

GIFTS, BENEFITS AND HOSPITALITY POLICY

Purpose

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

Western Water has issued this policy to support behavior consistent with the *Code of conduct for Victorian public sector employees* (the Code). All employees are required under clause 1.2 of the Code to comply with this policy.

Policy Summary

This policy is to be read in full and individuals who are unsure about the acceptance of a gift, benefit or hospitality, or the application of this policy, should ask their manager, the General Manager Business Services or the Company Secretary for advice.

In summary the policy provides for:

- A ban on soliciting offers
- Acceptance of token offers of gifts, benefits and hospitality without approval or declaring the offer on the Western Water register (token offers consist of promotional items, light refreshments at a business meeting)
- Refusal of all non-token offers except for:
 - Hospitality that does not raise a conflict of interest and there is a legitimate business reason for acceptance
 - Gifts when it is deemed in the business' best interest to accept the gift (e.g. declining the gift would cause offense)
- All non-token offers of \$50 or more in value, whether accepted or declined, are to be approved and declared in the register regardless.

Application

This policy applies to all workplace participants. For the purpose of this policy, this includes: board members, executives, employees, contractors¹, consultants and any individuals or groups undertaking activity for or on behalf of Western Water (referred to as employees through the policy).

Policy Principles

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

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

¹ Contractors and consultants are only bound by the code if explicitly required by their contract for services.

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Public interest: 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 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 non-token offers of gifts, benefits and hospitality of \$50 or more in value;
- declining non-token offers of gifts, benefits and hospitality, or where an exception applies under this policy, seeking approval to accept the offer prior to acceptance; 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.

Risk-based approach: Western Water, through its policies, processes and Managing Director 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.

Ban on Soliciting Gifts

Employees must not seek (i.e. solicit) gifts and benefits (including hospitality) for themselves or anyone else, in any form, in their role.

Definitions

Business associate	an external individual or entity which the organisation has, or plans to establish, some form of business relationship, or who may seek commercial or other advantage by offering gifts, benefits or hospitality.
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.
Conflicts of Interest:	
<i>Actual conflict of interest:</i>	There is a <u>real conflict</u> between an employee's public duties and private interests.
<i>Potential conflict of interest:</i>	an employee has private interests that <u>could conflict</u> 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.
<i>Perceived conflict of interest:</i>	the public or a third party could <u>form the view</u> that an employee's private interests could improperly influence their decisions or actions, now or in the future.
Gifts	are free or 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

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Hospitality	of flowers) and consumables (e.g. chocolates). 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	hospitality accepted or provided for a business purpose, in that it furthers the conduct of official business or other legitimate goals of the organisation, public sector or State.
Public official	has the same meaning as under section 4 of the <i>Public Administration Act 2004</i> . This includes: public sector employees; statutory office holders; and directors of public entities.
Register	is 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, it details the business reason for acceptance and the officer approving the acceptance.
Token offer	is 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. The primary determinant of a token offer is that it would not be reasonably perceived within or outside the organisation as influencing an individual or raising an actual, potential or perceived conflict of interest. <i>Examples of token gifts may include promotional items such as water bottles, caps, diaries, pens and note pads, conference hand-outs or trade show-bags.</i> <i>Examples of token hospitality may include modest hospitality that would be considered a basic courtesy, such as light refreshments, including sandwiches, finger foods or coffee offered during a meeting.</i>
Non-token offer	is 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. Non-token offers are considered to be all offers other than Token Offers as defined above.

Management of Offers of Gifts, Benefits & Hospitality

This section sets out the process for accepting, declining and recording offers of gifts, benefits and hospitality.

If an individual considers they have been offered a bribe or inducement, the offer must immediately be reported to the Managing Director or the Company Secretary (who will report any criminal or corrupt conduct to Victoria Police or the Independent Broad-based Anti-corruption Commission).

Token Offers

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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 note pads, and modest hospitality which would be considered a basic courtesy, such as light refreshments offered during a meeting.

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 the recipient, may result in the offers becoming non-token.

Individuals may accept token offers of gifts, benefits and hospitality without approval or declaring the offer on the Western Water gifts, benefits and hospitality register.

