

GIFTS, BENEFITS AND HOSPITALITY

Implementation document for the Code of Conduct policy

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1 Introduction

The Gifts, Benefits and Hospitality Procedure (procedure), provides guidance and direction on the department's expectations about giving and receiving gifts, benefits and hospitality. It outlines the process employees and managers need to follow and provides decision-making tools such as the principles outlined in the GIFT test and the decision-making tree. Ultimately, the question to be decided is 'would a reasonable person think that the offer was intended to influence the recipient to act in the interests of the giver, either now or in the future?'

Employee and manager responsibilities are described in section 2. The process for declaring and reporting gifts, benefits and hospitality is outlined in section 3.

This document applies to:

- all department employees, contractors and volunteers
- offers of gifts, benefits or hospitality to an employee in their work capacity whether off-the-job or off-premises.

It **does not** apply to employees' gifting of government assets.

For further information or support:

- contact the Principal Fraud Risk Officer on 02 7814 1176 or by email to FraudandCorruptionControl@det.nsw.edu.au
- visit Fraud and Corruption Control's Gifts, benefits and hospitality Intranet page
- join the Gifts, Benefits and Hospitality Yammer group.

1.1 Policy statement

The objective for managing gifts, benefits and hospitality is to minimise the risk that unethical or corrupt behaviour will occur. There is a requirement to:

- place the public interest over the personal interest
- act professionally with honesty, consistency and impartiality
- provide transparency to enable public scrutiny.

In the course of their work, department employees – or occasionally their families, relations, friends or associates – may be offered gifts, benefits and hospitality by customers, clients, applicants, suppliers, members of the school community, or other persons or organisations.

Most gifts, benefits and hospitality are given with the intent of their being a small token of appreciation. For example, a book or coffee mug presented to a speaker at a conference. Accepting a gift or benefit of this kind is unlikely to be inconsistent with an employee's obligations under the department's Code of Conduct.

However, sometimes a gift, benefit or hospitality may be offered to influence a department employee in making an official decision, or to provide a favour that will advance the interests of the giver, either now or in the future. Even gifts and benefits of modest value can be used to cultivate relationships where an employee feels an obligation or loyalty to the donor.

Accepting a gift or benefit that could be perceived by other persons to be an inducement or incentive is inconsistent with the standards set in the department's Code of Conduct.

Soliciting or accepting a gift, benefit or hospitality as an actual inducement or incentive to make a decision or to provide a favour is inconsistent with the department's Code of Conduct. It could also be construed as corrupt conduct by the Independent Commission Against Corruption and may even lead to criminal prosecution.

If offers of gifts, benefits and hospitality are mismanaged, there can be serious consequences for both the department and the employee. The department risks loss of public trust, monetary loss and legal action. Employees risk embarrassment, disciplinary proceedings and even criminal prosecution.

The department actively manages (see [section 3](#)) offers of gifts, benefits and hospitality by requiring employees to:

- politely decline all offers that do not meet the principles of the [GIFT test](#)
- seek approval from their workplace manager to accept allowable offers (where practical, seek approval prior to acceptance)
- promptly declare any accepted offers on the [Gifts, Benefits and Hospitality declaration form](#) valued at more than \$50 in value
- submit the declaration form so it can be recorded in the required registers. This includes declined offers that do not meet the principles of the GIFT test that are greater than \$50, and all accepted offers valued at more than \$50.

Workplace managers need to maintain local gifts, benefits and hospitality registers.

Gifts from colleagues ('staff to staff' gifts) do not need to be declared or recorded if the offer and acceptance is consistent with the principles set out in the [GIFT test](#).

Additionally, the department maintains a central corporate gifts, benefits and hospitality register for public service senior executive (PSSE) officers and nominated employees. PSSEs and nominated persons must also promptly forward a copy of their declarations of gifts, benefits and hospitality to FraudandCorruptionControl@det.nsw.edu.au for inclusion in the central gifts, benefits and hospitality register maintained by the Chief Risk Officer. The central register is published on the department's website, giving transparency to employee decision-making.

1.2 Definitions

A **gift, benefit or hospitality** is any item, service, prize, hospitality (for example, meal, catering), ticket, travel, free or discounted travel and accommodation, upgrade that has an intrinsic value and/or value to you, a member of your family, relation, friend or associate. The gift, benefit or hospitality may be provided by a student, parent, community member, customer, client, applicant, supplier, potential supplier or external organisation.

Any items freely available to members of the public are not a gift or benefit.

Gifts from colleagues ('staff to staff' gifts) do not need to be declared or recorded if the offer and acceptance is consistent with the principles set out in the [GIFT test](#).

Benefits are things of value to a recipient but are less tangible than a gift. They can include discounts, seats, or access to corporate boxes at sporting events, upgrades on flights and or accommodation, new jobs or promotions, preferential treatment or access to confidential information.

Hospitality may include offers of meals, or to attend business networking events, sporting events, cultural events or other functions. Hospitality can be either low- or high-risk, which is outlined in [section 7](#).

See [Appendix 1](#) for more definitions of common terms.

