

Gifts, benefits and hospitality

Policy

Purpose

The Standing Directions 2018 under the Financial Management Act 1994 set the standard for financial management by Victorian Government agencies, including Energy Safe. The Standing Directions 2018 Instructions require implementation of a gifts, benefits and hospitality policy.

This policy states Energy Safe Victoria's (Energy Safe's) position on:

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

This policy is intended to support individual employees and Energy Safe to avoid conflicts of interest and maintain high levels of integrity and public trust.

Energy Safe has issued this policy to support behaviour consistent with the Code of Conduct for Victorian Public Sector Employees, the Code of Conduct for Directors of Victorian Public Entities, and Energy Safe's Conflict of Interest Policy.

This policy is consistent with the published model policies on Gifts, Benefits and Hospitality published by the Victorian Public Sector Commission (VPSC) and the Department of Energy, Environment and Climate Action (DEECA).

All employees are required to comply with this policy.

Scope

This policy sets out Energy Safe's standards and processes for responding to gift offers, providing gifts, travel and hospitality. The policy applies to all Commission and Committee members, employees, contractors, volunteers and temporary staff (Employees) at all times in the performance of their duties for Energy Safe.

Accountabilities

This policy has been developed in accordance with requirements outlined in the minimum accountabilities for the management of gifts, benefits and hospitality issued by the Victorian Public Sector Commission (VPSC)¹. The minimum accountabilities are binding under the Standing Directions' Instructions.

Commissioners and Employees are responsible for ensuring that their own conduct meets the required standards of integrity. They place the public interest above their own interests when carrying out their official duties. This includes declaring gift offers in accordance with this policy and refusing prohibited gifts.

The Chairperson, the Chief Executive Officer (CEO), and employees with direct reports are responsible for being aware of, and monitoring, the risks inherent in their team's work and functions. They model good practice and promote awareness of this policy and related processes.

¹ Victorian Public Sector Commission, [Gifts, benefits and hospitality policy guide](#), accessed online 29/08/23

Receiving 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 written approval of the CEO.

A gift offer is anything of monetary or other value that is offered by an external source (organisation or individual) to a Commissioner or Employee as a result of their role with Energy Safe. It includes free or discounted:

- **items or service**, for example, items such as a Christmas hamper, desk calendar, box of chocolates, bottle of wine, commemorative object, or 'door prize' at a function; services such as tree-logging or house painting.
- **benefits** such as preferential treatment, privileged access, favours or other advantages or intangible benefits, for example, access to a discount or loyalty program, or the promise of a new job.
- **hospitality** that exceeds common courtesy.
'Hospitality' is the friendly reception and treatment of guests. It includes offers of food, drink, travel, accommodation, events or activities (e.g., industry, arts, entertainment or other events/activities). 'Common courtesy' is polite, basic, modest and acceptable. It does not raise a conflict of interest. Whether an offer exceeds common courtesy depends on the circumstances (i.e. what is offered, by whom, to whom, when and why).

Direct or indirect

A gift offer may be direct or indirect. It may be offered directly to a Commissioner or Employee or indirectly via an offer to their relative or close associate, including:

- a member of their immediate family (eg. spouse, partner, child, grandchild, parent, sibling);
- a regular member of their household (whether or not they are related); or
- another close associate (eg. friend, business associate, other relative).

Is the gift offer 'token' or 'reportable'?

A gift offer that is made by an external source is either token or reportable:

- **Token** – the gift offer is trivial and inconsequential. The **combined total** of offers to the Commissioner or Employee from that source in the last 12 months **does not exceed \$50**.
- **Reportable** – the gift offer exceeds the token value OR is of cultural, historic or other significance and must be declared to Energy Safe.

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.

This table is a useful tool when considering how to respond to a gift offer.

G	Giver	<p>Who is offering the gift, benefit or hospitality and what is their relationship to me?</p> <p>Does my role require me to select contractors, 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 or my endorsement of a product or service?</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? 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>

Table 1: GIFT test

Commissioners or Employees should consider the GIFT test at Table 1 and the requirements below to help decide whether to accept or decline an offer. A Commissioner or Employee must decline any gift offer that:

- is money or is similar to money (e.g. gift vouchers) or easily converted into money (e.g. shares);
- is a conflict of interest (actual, potential or perceived) – e.g. is offered by an external source with an interest in a decision that the Commissioner or Employee is likely to make or can influence, including in relation to:
 - procurement of goods or services;
 - tender processes;
 - awarding of a grant or sponsorship;
 - enforcement, licensing or regulation; or
 - contracts.
- could create a reasonable perception that it is offered to influence, or could influence, the judgement of the Commissioner or employee (i.e. how they act, or fail to act, now or in the future);
- is inconsistent with community expectations; or
- could in any other way bring their integrity and impartiality, or that of Energy Safe into disrepute.

