Merri Creek Management Committee
Policy on Sponsorship

Introduction

At present the value of sponsorships to MCMC is a very small proportion of our annual budget. There is the potential for this to increase either through sponsors approaching MCMC as our name continues to get more well known, or by MCMC actively seeking sponsors.

Concern has been raised that by receiving sponsorship from companies with poor environmental or humanitarian records MCMC may undermine its own good name. However, with declining levels of grant funding, rate capping at Councils, and the absence of cost-effective labour market programs, sponsorship is one avenue which could be pursued to support specific MCMC objectives, especially ones which have been difficult to find the funding for.

This policy aims to:

1. Clarify what member organisations expect MCMC to raise through the sponsorship sector
2. To give a framework for decision making in seeking or accepting sponsorship terms of who MCMC is prepared to deal with and on what basis, so as to further environmental and humanitarian goals.

Policy

Definition:

For the purposes of this policy sponsorship is the provision by corporate bodies of funds or goods or services to MCMC at no financial cost to MCMC, but in the expectation that MCMC will provide some sort of acknowledgment or endorsement in return. It does not include government grants, donations, bequests, or fee for service arrangements.

MCMC will only accept sponsorship when

- the sponsorship arrangement leads to net benefit in terms of achievement of MCMC's statement of purposes
- the sponsor has acceptable performance in the environmental and humanitarian arenas
- acknowledgment or endorsement provided by MCMC in return is earned by the corporation, and does not endorse an unsound product

Further,

- MCMC will aim to achieve 5% sponsorship by 99/2000 to supplement members contributions.
- The value of sponsorship from any individual company in any financial year shall not exceed 5% of MCMC's total budgeted income and total sponsorships should not exceed 20% of MCMC's total budgeted income.
- A list of corporate sponsors and the level of their sponsorship will be maintained and circulated to Committee annually, and be available on request. New sponsors will be reported to the next MCMC meeting.
- All sponsors will be acknowledged in MCMC's annual report.
- Sponsors compliance with this policy will be monitored and reviewed annually.
- MCMC will aim to have proactive involvement with with sponsoring companies, through provision of advice and information to improve the sponsor's environmental performance.
- All sponsorship arrangements shall be in writing.

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- MCMC will retain the right to discontinue a sponsorship arrangement with a company or organisation if at any time it fails to meet MCMC's sponsorship criteria.
- The results of assessment of a potential sponsor will be made available to the potential sponsor, who will have the opportunity to comment and correct factual errors before an assessment is finalised.

Sponsorship Assessment Guidelines:

Approval of sponsorships will depend on acceptable performance in the environmental and humanitarian arenas. MCMC will refuse sponsorship from any potential sponsor rated E (Unacceptable) on any criterion in the Sponsorship Assessment Guidelines and Criteria below, and may refuse sponsorship from any potential sponsor rating D (Poor) on one or more criteria.

The approval process will be based on a sliding scale of value where higher value sponsorships, or sponsorships with a high level of expectation from the sponsor, undergo a more intensive assessment process to determine whether the Company has acceptable performance in the environmental and humanitarian arenas, and so that the sponsorship is approved at a more senior level in MCMC.

Potential sponsors will be asked to pay for their assessment if their sponsorship is valued at more than $10,000 in any one year.

If at all possible all sponsorships should be referred to the full committee or the Programme and Activity Subcommittee for approval.

The entering into individual sponsorship arrangements with a value of over $50,000 in any one year, or where the potential sponsor expects a high or major level of pay-off (see table below) will be assessed at level 3, and this assessment will be discussed and approval will only take place at MCMC full committee level.

The entering into individual sponsorship arrangements with a monetary value between $10,000 and $49,999 in any one year and with no more than a high level of pay-off for the sponsor, or values less than $10,000 with a high level of pay-off (see table below) will be assessed at level 2, and discussed and approved at executive committee level, with a report going to the full committee.

The entering into individual sponsorship arrangements with a monetary value less than $9999 in any one year, and with no, minimal or medium pay-off (see table below) will be assessed at level 1 and considered and approved by the Manager, with a report going to the next executive committee.

	Level of pay-off	**Examples**
1	None	No acknowledgment or endorsement is expected
2	Minimal	Acknowledgment on item of sponsorship, listing in annual report, community announcement with acknowledgment of sponsor
3	Medium	Small scale ad in local paper, acknowledgment in MCMC publication (apart from listing in annual report)
4	High	Major advertising campaign in TV, radio, daily newspaper with acknowledgment
5	Major	Product endorsement either by MCMC logo on sponsor's product or major advertising saying MCMC endorses this product

Level 1 Assessment is a precautionary assessment of a potential sponsor. It uses easily available information about the sponsor, e.g.