2 Employee and manager responsibilities

Employees are required to complete annual mandatory MYPL Fraud and Corruption Control training, which includes a module on managing gifts, benefits and hospitality.

Employees who fail to comply with the requirements and standards set out in the department's Code of Conduct and this policy may be investigated, which may result in disciplinary action including termination of employment or contract.

For further information on responsibilities and delegations, see Appendix 2.

Employees **must**:

- read, understand and comply with the Code of Conduct and this procedure
- politely decline a gift, benefit or hospitality that is not allowed
- politely decline a gift, benefit or hospitality where it does not meet the principles of the GIFT test. This includes where conflict exists (that is, whether there is an actual, potential or reasonably perceived conflict between an employee's private interests and their impartial performance of their official duties) the offer of a gift or benefit must always be declined and registered
- seek management approval to accept an allowed gift, benefit or hospitality (preferably prior to acceptance where practical)
- promptly declare any accepted gifts, benefits and hospitality valued at more than \$50 in value and manage them according to this policy
- forward the declaration form so that a record of these can be maintained in the gifts, benefits and hospitality register. Include in the declaration form all accepted offers valued at more than \$50 and declined offers that do not meet the principles of the GIFT test that are greater than \$50.

Employees **must not**:

- solicit any gift, benefit or hospitality
- accept a gift, benefit or hospitality that does not meet the principles of the GIFT test
- accept a gift, benefit or hospitality as an inducement or incentive to act in a certain way
- accept a gift, benefit or hospitality where there could be a perception it has been offered as an inducement or incentive to act in a certain way
- accept cash, cheques, money orders or cash vouchers
- accept a gift, benefit or hospitality where it is to be provided to a family member, relation, friend or associate
- accept a gift, benefit or hospitality where the employee is currently, or may in the future, exercise discretion in making a decision that affects the donor
- accept a gift, benefit or hospitality where the donor and or the donor's intentions are not known
- accept a gift, benefit or hospitality where they are unsure even after having completed the GIFT test.

Workplace managers **must**:

- regularly assess and monitor fraud and corruption risks relating to gifts, benefits and hospitality
- promote expected standards of conduct and behaviour
- regularly remind employees of their responsibilities in relation to gifts, benefits and hospitality
- exercise professional judgement to appropriately approve and manage the treatment of acceptable gifts, benefits and hospitality
- review declarations of gifts, benefits or hospitality so they are complete and accurate and reflected in the relevant register
- either:
 - record all declarations made to them in the local gifts, benefits and hospitality register. The register must include all accepted offers valued at more than \$50 and declined offers that do not meet the principles of the GIFT test that are greater than \$50
 - for corporate PSSE employees, follow up so that employees appropriately submit the declaration form and declarations are recorded in the central corporate gifts, benefits and hospitality register (section 1.1). The register must include all accepted offers valued at more than \$50 and declined offers that do not meet the principles of the GIFT test that are greater than \$50.
- promptly refer all reports of an offer of a bribe to Professional and Ethical Standards.

3 Approving and declaring gifts, benefits and hospitality

Where employees are offered gifts, benefits or hospitality, they must consider the GIFT test (Figure 1) and:

- decide whether to accept or decline
 - if it is a token gift, they **may** accept and follow the process outlined below
 - if it is more than a token gift, they **must** follow the process outlined below
- where possible, seek their manager's approval to accept ([section 3.2](#))
- if it is not practical to seek approval first, conditionally accept and seek approval as soon as possible
- submit a [Gifts, Benefits and Hospitality declaration form](#) to their manager, who will decide if it is appropriate to accept
- record all accepted offers and declined offers where a conflict of interest exists (actual, potential, or perceived) valued at more than \$50 on the [Gifts, Benefits and Hospitality declaration form](#) (whether accepted or not) ([section 3.3](#)).

The manager must:

