

<b>Title</b>	<b>Sponsorship</b>
<b>Council Resolution</b>	Item 10 (20 March 2017) as per Council Minutes
<b>Responsible Directorate</b>	Community, Economic Development and Business
<b>Due for Review</b>	Two (2) years from Council Resolution Date
<b>Strategic Plan Reference</b>	4.1 Govern in an open and responsible manner in the best interests of the community
<b>ECM</b>	Council Policy

## PURPOSE

This policy provides direction as to the processes to be followed by Council prior to entering any binding sponsorship arrangements, (either as a recipient or provider), and as to the principles that determine whether any proposed sponsorship arrangements are appropriate.

## SCOPE

This policy applies to:

- Council as the proposed sponsor of another organisation through the association with the sponsored initiative, project or event (including naming rights on Council property), and
- Council as the sponsored organisation when it seeks financial or other support from another organisation, and provides a benefit in return.

It does **not** apply to the following circumstances:

- grants or direct funding, which are monies or goods provided to a recipient through a formally recognised program for a specified purpose
- endorsements, donations, philanthropic gestures, bequests or gifts, which impose no obligations on the receiver and offer little or no return to the donor
- purchasing or selling goods or services for value, including advertising space, editorial comment or advertorials, or
- the provision of funding to enable staff to attend training courses, personal development opportunities or other such activities (which is not considered to be sponsorship).

## STATUTORY REQUIREMENTS

Whilst the *Local Government Act 1993* is silent with respect to Council's sponsorship activities, it is considered good governance and prudent to monitor and report on the same.

<b>Acts</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
<b>Regulations</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
<b>Australian/International Standards</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
<b>Guidelines</b>	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>

## DEFINITIONS

<b>sponsorship</b>	<ul style="list-style-type: none"> <li>• vouching for or endorsing a person or product<sup>1</sup></li> <li>• the right to associate the sponsor's name, products or services with the sponsored organisation's service, product or activity, in return for negotiated and specific benefits such as cash or in-kind support or promotional</li> </ul>
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<sup>1</sup> *Butterworths Concise Australian Legal Dictionary*

	opportunities. It involves a negotiated exchange and results in tangible, material and mutual compensation for the principal parties to the arrangement <sup>2</sup>
<b>incoming sponsorship</b>	when Council receives sponsorship from another party for an initiative
<b>outgoing sponsorship</b>	when Council provides sponsorship to another party for an initiative
<b>naming right</b>	the exclusive right for an organisation to name/brand a venue, event or program and for the name/brand to be reflected on formal signage and communication

## COUNCIL SPONSORSHIP PRINCIPLES

Council will assess incoming and outgoing sponsorship proposals taking into account eight (8) guiding principles:

- |                                       |                                     |
|---------------------------------------|-------------------------------------|
| 1. Alignment with Council Priorities  | 5. Appropriate Association          |
| 2. Transparency                       | 6. Appropriate Sponsorship Benefits |
| 3. Value for Money                    | 7. Appropriate Authorisation        |
| 4. Ethical Standards and Fair Dealing | 8. Due Probity                      |

### *ALIGNMENT WITH COUNCIL PRIORITIES*

Sponsorship proposals must be assessed against, and align with, Council’s strategic and key operational priorities. In addition, consideration should be given to the initiative’s ability to:

- enhance Council’s corporate identity and reputation
- observe good social, economic and environmental practice and encourage community engagement
- promote Council’s initiatives to relevant target audiences, and
- build and enhance existing relationships at the local and national level.

### *TRANSPARENCY*

Due consideration must be given to principles of efficiency, effectiveness, ethics and economics when Council engages in sponsorship arrangements.

### *VALUE FOR MONEY*

Council will apply a business approach to sponsorship activities in order to receive value for money. ‘Value for money’ should not be interpreted as merely the highest price when receiving sponsorship or the lowest price when providing sponsorship.

### *ETHICAL STANDARDS AND FAIR DEALING*

A high standard of ethical behaviour and fair dealing must be demonstrated when brokering and engaging in sponsorship arrangements, including:

- providing objective advice on the value of the sponsorship initiative
- disclosing and resolving conflicts of interest between private interests and public duties
- disclosing and resolving conflicts of interest with a sponsor or organisation that is, or is likely to be, subject to regulation or inspection, during the term of the sponsorship agreement
- ensuring the initiative can be terminated if occasions arise where sponsorship and Council regulatory interests conflict
- ensuring the integrity of Council is not compromised, and
- maintaining high standards of confidentiality, privacy and accountability.

