



Department of
Education & Training

Gifts, Benefits and Hospitality Policy

For Department Employees,
Teaching Service Employees,
School Council Employees
and School Councillors

Revised February 2017



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Purpose

This Gifts, Benefits and Hospitality Policy (the Policy) states the Department of Education and Training's (the Department) position for its staff, either as a recipient or as a provider of offers of gifts, benefits or hospitality.

The Policy contributes to the Department's capacity to appropriately manage matters of conflicts of interest and to maintain high standards of integrity and public trust. In adhering to the Policy, staff will conduct themselves appropriately in circumstances of either receiving or providing offers of gifts, benefits or hospitality.

Intent

The giving and receiving of gifts, benefits or hospitality are commonplace in everyday life. As public officials the Victorian community expects high standards of integrity and impartiality from Victorian public sector employees, school employees and school councillors. We must not accept or make offers of gifts, benefits or hospitality that influence, or give the impression to influence, any decision unfairly. We are to perform our duties without favouritism, bias or for personal gain. We act fairly and objectively and maintain public trust by being honest, open and transparent. We also need to be confident in using public resources responsibly when making offers of gifts, benefits or hospitality in the course of our work.

This Policy is underpinned by the integrity and impartiality values and principles specified in the *Public Administration Act 2004*, the *Code of Conduct for Victorian Public Sector Employees* and the *School Council Code of Conduct*.

Application

This Policy applies to all Departmental employees (including Teaching Service), contractor staff, all school council employees and all school councillors.

This Policy should be used as a guide by all portfolio public bodies outside the Department's entity, including the Merit Protection Boards, the Victorian Curriculum and Assessment Authority, the Victorian Institute of Teaching, the Victorian Registration Qualifications Authority and Technical and Further Education Institutes.

The Policy also includes gifts, benefits or hospitality offered to staff or staff's immediate family if the offer is linked to the staff member's employment with the Department. The Policy does not apply to gifts, benefits or hospitality offered in a private context.

Version and review

This version serves as an interim update of the Policy following the release of the Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Framework in October 2016. A comprehensive update to the Department's Policy is planned for later in 2017.

Defined terms are capitalised and provided in Attachment 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 employer or the public sector into disrepute
 - the organisation's primary purpose is to lobby Ministers, Members of Parliament or agencies
 - are Non-Token Offers without a legitimate business benefit.
3. Declare all Non-Token Offers (refer to Definitions) gifts, benefits and hospitality (whether accepted or declined) on their organisation's Register, and seek 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. Note: The information in the Register is subject to privacy requirements.

Recording gifts, benefits and hospitality

Acceptance of token gifts, benefits or reasonable hospitality does not need to be formally registered. Similarly, gifts, benefits or hospitality provided by other government departments or governments does not need to be recorded.

Non-school-based employees

For non-school-based employees including the Teaching Service employees in non-school locations, offers (whether accepted or declined) of a gift, benefit or hospitality valued at **\$50 of more (Non-Token value) must** be registered on the Department's Register administered by Procurement Division. This includes offers accepted on behalf of, or passed on to, a third party.

Offers, whether declined or accepted, are registered automatically, by completing the gift, benefit and hospitality declaration form - refer to link - [Gifts, Benefits and Hospitality](#).

The following information is to be recorded on the declaration form:

- recipient's name
- donor's name and organisation, relationship to the individual or organisation
- location of the gift
- description, reason of gift and estimated value
- date, time and place of offer
- first time, previous offers
- decision regarding the offer (subject to approval)
- funded travel or accommodation
- perceived, potential or actual conflict of interest
- legitimate business benefit (question triggered when offer is accepted)
- Deputy Secretary's (or Secretary's) approval.

Following approval of the relevant line management, the declarations and the Register is monitored by the Executive Director, Procurement Division Reporting of items from the Register are provided to the Department's Portfolio Audit and Risk Committee bi-annually for noting.

In accordance with the current Victorian Public Sector Commission, Gifts, Benefits and Hospitality Policy Framework, Non-Token Offers are to be published on the Department's public website. The publication of this information is subject to relevant privacy provisions.

School-based employees and school councillors

For school-based employees and school councillors, offers (whether accepted or declined) of a gift, benefit or hospitality worth more than **\$100 (Non-Token value) must** be registered on the School's Register. To complete a declaration form refer to [Gifts, Benefits and Hospitality](#) located on the Service Policy and Advisory Guide.

