

Strategic policy

Sponsorship (Governance Framework)

Corporate Plan reference:	<p>A smart economy <i>A prosperous, high-value economy of choice for business, investment and employment</i></p> <ul style="list-style-type: none"> - A natural, major and regional event destination - A regional hub for innovation, entrepreneurship and creativity <p>A strong community <i>In all our communities, people are included, treated with respect and opportunities are available to all</i></p> <ul style="list-style-type: none"> - A shared future that embraces culture, heritage, diversity
Endorsed by Council on:	15 September 2016 (OM 16/169)
Manager responsible for policy:	Head of Economic Development, Economic and Community Development

Policy purpose

The purpose of this policy is to:

- provide a framework for determining when Sunshine Coast Council (Council) will enter into sponsorship arrangements
- ensure risks are managed and Council's reputation is upheld in the development, assessment, management, evaluation and reporting on sponsorship arrangements
- align sponsorship arrangements with Council's Corporate Plan and
- support strong financial management.

This policy and its associated guidelines should be applied by Groups when making decisions about sponsorship arrangements to ensure a transparent, accessible and consistent process across Council.

Policy outcome

Sponsorship is a commercial business arrangement involving the purchase (in cash and/or in kind) of the right to associate the sponsor's name, products and/or services with the sponsored organisation's activities (negotiated benefit) for an agreed period. It is a mutually beneficial contract with the desired outcome of positive tangible returns to all parties (Queensland Government Sponsorship Framework 2003).

Sunshine Coast Council is responsible for delivering a wide and varied range of activities, events, infrastructure, programs, and services for members of communities within the Sunshine Coast region. Council also supports major and community events for the benefit of its local communities. To more efficiently and effectively deliver its planned outcomes and services, Council may enter into business arrangements – including sponsorship – to optimise commercial benefits for the region. Sponsorship may be utilised by Council to enable the development, extension or cost-minimisation of planned outcomes and services.

Policy scope

This policy applies to all sponsorship arrangements entered into by Council, and includes both sponsorship provided (outgoing) by Council and sponsorship received (incoming) by Council. This policy does not apply to advertising, community grants, donations, joint ventures, or legal partnerships.

Policy statement

Council may enter into sponsorship arrangements which provide specified or demonstrated benefits to the community and align with Council's aspirations, legislative requirements, priorities, strategic direction, and vision. Council may provide sponsorship in accordance with annual budget allocations and may consider receiving sponsorship which develops, supplements or offsets the cost of activities, events, infrastructure, programs, and services.

Guiding principles

Key principles

The following five key principles are to be applied when determining sponsorship arrangements in accordance with this policy.

1. *Community benefit*

All sponsorship activities must provide a specified cultural, economic, environmental, financial or social benefit to the community. Prior to entering into sponsorship arrangements, an analysis of community benefit should be undertaken.

2. *Alignment*

All sponsorship arrangements must align with Council's aspirations, legislative requirements, priorities, strategic direction, and vision as documented in Council's Corporate Plan, and be consistent with Council's policies including the *Code of Conduct for Councillors* and the *Employee Code of Conduct*.

3. *Risk management*

Potential risks to Council will be assessed prior to entering into sponsorship arrangements in accordance with Council's *Risk Management Policy*. Some examples of the inherent risks in providing or receiving sponsorship commonly include the following:

- Conflicts of interest (actual or potential)
- Embarrassment to Council
- Direct or indirect personal benefits received by Councillors or Council officers
- Perceptions of being influenced by the sponsor/sponsorship recipient
- Perceptions of endorsing the sponsor/sponsorship recipient's products/services.

4. *Open, accountable decision-making and financial management*

Sponsorship will be sought and provided using transparent processes. All sponsorship arrangements will be subject to the provisions of the *Local Government Finance Standard 2005* and Council's financial policies and guidelines. Accordingly, all sponsorship activities will be reported in Council's Annual Report.

In the negotiation of sponsorship arrangements the commercial value of the arrangement, including all cash and in-kind contributions, must be clearly identified and acknowledged.

Sponsorship arrangements with a value under \$2,000 may be agreed to by an exchange of letters; arrangements of \$2,000 and over must be made by formal agreement.

5. Entrepreneurship and revenue raising

Sponsorship activities that present additional revenue raising opportunities for Council will be considered.

Suitable sponsors/sponsorship recipients

Council will only enter into sponsorship arrangements with proposed sponsors or sponsorship recipients if the objectives, activities and/or products of the sponsors or sponsorship recipients are compatible with Council's legislative responsibilities, mission, policies, values, and vision. Council will not seek or accept sponsorship that Council considers is unethical, unlawful, improper, or inappropriate.

