

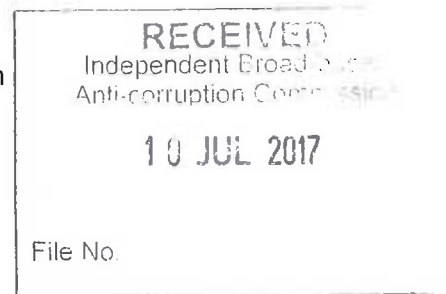


Victorian Public Sector Commission

3 Treasury Place
Melbourne Victoria Australia 3002
Telephone: +61 3 9651 1321
www.vpsc.vic.gov.au

D17/7664

Mr Stephen O'Bryan QC
Commissioner
Independent Broad-based Anti-corruption Commission
Level 1, North Tower
459 Collins Street
Melbourne VIC 3000



Dear Mr O'Bryan

Operation Dunham – Recommendation for the Victorian Public Sector Commission

I write to acknowledge the important work of the Independent Broad-based Anti-corruption Commission (IBAC) in investigating and exposing corruption in the Department of Education and Training (DET), and to formally respond to IBAC's recommendation to the Victorian Public Sector Commission (VPSC).

IBAC's Operation Dunham report recommended that *VPSC consider the implementation of a ban on public sector employees receiving any gift, benefit or hospitality from a current or prospective supplier.*

VPSC has considered the serious issues raised in Operation Dunham and IBAC's recommendation extensively. This has included multiple meetings of, and discussions with, the Victorian Secretaries' Board and its Corruption Prevention and Integrity Subcommittee. VPSC has considered how a ban would operate with existing obligations, such as supplier training requirements for public sector staff in state purchasing contracts, and how a ban for prospective suppliers might operate. VPSC has also reviewed the Gifts, Benefits and Hospitality Framework (the Framework) in response to IBAC's recommendation.

VPSC equips public officials to respond appropriately to offers of gifts, benefits and hospitality through the framework, which specifies minimum accountabilities for all public officials, as well as guidance and advice. A model policy, model register and other resources supplement the framework. VPSC updates the framework periodically to reflect emerging issues and to best support organisations and individuals to uphold public sector integrity, impartiality and accountability.

The most recent update to the framework in October 2016 established more stringent thresholds for reportable offers of gifts, benefits and hospitality, and enhanced transparency by mandating publication of gift registers. The framework explicitly requires public officials to:

“Refuse all offers of gifts, benefits and hospitality that:

- give rise to an actual, potential or perceived conflict of interest;

- may adversely affect their standing as a public official or which may bring their public sector employer or the public sector into disrepute; or
- are non-token offers without a legitimate business benefit.”

The conduct exposed in IBAC’s Operation Dunham report constituted clear conflicts of interest and substantial breaches of public trust, including acceptance of extensive gifts, benefits and hospitality with no legitimate business benefit. IBAC exposed public officials who failed to act in accordance with the Code of Conduct for Victorian Public Sector Employees; minimum accountabilities for gifts, benefits and hospitality; and reasonable public expectations. This conduct has no place in the Victorian public sector, and it is critical that public officials uphold the highest standards of integrity to earn and maintain public trust.

I am confident that VPSC’s framework bans public officials from accepting gifts, benefits and hospitality from any source, including current and prospective suppliers, that give rise to a conflict of interest. It ensures that all public officials are required to consider all offers of gifts, benefits and hospitality carefully, and exercise judgment in accordance with all their obligations as public sector employees.

VPSC will continue to promote a professional, apolitical and impartial public sector, and to support public sector organisations to embed the public sector values into their policies and practices.

Yours sincerely



Belinda Clark QSO
Commissioner

23/6/2017