

# **Attachment A**

## **Corporate Sponsorship Policy**

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# Corporate Sponsorship Policy

## ~~2014~~2019

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### 1.0 Introduction

#### 1.1 Purpose

This Policy outlines the City's approach to dealing with sponsorship and details the types of sponsorship arrangements the City will undertake. This Policy may be read in conjunction with the City's Corporate Sponsorship Procedure 2014 which details the process that supports the implementation of this Policy.

The City has a range of responsibilities to deliver programs and services under a wide range of legislation. It also produces events which contribute to the vibrant cultural life of Sydney and are generally free to the public. By seeking and receiving sponsorship, the City provides additional resources with which to support specific activities or programs. In addition, the success and public exposure of an activity can be enhanced by sponsorship providing better visitor experiences.

Through sponsorship, the City can enhance, extend or reduce the cost of current activities or programs or develop new ones. This is in line with Sustainable Sydney 2030 Strategic Direction objective 10.5.1 which expresses the City's intention to "expand revenue from commercial operations, property portfolio and other income generating assets". The City can do this by providing benefits to private sector companies or other government agencies in exchange for money, goods or services to support their activities. In some cases, a sponsor can participate in City events by producing their own associated event.

#### 1.2 Preface

The City has the opportunity to develop world class sponsorships with organisations encouraging and fostering innovation and creativity. During the community consultation for Sustainable Sydney 2030, residents of the City expressed their wish for a city that is vibrant and active. Through the development of sponsorships with a variety of organisations, the City can better implement the Sustainable Sydney 2030 Plan.

#### 1.3 Scope

This Policy applies to all incoming sponsorships received by the City. It does not apply to outgoing grants and sponsorships given by the City which are covered by the City's Grants and Sponsorships Policy.

This Corporate Sponsorship Policy outlines:

- what sponsorships the City will and will not undertake;
- the responsibilities of all parties involved in a sponsorship arrangement in order to ensure there is neither conflict of interest nor negative impact on the City's reputation or probity;

- the process for attracting sponsors; and
- the sponsorship approval process.

#### 1.4 Definitions

Term	Meaning
Sponsorship Assets	The activity (eg. event, program or service) for which sponsorship is being sought.
Sponsorship	<p>A commercial arrangement in which a sponsor provides a cash or in-kind contribution to support an activity in return for certain specified benefits. Sponsorship can be provided by the corporate sector or private individuals in support of City sponsorship assets.</p> <p>Sponsorship does not include:</p> <ul style="list-style-type: none"> <li>• the selling of advertising space;</li> <li>• joint ventures;</li> <li>• consultancies; and</li> <li>• unconditional gifts, donations, bequests or endowments.</li> </ul>

## 2.0 Policy

### 2.1 Criteria for attracting sponsors

Any sponsorship arrangement that is offered or sought by the City must:

- benefit the City and its residents, workers and visitors;
- not create an actual or perceived conflict of interest; and
- not fetter or interfere with the City's compliance with and exercise of its legislative obligations under the Local Government Act 1993, the Environmental Planning and Assessment Act 1979 and the City's planning instruments, the Roads Act 1993 or any other legislation.

### 2.2 Suitable activities for sponsorship

The general types of events/activities that the City may consider suitable as Sponsorship Assets include activities or events such as:

- public and ticketed events;
- training;
- scholarships;
- awards;
- education;
- industry research;
- publications;
- **exhibitions; and**
- **programs; and**
- conferences i.e. business forums

### 2.3 Benefits for sponsors

The primary benefit for Sponsors is a competitively-priced strategy for reaching a target audience or to meet corporate social responsibility goals.

Entitlements include, but are not limited to:

- (a) licence to use the City's intellectual property for the event such as logos, content and imagery;
- (b) branding on event marketing communications including print, press, direct marketing, posters and other collateral;
- (c) exposure at events through signage, access to floor space for activation and integration into the official event programme;
- (d) online promotion including banners, splashes and sponsored segments; and
- (e) the ability to develop co-branded marketing initiatives.

Entitlements are determined by collaboration and agreement between the City and the Sponsor, and are restricted by legislation and public policy.

#### 2.4 Sponsorships not permitted under this Policy

- (a) The City will not undertake sponsorships that:
  - (i) require or imply the City's endorsement of commercial products, services, companies, political parties or individuals;
  - (ii) limit the City's ability to carry out its legislative functions fully and impartially;
  - (iii) restrict access to the City's sponsorship assets by the widest audience possible;
  - (iv) are not consistent with the City's social justice principles of equity, participation, rights and accessibility for all groups in the community;
  - (v) personally benefit individual City employees, or their friends/family;
  - (vi) allow ownership and control of the sponsored sponsorship assets to be removed from the City;
  - (vii) pose a conflict with the broader policies and practices of the City; and
  - (viii) pose a conflict between the objectives and values of the City and those of the Sponsor.
- (b) The City will not accept sponsorship from entities which derive their principle source of revenue from any of the following activities:
  - (i) pornography;
  - (ii) production or the sale of tobacco;
  - (iii) armaments and weapons manufacturing; and
  - (iv) sexual services.
- ~~(c) Sponsorships with the following monetary issues will not be considered:~~
  - ~~(i) if the sponsorship investment is more than the cost of the event;~~
  - ~~(ii) where a price is placed on the City's sponsorship package that is not fair in comparison to marketplace prices, undermines the perceived quality of the package or does not represent value for money for the City; or~~
  - ~~(iii) where research conducted by the City is required to establish the viability of undertaking a sponsorship, where that research is disproportionate to the value of the sponsorship itself.~~

- (c) Organisations that receive some or all of their income from the provision of gambling activities or the sale of alcohol may provide sponsorship to the City for events that are considered by City staff to be appropriate.

