

## Gifts, Benefits & Hospitality Management

### 1. PURPOSE

The purpose of this procedure is to specify V/Line's position on:

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

This procedure is intended to support individuals and V/Line to avoid conflicts of interest and maintain high levels of integrity and public trust.

### 2. SCOPE

This procedure applies to all offers of gifts, benefits and hospitality received by, and/or offered by V/Line, its directors, executives, employees or agents in the course of undertaking duties for and on behalf of V/Line.

All V/Line directors, executives, employees, agents or third parties engaged to represent V/Line are required to adhere to this procedure.

### 3. PRINCIPLES

This procedure has been developed in accordance with the requirements outlined in the minimum accountabilities for managing gifts, benefits and hospitality issued by the Victorian Public Sector Commission.

V/Line is committed to and will uphold the following principles when applying this procedure:

Public interest: individuals have a duty to place the public interest ahead of their private interests when carrying out their duties. They are not to accept gifts, benefits or hospitality that could raise a perception of, or actual, bias or preferential treatment. Individuals must 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 procedure, seeking approval to accept the offer; and
- the responsible provision of gifts, benefits and hospitality.

Risk-based approach: V/Line through its policies, procedures, processes and Audit and Risk Committee, will ensure that gifts, benefits and hospitality risks are appropriately assessed and managed. Individuals with direct reports must ensure that 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.

### 4. DEFINITIONS

**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, access to equipment or machinery for personal use and promises of a new job.

**Bribe**

an inducement given or promised to influence decisions, actions or performance.

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<b>Conflicts of interest</b>	a situation that has the potential to undermine the impartiality of an individual because of the possibility of a clash between the individual's private interests and public duties. Conflicts of interest may be actual, potential or perceived.
<b>Declarable items</b>	all offers of gifts, benefits or hospitality whether accepted or not that are worth more than \$50. These items are recorded on V/Line's Gifts, Benefits and Hospitality Register. Irrespective of dollar value, an offer that could create a reasonable perception that an employee could be influenced must be refused.
<b>Gifts</b>	free or heavily discounted items and any item 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) and consumables (e.g. chocolates).
<b>Hospitality</b>	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.
<b>Legitimate business benefit</b>	gifts, benefits and hospitality accepted or provided for a business purpose, in that it furthers the conduct of official business or other legitimate goals of V/Line, the public sector or State.
<b>Register</b>	a record of all declarable gifts, benefits and hospitality. It records the date an offer was made and by whom, the nature of the offer, its estimated value, the raising of any actual potential or perceived conflicts of interest or reputational risks and how the offer was managed. For accepted offers, the register details the business reason for acceptance and the officer approving the acceptance. The register is maintained by the Enterprise Governance and Risk function and is reviewed at least annually by the Audit and Risk Committee.
<b>Token Offer</b>	an offer of a gift, benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the individual. Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside V/Line as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$50 (including cumulative offers from the same source over a 12 month period).
<b>Non-token offer</b>	an offer of 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 declared whether accepted or not.

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### 5. RESPONSIBILITIES

The **Chief Executive Officer** has the overall responsibility for promoting compliance with this procedure.

The appropriate **Executive Leadership Team (ELT)** member is responsible for:

- maintaining awareness of this procedure and adherence with its requirements,
- pre-authorising the acceptance, decline (or return) of any declarable gifts, benefits or hospitality,
- determining if it is in the public interest for an offer to be declined or transferred to V/Line's ownership, in order to remove any appearance of the potential for conflicts of interest.

**Managers and Supervisors** are responsible for ensuring that this procedure is adhered to, including that:

- all employees under their direction have read and acknowledged their understanding of this procedure;
- awareness and commitment to the intent of this procedure is maintained and regularly promoted; and
- any disputes or lack of clarity of requirements are resolved promptly and constructively so as to ensure ongoing commitment to V/Line's values of honesty and integrity.

**Employees, agents and third parties** are responsible for adhering to the requirements of the procedure.

The **Manager – Corporate and Compliance** is responsible for maintaining the Register of gifts, benefits and hospitality.

The **Executive General Manager Enterprise Governance and Risk** is responsible for presenting the Gifts, Benefits & Hospitality Register to the Board's Audit & Risk Committee on an annual basis, or as requested.

The **Board's Audit & Risk Committee** is responsible for reviewing the Register to ensure that there is transparent reporting of accepted and declined gifts, benefits and hospitality, and that there is no evidence of attempts to improperly influence the decisions or actions taken by V/Line's employees.

### 6. MANAGEMENT OF OFFERS OF GIFTS, BENEFITS AND HOSPITALITY

Employees, directors, executives, agents and third parties must exercise the utmost care with respect to offers of gifts, benefits and hospitality.

