

Sponsorship Policy

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City of
Newcastle

Table of Contents

| | | |
|------------------------------|---|-----------|
| Part A | Preliminary | 1 |
| 1 | Purpose | 1 |
| 2 | Scope | 1 |
| 3 | Principles | 1 |
| Part B | Roles and Responsibilities | 3 |
| 4 | Director | 3 |
| 5 | Service Unit Manager | 3 |
| 6 | Assessment Panel | 3 |
| 7 | Sponsorship Recipients | 3 |
| Part C | Eligibility and Public Information | 4 |
| 8 | Eligibility criteria | 4 |
| 9 | Assessment of Sponsorship applications | 5 |
| 10 | Public Information | 5 |
| Part D | Sponsorship Agreements | 6 |
| 11 | Sponsorship Agreements | 6 |
| Annexure A | Definitions..... | 7 |
| Annexure B | Policy Authorisations..... | 9 |
| Document Control..... | | 10 |

Part A Preliminary

1 Purpose

- 1.1 This Policy provides a framework for the management of City of Newcastle's (CN) **Sponsorship Programs (SP)** in a manner that is in accordance with section 356 and section 377 of the *Local Government Act 1993* (NSW).
- 1.2 This Policy supports the delivery of tangible value of benefits aligned with the **Community Strategic Plan (CSP)**. This includes, but is not limited to, demonstrated visitation, economic stimulus and activity, promotion, marketing and speaking opportunities.
- 1.3 The Policy is to be read in conjunction with the supporting Guidelines for each of CN's SPs.
- 1.4 This Policy and associated Guidelines determine the types of organisations, industries and/or individuals that CN considers appropriate to partner with, through Sponsorship agreements.
- 1.5 This Policy and associated Guidelines ensure that decision-making regarding the provision of SPs comply with relevant legislation and enable an equitable, open, and transparent process.

2 Scope

- 2.1 This Policy applies to all outgoing SPs and applies to all aspects of CN SPs including application processes, decision making, Sponsorship Agreements and Activity Acquittal.
- 2.2 The Policy applies to eligible organisations and individuals seeking sponsorship from CN in alignment with the strategic objectives as stated in CSP.
- 2.3 The principles of this Policy also apply to CN's Major Event Development Program. This is a closed program aimed at identifying and attracting events of economic and strategic benefit to the city.
- 2.4 This Policy covers all elected members of Council, all employees of CN, any person or organisation contracted to or acting on behalf of CN, any person or organisation employed to work on CN premises or facilities and all activities of CN.
- 2.5 This Policy does not apply to:
 - 2.5.1 CN Community Grants Program;
 - 2.5.2 Sponsorships received by CN;
 - 2.5.3 Donations provided by CN;
 - 2.5.4 CN Special Business Rate Funding.

3 Principles

- 3.1 CN commits itself to the following:
 - 3.1.1 **Alignment with the CSP** - This Policy and associated Guidelines supports delivery of the CSP and the Four-Year Delivery Program.
 - 3.1.2 **Value with public money and outcomes orientation** - This Policy supports applications whose outcomes meet community needs and offer a mix of Sponsorship sources to help maximise the impact of Sponsorship from CN. Value for money and acceptable financial risk for CN, using public funds, is considered as part of CN's Assessment Criteria.
 - 3.1.3 **Accountability and transparency** - This Policy provides a robust governance framework for the transparent and merit-based provision of

support with clearly defined roles and responsibilities for both CN and Sponsorship recipients.

- 3.1.4 **Inclusiveness** - CN invites and values applications from organisations representing people of diverse abilities, genders, ethnicity, cultures, and ages.
- 3.1.5 **Collaboration** - CN values the relationships Sponsorship recipients develop with CN, other Sponsorship recipients and the community. Collaboration enhances positive community outcomes through the delivery of initiatives funded by CN.
- 3.1.6 **Values** - CN is committed to the United Nations Sustainable Development Goals (SDG); embedding local action as part of global recognition of community needs, social justice, reduced inequalities, and ecological sustainability.

Part B Roles and Responsibilities

4 Director

- 4.1 The Director, at their discretion, will determine the amount of SP monies to be made available for expenditure each year in accordance with this Policy and CN's annual adopted budget.
- 4.2 The Director will review and publish annually the supporting Guidelines for each SP. Guidelines, Application and Acquittal processes will be commensurate with the scale, complexity, and risk levels of the Activity.
- 4.3 This Policy authorises the Director to approve sponsorships on behalf of the elected Council (under section 377 of the *Local Government Act 1993 (NSW)*).
- 4.4 The Director may determine to allocate a portion of the total funding available each financial year (along with any unexpended or returned funds) for ad hoc applications outside the competitive round(s) detailed in the SP Guidelines. If such funding is allocated it will be advised on CN's website annually.

