



Government of Western Australia
Department of Training
and Workforce Development

SPONSORSHIP POLICY

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Compliance with this policy and procedural statements is considered a condition of your employment with the Department of Training and Workforce Development.

POLICY STATEMENT

The sponsorship principles and processes are to be followed in all sponsorship arrangements, both providing and receiving, and prior to any binding commitment given by the Department of Training and Workforce Development (Department) or TAFE college (college).

This policy is based on the *Sponsorship in government guidelines: A handbook to assist public authorities* published by the State Supply Commission.

Any prevailing whole of government or agency wide budget constraints must be taken into account before any sponsorship arrangement is entered into.

The sponsorship procedures for the Department of Training and Workforce Development and TAFE colleges are provided separately but should be referred to for all sponsorship arrangements.

SCOPE

The policy applies to:

- the Department (including Muresk Institute and TAFE International Western Australia);
- TAFE colleges; and
- external parties involved in sponsorship activities with the Department or TAFE colleges.

OUT OF SCOPE

Sponsorship does not include:

- grants or direct funding;
- monies paid through a bidding process to attract events;
- donations, philanthropic gestures, bequests or gifts, which impose no obligations on the receiver and are unconditional of any arrangement;
- purchasing or selling goods or services for value, including advertising space, editorial comment or advertorials; or
- displays and exhibitions in which the sponsor does not receive genuine and measureable value for money.

This policy does not apply to sponsorship to individuals. The provision of funding to enable staff to attend training courses, personal development opportunities or other such activities is also not considered sponsorship.

PRINCIPLES

Alignment with priorities

When determining whether to enter into a sponsorship arrangement proposals must be assessed against:

- alignment with Department or college objectives, strategic and annual business plans;
- alignment with State Government objectives;
- increased effectiveness of strategic programs;
- enhanced corporate identity and reputation;
- good social, economic and environmental practice and community engagement; and
- key stakeholders' participation in important issues and initiatives.

Value for money

A business approach must be applied to sponsorship activities in order to receive value for money. This should not be interpreted as being solely the highest income when receiving sponsorship or the lowest cost when providing sponsorship.

Ethical behaviour 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 any potential or actual conflicts of interest;
- ensuring the integrity of each partner within the sponsorship arrangement is not compromised;
- maintaining high standards of confidentiality, privacy and accountability;
- ensuring the initiative can be terminated if occasions arise where sponsorship and regulatory interests conflict; and
- abiding by the *Public Sector Management Act 1994* and the agency's code of conduct.

Restrictions

Department or college staff must not:

- entertain approaches from a sponsor or organisation that might be interpreted as an attempt to influence a sponsorship selection and evaluation process;
- actively recommend or endorse a product or service, including the avoidance of statements in the sponsor's advertising that may imply that a product or service is recommended or endorsed by the Department or college;
- seek or accept gifts or other favours from a sponsor or organisation (if unavoidable gifts must be recorded in accordance with internal procedures and policies on gifts, benefits and hospitality);
- influence decisions relating to sponsorship and purchasing initiatives;
- be involved in advertising which promotes tobacco, alcohol or drugs;
- allow sponsorship of a political party; or
- promote a particular religious belief.

Appropriate association

Activities and associations, relating to sponsorship arrangements, must be appropriate and not seen to diminish the reputation and goodwill of the Western Australian Government, Department or college. When considering entering into a sponsorship arrangement, the organisation's financial position, reputation in the community, the involvement they will have in the initiative and the extent to which the organisation's activities support the Western Australian Government, Department or college priorities must be taken into account.

The organisation's motivations for entering into sponsorship agreements must be known to inform the decision making process.

Any sponsorship must not compromise the reputation, probity or impinge on the ability of the Department or college to fulfil official functions.

Appropriate sponsorship benefits

Sponsorship can be provided by the corporate sector or private individuals in support of a Department or college activity, or by the Department or college in support of worthwhile activities related to its core business.

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

Departments and colleges should ensure any opportunity presents appropriate sponsorship entitlements commensurate with the level of sponsorship support.

Transparency

An open approach must be adopted when engaging in sponsorship arrangements. To this end the Department and colleges must publicise their processes for receiving and providing sponsorship on their website.

Sponsorships must be sought and granted using processes that are open and publicly accountable. These may include seeking expressions of interest, calling quotations or tenders or by preparing a list and targeting potential sponsors.

