Government of Western Australia
Department of Health

Policy Frameworks
Mandatory Policy
MP 0005/16
Effective from: 14 February 2016
Amended on 2 June 2026

Grants, Esoteric Arrangements and Sponsorships Policy

1 Purpose

The *Grants, Esoteric Arrangements and Sponsorships Policy* (this policy) establishes the minimum governance processes and documentation requirements that apply when WA health entities establish and/or manage agreements relating to Grants and other Esoteric Arrangements, including Sponsorships (collectively referred to as GEAS).

WA health entities must conduct activities to the highest standards of integrity, probity and accountability. This policy supports WA health entities to uphold impartiality, accountability and transparency when managing GEAS, in conjunction with the obligations of the:

- Western Australian Public Sector Code of Ethics
- *Public Sector Management Act 1994* (WA)
- *Financial Management Act 2006 (WA)*

The policy is to be read in conjunction with:

- MP 0138/20 *Managing Conflicts of Interest Policy*
- MP 0136/20 *Gifts, Benefits and Hospitality Policy*
- Government of Western Australia *Delivering Community Services in Partnership Policy*

This policy is a mandatory requirement for Health Service Providers under the *Procurement Policy Framework* pursuant to section 26(2)(d) of the *Health Services Act 2016*.

This policy is also a mandatory requirement for the Department of Health pursuant to section 29 of the *Public Sector Management Act 1994*.

This policy supersedes MP 0047/17 *Sponsorship Policy* and MP 0004/16 *Procurement Development and Management System Policy*.

2 Applicability

This policy is applicable to WA health entities.

This policy does not apply to arrangements that are:

(a) between a WA health entity, and a State Agency
(b) subject to the WA Procurement Rules
(c) in the nature of an employment agreement
(d) within the scope of section 535 of the Financial Management Manual (e.g. clinical trials)
(e) related to the development of intellectual property by employees

(f) a gift or donation
(g) an ex-gratia or act of grace payment
(h) a payment of remuneration, compensation or damages
(i) in nature of a payment, benefit or entitlement made under legislation, a government program, scheme or other initiative.

3 Policy requirements

WA health entities must ensure that:

- all decisions are made by an appropriately authorised officer, and are transparent and capable of review
- all conflicts of interest are identified, declared and managed in the public interest
- the principles of consistency, impartiality and confidentiality are upheld
- adequate records are maintained to provide for scrutiny and review of decisions.

3.1 Grants, Esoteric Arrangements and Sponsorships (GEAS)

3.1.1 Criteria

GEAS must:

(a) be linked to outcome(s) which either:
  (i) support the strategic or public health objectives of the WA health system; or
  (ii) support the objective(s) of the WA health entity
(b) have clearly articulated limits with respect to the duration of the agreement.

3.1.2 General Responsibilities

While establishing and managing a GEAS, WA health entities must seek to ensure:

(a) the arrangement represents an efficient and effective use of public resources
(b) risks (including reputational risks) have been considered and are appropriately managed.

3.2 Process Requirements

Officers may undertake any suitable method for selecting a counterparty to a GEAS, including but not limited to a direct engagement, competitive quotation, or an open advertisement process.

When determining a suitable method for selecting a counterparty to a GEAS with an estimated total value at or above $50,000 (incl. GST), officers must:

(a) have regard for likely extent of interest from other potential counterparties
(b) consider whether there would be material benefit(s) to adopting a competitive approach
(c) document the rationale for how the process of engaging with a counterparty will be undertaken as part of the initiation document.
  (i) for unsolicited incoming sponsorship proposals, this requirement will be satisfied by recording that the proposal was received on an unsolicited basis.

3.3 System Requirements

WA health entities must use the Procurement Development and Management System (PDMS) to workflow and register all grants or programs of grants valued at or above $50,000 (incl. GST).

3.4 Documentation Requirements

A level of documentation commensurate with the scale, scope, value and risk of the GEAS must be maintained, capturing governance decisions, any resulting agreements, and resulting management activities.

The following minimum requirement of documentation as set out in the below table, is required when undertaking a GEAS.