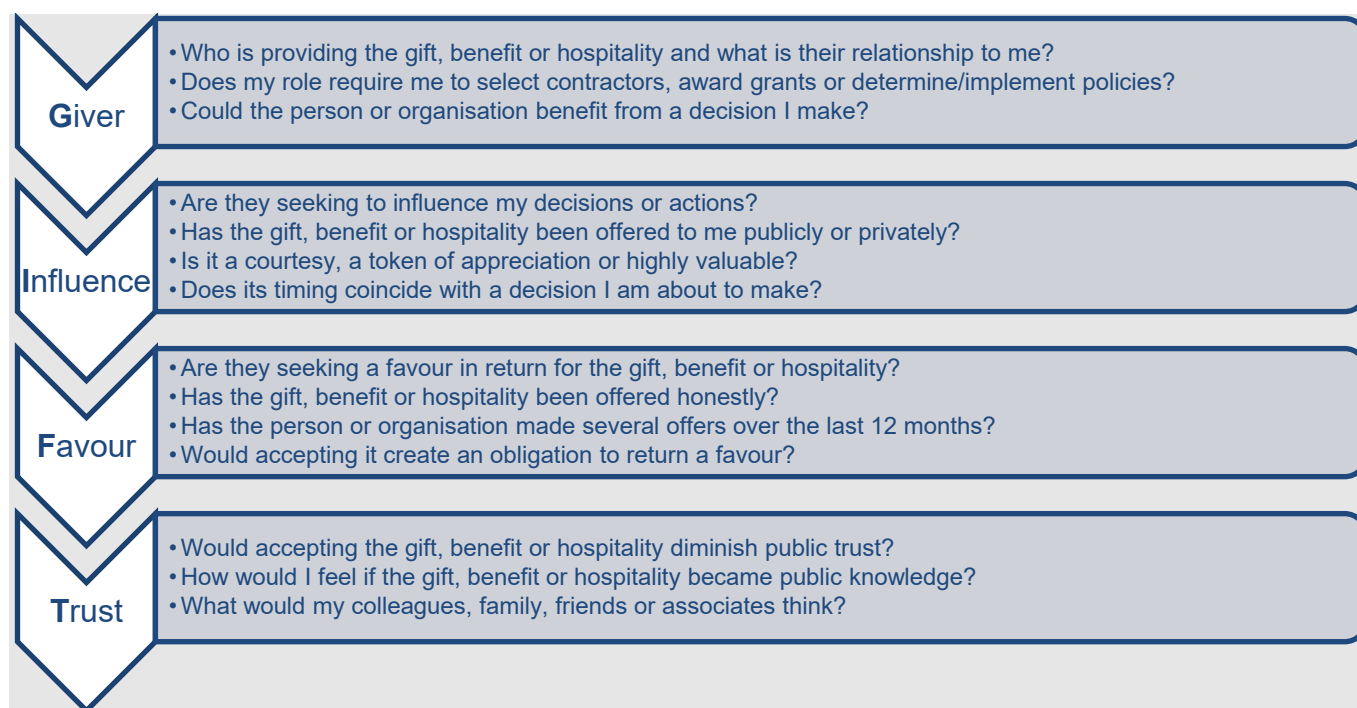
- decide whether to **allow acceptance**, or **require it be declined**
- advise the employee of their decision and ensure they act consistently with the decision
- save the form and record the details in their local [gifts, benefits and hospitality register](#).

3.1 Deciding whether to accept gifts, benefits and hospitality

When deciding whether to accept gifts, benefits and hospitality, employees and managers must carefully consider fraud and corruption risks ([section 3.1.1](#)), particularly for high-risk and commercially sensitive areas ([section 3.1.2](#)).

The **GIFT test** guides the recipient to decide whether to accept or decline a gift, benefit of hospitality. The decision is from four perspectives – giver, influence, favour and trust (Figure 1).

Figure 1 The GIFT test



The **decision tree** ([Appendix 3](#)) can also help employees scrutinise the nature of the gift and the circumstances under which it is offered. The decision tree also informs the recipient of their reporting obligations.

3.1.1 Managing fraud and corruption risks

Employees must manage fraud and corruption risks associated with offers of gifts, benefits or hospitality. If intending to accept a gift, benefit or hospitality, they must consider whether:

- they, the school, or the department's integrity will be compromised
- a perception of improper influence is created (for example, perception of future obligation)
- an actual or perceived conflict of interest will exist
- a health and safety risk is created (for example, consuming unsealed food or drink received from the school community)
- a legal risk is created (for example, dangerous items that could cause injury or damage).

A **conflict of interest** involves a conflict between an employee's official duties with the department and that of their personal views or private interests. To protect the integrity and reputation of the department and its employees, employees must take reasonable steps to:

- identify and avoid actual, potential, or perceived conflicts of interest
- report those conflicts of interest they cannot avoid
- monitor, reassess and manage any conflict of interest.

If an actual, potential or perceived conflict of interest arises from an offer or acceptance of a gift, benefit or hospitality, employees must decline and declare the offer using the department's [Conflict of Interest declaration and management form](#). You must declare and submit a [Gifts, Benefits and Hospitality declaration form](#) for all declined gifts, benefits or hospitality that presented a conflict of interest or were influencing in some way (the \$50 reporting threshold does not apply in these cases).

3.1.2 High-risk and commercially sensitive areas

Certain department functions and roles present a higher risk for the offer of gifts, benefits or hospitality. For example:

- making or advising on purchasing and procurement decisions
- evaluating tenders, quotes, proposals, or applications
- allocating, administering, or advising on grants, approvals or program funding
- managing contracts
- regulating or auditing individuals, organisations, or industries
- hiring employees.

Employees and managers working in high-risk areas must be aware of the types of exposure they have to offers of inappropriate gifts, gifts of influence and bribes. Employees and managers in these areas need to be alert and diligent in declining offers of gifts, benefits and hospitality.

3.1.3 High-risk roles and functions

3.1.3.1 Nominated persons

Public service senior executive (PSSE) officers must identify persons within their domain responsible for high-risk activities that attract greater public scrutiny, for example:

- procurement and competitive tender processes including tender evaluations
- regulatory activities such as compliance reviews, inspections and assessments of service providers
- purchase, sale or disposal of government assets
- contractual relationships with the private sector
- selective schools placement
- principals.

