

FILE NO: PSC2013-00406

TITLE: SPONSORSHIP POLICY

OWNER: STRATEGY AND ENVIRONMENT SECTION MANAGER

1. PURPOSE:

- 1.1 This policy provides clarity around the means in which Council distributes and receives sponsorship.
- 1.2 This policy will create transparency and accountability in the execution of Council sponsorship and will provide the framework to guide decisions regarding sponsorship.
- 1.3 This policy provides opportunity for Council to utilise alternatives to traditional funding sources to deliver benefits for the Port Stephens community and benefits to reputable organisations as the sponsor.

2. CONTEXT/BACKGROUND:

- 2.1 Sponsorship is a commercial arrangement by which a sponsor provides a financial or in-kind return for the right to be associated with a project or activity. Sponsorship can be provided by:
 - a) the corporate sector or private individuals in support of a public sector activity; or
 - b) the public sector in support of related and worthwhile private or public sector activities.
- 2.2 Sponsorship is not philanthropic. A sponsor expects to receive a reciprocal benefit beyond a modest acknowledgement.
- 2.3 Sponsorship enables Council to deliver and support a more diverse range of projects and activities which align to the community's vision of a great lifestyle in a treasured environment.
- 2.4 Sponsorship is an effective way for the private sector to support the Port Stephens community and enhance Council's service provision.
- 2.5 Sponsorship includes both the receipt and distribution of funds or in kind services and can be applied to events, infrastructure, activities and assets.
- 2.6 It is important that sponsorships meet community expectation while also supporting and promoting Council's key objectives. This policy ensures

consistency in approach and effective outcomes for Council and the community.

- 2.7 Sponsorship should be advantageous to both Council and the Sponsor, however Council must ensure sponsorship agreements do not compromise or bring into question the integrity of Council operations.

3. SCOPE:

- 3.1 This policy provides a framework through which Council enters into sponsorship arrangements. Particularly, it applies when Council:

- a) provides sponsorship to third parties (Council as sponsor); or
- b) seeks or receives sponsorship from third parties for Council initiatives.

- 3.2 This policy does not apply to other forms of financial assistance, including grants, donations, and loans, in all their various forms. Such arrangements are governed by the Local Government Act 1993, Section 356 and Council's grants and donations policy.

- 3.3 Sponsorship does not include:

- a) the selling of advertising space
- b) joint ventures
- c) consultants
- d) grants
- e) unconditional gifts, donations, bequests and endowments.

4. DEFINITIONS:

- 4.1 An outline of the key definitions of terms included in the policy.

Sponsorship	Sponsorship is a commercial arrangement in which a sponsors provides a certain financial, or in-kind contributions in return for the right to be associated with a project or activity
Sponsor	A person or organisation that provides a financial or in-kind contribution for the right to be associated with a project or activity.
Financial assistance (grants and donations)	Other financial mechanisms provided by Council to organisations or individuals to support activities in line with Council's Community Strategic Plan. Such mechanism is provided in accordance with

Agreement	Council's Grants and Donations Policy and Section 356 of the Local Government Act 1993. A signed agreement between Council and the Sponsor that details the commitments, benefit and costs associated with the sponsorship.
Contribution	Includes both monetary and in-kind contributions made in accordance with a sponsorship agreement.

5. STATEMENT:

- 5.1 Council is committed to entering into sponsorship agreements that offer agreed benefits to all parties. Council will only enter into a sponsorship agreement if it is satisfied that the agreement is in the best interests of the public. In determining if a sponsorship is in the public's interest, Council will consider:
- a) the benefit to the public
 - b) any perceived conflict of interest
 - c) any impact to Council's ability to perform its regulatory role fully and impartially.
- 5.2 Sponsorship applicants' values and/or objectives must align with that of Council's.
- 5.3 The product of sponsors will not be explicitly endorsed by Council.
- 5.4 Sponsorship applications will be assessed against a predetermined criteria as outlined in the relevant guidelines.
- 5.5 The funding thresholds and corresponding benefit Sponsors will receive, are set out in the relevant Guidelines.
- 5.6 Benefits to be received by sponsors will not include, financial incentives or expedited services.
- 5.7 Council will not enter into a sponsorship agreement through a sponsorship broker or commercial agent until Council is satisfied that the sponsor is eligible in accordance with the criteria set out in the relevant Guidelines. Any commission arrangements are to be between the sponsor and the broker.
- 5.8 Council will consider actual or potential conflicts of interest with sponsors and manage accordingly. Where Council accepts a conflict, Council will record its decision making process and its strategy for managing the conflict.

- 5.9 No employee of Council will personally benefit from a sponsorship and all sponsorship contributions will be payable to Council.
- 5.10 A written, legally binding sponsorship agreement will be prepared for each sponsorship arrangement.
- 5.11 Information pertaining to a sponsorship agreement may be:
- maintained and filed for auditing
 - reported in Council's annual report
 - made available to the public on Council's website
- 5.12 Financial contributions made under a sponsorship agreement are payable in full prior to works commencing unless otherwise agreed by Council.
- 5.13 Council may accept financial contributions as a co-contribution to grant funded projects. Funds will be held by Council by way of bond.

6. RESPONSIBILITIES:

- 6.1 The Strategy and Environment Section Manager has overall responsibility for implementation of this policy.
- 6.2 All sponsorship agreements where the value of funding or in kind support to Council is more than \$50,000 or any sponsorship proposals involving naming rights must be authorised by the elected Council.
- 6.3 All other sponsorship agreements where Council is receiving sponsorship must be authorised by the General Manager.
- 6.4 All sponsorship agreements where Council is providing sponsorship must be authorised by the General Manager or Senior Officer commensurate with the significance of the agreement and in accordance with relevant delegations.

7. RELATED DOCUMENTS:

- 7.1 Port Stephens Council Code of Conduct.
- 7.2 Community and Recreation Infrastructure Sponsorship Guidelines.
- 7.3 Corporate Events Sponsorship Guidelines.
- 7.4 Grants & Donations Policy.
- 7.5 Local Government Act 1993.
- 7.6 Sponsorship in the public sector – A guide to developing policies and procedures for both receiving and granting sponsorship; Independent Commission Against Corruption (ICAC), May 2006.
- 7.7 State Environmental Planning Policy (Infrastructure) 2007.

CONTROLLED DOCUMENT INFORMATION:

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1	10 August 2021	Strategy & Environment Section Manager.	New Policy.	212