

GIPPSLAND FM POLICY

SPONSORSHIP

1. INTRODUCTION

- 1.1 Gippsland FM acknowledges that the Broadcasting Services Act and the Community Radio Broadcasting Codes Of Practice prescribe the compliance requirements for sponsorship. Further, the station notes that ACMA (Australian Communications And Media Authority) has a set of comprehensive guidelines on its website denoted as Community Broadcasting Sponsorship Guidelines. Consequently, this policy aims to cover matters not covered by the foregoing to establish an effective sponsorship policy for Gippsland FM, covering the key areas of:
- Engagement of sales representatives and policies relating to the sale of sponsorship for on air broadcasts
 - Sponsorship commissions
 - Production and scheduling
- 1.2 This policy does not cover definitions of sponsorship or other legal or statutory requirements; these are covered in the Broadcasting Services Act and the sector Codes of Practice.
- 1.3 It is noted however that contra deals are when station sponsorship is sold for non-monetary payment, i.e. goods or services received in lieu of payment. These transactions are defined as sponsorship and also covered by this policy.

2. SALE OF SPONSORSHIP

- 2.1 Only people authorized by the Board are able to approach potential sponsors or transact sponsorship contracts whether new sponsors, previous or re-activated clients.
- 2.2 Authorization of people by the Board must occur prior to any pursuit of sponsorship; authorization shall be in the form of formal advice from the Board for an individual or where an agency is involved, a pre-approved sales agency agreement between the Station and the agent selling the sponsorship containing such reasonable terms and conditions that the Station deems necessary from time to time. A template for such an agreement is included in Appendix 1 of this document. The Board shall ensure that the appointment of such personnel will be in accordance with the delivery of a co-ordinated and strategic sales structure and related plans for sales campaigns.
- 2.3 All persons authorized to pursue sponsorship sales for the station must report through the Marketing Director (or other Board nominated person) and abide by the reasonable directions of that officer.
- 2.4 Presenters may not solicit sponsorship. In the event that a potential sponsor approaches a station member, the sponsor name and contact

details should be referred to the Board or any director or officer responsible.

- 2.5 Sponsorship shall not be accepted from any person or organization that wishes to promote gambling, tobacco products or other products or services considered by the Board as being detrimental to community life or is illegal to promote.
- 2.6 Sponsorship shall not be accepted from persons or groups whose policies or practices are inconsistent with the objectives of the station.
- 2.7 In accordance with the legal requirements for community broadcasters, the sale of sponsorship is not to influence programming policy, program content or style, or access to broadcasting on the station by any individual or group. To further ensure such influences are prevented, the Board shall:
 - Ensure that no single person holds management roles common to both programming and sponsorship at the same time,
 - Ensure that all announcements describe support for the station and if desired any specific program but not any specified individual station presenter,
 - Ensure that all marketing and sales representatives of the station be made aware of the requirement that sponsors can not participate in station programming policy or its implementation, and
 - That any concerns regarding sponsorship raised by presenters, audience or community members be reviewed by the Board as soon as these are raised and that any actions taken are documented and implemented in accordance with the Codes of Practice.
- 2.8 The station Board reserves the right to refuse any sponsorship announcement and the person responsible for sponsorship appointed by the Board can make such a determination on behalf of the station.
- 2.9 No commercial business or 'for-profit' enterprise can be promoted on-air unless they are a station sponsor. All sponsorship announcements shall be documented on a standard sponsorship form of pre-approved contract and content of announcement wording be approved prior to broadcast by the director or officer responsible or other such person(s) as nominated by the Board.
- 2.10 To ensure probity and independence in financial transfers, station sales representatives can not receive cash payments from a sponsor. Sponsorship payments must be made directly to station administration or transferred to the designated station bank account following the provision of a Tax Invoice by the station. In the event that a sponsor wishes to pay in cash, the station sales representative must deliver the funds as soon as possible to station administration who must confirm independently with the sponsor on the amount paid.

3. SPONSORSHIP COMMISSIONS / EXPENSES

3.1 The Board may implement a range of compensation measures for those engaging in sponsorship sales activities. The Board shall identify any such measures for each person authorized to undertake such activities, which include:

- Commissions payable to the relevant salesperson at rates agreed between the Board and the salesperson in accordance with clause 3.2 below, or
- Expenses based on actual costs incurred in undertaking sales activities in accordance with clause 3.3 below, or
- No compensation where such activities are undertaken as part of a paid employment role or on the basis of a voluntary agreement with respective salespeople
- Or a combination of the above.

