be reported to your Manager in writing. If you are to officially represent the SRO or you are invited to a social function i.e. Christmas function, you must get prior approval from your Manager. You must also report the full circumstances if you decide to accept token gifts.

Offers of gifts, benefits or hospitality which exceeds a nominal value of $50, whether accepted or not, must be reported on a Gifts, Benefits and Hospitality Declaration Form.

The form is to be completed and submitted to the relevant manager by the gift recipient, then forwarded to the HR Manager for recording in the SRO Gifts Register. The Gifts Register will be reviewed regularly by the Executive and provided to the Audit Committee on an annual basis.

If you are unsure about how to respond to an offer of a gift, benefit or hospitality seek advice from your manager or the HR manager.

Roles and Responsibilities

Individuals are to refuse all offers (excluding token hospitality, such as sandwiches over a lunchtime meeting):

* Made by a current or prospective supplier,
* Made during a procurement or tender process by a person or organisation involved in the process

**Requirement for refusing non-token offers**

Individuals should consider the GIFT test at **Table 1** and the requirements below to help respond to a non-token offer.

Individuals are to refuse non-token offers:

* Likely to influence them, or be perceived to influence them, in the course of their duties or raise an actual, potential or perceived conflict of interest,
* By a person or organisation about which they will likely make a decision (also applies to processes involving grants, sponsorship, regulation, enforcement or licensing),
* Likely to be a bribe or inducement to make a decision or act in a particular way,
* That extend to their relatives or friends,
* With no legitimate business benefit,
* Of money, or used in a similar way to money, or something easily converted to money;
* Where, in relation to hospitality and events, the organisation will already be sufficiently represented to meet its business needs,
* Where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions,
* Made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament or public sector agencies, and
* Made in secret

If an individual considers they have been offered a bribe or inducement, the offer must be reported to the Executive Director Corporate Services, who may report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission.

**Table 1GIFT 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? |
| **I** | Influence | **Are they seeking to gain an advantage or influence my decisions or actions?**Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy or a token of appreciation or valuable non-token offer? Does its timing coincide with a decision I am about to make or endorse a product or service? |
| **F** | Favour | **Are they seeking a favour in return for the gift, benefit or hospitality?**Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months?Would accepting it create an obligation to return a favour? |
| **T** | Trust | **Would accepting the gift, benefit or hospitality diminish public trust?**How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think? |

**Requirements for accepting non-token offers**

There will be some exceptions where there is a legitimate business reason for accepting a non-token offer. All accepted non-token offers **must** be approved in writing by the individual’s manager, recorded in the gifts, benefits and hospitality register and be consistent with the following requirements:

* It does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, the SRO or the public sector into disrepute (the ‘GIFT’ test at **Table 1** is a good reminder of what to think about in making this assessment), and
* There is a legitimate business reason for acceptance. It is offered in the course of the individual’s official duties, relates to the individual’s responsibilities and has a benefit to the SRO, public sector or the State

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

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

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

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

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

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

**Ownership of gifts offered to individuals**

Non-token gifts accepted by an individual for their work or contribution may be retained by the individual where their manager or organisational delegate has provided written approval. Employees must transfer to SRO official gifts or any gift of cultural significance or significant value (over $50).

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

This section sets out the requirements for providing gifts, benefits and hospitality on behalf of the SRO.

**Requirements for providing gifts, benefits and hospitality**

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.

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

* Any gift, benefit or hospitality is provided for a business reason 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 **Table 2** is a good reminder of what to think about in making this assessment), and
* It does not raise an actual, potential or perceived conflict of interest

**Table 2 HOST test**

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

**Containing costs**

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:

* 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?
* Will providing the gift, benefit or hospitality be viewed by the public as excessive?

**Acceptable Hospitality Expenditure**

Any expenditure on hospitality must be authorised by the Commissioner, Executive Director Corporate Services or the CFO and will be considered in terms of its business purpose and objectives. The following principles set the policy framework for acceptable official hospitality expenditure:

Official Hospitality is only provided at events that are in the interests of the SRO and for a legitimate business purpose; and when Official Hospitality is provided, that the overall cost is no more than modest and prudent.

It is a common and acceptable contemporary business practice for employer funded hospitality to be arranged to facilitate the conduct of business. However, proper accountability requirements attaching to public expenditure require a high degree of prudence and stringency to be exhibited in the use of such hospitality.

Funds for Official Hospitality are provided to help foster the conduct of public business. This includes entertaining diplomatic and foreign government officials including overseas or interstate delegations, people from the business and academic sectors and fellow employees. Hospitality includes meals and beverages provided in the workplace, seminars/conferences, restaurants or at home.

**In-house Hospitality**

Hospitality concerning inter- and intra-departmental activities requires special consideration and as a general rule is not permitted. It may normally only be authorised as an integral component of wider business activities such as training courses, planning days, conferences and the like where continuity or extension of the activity through or into a hospitality function is integral to the proper public purpose of the event.

