

GIFTS, BENEFITS & HOSPITALITY POLICY

1. Purpose

To maintain high levels of integrity, public trust, and avoid conflicts of interest, this policy states South East Water's position on providing and responding to offers of gifts, benefits and hospitality with the aim of ensuring that offers are ethical, reasonable in terms of community expectations, appropriately disclosed and properly managed and reasonable in terms of community expectations.

2. Scope

This Policy applies to all South East Water workplace participants (directors, employees, contractors, students, consultants, etc.) who provide or are offered gifts, benefits or hospitality as a result of their role with South East Water.

3. Definitions

For purposes of this Policy, unless otherwise stated, the following definitions shall apply.

Benefits	Preferential treatment, privileged access, favours or some other advantage offered. Can include access to a sporting venue box, access to information, products or services, promise of a new job, etc.
Bribe	An offer of money or other inducement made with the intent to corruptly influence a person in the performance of their duties. Bribery or attempted bribery of a public official is a criminal offence.
Business benefit	The provision or acceptance of a gift, benefit or hospitality that contributes towards meeting legitimate business objectives or purpose of the organisation, public sector or State.
Common courtesy	Polite, basic and modest and does not raise a conflict of interest. A cup of coffee, modest working lunch at another organisation's premises, a cup of coffee at a café do not exceed common courtesy and do not need to be disclosed under this policy.
Conflict of interest	A conflict between a person's public duty to act in the best interests of South East Water and their private interests (financial or non-financial). A conflict exists whether it is: real; potential; or perceived.
Direct or indirect	An offer that is made directly to a recipient, or indirectly via a relative or close associate, including: a member of immediate family (spouse, partner, child, grandchild, parent, sibling, etc.); a regular member of their household (whether or not they are related); or another close associate (friend, associate, other relative, etc.).
Gifts	Free or discounted tangible items or services. Can include money, a physical object such as a watch or an indirect gift such as a ticket to an entertainment event, function 'door prize' or services such as tree-logging or house painting.
Hospitality	The friendly reception and treatment of guests, internal or external stakeholders. Includes offers of food, drink, travel, accommodation, events or activities (e.g. sporting, social, industry, arts, entertainment, or other events/activities).

Offer	Anything of monetary or other value that is offered to an individual as a result of their role with South East Water. It includes gifts, benefits and hospitality that exceed common courtesy.
Pecuniary	Of, or relating to money or monetary value.
Register	An internal register of reportable gifts. Records details of the offer, donor, recipient, nature of the offer, value, how it was handled, etc.
Reportable offer	An offer exceeding token value or is of cultural, ceremonial, historic or other significance. Such an offer is reportable to the Responsible person, whether accepted or not, and registered on the Gifts, Benefits and Hospitality Register. Receipt of ceremonial gifts should be recorded on the register but does not need to be published online.
Responsible person	Person whom the individual notifies of any offers received; notifies of suspected bribery attempts; and seeks advice from about the Policy and how to comply. Employees notify their line manager, board members notify the board chair and the board chair notifies the deputy chair.
Token offer	A gift, benefit or hospitality offered, to an individual, as a courtesy and/or of inconsequential or trivial value and does not create an actual, perceived or potential conflict of interest. A token offer that is not prohibited may be accepted and retained by the individual without approval or declaring the offer on the register.
Value	The estimated or actual value in Australian dollars.

4. Policy principles

In applying the policy, South East Water is committed to and will uphold the principles outlined in the minimum accountabilities for the management of gifts, benefits and hospitality issued by the Victorian Public Sector Commission.

Impartiality	Individuals have a duty to place public interest above their private interests when carrying out their official functions. They will not accept offers 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; declining non-token offers (or where an exception applies under this policy, seeking approval to accept the offer); and the responsible provision of gifts, benefits and hospitality. Those with direct reports must oversee the management of their direct reports' acceptance or refusal of offers, modelling good practice and promoting awareness of policies and processes.
Integrity	Individuals strive to earn and sustain public trust through providing or responding to offers 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	South East Water through its policies, processes and audit committee, will ensure 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.

5. Minimum accountabilities

5.1 Individual responsibility

- Refusing all prohibited offers 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 or which may bring their employer or the public sector into disrepute; or
 - are non-token offers without a legitimate business benefit.
- Declaring all non-token offers (\$50 or more) of offers (accepted or declined) on their organisation's register, and seek written approval from their manager to accept any non-token offer.
- Refusing bribes or inducements and report inducements and bribery attempts to the Managing Director or their delegate (who should report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).
- Do not, for themselves or others, seek or solicit gifts, benefits and hospitality.

5.2 Managing Director will:

- Establish, implement and review organisational policies and processes for the effective management of offers that comprehensively address these minimum accountabilities.
- Establish and maintain a register of offers offered that, at a minimum, records sufficient information to effectively monitor, assess and report on these minimum accountabilities.
- Communicate and make clear within the organisation that a breach of 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.
- 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.
- 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.
- Publish the organisation's gifts, benefits and hospitality policy and register (current and the previous financial year) on the organisation's website.

