

SPONSORSHIP POLICY

QUALITY CONTROL			
TRIM REFERENCES	12/14 – 23/18413		
RESPONSIBLE POSITION	Director Corporate and Community		
APPROVED BY	Council		
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1. INTRODUCTION

Council welcomes sponsorship of its activities and occasionally seeks sponsorship for particular community projects or events. Council may also enter into sponsorship arrangements with organisations or individuals to support events which contribute to the economic growth of the City.

The policy is designed to provide an equitable and transparent means for organisations to sponsor Council activities and for events to access Council funds for the purpose of growing visitor numbers to the City.

This policy ensures that there is less risk of corruption, conflict of interest or damage to the reputation and standing of Council. It provides guidelines for the management of sponsorship and ensures that at all times probity and integrity will be a part of the decision-making process.

This policy does not include donations granted under Council's Financial Assistance Policy or Community Assistance Grant Policy.

2. Background

Sponsorship is a cash and/or in-kind fee paid to an organising, business or individual (typically in sports, arts, events, entertainment or causes), which can benefit the recipient activity and, in return, provide visibility and awareness for the sponsor.

Sponsorship is a commercial arrangement in which a sponsor provides a contribution in money or in kind to support an activity in return for certain specified benefits.

Sponsorship does not include:

- The selling of advertising space
- Joint ventures

- Consultancies
- Grants (in regard to received sponsorship)
- Unconditional gifts, donations, bequests or endowments

Sponsorship is not philanthropic. A sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement.

Sponsorship will be sought and granted by using an open process.

A large number of events and programs use sponsorship to defray rising costs, reach higher goals and target markets as an addition to other marketing programs. Sponsorship can enhance the image of sponsors and create positive publicity with heightened visibility, while assisting the sponsored organisation, business, or individual in reaching its goals.

This Policy deals with sponsorship procurement and grants in terms of:

- Council attracting sponsorship to support the development of programs, projects, services, activities, facilities and events that provide benefit to the community of Broken Hill.
- Council providing sponsoring to locally held events that benefit the community through increasing visitor numbers to the City, with Council recognition being applicable to all sponsorship provided.

There are other requests made to Council that would be considered as donations and therefore dealt with in accordance with Councils Community Assistance Policy. Council may also receive donations, and these would facilitate a direct contribution to the community for a program, project, service, activity, facility or event and these donations are not subject to the criteria as outlined for sponsorship but are assessed against the recommendations of the ICAC Sponsorship in the Public Sector Guidelines, 2006.

3. POLICY OBJECTIVE

The policy is designed to maximise opportunities for collaboration between Council, business and community with an aim to increasing economic vibrancy through delivery of new and existing programs, services, facilities and events.

4. POLICY STATEMENT

4.1. General Principles

Council commits itself to the following principles:

4.1.1. Accountability, transparency and equity – The policy provides a framework for the transparent and merit-based provision of support and a system of accountability for the recipient.

4.1.2. Alignment with Council strategies – The policy aligns with Council priorities outlined in the Broken Hill Community Strategic Plan and Council's Delivery Program.

4.1.3. Value for money – The policy ensures Council considers the value for money received in return for Councils investment.

4.2 SCOPE OF PROGRAM

4.2.1 The total amount available under the Sponsorship Program will be determined annually by the elected Council in connection with the Operational Plan and Delivery Program.

4.2.2. Sponsorship may comprise cash/and or value in kind.

4.2.3. Council may decide to offer to an applicant a Sponsorship in an amount less, or in a combination different to, what is applied for.

4.2.4 A monetary figure will be allocated to all value in kind awarded under the Sponsorship Program, in accordance with its true cost to Council. This amount will be included in the total amount of Sponsorship allocated to any successful applicant.

4.3 Program Structure

4.3.1. Council will advertise for Expressions of Interest for Sponsorship in October each year on Council's website and in the local media for events to be conducted in the subsequent financial year.

4.4.3. Council may decide to host a public information session in connection with a competitive round to provide information to prospective applicants about the program.

4.4 Application Form

Sponsorship must meet application guidelines which will be available on Council's website. All details as required by that process must be provided in order to progress the sponsorship request to Council for consideration.

5 Suitable activities for granting sponsorship

5.1 Event Sponsorship

Council sponsorship under this Policy is for events that are able to demonstrate a measurable contribution to the economic outcomes for Broken Hill through growth in the Visitor Economy. Event sponsorship must:

- Demonstrate at least matching dollar for dollar funding
- Attract measurable visitation from outside of Broken Hill to assist Council in achieving the objectives set out in *Broken Hill Community Strategic Plan 2033 - Your Hill. Your Home. Your Vision*. (Copies of this document are available on Council's website)
- Raise the profile of Council through prominent acknowledgement of their support and assistance as outlined in the sponsorship agreement for Council funds
- Be managed by a registered organisation that is not a part of Council.