**Working Meals**

Expenditure on hospitality for working meals is acceptable in certain circumstances. These include:

* If the meal forms part of a full day's meeting (i.e. lunch) and there are cost advantages in continuing the meeting through the normal lunch break, or
* If there are external guests or officials from at least one other Organisation or Government Department and official business is conducted during the meal

For working meals to be eligible hospitality expenses, they must also:

* Be consumed at the work or meeting location,
* Not occur regularly, and
* Be simple meals such as sandwiches, fruit and tea and coffee or a light luncheon when appropriate

**Business Meetings**

An external working meal may be regarded as official hospitality if you are engaged in current negotiations with a commercial organisation concerning a transaction which will further the interests of the SRO. The venue and the amount of expenditure must be appropriate for the significance of the transaction and the status of the people involved. In these cases, specific approval must be given by the Commissioner, Executive Director Corporate Services or the CFO.

**General Hospitality**

You may only use funds for hospitality when you are entertaining people who are external to the SRO and who are helping to conduct public business either by advising or performing services, or because of their vocational or business interests.

In all of the following cases you need to consider the necessity of the hospitality expenditure. When the expenditure is considered necessary, it should only be moderate and you should exercise proper judgment in light of the particular circumstances.

* If the SRO is hosting guests, hospitality may be provided for these visitors. Normally the visitors would only be entertained on one occasion during a visit, but additional entertainment may be appropriate in certain circumstances, such as an extended stay in Victoria.
* The Commissioner, Executive Director Corporate Services or the CFO may authorise a staff member on an official Government business trip to return reasonable hospitality to members of the host organisation.
* Expenditure for hospitality to a visiting speaker is considered acceptable. Hospitality expenditure may be used for the purchase of minor gifts for protocol or public relations reasons.

**Official Functions**

Official SRO functions should only be attended by staff that are likely to advance public business.
The number of SRO staff attending large functions should normally be fewer than the external attendees. If a meal is included as part of an official function, SRO staff must not receive an additional allowance for meal money.

**Unacceptable Hospitality Expenditure**

The following examples are considered unacceptable hospitality expenditure and cannot be made from public funds:

* Lunches or morning and afternoon teas (in-house or external) for instance to farewell staff or celebrate birthdays,
* Food and drink supplied at staff functions,
* The supply of alcoholic drinks at staff functions,
* Prizes at staff functions,
* Membership fees of clubs and organisations

**Alcohol**

Subject to the purpose of the event being for a legitimate official purpose, alcohol may be supplied for consumption provided that its provision does not contravene extant liquor laws, and is in compliance with the requirements of the Occupational Health and Safety Act 2004 and the Liquor Control (Reform) Act 1998, and 'best practice' as represented by the Liquor Licensing Commission's guidelines for the Responsible Serving of Alcohol.

The supply of alcohol for consumption at inter- and intra-Departmental activities must be considered on individual case-by-case bases, and are subject to the approval of the Commissioner, Executive Director Corporate Services or the CFO. At any particular event, the SRO will provide alcohol for consumption at responsible levels (for catering purposes, this will be at an average of no more than three standard drinks per person).

**Fringe Benefits Tax**

Expenditure on hospitality may be subject to Fringe Benefits Tax (FBT). Employees should endeavour to minimise this liability. Finance & Administration can provide advice of FBT implications prior to incurring expenditure.

**Approval**

Hospitality expenditure must be signed and approved by the Commissioner, Executive Director Corporate Services or CFO prior to committing funds.

Refer to the SRO Hospitality Procedure for approval and Finance requirements.

**Breaches**

A breach of this policy may constitute misconduct and may result in disciplinary action. Disciplinary action may include termination of employment.

Any allegation regarding a breach of this policy will be managed in accordance with the SRO Managing Misconduct Policy.

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

An employee’s failure to avoid wherever possible or identify, declare and manage a conflict of interest in accordance with this policy could lead to disciplinary action including dismissal (consistent with the VPS Enterprise Agreement 2016 and legislation). Contractors may be subject to contract re-negotiation, including termination.

**Notification of suspected breaches**

Individuals who consider that gifts, benefits and hospitality or conflict of interest within the SRO may not have been declared or are not being appropriately managed should notify their manager or the manager of the party concerned.

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

**Contacts for further information**

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

**Schedule A**

**VPSC minimum accountabilities**

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

1. Do not, for themselves or others, seek or solicit gifts, benefits and hospitality.
2. Refuse all offers of gifts, benefits and hospitality that:
* are money, items used in a similar way to money, or items easily converted to money;
* give rise to an actual, potential or perceived conflict of interest;
* may adversely affect their standing as a public official or which may bring their public sector employer or the public sector into disrepute; or
* are non-token offers without a legitimate business benefit.
1. Declare all non-token offers (valued at $50 or more) of gifts, benefits and hospitality (whether accepted or declined) on their organisation’s register, and seek written approval from their manager or organisational delegate to accept any non-token offer.
2. Refuse bribes or inducements and report inducements and bribery attempts to the head of the public sector organisation or their delegate (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

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

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

**Heads of public sector organisations:**

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