The PSSE must then nominate their high-risk employees and:

- inform them of the objective, obligations and implications of being a nominated employee, namely that that they are obligated as if they were a PSSE
- forward the name, contact details and position title of the nominated employee to FraudandCorruptionControl@det.nsw.edu.au
- regularly review their list of nominated persons to assess whether the position remains high risk and that the person/s occupying the positions are aware and complying with their obligations.

3.1.3.2 Employees prohibited from accepting gifts, benefits and hospitality

Senior managers must also identify business units and functional areas where it is more appropriate that their employees are prohibited from accepting gifts.

Except for 'staff-to-staff' gifts that meet the principles set out in the GIFT test, employees in the following business units of the department are prohibited from accepting gifts, benefits or high-risk hospitality:

- Internal Audit
- Procurement
- Quality Assurance and Regulatory Services.

3.1.3.3 Additional obligations of PSSEs and nominated employees

PSSEs and nominated persons must also forward a copy of their declarations of gifts, benefits and hospitality each quarter to FraudandCorruptionControl@det.nsw.edu.au for inclusion in the central gifts, benefits and hospitality register maintained by the Chief Risk Officer (section 3.3.2).

3.2 Approving gifts, benefits and hospitality

Whenever possible before an employee accepts a gift, benefit or hospitality, they must obtain approval from their workplace manager. If an employee declines the gift, benefit or hospitality, they do not need prior approval.

It may not be possible to obtain approval before acceptance or it may be inappropriate or not possible to refuse the offer. For example:

- it may cause cultural offence to decline
- the gift was given publicly (for example, to a guest speaker at a conference) and to refuse it might cause embarrassment
- the gift was not personally delivered (for example, parcel/post-delivery).

In these circumstances, employees may accept the gift, benefit or hospitality without approval, but must declare it following the process outlined in this section.

In such cases workplace managers may appropriately decide that the gift, benefit or hospitality:

- be retained by the employee, or group of employees
- be donated to a reputable registered charity
- be destroyed if it is a perishable item or unsafe
- be returned to the supplier and politely advise them that the department is unable to accept the gift
- be surrendered to the department.

3.3 Declaring, valuing and registering gifts, benefits and hospitality

Unless stated otherwise, employees must declare:

- all accepted gifts, benefits and hospitality valued at more than \$50
- all declined gifts, benefits or hospitality that do not meet the principles of the GIFT test that are valued at more than \$50
- all declined offers because they presented a conflict of interest or were influencing in some way (the \$50 reporting threshold does not apply in these cases).

The value of the gift, benefit or hospitality is the fair retail value. If not obvious, employees must seek independent advice and public sources (for example, internet, catalogues). If they cannot make a reasonable estimate of the fair retail value, they should consult their workplace manager to provide an estimated value.

3.3.1 Declaring gifts, benefits and hospitality

Use the department's Gifts, Benefits and Hospitality declaration form to record the full details of the offer of the gift, benefit or hospitality.

Where a cohort of employees receive an offer as a group, a single declaration is sufficient for reporting purposes (for example, 10 public service senior executives receive an invitation to a corporate seminar).

3.3.2 Registering gifts, benefits and hospitality

Once the workplace manager has approved the declaration form, they must record its details in the gifts, benefits and hospitality register (DOCX 46.3 KB).

Each portfolio's Executive will determine whether to maintain a local workplace gifts, benefits and hospitality register at a business unit, network, or directorate level. For example, it may be appropriate for principals to forward gift, benefit or hospitality declarations to their Director, Educational Leadership for inclusion in a register maintained at the network level.

Senior management must regularly review their register to ensure that gifts, benefits and hospitality are accepted under the appropriate circumstances in accordance with this policy. The Chief Risk Office may also request to view these registers. The register and declarations are business records and subject to the department's Records Management Program.

The Chief Risk Office maintains the department's Integrated Risk Management (IRM) system to enable the central capture of gifts, benefits and hospitality declarations made by public service senior executives (PSSEs) and nominated employees into a corporate register. The IRM facilitates the Chief Risk Office reviews and reporting of the central register before publishing it on the department's website.

All PSSE and nominated employees must declare and submit using the department's Gifts, Benefits and Hospitality declaration form to enable the capture of gifts, benefits or hospitality into the central corporate gift, benefit and hospitality register.

Gift registers should be available for public viewing on request in accordance with the department's principles of transparency and the Government Information (Public Access) Act 2009, which states that the public interest is in favour of disclosure of government information.

4 Categories of gifts, benefits and hospitality

4.1 Token

Typically offered as a courtesy in business situations to an agency or public official representing an agency. These gifts are not offered to secure favour and do not affect the employee's integrity (for example, mass produced logoed pens, calendars, folders).

4.2 Gratitude

Typically offered to an individual or agency in appreciation of performing specific tasks or for exemplary performance of duties. For example:

- a gift offered to an employee speaking at an official function as part of their official duties
- a \$100 book shop voucher offered to an employee speaking at a conference
- jewellery from graduating students offered to a teacher at the end of year.

