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| <b>Policy number</b>                | Policy 116   |
| <b>Policy title</b>                 | Sponsorship  |
| <b>Strategic outcomes supported</b> | <p>CL6 - Finances are managed appropriately, sustainably and transparently for the benefit of the community.</p> <p>CL8 - Visionary civic leadership with sound and accountable governance that reflects objective decision-making.</p> <p>EC1 - A desirable place for commerce and tourism that supports equity, diverse local employment and entrepreneurship.</p> <p>S4 - A place where all people have an awareness and appreciate of arts, culture, education and heritage.</p> |

### Policy objective:

The purpose of this policy is to provide for the good governance of sponsorship arrangements between the Town and other organisations.

### Policy scope:

This policy applies to any sponsorship arrangement including:

- where the Town sponsors another organisation’s activity; and
- where another organisation sponsors a Town activity.

### Policy definitions:

**activity** includes an award, event, program, initiative facility or team.

**event** has the meaning given to it in section 5.90A of the *Local Government Act 1995* and regulations.

Note: Section 5.90A of the *Local Government Act 1995* states the following:

**event** includes the following —

- (a) a concert;
- (b) a conference;
- (c) a function;
- (d) a sporting event;
- (e) an occasion of a kind prescribed for the purposes of this definition.

**in-kind support** means resources, goods or services provided to eligible parties by the Town other than money, these may include:

- a fee waiver for the use of the Town’s facilities and services, inclusive of parks, reserves or equipment
- support inclusive of, but not limited to, resources for logistical coordination, production of marketing material or cross promotional opportunities.

In-kind support will be attributed a monetary value and considered within the totality of funds provided by the Town to the eligible party.

**personal benefit** means a personal financial benefit such as directly receiving money, a gift or tickets to an event. However personal benefit does not include tickets to an event where they are to be given to the community, or tickets to an award ceremony where the Town has potential to win an award.

**sponsorship** means a commercial arrangement in which a sponsor provides a contribution in money and or in-kind support, to support an activity in return for certain specified benefits. Sponsorship is not philanthropic. A sponsor expects to receive a reciprocal return on investment, beyond modest acknowledgement.

## Policy statement:

### Aims:

1. Sponsorship may be by the Town sponsoring a person or body or by that person or body sponsoring a community initiative or event delivered by the Town.
2. The aims of Sponsorship are to:
  - a. maximise opportunities for collaboration between the Town and likeminded organisations
  - b. assist in meeting the Town's strategic objectives as set out in the Strategic Community Plan.
  - c. increase economic vibrancy by raising the profile of the Town
  - d. complement the Town's events programming objectives.
  - e.
3. Sponsorship must not:
  - a. compromise the Town's values, public image, ability to fulfil its functions or influence decisions or actions of the Town;
  - b. be in conflict with the Town's strategic objectives and policies (for example promotion of drugs, alcohol, tobacco or fast-food products or other material likely to offend reasonable sensitivities).
  - c. provide personal benefit to:
    - i. town employees or elected members as part of the sponsorship agreement or application
    - ii. the employees or directors of the person or body receiving or providing sponsorship.
  - d. be for more than a third of the total cost of the activity to ensure the Town is not the main or only funding source for the activity.
  - e.

### Eligibility

4. Sponsorship may only be given or received from an organisation which means:
  - a. an established and solvent commercial business or operator
  - b. an established and solvent incorporated community group.

### Ineligibility

5. An organisation will not be eligible to receive or give sponsorship if they meet any of the following:

- a. the organisation is insolvent
- b. the organisation has an outstanding debt to the Town
- c. the organisation has failed to submit a satisfactory acquittal for a previous Town funding program
- d. the organisation is in legal or financial conflict with the Town
- e. the organisation connects the Town with a political party or lobby group.

### Managing conflicts of interest associated with sponsorship

6. In the administration and awarding of sponsorship any real, potential or perceived conflicts of interest are to be managed in keeping with the *Local Government Act 1995*, the codes of conduct and the Town's values.
7. In order to achieve this, in keeping with the requirements of the *Local Government Act 1995*, Town of Victoria Park Code of Conduct for employees and Town of Victoria Park Code of Conduct for Council Members, Committee Members and Candidates, employees and elected members with any involvement in sponsorship arrangements shall declare:
  - a. any financial, indirect financial or proximity interests that they have with any sponsorship arrangement
  - b. any impartiality interests they have with any sponsorship arrangement.
8. As is required under the Act, where any employee or elected member discloses a financial, indirect financial, proximity or gift related interest they must not be involved in that particular sponsorship arrangement. If:
  - a. this is as a member of a panel, they must not participate in the panel and the CEO should appoint another person as a member of the panel
  - b. the application is referred to a committee or Council, in accordance with the requirements of the Act.
9. Where an impartiality interest by an employee is disclosed, the interest should be referred to the CEO to establish if it continues to be appropriate for that employee to be involved in the assessment process.
10. Where a sponsorship arrangement may result in some form of free ticket to an event and this is an expected part of the reciprocal arrangements between the parties, under Policy 024 Event attendance:
  - a. the tickets wherever possible should be given to the community, unless it is clearly intended the tickets would be accepted only by elected members and employees, such as for an award ceremony;
  - b. tickets accepted by elected members and the CEO should only be those necessary for the fulfilment of the civic responsibility, such as the Town's representative presenting an award;
  - c. If the tickets are accepted by elected members and the CEO, consideration should be given to preapproval of the event under clause 7 of Policy 024 Event attendance.