Individuals offered gifts, benefits and hospitality must:

1. 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 or which may bring V/Line or the public sector into disrepute; or
  - are non-token offers without a legitimate business benefit.

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3. Declare all non-token offers (valued at more than \$50) of gifts, benefits and hospitality whether accepted or not on V/Line's register, and seek written approval from their Executive General Manager to accept any non-token offer.
4. Refuse bribes or inducements and report inducements and bribery attempts to your Manager or Supervisor immediately. Any criminal or corrupt conduct should be reported to Victoria Police or the Independent Broad-based Anti-corruption Commission (IBAC).

### 6.1 Reporting offers of Gifts, Benefits and Hospitality

#### What do I need to report and have entered into the Register?

You must report and have pre-authorized via the [Gifts, Benefits & Hospitality Declaration](#):

- All non-token offers, **whether accepted or not**, of gifts, benefits or hospitality.
- Token offers if they are given or received on a regular or ongoing basis. If token offers are made often by the same person or organisation, the cumulative value of the offers, or the perception that they may influence you, may result in the offers becoming non-token.

### 6.2 How do I report?

- You must complete the Declaration form. Details to be provided include the date that the offer was made and by whom, a description of the gift, benefit or hospitality, an estimate of its value and the reason you wish to accept or decline the offer.
- The relevant member of the Executive Leadership Team will then authorise you to accept or decline the gift, benefit or hospitality.
- Directors must provide the required information to the Company Secretary for authorisation by the Chair (or Deputy Chair in the case of the Chair).

### 6.3 When can I accept a Gift, Benefit or Hospitality?

In general, offers of gifts, benefits or hospitality should only be accepted where there is a legitimate business reason for accepting the offer. That is, it is offered in the course of your official duties, relates to your responsibilities and has a benefit to V/Line, the public sector or the State.

More specifically, offers of gifts, benefits or hospitality may only be accepted if they relate to:

- participation at work related industry events; or
- work related training and development; or
- gifts of appreciation or are a token gift; and

comply with the following principles:

- It does not unduly influence, or have the potential to influence you, create a business obligation on you or V/Line, compromise or appear to compromise your integrity and impartiality or create a conflict of interest or perception of a conflict of interest;
- It is not related to advice or decisions about activities such as granting licences, inspecting and regulating business or giving approvals or selection or engagement of contractors or suppliers; and
- It does not involve time away from your official duties (unless approved by your Manager or Supervisor).

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Examples of non-token offers without a legitimate business benefit include:

- tickets to entertainment events that do not relate to your official duties;
- non-token hospitality provided while introducing you to a product or service – your role requires you to impartially assess new products and services, which may be undermined if you accept or are seen to accept such hospitality.

### Recording offers in the register

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 outcomes of the V/Line’s sponsorship of Event A. Individual attended Event A in an official capacity and reported back to V/Line 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, and written approval was subsequently obtained for the gift.”

### When you may accept without authorisation of needing to record in the register

Subject to the principles above, you may accept without seeking authorisation and do not need to record in the register:

- A **token gift** that is offered in business situations, for example small office accessories (e.g. pens, calendars, paperweights, ties, scarfs and the like) that contain a company logo. Such products are normally mass produced and given to all customers or meeting participants rather than as a personal gift. The value of such gifts must not exceed **\$50**, otherwise they are declarable items.
- A **gift of appreciation** for doing a speaking appearance, a V/Line promotional activity or great customer service that is of nominal value (e.g. flowers or box of chocolates). The value of such gifts must not exceed **\$50**, otherwise they are declarable items.
- **Moderate hospitality** such as tea or coffee offered as courtesy and light refreshments such as sandwiches or finger food served at a business meeting or function. In all cases, the hospitality offered and accepted should be proportionate to the occasion. The value of such hospitality must not exceed **\$50**, otherwise it is a declarable item.

Discretion should always be applied when hospitality is offered. Invitations for hospitality may only be accepted where the hospitality is offered as part of a work related industry event, training or development (e.g. dinner or corporate functions are acceptable where an existing relationship is in place with the offering party. Invitations to these types of functions would not be appropriate if they are offered repeatedly. Invitations of this nature must not be accepted when a supplier is seeking business opportunities with V/Line, either through a formal tender process or otherwise.

There may be situations where you are offered a gift, benefit or hospitality and there is no opportunity to seek approval prior to accepting. For example, you may be given a wrapped gift which you later identify as being a non-token gift. In these cases, you must seek approval from your Executive General Manager within 5 business days.

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### 6.4 When should I refuse or decline an offer of a gift, benefit or hospitality?

