Out of bounds: Coal, gas and oil sponsorship in Australian sports

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Cover: Australian rugby team, the Wallabies, at Australia vs. South Africa game, 03 September 2022 Photo: Peter Dovgan

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Executive summary

This report is the first to quantify the number and value of coal, gas and oil sponsorships in Australian sport.

Many Australian sport organisations are beginning to take action to reduce their climate pollution footprint and leverage their significant media profiles to promote environmentally positive behaviours. As they do so, the appropriateness of coal, gas and oil sponsorships and partnerships is receiving increasing public scrutiny.

Sport is a key part of cultural identity in Australia. Millions of Australians watch and participate in sports. Hundreds of thousands of Australians volunteer every week to do the work needed to bring community sport to life. Sport is integral to the social fabric of communities and provides well-documented mental and physical health benefits as well as social benefits for participants (KPMG, 2018). Boston Consulting Group has estimated that sport contributes around $50 billion annually to the Australian economy every year (Climate Council of Australia, 2021).

Burning coal, gas, and oil is a key driver of climate change. Extreme weather is being made worse by climate change and is already having significant and growing impacts on Australian sports at elite and community levels. By 2040 heatwaves in Sydney and Melbourne could reach highs of 50⁰C and threaten the viability of iconic sporting events such as the MCG Boxing Day Test and the Australian Open. At community levels extreme heat is posing significant health risks to participants. Climate change is also driving longer and more intense bushfire seasons exposing athletes and spectators to dangerous air pollution. Climate change is both an immediate and future threat to sport in Australia (Climate Council of Australia, 2021).

In this context, sponsorship from coal, gas, and oil corporations creates reputational risks for Australian sport. A number of high-profile sports teams—including the Australian rugby union team, the Wallabies, and the Australian Football League's Fremantle Dockers—have high-profile sponsorship relationships with fossil fuel corporations. Coal, gas, and oil corporations' involvement in sports sponsorship allows them to greenwash their role as major climate polluters, while leveraging the positive image of sport and fan loyalty associated with domestic and national teams.

Sport organisations have a history of having to move away from corporate sponsors due to growing public awareness about the harm a particular product inflicts on society. Tobacco, alcohol, and gambling are just some industries that have faced regulation to control their involvement with sport as a promotional platform because of public concern of their impact on individual and community health and wellbeing. Sponsorship arrangements between sport organisations and corporations who extract, or retail coal, gas and oil, are now likely to be heavily scrutinised by sports fans as global and national concern at the impact of climate change on human health and environment grows.

This report focuses on the current involvement of coal, gas and oil corporations in sport sponsorship in Australia. By mapping and understanding where and how coal, gas and oil companies are involved in sport, we can better understand the opportunity for governments to create innovative regulation, and for sport organisations to take greater leadership and action to reduce their own pollution and advocate for other climate positive initiatives to combat environmental degradation and climate change.

Boston Consulting Group has estimated that sport contributes around **$50 billion annually to the Australian economy every year**

(Climate Council of Australia, 2021).

A note on classifcation

This report focuses on the current involvement of coal, gas and oil companies in sport sponsorship in Australia. In classifying the industry for this report, we identify coal, gas and oil companies within two areas aligned with Australian and New Zealand Standard Industrial Classifications (ANZSIC):

1) Companies aligned with coal, gas and oil mining and extraction. This is located within the ANZSIC Subclassification B. This industry classification group also includes other mining and exploration activities including those related to metal ore and other mining support services.

2) Retail or providers focused on delivery of gas and electricity services to consumers and business at a retail level. This is located within ANZSIC Subclassification D, and broadly includes electricity, gas, water and waste services.

Noting the above, there is not a perfect local market classification exclusively for fossil fuels. In our analysis, we identify all sponsors across these wider two ANZSIC classifications. However, our discussion of 'fossil fuels' (at mining/extraction or retail provision within the supply chain) are limited to specific hydrocarbon classes including coal, petroleum, natural gas, oil shales, tars and heavy oils (we refer to these as 'coal, gas and oil' in the following sections of the report).

ANZIC Classification	ANZSIC Subclassification B - Mining	ANZSIC Subclassification D – Electricity, Gas, Water and Waste Services
Included as 'fossil fuels' in this report (also termed 'coal, gas and oil') in the report	Coal mining (06), oil, petroleum and gas extraction (07)	Electricity supply (26) and gas supply (27)
Not included as 'fossil fuels' in this report	Metal ore mining (08), non-metallic mineral mining (e.g. construction) (09)	Water supply and sewerage, waste (28), collection/treatment/disposal (29) and companies in 26/27 but exclusively retailing solar or hydro services

As a final caveat here, we note and understand there may be organisations and brands with operations across different related business classifications or services (i.e. where an organisation might engage in both extraction and retail services, or in oil supply as well as renewable energy). In addition, there may be cases where ownership of non-fossil fuel classified businesses may be partially held by companies involved in fossil industries. Where possible, we have classified companies on their primary business classification via the companies' own communications.

