



**POLICY ON OFFICIAL GIFTS
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Senate F&PA Committee

Tabled Document

Inquiry: estimates.....

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Witness Name Mr. Brady.....

Organisation Office of the Official
Secretary to the
Governor General.....

GUIDELINES

Purpose

These guidelines establish:

- procedures to ensure that gifts received by the Governor-General and spouse in the course of their official duties (*from all sources, both private and government, received overseas or within Australia*) are properly recorded; and
- arrangements for the Governor-General and spouse to retain or dispose of gifts.

2. General principles

For the purposes of this policy, gifts are sorted into two categories:

- i) Group One comprises mementos and items of a token or promotional nature (such as pens, caps, T-shirts, books, calendars, foodstuffs and home made items) and other items likely to have a commercial value of less than \$100.
- ii) Group Two comprises gifts worth more than \$100. While Australian Government practice is to discourage the giving and receiving of gifts, the reality is that the Governor-General and spouse receive many unsolicited gifts in the course of their duties. In the interests of reasonable courtesy and goodwill, the Governor-General sometimes reciprocates with gifts, especially to counterparts abroad.

It is also recognised that for some countries (especially those in Asia and the Middle East), the presentation of gifts is an established way of doing business. Moreover, if refusal to accept a gift is likely to cause offence, common sense and courtesy should prevail to avoid unnecessary embarrassment to all parties.

The Australian Government has established guidelines for members of the Executive for the acceptance or otherwise of gifts, the basic principle being that ministers should not accept any benefit that risks giving the appearance they may be subject to improper influence (because the giver has, or seeks to have, a contractual relationship with the Government or has any other special interest in Government decisions).

The Governor-General's role in decision making is, however, materially different from that of ministers. S/he acts, in the main, on ministerial advice. So the guidelines for ministers, insofar as they are written to avoid any suggestion of influence over decision making, are not directly relevant to the Governor-General because s/he does not make policy decisions.

Decisions concerning the retention of any gifts should be made as quickly as is reasonably possible after receipt. A fundamental principle is that the Governor-General ought not retain any gift that may be used for personal gain, for example through the sale of, or realisation of the monetary value of the gift.

3. Declaration

Group One gifts received in the course of official duties:

- must be reported to the Household Section within 14 days of gift receipt, using the short form at Attachment A then,
 - be either retained or;
 - disposed of according to the Governor-General's instructions.

The form must be completed and lodged by the responsible ADC or the Executive Assistant to the Governor-General.

Group Two gifts received in the course of official duties:

- must be reported in detail to the Household Section within 14 days of receipt of the gift, using the comprehensive form at Attachment B then,
 - the Household Section will photograph the gift;
 - the form is passed to the relevant branch head for endorsement;
 - the form is then passed to the Deputy Official Secretary (or Director of Corporate Services), as Delegate, for a decision on action to be taken (retention or purchase by TX, or display, storage or disposal);
 - the form is then conveyed to the Finance Section, which will implement the Delegate's instruction.
 - if TX retain the gift, Finance Section will draw up an invoice for payment (if applicable);
 - if the gift is not to be retained or purchased by TX, the Finance Section will assign the gift an asset number, and enter the details in its own register;
 - further advice will be provided to the Manager Household Operations to either display, store or dispose of the gift.
 - The form is to be returned to the Manager Household Operations, for action and final details to be completed.
 - The Household Section will retain the completed record in a chronological file.
 - A copy will be kept with the gift (or its packaging if the gift is on display) in the gift store.

4. Gifts received overseas

Gifts received overseas in the course of official duty are to be declared to the Australian Customs Service at the point of entry into Australia:

- if they exceed the threshold (\$1,000 at the time of printing) for gifts deemed to be Commonwealth property;
- if they fall outside normal duty-free passenger concession limits as personal belongings;
- if they are subject to quarantine inspection.

5. Valuation

For gifts that TX do not wish to retain, the reporting official should make use of publically available information e.g. the general market, manufacturers' or retailers' websites to provide a fair and reasonable estimate of the value.

Similar sources may also be used to ascribe value to gifts which TX wish to retain, if the items concerned are commonly available for purchase. Where this is not the case, e.g. for works of art, jewellery, or custom made articles, a formal valuation certificate may be required.

