



## POLICY

### Gifts, Hospitality & Other Gratuitous Benefits

**SCOPE (Area):** All Areas

**SCOPE (Staff):** All Staff

Printed versions of this document SHOULD NOT be considered up to date / current

### Rationale

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This policy states Ballarat Health Services (BHS) position on:

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

### Expected Objectives / Outcome

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This purpose of this is to support individuals and Ballarat Health Services to avoid conflicts of interest and maintain high levels of integrity and public trust.

BHS has issued this policy to support behavior consistent with the *Code of conduct for Victorian Public sector employees* (the Code). All employees are required under clause 1.2 of the Code to comply with this policy.

Disciplinary action consistent with BHS Policies, including dismissal, may be taken where an individual fails to adhere to this policy.

This includes where an individual fails to avoid wherever possible or identify, declare and manage a conflict of interest related to gifts, benefits and hospitality in accordance with the VicHealth's Conflict of Interest Policy.

### 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.

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

**Legitimate business benefit** gifts, benefits and hospitality accepted or provided for a business purpose, in that it furthers the conduct of official business or other legitimate goals of the organisation, public sector or State.

**Public official** has the same meaning as under section 4 of the *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

<b>Non-token offer</b>	conflict of interest, it cannot be worth more than \$50 (including cumulative offers from the same source over a 12 month period). 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.
<b>Independent Broad-based Anti-corruption Commission</b>	A Victorian public sector agency entrusted to investigate complaints and notifications of public sector corruption.

## Principles

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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 (see section 4 below).

These minimum accountabilities are binding under Instruction 3.4.11 of the Instructions supporting the Standing Directions of the Minister for Finance 2016.

Ballarat Health Services 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:** Ballarat Health Services, through its policies and procedures, 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.

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

This section sets out the process for accepting, declining and recording 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.

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 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.

BHS employees may accept token offers of gifts, benefits and hospitality without approval provided the gift or benefit meets each of the following criteria:

- (1) The gift has an approximate value of less than AUD\$50.
- (2) The gift must be modest (eg single bottles of reasonably priced alcohol, or a box of chocolates, or flowers, or some other gift of insignificant commercial value, including souvenirs, mementos or symbolic items)
- (3) The gift must have been offered in circumstances that might be considered deserving or appropriate by an outside observer (eg in recognition of giving a presentation or hosting a visitor)
- (4) The gift must have been offered in circumstances where there was a degree of openness (eg at a public occasion or end of year function)

Where a gift or benefit does not clearly meet all of the above criteria, then employees are to refuse the offer.

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

- made by a current or prospective business associates;
- made during a procurement or tender process by a person or organisation involved in the process;
- are money, items used in a similar way to money, or items easily converted to money (including vouchers)

### ***Non Token offers***

Individuals are to refuse non-token offers when the offer is:

- likely to influence them, or be perceived to influence them, in the course of their duties or to 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;
- extended 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 – People and Culture, who will make decisions about appropriate next steps, which may potentially include the reporting of any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission.

#### *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 employees Executive Director and recorded in the BHS Gifts and Benefits Database 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 BHS, the employee or the public sector into disrepute; 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 BHS and the public sector.

Individuals may be offered a gift 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.

### ***Offers of Hospitality***

The AUD\$50 threshold does **not** apply to offers of hospitality. If a staff member intends to accept any offer of hospitality, of any value, this requires the written approval of the relevant Executive Director (or the CEO) before the staff member is entitled to attend the event or accept the benefit.

The staff member should complete the form attached in **Appendix 1** in advance of the event. The Executive Director (or the CEO) will then determine whether the offer of hospitality or other benefit may be accepted.

Should approval be given by the CEO to accept the offer of hospitality, details about the offer will be required to be published in the BHS Gifts and Benefits Database.

Examples of situations that require the prior approval of the relevant Executive Director (or the CEO) include (but are not limited to):

- A current or potential supplier invites an employee to a corporate box event or corporate golf day
- A current or potential supplier invites a group of staff out to dinner in a restaurant to launch and promote a new product
- A current or potential supplier gives movie tickets to a staff member for their families
- A current or potential supplier invites staff to Christmas drinks
- A current or potential supplier provides or sponsors a free education session at the supplier's offices in the city and invites attendees to stay afterwards for a wine and cheese function
- A current or potential supplier offers points in a loyalty or reward program to staff who purchase on behalf of Ballarat Health Services as part of their role
- A supplier that has been selected by DHS invites key staff out to dinner at the end of a project.