Activity	Minimum Documentation Requirements
Initiation	For GEAS with a total estimated value at or above $50,000 (incl. GST), the key details of the arrangement, and corresponding business approval to proceed must be recorded. Supporting templates providing guidance on the appropriate level of detail are available for some types of GEAS. Refer to section 6 for supporting templates and the Grant and Sponsorship Template Guideline. For unsolicited incoming funding or sponsorship proposals, the document that records the evaluation of the proposal will also serve the function of an initiation document.
Formation	All GEAS must be formally documented. Supporting templates are available for some types of GEAS. Refer to section 6 for supporting templates and the Grant and Sponsorship Template Guideline.
Publish	Grants with a total estimated value of outgoings at or above $50,000 (incl. GST) must be published either on the public-facing site where the grant opportunity was advertised (where applicable) or on Tenders WA within 30 days of award.
Variation	All variations irrespective of value must be appropriately documented. Variations with a cumulative value of outgoings at or above $50,000 (incl. GST) will also require a Variation Memorandum to be prepared and approved (in accordance with section 3.5 of this Policy) prior to the variation letter being issued. Cumulative value refers to increases in the value of the grant above the value approved in the original initiation document, or the value approved in a subsequent Variation Memorandum. Refer to section 6 for information on supporting templates and the Grant and Sponsorship Guideline.

3.5 Authorisation and Governance Requirements

For GEAS with a total estimated value of outgoings at or above $50,000 (incl. GST), WA health entities are required for their initiation documentation to be reviewed and endorsed by the Director, Office of the Chief Procurement Officer (OCPO), Health Support Services (HSS). For grants and programs of grants valued at or above $50,000 (incl. GST), the initiation documentation must be submitted using the PDMS.

After any required review and endorsement, WA health entities must ensure relevant documents and decisions are approved in accordance with the applicable Instrument of Authorisation.

3.6 Variations to GEAS

If a Variation Memorandum is required (as set out in section 3.3), it must be reviewed for endorsement by the Director, OCPO, HSS. For grants and programs of grants valued at or above $50,000 (incl. GST), the Variation Memorandum must be submitted using the PDMS.

Following the required review and endorsement as set out above, WA health entities must ensure that the grant variation letter is approved in accordance with the applicable Instrument of Authorisation and with due care and attention. Where the GEAS is registered in the PDMS, WA health system entities must record variations and adjustments to the contract within the PDMS.

4 Compliance monitoring

The OCPO, on behalf of the System Manager, will monitor compliance with this policy by requiring WA health entities to provide evidence of compliant grant documentation in the Procurement Development and Management System (PDMS) before remitting payments for grants valued at or above $50,000 (incl. GST).

OCPO, on behalf of the System Manager, may request that WA health entities submit compliance evidence in relation to the requirements of this policy. In these cases, OCPO will work with WA health entities to agree on the information to be provided and timeframes this is required within.

5 Related documents

N/A

6 Supporting information

The following information is not mandatory but informs and/or supports the implementation of this policy:

- Government of WA: WA Grants Administration Guidelines 2022
- Government of WA: Sponsorship in Government Guidelines
- Government of WA, Department of Finance: Community services templates
- Office of the Chief Procurement Officer: Grants and Sponsorships Templates, Guides and Policies
- Government of WA: Community services procurement practice resources

7 Definitions

The following definition(s) are relevant to this policy.

Term	Definition
Esoteric arrangement	Esoteric agreements for the exchange of defined benefits, excluding: a) procurement arrangements; b) employment agreements; c) sponsorships; d) agreements within the scope of section 535 of the Financial Management Manual (e.g. clinical trials); and

	e) agreements related to the development of intellectual property by employees. Some examples of Esoteric Arrangements include but are not limited to investments, joint ventures, and provision of scholarship funding.
Grant	A financial assistance arrangement made for the performance of a specified purpose or project.
Instrument of Authorisation	The instrument through which an officer has been provided the authority to approve, action or otherwise make a decision in relation to an identified matter.
State Agency	Has the same meaning as set out in the WA Procurement Rules.
WA heath entities	WA health entities include: (i) Health Service Providers as established by an order made under section 32 (1)(b) of the *Health Services Act 2016.* (ii) Department of Health as an administrative division of the State of Western Australia pursuant to section 35 of the *Public Sector Management Act 1994.*

8 Policy contact

Enquiries relating to this policy may be directed to:
Title: Director, Office of the Chief Procurement Officer
Directorate: Health Support Services
Email: ocpo@health.wa.gov.au

9 Document control

This mandatory policy will be reviewed as required to ensure relevancy and currency.

