

Treasury Corporation of Victoria

Gifts, Benefits & Hospitality Policy

July 2021

Purpose

This policy states TCV's position on:

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

This policy is intended to support individuals and TCV to avoid conflicts of interest and maintain high levels of integrity and public trust. TCV 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.

1. Scope

This policy applies to all TCV workplace participants. For the purpose of this policy, this includes employees and Directors, and relevant contractors and consultants.

2. Standards

- Minimum accountabilities for the management of gifts, benefits and hospitality (*see Instructions supporting the Standing Directions of the Minister for Finance*)
- Conflict of Interest policy
- Public Administration Act 2004
- Code of conduct for Victorian public sector employees
- Code of conduct for Directors of Victorian public entities
- Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Guide
- Treasury Corporation of Victoria Act 1992
- AFMA Code of Conduct 2015

3. 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.

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

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 reasonable 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.

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.

Risk-based approach: TCV, 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.

4. Definitions

Business associate

An individual or body which TCV 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

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.

Ceremonial gifts

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.

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

Conflicts of interest

Conflicts may be:

Actual: There is a real conflict between an employee's public duties and private interests.

Potential: 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: The public or a third party could reasonably form the view that an employee's private interests could improperly influence their decisions or actions, now or in the future.

Gifts

Gifts are free or discounted items and any item or service that would generally be seen by the public as a gift. These include items of high value (e.g. artwork, jewellery, or expensive pens), low value (e.g. small bunch of flowers), consumables (e.g. chocolates) and services (e.g. painting and repairs). Fundraising by public sector organisations that is consistent with relevant legislation and any government policy is not prohibited under the minimum accountabilities.

Hospitality

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

Legitimate business benefit

A gift, benefit or hospitality may have a legitimate business benefit if it furthers the conduct of official business or other legitimate goals of TCV, public sector or State.

Public official

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.

Public register

A public register is a record, preferably digital, of a subset of the information contained in a register, for publication as required by the minimum accountabilities. Guidance regarding the information that should be published is provided in the Policy Guide.

Register

A register is a record, preferably digital, of all declarable gifts, benefits and hospitality. Guidance regarding the information that should be recorded is provided in the VPSC Policy Guide

Token offer

A token offer is a gift, benefit or hospitality that is of inconsequential or trivial value to both the person making the offer and the recipient (such as basic courtesy). The minimum accountabilities state that token offers cannot be worth \$50 or more.

Non-token offer

A non-token offer is 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.

5. 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. Any exceptions to this process must have the prior approval of the Managing Director, or for Directors, the Chair.

The Managing Director is not required to seek any prior approvals from the Chair under this Policy. In addition to making the declarations required under this Policy the Managing Director will notify the Chair on a monthly basis of all offers of gifts, benefits and hospitality made to the Managing Director, whether accepted or declined.

Conflict of interest and reputational risks

When deciding whether to accept an offer, individuals should first consider if the offer could be perceived as influencing them in performing their duties, or lead to reputational damage. The more valuable the offer, the more likely that a conflict of interest or reputational risk exists.

Table 1. GIFT test

| | | |
|----------|------------------|---|
| G | Giver | <p>Who is providing the gift, benefit or hospitality and what is their relationship to me?</p> <p>Does my role require me to select suppliers, award grants, regulate industries or determine government policies? Could the person or organisation benefit from a decision I make?</p> |
| I | Influence | <p>Are they seeking to gain an advantage or influence my decisions or actions?</p> <p>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?</p> |
| F | Favour | <p>Are they seeking a favour in return for the gift, benefit or hospitality?</p> <p>Has the gift, benefit or hospitality been offered honestly? Has the person or organisation made several offers over the last 12 months?</p> <p>Would accepting it create an obligation to return a favour?</p> |
| T | Trust | <p>Would accepting the gift, benefit or hospitality diminish public trust?</p> <p>How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?</p> |

Requirement for refusing offers

Individuals should consider the GIFT test at **Table 1** and the requirements below to help decide whether to refuse an offer.

- Individuals are to refuse offers:
- likely to influence them, or be perceived to influence them, in the course of their duties or that raise an actual, potential or perceived conflict of interest;
- that could bring them, TCV or the public sector into disrepute;
- made by a person or organisation about which they will likely make or influence a decision (this also applies to processes involving grants, sponsorship, regulation, enforcement or licensing), particularly offers:
 - 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, unless prior approval of the Managing Director or Chair is obtained
- of money, or used in a similar way to money, or something easily converted to money;
- where, in relation to hospitality and events, TCV 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 TCV's Managing Director or their delegate (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

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 that would be considered a basic courtesy, such as light refreshments during a meeting.

A token offer cannot be worth \$50 or more.

Individuals may accept token offers of gifts, benefits and hospitality without approval or declaring the offer on TCV's Register, as long as the offer does not create a conflict of interest or lead to reputational damage.

