

Gifts, Benefits and Hospitality

Category:	Governance	Policy Number:	PRO120.3
Reviewer:	Chief Financial Officer	Revision:	005
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1. Purpose

- 1.1 The purpose of this procedure is to:
- state HealthShare Victoria's¹ (HSV) requirements for receiving or providing offers of gifts, benefits, and hospitality; and
 - ensure that stakeholders have a high degree of trust and confidence in HSV and its procurement practices, by (amongst other things):
 - building business and community confidence in the integrity of HSV procurement processes,
 - encouraging and enabling purchasers and supplier businesses to deal with each other on the basis of mutual trust and respect; and
 - improving market engagement process and procurement outcomes.
- 1.2 This procedure 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 (as required by the Instructions supporting the Standing Directions 2018) and supports behaviour consistent with the Code of Conduct for Victorian Public Sector Employees (VPSC Code of Conduct).
- 1.3 The policy statement to support the application of this procedure can be found in POL120 Code of Conduct Policy.

2. Application

- 2.1 This procedure applies to all workplace personnel.
- For the purpose of this policy, this includes executives, board members, employees, contractors, consultants and any individuals or groups directly undertaking activity for or on behalf of HSV.
- 2.2 All public sector employees are required under clause 1.2 of the VPSC Code of Conduct to comply with this procedure.

3. Definitions

Benefit	Preferential treatment, privileges, favours, or other advantage intended to impart a reciprocal benefit or favourable decision.
Business associate	An external individual or body that HSV 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.
Conflict of interest	A situation in which an individual has a competing professional or personal interest which could make it difficult to impartially carry out their duties. A conflict of interest may be actual, potential or perceived, as defined below: <ul style="list-style-type: none"> Actual conflict of interest - a set of established circumstances (interests) that detract from the individual fulfilling their obligation to HSV. Perceived conflict of interest - a set of circumstances which may be seen to compromise the interests of HSV by diminishing the fairness and competitiveness of the HSV procurement process. Potential conflict of interest - a set of established circumstances where actual conflict may result if one or more future known events occur.
Gift	Items or services that are free, discounted, or would generally be seen by the public as a gift.
Hospitality	The friendly reception and entertainment of guests. Hospitality can range from offers of light refreshment at a business meeting to 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 HSV, the public sector or the State.
Token offer	A gift, benefit or hospitality with an estimated or actual value of less than \$50 .
Non-token offer	A gift, benefit or hospitality with an estimated or actual value of \$50 or more .

¹ HealthShare Victoria is a trading name of Health Purchasing Victoria an independent public entity incorporated under the *Health Services Act 1988* (Vic).

4. Offers of Gifts, Benefits and Hospitality

- a. Individuals must always act with integrity, impartiality, and honesty.
- b. HSV is committed to and will uphold the principles of impartiality and accountability when applying this procedure.

4.1 Token Offers

- a. Token offers may generally be accepted without approval or declaration on the 'Gifts and Benefits Register', if the offer does not create a conflict of interest or lead to reputational damage.
- b. Individuals must refuse a token offer if it:
 - i. is made by a current or prospective supplier involved or engaged in a procurement or tender process (but not if it is token hospitality, such as sandwiches over a legitimate lunchtime meeting);
 - ii. is money, or used in a similar way to money, or something easily converted to money;
 - iii. could influence them, or be perceived to influence them, in the course of their duties or raise and actual, potential, or perceived conflict of interest;
 - iv. could 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 HSV;
 - v. is not consistent with community expectations; or
 - vi. could reasonably be seen as a bribe or other inducement.

