



POLICY

GIFTS AND BENEFITS (INCLUDING HOSPITALITY) SPENDING

Authority

1. As the Associate Secretary I am issuing this policy as the Defence Instruction Accountable Officer for Administration and Governance Policy.
2. Compliance with this policy is mandatory as per [Accountable Authority Instruction \(AAI\) 1 - Managing Risk and Accountability](#)

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Matt Yannopoulos

Associate Secretary

Effective: 3 July 2024

Application

3. The policy applies to:
 - a. all persons engaged under the *Public Service Act 1999* in Defence.
 - b. all members of the Australian Defence Force (ADF).
 - c. persons on exchange with, or on loan to Defence, who perform financial tasks.
 - d. officials from other entities that use or manage public resources for which the Secretary of Defence is responsible.
 - e. person/s engaged under a contract and suppliers where compliance is a term of their engagement with Defence.
 - f. any other person who is defined as an official in accordance with section 13 of the [Public Governance, Performance and Accountability Act 2013](#) (PGPA Act) and section 9 of the [Public Governance Performance and Accountability Rule 2014](#) (PGPA Rule).
4. The term 'Defence Official' or 'you' will be used in this policy to capture and include those to whom this policy applies to.

Introduction

5. In the course of your official duties it may be appropriate to provide gifts and benefits.
6. A gift and benefit is considered any item or service you provide to any person, stakeholder or organisation, in the course of your official duties. Hospitality is considered a benefit for the purpose of this policy.
7. The provision of a gift and benefit involves the use of Defence money and resources.
8. This policy provides instruction on spending money for the purpose of providing gifts and benefits, to ensure proper use of resources, while upholding the reputation of the Australian Government and Defence.

Overarching principles

9. Defence officials in the execution of their duties are required to meet the highest standards of governance, performance, integrity, accountability, independence, transparency, professionalism and ethical behaviour.
10. When considering the business need to spend Defence money to provide gifts and benefits, you **must** ensure that the expenditure will:
 - a. Achieve Defence capabilities, outcomes, priorities and deliverables.
 - b. Represent efficient, effective, economical and ethical use of public resources.
 - c. Be consistent with the policies of the Australian Government and Defence.
 - d. Uphold the reputation of the Australian Government and Defence.
 - e. Stand up to audit and public scrutiny.

Otherwise you should not spend Defence money on the provision of gifts and benefits.

11. The spending of money on gifts and benefits should not create an onerous or undesirable precedent.

Instructions

12. You **must not** use Defence resources to gain, or seek to gain, a benefit or advantage for yourself (including relatives or friends) or to cause disadvantage to others.
13. You **must not** provide gifts or benefits in the form of cash or cash equivalents.
14. You **must not** purchase items for the purpose of providing a gift to:
 - a. Defence officials (includes APS and ADF).
 - b. Officials of other Commonwealth agencies, including those within the Defence Portfolio.
15. You **must** have the approval of a delegate listed in the [Spending and Recording – Threshold Table](#) section of this policy before purchasing gifts and benefits.
16. You **must** record expenditure related to gifts and benefits in the [Defence Gifts and Benefits Register](#) in accordance with the Table in the [Spending and Recording – Threshold Table](#) section of this policy, within 28 calendar days of purchasing the gift or benefit.

Delegate Decision to Approve

17. The use of Defence money to provide gifts and benefits is typically to host to persons other than Defence officials.
18. There may be occasions that are important to the Australian Defence Force or Defence as a whole, where it is considered appropriate to provide hospitality to Defence officials.
19. The decision to purchase items for the purpose of providing a gift or benefit **must** be made by a PGPA s23(3) delegate as specified in the [Spending and Recording - Threshold Tables](#) section of this policy.
 - i. The s23(3) delegate approval applies to the total value of the acquisition.
20. Delegates **must** comply with [AAI 2 - Spending Defence Money – Procurement](#) and the [Defence Financial Delegations](#) including the General Directions to all delegates.
21. Where the recipients of a proposed gift or benefit are foreign nationals, organisations or governments, country desks in International Policy Division may be contacted to seek confirmation that the proposed gift or benefit is appropriate prior to delegate approval.
22. The PGPA s23(3) delegate **must** document their reasons for approving the expenditure and how value for money has been achieved.
23. Once a PGPA s23(3) approval has been provided, any Defence delegate can enter into, vary and administer the related arrangements under PGPA s23(1).

