

Sponsorships Policy - NSW Health

Document Number PD2005_415

Publication date 27-Jan-2005

Functional Sub group Corporate Administration - Governance
Corporate Administration - Communications

Summary Specifies the requirement in seeking and accepting sponsorships.

Author Branch Strategic Relations and Communications

Branch contact Strategic Relations and Communications 9391 9637

Applies to Area Health Services/Chief Executive Governed Statutory Health Corporation, Board Governed Statutory Health Corporations, Affiliated Health Organisations, Community Health Centres, NSW Ambulance Service, Ministry of Health, Public Health Units, Public Hospitals

Distributed to Public Health System, Community Health Centres, Divisions of General Practice, NSW Ambulance Service, Ministry of Health, Public Health Units, Public Hospitals

Review date 27-Jan-2019

Policy Manual Not applicable

File No. 04/1285-4

Previous reference 2004/94

Issue date 31-Dec-2004

Status Active

Director-General

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Review date 27-Jan-2010

Policy Manual Not applicable

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CIRCULAR

File No	04/1285-4
Circular No	2004/94
Issued	31 December 2004
Contact	Marketing & Events (02) 9391 9969

NSW Health Sponsorship Policy

Sponsorship is a useful and potentially beneficial mechanism that reinforces and enhances NSW Health business activities. Across the health system cash and in-kind sponsorships have been used for some time to support a range of activities that are inline with NSW Health strategic directions.

The NSW Health Sponsorship Policy has been developed to ensure that NSW Health organisations respond in a consistent and ethical way to seeking and granting sponsorships. It recommends that each organisation methodically approach sponsorships by identifying potential opportunities, preparing sponsorship plans, seeking approval dependent on level of commitment, formally confirming arrangements and monitoring and evaluating partnerships to maximise benefits and protect public confidence.

This policy was developed by the NSW Health Sponsorship Committee, in consultation with all Area Health Services, ICAC and the Audit Office of NSW.

Robyn Kruk
Director-General

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In accordance with the provisions incorporated in the Accounts and Audit Determination, the Board of Directors, Chief Executive Officers and their equivalents, within a public health organisation, shall be held responsible for ensuring the observance of Departmental policy (including circulars and procedure manuals) as issued by the Minister and the Director-General of the Department of Health.

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NSW HEALTH SPONSORSHIP POLICY

1. CONTEXT

Over the past two decades there has been a national and international trend for government agencies to develop community partnerships and to seek sponsorship from the private sector. Through such arrangements and as a result of additional funds, many government agencies have been able to develop new services and receive regular income from sponsorship. The public health system, particularly through individual hospital and community facilities, is often a beneficiary of sponsorship arrangements.

As well as the benefits, there are risks associated with sponsorship. Sponsorship agreements require careful review to ensure they fit within an ethical framework that complies with accountability and transparency requirements set out for the public sector and are in the public interest. Additionally, there is a responsibility to ensure that a sponsorship agreement provides good value, that the conditions of agreement are fair and transparent and that the arrangement is appropriately documented and monitored and will not create any conflicts of interest for the sponsorship agency.

This policy provides a framework to ensure compliance with basic principles established by the *Independent Commission Against Corruption (ICAC)* to assess sponsorship proposals. The policy is applicable to all NSW Health public health organisations and contains a process for assessment, approval and implementation of sponsorships, a checklist and a draft contract.

2. WHAT IS SPONSORSHIP?

2.1 Definition of Sponsorship

The ICAC defines sponsorship as:

‘a contribution in money or kind, generally by the corporate sector or private individuals, in support of a public sector activity. It does not include the selling of advertising space, joint ventures, consultancies and gifts or donations when the reciprocal benefit provided by the government agency does not extend beyond some modest acknowledgment.’¹

This definition is adopted for the purpose of this NSW Health policy.

Often external organisations might provide modest contributions, for example free meals, attendance at events or promotional products on such a regular basis that such contributions cannot be deemed modest. Health organisations are required to determine whether such contributions are in fact “sponsorships” or “donations” – the only determining factors in deciding such is the level of acknowledgement that is required for example a letter of thanks as against signage, promotional opportunities to the external organisation, and whether it could be perceived that the external organisation and/or external organisation product is being endorsed.

Health organisations should also consider whether the contributions have a “personal benefit” to particular staff etc of the health organisation and not to the health organisation as an entity and should be treated as a possible conflict of interest. An example of this is where a company regularly pays for the lunches of a health organisation’s committee, work/review group wherein it could be perceived that a “conflict of interest” could exist and that in fact staff members should pay for own meals – such arrangements are not acceptable.

