



Gifts, Benefits and Hospitality Policy for Councillors

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Purpose

The purpose of this policy is to outline the East Gippsland Shire Council's position on Councillors:

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

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

Scope

This policy applies to the East Gippsland Shire Council and its Councillors.

Policy Context

This policy forms part of Council's integrity framework. It applies the transparency and integrity principles of the *Local Government Act 2020* (the Act) to the Councillors responsible for the good governance of the municipality.

The Act under section 138 requires Council to adopt a Councillor Gifts Policy that includes procedures for the maintenance of a Gift Register.

The acceptance of gifts, benefits and hospitality to gain favourable treatment from the Council or a Councillor or the provision of gifts, benefits and hospitality by the Council or a Councillor to gain favourable treatment from others may give rise to a conflict of interest under the Act.

Local Government Victoria has provided a model policy to comply with the legislative requirement that is based on Minimum accountabilities for the management of gifts, benefits and hospitality issued by the Victorian Public Sector Commission (detailed in Schedule A). This policy is based on the model policy.

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

Impartiality—Councillors 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 reasonable perception of, or actual bias or preferential treatment. Councillors will not accept offers from those about whom they are likely to make business decisions.

Accountability—Councillors are accountable for:

- declaring 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.

Integrity—Councillors 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. Councillors will refuse any offer that may lead to an actual, perceived or potential conflict of interest.

Risk-based approach—the East Gippsland Shire Council, through its policies, processes and audit and risk committee, will ensure gifts, benefits and hospitality risks are appropriately assessed and managed.

Policy Statement

Councillors will not seek or accept gifts, benefits or hospitality from people where the receipt of the gifts, benefits or hospitality is likely to create a conflict with their public duty or work as Council officers. In addition, Councillors will not offer gifts, benefits or hospitality to individuals or organisations in situations where they are likely to create a conflict of interest.

Councillors must not accept, directly or indirectly, gifts, benefits or hospitality with a value of more than \$50, unless approved by the Chief Executive Officer.

Section 137 of the Act stipulates that Councillors *must not* accept, directly or indirectly, a gift for the benefit of the Councillor in the amount or value of which is equal to or exceeds the gift disclosure threshold (\$500¹) unless:

- a) the name and address of the person making the gift are known to the Councillor; or
- b) at the time the gift was made:
 - i. the Councillor is given the name and address of the person making the gift; and
 - ii. the Councillor reasonably believes that the name and address so given are the true name and address of the person making the gift.

If the name and address of the giver are not known, the Councillor will not breach the requirements of section 137 of the Act (as outlined above) if they dispose of the gift to Council within 30 days of receipt.

Councillors must disclose all gifts, benefits and hospitality offered to them or by them on a Gifts, Benefits and Hospitality Declaration Form, whether accepted or refused. All disclosures will be recorded on the Gifts, Benefits and Hospitality Register and a summary will be publicly available on Council's website.

The requirements for accepting or declining offers of gifts, benefits, and hospitality are outlined in Table 1 below. Councillors may request that the Chief Executive Officer make an exception to the below rules. Any exceptions to the below rules must have prior written approval of the Chief Executive Officer.

¹ Defined in the *Local Government Act 2020*, section 3 Definitions (1) *gift disclosure threshold*

Table 1: Gifts, Benefits and Hospitality Guide

Details of Gift, Benefit or Hospitality	Declare all offers and acceptance to	What to do with the gift, benefit or hospitality
Councillor Known or anonymous giver, value up to \$50	Manager Governance by submitting Gifts, Benefits and Hospitality Declaration form	Councillor to retain the item. If there is a conflict of interest or reputational risk the individual is to return the item <u>or</u> transfer ownership to Council. CEO to decide disposal for items transferred to Council
Councillor Known or anonymous giver, value of \$51 - \$500	General Manager Business Excellence by submitting Gifts, Benefits and Hospitality Declaration form	Councillor to return the gift or transfer ownership to Council or seek approval from the CEO to retain the gift. CEO to decide disposal
Councillor Known giver, value over \$500	Chief Executive Officer by submitting Gifts, Benefits and Hospitality Declaration form	Councillor to return the gift or transfer ownership to Council. CEO to decide disposal
Councillors Anonymous giver, value equal to or greater than \$500	Chief Executive Officer by submitting Gifts, Benefits and Hospitality Declaration form	Do not accept If item is received indirectly (i.e. through the mail) then ownership is to be transferred to Council within 30 days of receipt. CEO to decide disposal

Deciding whether to refuse an offer or seek approval from the Chief Executive Officer to retain it

When deciding whether to accept a Non-token offer and seek approval from the Chief Executive Officer to retain it, Councillors 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. Councillors should consider the purpose of an offer before accepting. For instance, if the offer is made to influence a decision or could be perceived to be made for that purpose then it should be refused.