Light refreshments, such as tea or coffee in the course of a business meeting at an organisation's premises, or sandwiches at a conference, or a modest gift as a token of thanks are examples of a token offer.

A business lunch or dinner or an invitation to an event are examples of a non-token offer.

Non-token offers

Individuals can only accept non-token offers if they have a legitimate business benefit. All accepted non-token offers **must** be approved by the individual's manager or the Deputy Managing Director/Corporation Secretary, recorded in the Gifts, Benefits and Hospitality Register and be consistent with the following:

- it does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, TCV 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);
- 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 TCV, public sector or the State;
- acceptance of non-token offers of gifts, benefits or hospitality must further TCV's official business interests, and be related to the individual's role or responsibilities at TCV. Legitimate business reasons at TCV may include:
 - professional education and business training to acquire new skills or knowledge;
 - opportunities to strengthen TCV's business relationships and knowledge (eg in a business or industry forum).

Some offers may be for informal or social occasions, rather than purely business events. TCV recognises that it is customary in the financial markets for information to be shared and business knowledge gained in both formal and more casual settings. In these circumstances the recipient should be able to demonstrate how TCV would benefit through the opportunity to meet and communicate with other market participants or industry peers.

In all circumstances, the offer must be reasonable in the context of the business purpose or occasion and proportionate to the benefit to TCV. Any extravagant offers should be avoided, and the "Trust" test carefully considered.

Individuals may be offered a gift or hospitality where there is no opportunity to seek 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 TCV into disrepute, you should return the gift. If it represents a conflict of interest for you, you should either return the gift or transfer ownership to TCV to mitigate this risk.

Prior approval for accepting all non-token offers

Prior approval is required for acceptance of all non-token offers of gifts, benefits and hospitality as follows:

- for business lunches and one-day seminars not requiring travel - approval from the individual's General Manager (no approvals required for Directors);
- for all other offers – approval from the Managing Director or Deputy Managing Director or for Directors, the Chair.

No approval is required for token offers, but employees are expected to inform their manager about all such offers.

Recording non-token offers of gifts, benefits and hospitality

All non-token offers, whether accepted or declined, must be recorded in TCV's Gifts, Benefits and Hospitality Register, using the TCV Timesheets, Gifts & Benefits Declarations. 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 TCV, public sector or State.

The TCV Gifts, Benefits and Hospitality Declaration must be recorded as soon as reasonably practicable after receiving a non-token offer.

Director's declarations of gifts, benefits or hospitality made to them in their capacity as a director of TCV should be made at the next Board meeting following the receipt of a non-token offer. The Corporation Secretary will ensure that a standing item is included in the agenda for all Board meetings, or where there is no Board meeting held during a month, in any resolutions circulated without meeting.

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

Unacceptable:

"Networking"

"Maintaining stakeholder relationships"

Acceptable:

"Individual is responsible for evaluating and reporting outcomes of TCV's sponsorship of Event A. Individual attended Event A in an official capacity and reported back to TCV 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 on behalf of TCV"

The Deputy Managing Director/ Corporation Secretary retains all declarations as TCV's Gift, Benefits and Hospitality Register, and is responsible for maintaining the Register and ensuring it is regularly updated and published on TCV's public website.

Access to the Register is restricted to the Managing Director, Deputy Managing Director and General Managers (for their respective business units).

TCV'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 TCV'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.

The public register will contain a subset of the information detailed in TCV's internal Gift, Benefits and Hospitality Register.

Ownership of gifts offered to individuals

Non-token gifts with a legitimate business benefit that have been accepted by an individual for their work or contribution may be retained by the individual where the gift is not likely to bring them or TCV into disrepute, and where their manager or the Deputy Managing Director/Corporation Secretary has approved. Employees must transfer any official gifts or gifts of cultural significance or significant value to TCV.

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.

Ceremonial gifts

Ceremonial gifts are official gifts provided as part of the culture and practices of communities and government, within Australia or internationally. Ceremonial gifts are the property of TCV, irrespective of value, and should be accepted by individuals on behalf of TCV. The receipt of ceremonial gifts should be recorded on TCV's Gift, Benefits and Hospitality Register but this information does not need to be published online.

Hospitality provided by Victorian public sector organisations

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

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 TCV's functions and objectives and with the individual's role.

6. Management of the provision of gifts, benefits and hospitality

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

Table 2. HOST test

| | | |
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| H | Hospitality | To whom is the gift or hospitality being provided? Will recipients be external business associates, 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 and recording procedures? |

Requirements for providing gifts, benefits and hospitality

Gifts, benefits and hospitality may be provided to welcome guests, to 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.

Containing costs

Individuals should contain costs involved with providing gifts, benefits and hospitality wherever possible, and should comply with the financial probity and efficient use of resources guidance outlined in the Code of Conduct for Victorian Public Sector Employees and the Code of Conduct for Directors of Public Entities. The following questions may be useful to assist individuals to decide on 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 TCV 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?
- Is the gift symbolic, rather than financial, in value?
- Will providing the gift, benefit or hospitality be viewed by the public as excessive?

