

Gifts, Benefits and Hospitality Policy

Purpose

This policy states Wannon Water'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 Wannon Water to avoid conflicts of interest and maintain high levels of integrity and public trust.

Wannon Water has issued this policy to support behaviour consistent with the *Code of Conduct for Victorian Public Sector Employees* and the *Code of Conduct for Directors of Victorian Public Entities* (the Code). All employees are required under clause 1.2 of the Code to comply with this policy.

Scope

This policy applies to all workplace participants. For the purpose of this policy, this includes: executives, Board members, employees, contractors, consultants¹ and any individuals or groups undertaking activity for or on behalf of Wannon Water.

Policy statement

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.

Wannon Water 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. This is further expressed through Wannon Water's value of integrity, and demonstrated with the behaviours of:

- Being open, honest and impartial
- Being accountable for the commitments I have made; and
- Being fair to myself and others.

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Risk-based approach - Wannon Water, through its policies, processes and Audit and Risk Management 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.

¹ Note: The application of clause 1.4 of the Code of Conduct for Victorian Public Sector Employees to the engagement of contractors and consultants. Contractors and consultants are only bound by the code if explicitly required by their contract for services.

Minimum accountabilities

Under the Instructions supporting the Standing Directions of the Minister for Finance 2016, the Victorian Public Sector Commission has set binding minimum accountabilities for the appropriate management of gifts, benefits and hospitality. These can be found at Schedule A.

Roles and responsibilities

Position	Roles and responsibilities
Board Secretary	Updating this policy
Wannon Water Board	Reviewing this policy

Implementation

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 written approval of the Managing Director.

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.

Figure 1: GIFT test

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

G	Giver	Who is offering the gift, benefit or hospitality and what is their relationship to me? 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?
I	Influence	Are they seeking to gain an advantage or influence my decisions or actions? 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?
F	Favour	Are they seeking a favour in return for the gift, benefit or hospitality? 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? How would the public view acceptance of this gift, benefit or hospitality? What would my colleagues, family, friends or associates think?

Requirement for refusing offers (prohibited offers)

Individuals should consider the GIFT test at Figure 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, Wannon Water, 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.
- 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 Managing Director or their delegates 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 notepads, 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.

Wannon Water policy and practice:

Individuals can accept token offers as long as the offer does not create a conflict of interest or lead to reputational damage. Wannon Water requires all accepted token offers be recorded via the Gift Offer Declaration e-form in the same manner as reportable (Prohibited and Non-token) offers

Wannon Water does not require staff to record token offers of sustenance (light food and drink with business meetings, such as juice and sandwiches).

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 or organisational delegate, recorded in the Gifts, Benefits and Hospitality Register and be consistent with the following requirements:

- It does not raise an actual, potential or perceived conflict of interest or have the potential to bring the individual, Wannon Water, 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.

Wannon Water policy and practice:

Subject to Managing Director approval, an employee who is to present at a conference in their area of expertise or relevant to their official duties, can have expenses, including flights, accommodation, meals and conference admission paid by the conference organiser.

Recording non-token offers of gifts, benefits and hospitality

All non-token offers, whether accepted or declined, must be recorded in the Gifts, Benefits and Hospitality Register. The business reason for accepting the non-token offer must be recorded in the register using the Gift Offer Declaration e-form with sufficient detail to link the acceptance to the individual's work functions and benefit to Wannon Water, public sector or state.

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

Unacceptable

- "Networking"
- "Maintaining stakeholder relationships"

Acceptable

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

Access to the register is restricted to relevant persons within Wannon Water.

Wannon Water's Audit and Risk Management 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 Wannon Water'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 Wannon Water's internal register, in accordance with Victorian Public Sector Commission guidance.

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

Wannon Water policy and practice:

Wannon Water can use gifts such as food hampers as a direct donation to support agencies (e.g. Food Share) or use for fundraising purposes.

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.

Wannon Water policy and practice:

Wannon Water monitors for repeat offers through the annual report to its Audit and Risk Management Committee. Individuals are encouraged to escalate concerns of repeat offers to their General Manager, Managing Director or Board Secretary.

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 Wannon Water. The receipt of ceremonial gifts should be recorded on the Gifts, Benefits and Hospitality Internal Register but this information does not need to be published online (Public Register).

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 Wannon Water's functions and objectives and with the individual's role.

Management of the provision of gifts, benefits and hospitality

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

Figure 2: HOST test

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

H	Hospitality	<p>To whom is the gift or hospitality being provided?</p> <p>Will recipients be external business partners, or individuals of the host organisation?</p>
O	Objectives	<p>For what purpose will hospitality be provided?</p> <p>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?</p> <p>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?</p> <p>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>

Requirements for providing gifts, benefits and hospitality

Gifts, benefits and hospitality may be provided when welcoming 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 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 (the 'HOST' test at Figure 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, or 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 the organisation 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?

Wannon Water policy and practice:

Reward and recognition gifts - Modest gifts may be provided to employees in circumstances in accordance with the table below.