If a Councillor considers they have been offered a bribe or inducement, the offer must be reported to the Chief Executive Officer or General Manager Business Excellence or Manager Governance (who will report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-Corruption Commission).

Councillors should consider the GIFT test at Figure 1, below, when considering how to respond to an offer. The specific requirements for refusing an offer are outlined in Schedule B.

Figure 1: GIFT test

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>

Deciding whether or not to make an offer

When deciding to offer gifts, benefits or hospitality Councillors should consider the HOST test at Figure 2, below. Any decision by a Councillor to offer gifts, benefits or hospitality must also be approved by the Chief Executive Officer in line with the HOST test, Procurement Policy and Councillors Support and Expenses Policy. The requirements for deciding to offer are outlined in Schedule B.

Figure 2: HOST test

H	Hospitality	To whom is the gift or hospitality being provided? Will recipients be external business partners, or individuals of the host organisation?
O	Objectives	For what purpose will hospitality be provided? Is the hospitality being provided to further the conduct of official business? Will it promote and support government policy objectives and priorities? Will it contribute to staff wellbeing and workplace satisfaction?
S	Spend	Will public funds be spent? What type of hospitality will be provided? Will it be modest or expensive, and will alcohol be provided as a courtesy or an indulgence? Will the costs incurred be proportionate to the benefits obtained?
T	Trust	Will public trust be enhanced or diminished? Could you publicly explain the rationale for providing the gift or hospitality? Will the event be conducted in a manner which upholds the reputation of the Council? Have records in relation to the gift or hospitality been kept in accordance with reporting and recording procedures?

Token offers

A Token offer is an offer of gifts, benefits or hospitality that is of inconsequential or trivial value to both the person making the offer and the individual receiving. 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.

Council has adopted the Minimum accountabilities established by Victorian Public Sector Commission which states that Token offers cannot be worth more than \$50. Councillors may generally accept Token offers without approval, as long as the offer does not create a conflict of interest, lead to reputational damage or exceed \$50.

Non-token offers

Councillors 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 Chief Executive Officer, 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, or the East Gippsland Shire Council into disrepute; and
- there is a legitimate business benefit flowing from acceptance i.e. it is offered in the course of the Councillor's official duties and has a benefit to the East Gippsland Shire Council.

Councillors may be offered gifts, benefits or hospitality where there is no opportunity to seek written approval prior to accepting. For example, they may be offered a wrapped gift that they later identify as being a gift worth over \$50 or be sent a Christmas present in the mail from a contractor, consultant or supplier. In these cases, the individual must seek approval as outlined in Table 1. within five business days. Gifts should not be used prior to seeking the General Manager's or Chief Executive Officer's approval.

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

Declaring offers

Councillors are required to declare all offers (whether they are accepted or declined) of gifts, benefits and hospitality by completing the Gifts, Benefits and Hospitality Declaration form within 5 days of the offer for approval as outlined in Table 1.

If a Councillor accepts a Non-token offer, the legitimate business benefit flowing from accepting the Non-token offer must be recorded on the Gifts, Benefits and Hospitality Declaration form with sufficient detail to link the acceptance to its benefit to Council. This legitimate business benefit must then be recorded on the Gifts, Benefits and Hospitality Register in accordance with Schedule C.

For the purpose of this policy Councillors are not required to declare attendance at a conference as a speaker or presenter where the costs, including flights, accommodation, meals and conference admission, have been covered by the organiser, provided attendance at the conference is approved by management as meeting Council's business requirements.

All declarations (of both Token offers and Non-token offers) will be included on the Gifts, Benefits and Hospitality Register. A public register will be provided on Council's website.

