

Document : Conflict of Interest & Managing Gifts, Benefits & Hospitality Obligations Policy	
Category : Human Resources	iPolicy No. : MH36
Subcategory : Human Resources	Version No. : 1.0
Department : Melbourne Health	Expiry Date : 04 Feb 2021

RESPONSIBLE EXECUTIVE Chief Executive

PRIMARY AUTHOR Executive Director People and Culture

IMPLEMENTATION STRATEGY A cross functional support team has been developed to support an organisation wide communication plan.

EVALUATION STRATEGY Conflict of Interest Committee and Audit Committee to review the Register of Conflicts of Interest
Audit Committee to review the Gifts, Benefits and Hospitality Register

NATIONAL STANDARD/S Standard 1 Clinical Governance

VERSION SUMMARY This policy has been developed with respect to the requirements of the Victorian Public Sector - Gifts, Benefits and Hospitality Framework and the expectations of the Department of Health and Human Services.

EXECUTIVE SUMMARY

1. All employees have a duty to always put the public interest, which is the interest of Melbourne Health, above their private interests when carrying out their Melbourne Health duties, in line with the [Melbourne Health Code of Conduct](#).
2. Employees are individually responsible for arranging their private affairs as far as reasonably possible to prevent conflicts of interest arising or protect their impartiality.
3. Employees must assess their private and personal interests and whether they conflict, or have the possibility to conflict, with their official duties.
4. All employees have an ongoing responsibility to formally disclose any engagement in activities or holding of financial or trade assets that involve, or could appear to involve, or be reasonably perceived to involve, a conflict between their personal interests and the interests of Melbourne Health.
5. Gifts, benefits or hospitality with an estimated value greater than \$50, and which are associated with a legitimate business benefit, should not be accepted unless approval is obtained from the relevant line manager.
6. All gifts, benefits and hospitality with an estimated value greater than \$50, whether accepted or not, must also be recorded on the Gift, Benefit and Hospitality Register.

1. PURPOSE AND SCOPE

All public sector employees have a duty to always put the public interest above their private interests when carrying out their official duties.

This policy outlines when potential, perceived or actual conflicts may occur and the steps that must be taken to avoid, disclose, mitigate and/or manage a conflict of interest.

The policy explains Melbourne Health's position on Conflicts of Interest and works in tandem with [MH36.01 Identifying and Responding to Conflicts of Interest Procedure](#). For the purpose of this policy, all forms of conflict of interest, whether actual, potential or perceived, will be referred to generally as 'conflict/s of interest'.

This policy applies to all Melbourne Health employees including Board members, contractors, deemed employees and students, visiting medical officers and consultants.

Gifts, benefits and hospitality are a common and well established practice of conducting business. The purposes range from promoting engagement and relationships which facilitate organisation outcomes, through to employee recognition and enhancing corporate values and culture Refer also to [MH36.02 Managing our Gifts, Benefits and Hospitality Obligations Procedure](#).

Whilst common practice, there are opportunities where gifts, benefits or hospitality might be perceived as inappropriate and conflict with Melbourne Health's position as a leading public health service. Any decision made in relation to Melbourne Health's business must be seen to have been made with complete impartiality to any external factors. Melbourne Health must be confident and comfortable that all business decisions are made objectively and only on the basis of merit.

Therefore, this policy must be adhered to regarding the receiving of gifts, benefits and hospitality. This helps to protect and promote public confidence in the integrity of Melbourne Health.