5 Service Unit Manager

- 5.1 The Service Unit Manager is responsible for determining and approving weightings for the Assessment Criteria of SPs.
- 5.2 The Service Unit Manager is responsible for approving the following:
 - 5.2.1 Funding Period Variations: changes to the Funding Period due to a delayed start date, a delay during the sponsorship period, a change to the end date, and/or changes to the project team.
 - 5.2.2 Activity Variations: changes to the Activity scope including budget allocations, redirection of funds and outputs.
 - 5.2.3 Funding Value Variations: an increase in funding of up to 20% may be approved in exceptional circumstances by the Service Unit Manager or Director.
 - 5.2.4 Acquittals in line with the Funding Agreement.

6 Assessment Panel

- 6.1 Assess applications and determine funding allocation.
- 6.2 Funding Value Variations: an increase in funding of up to 20% may be approved in exceptional circumstances by the Assessment Panel.

7 Sponsorship Recipients

- 7.1 Sponsorship Recipients are required to comply with this Policy and the relevant SP Guidelines, as well any conditions of a Sponsorship Agreement.
- 7.2 Successful recipients will be required to submit an Acquittal for all Sponsorship received.
- 7.3 CN goods or services should be costed by the Sponsorship Recipient at the appropriate Not-For-Profit Organisation or commercial rate as per the published fees and charges and included in the application's Activity budget.
- 7.4 The Sponsorship Recipient is required to publicly acknowledge CN for all Activities funded by CN as per conditions of their Sponsorship Agreement.
- 7.5 The Sponsorship Recipient is required to meet all licencing requirements within allocated timeframes. This includes licencing approval for events on community land.

Part C Eligibility and Public Information

8 Eligibility criteria

- 8.1 Eligibility of certain entities may differ across programs. Please note that there is no guarantee of funding even if all eligibility criteria are met. CN may accept Sponsorship applications from the following entities:
 - 8.1.1 Company Limited by Guarantee, Cooperative, Incorporated Association, Indigenous Corporation, Not-for-profit organisation, Partnership, Social Enterprise, Proprietary Limited Company and Individuals.
- 8.2 Applicants seeking Sponsorship must comply with the essential Eligibility Criteria listed below in addition to the program specific criteria as detailed in the SP Guidelines:
 - 8.2.1 Applicants must demonstrate that the Activity will directly benefit CN and/or residents/businesses of Newcastle;
 - 8.2.2 Applications must be received on or before the advertised due date and completed with the required level of detail and supporting documentation as specified in the Guidelines;
 - 8.2.3 An Applicant's Activity must begin after the Sponsorship commencement date. Support for retrospective Sponsorship will not be considered;
 - 8.2.4 The Activity must be consistent with the CSP and SDGs.
- 8.3 Activities that are not eligible for Sponsorship:
 - 8.3.1 Activities that duplicate existing services or have a current Sponsorship Agreement for the same Activity. This applies to all support from CN including Grants, Sponsorships and Special Business Rate Funding;
 - 8.3.2 Religious ceremonies and/or activities in which the promotion of a single faith is the main purpose; or religious activities that could be perceived as divisive in the community;
 - 8.3.3 General fundraising appeals and charitable donations, including support for individual representative sporting endeavours;
 - 8.3.4 Academic research, coursework or fees, or projects seeking financial support for research, studio work or activities that will be submitted for academic assessment;
 - 8.3.5 Ongoing operational costs, including rent or lease costs, general administrative costs or staffing or salary costs;
 - 8.3.6 Activities that vilify or discriminate a person or persons in respect of race, religion or sexual orientation or use live animals as part of a performance.
- 8.4 CN will consider applications from reputable organisations whose public image, products and services are consistent with the values, goals, and policies of CN.
- 8.5 The following companies, partnerships, sole traders, organisations or individuals are not considered by CN as suitable for Sponsorship Agreements:
 - 8.5.1 Involved in any Socially Harmful Activity and/or manufacture, distribution and wholesaling of an Addictive Drug;
 - 8.5.2 Found guilty of illegal or improper conduct by the Independent Commission Against Corruption (ICAC) or any similar authority;
 - 8.5.3 Subject of a criminal conviction imposed by a Court of New South Wales or other jurisdiction in Australia, including for any offence under the Crimes Act 1900, Crimes Act 1914 and the Criminal Code Act 1995;
 - 8.5.4 Involved in political fields or affiliations, e.g. political parties;

- 8.5.5 Other local, state or federal government departments and agencies;
 - 8.5.6 Involved in a competitive tender or purchasing process for the same Activity, at, or around the time of negotiating a Grant or other Sponsorship agreement;
 - 8.5.7 Record of unsatisfactory acquittal of prior grant or sponsorship with CN; and
 - 8.5.8 Record of outstanding debt with CN.
- 8.6 CN employees or Councillors are not eligible to directly apply for Sponsorship. If a CN employee or Councillor is a party to an application submission this must be declared, and the employee or Councillor is unable to take part in the assessment of the SP.