The procedural requirements for declaring offers are outlined in Schedule C.

Ownership of gifts offered to Councillors

Non-token offers 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 Council into disrepute, and where the Chief Executive Officer has provided written approval.

Councillors must transfer to the East Gippsland Shire Council official gifts or any gift of cultural significance or significant value (over \$500).

Gifts transferred to the East Gippsland Shire Council that are not Ceremonial Gifts or of cultural significance will be donated.

Gifts of a perishable nature may be donated to a charity.

The Chief Executive Officer will determine the method of disposal for items not covered by this policy.

Repeat offers

Receiving multiple offers (whether they are Token offers or Non-token offers) from the same person or organisation can generate a stronger perception that the person or organisation could influence a Councillor or Council. Councillors must refuse repeat offers from the same source if they create a conflict of interest or may lead to reputational damage.

Repeat offers from the same person or organisation must be reported to the Chief Executive Officer. The Manager Governance will record repeat offers on the Gifts, Benefits and Hospitality Register for reference of the Chief Executive Officer.

Ceremonial Gifts

Ceremonial Gifts are the property of Council, irrespective of value, and should be accepted by Councillors on behalf of the East Gippsland Shire Council. The receipt of Ceremonial Gifts must be recorded on the Gifts, Benefits and Hospitality Register, but this information does not need to be published online.

Hospitality provided by Victorian public sector organisations or local government sector organisations

Victorian public sector or local government sector organisations (like other Councils, the Municipal Association of Victoria, Victorian Local Governance Association, or other organisations which Councillors may represent Council on) may provide hospitality to stakeholders as part of their functions. When offered hospitality by these organisations, Councillors should consider the requirements of the Minimum accountabilities.

Accepted hospitality offered by these organisations as part of official Council business does not need to be declared or reported, where the reason for the Councillor's attendance is consistent with Council's functions and objectives and within the Councillor's role.

Offers to immediate family members

If a Councillor's immediate family member is offered a gift, benefit or hospitality which could give rise to an actual, perceived or potential conflict of interest or reputational risk to Council, the Councillor must declare the offer in accordance with the 'Declaring offers' section of this document. In this case, the offer to the Councillor's immediate family member will be treated as an offer made to the Councillor, and the Councillor must follow all applicable rules as if the offer was made to the Councillor.

Breaches

Actions inconsistent with this policy may constitute misconduct under the Act, which includes:

- breaches of the Councillor Code of Conduct, and
- Councillors making improper use of their position.

For further information on managing breaches of this policy, please contact the Manager Governance.

The East Gippsland Shire Council will communicate its policy on the offering and provision of gifts, benefits and hospitality to the municipal community.

Speak up

Councillors who consider that gifts, benefits and hospitality within the East Gippsland Shire Council may not have been declared or are not being appropriately managed should speak up and notify the Manager Governance, General Manager Business Excellence or the Chief Executive Officer. Councillors who believe they have observed corrupt conduct taking place with their colleagues may also make a public interest disclosure directly to the Independent Based Anti-Corruption Commission (IBAC).

In accordance with Council's Public Interest Disclosure Policy, Council will take decisive action, including possible disciplinary action, against individuals who discriminate against or victimise those who speak up in good faith.

Contacts for further information

A conflict of interest resulting from the acceptance of an offer is not always clear to those who have them. Councillors who are unsure about accepting an offer, or the application of this policy, should ask the Manager Governance, General Manager Business Excellence or Chief Executive Officer for advice.

Monitoring and Review

The Audit and Risk Committee will receive a report annually on the administration and quality control of the gifts, benefits and hospitality policy, processes and register. The report will include analysis of 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 the Gifts, Benefits and Hospitality Register as identified on the Gifts, Benefits and Hospitality Declaration form.

The Policy will be reviewed every three years unless the Council determines an earlier review is required.

Unless otherwise indicated, this policy will remain applicable beyond the proposed review date until that review has been finalised by Council.

Administrative Updates

From time-to-time circumstances may change leading to the need for minor administrative changes to this document. Where an update does not materially alter this document, such a change may be made administratively.