Generally, employees should decline gifts valued at more than \$50. If this is not possible, employees may accept the gift but must declare it. The employee's workplace manager will assess the circumstances and determine how to manage the gift.

4.2.1 Group gifts

Occasionally, an individual will receive a gift from a group (for example, a student class, business unit colleagues) where each person has made a nominal contribution to a pool, but in total the gift is valued at more than \$50. In general, the greater the gift's value, the greater the risk that the public will perceive that staff are receiving lavish and inappropriate gifts. Employees should, where practical, consider signalling to potential donors that individuals should only make contributions of a nominal value (for example, gold coin) to minimise negative perceptions.

In considering whether to accept a gift considerably more than \$50 in value, the recipients and their workplace managers are referred to the [GIFT test](#).

4.3 Ceremonial

Typically offered by one agency to another to express gratitude for cooperation or the work of several people (for example, delegates giving a plaque to a host agency when conducting official business).

The gift is for the agency, not a particular individual and may be accepted. If valued at more than \$50, the gift must be declared and retained by the department.

4.4 Prizes

Sometimes employees might, in the course of their work, win a prize (for example, winning a laptop computer at a conference door prize). If the department paid for the conference ticket and attendance, the prize is usually considered department property.

If the prize is valued at more than \$50, it must be declared, and the workplace manager will determine how to treat and record the prize (for example, the prize being donated to a reputable registered charity).

4.5 Cumulative or serial gifts

Regular offers of gifts, benefits or hospitality by one individual or organisation may be considered as serial gifts. Alone, they may be token or given as gift of gratitude (for example, cakes cooked for staff, flowers for staff rooms). However, the cumulative value and frequency of gifts can be a strategy to later influence an employee. Regardless of the donor's intent, serial gifts may also raise perceptions of corrupt conduct.

Employees must declare any offer of cumulative or serial gifts, benefits or hospitality that, when combined, are valued at more than \$50. The employee's workplace manager will determine the timeframe for resetting the cumulative value (for example, one calendar year, one school term) and the appropriate treatment of the gift.

4.6 Influence

Regardless of value, these gifts intend to ingratiate the donor with the recipient for future favourable treatment.

Sometimes it is obvious that a gift is intended to influence if given close to when the recipient makes an official decision (for example, teachers before exams, procurement officers prior to a panel decision). However, sometimes the donor's intention may not be clear or obvious. For example:

- a travel company offers a school free tickets, trips, accommodation, or junkets to secure future business
- a parent offers a donation to a school to purchase sports gear on condition their child is selected for the sports team
- in Term 2, a parent gives a teacher a \$150 gift voucher and says, 'Have a dinner on me.'
- a supplier who has, or is seeking, a business relationship with the department invites the procurement officer for a Christmas lunch
- a supplier submitting a tender to the department offers free conference tickets to the employee assessing the tenders
- an organisation offers free tickets to employees to a sports event as a reward but anticipates future favourable treatment.

Employees must decline and declare offers of gifts, benefits or hospitality of influence.

4.7 Bribes

Both the offer of a bribe to an employee and/or the acceptance of a bribe by an employee is a crime and considered corrupt conduct. If an employee is offered a bribe, they must do all of the following:

- refuse the bribe
- explain to the donor why it is inappropriate
- immediately report the offer to their workplace manager and Professional and Ethical Standards
- report the bribe to police.

Workplace managers should consider whether the person offering the bribe should be subject to any other action (for example sanctioning a potential or current supplier).

5 Types of gifts

Table 1 outlines the types of gifts typically offered and provides guidance on the department's position.

Table 1 How to manage gifts

Gift type	Instruction
Alcohol	Giving and accepting gifts of alcohol must be consistent with the <u>GIFT test</u> and the <u>Drugs in Schools</u> policy.
Store, e-cards and gift cards	Store, e-cards and gift cards allow donor/s to pre-pay a card or e-facility as gift. This type of gifting is permissible on condition that: <ul style="list-style-type: none"> • the recipient cannot redeem or exchange the value of the gift for cash • the gift meets the principles outlined in the <u>GIFT test</u>.
Money, negotiable instruments and cash equivalent	Employees must not accept an offer of money or cash equivalent including: <ul style="list-style-type: none"> • cash vouchers (any vouchers that can be traded 'universally' like cash) • crypto-currency and foreign currencies • funds via Electronic Funds Transfer (EFT) • shares, e-currency or money orders • a pre-paid or pre-loaded debit/virtual e-card • personal loans or lines of credit • gifted points from travel companies • fly buys and other loyalty points schemes. All offers of money or negotiable instruments must be declined and declared.
Donations, bequeathments or offers of charity	All offers must be considered taking into consideration the principles outlined in the <u>GIFT test</u> . Employees must not solicit donations of money, property, or charity, individually or on behalf of the department. Where possible, employees should decline gifts, donations or offers of charity such as property, vehicles, equipment or money, in their official capacity. If this is not possible, it must be declared and surrendered to the department.
Benevolent fundraising for employees	There are often occasions when employees raise funds for colleagues for benevolent purposes, for example on retirement, to mark 20 years' service, bereavement, or to cover significant medical costs. Fundraising is regulated but section 5(3)(d) of <u>Charitable Fundraising Act 1991</u> provides exemptions: <p style="margin-left: 40px;">'appeals conducted exclusively or predominantly among persons sharing a common employer or place of work by one of those persons (being an appeal for a charitable purpose connected directly with another of those persons or any such other person's immediate family) and the receipt of money or a benefit from any such appeal.'</p> Fundraising should be transparent with appropriate record-keeping. Where possible, the gift should not be made in cash directly to the employee. If the gift is valued at more than \$50 it must be declared.