6. Receiving offers

In the course of business relationships a person may be offered a gift, benefit or hospitality from a customer, supplier or stakeholder. These offers are usually given for commercial purposes and can be either pecuniary or non-pecuniary in nature. Individuals should take a risk based approach to how the principles are applied to a position, function, situation, offeror and organisational context.

6.1 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.

Giver	Who is providing the offer and what is their relationship to me? 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?
Influence	Are they seeking to gain an advantage or influence my decisions or actions? Has the offer been offered to me publicly or privately? Is it a courtesy or a token of appreciation or a valuable non-token offer? Does its timing coincide with a decision I am about to make?
Favour	Are they seeking a favour in return for the offer? Has the offer 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?
Trust	Would accepting the offer diminish public trust? How would the public view acceptance of this gift offer? What would my colleagues, family, friends or associates think?

6.2 Requirement for refusing offers

Individuals should consider the GIFT test (above) 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;
- could bring them, the organisation 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;
 - made during a procurement or tender process by a person or organisation involved in the process; or
- 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;
- 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 organisations; or
- made in secret.

If an individual considers they have been offered a bribe or inducement, the offer must be reported to the Independent Broad-based Anti-corruption Commission.

6.3 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.

The minimum accountabilities state that token offers cannot be worth more than \$50. Individuals may generally accept token offers without approval or declaring the offer on the register, as long as the offer does not create a conflict of interest or lead to reputational damage.

6.4 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 in writing by the individual's manager, recorded in the register and be consistent with the following requirements:

- it does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, the organisation 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 the organisation, public sector or the State.

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

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

Offers to events that provide a personal benefit or are limited to providing hospitality and serve no business purpose can be regarded as an official business event, if non-attendance would bring the organisation into disrepute.

6.5 Recording non-token offers

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

6.6 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 the organisation into disrepute, and where their manager or organisational delegate has provided written approval. Employees must transfer to the organisation official gifts or any gift of cultural significance or significant value.

6.7 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.

6.8 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 the organisation, irrespective of value, and should be accepted by individuals on behalf of the organisation. The receipt of ceremonial gifts should be recorded on the organisation's register but this information will not be published online.

6.9 Hospitality provided by Victorian public sector organisations

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

6.10 Reporting

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

A copy of the previous financial year and current register, which complies with privacy obligations, will be published on the South East Water website every six months. The public register will contain a subset of the information detailed in the internal register.

7. Provision of gifts, benefits and hospitality

7.1 Requirements

The requirements for the provision of offers and their management is also governed by the Entertainment, Hospitality and Expenditure Policy. Gifts, benefits and hospitality may be provided when welcoming guests, facilitating the development of business relationships, further public sector business outcomes and to celebrate achievements.

When considering providing an offer, persons must adhere to the following:

- any gift, benefit or hospitality is provided for a business reason that 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 (see 'HOST' test below); and
- it does not raise an actual, potential or perceived conflict of interest.

A gift, benefit or hospitality should never be offered if it is:

- Provided as a form of encouragement for a future decision;
- Provided as a reward for a past decision; and
- Likely to give the appearance of unethical or compromising conduct on the part of the employee.

Hospitality	To whom is the offer being provided? Will recipients be external business partners or individuals of the host organisation?
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?
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?
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?

7.2 Containing costs

Wherever possible, Individuals should contain costs involved with providing gifts, benefits or hospitality and should comply with the financial probity and efficient use of resources guidance outlined in the Code of Conduct for Victorian Public Sector Employees, Code of Conduct for Victorian Public Sector Employees of Special Bodies and/or the Code of Conduct for Directors of Public Entities.

8. Compliance and 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 offers. A person who may have breached this Policy must immediately notify their manager and remedy any breach. Actions inconsistent with this Policy may constitute misconduct under the Public Administration Act 2004.

Individuals who consider that offers or conflict of interest within the organisation may not have been declared or is not being appropriately managed should speak up and notify their manager. 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. The organisation will take decisive action, including possible disciplinary action, against individuals who discriminate against or victimise those who speak up in good faith.

South East Water 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.

9. Related policy, legislation and other documents

Policies

BS 2060 Conflict of Interest Declaration Procedure
BS 1005 Code of Conduct
BS 2049 Entertainment, Hospitality and Expenditure Policy
BS 2570 Gift, Benefit and Hospitality Procedure
BS 2799 Offer Declaration Form

Legislation

Financial Management Act 1994 (Vic)
Freedom of Information Act 1982 (Vic)
Privacy and Data Protection Act 2014 (Vic)
Protected Disclosures Act 2012 (Vic)
Public Administration Act 2004 (Vic)
Water Act 1989 (Vic)

Resources

[Code of conduct for Directors of Victorian public entities - Directors Code of Conduct](#)
[Code of Conduct for Victorian Public Sector Employees](#)
[DELWP model policy on Gifts, benefits and hospitality - responding to gift offers](#)
Victorian Public Sector Commission [resource suite](#)

10. Approval

Approved by: South East Water Board of Directors

Approved on: 06 December 2021

Sponsor: Managing Director

Implementation: Compliance and Quality Manager

Review date: 06 December 2023