Individuals are to refuse all non-token offers (refer to exceptions below).

Requirements for accepting non-token offers

There will be some exceptions where there is a legitimate business reason for accepting a non-token offer of **hospitality**. All accepted non-token offers of hospitality **must** be approved in writing by the individual's General Manager and in the case of the Managing Director or Directors, the Chair of the Board, recorded in the gifts, benefits and hospitality register by the Company Secretary 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, Western Water or the public sector into disrepute (the 'GIFT' test in Schedule A is a good reminder of what to think about in making this assessment); **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 Western Water, public sector or the State.

Employees are to ensure that when hospitality is provided, they are to demonstrate professionalism in their conduct, and uphold their obligation to extend a duty of care to other participants.

Individuals may be offered a **gift** where it may be in the best interests of the business relationship to accept the gift however there is no opportunity to seek written approval from their manager prior to accepting. For example, they may be offered a wrapped gift from a visiting foreign delegation or for presenting at a conference that they later identify as being a non-token gift. In these cases, the individual must transfer the gift to Western Water by delivering it to the Company Secretary. The Company Secretary will record receipt of the gift in the gifts, benefits and hospitality register.

Gifts and benefits transferred to Western Water's ownership will be donated by Western Water at the discretion of the Managing Director. In the case of a gift to a Director, the gift or benefit will be donated at the discretion of the Chairman.

Recording non-token offers of gifts, benefits and hospitality

All non-token offers with a value assessed at greater than \$50, whether accepted or declined, must be recorded in Western Water's gifts, benefits and hospitality register. The business reason for accepting the non-token offer must be recorded in the register and provide sufficient detail to link the acceptance to the individual's work functions and benefit to Western Water, public sector or State.

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

Unacceptable: "Networking"

"Maintaining stakeholder relationships"

Acceptable: "Individual is responsible for evaluating and reporting outcomes of Western Water's sponsorship of Event A. Individual attended Event A in an official capacity and reported back to Western 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, written approval was subsequently obtained for the gift, which became Western Water's property."

The gifts declaration form for use by employees is set out in Schedule B of this policy. When a properly completed and signed gifts declaration form is lodged with the Company Secretary he/she will:

- sign the form as the authorising delegate; and
- initiate procedures for dealing with the matter, including an entry into the gifts, benefits and hospitality Register and, where appropriate, the Assets Register.

An up-to-date gifts, benefits and hospitality register will be maintained by the employee who occupies the position of Company Secretary. The register will include the information in Schedule C of this policy.

The gifts, benefits and hospitality register and the related records (e.g. gifts, benefits and hospitality declaration forms) will be:

- protected from unauthorised changes; and
- subject to regular scrutiny, including a review by the audit committee at least annually.

In addition to regular scrutiny of the gifts, benefits and hospitality register, a regular review will be undertaken to detect and reduce non-compliance with this policy, in particular, failure to lodge gifts, benefits and hospitality declaration forms.

Western Water's Audit & Risk Committee will receive a report at least annually on the administration and quality control of the gifts, benefits and hospitality policy, processes and register. The report will include analysis of Western 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.

Management of the Provision of Gifts, Benefits & Hospitality

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

Requirements for providing gifts, benefits and hospitality

Gifts, benefits and hospitality may be provided to welcome guests, 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:

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- any gift, benefit or hospitality is provided for a business reason in that it 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; and
- it does not raise an actual, potential or perceived conflict of interest.

Containing costs

Individuals should contain costs involved in the provision of gifts, benefits and hospitality wherever possible. The following questions may be useful to assist individuals to decide 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?
- Will providing the gift, benefit or hospitality be viewed by the public as excessive?

The provision of gifts, benefits and hospitality will be:

- approved by an appropriately delegated authority; and
- align with the reward and recognition program as relevant.

Related Policy, Legislation and other Documents

Other Policy, Legislation and documents related to gifts, benefits and hospitality include:

- Minimum accountabilities for the management of gifts, benefits and hospitality (*see Instructions supporting the Standing Directions of the Minister for Finance*)
- Western Water's Conflict of interest policy
- Western Water Code of conduct
- *Public Administration Act 2004*
- Code of conduct for Victorian public sector employees 2015
- Code of conduct for Directors of Victorian public entities 2016
- Victorian Public Sector Commission's *Gifts, benefits and hospitality policy framework*.