2.2 Examples of Sponsorship

In reviewing sponsorship guidelines, the Commonwealth Australian National Audit Office

¹ “And now a word from our Sponsor: *Review of the ICAC Sponsorship principles.*” NSW 1995

(ANAO)² listed the following benefits an agency can receive from private sector sponsorship:

- An injection of resources, either a cash or in-kind sponsorship. This may reduce the cost of performing a particular activity or allow for enhanced program delivery or expansion.
- Providing funding for publications, conferences or other special activities that promote the program or the agencies.
- Providing the program or agency with an opportunity to develop better working relationships with stakeholders.
- Promoting the public profile of a program or agency to a wider than normal audience. This may include increasing community awareness of a program or agency and its activities.
- Free advertising/promotion from television (free and pay), radio, newspaper or other media companies.

2.3 Benefits of Sponsorship

There are a number of benefits for both sponsor and recipient in a sponsorship arrangement. The potential benefits for a sponsor are generally greater exposure and a positive association with an agency's products or services.

These may include:

- Opportunities to demonstrate the company's business principles.
- Increased staff morale and pride through association with a 'worthwhile' activity or service.
- Naming opportunities, for example, for conferences, publications or facilities.
- Participation of agency staff at sponsor events, such as training courses.
- Public relations benefits, including invitations to events.
- General corporate image/profile-raising through philanthropic activity.
- Signage and plaque placement³.

For a Government agency, receiving sponsorship may enable a range of activities, projects and services that may not have been possible without additional funding.

2.4 Risks of Sponsorship

While receiving sponsorship offers significant benefits to government agencies, it also potentially exposes them to risk. A key risk is the potential for a sponsorship arrangement to compromise due process and influence how an agency may conduct its business, for example, its purchasing and other contractual arrangements. A more serious example would be where an agency's policy objectives were to be somehow altered or affected by a sponsorship arrangement.

There is also a further, more intangible risk for government agencies: how a sponsorship arrangement between an agency or department and a particular sponsor is perceived by the general community.

Public confidence can quickly be eroded if there is a perception that, by way of a sponsorship arrangement, a government agency is no longer neutral, or is implicitly promoting or endorsing a particular sponsor's products or services.

The test is whether the arrangement will withstand full public scrutiny and not undermine public confidence in the neutrality and integrity of the agency. While ultimately, this is based on a subjective set of judgments, risks can be minimised by ensuring that sponsorship arrangements are properly assessed, developed, documented, managed, monitored and evaluated.

² ANAO audit report of the *Management of Corporate Sponsorships* (1997)

³ NSW HEALTH BUILDING GUIDELINE 2000 PLAQUE PROTOCOL Circular No 2000/11

2.5 Application of Policy

This policy applies to all sponsorships except those exceptions listed hereunder.

In regard to low value sponsorships of under \$10,000 this policy still applies however, there are less stringent requirements specified for formal agreements. Smaller sponsorships should be assessed against the same guidelines as far as they are relevant.

2.5.1 Policy does not apply where benefit is only 'modest acknowledgement'

This policy does not apply to donations and gifts where the reciprocal benefit does not extend beyond some form of 'modest acknowledgement'. Examples of 'modest acknowledgement' include a letter of thanks, discreet signage such as a small plaque on a wall, media release or mention in a newsletter or conference material.

2.5.2 Guidelines do not apply to clinical trials and research grants

These guidelines exclude clinical trials and research projects. *A separate policy will be developed to cover these categories.*

3. PRINCIPLES OF SPONSORSHIP

In its role of assisting NSW public sector agencies to maintain a high standard of public accountability and ethical practice, the ICAC has developed a set of sponsorship principles as a guide for public sector agencies to modify and adopt. These are adapted to NSW Health's requirements as follows:

Principle 1. A sponsorship arrangement should not impose or imply conditions that would limit, or appear to limit, NSW Health's ability to carry out its functions fully and impartially.

The ICAC suggests that a sponsorship agreement should foreshadow 'the possible consequences of any sponsorship related impacts on a public sector agency's responsibilities. A sponsorship contract should have a statement included to the effect 'that any attempted influence of the sponsored agency's functions will result in an automatic review and/or termination of the sponsorship arrangement.'⁴ This has been included in the draft contract at the back of this document (Appendix 3 – Clause 4 Termination).

Additionally public health organisations must ensure that where a sponsor is involved in lodging a quote or tender, all relevant processes detailed in the *NSW Health Purchasing Manual* are to be strictly followed. Decisions for awarding the tender should be clearly and explicitly documented to avoid any perception that a sponsor may receive favourable treatment.

Principle 2. There should be no real or apparent conflict between the mission and objectives of NSW Health and those of the sponsor.

The proposed sponsorship needs to be consistent with the mission, goals and priorities of NSW Health, as outlined in the NSW Health 'Strategic Directions' document and Corporate Plan. See the NSW Health website at http://health.nsw.gov.au/pubs/c/pdf/corporateplan_03.pdf or attachment.

The proposed sponsor's activities and corporate values should be consistent with the values of NSW Health and the general community.⁵

⁴ ICAC. *Review of the ICAC Sponsorship principles*, NSW 1995

⁵ *A Guide to Managing Sponsorship in the Public Sector*, p.13

Prohibited sponsorship and conflicts

Tobacco products

NSW Health specifically prohibits any sponsorship with a company that owns, controls or is involved with the manufacture and production or promotion of tobacco-related products, which includes cigarettes, cigars and pipes.

