

Policy GV 08:

Gifts, benefits and hospitality

1. Purpose

This policy sets out Dairy Food Safety Victoria's (DFSV) position on:

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

and is intended to support individuals and DFSV to avoid conflicts of interest, maintain high levels of integrity and public trust.

2. Scope

This policy applies to all DFSV executives, board members, employees, contractors, consultants and any individuals or groups undertaking activity for, or on behalf, of DFSV.

All employees and board members are required under the Code of conduct for Victorian public sector employees and the Code of conduct for directors of Victorian Public Entities (the Codes) to comply with this policy.

3. Policy

3.1. Key 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 (VPSC) which are binding for the appropriate management of gifts, benefits and hospitality and to support behaviour consistent with the Codes.

DFSV will include a provision for compliance with this policy in the contract for services for applicable contractors and consultants

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

- 3.1.1. Impartiality: 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.
- 3.1.2. 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
 - the responsible provision of gifts, benefits and hospitality;
 - when hospitality is provided by DFSV:
 - (i) ensure that participants demonstrate professionalism in their conduct; and
 - (ii) uphold your obligation to extend a duty of care to other participants (behaviour standards); and
 - if you are a participant who is accepting hospitality, you comply with the behaviour standards.

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.
- 3.1.3. Integrity: individuals strive to earn and sustain public trust through providing or responding to offers of gifts, benefits and hospitality in a manner that is consistent with community expectations.

Individuals will refuse any offer that may lead to an actual, perceived or potential conflict of interest. Individuals do not solicit (seek) any gift, benefit or hospitality for yourself or others if the offer could reasonably be seen as connected to your employment.

- 3.1.4. Risk-based approach: DFSV, through its policies, processes and its risk management & 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.

3.2. Management of accepting, declining and recording offers of gifts, benefits and hospitality

3.2.1. Requirement to refuse offers of gifts, benefits and hospitality

Individuals are to refuse offers:

- likely to influence them, or reasonably be perceived to influence them, in the course of their duties or that raise an actual, potential or perceived conflict of interest;
- could bring them, DFSV or the public sector into disrepute compromise the public's trust that you will perform your public duties in an impartial manner or the public's trust in the impartiality of DFSV or the public sector;
- made by a person or organisation about which they will likely make or influence a decision (this also applies to processes involving grants, sponsorship, regulatory, compliance, enforcement or licensing), particularly offers:
 - made by a DFSV licensee to a DFSV employee;
 - made by a current or prospective supplier; or
 - made during a procurement or tender process by a person or organisation involved in the process;
- likely to be a bribe or inducement to make a decision or act in a particular way;
- that extend to their relatives or friends;
- of money, or used in a similar way to money, or something easily converted to money (may include a gift voucher);
- where, in relation to hospitality and events, DFSV 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;
- that are not consistent with community expectations;
- made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament or public sector organisations; or
- made in secret.

If an individual considers they have been offered a bribe or inducement, the offer must be reported to the CEO (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

3.2.2. Token offers (cannot be worth \$50 or more)

Individuals may accept token offers of gifts, benefits and hospitality of a value of less than \$50 without approval or declaring the offer on DFSV's gifts, benefits and hospitality register as long as the offer does not create a conflict of interest or lead to reputational damage (refer to paragraph 3.2.1).

3.2.3. Non token offers (worth \$50 or more)

After taking into consideration the restrictions outlined in 3.2.1, individuals can only accept non-token offers if there is a legitimate business reason to accept it. All non-token offers must have prior approval for acceptance in writing by the individual's manager or organisational delegate, be recorded in DFSV's 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, DFSV or the public sector into disrepute (the 'GIFT' test at Table 1 in Procedure GV08-1 Gifts, benefits and hospitality is a good reminder of what to think about in making this assessment); and

OFFICIAL

- 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 DFSV, public sector or the State.

Any exceptions to the above requirements must have the prior written approval of the CEO.

Individuals may be offered a gift or hospitality where there is no opportunity to seek prior 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.

Where the gift would likely bring you or DFSV into disrepute, the organisation should return the gift. If it represents a conflict of interest for you, DFSV will either return the gift or transfer ownership to the organisation to mitigate this risk.

3.2.4. Recording non-token offers of gifts, benefits and hospitality

All non-token offers, whether accepted or declined, must be recorded in the DFSV'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 DFSV, public sector or State.

Declarations by employees using the DFSV Gifts, benefits & hospitality form are to be made to their manager, or if the offer is made to the CEO or a board member, the declaration must be made to the DFSV Chair.

DFSV will maintain a register for gifts, benefits and hospitality offered to individuals. A subset of the information detailed in DFSV's internal register will be published on the DFSV website.

DFSV's risk management and 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.

3.2.5. Ownership of gifts offered to individuals

Employees must transfer to DFSV official gifts or any gift of cultural significance or significant value (\$50 or greater).