The following information is to be recorded on the declaration form:

- recipient's name
- donor's name and organisation
- location of the gift
- description, reason of gift and estimated value
- date, time and place of offer
- first time, previous offers
- decision regarding the offer (subject to approval)
- Principal's or School Council President's approval.

The Register is monitored by the Principal and annually reviewed by the School Council.

Take the GIFT test

The GIFT test is helpful when deciding whether to accept or decline a gift, benefit or hospitality. Take the GIFT test and when in doubt ask your Manager or Principal.

G	Giver	<p>Who is providing the gift, benefit or hospitality and what is their relationship to me?</p> <ul style="list-style-type: none"> • Does my role require me to select contractors, award grants or determine policies? • Could the person or organisation benefit from a decision I make?
I	Influence	<p>Are they seeking to gain an advantage or influence my decisions or actions?</p> <ul style="list-style-type: none"> • Has the gift, benefit or hospitality been offered to me publicly or privately? • Is it a courtesy, a Token of appreciation or highly valuable? • Does its timing coincide with a decision I am about to make? E.g. in connection with a tender process or a decision in which the Department or the school could be perceived to have or be influenced?
F	Favour	<p>Are they seeking a favour in return for the gift, benefit or hospitality?</p> <ul style="list-style-type: none"> • 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	<p>Would accepting the gift, benefit or hospitality diminish public trust?</p> <ul style="list-style-type: none"> • How would the public view acceptance of this gift, benefit or hospitality? • What would my colleagues, family, friends or associates think? • Will it create a perception of compromising the Department's or school's impartiality? This may be as damaging as an actual compromise. • Is the organisation's primary purpose to lobby Ministers, Members of Parliament or agencies?

Another useful test is to consider if it would be embarrassing or difficult to publicly explain or justify the acceptance of a gift. If this is the case, or if there is any doubt, then the gift should be politely declined.

Accepting gifts, benefits and hospitality

Individuals must exercise particular care when accepting gifts, benefits or hospitality if:

- the donor person, company or organisation is involved in a tender process with the Department or school, or the donor person or organisation is the subject of, or affected by, a decision within the Department or school's discretionary power or significant influence
- the person, company or organisation is in a contractual relationship with the Victorian Government or school council
- the employee or school councillor has been offered gifts, benefits or hospitality of any kind from the same donor more than once in the last year.

If the gift, benefit or hospitality is accepted consider informing the individual/organisation offering, the Department's requirement to disclose their details on our public Register. This is subject to privacy requirements.

Gifts, benefits or hospitality of a seemingly excessive value should not be accepted.

For further information regarding conflict of interest, please refer to the Department's [Probity Guidelines July 2014](#)

Keeping gifts

Employees, or school councillors may keep such gifts as a box of chocolates, for the work they have done. This is considered a Token Offer.

In limited circumstances, employees or school councillors may be able to keep a Non-Token gift less than \$500, **subject to the documented approval** of their Deputy Secretary, Secretary or school council. The Secretary, Deputy Secretary or Principal may also consider offering the employees or school councillors the option of purchasing the gift at market value.

Gifts worth \$500 or more must be surrendered to the State or school **under all circumstances**. Employees and school councillors may purchase a gift worth more than \$500 from the State or school, with the Secretary's or school council's written approval, provided that no other public entity (e.g. Museums Victoria) has expressed interest in retaining the gift. For further details, see [Attachment B – Valuation and Disposal of Gifts](#).

Official gifts, namely gifts intended for the Department, school or the Victorian Government rather than the individual recipient(s), remain the property of the Department, school or State.

Transferring gifts to the Department or school ownership

When an employee or school councillor is representing the Department or school at an event, and the Department or school has paid for their time, labour or accommodation to attend the event, any benefits including gifts accruing from this event belong to the Department or school.

In the case of an international delegation offering ceremonial gifts on behalf of their country to an individual, school or the Department, these gifts (dependent on the value) are to be recorded on the Register and become the property of the Department or school.

Declining a gift, benefit or hospitality

Some of the functions or activities noted in the table below may call for greater scrutiny or can give rise to higher risk of conflict of interest resulting from the acceptance or provision of gifts, benefits and hospitality.