- from MCMC's newspaper cuttings file,
- from enquiries to the EPA regarding any breaches the company might have, and environmental improvements the company may have made,
- from an inquiry to the relevant Council's Conservation Officer or equivalent.
- from an inquiry to the VTHC industrial officers.
- from information provided by the potential sponsor.

The assessment will be based on 2 criteria:

- Environmental performance (Excellent/Good/Neutral/Poor/Unacceptable) and
- Humanitarian performance (Excellent/Good/Neutral/Poor/Unacceptable)

Level 1 assessment will focus on the operations of the local branch of the industry.
Where no information is easily available, the lack of information will be considered to be neutral
This level of assessment relates to sponsorships of value <$10,000 with a pay-off to the sponsor of medium or less.

Level 2 Assessment builds on the level 1 assessment by seeking out other less easily found documentation, and will include:

- internet, media and document searches.
- inquiry to ACTU International Officer
- inquiry to Australian Council For Overseas Aid Human Rights Office
- inquiry to Multinational Monitor

It will use the eleven assessment criteria listed below. MCMC will refuse sponsorship from any potential sponsor rated E (Unacceptable) on any criterion.
This level of assessment relates to sponsorships worth less than 10,000 and with a high pay-off to the sponsor, or worth 10,000 to 50,000 and with a medium or lesser pay-off.

Level 3 Assessment builds on the level 2 assessment by
carrying out some primary research e.g.:

- sampling and analysis of discharges
- visits to operations
- inquiries to international sources of information including:
    - International Centre for Trade Union Rights
    - World Wildlife Fund or IUCN
    - International Labour Organisation

It will use the eleven assessment criteria listed below. MCMC will refuse sponsorship from any potential sponsor rated E (Unacceptable) on any criterion.
Level 3 Assessment will try to clarify ownership of the company and links to related companies. It will attempt to eliminate companies which have a clear responsibility for the activities of other companies which have unacceptable performance in relation to the assessment criteria.
This level of assessment relates to sponsorships worth more than $50,000, or with a major pay-off to the sponsor.

Sponsorship Assessment Criteria

(adapted with permission from ACF's Guideline 16 on corporate sponsorship)
For use with Level 2 and 3 Assesments.

1. Corporate Philosophy

The company should have an enlightened and effective environmental philosophy, which embraces the concepts of disclosure, community consultation, precautionary and anticipatory approach to decision-making, and which illustrates a commitment to continually improving their environmental performance.
The corporate philosophy is put into practice through environmental audits of its activities, by exceeding statutory requirements and by taking immediate responsibility and restorative measures for environmental harm that it has caused.

Rating:

A	The company demonstrates initiatives in corporate environmentalism and is a model for the corporate community. It excels in at least 3 of the following - the company allocates significant resources to environmental management; conducts regular environmental audits which are made public, it exceeds statutory environmental standards, and takes immediate responsibility and restorative measures for environmental harm it causes.	Excellent
B	The company has produced effective programs in corporate environmentalism and is demonstrating commitment to an environmental philosophy,and excels in at least one of the areas mentioned in rating A, .	Good
C	The company excels in none of the above areas, but recognises the need for corporate environmentalism and has made some progress towards this end.	Neutral
D	The company has little or no record of active participation in corporate environmentalism and has been associated with environmental controversy.	Poor
E	The company has a bad record of corporate environmentalism.	Unacceptable

2. Pollution

The company should have effective pollution control mechanisms in place and should be working towards zero emissions

Rating:

A	The company does not discharge any significant pollutants to the natural environment , or produce toxic or hazardous wastes, and is involved in the promotion or development of pollution control practices.	Excellent
B	The company surpasses existing pollution control regulations and standards. It does not produce toxic or hazardous wastes	Good
C	The company complies with existing pollution control regulations and standards. It does not produce toxic or hazardous wastes	Neutral
D	The company has breached pollution control regulations and/or currently produces toxic or hazardous wastes	Poor
E	The company has a record of breaching pollution control regulations and/or of discharge of toxic or hazardous wastes. It considers pollution to be an acceptable by-product of its operations, and gives no indication that it will change its practices.	Unacceptable

3. Sustainable Resource Use

The company should be moving towards more sustainable resource use. This includes recycling and re-use of non-renewable and renewable resources, the substitution of renewable resources for non-renewable resources, energy conservation and the progressive improvement of environmental performance in all areas of its operations.

