

# SPONSORSHIP POLICY

## Policy Statement

This policy establishes the principles to be followed when considering and/or managing Sponsorships with the Suburban Land Agency (Agency). Staff within the Agency must comply with this policy when considering and managing Sponsorships

## Purpose

This policy aims to ensure that consistent and defensible decisions are made by the Agency when considering and managing Sponsorships requests and opportunities.

## Scope

This policy applies to all Sponsorships offered to, requested by, or entered into by, the Agency regardless of the value of the Sponsorship. It includes both Outgoing Sponsorships and Incoming Sponsorships. It may also include Agency corporate/industry memberships of professional associations.

## Policy Requirements

The Agency may be approached to provide Sponsorship to private sector activities or may seek Sponsorship in support of ACT Government activities.

Sponsorship is a commercial arrangement in which a sponsor provides a contribution in cash or in-kind to support an activity in return for certain specified benefits. Sponsorship may provide benefits that are either tangible or intangible, and may be in the form of cash, product or service ('in-kind' support), the provision of specific expertise, or a combination of these.

This policy categorises Sponsorship into two forms:

- (1) **Outgoing Sponsorship** - may arise where the Agency is afforded an opportunity to provide Sponsorship to a corporate sector entity or private individual; and
- (2) **Incoming Sponsorship** - may arise where the Agency is afforded an opportunity to receive Sponsorship. Incoming Sponsorship may be provided by a corporate sector entity, private individual or another Government agency.

Sponsorship, for the purpose of this policy, does not include:

- program-based grants or other forms of grant support (these are executed using a Deed of Grant);  
donations or gifts which impose no obligations on the recipient;
- joint ventures or partnership arrangements, in which development of a program of activities and/or associated risks are shared between the Agency (or the Territory) and commercial partners;

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- partnership between SLA and other ACT Government directorates (these are executed using an MOU or Collaboration Agreement) or
- consultancies or scholarships.

### Sponsorship requests/proposals

The Agency does not administer a formal Outgoing Sponsorship program, however all requests/proposals are to be considered by the Agency in accordance with this policy.

The Agency will generally seek Incoming Sponsorships at the commencement of the financial year, although additional opportunities may be considered throughout the year. Incoming Sponsorship opportunities should be widely advertised by the Agency and include details of the opportunity, potential benefits to sponsors, due date for proposals, the format required, the assessment criteria and the selection method.

Procurement advice should be sought for relevant activities. The *Procurement Act* requires public tendering for Procurements in the amount of \$200,000 and above unless the Director-General (CEO) exemption to the Procurement threshold is sought and approved. Public Tenders may also be sought for a Procurement valued less than \$200,000.

All Sponsorship proposals/requests must be submitted in writing (or via email) to the Agency.

### Assessment Criteria

The following criteria is to be followed when assessing opportunities for Sponsorship (both Incoming Sponsorships and Outgoing Sponsorships):

Summary	Objective	Measurable outcome
Value	<ul style="list-style-type: none"> <li>• Provide tangible benefits to the Agency.</li> <li>• Provide a well measured mix of marketing rights and benefits to the Agency.</li> </ul>	<ul style="list-style-type: none"> <li>• Will result in marketing, communications or "association" opportunities, or increased community engagement or education.</li> </ul>
Risk	<ul style="list-style-type: none"> <li>• Complies with previous agreements with the Agency.</li> <li>• The risks to the Agency can be mitigated or managed.</li> </ul>	<ul style="list-style-type: none"> <li>• Must have complied with all previous agreements, unless extenuating circumstances apply.</li> <li>• Undertake a risk management assessment (including conflict of interest or influence) to determine what the risks are for the Agency and whether these can be managed or mitigated</li> </ul>
Effectiveness	<ul style="list-style-type: none"> <li>• Is a suitable and feasible arrangement.</li> </ul>	<ul style="list-style-type: none"> <li>• Undertake an assessment of the suitability and feasibility of the arrangement including the resources</li> </ul>