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2. DEFINITIONS

Actual Conflict of interest	Where there is a real conflict between an employee's public duties and responsibilities and their private interests
Advisory Committees	Advisory Committees relates to any committee or panel, such as a taskforce, expert or assessment established by Melbourne Health.
Benefit	Being given preference, 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.
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.
Conflict of interest	A conflict of interest is defined as any situation where an employee or somebody they are connected with, has the actual, potential, or reasonably perceived potential to privately benefit directly or indirectly, through (for example): <ul style="list-style-type: none"> • The involvement with a supplier, competitor, customer or contractor to Melbourne Health • The use or misuse of Melbourne Health information or facilities • Acquisition of personal or business opportunity which is obtained through employment with Melbourne Health and/or • An interest in property, the value of which is likely to be influenced by the actions of Melbourne Health.
Gift	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 of flowers) and consumables (e.g. chocolates). Fundraising by public sector organisations that is consistent with relevant legislation and any government policy is not prohibited under the minimum accountabilities.
Hospitality	The friendly reception of and conduct with guests e.g. entertainment, refreshments, meals, travel and/or accommodation.
Legitimate business benefit	Gifts, benefits and hospitality accepted or provided for a business purpose, in that it furthers the conduct of official business or other legitimate goals of the organisation, public sector or State.
Nominal Value	Refers to the estimated value of the gift, benefit of hospitality. The maximum nominal value for acceptance or provision of gifts, benefits and hospitality is \$50.
Non-token offer	An offer of a gift, benefit or hospitality that is, or may be perceived to be by the recipient, the person making the offer or by the wider community, of more than inconsequential value. All offers worth more than \$50 are non-token offers and must be recorded on a gift, benefit and hospitality register (except for specific offers received by a person employed in a Victorian Government school, as defined under 'token offer').
Perceived Conflict of interest	Where a third party could form the view that an employee's private interests could improperly influence the performance of their public duties, now or in the future
Potential Conflict of interest	Where an employee has private interests which could conflict with their public duties
Private interest	A private interest means anything that can influence an employee. Private interests include direct interests, such as an employee's own personal, family, professional or business interests, as well as indirect interests, such as the personal, family, professional or business interests of individuals or groups with whom the employee is, or was recently, closely associated. Private interests may be pecuniary (i.e. financial), which includes any actual, potential or perceived financial gain or loss, as well as non-pecuniary, which includes any tendency toward favour or prejudice resulting from personal or family relationships, such as friendships, enemies or sporting, cultural or social activities.
Public official	This has the same meaning as under section 4 of the <i>Public Administration Act</i>

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	2004. This includes: <ul style="list-style-type: none"> • Public sector employees • Statutory office holders • Directors of public entities.
Register of Conflicts of Interest	A register of all actual, potential and conflicts of interest declarations made by employees using the Declaration of Conflict of Interest Form.
Register of Private Interests	A register of the private interests of all employees made using the Declaration of Private Interests Form.
Gifts, Benefits and Hospitality Register	The 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.
Reportable gifts	Gifts that must be recorded. At a minimum, they include: gifts, benefits and hospitality exceeding an estimated value of \$50.
Token offer	An offer of a gift, benefit or hospitality that is offered as a courtesy or is of inconsequential or trivial value to both the person making the offer and the individual. Whilst the primary determinant of a token offer is that it would not be reasonably perceived within or outside the organisation as influencing an individual or raising an actual, potential or perceived conflict of interest, it cannot be worth more than \$50 (including cumulative offers from the same source over a 12 month period).

3. RESPONSIBILITIES

All employees	<ul style="list-style-type: none"> • Have a duty to always put the public interest, which is the interest of Melbourne Health, above the private interest when carrying out their Melbourne Health duties; in line with the Melbourne Health Code of Conduct • Are individually responsible for arranging their private affairs as far as reasonably possible to prevent conflicts of interest arising or protect their impartiality • Must assess their private and personal interests and whether they conflict, or have the possibility to conflict, with their official duties • Have an ongoing responsibility to formally disclose any engagement in activities or holding of financial or trade assets that involve, or could appear to involve, or be reasonably perceived to involve, a conflict between their personal interests and the interests of Melbourne Health according to the steps established in this policy • Must comply with any other requirements of this policy
Board Audit Committee	<ul style="list-style-type: none"> • The Committee will review the Conflicts of Interest Register and Gifts, Benefits and Hospitality Register annually.
Business processes	<p>Induction and refresher training for employees</p> <ul style="list-style-type: none"> ▪ A role/position to provide employees with a central point for advice and guidance materials ▪ Contracts for 'in house' contractors and consultants (including those engaged through employment agencies) explicitly stating their obligation to this policy ▪ the Code of Conduct for Victorian Public Sector Employees ▪ External stakeholders (including prospective tenderers and suppliers) having ready access to relevant information in this policy (including suitable guidance material) ▪ Patterns of frequent or prohibited gift offers being identified and, where appropriate, remedial action taken ▪ Contracts of suppliers and external contractors being revoked (or renegotiated) if they offer a prohibited gift to an employee.
Conflict of Interest	The Committee will meet at least 6 monthly to review the Register of Conflicts of