All NSW Health sponsors are required to certify they are not involved with the production, manufacture or promotion of tobacco and tobacco related products, including cigarettes and cigars

Other conflicts

Other potential conflicts may arise between the mission and goals of NSW Health and a sponsor.

For example a sponsor may:

- produce products or services that could damage health; or
- does not practice good corporate governance (eg does not observe proper Occupational Health and Safety requirements, regulatory compliance, financial accountability requirements, etc).

Note: Sponsorship of staff to attend conferences or to view equipment where sponsorship comes from the company is not desirable and should be avoided wherever possible due to the conflict of interest.

What happens if there is a change in a sponsor's 'reputation'?

A sponsor's corporate objectives or reputation may change over time. All sponsorship agreements need to be able to monitor such changes and include a termination clause that is fair to both parties.

A sponsorship arrangement should be carefully monitored to ensure that the association does not damage or undermine the reputation of the public health organisation.⁶

All sponsors should be requested to confirm in writing that they operate under a current code of ethics, have a good corporate governance record, stable financial position, appropriate employment and marketing practices.

Principle 3. NSW Health should neither seek nor accept sponsorship from persons or bodies that are, or are likely to be, subject to regulation or inspection by NSW Health during the life of the sponsorship.

NSW Health has a regulatory role in areas such as environmental health, marketing of tobacco to minors, mental health, private hospitals, aged care and pharmaceutical services. Individuals, organisations or the corporate sector that provide sponsorship may also be the subject of regulation or inspection.

Experience suggests that corporate sponsors will most likely include some persons or companies who are subject to NSW Health regulation, and special arrangements must be put in place to ensure that sponsorships are undertaken completely independent and at arms length from our regulatory role. Where this occurs, the matter requires careful consideration at senior executive level.

If a decision is taken to accept sponsorship in an area that NSW Health regulates, sponsors are

⁶ ibid, p.13

to be advised that the relationship will be completely independent from NSW Health's exercise of regulatory or inspectorial functions. **This must be specifically documented by the parties to the agreement to ensure the integrity of the arrangement.** This principle applies even where it is another part of NSW Health that has the regulatory responsibility.

Principle 4. Sponsorship of NSW Health activities or events should not involve explicit or implicit endorsement of the Sponsor or the Sponsor's products or services.

Care needs to be taken to ensure that the sponsor or their sponsor's products/services are not explicitly or implicitly endorsed or promoted by NSW Health. For example, the public may regard the naming of an event or a facility after a specific product or organisation, or using named products or services as an endorsement of that sponsor.

All sponsorship agreements should set out an agreed range of options to which sponsorship may apply. These may include, for example, signage, advertising copy, media release acknowledgement and conference promotional material. Area Health Service Media Liaison Officers or Departmental Corporate Communications staff should be consulted prior to release of any material and should also review all sponsored products.

Principle 5. Where sponsorship takes the form of provision of a sponsor's product, the product should still be evaluated for its fitness for purpose against objective operational criteria, which are relevant to the organisation's needs.

Organisations should be careful not to accept a sponsor's products simply because they are offered free of charge. This could result in an implicit health organisation endorsement of a sub-standard product and could have implications under the Occupational Health and Safety Act.

Principle 6. It is inappropriate for any employee of NSW Health to receive a personal benefit from a Sponsorship.

It is inappropriate for NSW Health staff (or relatives and friends) to receive either directly or indirectly any personal benefits arising out of sponsorship arrangements. The only circumstances in which an employee is able to accept a benefit is when required to do so as part of his/her representational or official duties e.g. making a presentation, doing an assessment of the sponsorship or undertaking a training course that is relevant and timely for the role held. Such representational duties are to be approved by the employees manager and must be appropriately recorded. The *NSW Health Code of Conduct* policy indicates that receipt of **non-token** gifts and benefits by employees is **not appropriate** and this requirement also applies in respect to sponsorships (Refer to *NSW Health Code of Conduct* and the *ICAC Gifts, benefits or just plain bribes? Guidelines for public sector agencies and officials* for further information). Employees/staff in the context of this principle include Visiting Medical Officers (VMOs), contractors and Board Members.

Principle-7. In most circumstances, the public interest is best served by making sponsorship opportunities widely known, that is, by calling for expressions of interest or using other broadly based mechanisms.

While individual approaches to potential sponsors are a valid and effective method of attracting sponsorships, the ICAC points out that it could exclude potential sponsors. To ensure a fair and transparent process, general sponsorship opportunities should be made widely known to all potential sponsors. This will be done through an annual advertisement seeking expressions of interest that will be placed by the Department.

An annual notice will ensure that all potential sponsors get the opportunity to show interest in sponsoring NSW Health services or activities. The tendering policy in the '*NSW Health*

Purchasing/Supply Manuals should be observed in receiving, evaluating, approving and disclosing any outcomes. See the NSW Health website at http://internal.health.nsw.gov.au/audit/manuals/purch_supply.pdf

If calls for expressions of interest for sponsorship opportunities do not result in appropriate sponsorship offers, then individual public health organisations and NSW Health entities are not precluded from considering sponsorship offers made through other means, or from canvassing potential sponsors.

