

Accountable Authority Instruction 2.5: Receiving and giving official hospitality (including entertainment, working lunches, gifts, benefits and sponsorships)

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1. Receiving gifts and benefits

Gifts provided to officials (or the department/Australian Government) in the course of their work immediately become relevant property or money when received.

Generally, officials are encouraged not to accept gifts or benefits (eg souvenirs, bottles of wine and personal items, or benefits, such as sponsored travel, hospitality, accommodation or entertainment). However, there may be circumstances where it is appropriate to accept a gift or benefit. For example, where refusal could cause cultural offence, where an item of token value is offered by way of public thanks or where attendance at an event is an important means of developing and maintaining relationships with key stakeholders. Officials must carefully consider the appropriateness of a gift or benefit before accepting or rejecting it.

2. Instructions – officials offered a gift or benefit

You must:

- have regard to the general duties of officials, including not asking for, or encouraging, the giving of gifts or benefits to yourself or other officials, and ensuring any acceptance is defensible and able to withstand public scrutiny
 - report any attempt to compromise yourself or another official through the offer of gifts, benefits or other forms of inducement (refer to *Accountable Authority Instruction (AAI) 1.3: Fraud control*)
- seek approval in accordance with the Roles and Responsibilities section in this AAI (Table 1) and internal financial delegations when accepting a gift or benefit (other than inconsequential gifts and benefits or exempt incidental benefits)
- only accept a gift of money if not doing so would create offence (eg exceptional circumstances) and, if accepted, ensure it is banked as relevant money (refer to *AAI 6.1: Receiving money*)
- pass any gift you do not or cannot retain to Facilities Management Branch, BES, for use within the department or disposal
- record consequential gifts and benefits accepted in the *Register of Gifts and Benefits* within 28 days of accepting the item.

If you receive a gift or benefit before seeking approval, you should discuss retention with the appropriate delegate as soon as possible after the event.

A gift or benefit received by a family member as a result of their association with an official should generally be managed in the same way as if the official was the recipient.

3. Instructions – delegates approving the retention of a gift or benefit (Table 1)

You must only approve the acceptance of a gift or benefit by an official where the decision is consistent with the general duties of officials, including being defensible and able to withstand public scrutiny.

You must only approve the personal retention of a gift by an official in accordance with the internal financial delegations (PGPA Act subparagraph 66(1)(b)(ii) – Gifts of relevant property).

8. Roles and responsibilities

Role/Area	Responsibility
Secretary	<p>Standing authorisation under subparagraph 66(1)(b)(ii) of the PGPA Act to gift relevant property in respect of personal retention of inconsequential gifts offered to Finance officials, subject to officials' compliance with sections 1 and 2 of this AAI.</p> <p>Approve official hospitality involving the Minister relating directly to activities of the department (other than incidental attendance, eg offsites).</p>
Head of Internal Audit, Assistant Secretary, Legal and Assurance Branch	<p>Maintain the <i>Register of Gifts and Benefits</i> (with any related documentation) for the department.</p> <p>Publish quarterly information of items recorded in the <i>Register of Gifts and Benefits</i> on the Finance website (by 31 March, 30 June, 30 September and 31 December each year).</p>
Social Club or official departmental network presidents	<p>Approve the purchase of gifts and benefits for Social Club or official departmental networks activities. This may include:</p> <ul style="list-style-type: none"> • items purchased to be won as prizes at events • items purchased to be raffled with the proceeds going to a charity. <p>Subject to conflict of interest and ethical considerations, use items donated for the purpose of gifting through the Social Club or official departmental networks activities (eg prizes).</p> <p>Only gift other relevant property (ie items not acquired or produced to use as a gift) if it has been approved by the relevant delegate under subsection 66(1)(b) of the PGPA Act.</p>
SES	<p>Approval of personal retention of gifts and benefits offered to Finance officials, including, where applicable, the exercise of subparagraph 66(1)(b)(ii) of the PGPA Act to authorise a gift of relevant property).</p>

Table 1 – Delegates approving the retention of gifts and benefits and acceptance of sponsorships

