

GIFTS, BENEFITS AND HOSPITALITY POLICY	Version: Document No.: A5317750
<p>1.1 Objectives: The objectives of this policy are:</p> <ul style="list-style-type: none"> to provide guidance to Councillors and employees who are offered gifts, rewards or benefits in connection with their duties while representing Council or as a result of a Council activity. For the purposes of this policy “hospitality” is considered to be included in the term “benefits”; to provide clarity and direction to Councillors and employees regarding reasonable and appropriate expenditure on entertainment and hospitality, to ensure legislative and community standards are met. This policy applies to all entertainment and hospitality arrangements undertaken by Councillors and Council employees. to ensure Councillors and employees uphold the Local Government Act Principles in particular: <ul style="list-style-type: none"> (a) transparent and effective processes, and decision-making in the public interest; and (d) good governance of, and by, local government; and (e) ethical and legal behaviour of Councillors and local government employees. 	
<p>1.2 Regulatory Authority: <i>Local Government Act 2009</i> <i>Local Government Regulation 2012</i> <i>Public Sector Ethics Act 1994</i> <i>Councillor Code of Conduct</i> <i>Ipswich City Council Employee Code of Conduct</i> <i>Ipswich City Council Entertainment Expenditure Reporting Procedure</i></p> <p>1.3 Policy Statement: Councillors and Council employees hold positions of public trust and must carry out their duties impartially and with integrity. The provision of gifts and benefits to Councillors and Council employees can create perceptions of a conflict of interest and it is appropriate to question why they are offered and whether they should be accepted.</p> <p>The <i>Public Sector Ethics Act 1994</i>, identifies the following four ethics principles as fundamental to good public administration:</p> <ul style="list-style-type: none"> Integrity and impartiality; Promoting the public good; Commitment to the system of government; and Accountability and transparency 	

This policy is to establish guidelines for the giving and receiving of gifts, benefits and hospitality by Councillors and Council employees to avoid any potential conflicts of interest or breaches of the *Local Government Act 2012* and all other regulations as outlined in 1.2 Regulated Authority of this policy.

1.4 Scope:

This policy applies in relation to any gifts and benefits received by Councillors or employees from external parties and is intended to highlight the legal and ethical issues that should be taken into account in deciding whether to accept a gift or benefit.

This policy also provides guiding principles for the provision of gifts for official purposes, entertainment and/or hospitality undertaken by Ipswich City Council and provided to a third party or Council representative.

This policy does not apply to electoral gifts to Councillors as defined in the *Local Government Electoral Act 2011*.

1.5 Roles and Responsibilities:

The following responsibilities apply to all Councillors and Council employees:

- Be aware of and comply with this Policy;
- Consider the purpose and value of a gift/benefit before making a decision to accept it;
- Consider the perception of an impartial observer regarding the offer of a gift/benefit;
- Ensure any expenditure is appropriate and would pass the public accountability test;
- Ensure all expenditure of entertainment and hospitality is correctly recognised in the financial system to ensure reporting obligations are fulfilled;
- Report suspected breaches of policy in an appropriate manner.

This is of particular significance for Councillors and for Council employees who have decision making, regulatory or purchasing roles.

This policy operates in addition to all other obligations under the *Local Government Act 2009*, any other legislation, or relevant codes and policies regarding the disclosure of any interests.

1.6 Gifts and Benefits - Value Guidelines:

- Gifts and Benefits of \$100 or less are considered nominal (unless cumulative amount exceeds that value from the same donor in one (1) financial year);
- Gifts and Benefits over the value of \$100 are considered significant.

1.7 Entertainment/Hospitality provided by Council - Value Guidelines:

- Entertainment/Hospitality provided by Council up to a value of \$160.00 including GST (per person) is considered modest.
- Entertainment/Hospitality provided by Council over \$160.00 including GST (per person) is considered excessive.

1.8 Guiding Principles

1.8.1 Gifts and Benefits Received

Sometimes people who deal with Ipswich City Council wish to express appreciation for services or assistance given by a Councillor or a Council employee or wish to demonstrate good faith in a business relationship by giving some form of gift or benefit.

In some circumstances the giving of a gift or benefit has the potential to compromise a person by creating a sense of obligation and thereby affecting impartiality. Councillors and Council employees should always be mindful of their obligation to maintain public confidence in Council.

As a general guide, if a Councillor or employee is offered a gift, he/she should put themselves in the position of the person offering the gift and consider why the gift is being given and whether acceptance is appropriate.

