

PURPOSE

Council supports the concept of sponsorship, either of Council programs, events, or facilities.

This policy provides direction as to the processes to be followed by Council prior to entering any binding sponsorship arrangements and as to the principles that determine whether any proposed sponsorship arrangements are appropriate.

Further, this policy is to be read in conjunction with Council's Grants Directive.

SCOPE

This policy applies to:

Council as the sponsored organisation when it seeks financial or other support from another organisation and provides a benefit in return (including naming rights on Council property).

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, inclusive of State or Federal Government funding
- endorsements, donations, philanthropic gestures, bequests or gifts, which impose no obligations on the receiver and offer little or no return to the donor (refer to Council's Gifts and Benefits Policy)
- 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 (refer to Council's Gifts and Benefits Policy).

STRATEGIC PLAN ALIGNMENT

Making Lives Better

Objective 1.1 Know our communities and what they value

Strategy 1.1.1 Guide decision making through continued community engagement based on our community plan

Leading Our Community

Objective 4.1 Govern in the best interests of our community

Strategy 4.1.1 Manage Council for maximum efficiency, accountability and transparency

Strategy 4.1.3 Maximise regulatory compliance in Council and the community through our systems and processes

Objective 4.2 Prioritise our resources to achieve our community's goals

Strategy 4.2.1 Deploy the Council's resources effectively to deliver value

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.

Acts	<i>Section 77 of the Local Government Act in relation to Gifts and Benefits</i>
Regulations	<i>N/A</i>
Australian/International Standards	<i>N/A</i>

DEFINITIONS

Sponsorship means, a form of marketing tool where an entity pays for the right to be associated with a Council program, event or project. For example, the right to associate the sponsor's name, products or services in return for negotiated and specific benefits such as cash or in-kind support or promotional opportunities. It involves a negotiated exchange and results in tangible, material and mutual compensation for the principal parties to the arrangement¹

Incoming sponsorship means when Council receives sponsorship from another party for an initiative.

Naming right means 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.

POLICY STATEMENT

Council Sponsorship Principles - Incoming

Council will assess incoming sponsorship proposals taking into account nine (9) guiding principles:

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

¹ Queensland Government Sponsorship Policy (October 2015)

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, State and national level.

Transparency

Due consideration must be given to principles of efficiency, effectiveness, ethics and economics when Council engages in sponsorship arrangements. All sponsorship arrangements must comply with Council's Gifts and Benefits Policy and Council's Conflict of Interest Policy.

Value for Money

Council will apply an approach to sponsorship activities to receive value for money. 'Value for money' should not be interpreted as merely the highest price when receiving 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 to Council,
- ensuring the sponsorship initiative has a clear start and end timeframe,
- disclosing and managing conflicts of interest between private interests and public duties,
- disclosing and managing 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.

Appropriate Association and Due Probity

Activities and associations with which Council is considering entering sponsorship arrangements **must** be appropriate and not seen to diminish the reputation of Council. When considering entering 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 considered.

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.

Council must ensure that sponsorship arrangements are entered into only with organisations where the risk of damage to the reputation of Council is low. Council should carry out reasonable due diligence on potential sponsorship associates to ensure that their full range of business interests and activities aligned with Council policies and objectives.

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.

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

Council must **not** 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.

Appropriate Authorisation

Sponsorship arrangements for \$20,000 or more per sponsorship request are determined by the General Manager.

Financial and / or Economic Benefits

Council must ensure that arrangements that are entered into provide clear financial and / or economic benefits to Council and / or the broader Glenorchy community.

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 tenant's/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 is not directly associated with alcohol, tobacco or gambling, and
- the community venue ground is only referred to the 'sponsored name' in club, association, competition or league promotions and marketing. Council names for the 'sponsored' property will prevail in public documents, e.g., Council reports, engineering / road plans, directories, websites etc.

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

A copy of the proposed naming rights sponsorship agreement is to be submitted as part of the application. Council reserves the right to refuse the application and may specify terms or conditions with any approval.

Where a facility has multiple tenants, written agreement between the tenants for the sponsorship to occur must be provided to Council.

Any proposed new or altered signage related to naming rights or sponsorship must be approved by the Director of Infrastructure & Works and comply with the Planning Scheme and any related Council policies.

All costs associated with naming rights, including signage, are to be borne by the applicant tenant.

The applicant must indemnify Council against any loss should Council revoke the approval of naming rights.

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.

DOCUMENT CONTROL

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