Activities	Examples of functions/activities that may increase risk of conflict of interest
Procurement and recruitment	<ul style="list-style-type: none">• procuring goods or services• tendering for and managing contracts• making appointments to positions
Regulating individual or business activities	<ul style="list-style-type: none">• inspecting, regulating, or monitoring standards, businesses, equipment or premises• issuing qualifications or licences• issuing or reviewing fines or penalties
Distributing goods, services or funds	<ul style="list-style-type: none">• providing a service• allocating grants of public funds• allocating subsidies, financial assistance, concessions, or other relief
Making binding decisions	<ul style="list-style-type: none">• issuing determinations on matters• passing binding judgments• exercising powers over planning and land development

Sponsored travel and accommodation, benefits and hospitality in relation to conferences or industry tours should generally be declined, unless reasons why there is no conflict of interest or perceived conflict of interest or improper influence can be demonstrated. If attendance at the conference or industry tour is in the public interest, then the Department or school should consider paying for the travel and accommodation.

If there is no public benefit to accepting a gift, benefit or hospitality, then it should be declined. This is particularly the case when acceptance could be perceived as an endorsement of the organisation or product.

Providing gifts and hospitality

Hospitality or the giving of gifts is often provided to welcome guests, facilitate the development of relationships to further public sector business outcomes and celebrate achievements.

Take the HOST test

The HOST test is helpful when deciding whether to provide hospitality or gifts to staff or stakeholders. Take the HOST test and when in doubt ask your Manager or Principal.

H	Hospitality	<p>To whom is the gift or hospitality being provided?</p> <ul style="list-style-type: none"> Will recipients be external business partners, or employees of the host organisation?
O	Objectives	<p>For what purpose will hospitality be provided?</p> <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	<p>Will public funds be spent?</p> <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 and less than the benefits obtained?
T	Trust	<p>Will public trust be enhanced or diminished?</p> <ul style="list-style-type: none"> 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?

Gifts and hospitality provided to external guests

Authorised officers may consider providing hospitality for the purposes of:

- receiving guests, for example a visiting delegation from another jurisdiction, or hosting a meeting held over lunch time
- facilitating relationships between third party organisations that are in the interests of the State, for example, an event where community sector organisations can meet business organisations to establish partnerships
- celebrating the opening of an event, exhibition, or the establishment of a new public body, or launching an initiative, for example, the launching of a new community awareness campaign.

When considering whether to provide a gift or hospitality, the authorising officer should seek to uphold, and where possible, enhance the reputation of the public sector, including the school. The following questions will assist with this consideration:

- will the provision of hospitality foster the conduct of Departmental or school-based business?
- will the provision of hospitality help to promote or support the government's policy objectives?
- in providing hospitality, can we be sure that the reputations of both the public sector/school and the external guests are upheld?
- will the gift being considered provide a benefit to the State? NOTE: Any gift should usually be symbolic, rather than financial, in value.

All purchases need to be made in accordance with the Department's [Purchasing Policy and Guidelines \(corporate\)](#).

Office functions

When official functions are being held, the number of Departmental officers attending functions should be structured to those who are able to provide an input to the event. In general:

- for larger functions (greater than 12 participants) then the proportion of invited external guests should be greater than the number of Departmental representatives
- for smaller functions (12 participants or less), the number of Departmental participants should be at least in balance with external invitees.

The Departmental Secretary, the Principal or an authorised officer may host an official function, including at the host's private residence. The partner or spouse of a host may be included where this is appropriate; however other members of a host's family should not normally be included on the guest list.

Catered functions for staff

For a range of reasons, catered activities may be occasionally provided for employees. These may include:

- as part of a larger staff-related event, for example a training course, workshop, planning day seminar or conference
- to recognise an organisational or individual staff achievement (for example the successful completion of a project or the retirement of a long-standing member of staff).

The appropriate senior authorising officer must determine if any catered function for staff would be considered reasonable and must take into consideration community expectations in relation to expenditure by public officials.

Note: Fringe Benefits Tax is likely to apply to these functions.

Working meals in a business meeting

Working meals involve participation of persons outside the organisation.

The provision of working meals should normally occur:

- at an ordinary Departmental or school-based meeting location
- on non-regular occurrences, except where particular meetings are planned to continue without break for the convenience of Departmental or school-based timetables.