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Committee	<p>Interest and the Gift, Benefits & Hospitality Register and as required and will have the following Membership:</p> <ul style="list-style-type: none"> • Chief Executive (Chair). • Deputy Chief Executive/Chief Operating Officer • Executive Director People & Culture (Deputy Chair). • Executive Director Finance and Logistics • Executive Director Clinical Governance and Medical Services Executive Director Nursing Services • Executive Director NorthWestern Mental Health
Chief Executive	<p>The Chief Executive shall attest annually to the Public Sector Standards Commissioner, that Melbourne Health has a Conflicts of Interest and Managing our Gifts, Benefits and Hospitality Obligations policy in place that is:</p> <ul style="list-style-type: none"> • consistent with the minimum requirements and accountabilities outlined in the <i>Managing Conflicts of Interest: A guide to policy development and implementation</i> that the Victorian Public Sector Commission (VPSC) has developed, and • reviewed by the Board Audit Committee
Executive Director, People and Culture	<ul style="list-style-type: none"> • On behalf of the Board, to review and update this policy including in accordance with any external requirements relating to managing conflicts of interest • Maintain the Register of Conflicts of Interest • Disclose related party transactions¹ (as applicable) in the Melbourne Health Financial Statements
Compliance and breaches	<p>Failure to disclose a material conflict of interest may render a Board member or employee liable to disciplinary action.</p> <p>A Board member or employee who suspects they may have breached this policy must immediately notify their line manager (or the Executive Director People and Culture, the Chief Executive, or the Board Chair as appropriate) and appropriate steps will be taken to remedy any breach.</p>
Procurement Managers	<p>Should consider, when nearing widely observed public holiday periods and events such as Christmas, communicating to their suppliers to ensure that they are aware of the requirements of giving and receiving gifts.</p>

4. POLICY

- 4.1. Melbourne Health is committed to managing conflicts of interest openly and honestly. All employees must:
- Avoid wherever possible or **identify, declare and manage** conflict of interest in accordance with this policy
 - Take reasonable steps to restrict the extent to which a private interest could compromise, or be seen to compromise, their impartiality when carrying out their official duties
 - Abstain from involvement in official decisions and actions that could objectively be seen to be compromised by their private interests and affiliations
 - Avoid private action in which they could be seen to have an improper advantage from inside information to which access might be had because of those official duties
 - Not use their official position or government resources for private gain
 - Ensure that there can be no perception that they have received an improper benefit that may influence the performance of their official duties
 - Not take improper advantage of their official position or privileged information gained in that position when seeking employment outside the public sector
 - Declare any potential conflicts of interest as soon as becoming aware of its existence.