Estimated Value of Gift or Benefit (excl GST)	Approver for Accepting Gifts and Benefits	Approval Guidelines
Inconsequential gifts or benefits (\$100 and under, also refer Operational Guidance)	Advise your SES supervisor if considered appropriate (eg possible conflicts).	May be retained by an official, including in accordance with the Secretary's standing authorisation under subparagraph 66(1)(b)(ii) of the PGPA Act in respect of gifts (that is subject to compliance with section 1 and 2 of this AAI). No record required.
Over \$100 – \$250	Assistant Secretary or First Assistant Secretary.	May be retained by an official if approved. The approver must be satisfied: <ul style="list-style-type: none"> • that there is no conflict of interest • it would meet public scrutiny • that retention/acceptance is appropriate • in the case of a gift, it should not be retained as relevant property due to value (eg \$5,000 or more), historical or cultural significance.
Over \$250	Deputy Secretary or Secretary depending on the value, nature and circumstances of the gift or benefit.	
Received by a Deputy Secretary over \$250	Deputy Secretary, Business Enabling Services, or Secretary	The approver may determine that a recipient is to pay a contribution towards retaining a gift or accepting a benefit (the contribution is treated as relevant money, refer to AAI 4.2: <i>Receiving and handling money</i>). Record in the <i>Register of Gifts and Benefits</i> within 28 days of accepting the item. Pass gifts not retained by an official to Facilities Management Branch, BES.
Received by the Secretary	If considered appropriate due to the value, nature and circumstances of the gift or benefit, consultation with the Finance Minister or Deputy Secretary, Business Enabling Services.	
Gift or benefit of high value (\$5,000 or more), historical or cultural significance	NA	Record in the <i>Register of Gifts and Benefits</i> within 28 days of accepting the item. Pass gift to Facilities Management Branch, BES, for handling (refer to <i>Operational Guidance 6: Managing property</i>), including recording it on the departmental asset register if needed (contact Chief Financial Officer Branch, BES).
Sponsorships	SES depending on the nature of the arrangement.	As per Section 7. Instructions – officials receiving/giving sponsorships.

Operational Guidance 2.5: Receiving and giving official hospitality (including entertainment, working lunches, gifts, benefits and sponsorships)

1. Receiving gifts and benefits

A gift or benefit is any item or service accepted by an official from clients, customers (including potential clients or customers) or other associates in the course of their duties. This includes any item or service received by the official's family where there is a clear link with the official's duties.

Gifts offered to officials (or their families) are relevant property when received as a result of their connection to the Australian Government. Depending on the circumstances, officials may accept gifts or benefits on behalf of the department and, in some cases, personally retain gifts.

The acceptance of minor gifts of a protocol or public relations nature is a customary part of commercial and public life. Acceptance of minor gifts made in good faith, with no attempt to undermine impartiality or independence, is generally regarded as an acceptable action.

The timing and circumstances of offers of gifts or benefit is important and the following considerations apply:

- the department's role and responsibilities
- whether the department is running or involved in a procurement process
- whether any particular relationship exists, including whether:
 - a contractual relationship exists or may exist in the future
 - the party is in receipt of or seeking Australian Government assistance
 - the party's primary purpose is to lobby Ministers, members of Parliament or Commonwealth entities
 - the department is in a regulatory relationship with the party.

Gifts or benefits must not be accepted if they could be construed as or appear to be a conflict of interest or an attempt to influence administrative, regulatory or contractual decisions.

The acceptance of a gift or benefit in circumstances within the definition of a bribe may be an offence under the *Crimes Act 1914*.

Summary of process

A flowchart summarising the key process requirements following an offer of a gift or benefit is at section 5 of this guidance.

Receiving gifts or benefits overseas

Officials are to have regard to local customs relating to accepting gifts or benefits to avoid offending or damaging international relationships.

Any gifts that do not comply with Australian customs or quarantine requirements are to be surrendered before re-entry into Australia or on arrival.

Gifts and benefits not captured by this policy

Gifts and benefits are not captured by *AAI 2.5: Receiving and giving official hospitality (including entertainment, working lunches, gifts, benefits and sponsorships)* where they:

- are made in a will;

- to or from a relative, friend or acquaintance outside the course of official duties (i.e. in a purely personal capacity) and which do not give rise to or create the appearance of a conflict of interest; and
- form part of an approved assistance program such as a disaster relief arrangement.