Working meals may be provided when:

- there are organisational efficiencies in continuing the meeting through the normal meal break
- there is no reasonable alternative date and time to conduct the meeting except through a normal meal period.

Any hospitality including the venue chosen for the meal should be in accordance with the significance of the purpose of the meeting and the status of the persons/participants.

Effort should be undertaken to avoid meetings between 12.00noon and 2.00pm, unless absolutely necessary.

An employee is not permitted to claim a reimbursement or allowance for meals or beverages where the meal/entertainment has been provided as part of hospitality.

Providing gifts to staff

On occasions, the Department or school may wish to recognise significant staff achievements and provide Token gifts as part of:

- a reward and recognition event
- celebrating length of service milestones and/or retirements.

A Token, such as a card and/or flowers, may also be sent to family members to acknowledge an employees' contribution to the workplace in the event of their death. Doing so can also assist their colleagues with their bereavement.

To uphold the principles of accountability and transparency, all schools are required to seek approval from the school council when issuing gifts to staff (regardless of value) which is funded by public monies.

Gifts given in celebrations of events such as birthdays, marriages or the birth of children should not be funded using public monies.

All purchases need to be made in accordance with the Department's [Purchasing Card Policy and Guidelines \(corporate\)](#).

Overarching considerations

Determining the type of hospitality to be provided

When deciding on the type of hospitality to provide, a balanced judgement should be made between the costs incurred and the potential benefits accrued to the State of Victoria; and whether the proposed hospitality is in line with community expectations.

If an event or meeting is significant enough in duration, and extends over usual meal times, it is generally considered a courtesy to provide modest hospitality such as tea, coffee or a light meal. This type of hospitality usually has a low cost per head, is in line with community expectations, and may be required by employees' employment provisions.

Wherever possible, a sufficient break in proceedings should be encouraged to enable participants to seek their own refreshments if available within the vicinity. Where possible, internal meetings attended by employees should not be scheduled to conflict with meal times.

The following questions may be useful as a guide to help staff decide the type of hospitality to be provided:

- What is the main purpose of the event for which hospitality will be provided? Who will participate? E.g. the organisation's own employees, other public sector or public service staff, or external business partners. Would failure to provide hospitality be detrimental to business or stakeholder relationships?
- What is known about the prevailing culture and business practices of external participants?
- What is known about previous experiences of, and expectations around hospitality provided by public sector organisations?
- Will the costs of the hospitality provided be proportionate to, and less than, the potential benefits?
- Is it necessary to hold the event or meeting over a meal time or at a time of day when hospitality might be expected?
- Is it unreasonable or impractical to schedule a break in proceedings to enable participants to leave and seek more substantial refreshments of their own volition?

Containing costs

The parameters suggested below can assist with cost containment:

- where possible, events should be held at a time of day least likely to attract expectations of, or a need for, hospitality
- any event should not exceed two hours in duration
- public sector venues should be selected in preference to private venues. External venues should only be used if required, and where value for money can be demonstrated. Perceptions are also important; sometimes a modestly priced venue can be perceived as excessive, if for example it promotes an image of luxury
- catering should be proportionate to the number of attendees
- the size of the event and number of attendees should be aligned with intended outcomes
- catering should be procured at competitive rates and avoid inclusion of more expensive menu options.

Provision of alcohol

The supply of alcohol at any event can lead to increased risks, including the risk of anti-social behaviour and risks to the reputation of both individuals and the organisation alike.

Before considering the supply of alcohol at an event, the authorised officer must note their obligations under the Occupational Health and Safety Act 2004, the Liquor Control Reform Act 1998 and the Code of Conduct. Importantly, employees must not be impaired by alcohol whilst in the workplace.

The following parameters may be useful as a guide:

- any event where alcohol is served should be held at a time which minimises the risk of employees returning to work impaired by alcohol. For example, if normal office hours are worked, the event should be held in the late afternoon or early evening
- any event should not exceed two hours in duration
- no more than two standard drinks per person should be provided
- the provision of alcohol should be incidental to the overall level of hospitality provided

- the storage and control of any alcohol should be closely monitored.

The provision of alcohol at staff-related functions funded from an organisation's budget carries with it higher risks in terms of public perception, especially in relation to perceptions of waste and excess, including the risk of anti-social behaviour and risks to the reputation of both individuals and the organisation alike. Consideration must be given, prior to approval, to avoid any such perceptions, to contain costs, and to promote adherence to the Code of Conduct.

