

Sponsorship Application Guidelines

1. INTRODUCTION

Sponsorship enables CitiPower and Powercor to support the communities we serve. It is also an important part of CitiPower and Powercor's communications strategy.

These sponsorship guidelines are designed to assist those seeking sponsorship from CitiPower and Powercor. The guidelines provide information on:

- The types of organisations CitiPower and Powercor supports
- What CitiPower and Powercor looks for in a sponsorship partner
- The form in which sponsorship requests should be made
- The process CitiPower and Powercor uses to consider sponsorship requests.

2. CITIPOWER AND POWERCOR'S BUSINESS

CitiPower and Powercor is an electricity distribution company established during reforms to the Victorian Electricity Industry in the mid-1990's when it operated both distribution and retail businesses. However, effective 1 June 2001, CitiPower and Powercor sold its retail interests to Origin Energy and now operates solely as a distribution business. As well as electricity distribution, CitiPower and Powercor also offers construction services.

CitiPower and Powercor's network distribution area stretches across 150,000 square kilometres of central and western Victoria, covering more than half of the state. Our network area meets the borders of South Australia and New South Wales and includes many of Victoria's key rural growth centres and Melbourne's key western suburbs.

CitiPower and Powercor is a committed member of the diverse communities we serve. We believe it is important to contribute to the wellbeing and prosperity of the people in these communities, above and beyond our service delivery.

As a result, the major focus of CitiPower and Powercor's sponsorship program involves supporting the various communities we serve. As a commercial enterprise, CitiPower and Powercor must also make sure our sponsorships achieve commercial objectives.

3. CITIPOWER AND POWERCOR AND SPONSORSHIP

Our activities in the community support a broad range of interests including business development, community events, the environment, education, and safety.

3.1 Sponsorship Categories

CitiPower and Powercor's sponsorship funds are allocated across the following categories:

- Business Development

Working in conjunction with local municipalities and business development organisations, CitiPower and Powercor will support programs specifically designed to ensure the growth and development of business communities within our network area.

CitiPower and Powercor sponsors a number of annual business awards which take place in our network area.

- Arts and Culture

Our sponsorships in this category focus on events that encourage participation at all levels, promote professional artistic content and demonstrate support for the communities involved.

- Community

CitiPower and Powercor is very aware of the importance of being involved in the community. We will consider applications by local community organisations that operate for the benefit of specific community groups and focus on civic and social improvement.

- Environment

CitiPower and Powercor recognises its obligation to help nurture and preserve the natural environment. The Company meets its environmental responsibilities through a mix of best practice in environmental management, investment in education and sponsorship.

- Education

CitiPower and Powercor supports a range of education programs intended to develop the skills of people in the community. Programs in this category can be targeted to all age groups.

- Health, Safety and Welfare

The funds are made available for specific projects which provide a clear benefit for the target group.

3.2 What CitiPower and Powercor will not sponsor

CitiPower and Powercor will not sponsor events or organisations that:

- could lead to CitiPower and Powercor being seen to favour one person or group of people over another (for example, an individual or a sporting team that favours a certain cluster of people over another)
- are stop-gap measures to maintain the status quo or pay for the survival of an organisation (such as a short term corporate cash injection)
- have the potential to polarise the community (for example, events, programs or organisations involving a religious, political, military or life threatening activity)
- do not involve a specified level of support, ie. open-ended sponsorships
- request waiving of fees or power bills.

3.3 Other Considerations

- We normally only sponsor organisations and activities in our distribution service area
- We seek to allocate sponsorship funds equitably across our service area
- We take into account any relevant existing sponsorship activities
- All sponsorship allocations are subject to normal budgetary considerations.

3.4 Commercial objectives

Sponsorship is a two-way transaction rather than a donation. Our support for an organisation, event or program is given in return for the right to use that organisation, event or program to promote CitiPower and Powercor's name, image, products and services.

CitiPower and Powercor will not enter any sponsorship unless we receive a return that contributes to the achievement of our corporate and commercial objectives.

For CitiPower and Powercor to enter into a sponsorship it must be a cost-effective means of marketing our products and services or communicating key messages.



CitiPower and Powercor looks for sponsorship opportunities that will enable us to achieve one or more of the following objectives:

- build relationships with key customers or stakeholders
- demonstrate that CitiPower and Powercor is a responsible corporate citizen
- raise CitiPower and Powercor's public profile through positive exposure
- communicate key corporate messages to a defined target audience
- have the potential to generate economic and social benefits for the community which CitiPower and Powercor serves
- builds CitiPower and Powercor's reputation as a company that cares about its community and environment

3.5 A partnership approach

CitiPower and Powercor believes a sponsorship is a partnership. CitiPower and Powercor assists our sponsorship partners by:

1. Structuring our sponsorships so they help an organisation achieve its goals;
2. Going beyond writing a cheque, by providing advice and support as appropriate and as requested;
3. Using our best endeavours to obtain publicity and promote the activity and CitiPower and Powercor's sponsorship.