The Department and colleges must:

- record all cash and in-kind sponsorship, both incoming and outgoing;
- be mindful of not duplicating efforts by sponsoring events that compete with existing sponsorship arrangements (eg training awards);
- not set up an expectation of recurrent funding when providing outgoing sponsorship;
- not enter into arrangements for longer than three (3) years; and
- evaluate all arrangements.

The Department or college must be able to justify why sponsorship has been granted approval and maintain a record of the assessment process.

Management and reporting

Effective management must be applied to ensure value and accountability.

Sponsorship must be evaluated in the form of a report at the expiry of the term of the agreement based on the evaluation criteria set out in the agreement.

An organisation that has previously received sponsorship from the Department or a college but has not provided an acquittal should not be considered for repeat sponsorship.

Sponsorship to third parties

The Department and colleges should not enter into arrangements involving transfer of sponsorship funds to third parties.

BACKGROUND

Sponsorship is a business activity involving an exchange that has a measurable value to each party and can be outgoing, incoming or in-kind in nature. All arrangements must show due care and consideration regarding value for money, reputation and appropriate use of government resources.

The State Supply Commission *Sponsorship in Government Guidelines: A Handbook to Assist Public Authorities* (July 2014) states:

Public authorities participating in receiving or providing sponsorship must comply with any relevant legislation and must comply with Government policies, unless otherwise exempted.

Sponsorship and/or in-kind advertising arrangements are liable for Goods and Services Tax (GST) if the advertiser or sponsor receives any commercial benefit from the agreement.

Sponsorship arrangements must be aligned to the agency goals and strategic plan, and must only be entered into where it is financially responsible to do so and is in interests of the State.

DEFINITIONS AND ACRONYMS

These definitions are relevant to the policy and related procedures.

Acquittal: A certified report of financial transactions relating to the disbursement of funds received.

Grant: A grant is a payment to an individual or an organisation for a specific purpose or project, with the prospect of an outcome that directly or indirectly benefits agency stakeholders.

College: This term means a college as defined by the *Vocational Education and Training Act 1996*.

Communications and Marketing: is the branch of the Department or college responsible for managing sponsorships (colleges may have a different name for their communications and marketing branches or a position in the college such as the Managing Director may be the decision maker with respect to sponsorships)

Decision maker: The position or committee that has the authority to make decisions regarding sponsorships.

Department: This term means the Department of Training and Workforce Development.

Sponsorship: 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 opportunities. It involves a negotiated exchange and results in tangible, material and mutual compensation for the principal parties to the arrangement. Sponsorship is not philanthropic.

In-kind sponsorship: The provision or receipt of goods or services to support or enhance an initiative at a reduced rate or free of charge. These arrangements may be liable for GST.

Incoming (receiving) sponsorship: When the department or college receives sponsorship from another party for an initiative. These arrangements may be liable for GST.

Outgoing (providing) sponsorship: When the department or college provides sponsorship to another party for an initiative. These arrangements may be liable for GST.

Sponsorship agreement: A sponsorship agreement is a written document that outlines the nature of a sponsorship arrangement and the rights and obligations of the parties involved.

GUIDELINES

- State Supply Commission: *Sponsorship in Government Guidelines: A Handbook to assist Public Authorities* (July 2014).
- AS/NZC ISO 31000:2009 – *Risk Management – Principles and Guidelines*.
- *Government Advertising and Communications Guidelines 2016*.

RELATED POLICIES AND OTHER RELEVANT DOCUMENTS

- Department of Training and Workforce Development/TAFE college sponsorship procedures;
- State Supply Commission supply policies:
 - Probity and accountability;
 - Value for money;
 - Open and effective competition; and
 - Buy local policy;
- State Supply Commission: *Sponsorship in Government Guidelines: A Handbook to Assist Public Authorities*;
- Public Sector Commission: *Commissioners Instruction No.7 – Code of Ethics*;
- public authorities' individual codes of conduct; and
- Treasurer's instruction 825.

RELEVANT LEGISLATION

- *Vocational Education and Training Act 1996*
- *Vocational Education and Training (General) Regulations 2009*
- *Vocational Education and Training (Colleges) Regulations 1996*
- *Financial Administration and Audit Act 1985*
- *State Supply Commission Act 1991*
- *Goods and Services Tax Act 1999*
- *Financial Management Act 2006*
- *Public Sector Management Act 1994*
- *Freedom of Information Act 1992*

REVIEW DATE

11 July 2018

CONTACT INFORMATION

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