Where a company or person directly approaches the health organisation, subsequent to and outside the EOI process, wishing to sponsor the health organisation or a particular event etc of the health organisation such approaches can be accepted however it is critical that they are assessed in accordance with the principles and procedures of this policy with a view to ensuring transparency of process.

Principle 8. Sponsorship proposals should be assessed against transparent criteria that are publicly available.

Proposals must be assessed consistently, using the same selection criteria against all potential sponsor applications. The criteria should be established and documented prior to calling for expressions of interest.

The selection criteria should include:

- the benefit NSW Health is seeking and/or the benefit the sponsor is offering;
- degree of acknowledgement and recognition expected by the sponsor of NSW Health activities;
- context of the arrangement within NSW Health's overall strategic directions; and
- potential to build positive alliances or public/private partnerships, which provide additional benefit to the public.

A detailed checklist has been developed to assist public health organisations in assessing the above criteria. See Appendix 2.

Principle 9. All Sponsorships should be documented in a written agreement.

Every sponsorship arrangement requires a **written agreement** which outlines the terms and conditions of the sponsorship relationship between NSW Health and the sponsor.

For sponsorships under \$10,000 the written agreement can constitute an exchange of letters signed by the Chief Executive or delegated officer at 4.3.1.

For sponsorships over \$10,000, a formal contract is required. An example appears at Appendix 3.

Principle 10. All Sponsorships are to be approved by the Chief Executive or another delegated senior officer of the relevant Public Health Organisation.

Where a sponsorship proposal is assessed as having the benefits that outweigh the potential risks and costs, and satisfies the selection criteria and checklist, it should be formally submitted for approval to the Chief Executive or another delegated senior officer of the relevant Public Health Organisation or (in relation to the Department) the Director-General.

A completed checklist (as appears at Appendix 2) must accompany the sponsorship proposal.

Principle 11. All Sponsorships are to be reported annually in the relevant Annual Report.

Information on the nature and extent of all sponsorships should be made publicly available in the *Annual Report*. Sponsored benefits for individual employees, that are part of representational or official duties are to be reported to the relevant Public Health Organisation Chief Executive (Public Health Organisation employees), or the Director-General (Departmental employees).

Principle 12. Sponsored projects need to be supported by sufficient resources.

Sponsorships (particularly of an ongoing nature) may need to be supported by appropriate resources. If this is relevant, the potential cost to NSW Health of supporting a particular project is a factor, which should be estimated and evaluated during the assessment and approval process and included in the sponsor's agreement.

Principle 13. All Sponsorships are to be monitored and their outcomes evaluated⁷.

All sponsorship projects need to be continually monitored and their outcomes assessed against the written agreement. By evaluating these, the benefits to NSW Health can be clearly identified and future arrangements improved. Monitoring and evaluation procedures are under Section 4.4.

4. IMPLEMENTATION OF SPONSORSHIP PRINCIPLES INTO SPONSORSHIP POLICY

The above ICAC principles outline a framework for ensuring that sponsorship principles are fairly and transparently applied across NSW Health activities. Applications of these principles in relation to NSW Health relates to four areas which are dealt with below in more detail:

- *development* of sponsorship opportunities;
- *assessment* of sponsorship proposals;
- *approval* of the recommended sponsorship proposals; and
- *resourcing*, monitoring, evaluating and reporting.

4.1 Development of sponsorship opportunities

In summary, sponsorship opportunities can be developed by identifying existing or proposed programs and services which:

- could be enhanced by an injection of private funds;
- would not be compromised by appropriate private sector involvement;
- provide a useful or additional service to the community; and
- have corresponding promotional or other benefits for a potential sponsor.

Many sponsorships have traditionally involved direct approaches from potential sponsors to public health organisations, or vice versa. In order to comply with the ICAC Principle 7, and to ensure that opportunities are provided for potential sponsors in a fair and transparent way, the Department will co-ordinate and publish an annual notice calling for expressions of interest for private sponsors to support nominated events, activities or facilities across the health system. This notice will coordinate information and individual contact details for each public health organisation so that potential sponsors can direct their inquiries to the relevant area. The notice will give details of:

- relevant projects by public health organisations or at a NSW Health level for which sponsorship is sought; and
- how sponsorship proposals are assessed and processed within NSW Health, and
- an explanation of the assessment process.

4.2 Assessment of Sponsorship Proposals

In assessing all sponsorship proposals, the benefits, risks and costs of the sponsorship must all

⁷ ICAC, *And Now a Word from our Sponsor, Review of the ICAC Sponsorship Principles*.

be evaluated. The benefits and risks need to be defined, both for NSW Health and the sponsor, and if appropriate, a risk management strategy established. The costs associated with implementation of a sponsored project (or dollar value of the resources involved in ongoing support of the sponsorship) also need to be evaluated. For larger sponsorship this may require a cost-benefit analysis. Sponsorship proposals are to be assessed in a transparent and accountable way.