Token gift and common courtesy hospitality offers

A Commissioner or Employee who is offered a gift of token value (cumulative value over a period of 12 months is less than \$50) may:

- decline the gift offer; or
- accept the gift offer and retain the gift as their own unless it is alcohol which it will then be provided to the Customer and People Experience Division to be raffled off for Charity.

Commissioners and Employees can accept token gift offers without approval or declaring on the register providing the offer does not create a conflict of interest or lead to reputational damage.

Likewise, hospitality that meets common courtesy requirements and includes light refreshments at a business meeting or is part of official business where the reason for attendance is consistent with Energy Safe's objectives does not require declaration.

If in doubt Commissioners and Employees are to complete the gift offer declaration form for submission to the Head of People Experience and Human Services (PEHR).

Reportable GIFT offers

A Commissioner or Employee who is offered a reportable gift or hospitality must, regardless of whether the GIFT offer is accepted:

- verbally disclose the offer to the responsible person (including line manager); and
- sign and lodge a properly completed gift offer declaration form as soon as possible.

If it is a reportable gift offer, it must be declined unless there is a 'legitimate business benefit' to accept it.

Dealing with accepted gifts

The following should be considered when dealing with the offer and acceptance of a reportable gift,

- Gifts of cultural, historic or other significance are to be transferred to the ownership of Energy Safe. Consideration should be given to donating gifts of cultural, historic or other significance to an appropriate public institution, such as the Melbourne Museum, State Library or the National Gallery of Victoria.
- Donating other reportable gifts
Energy Safe generally donates other reportable gifts, or the proceeds of their sale, to a non-profit organisation or public institution.
- 'Public interest' approval for use of gift by Commissioner or Employee
Occasionally, it will be in the public interest for approval to be given for a Commissioner or Employee to use a reportable gift 'as their own' at the behest of Energy Safe. Applications for 'public interest approval' will be determined by the Chairperson (for Commissioners and the CEO) or the CEO (for Employees) in accordance with the following criteria:
 - approval is required to avoid the person being in breach of this policy through no fault of their own; or
 - prior written approval has been granted for sponsored hospitality to be accepted in relation to a conference or familiarisation tour.

The reason(s) for any public interest approval that is granted must be well documented, attached to the gift offer declaration form, and recorded in the gifts register.

Ban on soliciting gifts

Commissioners and Employees must not solicit gifts for themselves or anyone else, in any form. To do so may constitute misuse of their position, a breach of this policy and/or a breach of the relevant code of conduct and may result in disciplinary action. It may also constitute corruption and lead to criminal prosecution.

Providing gifts, benefits and hospitality

When deciding whether to provide a gift, benefit or hospitality Commissioners and Employees should first consider if such action could be perceived as imprudent or unnecessary expenditure or lead to reputational damage. The more valuable the offer provided, the more likely that a reputational risk exists.

This table is a useful tool when considering provision of hospitality and gifts.

H	Hospitality	<p>To whom is the gift or hospitality being provided? Will recipients be external business partners, or individuals of the host organisation?</p>
O	Objectives	<p>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?</p>
S	Spend	<p>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?</p>
T	Trust	<p>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?</p>

Table 2: HOST test

Requirements for providing gifts, benefits and hospitality

Employees should consider the HOST test at Table 2 and the requirements below to help decide whether to provide an offer of a gift, benefit or hospitality.

- Ensure that any gift, benefit or hospitality provided for a business purpose furthers the conduct of official business, or other legitimate organisational goals, or promotes and supports government policy objectives and priorities.
- Ensure the costs of providing gifts are proportionate to the benefits obtained for Energy Safe and would be considered reasonable in terms of community expectations. This includes gifts (typically costing between \$50-\$110) for workplace participants or employees, for personal events, such as serious illness, bereavement or arrival of a new baby.
- Ensure the offer does not raise an actual, potential or perceived conflict of interest.

Providing hospitality (hosting)

It will rarely be in the public interest for alcohol to be consumed at meetings.

A Commissioner or Employee who extends hospitality will demonstrate professional conduct at all times and will uphold their obligation to extend a duty of care to other participants.

The requirements apply to both:

- **official hospitality** – hosting official guests (e.g. community representatives, people from the private or academic sector); and
- **internal (general) hospitality** – hosting functions, often in the workplace, for members of the Victorian public sector, (e.g. Commission and Committee meetings, staff meetings, lunch at a workshop, a retirement function for a long standing staff member, a celebration to mark a major work milestone).

Hospitality provided to external guests

Ensure that when hospitality is provided to external guests it is proportionate to the benefits to Energy Safe and individuals demonstrate professionalism in their conduct and uphold their obligation to extend duty of care to other participants.