TCV sponsored gifts

Gifts must not be provided to any external party, including any of TCV's clients or service providers, without the prior approval of the Managing Director.

Items such as promotional pens, umbrellas etc must be approved in advance and are arranged by TCV's Communications Coordinator to ensure the correct TCV branding is used.

TCV sponsored hospitality or benefits

Light refreshments:

Where reasonable and appropriate for business reasons, individuals may arrange to pay for light refreshments for external parties (tea, coffee, sandwiches etc) at an external café or lunch venue, or for light refreshments to be delivered to TCV's offices.

A claim for reimbursement from TCV may then be made under TCV's Expense Reimbursement Policy.

Other hospitality or benefits, such as corporate lunches:

TCV hosts more formal client meetings and regular functions at external venues, such as the Economic Luncheon, the Budget Luncheon and an annual end-of-year function for clients. These formal functions and events are approved and organised by TCV's senior management, and generally arranged by TCV's Communications Coordinator who (together with Legal) ensures that appropriate payment and risk management arrangements are in place before the event.

TCV Business Units, such as Treasury Client Services also arrange external entertainment and hospitality events for clients, such as lunch meetings.

TCV's Expenditure Policy and Procedures applies to all arrangements for corporate hospitality.

Employees must not provide any other hospitality or benefits to any external party, including TCV's clients, service providers or other market participants without the prior approval of the Managing Director. Directors must consult with the Chair.

This will ensure that:

the benefits of the proposed event are properly considered by senior management

the likely expense is known and will be approved or reimbursed by those authorised

payment and risk management arrangements are in place prior to the event. (For example, it would not be appropriate to arrange a 'paint ball day' for clients.)

Records relating to the provision of hospitality such as approval forms and records relating to procurement and expenditure must be retained in accordance with the requirements under the *Financial Management Act* 1994 (Vic).

Expected behaviour at corporate functions

If an individual is representing TCV at corporate functions, either as a guest or host, they must always comply with TCV's behavioural expectations and relevant policies.

These include the employee responsibilities outlined in TCV behavioural key skills and knowledge, TCV's Drugs and Alcohol Policy, and TCV's Equal Opportunity policies including, the Harassment, Sexual Harassment, Discrimination, Bullying and Victimisation Policy.

Where TCV is the host, employees must demonstrate professionalism in their conduct. Employees must also uphold their obligations to extend a duty of care to other participants, for example, by ensuring the responsible service of alcohol to TCV's guests.

TCV office functions

TCV may provide catering for employees and Directors at meetings, presentations and training sessions.

In addition to the matters outlined above for the 'HOST' test, the following matters must also be considered:

- whether the event will contribute to TCV's objectives;
- whether the extent to which events have been catered in the past will result in perceptions of excess; and
- whether it is consistent with the community expectations of modest and prudent expenditure by public officials.

Provision of alcohol

Alcohol may be supplied for consumption at TCV business events in compliance with the requirements of the *Occupational Health and Safety Act* 2004, the *Liquor Control (Reform) Act* 1998, the Code of conduct for Victorian public sector employees 2015, the Code of conduct for Directors of Victorian public entities 2016 and 'best practice' as represented by the Liquor Licensing Commission's Guidelines for the Responsible Serving of Alcohol.

The provision of alcohol at an event can lead to increased risks, such as anti-social behaviour and may impact on the reputation of TCV and the individual.

Decisions relating to the supply of alcohol for consumption at functions must be considered on a case-by-case basis, and are subject to the approval of the Managing Director.

7. Breaches

Disciplinary action consistent with the relevant industrial instrument and legislation, 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 TCV's *Conflict of Interest Policy*.

Actions inconsistent with this policy may constitute misconduct under the *Public Administration Act 2004*, which includes:

- breaches of the binding *Code of Conduct for Victorian Public Sector Employees and the Code of Conduct for Directors of Public Entities*, such as sections of the Code covering conflict of interest, public trust and gifts and benefits; and
- individuals making improper use of their position.

For further information on managing breaches of this policy, please contact the Deputy Managing Director/Corporation Secretary

TCV 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.

8. Speak up

Individuals who consider that gifts, benefits and hospitality or conflict of interest within TCV may not have been declared or is not being appropriately managed should speak up and notify their manager or the Deputy Managing Director/Corporation Secretary. Individuals who believe they have observed corrupt conduct in their colleagues may also make a protected disclosure directly to the Independent Based-based Anti-corruption Commission (IBAC).

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

9. 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 accepting a gift, benefit or hospitality, or the application of this policy, should ask their manager or the Deputy Managing Director/Corporation Secretary for advice.

10. Responsibilities

This policy is issued under the authority of the Managing Director and the Deputy Managing Director/Corporation Secretary and is subject to annual review.

TCV's organisational delegate is the Deputy Managing Director/Corporation Secretary.