Version	Published date	Review date	Amendment(s)
MP0005/16	1 July 2016	July 2019	Original version
MP0005/16 v.2.0	1 March 2017	July 2019	Amendment as listed below.
• Clarify process for treatment of competitive grants and grant variations.			
MP0005/16 v.3.0	5 October 2017	July 2019	Amendment as listed below.
• Treatment of approval for grant initiation and variations to align more closely with contract variations and streamline administrative requirements.			
MP 0005/16 v.3.1	2 January 2019	July 2019	Amendment as listed below.
• References to 'Authorisations Schedule' replaced with 'Instrument of Authorisation'.			
MP 0005/16 v.4.0	9 August 2019	July 2019	Amendment, details below.
• References to grants being classified as a gift have been deleted.			

• Where thresholds are defined, boundary values are now aligned with requirements for the higher threshold. • References to OCPO positions for the purpose of providing authorisations have been updated. • Addition of the Integrity Statement. • Policy no longer applies to Department of Health employees. • Amendments made to improve clarity and consistency throughout policy. • Supporting information amended to acknowledge availability of a range of guides and templates, instead of specific documents.			
MP 0005/16 v.4.1	14 October 2020	July 2019	Amendments as listed below.
• Related documents section: updated hyperlinks. • Supporting information section: updated hyperlinks.			
MP 0005/16 v.5.0	2 June 2021	June 2024	Policy review and amendments as detailed below.
• Policy applies on a systemwide basis. • Grant definition has been clarified to better align with intended scope and application of policy. • Grant Initiation Documentation consolidated into a single Grant Proposal template. • Threshold for Grant Variation Memos raised to $50,000. • Further amendments to improve consistency across Policy Frameworks and have consistent use of defined terms.			
MP 0005/16 v.6.0	20 March 2025	March 2028	Policy review and amendments as detailed below.
• Policy title changed from Grants Policy to Grants, Esoteric Arrangements and Sponsorship Policy. • Purpose section refined and updated. Policy supersedes MP 0047/17 *Sponsorship Policy.* • Applicability section refined to apply to WA health entities as per Policy Frameworks governance and the insertion of contracted health entities statement. • Policy requirements updated to include sponsorships and to encompass a range on non-procurement arrangements (Esoteric Arrangements). • Policy requirements criteria updated to better align with amended scope of application. • Compliance Monitoring updated to reflect policy owner's responsibility to monitor policy compliance and set compliance monitoring measurements. • Related documents - removal of reference to Department of Finance templates (moved to Supporting Information section) to better align with *General Procurement Direction 2023/03 - Delivering Community Services in Partnership Policy*. • Supporting Information: inclusion of Government of WA Grants Administration Guidelines 2022 and Government of WA Sponsorship in Government Guidelines. • Definitions section: Removal of definitions for Community Services, Community Services Grants, Commercial Grants and Documentation Requirements, and inclusion of definitions for Esoteric Arrangements and State Agency. • Policy contact: insertion of Director, Office of the Chief Procurement Officer to reflect policy ownership.			
MP 0005/16 v.6.1	24 July 2025	March 2028	Amendment as listed below

• Policy requirement section 3.3 Documentation-Minimum Documentation Requirements table: Publish activity updated.			
MP 0005/16 v.7.0	2 June 2026	March 2028	Amendment as listed below
• Purpose section: inclusion that this policy supersedes MP 0004/16 Procurement Development and Management System Policy. • Policy requirements: Inclusion of 3.3 Systems Requirements section and updates to section 3.5 Authorisation and Governance Requirements and 3.6 Variation to GEAS requirements. Incorporated requirements for entry of process and contract details into the Procurement Development and Management System (PDMS)			

10 Approval

Initial approval	Dr David Russell-Weisz, Director General, Department of Health
	1 July 2016

This document can be made available in alternative formats on request for a person with a disability.

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