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		<p>required. Unsuitable activities may include:</p> <ul style="list-style-type: none"> <li>○ projects/activities involving gambling;</li> <li>○ any activity that may be construed as being sexually, racially or otherwise discriminatory;</li> <li>○ events heavily branded by previous sponsors;</li> <li>○ political activities;</li> <li>○ religious activities.</li> </ul>
Competency	<ul style="list-style-type: none"> <li>● Aligns with the Agency's goals and priorities.</li> <li>● Financial resources are adequate.</li> </ul>	<ul style="list-style-type: none"> <li>● Assessment of the public image of the proposed sponsored organisation including its mission, objectives and practices.</li> <li>● Assess the adequacy of the financial resources of the proposed sponsored organisation.</li> </ul>
Procurement	<ul style="list-style-type: none"> <li>● The proposed Sponsorship is 'value for money'.</li> </ul>	<ul style="list-style-type: none"> <li>● To be assessed in accordance with section 22A the Procurement Act and Government Procurement Regulation 2007 (see Annexure A).</li> </ul>
ICAC principles	<ul style="list-style-type: none"> <li>● Propose to recognise the Independent Commission Against Corruption's (ICAC's) 'sponsorships principles'.</li> </ul>	<ul style="list-style-type: none"> <li>● Assess against the ICAC principles (see Annexure A).</li> <li>● Any variations from these principles are to be documented and assessed.</li> </ul>

### Sponsorship Documentation

Sponsorship agreements are legally binding contracts. They must be executed in writing in a format commensurate with the complexity and/or value of the Sponsorship. The assessment processes and reasons behind all decisions must be documented. It is the Agency's preference that any contract entered into are compliant The Territory's requirements therefore sponsorship agreements should be requested for review early in the process as legal advice may be sought for more complex arrangements.

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## Sponsorship Monitoring and Reporting

The management of Sponsorships will be monitored by the relevant Senior Executive Committee or Board and the relevant Audit and Risk Committee.

Sponsorships are to be reported in the Agency's Annual Report.

An accountable officer is to be assigned to monitor and manage each Sponsorship. They are responsible for ensuring that financial accountability requirements are met and for providing an evaluation report.

## Records Management

The Agency is required to ensure that records generated from the requirements of this policy are accurately filed, stored and managed in accordance with the *Territory Records Act 2002* and Environment, Planning and Sustainable Development Directorate Records Management Program.

Records will include requests for sponsorship, supporting evidence provided, the recommendation and decision, and any correspondence between the Agency and the requesting organisation.

## Evaluation

Outcome Measures	Method	Responsibility
All Sponsorships are within the scope of this policy have been managed in accordance with this policy.	Bi-annual file sampling of Sponsorship requests and considerations.	Stakeholder Engagement team

## Related Documents

### Legislation

*Annual Reports (Government Agencies) Act 2004*

*Government Procurement Act 2001*

*Government Procurement Regulation 2007*

*Public Sector Management Act 1994*

### Policies and procedures

ACTPS Code of Conduct

ACTPS Code of Ethical Behaviour

ACTPS Integrity Policy 2010

EPSP Portfolio Fraud and Corruption Prevention Plan and

EPSP Portfolio Fraud and Corruption Control Plan, and

EPSP Portfolio Sponsorship Procedure.

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## ICAC Sponsorship in the Public Sector 2006

## Definition of Terms

**Incoming Sponsorship** means a commercial arrangement in which the Agency receives a contribution.

**Outgoing Sponsorship** means a commercial arrangement in which the Agency provides a contribution.

**Procurement** means the process of acquiring goods, services, works or property by purchase, lease, rental or exchange; and the process of disposing of goods, works or property by sale.<sup>1</sup>

**Procurement Act** means the *Government Procurement Act 2001* as varied from time to time.

**Public Tender** means a procurement process whereby the Agency publicly advertises a procurement (sponsorship) opportunity for all interested proponents.

**Sponsorship** means a commercial arrangement in which a sponsor provides a contribution in cash or in-kind to support an activity in return for certain specified benefits.

## Version history

The following table details the published date and amendment details for this document

Version	Date	Amendment details
1.0	May 2013	Land Development Agency (LDA) Sponsorship Policy and Guidelines
2.0	November 2018	SLA Board approved SLA Sponsorship Policy and Guidelines
3.0	August 2020	Review of Sponsorship Policy
4.0	October 2020	SLA Board approved revised Sponsorship Policy

<sup>1</sup> Section 2A – *Government Procurement Act 2001*

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## Additional Provisions

### Procurement Act - Value for money

#### 22A Procurement principle - value for money

- (1) A territory entity must pursue value for money in undertaking any procurement activity.
- (2) Value for money means the best available procurement outcome.
- (3) In pursuing value for money, the entity must have regard to the following:
  - (a) probity and ethical behaviour;
  - (b) management of risk;
  - (c) open an effective competition;
  - (d) optimising whole of life costs;
  - (e) anything else prescribed by regulation.