The Code of Conduct requires that employees behave in a manner that does not bring the public sector into disrepute. They are required to avoid the misuse of alcohol when at work or engaged in work-related activities. Importantly, employees must not be impaired by alcohol whilst in the workplace.

Alcohol would not normally be served at functions or official meetings, which are attended solely by Department or School staff. This requirement however may be waived at the discretion of the Principal, a Deputy Secretary or Secretary.

If intending to supply alcohol at an event which will include Department or School staff representation, then approval is required from the Secretary, or Deputy Secretary or Principal, prior to the event occurring. School events require the approval of the Principal. Securing this prior approval remains the responsibility of the appropriate authorised officer – the 'DET Hospitality Approval Form' can be found within the 'DET Hospitality Approval Guidelines' document, available via Financial Services Division (for corporate staff only).

Schools are required to complete the [School Hospitality Expense Approval Form](#) and submit it to the Principal/school council President for approval.

Fringe Benefits Tax is likely to apply to these functions (schools or corporate). To assess if the hospitality attracts FBT click on the [Tax](#) site under DET Fact Sheet.

Recording and reporting the provision of hospitality

Public sector organisations have reporting and recording obligations which help to ensure transparency and accountability. These include record keeping obligations under the *Public Records Act 1973*, and obligations arising from the *Financial Management Act 1994* to ensure that public funds are appropriately authorised and incurred in accordance with business needs, and captured in the financial records. The public also has a right to access documents relating to the provision of hospitality under the *Freedom of Information Act 1982*.

NOTE: The Department's [Hospitality Approval Guidelines](#) provides further detail on the processes relating to hospitality approvals, non-allowable hospitality expenses and other matters to be considered i.e. Fringe Benefits, Tipping, etc.

Gifts and fringe benefits tax

Fringe benefits tax (FBT) is a tax payable by an employer in respect of fringe benefits provided to an employee or their associate (e.g. employee's spouse or children) by:

- an employer
- an associate of an employer (an associate of the Department includes government schools, TAFEs, another government department or statutory authority, such as VCAA, or VRQA)
- a third party (i.e. organisation/entity external to the Department, e.g. private company).

The FBT legislation provides that certain benefits that are less than \$300 in value and infrequently provided may qualify as a 'minor benefit', which is exempt from FBT. However, the minor benefit exemption does not extend to gifts of an entertainment nature. Consequently, all entertainment gifts will be subject to FBT regardless of their value.

Entertainment is specifically defined in tax legislation as entertainment by the way of:

- food
- drink
- recreation
- accommodation or travel associated with the provision of food, drink or recreation.

Therefore, all gifts that are of an entertainment nature and/or any other gifts of \$300 or more in value, accepted by an individual from an employer, associate of an employer, or third party are subject to FBT.

The Department or school must keep records showing the taxable value of certain fringe benefits provided to its employees. If the total taxable value of reportable fringe benefits (RFBs) provided to an employee in an FBT year (1 April to 31 March) is more than \$2,000, the Department or school must record the grossed-up taxable value of those benefits on the employee's payment summary for the corresponding income tax year (1 July to 30 June).

For more information about RFBs, employees should refer to the Australian Taxation Office's (ATO) publication on the ATO website on Reportable Fringe Benefits - Facts For Employees.

Any FBT liability in respect of school-based employees will be met by the Department, and the cost of FBT will be passed on to the school. The school council may be responsible for FBT liability in respect of gifts given to staff employed by it.

Consequences of breaching the Gifts, Benefits and Hospitality Policy

A breach of this Policy may constitute a breach of:

- Victorian Public Sector Code of Conduct
- *Public Administration Act 2004* in relation to misconduct
- Directors' Code of Conduct under the *Public Administration Act 2004*
- Ministerial Order 199
- School Council Code of Conduct.

In some circumstances, accepting a gift or benefit may constitute a breach of sections 175–179 of the *Crimes Act 1958*. This is an indictable offence that attracts a maximum penalty of ten years imprisonment.

Division 9A of the *Crimes Act 1958* also provides that common law bribery attracts a maximum penalty of ten years imprisonment.