5.2.2 Sponsorship will not be considered for:

- Applications that do not provide the appropriate documentation to support the request
- Events that have not acquitted the requirements of previous sponsorship arrangements with Council
- Projects that duplicate existing Council services or programs
- Individuals
- Organisations or groups that are not incorporated
- Private functions
- Debutante Balls
- Political parties, lobby groups or religious groups
- Recipients of any other financial or other type of assistance from Council in that financial year
- Organisations raising funds on behalf of another group, which is itself a recipient of financial assistance from Council
- Organisations based outside the City boundaries of Broken Hill (unless the demonstrated benefits are primarily to the Broken Hill community)

Criteria will determine each sponsorship arrangement and proposals will be assessed against the criteria which includes:

- A statement of the objectives and detail of the sponsorship activity

- Capacity to deliver immediately measurable economic benefits through the visitor economy to the City of Broken Hill
- The organisation's capacity for administering the project including timeframes, budgets and other partnerships
- A targeted marketing and communications program
- Documentation that Council's support will be appropriately acknowledged and publicised
- The names of other sponsors, proposed or confirmed, involved with the event or activity

5.2.3 Recommendations and approvals

The Relevant Council Officer will receive applications and undertake a preliminary assessment against the Eligibility and Assessment Criteria and prepare a report for the Sponsorship Panel. The assessment will include an impact assessment to demonstrate the benefits, including the economic benefits to Broken Hill which will form the basis to calculate the percentage of event funding recommended for each event.

The preliminary assessment will include:

1. The total estimated visitor spend attributed to staging the event
2. The estimated impact on Gross Regional Product

The assessment will be provided to applicants on request.

Following the preliminary assessment, the Relevant Council Officer will present all applications to the Sponsorship Grant Panel with a recommendation on eligibility and the estimated economic benefit to the community.

The Panel will consist of:

- The Mayor (or nominee)
 - The Policy and General Committee Chair (or alternate)
 - The General Manager (or nominee)
- The Broken Hill Australia Day Citizen of the Year

The Panel's assessment must be recorded on an evaluation form and retained in Council's records management system. The evaluation form will be signed by all members of the Panel.

Each member of the Panel must comply with Council's Code of Conduct, in particular, the provisions covering Conflict of Interest.

The Panel will make recommendation to the General Manager for approval or grants based upon its evaluation of the application against the criteria.

The event/project/service/activity must be suitable for Council's involvement and consistent with Council's community values defined in the Community Strategic Plan.

Once approved, recipients of sponsorship will be required to:

- Submit a tax invoice to Council and enter a formal agreement that details the commitment of both parties
- Submit a completed sponsorship acquittal which includes a project report and a financial acquittal within three months of the project's completion.

Council will complete an evaluation of all sponsorships funded against performance measures as described in the written agreement.

Sponsorship funding must only be used for the purpose stated in the letter of approval. The purpose, amount or time for expenditure of a sponsorship may not be changed without prior written approval of Council.

5.2.4 Acknowledgement

All sponsorship recipients must agree to acknowledge Council's contribution in all publicity relating to the events or activity. This includes logos and statements in all advertising and promotional material, media releases and in other promotional contexts. Full details of this condition, including appropriate logos are to be provided with each sponsorship.

5.2.5 Timing

Council will sponsor an event for a maximum of three years. Consideration can be given after three years if the applicant can demonstrate significant ongoing benefit to the community. Sponsorship is not recurrent and requests for sponsorship need to be made each year. All requests for assistance under this policy will be considered by Council. From time of approval, all projects must be completed within 12 months.

5.2.6 Memorandum of Understanding

Council may enter into a Memorandum of Understanding (MOU) for individual events that make a significant economic contribution to Broken Hill. The MOU will be entered into for a maximum of three years with funds being used for the purpose set out in the MOU.

6. POLICY STATEMENT – PART B - Sponsorship of Council activities, services, events, projects and facilities

Sponsorship of Council activities, services, events, projects and facilities will be sought by calling for expressions of interest and/or targeting a range potential sponsors. A contract may include exclusive and/or shared rights to sponsorship.