Each type of gift or benefit carries with it different risks that should be considered when deciding whether or not acceptance is appropriate. Lower risk gifts are those intended as a token of appreciation or memento, or a ceremonial or official gift from one organisation to another.

It is important to consider the following:

- Relevant legislation;
- Why the offer of a gift or benefit was made:
 - Was the gift intended to ingratiate the giver with the receiver for future influence?
 - Was it gratitude for a service that has been completed (so no scope for future influence)?
- The value and type of the gift or benefit (with higher value gifts/benefits warranting increased scrutiny);
- The sensitivity of the role of the recipient or the relationship of the parties (eg is the recipient a decision-maker as relevant to the giver);
- Whether the giving of the gift is being done publicly (more transparent) or in private; and
- The likely public perception of acceptance.

If unsure, Councillors and employees should decline the offer of gifts and benefits courteously by explaining that acceptance would be against Council policy.

1.8.2 Three Categories of Gifts and Benefits Received

Gifts and benefits received are broken into three (3) categories for consideration:

- Gifts and Benefits of token or nominal value (\$100 or less);
- Gifts, Benefits of value (over \$100);
- Gifts and Benefits NEVER to be accepted.

Gifts and Benefits of token or nominal values

For the purpose of this policy, a gift or benefit of nominal value includes (but is not limited to):

- Gifts of a nominal value (\$100 or less) that are infrequently offered.
- Gifts of single bottles of reasonably priced alcohol or flowers as acknowledgement for giving a presentation or being a guest speaker.

- Free meals and/or beverages of a modest nature provided to Councillors or Council employees who are formally representing Council and the meal/beverage is not provided within the registration costs of the activity/event/travel.
- Refreshments of a modest nature provided at a conference where a Councillor or Council employee is a guest speaker or is attending with the prior approval of the executive.
- Marketing or corporate mementos such as ties, scarves, pens, coasters, tie pins, diaries or chocolates.
- Invitations to appropriate out of hours functions or social events organised by groups such as council committees and community organisations that Councillors or Council employees attend in their role of representing the City of Ipswich.

For Council employees - care must be taken concerning the cumulative nature of gifts and benefits from the same donor during one (1) financial year ie 1 July – 30 June. Should the amount exceed a total value of \$100 then those items are considered items of value.

For Councillors - the cumulative nature of gifts and benefits, from the same donor, is considered to be from the first day a Councillor is officially sworn into office until the last day of elected representation following the retirement/defeat of the said Councillor, regardless of the number of terms that the Councillor serves.

NB: While one-off gifts and benefits of token or nominal value are not required to be recorded on Council's Gifts and Benefits Register Disclosure Form, it is of paramount importance that all Councillors and Council employees who regularly attend community meetings/functions/events keep a personal record of attendance at all events where gifts and/or hospitality are offered to ensure that the cumulative effect can be recognised and recorded on the appropriate form.

Gifts and Benefits of value

For the purpose of this policy, a gift or benefit of more than nominal or token value includes (but is not limited to):

- Invitations to a corporate box at a sporting event or other entertainment
- Free or discounted tickets to major sporting or community events, corporate hospitality at a corporate facility at a major sporting event, products for personal use, the frequent use of facilities such as gyms, use of holidays homes, travel or vehicles, free training excursions, gift hampers or vouchers.
- Payment by suppliers for Councillors or Council employees to attend training seminars, conferences or other promotional or educational activities.
- Free or subsidised meals and/or beverages provided by a potential supplier or contractor.
- Free or subsidised meals and/or beverages provided infrequently and/or reciprocally, that have been arranged primarily for, or in connection with, discussion of official business.

Gifts of value offered and/or accepted by a Councillor or Council employee are to be recorded on the Gifts and Benefits Register Disclosure Form – refer Attachment B.

In deciding whether to accept a gift or benefit, consideration should be given to whether refusal, in the circumstances could be discourteous or cause offence to a person offering the gift or benefit.

Care should be taken in handling circumstances where there are cultural differences. In some circumstances it is recognised that declining a gift may be difficult, inappropriate or offensive.

However, the overriding concern in considering whether to accept a gift or benefit is whether the gift or benefit is likely, or could reasonably be perceived, to affect the independent and impartial performance of duties.