Roles and Responsibilities

These management positions are responsible for the implementation, communication and compliance monitoring of the policy in their work areas:

Party / Parties	Roles and Responsibilities
Councillors	<p>Champion the commitment to avoid conflicts of interest and maintain high levels of integrity and public trust in relation to gifts, benefits and hospitality.</p> <p>Councillors do not seek or accept gifts, benefits or hospitality from people where the receipt of gifts, benefits or hospitality is likely to create a conflict with their public duty.</p> <p>Councillors do not offer gifts, benefits or hospitality to individuals or organisations where doing so is likely to create a conflict of interest.</p> <p>Subject to exceptions set out in this policy, Councillors are required to disclose all gifts, benefit and hospitality offered to them on the Gifts, Benefits and Hospitality Declaration form whether accepted or refused within 5 days of being offered the gift.</p> <p>Councillors are to provide completed Gifts, Benefits and Hospitality Declaration forms to the Councillor Support Officer for processing.</p> <p>Councillors comply with section 137 of the <i>Local Government Act</i> 2020.</p>
Chief Executive Officer	<p>Ensures all Councillors are aware of their responsibilities and comply with the policy.</p> <p>Receives and approves the Gifts, Benefits and Hospitality Declaration form from Councillors.</p> <p>Accepted Non-token offers must be approved in writing by the Chief Executive Officer.</p> <p>Considers and decides on any exception to this policy.</p> <p>Receives disclosures regarding suspected improper conduct or detrimental action.</p> <p>Reports suspected criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-Corruption Commission.</p> <p>Ensures a summary of gifts, benefits and hospitality disclosures is publicly available.</p> <p>Ensures privacy of the disclosures is maintained.</p>

Party / Parties	Roles and Responsibilities
General Manager Business Excellence	<p>Receives and approves the Gifts, Benefits and Hospitality Declaration form from Councillors up to the value of \$500.</p> <p>Maintain Gifts, Benefits and Hospitality Policy and promotes awareness.</p> <p>Receives disclosures regarding suspected improper conduct or detrimental action.</p> <p>Reports suspected criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-Corruption Commission.</p> <p>Ensures a summary of gifts, benefits and hospitality disclosures is maintained.</p> <p>Provides a report to the Audit and Risk Committee annually on the administration and controls of the Gifts, Benefits and Hospitality Policy, processes and register.</p>
Manager Governance	<p>Receives and approves the Gifts, Benefits and Hospitality Declaration form from Councillors up to the value of \$50.</p> <p>Receives disclosures regarding suspected improper conduct or detrimental action.</p> <p>Reports suspected criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-Corruption Commission.</p> <p>Ensures policy and registers are maintained.</p> <p>Administrative changes include updating to the latest style/template for policy, change to the name of Council directorate/business unit, change to the name of the responsible person or position title, change of State or Federal department, or minor update to legislation which does not have a material impact such as section or definition changes in the Act.</p>
Governance and Compliance Coordinator	<p>Reports suspected criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-Corruption Commission.</p> <p>Maintains the Gifts, Benefits and Hospitality Register.</p> <p>Ensures the Public register is available online.</p> <p>Abides by the relevant privacy requirements when recording and publishing Gifts, Benefits and Hospitality Register.</p>
Councillor Support Officer	<p>Ensures Gifts, Benefits and Hospitality Declaration form is provided to the Chief Executive Officer, General Manager Business Excellence or Manager Governance (depending on value) for approval, Governance and Compliance Co-ordinator for summarising and captured in the electronic records management system.</p>

References and Supporting Documents

Applicable Legislation:

Charter of Human Rights and Responsibilities Act 2006

Local Government Act 2020

Public Interest Disclosures Act 2012

Privacy and Data Protection Act 2014

Privacy Act 1988 (Cth)

Applicable Policy and Procedure:

Councillor Code of Conduct

Councillor Support and Expenses Policy

Procurement Policy

Protected Interest Disclosure Procedure

Public Interest Disclosure Policy

Supporting Documents:

Gifts, Benefits and Hospitality declaration form (as approved by the Chief Executive Officer)

Minimum accountabilities for the management of gifts, benefits and hospitality (which can be found in the Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Guide, and are extracted in Schedule A)

Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Guide

Privacy and Human Rights Consideration

All personal information collected by Council in connection with this policy will be handled in accordance with all applicable privacy legislation and will be used only for the purpose of maintaining a Gifts, Benefits and Hospitality Register and providing the Public register available on the Council website.