4.2 Non-Token Offers

- a. Individuals should consider the GIFT test at Appendix 1 and the requirements below to assist with responding to all non-token offers of gifts, benefits, or hospitality.
- b. Individuals may accept non-token offers if:
 - i. it is not offered by a prohibited party, such as a current or prospective supplier;
 - ii. there is a legitimate business reason for accepting the offer (e.g. it is offered in the course of the individuals' official duties, it is related to the individual's responsibilities, and it has a benefit to HSV, the public sector or the State); and
 - iii. it does not raise a conflict of interest or have the potential to bring the individual, HSV or the public sector or State into disrepute.
- c. Individuals are required to obtain written approval from their manager prior to accepting a non-token offer.
 - iv. This must be done via the 'Gifts and Benefits Register'.
- d. If an individual is not able to seek prior approval from their manager (e.g. a wrapped gift that is later identified as being a non-token gift) then the individual must report the non-token offer (see section 4.2(c)) and seek manager approval as soon as practicable and in any event within five business days of receipt.
- e. Individuals must refuse non-token offers:
 - i. likely to influence them, or be perceived to influence them, in the course of their duties or raise and actual, potential, or perceived conflict of interest;
 - ii. by a person or organisation about which they will likely make a decision;
 - iii. that could reasonably be seen as a bribe or inducement to make a decision or act in a particular way;
 - iv. that extend to their relatives or friends;
 - v. with no legitimate business benefit;
 - vi. of money, or used in a similar way to money, or something easily converted to money;
 - vii. where, in relation to hospitality and events, HSV will already be sufficiently represented to meet its business needs;
 - viii. that are not consistent with community expectations;
 - ix. where acceptance could be perceived as endorsement of a product or service, or acceptance would unfairly advantage the sponsor in future procurement decisions;
 - x. made by a person or organisation with a primary purpose to lobby Ministers, Members of Parliament, or public sector agencies; or
 - xi. made in secret.
- f. As far as gifts are concerned, if the:
 - i. gift would likely give rise to a conflict of interest or bring the individual or HSV into disrepute; or
 - ii. individual has not sought approval from their manager in accordance with section 4.2(c) or (d) of this document then the gift must be returned.

4.3 Repeat Offers

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

4.4 Responsibilities

- a. Individuals must:
 - i. not accept offers of money, or anything that is used in a similar way to money, or something easily converted to money;
 - ii. record all non-token offers, whether accepted or declined on the 'Gifts and Benefits Register' as soon as practicable;
 - iii. seek written approval from their manager prior to accepting any non-token offer and where prior approval is not possible, report all non-token offers to their manager as soon as practicable and in any event within five business days of receipt;
 - iv. not accept any offers of a gifts, benefit, hospitality or other gratuity for a family member or other associate, if the offer is linked to the individual's employment with HSV.
 - v. not solicit any gifts, benefits, hospitality or other gratuity for themselves, family member or other associate in a context that is linked to their employment;
 - vi. not accept any offers of a gift, benefit, hospitality, or other gratuity that is not considered reasonable in terms or community expectations or that could be reasonably perceived as undermining the integrity and impartiality of HSV or themselves.
 - vii. not accept any offers of a gift, benefit, hospitality or other gratuity from people or entities regarding whom they are likely to make decisions, or otherwise place themselves in a compromised position;
 - viii. refuse a non-token offer unless there is a legitimate business benefit;
 - ix. seek advice from their manager if unsure about how to respond to an offer of a gift, benefit or hospitality; and
 - x. declare any matter which they believe has or may undermine the impartiality or independence of their judgement or actions.

4.5 Providing Gifts and Hospitality

- a. Gifts and hospitality may be provided when welcoming guests, to facilitate the development of business relationships, further public sector business outcomes and to celebrate achievements.
- b. When deciding whether to provide gifts or hospitality or the type of gift or hospitality, the individual must ensure that:
 - i. any gift or hospitality is provided for a legitimate business benefit;
 - ii. all costs are proportionate to the benefits obtained for HSV and the State, and would be considered reasonable in terms of community expectations (consider HOST test at Appendix 2 when making an assessment); and
 - iii. it does not raise an actual, potential, or perceived conflict of interest.
- c. Individuals should limit costs involved with providing gifts and hospitality wherever possible and as far as hospitality is concerned, must not exceed the limits set out below. The following questions should be considered when deciding the type of gift or hospitality to provide:
 - i. Is the cost of providing the gift or hospitality proportionate to the potential benefit?
 - ii. Is an external venue necessary or does HSV have facilities to host the event?
 - iii. Is the proposed catering or hospitality proportionate to the number of attendees?
 - iv. Will providing the gift or hospitality be viewed by the public as excessive?
- d. If an event or meeting is going to extend over usual mealtimes, a sufficient break should be encouraged to enable participants to seek their own refreshments.

4.6 Hospitality limits

- a. The following limits apply to all hospitality provided by HSV to workforce participants or external stakeholders.