## 2.5 Ethics Framework

The City of Sydney will avoid entering into sponsorship agreements with enterprises which are considered to:

- (a) pollute land, air or water;
- (b) destroy or waste non-recurring resources;
- (c) market, promote or advertise products or services in a misleading or deceitful manner;
- (d) produce, promote or distribute products or services likely to be harmful to the community;
- (e) acquire land or commodities primarily for the purpose of speculative gain;
- (f) create, encourage, or perpetuate militarism or engage in the manufacture of armaments;
- (g) entice people into financial over-commitment;
- (h) exploit people through the payment of below award wages or poor working conditions;
- (i) discriminate by way of race, religion or sex in employment, marketing or advertising practices; or
- (j) contribute to the inhibition of human rights generally.

## 2.6 Retainment of discretion to reject Sponsorship

The City retains the discretion not to accept sponsorship from any entity for any reason.

## 2.7 Conflict of Interest and Personal Benefits

Any sponsorship arrangement the City undertakes must not compromise the City's reputation, public image, probity or its ability to fulfil its legislative functions. Any sponsorship arrangement must not impose or imply conditions that would limit or be perceived to limit the City's ability to carry out its functions fully and impartially. There should be no actual or perceived conflict between the objectives and values of the City and that of the Sponsor.

All sponsorship proposals will be subject to an assessment process and consideration will be made by authorised City staff of conflict of interest issues that may arise prior to entering into negotiations with potential sponsors. Information will be provided to potential sponsors about the City's expectations, objectives, ethical requirements, sponsor benefits, sponsorship procedures and the criteria against which a proposal will be assessed.

The City will not enter into sponsorship arrangements with a potential sponsor whose interests, objectives and/or mission are in actual conflict with those of the City.

Conflicts arising from personal relationships or financial arrangements of staff involved in sponsorship assessment, approval or administration will be managed in accordance with the conflict of interest provisions of the City's Code of Conduct.

No employee may seek or receive a personal benefit or be perceived to receive a personal benefit from a sponsorship. Any contribution from the sponsor must be received by the City, not directly to an individual, and must be seen to benefit the City, not an individual.

Sponsors should be aware of and comply with the City's Statement of Business Ethics.

## 2.8 Attracting Sponsors

In order to ensure equitable opportunities for the business community and other interested parties to consider Sponsorship of the City's Sponsorship Assets, the City will promote this opportunity via a two-stage process:

### (a) Expression of Interest advertisement

The City will place an annual Expressions of Interest advertisement to ensure the business community and other relevant government and non-government agencies have the opportunity to participate in sponsorship opportunities.

### (b) Pitching a sponsorship

The City may identify potential sponsors for the City's Sponsorship Assets and may wish to initiate direct contact with the potential sponsor or via third parties that represent the potential sponsor such as advertising, media, public relations, experiential or event agencies. The City may also decide to use an external agent to secure sponsorship.

## 2.9 Contracting Sponsors

Financial decisions in relation to sponsorship arrangements will be made in accordance with the requirements of the Local Government Act 1993. ~~Monies received from related entities will be considered to have been part of the same sponsorship agreement for the purposes of calculating the relevant totals.~~ ***It is at the City's discretion where the cash received from the Sponsor is spent.***

## 2.10 Managing the sponsorship

A management plan and legally binding agreement must be entered into for each sponsorship arrangement in accordance with the City's approved procedures, delegations and probity arrangements. The sponsorship agreement must not impose or imply conditions that would limit, or appear to limit, the City's ability to carry out its functions fully and impartially.

## 2.11 Transparency of information

Information about sponsorships (excluding monetary values) will be available to the public on request. The City will maintain a register of sponsorships.

All details of each sponsorship will be listed in the City's Annual Report. The value of the sponsorship will not be published as if disclosed would confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business as referred to in Section 10A(2)(c) of the Local Government Act 1993.

## 2.12 Evaluation

Regular financial and performance audits will be conducted in relation to sponsorship arrangements.

### 3.0 References

<b>Laws and standards</b>	<ul style="list-style-type: none"> <li>Local Government Act 1993;</li> <li>The Australian National Audit Office Management of Corporate Sponsorship 1997;</li> <li>Sponsorship in the Public Sector – Independent Commission Against Corruption 2006; and</li> <li>Internal Audit of the City of Sydney receiving Sponsorship from External Sources – Deloitte 2009.</li> </ul>
<b>Policies and procedures</b>	<ul style="list-style-type: none"> <li>Code of Conduct; and</li> <li>Corporate Sponsorship Procedure 2014.</li> </ul>

#### Approval status

Council approved this policy on XXX.

(A copy of the CEO’s signature should be inserted here.)

#### Approval history

Stage	Date	Comment	TRIM Reference
Original Policy	December, 2014	Approved by Council	2014/425162-02
Review	February, 2019	Fit for purpose. No change. Endorsed by the Strategy Implementation PCG (SI PCG) and the Corporate & Strategy Projects Steering Committee (CSP SC).	2019/033696-01
Next review	May, 2023		

#### Ownership and approval

Responsibility	Role
Author	Manager Corporate Partnerships
Owner	Manager Corporate Partnerships
Endorser	City of Sydney Executive
Approver	City of Sydney Council