9 Assessment of Sponsorship applications

- 9.1 Activities that satisfy the Eligibility Criteria set out in Section 7 and the associated Sponsorship Guidelines will be evaluated against Assessment Criteria published by CN in Guidelines each year. Assessment Criteria will include consideration of:
- 9.1.1 Alignment of the proposed Activity to the CSP;
 - 9.1.2 Capacity and experience of an applicant to complete the Activity;
 - 9.1.3 Extent to which the budget is comprehensive, realistic and provides value for money.
- 9.2 An assessment panel will be established for each SP. Membership of assessment panels will be appropriate to the objectives and scale of the SP and can consist of CN employees, Councillors and external appointments with expertise in a related field.
- 9.3 CN employees and members of the Assessment Panel involved in the assessment and approval of applications under this Section must comply with CN's Codes of Conduct and declare any potential Pecuniary or Non-Pecuniary conflict of interest.
- 9.4 Assessment panels will, at a minimum, comprise three members and must include the following:
- 9.4.1 One (1) CN Service Unit Manager (or delegate)
 - 9.4.2 One (1) CN Director (or delegate).
- 9.5 Applications for ad hoc funding not connected to a specific SP will be assessed as per the Eligibility and Assessment Criteria in this Policy and the associated Guidelines SP Guidelines and be approved by the Director.

10 Public Information

- 10.1 CN will provide information to potential applicants on the CN website. This will include associated Guidelines.
- 10.2 CN may host public information session(s) to provide information to prospective applicants about the program.
- 10.3 CN will publish each Activity funded via SPs on its website.

Part D Sponsorship Agreements

11 Sponsorship Agreements

- 11.1 All successful applicants will be required to enter into a Sponsorship Agreement before funds are released and the Activity commences. The Sponsorship Agreement will include:
 - 11.1.1 All terms related to the Sponsorship Agreement and the provision of the funds;
 - 11.1.2 All terms related to the payment schedule;
 - 11.1.3 All terms related to the Activity and financial Acquittal.
- 11.2 Single year and multi-year commitments may be approved under this Policy.
- 11.3 Sponsorship Agreements will be available for between one (1) and three (3) consecutive financial years, subject to the requirements of the specific SP, annual deliverables and an acquittal and approval process tied to the annual payments. This is also subject to CN's budget processes.

Annexure A Definitions

Addictive Drug means any substance listed in the Therapeutic Goods Administration Poisons Standard or listed as a prohibited drug at Schedule 1 of the Drug Misuse and Trafficking Act 1985.

Acquittal is a report submitted as per a Funding Agreement at the conclusion of a project detailing how the recipient administered the Grant funds and met the Activity outcomes in the Funding Agreement.

Activity is a one-off or time-limited task/undertaking or series of linked tasks/undertakings with specific goals and conditions, defined responsibilities, a budget, planning, information about the parties involved and a specific start date and end date. An Activity can also be referred to as a **Project**.

Assessment Criteria means the method used to evaluate an application.

Assessment Panel means the panel assessing applications and determining Grant Funding.

Auspice is an incorporated organisation that receives, administers, and acquits Grants on behalf of an applicant.

City of Newcastle (CN) means Newcastle City Council.

CN employees – means persons employed by the City of Newcastle accountable to CN's policies and procedures.

Community Strategic Plan (CSP) is the highest level of strategic planning undertaken by CN. It identifies the main priorities and aspirations of the community and provides a clear set of strategic directions to achieve the community's vision.

Company is defined by the Corporations Act 2001 (Cth) and registered with the Australian Securities and Investment Commission (ASIC). Companies must be registered in Australia to be eligible to apply.

Company Limited by Guarantee is a company with liability limited to the guarantees of its members. This is a common structure used by the not-for-profit sector.

Cooperative is an organisation owned, controlled by, and used for the purpose of benefitting its members.

A non-distributing cooperative is one that uses surplus funds to support its activities and cannot distribute to members (not-for-profit).

A distributing cooperative may distribute any surplus funds to its members.

Council means the elected Council.

Four-Year Delivery Program sets out CN's objectives for a four-year period at the commencement of a newly elected Council. The Delivery Program is CN's response to the CSP and a commitment to the community on what CN will do to meet the CSP.

Grant is the financial support provided to applicants for an Activity. A Grant seeks a nominal return on investment from the benefits provided the community. Benefits may include improvement in the quality of life for the community from Activities meeting identified needs.

Guidelines means the specific CGPs conditions and Criteria for each separate Grant to be read in conjunction with this Policy.