3.2 Commissions are only payable upon receipt of funds by the station (excluding GST) from the respective sponsors. Commissions are not to be paid on the signing of a sponsorship contract alone – payment is a pre-requisite and commission payments will be on an agreed percentage basis of funds actually received. Commissions will be paid on a monthly basis or greater period as agreed with respective salespeople as calculated by the Treasurer.

3.3 Payment of expenses associated with the pursuit of sponsorship can be paid to sales personnel once sponsorship payments are received by the station. Such expenses are likely to be travel or telephone costs, but need to be substantiated and are to be capped at the value that would have been payable if a commission was being paid. No other unrelated expenses are payable by the Board, however ex gratia payments may be offered by the Board if warranted.

3.4 There is no commission payable for any contra sponsorship (i.e. sponsorship where goods or services are provided in lieu of monetary funds); however the Board may consider a reward based on the merits of each case.

4. PRODUCTION & SCHEDULING

4.1 All sponsorship announcements must comply with the requirements of the Broadcasting Services Act, the sector Codes Of Practice and all station policy requirements.

4.2 The production of sponsorship announcements can be undertaken by station management or the sponsor, in accordance with clause 2.9 above.

4.3 Any production undertaken by station members using station facilities will be undertaken on a voluntary basis; there will be no payment or commissions payable for production work unless approved by the Board.

- 4.4 All sponsorship announcements must meet the needs of the sponsor unless these are contrary to the requirements outlined in clause 4.1 above.
- 4.5 All sponsorship announcements must be approved prior to broadcast by the director responsible and/or any nominated delegates.
- 4.6 Sponsorship announcements will not be scheduled into the Station Program Schedule (currently Dinesat system) until a signed agreement with the sponsor has been received by station management.
- 4.7 Station management can agree to commence broadcasting sponsorship announcements if a sponsorship contract or agreement has been executed and any of the following criteria are met:
 1. The sponsor has paid in advance of the scheduled broadcast commencement date, either being the full amount or the agreed installment, or
 2. The sponsor is renewing a contract and has a good payment history with the station; or
 3. The sponsor has entered into a contract for a period of more than three months and an invoice has been issued by the station; or
 4. The sponsorship agreement contains other agreed conditions which allow for the announcements to commence being broadcast.
- 4.8 Sponsorship announcements shall not be broadcast if:
 1. The period of the sponsorship agreement is less than three months and no payment has been received prior to the commencement date agreed, or
 2. The sponsor has failed to make a payment within the first three months of any sponsorship agreement, or
 3. The sponsor has ceased to make any on-going payments after two months of any invoice being issued by the station.
 4. For the avoidance of doubt – clause 4.8 overrides any agreement conditions outlined in 4.7(4) unless otherwise approved by the station Board Of Directors.
- 4.9 Sponsorship announcements are to be broadcast as close as possible to the times scheduled.
- 4.10 Station presenters are not to elaborate on any sponsorship announcements presented on the station or endorse or comment on the sponsor or its products or services.
- 4.11 Where prizes are offered to listeners as “give-aways” – these must be announced such that only the minimum amount of promotion of the

provider is presented to effectively elicit an audience response to give the item away.

5.0 GENERAL PROCEDURE

1. Authorized salesperson approaches a sponsor or responds to an enquiry.
2. Salesperson formulates pricing and structure of sponsorship according to agreed station sponsorship rates.
3. Salesperson negotiates sponsorship contract and announcement wording or content and scheduling, subject to any approvals required.
4. Subject to internal station approval, sponsorship timeslots are mapped out.
5. Preference on voicing and length of announcements resolved.
6. Salesperson determines payment method in agreement with sponsor.
7. Production of sponsorship announcement can be undertaken by station personnel or provided by the sponsor.
8. Sponsor announcement endorsed by sponsor (if required) and approved by the responsible director (or delegate) prior to broadcast.
9. Once the sponsorship agreement has been signed and received by station management, the approved announcement can be scheduled into the Daily Program Schedule (Dinesat) subject to clauses 4.7 and 4.8.
10. Station administration to receive a copy of the sponsorship agreement for invoicing and filing.