In return, CitiPower and Powercor looks for sponsorship partners committed to assisting CitiPower and Powercor achieve our commercial goals by:

- keeping CitiPower and Powercor informed about the organisation or activity
- delivering all promised benefits
- supporting and promoting CitiPower and Powercor
- measuring and evaluating the success of a sponsorship.
- Delivering on these measures is a key element in evaluating a sponsorship.

3.6 Other sponsors

CitiPower and Powercor looks for sponsorship opportunities that enable us to clearly communicate a message. Therefore, we prefer opportunities where:

- CitiPower and Powercor is the only energy industry sponsor
- there are a limited number of other sponsors.

3.7 Taxation

CitiPower and Powercor is mindful of the effects of changes to the tax system on our sponsorship program. Attachment B to these guidelines sets out CitiPower and Powercor's position and requirements with regard to the GST.

4. HOW TO APPLY FOR SPONSORSHIP

CitiPower and Powercor receives a large number of requests for sponsorship. To enable us to evaluate all opportunities, sponsorship requests are to be submitted in writing ideally at the end of the preceding year, or at least three months in advance of the event.

Your application for sponsorship should consist of:

- a completed sponsorship application form
- a written sponsorship proposal.

Your written sponsorship proposal should be divided into two sections:

(i) the sponsorship opportunity – which should briefly outline:

- what will be sponsored
- what the organisation or activity will achieve
- the price of the sponsorship
- the existing and likely other sponsors
- the credentials of your organisation
- your communications strategy (ie. strategies to launch, publicise and promote the program).

(ii) the benefit to CitiPower and Powercor – which should explain

- the fit between CitiPower and Powercor and your organisation
- the commercial objectives CitiPower and Powercor can achieve by sponsoring your organisation
- the rights and benefits you will provide to CitiPower and Powercor
- how you will communicate with CitiPower and Powercor
- how the success of the sponsorship will be measured
- if you are asking for more than \$500, the estimated value of all exposure you will provide to CitiPower and Powercor (for example, television coverage, spot packages, radio, press, signage).

Your sponsorship application and proposal should be sent to:

The Sponsorship Coordinator
Corporate Affairs
CitiPower and Powercor Ltd
Locked Bag 14090
Melbourne Victoria 8001

5. CITIPOWER AND POWERCOR'S ASSESSMENT PROCESS

CitiPower and Powercor carefully considers all sponsorship requests we receive by applying the following process:

- your application will be reviewed by the Sponsorship Coordinator to assess whether it suits CitiPower and Powercor's current communication requirements
- if your application is recommended for further consideration by the Sponsorship Coordinator, it will be referred to senior management
- if CitiPower and Powercor is not in a position to pursue the sponsorship opportunity we will notify you in writing within eight weeks of CitiPower and Powercor receiving your request
- if CitiPower and Powercor is interested in pursuing the sponsorship opportunity we will contact you to discuss the application.

6. SPONSORSHIP AND GST

This section offers you a brief summary on how the Goods and Services Tax (GST) affects sponsorship requests.

Amounts paid as sponsorship fees are usually payment for services (such as advertising) and will be subject to GST if the sponsored entity is registered for GST.

Is your organisation/business GST Registered?

If your organisation is registered for GST, you must issue a Tax Invoice to CitiPower and Powercor for the amount of the sponsorship and GST before payment can be made.

Listed below is the information that must be that must present on a Tax Invoice.

- the Australian Business Number of your organisation
- the GST-inclusive price of the taxable supply
- the words 'tax invoice' stated prominently
- the date of issue of the tax invoice
- the name of the supplier
- the name of the recipient
- the address or the ABN of the recipient
- a brief description of each items or service supplied
- quantity of goods or service supplied, and
- when GST payable is exactly 1/11th of the total price, either a statement along the lines of 'the total price includes GST', or the GST amount.

If your organisation/business is NOT GST registered

If the organisation is not registered for GST it cannot charge GST. No GST is payable by CitiPower and Powercor. CitiPower and Powercor is not entitled to claim input tax credit, as CitiPower and Powercor did not pay GST on the sponsorship.

In this situation your organisation will still need to issue a standard invoice to CitiPower and Powercor to meet the substantiation requirements before payment can be made.