Meal	Maximum spend
Breakfast	\$50 per person
Lunch	\$50 per person

Meal	Maximum spend
Dinner	\$100 per person

- i. The maximum spend of the hospitality includes drinks, tips are not allowed and GST.
- ii. To avoid doubt, this is the maximum amount that may be spent, and all hospitality paid for by HSV must be modest and reasonable in the circumstances (i.e., individuals must not go to a top end restaurant even if it is within the cap if other suitable options are available).
- iii. Hospitality must be proportional and reasonable in terms of community expectations.
- b. The purchase of alcohol must have the prior written approval of the Chief Executive Officer or Chief Financial Officer (each a decision maker). When deciding whether alcohol, will be provided at an event hosted by HSV, the relevant decision maker should consider:
 - iv. whether the provision of alcohol would be relatively uncommon and must be associated with a meal;
 - v. the event timing - any event where alcohol is served should be held at a time that minimises the risk of individuals returning to work impaired by alcohol (e.g. if standard office hours are worked, the event should be held in the late afternoon or early evening); and
 - vi. the duration of the event - events with alcohol service should not exceed two hours in duration.
- c. Any event where the service of alcohol has been approved is subject to the following conditions:
 - vii. the provision of alcohol should be incidental to the overall level of hospitality provided;
 - viii. the provision of alcohol must be in accordance with applicable law (including work health and safety and responsible service of alcohol legislation); and
 - ix. individuals must not be impaired by alcohol while working or while otherwise at a HSV site.
- d. Itemised receipts are required for all hospitality provided by HSV or an individual in connection with their employment.
 - x. If an itemised receipt cannot be provided, a statutory declaration must be submitted to the Chief Executive to explain why the receipt is unavailable and identify the items the subject of the expense.

5. Reporting and Compliance

5.1 Reporting

- a. Individuals must report actual or suspected breaches of this procedure to their manager as soon as possible.
- b. Managers must immediately report actual or suspected breaches of this procedure to their Executive and/or the Chief Financial Officer.
- c. Any reported breach (actual or suspected) will be held in confidence and follow the requirements of PRO140.2 Public Interest Disclosure Procedure.
- d. All individuals shall complete an annual attestation confirming that they have complied with the spirit and intent of this procedure.
 - xi. In addition, individuals must complete the 'Gifts and Benefits Register' as soon as practicable after receiving a non-token offer.
- e. In order to review the operation of this procedure, the Chief Financial Officer shall report non-token offers received by or offered to individuals at least annually to the Finance, Audit and Risk Management Committee.

5.2 Compliance

- a. Individuals are expected to comply with both the spirit and intent of the PRO120.1 Financial Code of Practice and this procedure.
- b. Non-compliance with this procedure may constitute a breach of the POL120 Code of Conduct Policy and the VPSC Code of Conduct and may result in disciplinary action being taken by HSV against the individual.
 - xii. Such action may include (but is not limited to) termination of employment.
- c. HSV has a responsibility to annually publish the details of the 'Gifts and Benefits Register' on its external website and in doing so, will cover the current and previous financial year.

6. Appendices

- 5.1 Appendix 1: GIFT test
- 5.2 Appendix 2: HOST test

7. Related Documents

- 6.1 POL120 Code of Conduct Policy
- 6.2 PRO120.1 Financial Code of Practice
- 6.3 PRO140.2 Public Interest Disclosure Procedure

8. References

- 7.1 Standing Directions 2018 under the *Financial Management Act 1994*
- 7.2 Code of Conduct for Victorian Public Sector Employees
- 7.3 Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Guide

Appendix A GIFT Test

G	Giver	Who is providing the gift, benefit, or hospitality and what is their relationship to me? <ul style="list-style-type: none"> 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?
I	Influence	Are they seeking to gain an advantage or influence my decisions or actions? <ul style="list-style-type: none"> Has the gift, benefit or hospitality 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?
F	Favour	Are they seeking a favour in return for the gift, benefit, or hospitality? <ul style="list-style-type: none"> 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?
T	Trust	Would accepting the gift, benefit or hospitality diminish public trust? <ul style="list-style-type: none"> How would the public view acceptance of this gift, benefit, or hospitality? What would my colleagues, family, friends, or associates think?

Appendix B HOST Test

H	Hospitality	To whom is the gift or hospitality being provided? <ul style="list-style-type: none"> Will recipients be business associates?
O	Objectives	For what purpose will hospitality be provided? <ul style="list-style-type: none"> 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 the recipient's wellbeing and workplace satisfaction?
S	Spend	Will public funds be spent? <ul style="list-style-type: none"> 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? <ul style="list-style-type: none"> 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?