Rating:

A	The company preferentially utilises renewable resources and makes every effort to re-use and recycle raw materials. The company promotes waste minimisation strategies and resource (including energy) conservation and efficiency	Excellent
B	The company utilises renewable resources and makes efforts to re-use and recycle raw materials. The company promotes resource (including energy) conservation and efficiency.	Good
C	The company has a mixed, average or undistinguished record on resource use, an/or is not a company for which resource conservation is a substantial issue.	Neutral
D	The company is unconcerned at its level of resource use, has no measures in place for re-use and recycling of raw materials or energy conservation	Poor
E	The company is profligate in its use of resources, and appears unlikely to change its outlook. The company utilises nuclear power generation in its manufacturing process	Unacceptable

4. Transport

The company should be moving towards, or have already adopted environmentally sustainable transport practices in its operations. It should be forstering these through its in house management, choice of vehicles and transport modes, training, site location and by the source of type of products or services that it provides.

Rating:

A	The company has developed an environmentally benign transport structure for all its operations and exceeds transport regulation requirements.	Excellent
B	The company is reducing the environmental impact of its transport structure, and is aware of the environmental impacts of their choices	Good
C	The company utilises a range of sustainable and unsustainable transport techniques.	Neutral
D	The company uses mostly unsustainable transport techniques and shows little awareness of the need to improve its transport operations. It does not comply fully with transport regulations.	Poor
E	The company uses mostly unsustainable transport techniques and is unconcerned about the environmental impacts of its transport operations, and shows no sign of changing its practices in the future, or the company consistently breaches transport regulations.	Unacceptable

5. Product/Service Assessment

The company should produce products or services that are of real value to consumers, satisfy established needs and are environmentally benign. Such products/services should satisfy consumer needs without compromising goals of reducing energy consumption, waste, and pollution. Products/services should be in harmony with goals of a just and equitable society, and should be safe, durable and not exist for the purpose of speculative gain.

Rating:

A	The company's products/services have an exceptional degree of social usefulness and show systematic commitments to product quality and safety at home and abroad	Excellent
B	The company has high quality/social utility products and demonstrates concern for consumers.	Good
C	The company has an unexceptional record for quality and utility of its products	Neutral
D	The company has demonstrated a disregard for product quality or product safety issues. Products/services do not meet established needs.	Poor
E	The company markets products that are arguably harmful to individuals or society, including commonly abused addictive substances, and items that foster or facilitate violence in society. Alternatively, the company is primarily engaged in speculative practices. Products/services are provided to meet artificially generated needs	Unacceptable

6. Marketing

The company should exhibit honesty and restraint in marketing policies and practices, and avoid promoting excessive and unnecessary consumption. The company should provide the consumer with the best possible information on the utility and environmental impact of its products.

Rating:

A	The company markets products/services in an exemplary manner, freely providing consumers with all relevant information (above that required by law), and shows systematic commitments to product quality and safety, and actively works against financial over-commitment from customers. The company provides information on environmental impacts of its products/services to consumers. The company avoids advertising to inappropriate audiences or the use of insensitive stereotypes, and ensures that its products/services are marketed safely and appropriately overseas.	Excellent
B	The company gives consumers relevant and accurate information. It demonstrates concern for consumers and has a reputation within its industry for outstanding quality.	Good
C	The company has an unexceptional record for marketing and packaging its products	Neutral
D	The company has a record of questionable practices in marketing, pricing or advertising. The company has demonstrated a disregard for product quality or product safety issues.	Poor
E	The company markets products using dishonest or inaccurate marketing. The company has a record of price fixing, fraudulent over-billing or questionable marketing practices at home or abroad, encouraging financial over-commitment. The company markets products in Australia which are banned overseas, or markets products overseas which are banned in Australia. The company advertises to annapropriate audiences and uses stereotypes in manners which reinforce bigotry	Unacceptable

7. Equal opportunity and affirmative action

The company should actively embrace equal opportunity concepts, and provide equal opportunities to women and minorities at all levels in the company. The company should not discriminate in its various activities on grounds of gender, race, religion, political beliefs, age, sexual preference, disability, HIV/AIDS or Hepatitis status.