An offer of a gift, benefit or hospitality may not be accepted or given if any of the following applies:

- It is likely to influence you, or be perceived to influence you in the course of your official duties or raise an actual, potential or perceived conflict of interest;
- It is extended to your relatives and friends;
- It has no legitimate business benefit;
- Is offered by a person or organisation with whom you are likely to make business decisions (also applies to processes involving grants, sponsorship, regulation, enforcement or licensing);
- It is intended, or is likely, to cause the recipient or donor to act in a partial manner;
- The donor or reasonable observer would consider that the recipient may be under obligation to the donor;
- It is offered in secret;
- It is an offer of money or anything readily convertible to money (e.g., shares).

#### The following offers of gifts, benefits or hospitality must be refused:

- Offers of gifts, benefits or hospitality that could be reasonably perceived as undermining the integrity and impartiality of V/Line or yourself.
- All offers of gifts, benefits or hospitality from people or organisations about whom you are likely to make decisions involving:
  - Tender processes, i.e. your role involves the selection or engagement of contractors or suppliers
  - Procurement, i.e. your role involves the selection or engagement of contractors or suppliers
  - Enforcement
  - Licensing
  - Sponsorship
- Any offers where you have any involvement in making a decision and you could be influenced or perceived to be influenced by a gift, benefit or hospitality.
- Offers of sponsored or free travel and accommodation to attend a conference or to participate in an industry event.
- Bribes which should be **immediately** reported to your Manager or Supervisor.
- Regardless of value if the offer of a gift, benefit or hospitality includes:
  - Cash or personal cheques or items easily converted to money such as shares
  - Tickets to sporting events
  - Theatre, movie or other entertainment tickets
  - Vouchers
  - Drugs or other controlled substances
  - Product or service discounts that are not available to all employees

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- Personal use of accommodation or transportation
- Payments or loans to be used toward the purchase of personal property

**If you are unsure about how to respond to an offer of a gift, benefit or hospitality, seek advice from your Manager or Supervisor.**

***Under no circumstances should you solicit or request a gift of any kind from a supplier, customer, or other party with whom V/Line conducts business.***

### 6.5 Transferring gifts received to V/Line

The monetary value of the gift and legal requirements should be considered when determining whether a gift should be retained, handed to the company, or returned. Your Executive General Manager will advise if a gift should be handed to the company and will then determine if the gift should be donated to a nominated charity or made available to all employees in the work unit.

When attending a conference either as a participant or speaker, or if applying for an award in relation to work undertaken, you are representing V/Line. If V/Line has paid for costs, including time, travel and accommodation costs, benefits accruing belong to V/Line. This includes door prizes and fees for speaking. These benefits are to be recorded on the register and become V/Line's property to be utilised for staff competitions, donated to a nominated charity or made available to all employees in the work unit.

### 6.6 Repeat Gifts

The value of repeated offers of gifts, benefits or hospitality from a single source may be quite high. When accepting gifts becomes a habit or an expectation, you are likely to be compromised and may be in breach of the Code of Conduct.

### 6.7 Gifts and the Festive Season

When Christmas approaches, many suppliers wish to express their appreciation for V/Line's support to their business during the year and to extend their good wishes for the festive season. The principles detailed in this procedure to accept or decline a gift, benefit or hospitality apply equally at this time of year.

## 7 MANAGEMENT OF THE PROVISION OF GIFTS, BENEFITS AND HOSPITALITY

### 7.1 Providing gifts, benefits and hospitality

V/Line may provide gifts, benefits and hospitality for a range of reasons, including:

- Receiving guests or hosting a meeting
- Facilitating the development of business relationships, for example, a community event
- Launching a community event, such as V/Line's Life Training program
- Providing sponsorships
- Celebrating an achievement

When deciding whether to provide gifts, benefits or hospitality or on the type of gift, benefit or hospitality to provide, individuals must ensure that:

- any gift, benefit or hospitality is provided for a business reason in that it furthers the conduct of official business or other legitimate organisation goals, or promotes and supports V/Line's objectives and priorities;

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- any costs are proportionate to the benefits obtained, and would be considered reasonable in terms of community expectations; and

when hospitality is provided, individuals demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

### 7.2 Functions for staff

V/Line may provide catered activities for staff, including:

- Training courses, workshops, planning days
- Recognition of achievements, such as project completion or retirement of a long standing employee

In supporting these events, V/Line will consider the contribution to organisational objectives and the need to balance benefits with community expectations in relation to prudent expenditure. Events of this nature are to be approved by a member of the Executive Leadership Team.

### 7.3 Providing gifts to staff

V/Line recognises significant staff achievements through events such as length of service milestones. On these occasions, V/Line may choose to provide hospitality to celebrate the event. Venues and catering should reflect the nature of the activity and be aligned with V/Line's objectives. Luxurious venues must be avoided.