### Sponsorship panel

11. The CEO shall establish a panel of at least three members, none of whom shall be elected members, who shall be responsible for:
  - a. recommending sponsorship arrangements to Council;
  - b. assessing sponsorship applications;
  - c. assessing the risks associated with sponsorship arrangements; and
  - d. preparing sponsorship evaluation reports.
  
12. The sponsorship panel is to assess a proposed sponsorship arrangement against the following criteria:

| Criteria  | Weighting      |
|---|----------------|
| <del>Does the application maximise opportunities for collaboration between the Town and the organisation?</del>                           | <del>20%</del> |
| <del>Does the sponsorship arrangement assist in meeting the Town's strategic objectives as set out in the Strategic Community Plan?</del> | <del>20%</del> |
| <del>Does the sponsorship arrangement increase economic vibrancy by raising the profile of the Town?</del>                                | <del>20%</del> |
| <del>Does the sponsorship arrangement complement the Town's marketing and communications objectives?</del>                                | <del>20%</del> |
| <del>Does the Town and Community receive reciprocal benefit from the sponsorship arrangement beyond modest acknowledgment?</del>          | <del>20%</del> |

### Funding process

13. A sponsorship arrangement can only be entered into with the approval of the Council.
14. Sponsorship can be in the form of cash, in-kind support, or a combination of the both.
15. A sponsorship arrangement can come about from either:
  - a. active sponsorship, where the Town approaches an organisation to sponsor the organisation's activity, event or facility;
  - b. unsolicited offers, where an organisation approaches the Town seeking sponsorship or seeking to sponsor a Town event or activity.
  - c. funding rounds, where the Town seeks to receive applications for sponsorship.
16. All sponsorship arrangements must be underpinned by a written agreement setting out the sponsorship arrangements and protecting the Town's interests including the requirement that:
  - a. successful applicants will be required to provide the Town with a satisfactory acquittal demonstrating a cost benefit analysis
  - b. should the acquittal be deemed unsatisfactory, the Town reserves the right to request the full reimbursement of funds, or deem the organisation ineligible for future sponsorship

- c. the Town has the right to terminate the sponsorship arrangement:
  - i. if the organisation acts contrary to the sponsorship agreement; or
  - ii. if the organisation acts in a way that is contrary to the Town's values.

### Active sponsorship

17. The CEO is authorised where they consider it appropriate to approach an organisation with an offer to sponsor their activities.
18. If an organisation accepts the offer, the CEO is to prepare an application for consideration by the sponsorship panel.

### Unsolicited offers for sponsorship

19. Where the Town receives an unsolicited offer for sponsorship, the offer should be referred to the panel for initial assessment.
20. If the panel considers the unsolicited offer to be worthy of further consideration, the organisation will be invited to make a formal application.
21. A sponsorship application must be in writing and set out:
  - a. the proposed sponsorship arrangements;
  - b. the value of the proposed sponsorship; and
  - c. how the sponsorship meets the assessment criteria.
22. For the panel to make a recommendation to accept an unsolicited offer it must:
  - a. not have been able to be lodged during a funding round, and thereby subject to a competitive evaluation;
  - b. bring extraordinary benefits and opportunities to the Town that could not have otherwise been; and
  - c. be received at least three months before the proposed activity, to allow appropriate due diligence, assessment and council approval to occur.

### Funding rounds

23. Applications for the Town to sponsor an organisation will be opened by the Town as a funding round where the whole or part of budget for sponsorship is unallocated to any particular organisation.
24. A sponsorship application must be in writing and set out the proposed sponsorship arrangements, how the proposed sponsorship meets the criteria, and provides return on investment value.

### Sponsorship acquittal and evaluation

25. Following the sponsored event or activity and receipt of acquittal, the panel should meet to evaluate if the sponsorships achieved their objectives and the agreement was met.
26. An evaluation report should be prepared which must be considered as part of any future application for sponsorship by the same organisation.

27. All sponsorship arrangements shall be reported on in the annual report and records kept in the record management system.

## Related documents

Practice 116.1 Sponsorship

[Code of Conduct for employees](#)

[Code of Conduct for Council Members, Committee Members and Candidates](#)

|                             |   |
|-----------------------------|---|
| <b>Responsible officers</b> | Coordinator Communications and Engagement |
| <b>Policy manager</b>       | Manager Stakeholder Relations             |
| <b>Approval authority</b>   | Council                                   |
| <b>Next evaluation date</b> |   |

## Revision history

| Version | Action               | Date       | Authority | Resolution number | Report number |
|---------|----------------------|------------|-----------|-------------------|---------------|
| 1       | Approved             | 15/12/2020 | Council   | 594/2020          | Item 15.1     |
| 2       | Reviewed and amended | 12/04/2022 | Council   | 73/2022           | Item 15.5     |