This Protocol applies even if a sponsored event will occur on a public holiday or when the staff member has taken annual leave (eg to attend a corporate box at the Melbourne Cup, Grand Final or Grand Prix), if receipt of the invitation might be perceived by an outside observer as being connected in any way with the staff member's role at Ballarat Health Services.

A staff member does **not** need to seek approval under this policy to:

- (a) Accept tea, coffee and biscuits offered by most organisations as a courtesy to visitors attending a meeting
- (b) Accept a modest lunch or other food and refreshments offered to attendees during a working group or meeting (unless sponsored by a supplier or potential supplier)

Where Ballarat Health Services is currently undertaking, or will soon undertake a tender

or other selection process, or where it is currently engaged in negotiations, that might affect a particular supplier or potential supplier, all staff on the Tender Evaluation Group and other staff involved should decline all social invitations received from such suppliers, and report the invitation to the relevant Executive Director (or the CEO).

If a staff member is unsure about whether permission is required to attend a particular event or accept hospitality offered, they should ask their Executive Director (or the CEO), or in their absence the Executive Director – People and Culture.

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

All non-token offers, whether accepted or declined, must be recorded in the BHS Gifts and Benefits Database. The business reason for accepting the non-token offer must be recorded in the register, and provide detail of the date of Executive Director approval and also provide sufficient detail to link the acceptance to the individual's work functions and benefit to BHS and the public sector.

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

#### **Unacceptable:** "Networking"

"Maintaining stakeholder relationships"

**Acceptable:** "Individual is responsible for evaluating and reporting outcomes of BHSs sponsorship of Event A. Individual attended Event A in an official capacity and reported back to the 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 the property of BHS

### ***Ballarat Health Services offering Gifts, Benefits or Hospitality***

Ballarat Health Services may from time to time, in appropriate but limited circumstances, wish to entertain outside entities or individuals associated with those entities. Such situations are governed by the principle that Ballarat Health Services is committed to providing an ethical, efficient and accountable environment for the conduct of its operations.

When attending hospitality events provided by BHS, staff members are expected to show professionalism in their conduct and extend a duty of care to other participants.

When Ballarat Health Services is the provider of gifts, benefits or hospitality, the same caution and diligence should be exercised as when Ballarat Health Services is the recipient, so as to ensure that an impression is not created suggesting that Ballarat Health Services is inappropriately attempting to secure the favour or influence of an outside entity or individual.

The gift, benefit or hospitality provided by BHS needs to be provided for a business purpose that furthers the conduct of official business and/or organisational goals and supports BHS objectives and priorities. Any costs incurred by BHS in providing gifts, benefits or hospitality are expected to be proportionate to the benefits obtained and be considered reasonable in terms of community expectations.

All proposed situations where Ballarat Health Services intends to provide gifts, hospitality or other gratuitous benefits should receive prior approval from the CEO.

### ***Breaches***

### ***Reporting and Monitoring***

BHS 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.

The BHS Audit and Risk Management Committee will receive an annual report on the Gifts and Benefits Database including information on the administration and quality control of the gifts, benefits and hospitality policy, processes and register.

The report will include analysis of gifts, benefits and hospitality risks (including multiple offers from the same source and offers from business associates), risk mitigation measures and any proposed improvements.

## **Related Documents**

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 [POL0164 - Delegations Of Authority](#)

 [POL0178 - Fraud Management](#)

 [SOP0005 - People And Culture](#)

## **References**

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 [Public Administration Act 2004 \(Vic.\).](#)

 [Standing Directions of the Minister for Finance 2016](#)

 [Victorian Public Sector - Gifts, Benefits and Hospitality Resource Suite](#)

 [Victorian Public Sector Commission \(2015\). Codes of conduct.](#)

## **Appendix**

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[Appendix 1 Gifts Hospitality and Other Gratuitous Benefits Declaration Form](#)





 [Gifts Benefits and Hospitality Process Chart](#)

<b>Reg Authority:</b> Corporate Online Ratification Group	<b>Date Effective:</b> 09-12-2019
<b>Review Responsibility:</b> Director Finance	<b>Date for Review:</b> 01-05-2023

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