Taking the above into account, our research shows that from 1458 partnerships across 14 of Australia's top sports, 69 partnerships (or 4.7%) are directly linked to the mining (ANZSIG B) and electricity, gas, water and waste (ANZSIG D) sectors.

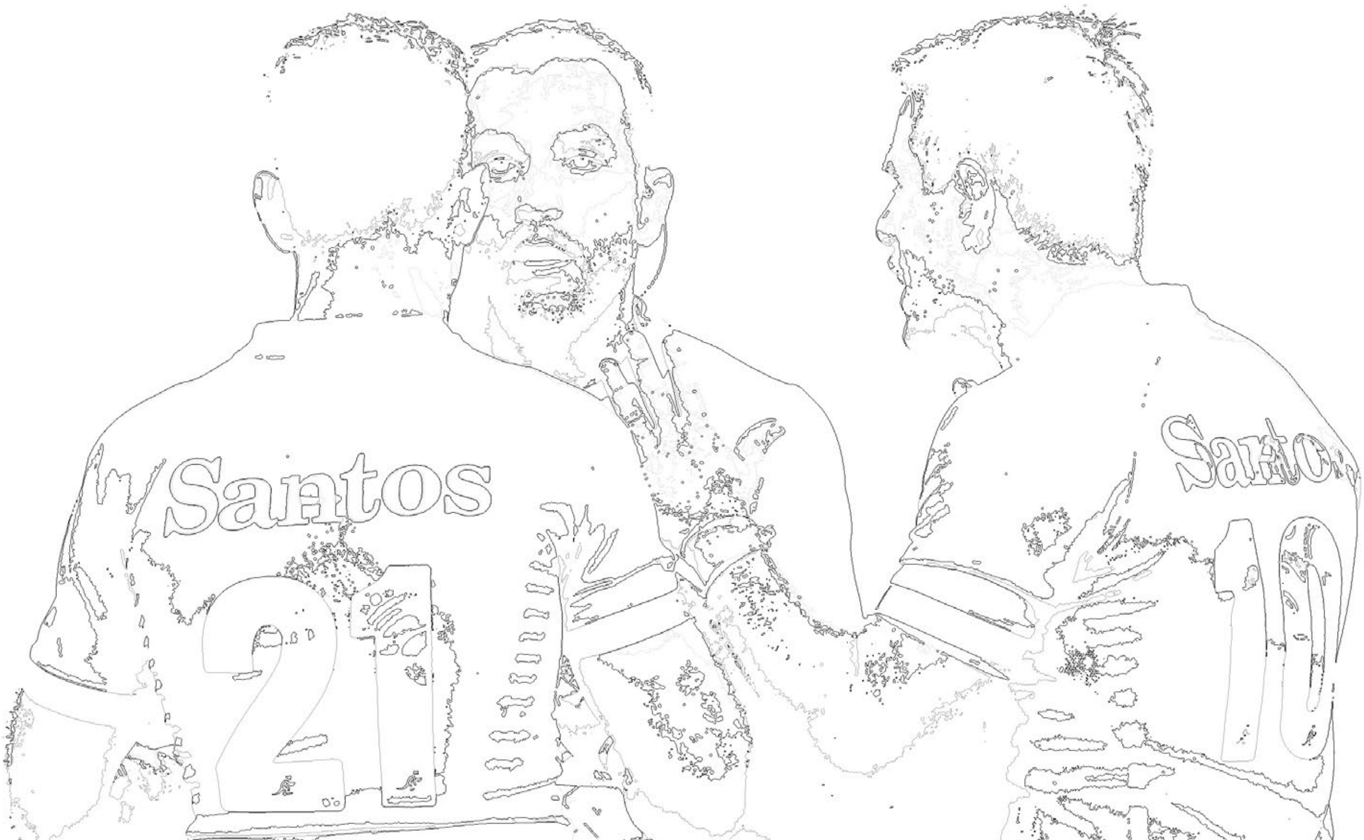
Within this wider classification, we can isolate 51 partnerships (or 3.5% of all partnerships) between sport and fossil fuel (coal, gas and oil) related companies.

This includes 25 partnerships (1.7% of all partnerships) with companies who undertake coal, gas and oil extraction, and a further 26 partnerships with retail and wholesale providers of electricity and gas (1.8% of all partnerships). A further 13 (0.9%) partnerships are with mining companies primarily limited to metals and other resources (not fossil fuels) while a further 5 partnerships (0.3%) are with solar or hydro providers.