4.3 Approval of the recommended Sponsorship Proposals

All sponsorship proposals should be evaluated against the checklist at Appendix 2, which should be included within any recommendation.

For sponsorships **under \$10,000** the written agreement can constitute an exchange of letters signed by the Chief Executive or delegated officer.

Every sponsorship arrangement **over \$10,000** requires a formal contract between NSW Health and the Sponsor as per Principle 9. See the draft contract at Appendix 3.

4.3.1 Public Health Organisation Approvals/Delegations

Sponsorship proposals need to be submitted to the Chief Executive or delegated senior officer for approval.

The Chief Executive may delegate this power to no more than two other Public Health Organisation executives, both of whom must be SES or Senior Officer equivalent and neither of whom is directly responsible for the operation of a public hospital or other health care service (ie public hospital general managers are excluded). Such delegations are to be minuted and be reflected in the relevant Public Health Organisation's Delegation Manual.

'In-kind' sponsorship is to be valued as far as is realistic and practicable at normal commercial rates, eg, free advertising promotion by a television company is to be valued at what it would have cost the Health Service to produce the advertisement and run it on the television station, or if a company was to provide a free service, it should be valued at the normal cost in a competitive situation.

As a general rule the period of a sponsorship is to be limited to a period of two (2) years and only in exceptional circumstances, approved by the Chief Executive, are periods to be in excess of two (2) years. The two (2) year total period is inclusive of any "renew" options incorporated in contracts/agreements viz if original contract is for 1 year the "renew" clause in the contract is only to be for a period of 1 year unless Chief Executive approval is obtained. Contracts are not to have opened ended renewals.

4.3.2 NSW Department of Health Approvals Irrespective of Value

In relation to Departmental sponsorship activities, the proposed sponsorship agreement should be sent to the Manager, Corporate Communications or equivalent for assessment and referral to the Director-General for approval.

4.4 Supporting, Monitoring and Evaluation of the Sponsorship

Adequate support and resources need to be assigned to ensure the sponsorship can be effectively implemented. The sponsor should be provided with regular progress reports and efforts should be made to maintain a positive professional relationship.

Sponsorship funds received by NSW Health must be allocated to an account or cost code that allows for the expenditure of the funds to be monitored. A regular financial income and expenditure statement for the account or cost code should be available to the employee responsible for monitoring the implementation of the sponsored project.

Implementation of the written agreement must be monitored to ensure that as a minimum all contractual obligations are met, including the agreed resource commitment of NSW Health. It is important to ensure that both parties are receiving the expected benefits and risks are being managed appropriately.

All sponsored projects should be evaluated to assess the outcomes of the project for NSW Health.

If a sponsor conducts an external evaluation of a project, the Department or Public Health Organisation involved with the sponsorship should request a copy of the report or findings.

Evaluation information from all projects should be analysed with a view to improving future sponsorship arrangements.

All evaluation reports are to be reported to the approving authority;

ie	Public Health Organisations	-	Chief Executive
	Department	-	Director-General

Chief Executives are to ensure a senior officer is responsible for obtaining an evaluation report of approved projects.

With respect to the Department, the Manager, Corporate Communications or equivalent will be responsible for Departmental coordination of approvals.

5 REPORTING OF SPONSORSHIPS

All sponsorships are to be listed in the relevant annual report by name, project and the value of the sponsorship. The total amount of all sponsorship revenue (including employee benefits) should be identified as a distinct revenue item in the General Fund of the Public Health Organisation. The *Accounting Manual* and Notes to the *Annual Financial Statement* will be amended to reflect this requirement.

6 FURTHER ENQUIRIES

Issues surrounding advertising tendering agreements, negotiations, monitoring, evaluation, and referral of proposals to the Director-General are to be raised with the Manager, Corporate Communications or equivalent, and financial issues with the Chief Financial Officer or equivalent of the Department.

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DEFINITIONS**Area Health Service**

An Area Health Service is a statutory corporation established to provide and manage public health services within a geographical area. There are 8 Area Health Services in the State of NSW, listed in Schedule 1 of the Health Services Act 1997.

NSW Health

NSW Health refers to all bodies or organisations under the control and direction of the Minister for Health, and includes the Department of Health, the Health Administration Corporation, Area Health Services, Justice Health, The Children's Hospital at Westmead and the Ambulance Service of NSW.

Public Health Organisation

Public Health Organisation refers to an Area Health Service, a statutory health corporation, or an affiliated health organisation in respect of its recognised establishments and recognised services.

Statutory Health Corporation

Current statutory health corporations are Justice Health, The Children's Hospital at Westmead, The Stewart House Preventorium, Curl Curl, Institute for Clinical Excellence, The Cancer Institute and HealthQuest. In contrast with Area Health Services, existing statutory health corporations provide health services other than on the basis of defined areas.