In the absence of formal valuation documents, the value for customs purposes would normally be determined by reference to the value of the goods (manufacturer's price) in the country of origin or based on advice (verbal or written) from the Australian post in the country visited, or from the foreign government/diplomatic mission that presented the gift. For gifts received from Australian sources, the value of the gift should be assessed on the basis of the Australian wholesale price, or such valuation determined by a professional valuer.

Where the value of the gift exceeds the allowable limit, or if there is doubt about its value, a formal valuation should be sought from a valuer competent in the field or from the list of accredited valuers issued by the Committee on Taxation Incentives for the Arts. Where it would be uneconomical to undertake a professional valuation, a reasonable value may be ascribed by the registering official, and this valuation endorsed by the relevant branch head.

6. Retention of gifts

The Governor-General and spouse may retain gifts in certain circumstances subject to the following principles:

- Gifts made to the Governor-General and/or spouse may generally be retained if the value does not exceed \$1,000 (at 2011 prices¹). Where the Governor-General elects not to retain a gift, such gifts may be used at Government House or Admiralty House, offered to a national museum or reputable public art gallery, or be subject to appropriate storage or disposal arrangements.
- Gifts which are not received in the course of performance of the duties of office but which arise out of a personal relationship or friendship need not be subject to the provisions above. The Official Secretary will determine any issues where there is doubt about the basis upon which the gift is received.

7. Gifts of historical or cultural significance to the Australian people

The Governor-General will not retain any gift which has historical or cultural significance to the Australian people. In the case of gifts received that have national significance and therefore should be retained for all Australians, advice should be sought from the Official Secretary about the appropriate course of action.

8. Gifts from the Sovereign and Heir to the Throne

Because of the special relationship between the Sovereign, the Heir to the Throne and the Governor-General, gifts from the Sovereign or the Heir are regarded as personal gifts and may be retained by the Governor-General. These gifts need not be registered.

9. Official Gifts of a personal nature

Official gifts that are clearly customised (e.g. personally tailored clothing, sporting equipment designed specifically for the incumbent, etc) which would be unlikely to be used by another person, should be registered, but may be retained by the Governor-General at no cost.

10. Purchase/retention of gifts

Subject to the principles mentioned above, gifts presented to the Governor-General and/or spouse valued at more than \$1,000 may be purchased by the Governor-General or spouse for the valuation price less \$1,000.

The Manager Household Operations is responsible for ensuring that all gift report forms are processed efficiently, whether sequentially or in batches, and that, where reasonable, the necessary processes are completed within four weeks of the receipt of the gift.

Gifts that are not retained or purchased by the Governor-General will be entered in the assets or other appropriate registers, and will be subject to normal accounting treatment.

11.Custody and disposal

The Manager Household Operations is responsible for the receipt and safekeeping of official gifts received, and for arranging the review, display, storage or other actions arising. A report on gifts received and actions taken (i.e. surrendered, retained, etc) is to be submitted to the Director, Executive and Protocol Branch each quarter.

The Director, Executive and Protocol Branch is responsible for the management of the gifts received in accordance with the stated policy above and applicable accounting standards.

Options for gifts received include:

- display in the Houses or Chancery;
 - transfer to repositories of national collections including museums, galleries, libraries, archives and special interest collections, education or community institutions;
 - donate to a nominated non-profit organisation or charity at the discretion of the Governor-General and/or the Official Secretary; or
 - dispose in an appropriate manner by the Office as determined by the Deputy Official Secretary and/or Director of Corporate Services in consultation with the Official Secretary.
- the Deputy Official Secretary and the Director of Corporate Services are delegated (through the Official Secretary) under section 43 of the Financial Management and Accountability Act 1997 to approve disposal of gifts as outlined in this policy.
- limitation expressly forbids approval for the gifting of military firearms and that due regard be given to:
- : the market price of the property;
 - : any potential for the creation of an undesirable precedent;
 - : obtaining reasonable estimates of value;
 - : applying special consideration when gifting in respect of foreign nationals or organisations.

At the conclusion of the term of a Governor-General, a stocktake and reconciliation of all gifts received during the term will be undertaken to ensure that all gifts retained by the outgoing Governor-General or the Office are appropriately accounted for.