- (f) **law** means the law of the State of Victoria that shall apply to this Agreement;
- (g) **Principal** means **GIPPSLAND COMMUNITY RADIO SOCIETY CO-OPERATIVE LIMITED ABN 22 937 051 524**
- (h) **probationary period** means a period of three (3) months from the appointment date;
- (i) **products** means such products as are generated or created by way of sales by the Agent to the client or potential clients of the Principal in the course of the Agent performing and carrying out the agency duties;
- (j) reference to writing includes a letter, an email, text messaging, fax and similar means of communication;
- (k) reference to a clause or party is a reference to a clause or party to this Agreement;
- (l) any reference to a person includes natural persons, partnerships, firms and other such incorporated bodies, corporate bodies and all other legal persons of whatever kind and however constituted; and
- (m) if a day or date for any provision of this Agreement to occur or be satisfied falls due on a day or date that is not a business day in Morwell, then the relevant day or date will be deemed to be on the next business day.

2. APPOINTMENT OF AGENT

The Principal appoints the Agent with effect from the appointment date to be its non-exclusive agent for the performance and carrying out of the agency duties for the Principal.

3. DURATION

Subject to clause 8, the Agent shall be appointed from the appointment date for a term of indefinite duration.

4. DUTIES OF PRINCIPAL

4.1_ The Principal must act in good faith towards the Agent;

4.2_ The Principal must provide the Agent with all necessary information (including but not limited to all client or potential client leads, requirements and contact details) to enable the Agent to perform the agency duties;

4.3 The Principal must pay commission due pursuant to clause 7;

4.4 If so requested by the Agent, the Principal must give to the Agent all the information available to the Principal and necessary for the Agent to check the amount of commission due and payable;

4.5 The Principal must inform the Agent within a reasonable period of time of the Principal's acceptance or refusal of any commercial transaction negotiated or concluded by the Agent and of any non-execution by the Principal of any commercial transactions the Agent has procured;

4.6 Whilst this agency agreement is in place, the Agent shall deal with all after sales client enquiries.

4.7 The Principal will respond promptly to any reasonable request made by the Agent for any marketing or advertising information and/or materials;

and

4.8 The Principal will advise the Agent of a specific committee or person or persons from time to time to whom the Agent shall communicate with and report to of and relating to the terms and conditions and/or performance of this Agreement.

5. RIGHTS AND DUTIES OF AGENT

5.1 During the term of this Agreement the Agent must diligently and faithfully serve the Principal as its Agent. The Agent must use the Agent's best endeavours to promote and sell the products to the client and potential clients of the Principal and must not do anything that may prevent such promotion and sale or interfere with the development of the Principal's business operation;

5.2 The Agent warrants to the Principal that the Agent is ready, willing and able to perform the agency duties and has legal ability and is of good health and fitness to carry out and perform same;

5.3 The Agent must not during the continuance of this Agreement sell the products or products of a similar description that would or might compete or interfere with the Principal's business operation;

5.4 In all negotiations with the clients and potential clients of the Principal or any third party the Agent must disclose that the Agent is at all times acting as agent for the Principal and shall make clear that the Agent is the agent for the Principal to the extent only provided for in this Agreement;

5.5 Upon receipt by the Agent of any order for products the Agent must immediately transmit the order to the Principal who, if the order is accepted by the Principal, must execute the same and supply and satisfy the order with that client;