Affiliated Health Organisation

Affiliated Health Organisations (AHOs) are non-profit religious, charitable or other non-government organisations or institutions providing certain health services or health support services that contribute significantly to the operation of the public health system. However, an AHO is not an AHO in relation to all its services and institutions. It is only an AHO in relation to the recognised establishments and recognised services listed in column 2 of Schedule 3 of the Health Services Act next to its name. St Vincent's Hospital, Darlinghurst and the Newcastle Mater Misericordiae Hospital are examples of recognised AHOs.

The Department

The Department refers to the NSW Department of Health.

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NSW HEALTH SPONSORSHIP CHECKLIST

The following is a checklist against which to assess potential sponsorship proposals. This list is intended to be a guide in assisting staff to evaluate whether a sponsorship is appropriate for a NSW Health project, service or activity and is to be included with any recommendation

1. What are the value and terms of the sponsorship proposal?

- How much will the sponsorship cost the sponsor, in cash value and in-kind?
- How long should it run (eg annual)?
- Are options to renew the arrangement appropriate?
- Has Chief Executive approval been obtained if total contract period (including renew option) is in excess of 2 years?
- What are the rights and terms of the arrangement for both parties?
- How might the agreement be terminated if needed?
- If the sponsorship is 'in-kind' is it valued at commercial and/or competitive rates?

2. Are the objectives of the sponsor/sponsorship proposal compatible with those of NSW Health?

- Do the potential sponsor's values and objectives complement those of NSW Health?
- Has the sponsor indicated that they do not own, control or are involved directly in the product and manufacture of tobacco and tobacco related products including cigarettes and cigars?
- Is the potential sponsor part of an industry that produces products or services that may damage physical health or mental well-being of the community?
- Does the potential sponsor have an acceptable past sponsorship record?
- Is the reputation/public perception of the sponsor and its products appropriate for NSW Health to be associated with?
- Does the potential sponsor operate under a current code of ethics, have a good corporate governance record, stable financial position and appropriate employment and marketing practices?

3. What are the benefits of the sponsorship to NSW Health?

- Describe the benefits of the sponsorship to NSW Health (eg, enhance an existing service, fund a new service, support an event, meet costs of publication, fund additional training).

4. How did the sponsorship proposal come about?

- Was the sponsor selected through the annual advertisement seeking expressions of interest placed by the Department?
- Was a competitive selection process used?
- If not by EOI process, reasons why?
- If the process was not competitive
 1. Would the likelihood of other sponsors being able to participate mean that benefit to NSW Health could be greater?
 2. Could NSW Health be subject to criticism by not offering the sponsorship opportunity by EOI process?

5. Are there benefits to NSW Health individual employees?

- Describe benefits to individual employees (eg sponsored travel, accommodation, conference fees, etc).
- Can the individual benefits be justified in professional terms?

6. What are the benefits to the sponsor?

- List sponsor benefits (eg form of acknowledgment such as use of sponsor's logos, signage, product displays, public relations outcomes, etc).

-
- If naming rights have been requested, provide details.

7. What are the risks to NSW Health?

- Will public trust in NSW Health be maintained?
- Will the sponsorship withstand public scrutiny?
- Are there any risks to NSW Health's independence and impartiality?
- Is the sponsor likely to be inspected by NSW Health?
- Could the sponsorship arrangement be seen as an endorsement of the sponsor or its products and services?
- Can the risks be satisfactorily managed?

8. What are the costs to NSW Health?

- Provide details of resources required to support the sponsorship (eg staff time, equipment use, materials, infrastructure resources, insurance, etc). Costing in dollars to be completed.
- Is this the best use of these resources?
- Are these resources required after the sponsorship ceases? If so, how could they be funded?

9. Any other relevant factors?

- What is the cost/benefit to NSW Health and is this a reasonable return for effort?

SPONSORSHIP CONTRACTS

All agreements should include the following general statement:

The sponsored organisation's functions will continue to be carried out fully and impartially, notwithstanding the existence of the sponsorship agreement and any attempt by the sponsor to influence the sponsored organisation's functions will result in an automatic review or termination of the agreement.

The sponsored organisation reserves the right to terminate the agreement:

- in the event of the sponsor being found to have been involved in the provision or promotion of a product or service that could damage the physical or mental health of members of the public; or
- where, at the sole discretion of the sponsored organisation, termination is warranted in the public interest.

The agreement should include the following information:

- the parties to the agreement;
- an outline of the benefits (funds, goods and services) to be delivered by the Sponsor to NSW Health and/or its employees and the delivery timeline;
- an outline of the benefits to be delivered by NSW Health to the Sponsor and the delivery timeline including an outline of the way/s in which the Sponsor will be publicly acknowledged;
- requirement concerning the provision of funding and other obligations (eg products under the contract, cost and GST) to be clearly stated;
- a prohibition on the use by the Sponsor of NSW Health's name and logo without prior approval;
- the term of the Sponsorship and any conditions regarding renewal (renewal period to be specified);
- contingency arrangements to address changes, eg change to legislation affecting NSW Health;
- that the sponsor does not own, control or is involved directly in the production and manufacture of tobacco and tobacco related products, including cigarettes and cigars;
- termination clause, eg to accommodate change of Sponsor performance or reputation;
- any other special conditions that may apply;
- an accountability mechanism, ie to ensure information about the origin, nature and extent of the Sponsorship is available to the public;
- monitoring responsibilities of either or both parties throughout the life of the project;
- responsibilities of either or both parties to evaluate the outcome of the Sponsorship; and
- any resourcing (staff or funds) required by NSW Health.