Gifts or benefits which are **NEVER** to be accepted or given

For the purpose of this policy, gifts and benefits that are considered totally inappropriate and should never be accepted or given include (but are not limited to):

- Money, regardless of the amount.
- Any item which may be readily converted into cash (eg shares)
- Access to confidential information.
- Promise of a new job.
- Preferential treatment (may include reciprocal favours given in return for a service provided by Council).
- Disposition of property or bequest, not necessarily land, can include goods and chattels (furniture, vehicles, tools etc) by one person to another without payment.

All gifts and benefits offered of a prohibited nature, as outlined above, are to be recorded on the Gifts and Benefits Register Disclosure form – refer Attachment B.

Where you decide to decline a gift or benefit (except where it is a bribe or other potentially corrupt conduct – see 1.8.4) you should politely thank the person for the offer and explain what your obligations are under this policy.

Where uncertainty exists as to what action to take regarding the offer of a gift and benefit, regardless of the occasion or purpose, refer to the decision making guide (Attachment A) to help you decide.

What is **NOT** a gift or benefit for the purposes of this policy

For the purpose of this policy, a gift or benefit is not:

- Any product or service that genuinely has no connection to your role as a Councillor or Council employee;
- Any product or service that is given to a Councillor or Council employee by the Council or another Council official (except a contractor) as an award, any other form of recognition or to celebrate an occasion;
- Any discounted product or service if the discount is reasonable and generally available or capable of being negotiated by others not connected with Council and acceptance of the product or service will not compromise the Council or be seen to compromise the Council;
- Any discounted product or service if the discount is offered to staff generally (such as through a staff social club) and the arrangements will not compromise the Council or be seen to compromise the Council and the arrangements have the approval of the Chief Executive Officer;
- Any product or service received in relation to your membership of any industrial or professional organisation, club or other association or body;
- Any product or service received by a relative or associate from someone connected to Council if you genuinely did not know about it.

1.8.3 Soliciting Gifts and Benefits

Soliciting gifts or benefits is strictly prohibited under any circumstances. If a Councillor or Council employee becomes aware of a situation of soliciting gifts or benefits, they must report it to the Chief Executive Officer immediately.

1.8.4 Bribery

Acceptance of money or any other gifts perceived as bribery is strictly prohibited under any circumstances and must be reported to the Chief Executive Officer immediately. An offer of money perceived as bribery must be reported immediately to the Chief Executive Officer.

The Chief Executive Officer must notify the Crime and Corruption Commission of any offer of money as soon as practicable after the offer has been made.

1.8.5 Gifts given by Council to person/s visiting Council in an official capacity

There are occasions when Council may wish to present a gift to a person visiting Council in an official capacity. This may include guest speakers at conferences, courses, seminars or workshops that Council has organised or visiting delegations whether intrastate, interstate or overseas.

Council has a range of appropriate gifts which are available to be ordered through Council's iProcurement process.

The gift must be for official purposes and the requesting officer must be able to identify the benefit for Council and the public in giving the gift.

Prior approval must be given by:

- Requests from Council employees are to be approved by the relevant Chief Operating Officer;
- Requests from Councillors are to be approved by the Mayor and the CEO;
- Requests from the CEO are to be approved by the Mayor;
- Requests from the Mayor are to be approved by the CEO.

The costs associated with purchasing the item through iProcurement are to be met by the relevant Council department. Costs associated with gifts given by the Councillors are to be covered by the Finance and Corporate Services Department.

1.8.6 Official Gifts received by a Councillor or Council employee

There are occasions when a Councillor or Council employee is involved in a conference or social, cultural, community or industry event where official gifts are presented or exchanged. Where it would appear not to be polite or inappropriate to decline the offer, it is reasonable for official representatives of Council to accept this gift on behalf of Council.

All such gifts are considered the property of Council, not the individual, and are to be handed to the Chief Executive Officer as soon as possible after receipt of the item.

The Councillor or Council employee is required to complete a Gifts and Benefits Disclosure Form (Attachment B) to accompany the item when handed to the Chief Executive Officer.

The Chief Executive Officer will assign responsibility of the item to Finance and Corporate Services Department who will ensure that the item is entered onto Council's Asset Register.

If the gift is of an appropriate size and nature, it will be placed on display in the locked display case on the ground floor of the Council Administration Building accompanied by an appropriate card detailing the gift giver's name, reason for the presentation, nature of gift and date as per example below:

Presented By
The Mayor of the Northern Beaches Council, Sydney
on a visit to the City of Ipswich
Monday, 11 February 2019
Australian Jarrah Executive Pen Set

Should the gift not be suitable for display or following an extended period of display in the display case of the Council Administration Building (not less than 6 months), the gift will be relocated to a suitable location within Council's facilities until such time as a decision is made, following consultation with the Chief Executive Officer, to dispose of the item. Disposal of the item is to be in accordance with current policies and procedures.