Further assistance and advice on procurement is available from Shared Services Procurement (<http://www.procurement.act.gov.au/home>) and should be sought for sponsorships valued over \$25,000.

### ICAC Sponsorship principles

Extracted from <http://www.icac.nsw.gov.au/documents/preventing-corruption/cp-publications-guidelines/1289-sponsorship-in-the-public-sector/file>

**1. A sponsorship agreement should not impose or imply conditions that would limit, or appear to limit, a public sector agency's ability to carry out its functions fully and impartially.**

Sponsorship should not hinder or influence the way an agency operates. An agency should continue to carry out its functions fully and impartially, regardless of the sponsorship agreement or the interests or business of the sponsor or sponsorship recipient. Agencies should ensure this principle is fully understood by all other parties in the sponsorship arrangement.

**2. There should be no actual conflict between the objectives and/or mission of the sponsored agency and those of the sponsor 1.**

Before entering into a sponsorship arrangement, an agency should ensure that the values and objectives of the potential sponsor or sponsorship recipient or its parent company do not conflict with those of the agency. There should be provision in the sponsorship agreement for an agency to terminate the agreement during the term of the agreement if these values or objectives change in a way that could pose a conflict of interest for the agency.

**3. In general, a public sector agency with regulatory or inspection responsibilities should not seek, or accept sponsorship from people or organisations which are, or may be, subject to regulation or inspection by the agency during the life of the sponsorship. Where**

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**adhering to this principle would unduly limit the agency's sponsorship prospects, the agency should develop alternative strategies to ensure it can carry out its regulatory or inspection responsibilities in relation to sponsors in an open, fair, accountable and impartial manner.**

The Commission believes that, in general, agencies should not accept sponsorship from or grant sponsorship to parties subject to or likely to be subject to their regulation or inspection. However, it is recognised that agencies may have difficulty attracting sponsorship if they adhere to this principle in all cases. For example, an agency may find that sponsorship for a particular event or activity is only forthcoming from parties it regulates or inspects or is likely to regulate or inspect. When considering whether to enter into a sponsorship arrangement with such a party, the agency should consider the best interests of the public, public accountability, public perceptions and the potential risks as well as the potential benefits. Agencies that enter into such arrangements should take appropriate action to manage the risks, for example:

- The agency should record the circumstances resulting in this decision and its decision-making process.
- The agency should have a policy and procedures in place to ensure it carries out its functions in regard to such parties in a fair, accountable, open and impartial manner. At a minimum, the agency should ensure that the people or division involved in the sponsorship arrangement have no involvement in the regulation or inspection of the party or in general. The agency could also consider using an independent person or body outside the agency that can carry out the regulatory functions impartially and provide a report to the agency. To promote transparency, agencies should consider placing this policy on their website.
- Agencies involved in sponsorship activities should also have procedures in place in the event that a sponsor or sponsorship recipient becomes subject to the agency's regulation or inspection while the sponsorship arrangement is in effect. The procedures should ensure the agency carries out its functions in regard to this party in a fair, accountable, open and impartial manner. The sponsorship agreement should give the agency the option of terminating or suspending the sponsorship arrangement in such cases if it is appropriate.
- All parties should understand clearly that the sponsorship arrangement has no bearing on the agency's exercise of its regulatory or inspectorial functions. This should be clearly stated and acknowledged in all documentation including the sponsorship agreement and the agency website.

#### **4. Sponsorship of a public sector agency or activity should not involve explicit endorsement of the sponsor or the sponsor's products.**

The act of entering into a sponsorship arrangement with a sponsor or sponsorship recipient in itself sends an implicit message of endorsement of the sponsor and its products by the agency. This credibility is one reason that the private sector seeks to sponsor government agencies. Agencies cannot control this perception and for this reason must be careful in their choice of sponsors or sponsorship recipients. However, agencies can take steps to ensure they do not explicitly endorse a sponsor or sponsorship recipient or their products and the sponsorship agreement should clearly state this.

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An example of explicit endorsement would be a school that receives sponsorship from a stationer stating to students that particular stationery products are superior to others.