5.1 Gifts accepted on behalf of the department

Gifts presented to an employee on behalf of the department or a school remain the property of the department or school. These gifts must be declared, and recorded in the gifts, benefits and hospitality register. Employees must also inform the donor that acceptance is on behalf of the department or school, not an individual.

Such gifts may be accepted where it is also clear that the gift:

- would not be seen as a bribe or corrupt conduct
- would not create a sense of obligation
- is not offered to influence an employee's official decision.

Gifts to the department are often offered in a formal presentation and accepted by the Secretary or another member of the Executive. Generally, gifts must not be accepted by an employee on behalf of the department unless the Secretary or a member of the Executive has approved of the acceptance.

Gifts to schools are often in the form of a donation (for example, a barbecue offered by the parents and citizens association as a result of fundraising; surplus sports equipment offered by a local business). These gifts are usually directed to the principal or a member of the school leadership team.

Where an offer of a gift cannot reasonably be refused (for example, it might cause cultural offence), it may be accepted on behalf of the department.

Items suitable for display at a school, office or other work location may be kept locally.

If suitable, all other items should be donated to a reputable registered charity. A receipt should be obtained from the charity and details recorded in the gifts, benefits and hospitality register.

6 Types of benefits

Table 2 outlines the types of benefits you may be offered and gives guidance on the department's position.

Table 2 How to manage benefits

Benefit type	Instruction
<p>Sporting, entertainment and cultural events</p>	<p>Dealing with invitations and free tickets to sporting, entertainment and cultural events requires special attention.</p> <p>It is important to distinguish between situations where an employee's attendance at an event is unrelated to their work responsibilities, and where their attendance is for the purpose of advising the government on policy or administering a program.</p> <p>The former would constitute a gift or benefit, the latter would not. Nonetheless, for transparency, the acceptance and allocation of invitation and tickets should be managed and recorded centrally on the gifts, benefit and hospitality register.</p> <p>Invitations and tickets from unrelated third parties – parties not involved in the event – should always be treated as a gift and benefit.</p>
<p>Travel and accommodation</p>	<p>From time to time, employees may be offered travel or accommodation upgrades during official travel within Australia or overseas.</p> <p>Employees must never seek or solicit an upgrade from a travel or accommodation provider in relation to official travel.</p> <p>Where a travel or accommodation provider seeks to upgrade an employee for operational reasons, at no charge to the employee or their agency (for example, where an airline upgrades a traveller to business class because it has been overbooked economy class for that flight) the employee may accept the upgrade but should declare it so that it is recorded in the gift, benefits and hospitality register.</p>
<p>Competitive scholarships and awards</p>	<p>Sometimes employees may be eligible to apply for competitive scholarships or awards in recognition of their achievements or potentially in their field of expertise. Examples include, but are not limited to, NSW Premier's Teachers Scholarships, the NSW Premier's Award, the Institute of Public Administration Australian Award and the Commonwealth Bank Foundation Teaching Award.</p> <p>The department permits employees to accept, with the approval of a manager, professional scholarships and awards won as a result of an open and competitive application process.</p> <p>Recipients of such awards should declare and submit their declaration so that it is recorded on the gifts, benefits and hospitality register.</p>
<p>Free/discounted goods and services</p>	<p>Offers to employees and/or their families for free or discounted goods and services that do not meet the principles of the <u>GIFT test</u> and are high risk must be declined. This may include for:</p> <ul style="list-style-type: none"> • events, shows and sporting fixtures • hotel or special accommodation • meals at restaurants, cafes and fast-food outlets • clothing or sports equipment • memberships to clubs and associations • tickets to employees accompanying students on trips or excursions that are inconsistent with the <u>Excursions policy</u>. <p>This is not intended to include legitimate and transparent discounts offered to the department. Any items that are freely available to members of the public are not a gift or benefit.</p>