6.1 Sponsorship conditions

- A sponsorship arrangement shall not impose or imply conditions that would limit, or appear to limit, Council's ability to carry out its functions fully and impartially. The sponsorship agreement will state that the Council's functions will continue to be carried out fully and impartially, notwithstanding the existence of a sponsorship arrangement. The agreement will include a statement to the effect that any attempted influence of Council's regulatory functions will result in an automatic review and/or termination of the sponsorship arrangement.
- There is to be no real or apparent conflict between the objectives and mission of Council and those of the sponsor.
- Sponsorship will not involve explicit endorsement of the sponsor's products and care will be taken to avoid strong implicit endorsement of a sponsor's products. Sponsorship agreements should set out the range of uses to which the sponsor can put the relationship (for example, in advertising copy) and may require that Council be given an opportunity to review specific uses prior to release.
- Where sponsorship takes the form of a provision of a sponsor's product, the product will be evaluated for its fitness and purpose against objective operational criteria which are relevant to needs.
- It is inappropriate for any Councillor or employee of Council to receive a personal benefit from a sponsorship. Depending on conditions of engagement, contractors and consultants could be regarded as employees of Council and will be considered when assessing the status of personal benefits in a sponsorship. All cash sponsorships

shall be subject to the provisions for security for contributions as provided for under the Local Government Act 1993 and other similar legislative provisions. If equipment is donated, the costs associated with maintenance, running and insurance must form part of the consideration of Council in accepting the sponsorship arrangement. Any donations of equipment, materials and labour will be treated in accordance with Council's asset management policies.

The Sponsor will enter into a written sponsorship contract with Council. The contract will clearly set out:

- The benefits, including the economic benefits to Broken Hill
- The form or forms of sponsorship acknowledgement which will be available
- The scope of uses which the sponsor can make of the sponsorship arrangement
- The term of the sponsorship and any conditions regarding renewal
- Consequences of changes which may occur over time (e.g., a shift in the relationship, new policies, new corporate missions or objectives)
- Financial accountability requirements
- Provisions for termination or suspension of the agreement
- Any special conditions which apply

Council will ensure that sufficient resources are available to enable the promised sponsor benefits to be delivered. Council will provide sufficient information for the sponsor to evaluate the outcomes of their sponsorship and provide a report to the sponsor within three months of the project's completion.

All sponsorships will be described in Council's Annual Report.

6.2 Acknowledgement

Council will recognise sponsors in a number of ways. The extent of such recognition will be determined in relation to the level and nature of the sponsorship and subject to a written agreement specifying benefits and costs. Such forms of recognition may include, but not be limited to:

- Appropriate signage
- Inclusion of sponsor's name and logo in Council's Reports to the Community and other external publications
- Opportunity for sponsor's name and/or logo to be promoted through appropriate general advertising and communications by Council

7. IMPLEMENTATION

7.1 Roles and Responsibilities

The following Council officers are responsible for the implementation and the adherence to this policy:

- General Manager
- Executive Manager - Director Corporate and Community

7.2 Communication

This Policy will be communicated to the community and staff in accordance with Council's Policy, Procedure and Process Framework and Council's Business Paper process. Following adoption by Council the Policy will be made available on Council's website.

7.3 Risk Management

Council will review relevant risk assessments for sponsored events to ensure identified risks are managed to an acceptable level and to ensure that all events are in alignment with Council's values.

7.4 Associated Documents

The following documentation is to be read in conjunction with this policy:

- ICAC - Sponsorship in the public sector – May 2006
- Broken Hill Community Strategic Plan 2033 - Your Hill. Your Home. Your Vision.
- Broken Hill Strategic Tourism Plan 2010-2020
- NSW Department Premier and Cabinet - Good Practice Guide to Grants Administration
 - Statement of Ethical Principles
 - Code of Conduct
 - Gifts, Benefits and Bribes Policy
 - Conflict of Interest Policy
 - Corruption Risk Management Plan
 - Community Assistance Policy
 - Sponsorship Application Form and Conditions

8 REVIEW

Review of this policy will incorporate relevant legislation, documentation released from relevant state agencies and best practice guidelines.

The standard review period will be every two years from the effective date. The responsible Council officer will be notified of the review requirements three (3) months prior to the expiry of this policy.

The Director Corporate and Community is responsible for the review of this policy.

9 LEGISLATIVE AND LEGAL FRAMEWORK

This policy is to be read in conjunction with the following:

Section 356 of the Local Government Act describes how a Council should administer funds. The Act states that *a council may, in accordance with a resolution of the council, contribute money or otherwise grant financial assistance to persons for the purpose of exercising its functions.* Pursuant to Section 356 any financial assistance outside the policy must be advertised unless exempted under the Local Government Act.

Council employees shall refrain from personal activities that would conflict with proper execution and management of Council's Sponsorship Policy. Council's Code of Conduct provides guidance for recognising and disclosing any conflicts of interest.