¹ In accordance with Accounting Standards and Financial Reporting Directives

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- 4.2. Gifts, benefits or hospitality which exceed the non-token offer threshold (\$50), and are associated with a legitimate business benefit, should not be accepted unless approval is obtained from line managers (or the Chair in the case of Board members/Chief Executive).
- 4.3. All non-token offers, whether accepted or not, must also be recorded on the Gift, Benefit and Hospitality Register.
- 4.4. Principles
- a All employees are accountable for avoiding, wherever possible, or identifying, declaring and managing any actual, potential or perceived conflict of interest that applies to them.
 - b Melbourne Health will take a proactive approach to assessing and managing conflict of interest risks. Employees with direct reports will ensure they are aware of the conflicts inherent in their team's work and functions, and monitor the risks to which their direct reports are exposed. They are also accountable for overseeing management of their direct reports' conflicts of interest, modelling good practice and promoting awareness of conflict of interest policies and processes.
- 4.5. Accountabilities
- a As a public entity, Melbourne Health must comply with a suite of obligations which require its employees to demonstrate:
 - i Integrity, by avoiding real or apparent conflict of interest
 - ii Impartiality, by making decisions and providing advice on merit without bias, caprice, favouritism or self-interest
 - iii Accountability, by seeking to achieve best use of resources and submitting themselves to appropriate scrutiny.
 - b Melbourne Health employees must not accept gifts, benefits or hospitality which may influence their decisions unfairly, and are expected to:
 - i Earn and sustain public trust
 - ii Be honest, open and transparent in their dealings
 - iii Use their powers responsibly
 - iv Report improper conduct.
- 4.6. Minimum Requirements
- As a minimum, Melbourne Health employees are required to:
- a Avoid directly or indirectly soliciting or accepting (either for themselves, their family members or others) gifts, benefits and hospitality of any kind from any patient/resident or patient/resident's friends or relatives that could be reasonably perceived as influencing actions or decision making.
 - b Not accept gifts or benefits from current or potential suppliers, contractors and consultants if they might reasonably compromise (or reasonably be seen to compromise) the integrity of the purchasing process.
 - c Refuse all offers of gifts, benefits or hospitality of any value that could reasonably be perceived as undermining their own or Melbourne Health's integrity and impartiality.
 - d Refuse all offers of gifts, benefits or hospitality from people or organisations who are involved in or are the subject of current Melbourne Health considerations that might be related to their role as a decision maker involving:
 - i Tender/quotation processes (clinical and non-clinical)
 - ii A current procurement process or decision (clinical and non-clinical)
 - iii Research evaluation or review process
 - iv A current commercial consideration (clinical and non-clinical) or

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- v Current legal action.
- e Carefully consider the consequences of accepting the above gifts, benefits and hospitality where they may have indirect influence.
- f Refuse all offers money or items easily converted to money such as shares or gift cards.
- g Refuse all offers that may give rise to an actual, potential or perceived conflict of interest.
- h Refuse bribes and report bribery attempts to the Executive Director People and Culture (or the Chair in the case of Board members)
- i The Executive Director People and Culture/Chair will then determine necessary action including reporting the matter to Victoria Police, Auditor-General, etc.
- j Employees should consider each time they are offered a gift or benefit by the same person or organisation. Multiple gifts/benefits from the same person/organisation over a period of time together might become reportable.

5. ASSOCIATED POLICIES, PROCEDURES OR GUIDELINES

- 5.1. [MH36.01 Identifying and Responding to Conflicts of Interest Procedure](#)
- 5.2. [MH36.02 Managing our Gifts, Benefits and Hospitality Obligations](#)
- 5.3. [MH08 Financial Management Policy](#)
- 5.4. [Melbourne Health Code of Conduct](#)
- 5.5. [MH08.06 Fundraising](#)
- 5.6. [MH08.07 Department Raffles/Fundraising](#)
- 5.7. [MH08.08 Donations](#)
- 5.8. [MH08.14 Financial Code of Practice](#)
- 5.9. [MH08.16 Fraud, Corruption and Other Losses](#)
- 5.10. [MH24 Procurement policy](#)
- 5.11. [MH24.01 Procurement Procedure](#)
- 5.12. [MH09.04.02 Disciplinary Procedure](#)
- 5.13. [Delegations Manual](#)
- 5.14. [MH09 People and Culture Policy](#)

6. REFERENCES

- 6.1. The Code of Conduct for Victorian Public Sector Employees (No.1) 2007
- 6.2. Victorian Public Sector, 2016 Gifts, Benefits and Hospitality policy Framework, Standing Directions of the Minister for Finance, 2016
- 6.3. Managing Conflicts of Interest: A guide to policy development and implementation

7. FURTHER INFORMATION

- 7.1. Chief Executive or Executive Director, People and Culture.
- 7.2. Victorian Public Sector Commissioner

8. DOCUMENTATION

- 8.1. Declaration of Conflict of Interest Form
- 8.2. Gifts, Benefits and Hospitality Notification Form

9. REVISION AND APPROVAL HISTORY

Date	Version	approval
February 2018	1	Executive Director Finance and Logistics; Melbourne Health Executive; Melbourne Health Boards. Approved and authorised by the Non-clinical

Authorised by : Chief Executive

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	policy, Procedure and Guidelines Committee.
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