Personal information about an individual held by Council must be only used to carry out the primary or directly related purpose of collection. Further, Council must not collect personal information unless the information is necessary for one or more of its functions.

Council will provide access to personal information where legislation permits and where circumstances are appropriate, as outlined in Council's Information Privacy Policy.

Where required under legislation Council will disclose personal information to the appropriate authorities. The *Public Interest Disclosures Act 2012* and Council's Public Interest Disclosure Policy and Procedure provide for protection of individuals who have made public interest disclosures.

This policy has been reviewed against and complies with the obligations and objectives of the Victorian *Charter of Human Rights and Responsibilities Act 2006*.

Definitions

Term	Meaning
Benefits	<p>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.</p> <p>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 Councillor's behaviour.</p>
Business Associate	Is an individual or body that Council 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.
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.
Community	<ul style="list-style-type: none"> • People who live in East Gippsland; • People and organisations who are ratepayers in East Gippsland; and • People and organisations who conduct activities in East Gippsland.
Conflicts of Interest	<p>are defined in accordance with sections 127 and 128 of the <i>Local Government Act 2020</i>, whereby a relevant person has a:</p> <p>a) general conflict of interest in a matter if an impartial, fair-minded person would consider that the person's private interests could result in that person acting in a manner that is contrary to their public duty; or</p> <p>b) material conflict of interest in respect of a matter if an affected person would gain a benefit or suffer a loss depending on the outcome of the matter.</p>
Contractor	is a person or company engaged to undertake works for Council, including service providers / service partners.
Council	means East Gippsland Shire Council.
Councillor	means a person who has been elected to the office of "Councillor" of East Gippsland Shire Council.
Council officer	means a current member of Staff with the authority to engage in activities on behalf of Council.

Term	Meaning
Gift	<p>means any disposition of property otherwise than by will made by a person to another person without consideration in money or money's worth or with inadequate consideration, including—</p> <p>(a) the provision of a service (other than volunteer labour);</p> <p>(b) the payment of an amount in respect of a guarantee; and</p> <p>(c) the making of a payment or contribution at a fundraising function.</p> <p>This may 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 Councillor that is consistent with relevant legislation and any government policy is not prohibited under the Minimum accountabilities.</p>
Hospitality	<p>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.</p>
Legitimate business benefit	<p>is something which furthers the conduct of official business or other legitimate goals of Council.</p>
Minimum accountabilities	<p>means the minimum accountabilities for the management of gifts, benefits and hospitality which can be found in the Victorian Public Sector Commission's Gifts, Benefits and Hospitality Policy Guide and are extracted in Schedule A</p>
Non-token offer	<p>is a gift, benefit or hospitality made to a Councillor 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 the Gifts, Benefits and Hospitality Register, in accordance with this policy.</p>
Offer	<p>means any offer of a gift, benefit or hospitality, regardless of value, made to a Councillor. This includes both Token offers and Non-token offers.</p>
Public register	<p>is a record, preferably digital, of a subset of the information contained in the Gifts, Benefits and Hospitality Register, for publication as required by the minimum accountabilities. This may be a summary of the information contained in the Gifts, Benefits and Hospitality Register, at the discretion of the Chief Executive Officer.</p>
Gifts, Benefits and Hospitality Register	<p>is a record, preferably digital, of all declarable gifts, benefits and hospitalities.</p>
Shire	<p>means the geographic area of East Gippsland Shire Council.</p>
Staff	<p>means all staff engaged by East Gippsland Shire Council, including all full-time, part-time and casual employees, labour hire agency staff, contractors and volunteers.</p>

Term	Meaning
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). This may include, for example, items like boxes of chocolates, bottles of wine, gift hampers, etc. In accordance with the minimum accountabilities, any offer worth more than \$50 cannot be considered a Token offer.
Volunteer	means a formally recognised, unpaid member of the public who assists with the provision of Council services e.g. Visitor Information Centre, Library.