A draft contract follows.

NSW HEALTH SPONSORSHIP CONTRACT

THIS AGREEMENT is made the _____ day of _____ 200.

PARTIES

The **HEALTH ADMINISTRATION CORPORATION**, a Corporation solely constituted by section 9 of the Health Administration Act 1982, ABN 45 100 538 161, and having its office at 73 Miller Street, North Sydney [*Sponsored Organisation*].

OR

AREA HEALTH SERVICE, a statutory corporation constituted by section 17 and Schedule 1 of the Health Services Act 1997, ABN [*insert number*] of [*address*] [*Sponsored Organisation*].

OR

[*Name of other Public Health Organisation*], ABN [*insert number*] of [*address*] [*Sponsored Organisation*].

AND

[*Name of Sponsor*], ABN [*insert number*] of [*address*] [*Sponsor*]

The Sponsored Organisation has agreed with the Sponsor to enter into a sponsorship agreement to (*describe terms of Sponsorship arrangement*).

The Sponsor will provide:

(*insert details of Sponsorship arrangement*)

The Sponsored Organisation will provide:

(*Insert details of Sponsorship arrangement*)

The benefits or outcomes to the Sponsored Organisation and the general public as a result of the Sponsorship will be as follows:

(*Insert dot points here*)

TOTAL VALUE AND TERM OF AGREEMENT

(*Insert details*)

OPERATIVE PART

1. OBLIGATIONS OF THE SPONSOR

The Sponsor agrees that it will:

- do all things necessary to the satisfaction of the Sponsored Organisation in accordance with the Sponsorship agreement with the Sponsored Organisation;

-
- ensure all advertising and promotional material is consistent with the terms of use as agreed to in this agreement including, in particular, the use of the name, logo or other intellectual property of the Sponsored Organisation or a related body or organisation; and
 - regularly consult with and take into account any suggestions, which the Sponsored Organisation may make from time to time in relation to the sponsorship arrangement under this agreement.

The Sponsored Organisation agrees that it will:

- comply with the terms of the agreement as outlined above; and
- regularly consult with and take into account any suggestions, which the Sponsor may make from time to time in relation to the Sponsorship agreement.

2. INTELLECTUAL PROPERTY RIGHTS

The Sponsor acknowledges that Sponsored Organisation's name and logo (or those of related bodies or organisations) is the intellectual property of the Sponsored Organisation (or those of related bodies or organisations) and the Sponsor will obtain prior approval for use of these.

The Sponsor acknowledges that by entering into an Agreement, the Sponsored Organisation is not endorsing any product or service of the Sponsor and neither party should imply such endorsement.

3. REPRESENTATIONS AND WARRANTIES

The Sponsor represents and warrants to the Sponsored Organisation:

- that it does not own, control or is involved with the manufacture and production or promotion of tobacco-related products, which includes cigarettes, cigars and pipes;
- that it does not manufacture, provide or promote any products or services that could damage the physical health or mental wellbeing of members of the public;
- the accuracy of all representations and statements made by the Sponsor, or on its behalf, in connection with negotiations held with the Sponsored Organisation prior to entry into this agreement;
- that it has not made or received any payment or other inducement to or from the Sponsored Organisation or its employees, agents or contractors in connection with entry into this agreement; and
- that the use by the Sponsored Organisation pursuant to this agreement of any logos or material provided by the Sponsor for promotional purposes, will not infringe the intellectual property rights of any person.

4. TERMINATION

The Sponsored Organisation's functions will continue to be carried out fully and impartially, notwithstanding the existence of the Sponsorship agreement. Any attempt by the Sponsor to influence the Sponsored Organisation's functions will result in an automatic review or termination of the agreement.

Without limiting any other right or remedy of the Sponsored Organisation, this agreement may be terminated by notice in writing to the Sponsor if:

- the Sponsor is or has been directly involved in the manufacture and production or promotion of tobacco-related products, which includes cigarettes, cigars and pipes;
- the Sponsor is or has been directly involved in the production, manufacture or promotion of any product or service that could damage the physical health or mental wellbeing of the members of the public;

-
- the Sponsor has made or received any payment or other inducement to or from the Sponsored Organisation or its employees, agents or contractors in connection with entry into this agreement;
 - the Sponsor becomes subject to any form of insolvency administration or a receiver, official manager or administrator is appointed over any part of the property of the Sponsor;
 - the Sponsor is in breach of any clause of this agreement and such breach is not rectified within 7 days of the Sponsored Organisation providing in writing notice of that breach to the Sponsor; or
 - at the sole discretion of the Sponsored Organisation, termination is warranted in the public interest.