Benefit type	Instruction
<p>Loyalty, rewards and points schemes</p>	<p>Employees must not accept or accrue any type of frequent flyer points, shopping points, or any other loyalty points or rewards. This includes:</p> <ul style="list-style-type: none"> • booking corporate travel and accruing personal frequent flyer points • making purchases on a department-issued purchasing card and accruing shopping points rewards, docketts, discount petrol or school vouchers for personal use. <p>Where an employee makes a department purchase and the issue of loyalty points is automatic and unavoidable, employees must not redeem them. The points should remain dormant until expiring or may be gifted to charity where such schemes exist.</p>
<p>Sponsorships</p>	<p>Seeking and entering sponsorship or partnership arrangements are acceptable government agency activities, but not if offered to an employee to influence future sponsorships or official decisions.</p> <p>Seeking and managing sponsorship arrangements with external organisations, individuals or businesses must be in accordance with the department's <u>Commercial Arrangements, Sponsorship and Donations policy</u>. Employees involved in sponsorships or partnerships should be aware of the corruption risk involved in this activity.</p>
<p>Discounts on loans</p>	<p>Employees should consider the principles of the <u>GIFT test</u> and high-risk offers must be declined. This can include discounts on a loan.</p> <p>In some circumstances, personal loans and discounts on loans (regardless of whether interest is applied or not) exchanged between employees and/or potential or actual providers of services to the department is a benefit, and could result in actual, potential or perceived conflict of interest.</p> <p>Any items freely available to members of the public are not a gift or benefit.</p>

7 Types of hospitality

7.1 High-risk hospitality

Hospitality offered by individuals or organisations that have or are seeking a business relationship with the department, or are in any way regulated by the department, may be perceived as an attempt to create an obligation on employees and win the donor favourable treatment. Employees may accept hospitality at an event sponsored by an organisation that has or is seeking a business relationship with the department **if** the employee's role at the event is in their official capacity as the department's representative, which includes marketing and promoting department services and products to build commercial and business relationships for the department.

Employees **must not** accept hospitality that is perceived to be high-risk. Examples include:

- restaurant meals (except for functions where the recipient attends in an official capacity as the department's representative, catered briefings, roundtables, launches, where invitees from a range of external organisations are present)
- corporate boxes or marquees for sporting or cultural events
- lunches, dinners, or other events to celebrate, 'launch a product', 'seal the deal', 'finalise a procurement' or 'sign a contract'
- functions held in private homes
- invitations that extend to family members, relations, friends, and associates
- meals and refreshments before, during and after a compliance inspection.

If hospitality is accepted in good faith but a third-party uses the occasion to raise a materially significant matter relating to their business or private affairs, the employee should politely decline to discuss the matter and if appropriate propose that a formal meeting be organised for a later date.

Declined offers must be declared using the [Gifts, Benefits and Hospitality declaration form](#) and provided to the workplace manager.

7.2 Low-risk hospitality

Examples of low-risk hospitality that employees may accept include:

- functions where the recipient attends in an official capacity as the department's representative
- hospitality provided as part of a conference package, where the department has paid for a fee for the employee to attend
- catered briefings, roundtables, launches, where invitees from a range of external organisations are present
- occasional working lunches, where the hospitality is incidental and of low value – light refreshment, coffee, modest meal/sandwiches.

Hospitality valued at more than \$50 must be declared on the [Gifts, Benefits and Hospitality declaration form](#) and provided to the workplace manager.

Appendix 1 Definitions

Table 3 outlines the definitions for terms found in this document.

Table 3 Definitions for common terms

Term	Description
Benefit	A non-tangible item of value (for example, a new job or promotion, preferential treatment, access to confidential information, a personal loan) that one person or organisation confers to another.
Bribe	A gift or benefit offered to or solicited by a public official to influence that person to act in a particular way.
Bribery	Soliciting, receiving or offering any undue reward to or by a person to influence the way that person acts. A reward can encompass anything of value and is not limited to money or tangible goods. Providing services may amount to a reward. Bribery also includes offences committed under section 248B of the Crimes Act (NSW), such as offering or soliciting a corrupt commission or reward to or by a public official to influence that person to act in a particular way.
Corrupt conduct	The Independent Commission Against Corruption defines corrupt conduct as the conduct of any individual, whether public official or not, that adversely affects (or could adversely affect), either directly or indirectly, the honest and impartial exercise of public official functions.
Employee	A person, whether remunerated or not, working on the department's behalf including part-time staff, full-time staff, contractors, consultants, and temporary staff.
Gift	An item of value (for example, gift voucher, entertainment, hospitality, travel, commodity, property) that one person or organisation presents to another. In the business context, gifts can have different meanings and purposes. The purpose of the gift, to a certain extent, affects how it should be managed.
Corporate gifts, benefits and hospitality register (central corporate GB&H register)	The register is the central corporate register of gifts, benefits and hospitality declared by the department's public service senior executive (PSSE) employees and nominated persons.
Local gifts, benefits and hospitality register (local GB&H register)	Maintained locally by principals and workplace managers. The register is the official record of the offers of gifts, benefits and hospitality declared by the department's employees.
Hospitality	Include offers of meals, or to attend business networking events, sporting events, cultural events, or other functions. Hospitality can be either low or high-risk.
Public official	Defined under section 3 of the Independent Commission Against Corruption Act as an individual having public official functions or acting in a public official capacity, this includes all department employees.
Serial gifts	More than one gift from a sole source (for example a parent gives a teacher a gift at start of school year, and a gift at the end of each term).
Token gift	A single gift valued at \$50 or less and not offered to influence.

Appendix 2 Responsibilities and delegations

Secretary – is responsible for the general conduct and management of the department in accordance with the obligations of Public Service Commission Direction 2 of 2022.

Employees – see section 2.