Authorising Officer Responsibilities

This policy is issued under the authority of the Western Water Board and is subject to annual review. The Managing Director has the following responsibilities in relation to this policy:

1. Establish, implement and review organisational policies and processes for the effective management of gifts, benefits and hospitality that comprehensively address this policy's requirements.
2. 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.
3. Report at least annually to the organisation's Audit and Risk 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.

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4. Publish Western Water's gifts, benefits and hospitality policy and register on the organisation's public website. The published register should cover the current and the previous financial year.

Breaches

Employees are reminded that breaches of this Policy could constitute a breach of binding codes of conduct and result in disciplinary action under Western Water's Disciplinary Procedure.

An employee who believes that he/she may have breached this policy will immediately notify the Company Secretary and remedy any breach.

Western Water will communicate its policy on the offering and provision of gifts, benefits and hospitality to contractors, consultants and other business associates. Those identified as acting inconsistently with this policy may be subject to contract re-negotiation, including termination.

Speak-up

Individuals who consider that gifts, benefits and hospitality or conflict of interest within Western Water may not have been declared or is not being appropriately managed should speak up and notify their manager or the Company Secretary.

Western Water will take decisive action, including possible disciplinary action, against individuals who discriminate against or victimise those who speak up in good faith. Refer to Western Water's Protected Disclosure Policy.

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Schedule A

Gift Test

G	Giver	<p>Who is providing 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 endorse 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>

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Schedule B

Gifts, Benefits and Hospitality Declaration Form

This declaration form supports Western Water’s Gifts, benefits and hospitality policy. Employees must declare all non-token offers of gifts, benefits and hospitality valued at \$50 or more (whether accepted or declined) and seek written approval from their manager or Company Secretary to accept any non-token offer.

Western Water - Gifts, Benefits and Hospitality Declaration Form	
Individual to complete	
1. Declaration date	
2. Name, position and unit/division	
Details of the gift, benefit or hospitality	
3. Date offered	
4. Describe the gift, benefit or hospitality offered	
5. Estimated or actual value	
6. Offered by (name of individual/organisation making the offer)	
7. Is the person or entity making the offer a business associate of the organisation (Y/N)? If yes, describe the relationship between them and the organisation. If no, describe the relationship between you and the person or organisation making the offer.	
8. Reason for making the offer	
9. Would accepting the offer: a) create an actual potential or perceived conflict of interest exist (Y/N); or b) bring you, the organisation or the public sector into disrepute (Y/N)? (If either is answered YES, then the offer must be declined in accordance with the minimum accountabilities)	<i>Detail of conflict of interest:</i>
10. Is there a legitimate business benefit to the organisation, public sector or State for accepting the offer, i.e. does it meet the following: a) it was offered during the course of the your official duties (Y/N); and b) it relates to your official responsibilities (Y/N); and c) it has a benefit to the organisation, public sector or State (Y/N).	<i>Detail of business benefit:</i>

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(If NO then offer must be declined, and if YES then the business benefit must be detailed, in accordance with the minimum accountabilities).	
11. I accepted the offer YES/NO	<i>Signature</i> <i>Date</i>
Manager to complete	
1. Name, position and unit/division	
2. Relationship to employee	
Complete if individual declined offer	
3. I have reviewed this declaration form and submitted it for inclusion on the organisation's gifts, benefits and hospitality register.	Signature: Date:
Complete if individual accepted offer	
4. I have reviewed this declaration form and, confirm that, to my knowledge, accepting this offer: a) does not raise an actual, potential or perceived conflict of interest for the individual or myself; and b) will not bring the individual, myself, the organisation or the public sector into disrepute; and c) will provide a clear business benefit to the organisation, the public sector or the State.	Signature: Date:
5. Detail decision regarding ownership of tangible offers (e.g. specify whether employee retained gift; transferred to organisation's ownership; returned to offeror; donated to charity etc.)	
<i>Completed form to be submitted for inclusion on Western Water's gifts, benefits and hospitality register.</i>	