<sup>2</sup> Queensland Government Sponsorship Policy (October 2015)

### *APPROPRIATE ASSOCIATION*

Activities and associations with which Council is considering entering into sponsorship arrangements **must** be appropriate and not seen to diminish the reputation Council. When considering entering into a sponsorship arrangement, the organisation's financial position, reputation in the community, involvement they will have in the initiative and the extent to which the organisation's activities support Council's priorities must be taken into account.

The motivations of organisations for entering into sponsorship agreements **must** be known before any sponsorship agreement is executed. Motives that may give rise to an inappropriate association include (but are not limited to) an apparent intention to influence Council in any of its day-to-day dealings.

Any sponsorship must also **not** compromise the reputation, probity or impinge on the ability of Council to fulfil its statutory functions. Any potential or actual conflicts of interest must be identified in the initial assessment process and addressed accordingly.

Council must **not** sponsor or offer for sponsorship:

- corporate stationery, forms, annual reports or similar materials
- web home or content pages, except for web pages specifically devoted to a sponsored project or event
- corporate uniforms, except for specific event promotional clothing, and/or
- external corporate signage on buildings.

### *APPROPRIATE SPONSORSHIP BENEFITS AND ACKNOWLEDGEMENT*

Appropriate sponsorship benefits should be negotiated in advance and documented in a sponsorship agreement to ensure the sponsorship delivers value for money to Council.

Council must ensure that the sponsored organisation provides public acknowledgement of its support as appropriate.

### *APPROPRIATE AUTHORISATION*

Sponsorship arrangements above the value of \$5,000 per sponsorship request are to be reported to Council for determination. Sponsorship arrangements for \$5,000 or less per sponsorship request may be determined by the General Manager under delegated authority.

### *DUE PROBITY*

Council will ensure that all associations with external organisations created through sponsorship arrangements are appropriate, and that necessary safeguards are taken to protect the Council's reputation.

Council must ensure that sponsorship arrangements are entered into only with organisations where the risk of damage to the reputation of Council as a whole is low. Council should carry out reasonable background checks on potential sponsorship associates to ensure that their full range of business interests and activities, and any potential risks are identified.

Sponsorship agreements should specify that Council sponsorship is not a general endorsement of the organisation or its products by Council, and that the arrangement must not be promoted or publicised as such. Council will ensure that sponsorship agreements provide for termination of the arrangement, should the association cease to be appropriate.

## **NAMING RIGHTS ON COUNCIL PROPERTY**

Applications for naming rights on Council property will be considered under the following conditions:

- naming rights are limited to sports grounds, pavilions or public buildings only or a specific area/portion within a reserve, but not the entire reserve
- the term of the naming agreement is limited to the term of the club's licence, lease or agreement over the community venue
- in the case where naming rights are proposed and accepted, the naming convention would be '(VENUE) PROUDLY SPONSORED BY (SPONSORS NAME)' or '(VENUE) SPONSORED BY (SPONSORS NAME)'
- the proposed name of the venue is not in any way offensive or discriminatory, and
- the community venue ground is only referred to the 'sponsored name' in club, association, competition or league promotions and marketing.

Community venue naming rights remain vested with the Council as venue owner and manager.

Council names for the 'sponsored' property will prevail in public documents, e.g., Council reports, engineering / road plans, directories, web-sites etc.

A copy of the proposed naming rights sponsorship agreement is to be submitted as part of the approval process. Council will detail in writing the scope of the agreement with organisations seeking naming rights sponsorship.

Upon approval, the organisation/club will be permitted to install a single information sign that complies with the current Council planning scheme.

## **REGISTER FOR SPONSORSHIP AND REPORTING REQUIREMENTS**

Council will maintain a register for sponsorship and records details of that sponsorship arrangement including (but not limited to):

- date of receipt of sponsorship request
- entity sponsored
- approved by (Council/General Manager)
- details of what sponsorship arrangement was for
- benefit for Council, and
- previous successful sponsorship bids by entity.

Council will be notified on an annual basis as to the approved sponsorship arrangements for the previous twelve months. Council will also report as appropriate all successful sponsorship arrangements for the relevant financial year in the Annual Report.

## **BACKGROUND**

New policy