1.8.7 Acceptance of Sponsorship Benefits/Community Memberships

There may be occasions when Council is offered entry tickets as a result of sponsoring an event or entering into an Agreement with a third party.

Councillors may also be offered free yearly membership to community facilities eg turf clubs, showgrounds, motorsport precincts.

The acceptance and use of these tickets or memberships by Councillors or Council employees would create a perceived conflict of interest and would not be viewed favourably by members of the public.

Regardless of the intent, public perception is the key consideration when accepting any benefits of this nature.

Therefore, Ipswich City Council will maintain a zero gift and benefit position for all sponsorship benefits/community memberships to ensure that an unambiguous position can be communicated clearly to the community.

It should be noted that Councillors are still entitled to attend events in their official capacity, however this attendance is to be by invitation not by the provision of free tickets.

All interactions (verbal and written) with event organisers should clearly and politely outline Council's position regarding the acceptance of free tickets or memberships.

1.9 REASONABLE AND APPROPRIATE EXPENDITURE ON ENTERTAINMENT AND HOSPITALITY

1.9.1 General Principles

The *Local Government Regulation 2012* provides examples of spending on entertainment and hospitality. Examples include:

- Entertaining members of the public in order to promote a Council project or initiative.
- The provision of food or beverages by Council:
 - to a person visiting Council in an official capacity;
 - for a conference, course, meeting, seminar, workshop or other forum held by Council for Councillors, Council employees or other persons;

- Paying for a Councillor or Council employee to attend a function as part of the Councillor's or employee's official duties or obligations.

Entertainment and hospitality expenditure will be considered appropriate if it meets the following criteria:

- it is considered reasonable and cost effective;
- it can be supported by a specific approved budget allocation;
- it is able to withstand public scrutiny;
- it is for official purposes; and
- it complies with legal, financial, audit and ethical requirements.

Entertainment and hospitality expenditure must be pre-authorised. Councillors and Council employees must not authorise their own entertainment and hospitality expenditure. Authorisation requirements are as follows:

- Expenditure by the Chief Executive Officer (CEO) must be authorised by the Mayor.
- Expenditure by the Mayor and Councillors must be authorised by the CEO.
- Expenditure by a Chief Operating Officer must be authorised by the CEO or nominee.
- Expenditure by all other managers or officers must be authorised by the relevant Branch Manager or Chief Operating Officer within their Department.

Officers incurring and authorising the expenditure must demonstrate that the expenditure will benefit Council and has been authorised for official purposes.

Expenditure deemed by the CEO to be inappropriate or unreasonable must be repaid to Council within 21 days (3 weeks) of being notified.

Entertainment and hospitality expenditure must be properly documented and accounted for so as to satisfy audit, legislative and reporting requirements.

1.9.2 Entertainment and Hospitality Expenditure

Entertainment and hospitality expenditure includes entertaining visitors (where Council has an interest in, or a specific obligation towards, facilitating the visit) such as intrastate, interstate and overseas delegates, representatives of business, industry, recognised community organisations and other levels of Government. Such entertainment and hospitality should not be a substitute for meetings as part of normal Council business. Attendees must ensure that there is no conflict of interest or breach of the relevant Council Code of Conduct by their attendance or participation.

1.9.2.1 Council will meet the cost of food and drinks provided to Council employees but generally only in the following circumstances:

- A light meal may be provided for employees who are required to work during a meal time and an alternative meal break is not available. This includes committee and working group meetings, conferences, seminars and training sessions where the cost is met by the Council;
- If an officer is required to attend a meeting or other function attended by external persons where food and drink may be provided for all attendees, provided it is in accordance with this policy.

1.9.2.2 Other types of expenses considered reasonable as official expenditure include:

- Tea/coffee or similar for official visitors (made from resources within Council);
- Breakfast/lunch/dinner for official visitors at an organised function (supplied through the Civic Centre where possible);
- Light refreshments for internal meetings, conferences, workshops, seminars and other business purposes as approved by the relevant Departmental officer (supplied through the Civic Centre where possible);
- Charges for attendance at official functions;
- Employer reward and recognition presentations, such as recognition of Council employees for above and beyond achievement;
- Visits by overseas delegates;
- Other specific celebrations authorised by the CEO (including social club events); and
- Civic functions and receptions.