3.2.6. Repeat offers

Receiving multiple offers (token or non-token) from the same person or organisation can generate a stronger perception that the person or organisation could influence you. Individuals should refuse repeat offers from the same source if they create a conflict of interest or may lead to reputational damage.

3.2.7. Ceremonial gifts

Ceremonial gifts are the property of DFSV, irrespective of value, and should be accepted by individuals on behalf of DFSV. The receipt of ceremonial gifts should be recorded on DFSV's register but this information does not need to be published online.

3.2.8. Hospitality provided by Victorian public sector organisations

Victorian public sector or industry organisations may provide hospitality to stakeholders, as part of their functions. When offered hospitality by a Victorian public sector or industry organisation, individuals should consider the requirements of this policy.

Accepted hospitality offered by a Victorian public sector organisation as part of official business does not need to be declared or reported, where the reason for the individual's attendance is consistent with DFSV's functions and objectives and with the individual's role.

3.3. Management of the provision of gifts, benefits and hospitality by DFSV

3.3.1. Requirements for providing gifts, benefits and hospitality (including an offer to another Victorian public sector organisation)

Gifts, benefits and hospitality may be provided by DFSV for example 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; and
- it does not raise an actual, potential or perceived conflict of interest.

3.4. Communication

DFSV will communicate within the organisation the obligations relating to gifts, benefits and hospitality.

DFSV will publish its gifts, benefits and hospitality policy and declarable gifts register on the DFSV website.

3.5. Alleged Breaches

An individual who believes that they or another individual, employee or board member may have breached this policy must immediately notify their manager, or in the case of the CEO or a board member, the DFSV Chair. Where appropriate, any breach should be remedied by the individual.

DFSV will take a graduated approach and response to alleged breaches in a fair, reasonable and proportionate manner.

Disciplinary action, including dismissal, may be taken where an individual fails to adhere to this policy (Refer to Policy HR 14 Termination of employment). 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 DFSV's Conflict of interest policy (Refer Policy GV 09). A breach of this policy may constitute a breach of a binding code of conduct and, where appropriate, may result in disciplinary action. In some circumstances, a breach may constitute criminal or corrupt conduct.

Actions by board members that are inconsistent with this policy or the binding Code of conduct for directors of Victorian public sector entities may be considered misconduct and in the most serious cases may lead to suspension or removal from office.

DFSV 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.

3.6. Speak up

DFSV encourages individuals who consider that gifts, benefits and hospitality or conflict of interest within DFSV may not have been declared or is not being appropriately managed to speak up by notifying their manager or the CEO.

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

Alternatively, if you believe corrupt or improper conduct has occurred, or is occurring, you can make a complaint directly to the Independent Broad-based Anti-corruption Commission (IBAC) or the Victorian Ombudsman. In some cases, this can occur on a whistle-blower basis as a public interest disclosure. DFSV cannot accept public interest disclosures directly. (Refer to Procedure 05-1 Public Interest Disclosure)

3.7. 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, the Board Secretary or the CEO for advice.

3.8. Definitions

Business associate	an external individual or entity which DFSV 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.
Official and Ceremonial gifts	Official and Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are usually provided when conducting business with official delegates or representatives from another organisation, community or foreign government.
Conflicts of interest	
<i>Actual conflict of interest:</i>	There is a real conflict between an employee's public duties and private interests.
<i>Potential conflict of interest:</i>	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.
<i>Perceived conflict of interest:</i>	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). Gift cards and vouchers are treated as money under 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 reason	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 DFSV, public sector or State.
Register	is the electronic record 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. For example, this might include a modest box of chocolates as a token of thanks, 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 DFSV as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth \$50 or more.

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 \$50 or more are non-token offers and must be recorded on a gift, benefit and hospitality register

4. Responsible Officer

Chief Executive Officer

5. Related Documents

- Guideline- applying the conflict of interest principles
- Procedure GV 08-1: Gifts, Benefits and Hospitality
- Policy GV 02: Contract Management
- Policy GV 09: Conflict of interest
- Policy HR 01: Code of Conduct
- Policy FN 01: Financial Code of Conduct
- Procedure GV 05-1 Public Interest Disclosures
- DFSV Services Template agreement

References

- Minimum accountabilities for the management of gifts, benefits and hospitality 2024 (see *Instructions 3.4 supporting the Standing Directions of the Minister for Finance 2018 and replicated in the Department of Energy Environment and Climate Action Portfolio Financial Management Compliance Framework*)
- Public Administration Act 2004*
- Code of conduct for Victorian public sector employees 2015
- Code of conduct for Directors of Victorian public entities 2024
- Victorian Public Sector Commission's *Gifts, benefits and hospitality policy guide and model policy*
- Victorian Public Sector Supplier Code of Conduct