5. RIGHT TO RENEW

The Sponsored Organisation reserves the right to offer the Sponsor an option to renew the sponsorship for an additional period of.....years⁷ based on its satisfaction with the terms, conduct and outcome of the sponsorship arrangement.

6. MONITORING

The Sponsor and the Sponsored Organisation will agree on a mutually satisfactory monitoring process for the life of this agreement.

7. REPORTING

The Sponsor must report to the Sponsored Organisation any such information as the Sponsored Organisation may reasonably require from time to time. The Sponsor must immediately notify the Sponsored Organisation of any change in circumstances or other factor which would or might cause there to be an actual or potential conflict between the Sponsor's objectives and the Sponsored Organisation's or NSW Health's corporate mission, objectives or interests.

Sponsor consents to the Sponsored Organisation incorporating details of the sponsorship in its Annual Report.

8. ACCOUNTABILITY

The Sponsor and the Sponsored Organisation will agree on an appropriate accountability measure to ensure information about the origin, nature and extent of the Sponsorship is available to the public.

9. EVALUATION

The Sponsor and the Sponsored Organisation agree that either or both parties will conduct an evaluation of the Sponsorship outcome.

10. FORCE MAJEURE

A party is not to be held liable for any failure to observe obligations under this agreement where such failure is wholly or substantially due to any cause beyond control of the party, provided that in any circumstances the party seeking to rely on the benefit of this clause must use its best endeavours to put itself in a position where it is able to meet its obligations under this agreement as quickly as possible.

11. DISPUTE RESOLUTION

⁷ Refer to 4.3.1 for guidelines on sponsorship terms.

The parties must use reasonable efforts to resolve any dispute, which arises between them under this agreement, by mediation or any other recognised methods or alternative dispute resolution before commencing court proceedings to resolve this dispute.

12. CONFIDENTIALITY

This agreement is confidential to the Sponsored Organisation and neither its terms nor any particulars relating to it may be published or disclosed to any person by the Sponsor (except as required by law or to the extent necessary for the purposes of this agreement) without the Sponsored Organisation's written consent.

13. ASSIGNMENT

The Sponsor is not entitled to assign this agreement without prior written approval of the Sponsored Organisation.

14. RELATIONSHIPS BETWEEN PARTIES

Except as specifically provided in this agreement nothing in it is to constitute or be deemed to constitute a partnership among the parties or any party for any other purpose. No party shall have authority to bind another or contract in the name of another in any way or for any purpose.

15. CONTRACT CONTACT OFFICERS

All communications between the Sponsor and Sponsored Organisation shall be directed to:

- Sponsored Organisation Representative

The current details are:

Name:

Address:

Ph:

Fax:

Email:

- Sponsor Representative

The current details are:

Name:

Address:

Ph:

Fax:

Email:

EXECUTED for and on behalf of the
HEALTH ADMINISTRATION CORPORATION/
[Name of Public Health Organisation]
but not so as to incur personal liability
by:

.....
(Signature)

.....
(Name and Position)

.....
(Signature of Witness)

.....
(Print Name of Witness)

EXECUTED by and on behalf of:

.....
(Full name of Sponsor)

.....
(Name of individual or authorised
representative for company
or organisation)

.....
(Signature of individual or authorised
representative)

.....
(Signature of Witness)

.....
(Print Name of Witness)

NSW HEALTH SPONSORSHIP APPROVAL BRIEF

*(Answers needs to satisfy Checklist at Appendix 2)***1. Activity, event or facility attracting sponsorship**

Briefly describe the activity, event or facility for which sponsorship is proposed.

2. Sponsorship Offer

Nature and duration of sponsorship offer (describe cash and/or in-kind contributions).

3. Sponsor Information

Sponsor name, contact details and nature of sponsor's business.

4. Ethical Considerations

Has the sponsor clearly indicated that they do not own, control or are involved with the manufacture and production or promotion of tobacco-related products, which includes cigarettes, cigars and pipes.

YES/NO

5. Sponsored Organisation's Contacts

Contact details of Sponsored Organisation employee responsible for:

- Developing the sponsorship proposal
- Implementing the sponsorship proposal

6. Assessment of ProposalBriefly outline **major** factors from checklist influencing recommendation decision (attach checklist at Appendix 2 and answer each question).**7. Recommendation**

On balance, does the value of the sponsorship benefits outweigh the risks and costs to the Sponsored Organisation or NSW Health?

YES/NO

Should the sponsorship proposal be accepted and approved?

YES/NO

8. Written Agreement

Is the contract/letter of agreement attached?

YES/NO

9. Approval *(NB. Can only be approved if Q4 is "YES")*

.....
Signature – Chief Executive
or Director-General

.....
(Date)

10. Referral by Chief Executive

To Area Executive Meeting for second opinion.

YES/NO