Rating:

A	The company has a leadership role in this area, including actively promoting affirmative action issues both within the company and in society at large	Excellent
B	The company has integrated affirmative action provision within its operations - women and minorities are gaining throughout the company structure.	Good

C	The company is dealing with affirmative action issues to the extent required by law - it has an undistinguished record on equal opportunities issues, and a generally neutral social image.	Neutral
D	The company attempts to avoid its equal opportunity or affirmative action responsibilities as required by the law - it has a poor record on equal opportunities issues and social responsibility.	Poor
E	The company actively flouts its equal opportunities or affirmative action responsibilities. It works for the repeal of equal opportunity and affirmative action legislation, and has a very poor record of social responsibility. The company has been named in parliament as not complying with affirmative action legislation.	Unacceptable

8. Labour relations

The company should respect and value its workforce. It should provide employees with a safe workplace, above award conditions and remuneration, and have cooperative relationships with employees.

Rating:

A	The company is a leader, or at least significantly above average in its practices, actively promoting employee participation issues both within the company and in society at large. Employees enjoy working conditions and remuneration above award rates, and have a cooperative working relationship with the company. Employees are able to share in the financial success of the company. The company has exemplary occupational health practices. The company excels in training its workforce will above legislative requirements.	Excellent
B	The company is promoting employee participation within the company. Employees enjoy working conditions and remuneration at award rates, occupational health protection meeting legislative requirements, and have a reasonable working relationship with the company. The company provides training opportunities beyond legislative requirements.	Good
C	The company is average or simply does what is required by legislation and usual industry practice.	Neutral
D	The company attempts to avoid its employment responsibilities as required by the law - it attempts to pay below award rates, and adopts an uncooperative attitude towards workers. It has a poor occupational health record and makes no special provisions for training.	Poor
E	The company has a poor record in comparison to normal industry practices, and/or is anti-union in its attitudes. It consistently avoids its employment responsibilities as required by the law - it pays below award rates, alienates and antagonises its workforce. It has a very poor occupational health record and shows no commitment to improve. The company makes no provision for training.	Unacceptable

9. Human Rights

The company should in both its operations and its purchasing policies, actively support moves for the bettering of human rights.

Rating:

A	The company actively supports moves for the bettering of human rights in both its operations and its purchasing policies. It has a formal policy of not doing business with countries or companies with records of human rights abuse.	Excellent
B	The company has no current involvement with human rights-abusing countries or	Good

	compainies, either through direct production or through licensing agreements.	
C	The company has an undistinguished record on human rights. It has no employees or assets in human rights-abusing countries, but sells non-strategic products through licensing or distribution agreements.	Neutral
D	The company operates in human rights abusing countries but is not a part of a strategic industry, has no sales to the government or military, and has a positive record on employment practices there.	Poor
E	The company either itself or through supplying other companies, operates in a strategic industry in human rights-abusing countries, or has a poor record on employment practices there.	Unacceptable

10. Animal Rights

The company should operate in a way which recognises animal rights and needs for shelter, veterinary assistance for farmed animals, animal behavioural needs, and freedom from cruelty.

Rating:

A	The company rejects the use of animals for testing, is not involved in animal exploitation and actively encourages the adoption of controls on such practices. The company exceeds existing controls on treatment of farm animals and wildlife.	Excellent
B	The company is not involved in animal testing or exploitation and makes efforts to disassociate itself from those practices. Company exceeds existing controls on the treatment of farm animals and wildlife	Good
C	The company is aware of existing controls on the treatment of farm animals and wildlife and complies with those regulations	Neutral
D	The company has been involved with animal testing or exploitation and still engages in those practices. The company complies with existing controls on treatment of farm animals and wildlife.	Poor
E	The company has a record of exploiting wildlife or farms animals in an intensive commercial basis, or regularly tests its products on animals, or the company has a record of breaking controls on treatment of farm animals or wildlife and gives no indication it will change its practices, or the company traffics wildlife illegally or traffics in vulnerable, rare or endangered species.	Unacceptable

11. Militarism

Moves to an ecologically sustainable society require that we adopt new attitudes towards the environment, based on respect and understanding. In the same way, we must forego national aggression and repudiate violence as a means to resolving conflict within our own cultures. Wars and the preparation for wars are hugely damaging both in human and environmental terms.

Rating:

A	The company has repudiated all forms of violence and militarism and has significantly promoted peace and publicly repudiates commercial weapons contracts	Excellent
B	The company has significantly promoted peace and has no weapons contracts.	Good
C	The company has no weapons contracts	Neutral
D	The company has previously held weapons-related contracts but has no current contracts and is not seeking contracts.	Poor
E	The company has held weapons-related contracts in the past and still holds weapons-related contracts or through its corporate activities perpetuates or promotes militarism or the use of violence..	Unacceptable