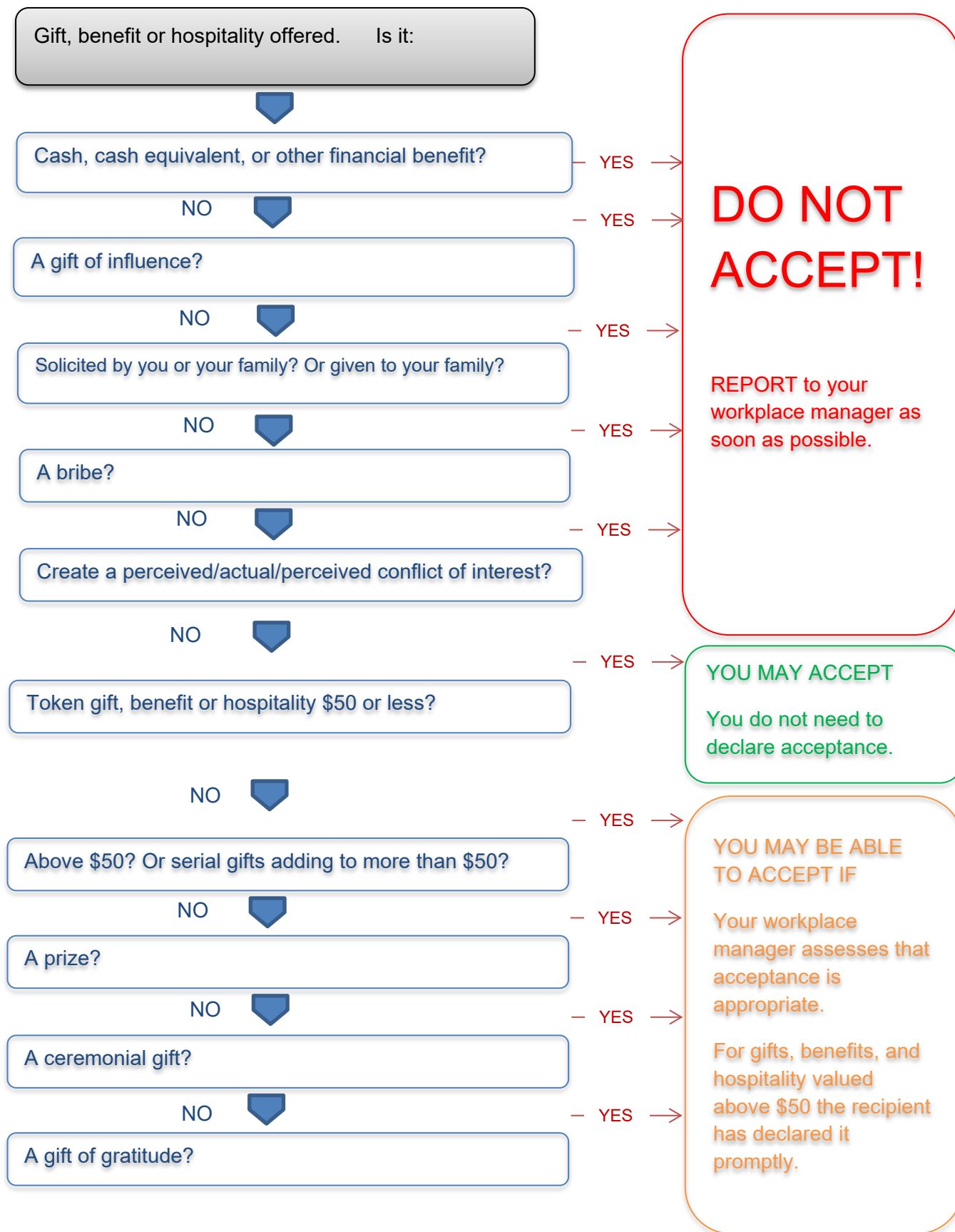
Workplace managers – see section 2.

Chief Risk Office – monitors the implementation of this policy, regularly reviews its content to maintain relevance and updates as needed.

The **Executive or delegated committee** and the **Audit and Risk Committee** are provided information in relation to this policy by the Chief Risk Office.

Appendix 3 Decision tree

Figure 2 Deciding whether to accept a gift, benefit or hospitality



Appendix 4 Policy and legislation context

Read this policy in conjunction with the department's policies and relevant legislation:

- Code of Conduct – section 7.3 Gifts, benefits, hospitality and bribes
- Statement of Business Ethics, which outlines the expectations respecting suppliers.
- the Independent Commission Against Corruption Act 1988 which sets out circumstances and conduct associated with accepting gifts, hospitality that may be defined as corrupt conduct
- the Crimes Act 1900 (NSW), which establishes offences related to bribery and secret commissions
- the Public Service Commission Direction 1 of 2022, which establishes the requirements and accountabilities relating to managing gifts, benefits and hospitality
- the Government Sector Employment Act 2013 and the Government Sector Employment (General) Rules 2014 (NSW), which provide the statutory framework for NSW Government sector employment and workforce management as it relates to this policy on how to manage breaches and the ethical framework for the government sector.