Occasion	Recognition	Event	
Resignation/retirement	Card* and gift to the value specified	Afternoon tea – to be held at workplace towards end of working hours on employee's day of departure	
	<i>Period of service at Wannon Water</i>		<i>Value</i>
	0 - 2 years		Nil
	2 - 5 years		\$100
	5 years and above	\$150	
End of limited tenure position	Card*	Morning/afternoon tea	
Marriage	Card* and gift \$70 value	Morning/afternoon tea	
Bereavement (spouse/partner/ child/parent or equivalent, including parents in-law/sibling.)	Card* and flowers to the value of \$70	Nil	
New baby	Card* and flowers to the value of \$70	Nil	
Serious illness requiring long hospital stay (employee)	Card* and flowers to the value of \$70	Morning/afternoon tea upon return to work	
Miscellaneous recognition	Gift to the value of \$30		
Discretionary occasion as approved by Managing Director	Any variations to the above, and approve special circumstances for recognition and event		

* All cards to be signed from "Board and employees of Wannon Water".

Provision of gift/events does not apply to employees leaving due to misconduct.

Financial gifts to employees such as vouchers or gift cards are prohibited. The manager should refer all requests for employee gifts to the People & Wellbeing team for action.

Reasonable postage or delivery costs are permitted and may be in addition to the limits in this table. In determining reasonable postage or delivery costs, consideration should be given to this policy and community expectations.

Wannon Water policy and practice:

Providing catering and alcohol for external events

Catering is provided at functions for external guests subject to the following criteria:

- There is a real benefit to Wannon Water
- The expenditure is modest and proportionate to the benefit,
- It is not excessive,
- It is not too frequent, and
- It is consistent with community expectations.

Subject to approval by the Managing Director, in consultation with the Chair, alcohol may be purchased with public funds to serve at formal Board level external functions based on the following:

- Provision of alcohol is relatively uncommon and associated with the provision of food,
- The event is held outside usual work hours, and
- The provision of alcohol should be incidental to the overall level of hospitality provided.

A typical catered external event including the provision of alcohol would be where the Board engages with external business leaders, community leaders and/or stakeholders by way of an invitation to an evening dinner or reception event.

Providing alcohol at internal events

Unless otherwise approved by the Managing Director, Wannon Water does not purchase alcohol with public funds for internal events. Internal events where alcohol is provided under specific approval of the Managing Director typically is limited to the end-of-year employee recognition function for a time limited duration.

Providing catering at internal events

Wannon Water provides modest catering for employees for internal events based on the following considerations:

- The extent to which the event will contribute to organisational objectives by, for example, reinforcing particular values, motivating staff, and aligning people to our strategic direction
- Whether there have been multiple recent events that would result in perceptions of excess, or
- The need to balance the positive benefits of public recognition with community expectations in relation to modest expenditure by public officials.

Wannon Water provides dinner (excluding alcohol) for Directors and senior management at times during the year, to discuss contemporary strategic issues and strengthen social capital.

Celebrations of events such as birthdays, marriages or the birth of a child are not catered with public funds.

Wannon Water practice is that meetings are scheduled to avoid conflict with meal times. Where that is not possible, a break is encouraged to enable participants to seek their own refreshments or a "working lunch" is supplied where modest hospitality can be provided.

Timing and location of internal events

Typically, events such as farewell events are to be held at the workplace towards the end of working hours, on the employee's day of departure.

Authorising officer and organisational delegate

The policy is issued under the authority of the Board and is subject to annual review. The organisational delegate is the Managing Director.

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, General Manager, Managing Director or Board Secretary for advice.

References

Definitions

Term	Means
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 the public sector organisation, irrespective of value, and should be accepted by individuals on behalf of the public sector organisation. The receipt of ceremonial gifts should be recorded on the register but does not need to be published online.
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 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). 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 the public sector organisation, the public sector or the state.
Public official	Public official has the same meaning as Section 4 of the <i>Public Administration Act 2004</i> and 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 <i>Victorian Public Sector Commission Policy Guide</i> .
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 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 to the recipient (such as basic courtesy). The minimum accountabilities state that 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 a gift, benefit and hospitality register.

Legislation and standards

- “Minimum accountabilities for managing gifts, benefits and hospitality” (see Instructions supporting the Standing Directors for the Minister for Finance)
- *Water Act 1989*
- *Public Administration Act 2004*
- Code of Conduct for Directors of Victorian Public Entities
- Code of Conduct for Victorian Public Sector Employees
- Victorian Public Sector Commission’s Gifts, Benefits, and Hospitality Policy Guide

Supporting documents

- Conflict of Interest – Board Governance Framework
- Employee Conflict of Interest Procedure
- Corporate Purchasing Card Policy
- Wannon Water Public Interest Disclosure Procedure
- Wannon Water Fraud, Corruption and Other Losses Control Policy
- Consequences of Employee Misconduct (procedure)
- Corporate Catering Procedure
- Alcohol & Drugs in the Workplace Procedure

Schedule A – Minimum accountabilities

Public officials offered gifts, benefits and hospitality:

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

Public officials providing gifts, benefits and hospitality:

- Ensure that any gift, benefit and hospitality is provided for a business purpose in that it furthers the conduct of official business or other legitimate organisational goals, or promotes and supports government policy objectives and priorities.
- Ensure that any costs are proportionate to the benefits obtained for the State, and would be considered reasonable in terms of community expectations.
- Ensure that when hospitality is provided, individuals demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

Heads of public sector organisations:

- Establish, implement and review organisational policies and processes for the effective management of gifts, benefits and hospitality that comprehensively address these minimum accountabilities.
- Establish and maintain a register for gifts, benefits and hospitality offered to public officials 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 the gifts, benefits and hospitality 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 on the organisation's public website (applies only to organisations with an established website). The published register should cover the current and the previous financial year.