The number of staff attending official functions should be kept to a minimum and should only include those who will be able to advance Council business by their attendance.

1.9.3 Fringe Benefits Tax Requirements

Fringe Benefits Tax (FBT) may be payable on some of the official hospitality expenditure that is attributable to Councillors and Council employees. All Councillors and Council employees should make themselves aware of FBT rules and of their application for official hospitality functions.

The use of the Entertainment Register maintained by the Principal Taxation Account in the Finance Branch is considered mandatory to record details and costs associated with official entertainment for all hospitality subject to FBT.

1.9.4 Attendance of guests accompanying a Councillor or Council employee at an official function

If a Councillor or Council employee receives an invitation to attend an event in their official capacity and the invitation includes a guest/guests, the Councillor or Council employee may have a guest accompany them as appropriate.

However, if the invitation is only for the Councillor or Council employee and they wish to take a guest/guests, it is the responsibility of the Councillor or Council employee to personally organise an additional ticket/s to the event and make payment from private funds prior to the event.

Expenditure will not be incurred for attendance of a guest accompanying a Councillor or Council employee at any official function.

Should Council receive an invoice from an event organiser for the attendance of a guest at an official function because payment was NOT made by the Councillor or Council employee, the cost of the ticket plus a \$20.00 service charge for employee time to process the payment, will be debited from the Councillor's or Council employee's wages at the next pay period.

1.9.5 Alcohol Provision and Consumption

Alcohol may only be provided at an official Council function if it has been approved prior to the function by the CEO or nominee.

As representatives of Council, Councillors and Council employees attending functions where alcohol is supplied must ensure that alcohol is consumed in a responsible manner.

Small scale entertainment by the Mayor, Deputy Mayor and CEO in the Claremont Room located on the 2nd Floor of the Council Administration Building may include alcoholic beverages, organised through Council's Civic Centre with moderation being exercised as to the amount and type of products being served.

1.9.6 Unreasonable and Inappropriate Expenditure

Examples of expenditure which is generally considered not to be reasonable and appropriate and therefore to be treated as private expenditure include:

- Tips or gratuities;
- Alcoholic drinks outside of the standards of this policy;
- Stocking of bar fridges;
- Mini bar expenses; and
- Morning tea, afternoon tea or lunch outside of Council premises (attended only by Councillors or Council employees).

1.10 Definitions:

Councillors – Mayor and Councillors

Council Employee – Any person employed directly by Ipswich City Council, regardless of their employment status and contractors undertaking duties on behalf of Council.

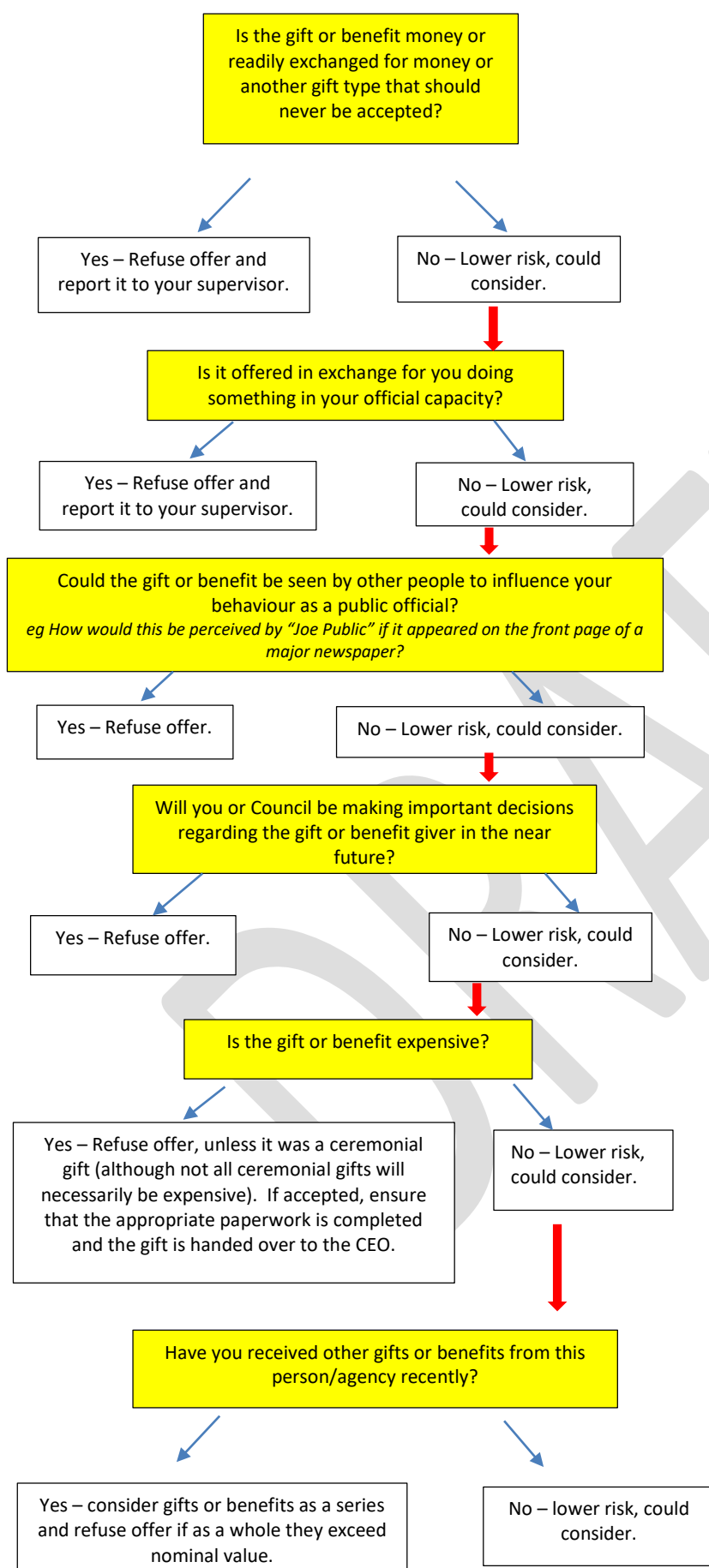
Gift – An item of value such as money, voucher, entertainment, hospitality, travel, commodity, property that one person gives to another.