**5. Where sponsorship involves the sponsor providing a product to the agency, the agency should evaluate that product for its fitness for purpose against objective criteria that are relevant to the agency’s needs.**

Agencies should be careful not to accept a sponsor’s products simply because they are offered free of charge: this could result in implicit endorsement of a sub-standard product. The agency should ensure the product is of the type and quality that it requires before it agrees to accept sponsorship.

**6. It is inappropriate for any employee of a public sector agency to receive a personal benefit from a sponsorship.**

This principle should be included in the agency’s code of conduct. Sponsorship should not benefit individual staff but must be used in the public interest. Where a benefit provided by a sponsor is used by an individual staff member, for example, attendance at a conference, the agency should minimise the possibility of perceptions that a personal benefit was given to an individual public official. For example:

- The sponsorship should be offered to and negotiated with the agency, not the individual public official.
- The agency, not the sponsor, should select the individual to receive the benefit (such as attendance at a conference).
- If there is a regulatory relationship with the sponsor, the individual selected should not be involved in that regulatory function.

**7. In most circumstances, the public interest is best served by making sponsorship opportunities widely known. To this end sponsorships should be sought and granted by using broadly based, open processes that are not limited solely to invited sponsors.**

The ICAC maintains that open tendering is the most appropriate method in most cases, particularly if there is keen interest in sponsorship, or the event or activity that is attracting the sponsorship interest is particularly significant. However, the Commission accepts that open tendering can sometimes be problematic for a number of reasons. For example, a one-off opportunity of considerable benefit that requires quick action may be lost to the agency during the time taken by a tender process.

While open tendering may not always be appropriate, agencies should still strive to maintain an open approach to sponsorship that provides equality of opportunity to would-be sponsors and maximises the potential public benefit. They should select the most open strategy that is appropriate for the particular circumstances. See the section “Seeking sponsorship or receiving unsolicited proposals” on pages 29 and 30 for examples of such strategies.

In some cases, for example if sponsor interest is poor or restricted to potential sponsors with highly specialised characteristics, agencies may determine that dealing directly with potential sponsors is most appropriate.<sup>2</sup> In such cases, they should record the nature of the

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circumstances, their decision-making process and their strategies for addressing the potential corruption risks.

Unsolicited proposals from potential sponsors pose additional risks for agencies; for example, it is often difficult to assess the value of the proposed sponsorship if you cannot compare it with the market. Agencies should assess all such unsolicited proposals carefully and ensure that both the potential sponsor and the proposal meet all the agency's requirements. If possible they should commission an independent market scan to obtain an indication of market value. If an agency decides to accept the proposal, it should record the circumstances in the same way as it would when dealing directly with potential sponsors.

Open processes should also be used for the granting of sponsorship for the same general reasons as apply to seeking sponsorship.

**8. Public sector agencies should assess sponsorship proposals against predetermined criteria which have been published in advance or which are circulated to organisations that submit an expression of interest.**

Agencies that are interested in attracting sponsorship should develop general criteria against which they will assess potential sponsors. They should make this information widely available, for example on the agency website. They should include these general criteria plus any additional criteria specific to a particular sponsorship opportunity with the tender or expression of interest information packages.

Agencies should also fully document their assessment process and the reasons for their decisions.

**9. A sponsorship arrangement is a contract and should be described in a written agreement.**

Sponsorship agreements are legally binding contracts and should be prepared and administered by staff who are appropriately trained. This training should include basic contract administration and commercial dealings with the private sector. We have provided guidance in this publication on the sorts of matters that could be covered by sponsorship agreements (see pages 27 and 42).

**10. All sponsorship arrangements should be approved by the CEO or another designated senior officer of the agency and described in the agency's annual report in a form commensurate with the significance of the sponsorship.**

In larger or decentralised agencies, sponsorship may be undertaken at regional or even local levels as well as centrally. Such agencies should therefore clarify the circumstances in which regional or local managers may approve or grant sponsorship and ensure that these managers have the appropriate delegations to enter into sponsorship agreements.

These agencies should also maintain a database of sponsorships. Where a centralised database is not practical, regional and local managers with the delegation to approve sponsorships should be required to maintain their own sponsorship databases and the agencies should have reporting systems that allow this data to be collected for internal audit programs and annual reports.

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