Exempt incidental benefits

Incidental benefits received in the course of doing business that are exempt from notification and approval requirements may include:

- incidental food and beverages consumed during the course of work functions and meetings
- shared taxi fares
- incidental use of work items such as use of equipment and room facilities

Inconsequential gifts or benefits

Inconsequential gifts or benefits that may be accepted are those with an estimated value of \$100 and under where there are no ethical issues or conflicts and acceptance would be publicly defensible. Items may include:

- minor gifts such as inexpensive diaries, calendars, pens, caps or scarves
- modest prizes awarded at public events
- modest hospitality for social events and Christmas functions
- complimentary attendance at business presentations and seminars.

Where multiple gifts or benefits from the same party for the same occasion may individually be considered inconsequential, but together total a consequential value (more than \$100 (excl GST)), officials should consult their SES supervisor to consider whether, as a whole, the gifts or benefits are consequential and subject to approval and recording requirements.

Consequential gifts or benefits

Consequential gifts or benefits are those with an estimated value of more than \$100 (excl GST). Gifts and benefits accepted and personally retained by an official are to be approved by the appropriate delegate in accordance with the exercise of subparagraph 66(1)(b)(ii) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) to authorise a gift of relevant property (refer Table 1 of AAI 2.5: *Receiving and giving official hospitality (including entertainment, working lunches, gifts, benefits and sponsorships)*). Items may include:

- gift baskets
- end of year function invitations
- discounts on commercial items such as car hire
- tickets to cultural or sporting events
- complimentary attendance at training and development events.

Decisions and actions are to be documented appropriately, including through notification to Legal and Assurance Branch (LAB) for recording in the central *Register of Gifts and Benefits*.

Notification, recording and publishing of gifts or benefits accepted

Notification to an approver (that is recorded in the *Register of Gifts and Benefits* within 28 days of acceptance of the gift or benefit) should, as appropriate, include:

- the date that the gift or benefit was received
- a description of the gift or benefit

- the name and business area of the recipient
- the name, organisation (and/or, where relevant, country) of the giver
- the occasion or circumstances leading to the gifting/benefit, including if relevant, the relationship of the recipient and the giver
- the approver and action taken upon acceptance of the gift or benefit (eg personal retention by recipient or disposal by department)
- the estimated value of the gift or benefit (refer below). The value of a gift or benefit is to be based on the:
 - wholesale (tax free) value in the country of origin of the donor of the gift and converted to Australian dollars at the current exchange rate; or
 - current market value of the gift in Australia (excl GST).

Where this is not possible, the value is to be based as a reasonable estimate. The Chief Financial Officer Branch (CFOB), is to be notified of any gifts with a value over the \$5,000 (excl GST) asset threshold (refer *AAI 6: Managing property*).

For the purposes of the *Register of Gifts and Benefits*, where recording the estimated value of the gift or benefit may cause offence, the dollar figure is not required to be recorded.

Information of items recorded in the *Register of Gifts and Benefits* is published quarterly on the Finance website in accordance with whole of government policy requirements issued by the Australian Public Service Commission.

To support a consistent and transparent approach to the notification, recording and publishing of gifts and benefits accepted, LAB has central oversight of the processes in consultation with the Deputy Secretary, BES, as appropriate.

Retention, placement or disposal of gifts

Whether it is appropriate to retain a gift or accept a benefit will depend on its value, the nature of the gift/benefit and consideration that no real or perceived conflict of interest or undue influence would arise by its acceptance.

Where accepted, consequential gifts of high value should generally be retained by the department as relevant property. The approver may consider the following alternative courses of action:

- approve retention by the official who received it where exceptional circumstances apply (eg the gift has a significant meaning to the official)
- approve the retention by the official who received it where exceptional circumstances apply, but request they make a contribution to the value of the gift

Gifts retained by the department are to be passed to Facilities Management Branch, BES and as appropriate:

- displayed in departmental premises or provided on loan to the Ministers' offices
- transferred to the appropriate repository (e.g. museum, gallery, library, archives, educational or community institution) or, if appropriate, the Department of the Prime Minister and Cabinet
- passed to the Social Club or official departmental networks for gifting through Social Club or official departmental networks activities (noting this will be subject to approval by a PGPA Act subsection 66(1)(b) delegate)
- disposed of in accordance with *AAI 6.3: Disposing of property*.

5. Process flowchart – officials offered a gift or benefit in the course of their work