Further assistance

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

Non-school based employees (corporate) may email service.agreement.policy@edumail.vic.gov.au

School based employees may email community.stakeholders@edumail.vic.gov.au

The Procurement Division, Infrastructure and Financial Services Group has responsibility for the development and maintenance of this Policy.

Definitions

Attachment A

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). Gifts may also include those provided by organisations to a visiting delegation from another jurisdiction. Fundraising by public sector organisations that is consistent with relevant legislation and any government policy is not prohibited under the minimum accountabilities.

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.

Hospitality is the friendly reception and treatment of guests. It is hospitable to offer light refreshments in the course of a business meeting or as part of a conference program or celebrate achievements. Hospitality may range from light refreshments at a business meeting to restaurant meals and sponsored travel and accommodation. It may also be provided by public sector organisations in these situations:

Conflicts of interest

- **Actual conflict of interest** - there is a real conflict between an employee's public duties and private interests.
- **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.

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. 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. A Token Offer for **Non-School Based Employees** cannot be worth more than **\$50**. A Token Offer for **School Based Employees** 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.

For Non-School Based Employees the value of a Non-Token Offer is worth more than **\$50**. Whether it has been declined or retained this must be recorded on the Register.

For School Based Employees the value of a Non-Token Offer is worth more than **\$100**. Whether it has been declined or retained this must be recorded on the Register.

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.

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 Public Administration Act 2004. This includes:

- public sector employees
- statutory office holders
- directors of public entities.

Non-School Based Employees all employees who are not physically located on a school site and who do not report to a School Principal or School Council. This also incorporates contractor staff engaged through the Staffing Services (temporary labour) Panel.

School Based Employees all employees who are physically located on a school site and who report to a School Principal or School Council.

Host is the person, office holder or organisation which authorises, organises and pays for an event. Responsibilities of a public sector host include initiating the event and approving decisions, for example in relation to cost, selecting invitees, ensuring the event runs smoothly and meets its objectives, and facilitating relationships between invitees.

Valuation and disposal of gifts

Any disputes as to the value of a gift must be resolved by independent valuation.

Valuation

The value of a gift is assessed according to the wholesale price in the country of origin.

Valuations are to be obtained by valuers competent to value in the field. The Department or school will pay any costs of valuation.

Disposal

Gifts that are Departmental or school property may be:

- transferred in title to Victorian Government departments and agencies and repositories of collections, including museums, galleries, libraries, archives and special-interest collections, education or community institutions
- donated to a nominated non-profit organisation or charity, at the discretion of the recipient and the Department
- purchased by the recipient (if no Victorian Government entity has made a prior claim)
- disposed of in an appropriate manner by the Department or school.

Gifts must be retained for one year before they are subject to the disposal process. The Secretary (non-school-based staff) or school council (school-based staff and school councillors) must approve any exception to this rule. All disposals of gifts require the approval of the Secretary (non-school-based staff) or school council (school-based staff and school councillors). The purchase of gifts worth more than \$500 by the Secretary requires the approval of the Chair of the Audit Committee.

Public entities, such as the National Gallery of Victoria, State Library of Victoria and Museums Victoria, retain a right of first claim over any gifts to be disposed of that are deemed to be of historical or cultural significance.

Disposal of gifts must be in the public interest and pay due respect to the wishes and expectations of the donor. Disposal of gifts to individuals, other than by way of purchase by the original recipient, is not permitted. Disposal of gifts to private-sector organisations should be avoided. All disposals must be arm's length transactions and be properly documented for audit.

In the case of disposal of **Department gifts**, the Executive Director, Procurement Division, may initiate a disposal request at any time after the conclusion of the one-year retention period. A gift disposal recommendation form must be completed and forwarded to the Premier or Secretary, accompanied by a briefing on any ethical or accountability issues relating to the disposal. Once approved, the Executive Director, Procurement Division, may (if requested) donate the gift on the Premier's or Secretary's behalf.

In the case of disposal of **school gifts**, the school council may initiate a disposal request at any time after the conclusion of the one-year retention period. A gift disposal recommendation form must be completed and forwarded to the Premier or Secretary, accompanied by a briefing on any ethical or accountability issues relating to the disposal. Once approved, the school council may (if requested) donate the gift on the Premier's or Secretary's behalf.

The following details of disposal must be entered in the Register:

- description of the gift
- date of disposal
- recipient of disposal
- original donor
- reason for disposal.