Benefit – Something that is similar to a gift in that it is of value to the recipient but it is less tangible in nature (eg a new job or promotion, preferential treatments or access to confidential information).

Official Gift – A gift received by Councillors or Council employees as representatives of the City or the Council. These gifts may be received from a Sister City, organisations or corporations that are bestowing a corporate gift (ie plaques, plates, vases, trophies, artwork) or souvenir to the City, or as a token of appreciation for a contribution to a conference or industry event.

1.11 Policy Author:

Chief Operating Officer (Finance and Corporate Services)



GIFTS AND BENEFITS REGISTER DISCLOSURE FORM

PERSONAL DETAILS

Name

Department

Position

To the Chief Executive Officer of Ipswich City Council, in accordance with the Gifts, Benefits and Hospitality Policy, I disclose the following: (tick whichever is appropriate below)

An offer of a gift or benefit that has been declined that is required to be disclosed being:

☐
☐
☐

- a gift or benefit that may create a sense of obligation on my part or maybe perceived to be intended or likely to influence the carrying out of my public duty, regardless of the value
- a gift or benefit of more than token value
- money or anything readily exchanged/cashed in for money, regardless of the value

A gift or benefit that has been received and is required to be surrendered being:

☐
☐
☐
☐

- a gift or benefit that may create a sense of obligation on my part or maybe perceived to be intended or likely to influence the carrying out of my public duty, regardless of the value
- a gift or benefit of more than token value
- money or something readily exchanged/cashed in for money, regardless of the value
- a gift or benefit received on behalf of Council

Other gift or benefit being:

☐
☐

- a gift or benefit that has been received that is required to be surrendered however it is impractical to surrender for the reasons stated on the reverse of this document
- a gift or benefit that has been received and retained that I wish to disclose voluntarily

GIFT OR BENEFIT DETAILS

Gift or benefit received by

☐

myself

☐

my relative/associate

Name

Relationship to self

Gift or benefit received from:

(name and address of person and organisation/company providing the gift or benefit and ABN (if not an individual))

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Description of gift or benefit

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Date/s gift or benefit received

/	/
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Estimated retail value inc GST

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REMEMBER

Intentionally under-valuing an item is an offence.

Comments in relation to this disclosure (ie why the gift or benefit was offered)

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SIGNATURES AND ACTION

(NB: Councillors/Senior Contract Employees – You may also have an obligation to record this in your Register of Interests)

I declare the above to be true and correct.

Name

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Signature

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Date

/	/
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Staff disclosure noted by the Chief Operating Officer.

Name

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Signature

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Date

/	/
---	---

Noted by the Chief Executive Officer

Name

--

Signature

--

Date

/	/
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Action as determined by the Chief Executive Officer (if applicable)

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