Types of sponsorship

The types of initiatives that Council may consider for sponsorship arrangements include the following:

- Major events
- Community/cultural events and programs
- Trade shows
- Industry events, awards and conferences
- Business events, awards and conferences
- Initiatives from other levels of government.

Resources

Resources available for sponsorship and activities in which it is intended to seek sponsorship will be planned in accordance with Council's corporate planning, annual budget and operational planning processes.

Roles and responsibilities

Outgoing sponsorships arrangements

Outgoing sponsorship agreements with a value above \$200,000 (ex GST) will be approved by Council.

Outgoing sponsorship agreements with a value up to \$200,000 (ex GST) per year in a single or multiple instance up to three years will be delegated to the Chief Executive Officer.

Incoming sponsorships agreements

Incoming sponsorship agreements with a value above \$100,000 (ex GST) will be approved by Council.

Incoming sponsorship agreements with a value up to \$100,000 (ex GST) per year in a single or multiple instance up to three years will be delegated to the Chief Executive Officer.

Measurement of success

The success measures for this policy will be:

- an increase in engagement and outputs with peak industry bodies in the promotion of the region's success in implementing the *Regional Economic Development Strategy 2013-2033*

- an increase in the efficiency and effectiveness in delivering Council's major and regional events sponsorship commitments
- an increase in the efficiency and effectiveness of managing incoming sponsorship arrangements for Council's community programs and events and major venues and
- engagement and satisfaction in the delivery of the policy as measured by key stakeholders including governments, industry and community leaders.

Definitions

For the purpose of this policy, the following definitions apply.

Advertising

The communication of Council outputs and services to the public by using a medium commonly used for promoting ideas, goods or services and for which a fee is paid.

Donation

Voluntary contribution without expectation of return.

Grant

Funds provided to a recipient through a formal program for a specified purpose, directed at achieving goals and objectives consistent with Council policy, where the recipient is selected on merit against a set of criteria. Grants are provided without expectation of commercial return. See also Council's *Community Grants Strategic Policy*.

Joint venture

Contractual business undertaking between two or more parties to engage in a specific project, normally for a short and specified term. The joint venture objectives may be to share strengths, minimise risks, and increase competitive advantages in the marketplace.

Legal partnership

Where ownership of an asset or initiative and the associated risks are shared between partners to the arrangement throughout the asset or initiative's life-cycle.

Negotiated commercial

Benefits include the sponsor's right to be publicly recognised or have their name, product/s or service/s associated with the sponsorship recipient's activity, event, individual, infrastructure, program, or service. Specific benefits may include and not be limited to:

- branding exposure (signage, promotional material, advertising, etc)
- a site/stall to promote or sell sponsor goods/services
- PA announcements
- acknowledgment in speeches and media materials
- invitation to participate in opening ceremony and
- inclusion of sponsor information in information packs.

Sponsor

An individual or organisation that, for a specified term, provides a contribution in cash and/or in kind ('contra') with the intention of receiving negotiated commercial benefits.

Sponsorship

A contractual business arrangement under which a sponsor, for a specified term, provides a contribution in cash and/or in kind in return for specified negotiated commercial benefits. Benefits may include the right to public recognition or association with an activity, event, infrastructure, individual, program, and service.

Sponsorship is different from grants funding, in which money or goods are provided to recipients through a formally recognised program for a specified purpose, with no expectation of commercial return. Further, sponsorship does not include a guarantee against loss and is also distinguished from other arrangements such as donations, joint ventures, legal partnerships, paid advertising, and the supply of goods and services.

Sponsorship recipient

An individual or organisation that, for a specified term, receives a contribution in cash and/or in kind in return for providing negotiated commercial benefits to a sponsor. See also definition of “sponsor”.

Related policies and legislation

CMC Sponsorship Management Guidelines - Crime and Misconduct Commission (Qld)
 Councillor Code of Conduct (Strategic Policy)
 Employee Code of Conduct
 Community Grants (Strategic Policy)
 ICAC Sponsorship in the Public Sector - Independent Commission Against Corruption (NSW)
 Local Government Act 2009
 Local Government Finance Standard 2005
 Public Sector Ethics Act 1994
 Sponsorship (governance framework) V1.0 (Strategic Policy)
 Sponsorship Provided by Council (Incoming) Organisational Guideline
 Sponsorship Received by Council (Outgoing) Organisational Guideline
 Sunshine Coast Council Corporate Plan 2018-2022
 Trade Practices Act 1974

Version control:

Version	Reason/ Trigger	Change (Y/N)	Endorsed/ Reviewed by	Date
1.0	Update	Y	Manager, Customer Relations	11/10/2013
1.1	Update	Y	Manager Economic Development	15/09/2016 EDDIE D2016/899532
1.2	Update Department Names	N	Corporate Governance	04/01/2017

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