Revision History and Review

Version Control	Approved Amended Rescinded	Date Effective	Approved By	ECM Document Reference	Summary of Changes
1			Council		New policy

Schedule A: Minimum accountabilities²

Public officials offered gifts, benefits and hospitality:

1. Do not, for themselves or others, seek or solicit gifts, benefits and hospitality.
2. 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.
3. Declare all non-token offers (valued at \$50 or more³) of gifts, benefits and hospitality (whether accepted or declined) on their organisation's register and seek written approval from their supervisor or organisational delegate to accept any non-token offer.
4. 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:

5. 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.
6. Ensure that any costs are proportionate to the benefits obtained for the State and would be considered reasonable in terms of community expectations.
7. 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:

8. Establish, implement and review organisational policies and processes for the effective management of gifts, benefits and hospitality that comprehensively address these minimum accountabilities.
9. 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.
10. 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.

² As issued by the Victorian Public Sector Commission.

³ Except where a person employed under the *Education and Training Reform Act 2006* in a Victorian Government school receives an offer from or on behalf of a parent, guardian, carer or student intended to express appreciation of the person's contribution to the education of a student or students, in which case non-token includes any offer worth more than \$100.

11. 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.

12. 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.

13. 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.

DRAFT

Schedule B: Requirements for refusing or making offers

Requirement for refusing offers

Councillors are to refuse offers of gifts, benefits and hospitality:

- 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 East Gippsland Shire Council or both 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;
 - made during a grant application process by a person or organisation applying for a grant; or
 - that may be considered seeking favourable treatment in a decision-making process.
- likely to be a bribe or inducement to make a decision or act in a particular way;
- of money, or used in a similar way to money, or something easily converted to money;
- 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 Council or Councillors;
- made in secret.

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 Council's 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, Councillors must ensure:

- any gift, benefit or hospitality is provided for a legitimate business benefit that furthers the conduct of official business or other legitimate organisational goals, or promotes and supports Council policy objectives and priorities;
- that any costs are proportionate to the benefits obtained for the Council, and would be considered reasonable in terms of community expectations (the 'HOST' test at Figure 1 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.

Councillors 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 Procurement Policy and the Councillor Support and Expenses Policy. The following questions may be useful to assist with deciding 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 Council 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?

Maximum expenditure on unbudgeted gifts

The East Gippsland Shire Council has set a nominal limit of \$150 for the maximum expenditure on gifts to others, where the expenditure has not been explicitly budgeted for. This nominal limit is a total for a discrete, unbudgeted gift. It is not per person or an annual total.

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 the East Gippsland Shire Council,
- 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.

Alcohol may be purchased with public funds to serve at functions for external guests based on the following:

- provision of alcohol would be relatively common and be associated with a meal,
- any event where alcohol is served should be held at a time that minimises the risk of employees 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),
- events with alcohol service do not exceed two hours in duration,
- no more than two standard drinks per person are provided; and
- the provision of alcohol should be incidental to the overall level of hospitality provided.

Schedule C: Procedural requirements for declaring offers

Councillors are responsible for ensuring the Gifts, Benefits and Hospitality Declaration form is entered into Councils document management system (ECM) before providing to their supervisor for processing for approval as outlined in Table 1 of this Policy.

The Councillors' Support Officer is responsible for ensuring Councillors' Gifts, Benefits and Hospitality Declaration forms are entered into Councils document management system (ECM) before providing to the Manager Governance or General Manager Business Excellence or the Chief Executive Officer, depending on value as outlined in Table 1 of this Policy.

The legitimate business benefit for accepting or providing the gift, benefit or hospitality must be recorded in the register with sufficient detail to link the acceptance to the benefit to Council. It is not acceptable to provide a reason that states: *I have received a gift from XYZ*.

The Councillor Support Officer will forward the Gifts, Benefits and Hospitality Declaration form to the appropriate approver (see Table 1).

Once the Gifts, Benefits and Hospitality Declaration form is approved, the Governance and Compliance Coordinator will include the appropriate details on the Gifts, Benefits and Hospitality register.

Access to the register is restricted to the Chief Executive Officer, General Managers, Manager Governance, Governance and Compliance Coordinator and Governance and Compliance Officer.

A summary of the information contained in the Gifts, Benefits and Hospitality Declaration form will be available on Council's website.