Inclusions

24. For the purpose of this policy a gift or benefit may include, but is not limited to:

- Elaborate or higher standard meals, entertainment, alcohol and recreational activities.
(Characteristics of hospitality).
- Gift baskets, bottles of alcohol, food hampers, flowers.
- Tickets to cultural, theatre or sporting events.
- Framed pictures and plaques.
- Any Defence property that was acquired or produced to use as a gift under section 66(1)(a) of the [PGPA Act](#) (unless excluded).

Exclusions

25. For the purpose of this policy, a gift or benefit does not include:

- Working Meals, Catering Mess, Conferences/Training/Seminar and Presentation and Commemoration.
- Any gift or benefit provided as part of a Defence Reward and Recognition Scheme, (including awards, plaques, trophies, citations, medals, or performance recognition awards).
- Defence branded promotional materials.
- Gifting of items forming part of an International Government Agreement or Arrangement.

26. Gifting of existing Defence asset/s or property under section 66(1)(b)(2) of the [PGPA Act](#), please refer to [AAI 8 – Managing Defence Property](#), [Defence Financial Delegations - Schedule 14 – Gifts of Property](#).

Recording and Disclosure

27. To enable Defence to meet reporting and fringe benefits taxation obligations, details of gifts or benefits **must** be recorded within 28 calendar days of purchase on the [Defence Gifts and Benefit Register](#) in accordance with the Table in the [Spending and Recording - Threshold Table](#) section of this policy.

- The value of the gift or benefit to be recorded in the register is the actual amount spent (total value of the acquisition) in AUD (exclusive of GST).
- With the bulk acquisition of gifts, the total value of the acquisition should be recorded at the time of purchase. Officials are to ensure bulk gifts are safely secured, accounted for and only provided as gifts as per the intended purpose.
- Any expense related to the provision of gifts and benefits **must** be recorded in Defence's financial management information system, against the appropriate expense code.

Fringe Benefits Tax

28. Fringe Benefits Tax may be payable when providing gifts and benefits. Reportable items arising from Defence officials attending an event paid for by Defence **must** be recorded and reported in accordance with the Group or Service Fringe Benefits Tax (FBT) return. Additional information on FBT can be obtained from the [Defence Tax Management Office](#).

Spending and Recording – Threshold Table

Gifts and Benefits (includes Hospitality)	
<i>Threshold values are in \$AUD and are exclusive of GST</i>	
Spending Approval	
Value of Gift or Benefit	Commitment Approval PGPA Act s.23(3) Delegate <i>PGPA Act s.23 delegate approval must not exceed a delegates limit as per the Defence Financial Delegations Instrument (Schedule 1)</i>
Defence	
Less than \$300	EL1, O-5 (CMDR, LTCOL, WGCDR)
Up to \$500	EL2, O-6 (CAPT, COL and GPCAPT)
	Senior Defence Representative (Defence Attaché Overseas)
Up to \$2,000	SES Band 1, O-7 (1-Star)
	Commanding Officers of Major Fleet Units and Minor War Vessels while on deployment
	Senior Defence Representative (Defence Attaché Overseas)
Up to \$10,000	SES Band 2, O-8 (2-Star)
Up to limit of funds	SES Band 3, O-9 (3-Star) or above
Defence Cooperation Program (DCP)	
<i>The DCP is run and administered by International Policy Division (IP). For information on the DCP please contact IP Division.</i>	
Less than \$300	EL1, O-5 (CMDR, LTCOL, WGCDR)
Up to limit of funds	EL2, O-6 (CAPT, COL and GPCAPT) or above
Recording on the Defence Gifts & Benefits Register 'Spending'	
<i>Amounts of \$300 or above spent on Gifts and Benefits (including Hospitality) must be recorded on the Defence Gifts and Benefits Register 'Spending'</i>	

Relevant and Related Material

Legislative requirements	Public Governance, Performance and Accountability Act 2013, sections 25-29 Public Governance, Performance and Accountability Rule 2014
Australian Government Policies	General duties of officials (RMG 203)
Related AAs and Delegations	AAI 1 – Managing Risk and Accountability AAI 2 – Spending Defence Money - Procurement AAI 8 – Managing Defence Property Defence Financial Delegations
Other relevant information	Defence Instruction Defence Fraud and Corruption Control Plan Defence Procurement Manual My Procurements Defence Purchasing Card Defence Credit Card Defence Performance Framework – Reward and Recognition Glossary of Terms

Further information on gifts and benefits is available on the intranet page [Gifts, Benefits and Sponsorship](#).
If you require further guidance, please contact Defence Integrity on @defence.gov.au

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