Where meetings extend over meal times, modest hospitality may be provided. It is recommended where possible that meetings are to be scheduled to avoid the need to provide catering.

Token gifts such as cards or flowers may also be sent following a family members' death.

Celebrations such as birthdays, marriages or the birth of children should not be funded at V/Line's expense.

### 7.4 Provision of alcohol

V/Line has a zero tolerance to alcohol and drugs whilst at work. If an event is conducted that includes the provision of alcohol, the following should be considered:

- No more than 2 standard drinks per person should be provided
- The event should not exceed 2 hours in duration

The supply of alcohol at any event can lead to increased risks, including the risk of anti-social behaviour. Staff are reminded of V/Line's Code of Conduct and must not be impaired by alcohol whilst in the workplace or whilst representing V/Line.

## 8 BRIBES, POTENTIAL BRIBES AND COMPROMISING CIRCUMSTANCES

If an employee, executive, director, agent or third party believes they have been offered a bribe, believes that there is potential for the offer of a gift to be perceived as being a bribe, or believes that the acceptance of a gift may place them or V/Line in a compromising position, they must politely decline acceptance. The incident must then be reported to a Manager or Supervisor **immediately**, who will report it to the relevant member of the Executive Leadership Team.

If you become aware of another employee or contractor who has been offered and accepted a bribe, you must immediately report it to your Manager or Supervisor.





## PROCEDURE

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## 9 BREACHES OF THIS PROCEDURE

Breach of this procedure may result in an individual(s) being counselled or censured, or disciplinary action (including termination of employment), or the laying of charges or the taking of civil action. Breach of this procedure by an agent or third party representing V/Line may result in termination of their engagement with V/Line.

## 10 SPEAK UP

Individuals who consider that gifts, benefits and hospitality or conflicts of interest within V/Line may not have been declared or is not being appropriately managed should speak up and notify their Manager or Supervisor.

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

## 11 REFERENCES

HRPO-34 - Code of Conduct

FIPR-9 - Financial Code of Practice

LEPR-6 – Conflict of Interest

## 12 ATTACHMENTS

1. The GIFT & HOST Tests

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**ATTACHMENT 1: The GIFT & HOST Tests**

**The GIFT Test**

The GIFT Test is a good reminder of what to think about when deciding whether to accept or decline a gift, benefit or hospitality. Take the GIFT Test and when necessary, seek advice from your Manager or Supervisor or authorisation from your Executive General Manager.

<b>G</b>	<b>Giver</b>	<p><b>Who is providing the gift, benefit or hospitality and what is their relationship to me?</b></p> <p>Does my role require me to select contractors, award sponsorships, or determine policies? Could the person or organisation benefit from a decision I make?</p>
<b>I</b>	<b>Influence</b>	<p><b>Are they seeking to influence my decisions or actions?</b></p> <p>Has the gift, benefit or hospitality been offered to me publicly or privately? Is it a courtesy, a token of appreciation or highly valuable? Does its timing coincide with a decision I am about to make?</p>
<b>F</b>	<b>Favour</b>	<p><b>Are they seeking a favour in return for the gift, benefit or hospitality?</b></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>
<b>T</b>	<b>Trust</b>	<p><b>Would accepting the gift, benefit or hospitality diminish trust?</b></p> <p>How would I feel if the gift, benefit or hospitality became public knowledge? What would my colleagues, family, friends or associates think?</p>

**The HOST Test**

The HOST Test is a good reminder of what to think about when deciding whether to provide gifts, benefits or hospitality to staff or stakeholders. Take the HOST Test and when in doubt seek advice from your Manager or Supervisor.

<b>H</b>	<b>Hospitality</b>	<p><b>To whom is the gift or hospitality being provided?</b></p> <p>Will recipients be external business partners, or employees of the host organisation?</p>
<b>O</b>	<b>Objectives</b>	<p><b>For what purpose will hospitality be provided?</b></p> <p>Is the hospitality being provided to further the conduct of official business?</p> <p>Will it promote and support procedure objectives and priorities?</p> <p>Will it contribute to staff wellbeing and workplace satisfaction?</p>
<b>S</b>	<b>Spend</b>	<p><b>Will V/Line funds be spent?</b></p> <p>What type of hospitality will be provided?</p> <p>Will it be modest or expensive, and will alcohol be provided?</p> <p>Will the costs incurred be proportionate to and less than the benefits obtained?</p>
<b>T</b>	<b>Trust</b>	<p><b>Will trust be enhanced or diminished?</b></p> <p>Could you publicly explain the rationale for providing the gift or hospitality?</p> <p>Will the event be conducted in a manner which upholds V/Line's reputation?</p> <p>Have records in relation to the gift or hospitality been kept in accordance with reporting and recording procedures?</p>