- Catering for stakeholder functions will be kept to appropriate levels and proportionate to the significance of the event while minimising food waste. As a guide and in accordance with public expectations of modesty, cost of meals for stakeholder functions should be kept to under \$40 per person.
- Catering for stakeholder functions will be restricted to events over three hours or events where a meal is the focus of the event e.g. breakfast, lunch or dinner.
- Entertainment and catering is charged to the relevant account and approved by the relevant financial delegate.

Catered functions for staff

Catering for staff functions will be kept to appropriate levels and proportionate to the significance of the event while minimising food waste. As a guide and in accordance with public expectations of modesty, cost of meals for staff functions should be kept to under \$40 per person.

- There will be no internal catering for staff only meetings, workshops or other events except in exceptional circumstances or for workshops that exceed four hours,
- Entertainment and catering is charged to the relevant account and approved by the relevant financial delegate.

Provision of alcohol

Energy Safe does not provide alcohol as part of our catering and hospitality arrangements. The supply of alcohol can lead to increased risks, including the risk of anti-social behaviour and risks to the reputation of both individuals and the organisation alike which may contravene our obligations under the Code of Conduct.

Other than in exceptional circumstances, reimbursement will not be paid for alcoholic beverages at staff-only functions. The CEO will approve such reimbursement.

Individuals who take part in events where alcohol is provided, and who drive our motor vehicles are also reminded of their obligations under the road rules and of the Motor Vehicle Policy.

Reporting

The Audit and Risk 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 Energy Safe'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.

Energy Safe publishes the gifts, benefits and hospitality policy and Public Register. The Public Register includes information for the current and previous financial year.

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 unsure about accepting a gift, benefit or hospitality, or the application of this policy, should ask their manager, or a member of the Executive Leadership Team, or Head of People Experience and Human Resources, for advice.

Speak-up

Individuals who consider that gifts, benefits and hospitality or a conflict of interest within Energy Safe may not have been declared or is not being appropriately managed should speak up and notify their manager, or a member of the Executive Leadership Team, or the Head of PEHR.

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

Attempts to bribe

A Commissioner or Employee who receives a gift offer that they believe is an attempted bribe must refuse the offer. They must:

- immediately notify the responsible person (Manager, Executive, Head of PEHR) and lodge a gift offer declaration form so that their refusal can be recorded.

A Commissioner or Employee who believes that another person may have solicited or been offered a bribe which the other person has not reported must either notify the responsible person, their manager, or report the matter to IBAC as a protected disclosure.

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 Energy Safe'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, such as sections of the Code covering conflict of interest, public trust and gifts and benefits
- individuals making improper use of their position.

For further information on managing breaches of this policy, please contact the Head of People Experience and Human Services.

Energy Safe will communicate this 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.

Definitions

Business associate: An individual or body that the public sector organisation has, or plans to establish, some form of business relationship with, 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 Energy Safe, irrespective of value, and should be accepted by individuals on behalf of Energy Safe. The receipt of a ceremonial gift should be recorded on the register but does not need to be published.

Conflict 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 or previous employment could improperly influence their decisions or actions, now or in the future.

Gifts: Gifts are free or discounted items or services 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).

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 Energy Safe, the public sector or the State.

Public official: Public official has the same meaning as section 4 of the Public Administration Act 2004 and includes, public sector employees, statutory office holders and directors of public entities.

Public register: The public register is a record of a subset of the information contained in the internal register. It is in line with the Victorian Public Sector Commission minimum accountabilities.

Register: A digital record of all declarable gifts, benefits and hospitality. Guidance regarding the information that should be recorded is provided in this Policy.

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). Token offers cannot be worth more than \$50.

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 more than \$50 are non-token offers and must be recorded on the gift, benefit and hospitality register.

Related policy, legislation and other documents

- Energy Safe’s 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

Document control

Version	Date	Revision information	Author/Edited by	Authorised by	Review date
1.0	Jul 2009	Conflict of Interest Policy ESV Employees Gifts Policy		Executive Manager Finance & IT	
2.0	Jan 2015	Re-issue ‘ESV gifts, benefits and hospitality policy’ DOC/14/14507	Human Resources	Executive Management Team	
3.0	Jun 2017	Small edits to reflect changes to the responsibility for the Gift Register and changes to ESV providing catering	People Services	Executive Management Board	
4.0	Nov 2017	Edited to provide clarity around ESV providing catering. Further changes to ESV’s approach to accepting gifts, benefits or hospitality	People Services	Executive Management Board	
5.0	Oct 2018	Edited to reflect comments provided by the Audit & Risk Committee and converted to new template	Chief Operating Officer	Executive Management Board	Oct 2021
6.0	Mar 2019	Edited to reflect: changes to the declaration and recording requirements of provision of gifts and hospitality	People Services	Executive Management Board	Mar 2022
7.0	Sep 2023	Review and update	PEHR	ELT	Sep 2026