Incorporated Association is an association that has been incorporated in accordance with the requirements of the Associations Incorporation Act 2009.

Indigenous Corporation is established under the Corporations (Aboriginal and Torres Strait Islander) Act 2006.

Not-for-Profit Organisation is an organisation that does not directly operate for the profit or gain of a owner(s), member(s), or shareholder(s), either directly or indirectly. The

organisation must be registered with the Australian Securities & Investment Commission (ASIC) or The Australian Charities and Not for Profit Commission (ACNC).

Partnership is a contractual relationship between parties carrying on business with a view to profit. Partnerships can be 'normal' (unregistered), limited or incorporated and limited (both registered on the Register of Limited Partnerships and Incorporated Limited Partnerships, administered by NSW Fair Trading).

Payment Schedule is the agreed timing of payments from CN to recipients.

Project see Activity.

Proprietary Limited Company (abbreviated as 'Pty Ltd') is a business structure with at least one shareholder and no more than 50 non-employee shareholders, with shareholder liability limited to the value of shares.

Registered Charity registered with the Australian Charities and Not-for-profits Commission.

Social Enterprise is a business with a clear and stated social, environmental, or cultural mission articulated in a adopted constitution. Social Enterprises are usually driven by a public or community cause, derive income from trade (not donations or Sponsorships) and use profits to work towards the social mission defined by a constitution.

Socially Harmful Activity includes any activity involving the abuse of human rights or labour rights, bribery, corruption, production or supply of armaments, manufacture, distribution and wholesaling of alcohol, tobacco or nicotine related products, gambling products or services, pornography, the trade of fur or other illegal wildlife trade, abuse of animal welfare, live animal entertainment and any other activity which CN reasonably considers may pose a socially harmful activity.

Special Business Rate are funds collected from declared city precinct businesses within Newcastle LGA for the promotion, beautification, and development of the precincts, and awarded through a competitive application process.

Sponsorships are commercial agreements in exchange for a benefit(s). Sponsorship is not philanthropic with the sponsor expecting a benefit (return on investment) as agreed in a sponsorship agreement.

Sponsorship Agreement is the agreement entered into between CN and a successful applicant for an Activity. It will articulate any financial support provided by CN for the Activity. A Sponsorship Agreement will detail Acquittal responsibilities and any specific conditions.

Value-in-kind refers to goods or services provided by supporters of a project that has a real value for the project and/or supporter and/or community.

Unless stated otherwise, a reference to a section or clause is a reference to a section or clause of this Policy.

Annexure B Policy Authorisations

| Function | Position Number / Title |
|---|------------------------------------|
| Determine and approve weightings for Assessment Criteria | Service Unit Manager (or delegate) |
| Execute Sponsorship Agreements to allocated applicants consistent with the Assessment Panel's recommendation and in accordance with this Policy | Service Unit Manager (or delegate) |
| Acquittals in line with Funding Agreements | Service Unit Manager (or delegate) |
| Approve Activity variations | Service Unit Manager (or delegate) |
| Review and approval of Sponsorship Guidelines (annually) | Director (or delegate) |
| Approve sponsorships on behalf of the elected Council (under s377 of the <i>Local Government Act 1993</i> (NSW)). | Director (or delegate) |
| Approve ad hoc rounds | Director (or delegate) |
| Assess applications and determine funding allocation | Assessment Panel |
| Approve Funding Value variations. | Assessment Panel |

Document Control

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| Policy title | Sponsorship Policy |
| Policy owner | Manager Community, Strategy & Innovation |
| Policy expert/writer | Grants and Sponsorship Officer |
| Associated Procedure Title (if applicable) | Nil. |
| Procedure owner (if applicable) | N/A |
| Prepared by | Community Strategy and Innovation |
| Approved by | Council |
| Date approved | 26/04/2022 |
| Policy approval form reference | ECM# 6718999 |
| Commencement Date | 26/04/2022 |
| Next revision date (date Policy will be revised) | 26/04/2026 |
| Termination date | 26/04/2027 |
| Version | Version number 4 |
| Category | Administration |
| Keywords | Sponsorship, financial assistance, event, tourism, development, community, economic development, business development, creative industries |
| Details of previous versions | Version 1 - Sponsorship Policy – ECM: 6718999 Event Sponsorship Policy – ECM: 6297663 Economic Development Sponsorship Policy – ECM: 6297664 |
| Legislative amendments | Nil |
| Relevant strategic direction | Smart and Innovative City |
| Relevant strategy | Community Strategic Plan |
| Relevant legislation/codes (reference specific sections) | Local Government Act 1993 (NSW) (s356, s377, s610) |

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| Other related policies/ documents/ strategies | Sponsorship Programs (SP) - Guidelines |
| Related forms | Nil |
| Required on website | Yes |
| Authorisations | Functions authorised under this Policy at Annexure B |