- 5.6 The Agent shall have the right to bind the Principal to any sponsorship contract unless such a contract is unusual in nature or is materially outside the pricing guidelines established by the Principal.
- 5.7 The Principal shall have the right to refuse to accept or execute any order or any part of an order obtained by the Agent. The Agent shall not be entitled to any commission in respect of any order or part order so refused;
- 5.8 The Agent must not in any way pledge the credit of the Principal nor shall the Agent hold out that the Agent has any right to pledge the credit of the Principal;
- 5.9 The Agent must not make any representations or give any warranty or guarantee in respect of any of the products or relating to any order made with any client or a third party without the authority in writing of the Principal;
- 5.10 The Agent must not use marketing, promotional or sales materials not approved by the Principal;
- 5.11 The Agent must promptly inform the Principal of any after sales enquiry or complaint concerning any negotiations or order made by the Agent with any client or a third party;
- 5.12 The Principal must from time to time furnish the Agent with a statement of prices at which products are to be sold and the Agent must not seek orders at lower prices;
- 5.13 All orders must be negotiated by the Agent on the Principal's standard contract documentation, trading terms and conditions from time to time in force and notified by the Principal to the Agent;
- 5.14 The Agent must not enter into any contract or incur any debt or other obligation on behalf of the Principal other than a sponsorship agreement;
- 5.15 The Agent is not authorised to accept any money on behalf of the Principal nor to enter into any compromise or agreement with any of the Principal's clients or a third party;
- 5.16 On the first business day of each month during the continuance of this Agreement the Agent must supply the Principal with a written account of the Agent's activities (including all sales and leads) made during the previous month and the Agent's plans for carrying out agency duties and promoting the products for the following month; and
- 5.17 The Agent must bear all costs and expenses incurred by the Agent in performing the agency duties under this Agreement.

6. RECORD KEEPING

Each party shall:

- (a) Keep records of the matters referred to in this Agreement;
- (b) Allow the other to inspect and copy them at the premises of the Principal weekly during business hours; and
- (c) Supply to the other upon request all information reasonably required to verify orders taken, contracts concluded or commission payments due as well as such expenses to be reimbursed to the Agent pursuant to clause 5.18.

7. COMMISSION

7.1 The Principal shall give to the Agent a statement of commission due no later than the last day of the month following the month in which the commission has become due. The statement must set out the main components used in calculating the amount of commission;

7.2 The commission payable to the Agent shall be:

(a) Paid on all pre GST funds received from initial sales, and renewals and additional sales received by the Principal from the client; and

(b) On an initial sale of the products – xx% as agreed

On renewal after one year or additional sales - yy% as agreed

On any joint sale with another sales agent of the Principal – zz% of the total commission payable by the Principal for the products sold in that transaction.

7.3 The commission shall become due in the month that both the following occurs:

(a) compliance with clauses 7.1, 7.2, 7.3(b) and 7.4; and

(b) payment is received by the Principal from the client for the sale of the products by the Agent.

7.4 The commission shall become payable no later than the last day of the month following the month in which it became due;

7.5 The commission shall not be payable if the client has not paid the Principal for the products purchased or if the contract between the client and the Principal is not executed and this is not due to circumstances for which the Principal is responsible. Any commission already paid but not payable to the Agent must be refunded to the Principal.

8. TERMINATION

- 8.1 This Agreement shall continue unless any of the following provisions of this clause 8 shall apply;
- 8.2 This Agreement can be terminated by either party by giving not less than thirty (30) days notice in writing to the other party;
- 8.3 The Parties agree that irrespective of the provisions of clause 2 this Agreement shall be subject to the Agent completing the probationary period of acting as Agent from the appointment date in performing agency duties to the reasonable satisfaction of the Principal failing which the Principal shall be entitled to give notice in writing to the Agent terminating this Agreement forthwith without the necessity of giving any explanation to the Agent.
- 8.4 Without prejudice to any remedy the Principal may have against the Agent for any antecedent breach or non-performance of this Agreement and without prejudice to the right of either party to terminate this Agreement under the general law, the Principal may summarily terminate this Agreement on giving written notice to the Agent if:
- (a) The Agent commits any breach of the terms and conditions of this Agreement and the breach (if capable of remedy) is not remedied within seven (7) days of the Agent being notified in writing by the Principal; or
 - (b) The Agent is prevented by infirmity or ill health for any reason ceases from performing the Agent's functions under this Agreement.
- 8.5 The Principal may terminate this Agreement forthwith by notice in writing to the Agent if the Agent brings the Principal into disrepute, is convicted of an offence of dishonesty or is otherwise unable or unwilling to perform the Agent's obligations;
- 8.6 This Agreement shall terminate without notice in the event of the death of the Agent; and
- 8.7 Upon the termination of this Agreement commissions due or entitled to the Agent for any sales, renewal and additional sales shall be payable up to the date of such termination.

AGREED BY THE PARTIES

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(Witness)

Signed For and on behalf of **GIPPSLAND COMMUNITY RADIO
SOCIETY CO-OPERATIVE LIMITED ABN 22 937 051 524**
with authority to sign
(Principal)

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Signed **(Agent)**

(Witness)