Most partnerships with coal, gas and oil miners are with professional teams in Australian rules football, rugby union and rugby league, while cricket, soccer and netball have a large number of partnerships with retail or direct-to-consumer service providers of energy. Although coal, gas and oil partnerships are not prolific in number (less than 1 in 30 sports partnerships are from the sector), in many cases, these partnerships include high-value naming rights agreements or the inclusion of highly visible and valuable brand benefits for sponsoring companies. There are limited partnerships (approximately five in total) with providers or distributors of solar or hydro energy solutions.

The benefits provided to the coal, gas and oil sector by sport are varied, and include exposure benefits, as well as branding and corporate benefits. While not a small level of investment, we suggest the value of coal, gas and oil sponsorships (valued at between $14m and $18m per year within Australia's top tier of 14 sports) could be replaced by sport over time. However, the benefits that sport provides to coal, gas and oil corporations would be much more difficult to replace for these corporations.

Although there is early evidence of transition away from coal, gas and oil sponsorship in sport, most sports have focused their environmental actions on climate campaigns and environmental sustainability initiatives to mitigate their own carbon pollution footprint, rather than reduce their coal, gas and oil sponsorships.



Introduction

The fundamental problem underpinning this report is that the coal, gas and oil extraction industry—particularly coal, gas and oil corporations—use sport sponsorship to greenwash their climate-damaging activities. As sport embraces high-carbon polluting brands, their contribution to the climate crisis is hidden, masking the urgency and legitimacy of positive actions taken in other areas related to environmental sustainability.

The sport industry in Australia is highly visible. 77% of Australians call themselves sport fans (YouGov, 2022), more than 1 in 12 are members or season ticket holders of a professional team, and major sport events are the most watched media events each year (Mediaweek, 2021). Many pages and hours of media coverage bring sport, and its sponsors, into the houses, gathering places and workplaces of people across the country. This is positive for sponsorship—as it provides brands and corporations opportunities to align and associate their products and services within the emotional and high involvement setting of sport. However, by extension, sponsorship by controversial partners, including the coal, gas and oil industry or other partners seen as promoting products which damage the health of people or the planet can become particularly problematic.

Every sector of the Australian economy is directly dependent on nature to varying degrees, and that dependency is based on different ecosystem services derived from different elements of natural capital. The sectors with the highest dependence are those that rely on the extraction of the earth's natural resources or directly depend on the provision of ecosystem services such as clean water, a stable climate, pollination, erosion prevention, healthy soils, and protection from floods and storms—notably primary industries, food manufacturing, and construction. Sectors like retail can have a low direct dependence on nature based on gross value added (GVA) but have high indirect dependency on nature via their supply chains.

Scope of report

The scale and complexity of the Australian sport industry is large, and the deeply embedded nature of the coal, gas and oil industry is vast. As such, the scope of this report has been narrowed to provide a focus on companies that mine or produce fossil fuel emissions from coal, gas and oil as the major component of their business. Included here are mining companies active in coal, gas and oil extraction, as well as wholesale or retail providers of energy services.

We exclude sponsorship from car and aviation companies while noting that transport (including aviation, cars, commercial trucks, buses, and rail) currently represents 18% of Australia's total climate pollution (Climate Change Authority, 2021) and is expected to grow a further 6% by 2030. Sponsorship of sport from this sector is estimated at 12% of all Australian partnerships (Table 1). Toyota's partnership for example with the Australian Football League is estimated to be worth $18.5 million per year (Tricarico & Simms, 2021).

Also excluded is analysis of sports' own contribution to climate pollution from air travel, infrastructure, and other energy-consuming activities.

The sectors with the highest dependence are those that rely on the **extraction of the earth's natural resources...**

Coal, gas and oil sponsorship in Australian sport

Mapping the problem

To understand where partnerships between sport and coal, gas, and oil companies are found, we undertook a detailed analysis of sponsoring organisations and their industries within Australian sport. Further, we explored how coal, gas and oil companies explained their involvement with sport.

We focused our Australian-based research on 14 major sporting codes and Olympic/other sports that included:

- 8 major professional and participation sports, known as 'corporate sports'. Each of these has a prominent national professional league or major event. The list includes Australian Rules football, rugby league, rugby union, soccer, cricket, basketball, netball and tennis.
- 6 other major Olympic sports including cycling, swimming, rowing, hockey, golf and athletics.

Within each sport, we assessed partners of these organisations, national teams, major or professional leagues and teams, events, and participation programs to identify the partnership portfolios and investigate links to the coal, gas and oil industries. In addition, we include national organisations responsible for sport funding, support, or operations (e.g. Sport Australia, the Australian Olympic Committee, and the Commonwealth Games Association). Each are critical and high-profile bodies involved in sport. Data was taken from sport organisations' and sponsors' websites as well as other public documents (e.g. annual reports, strategic plans, media releases and statements) and is current as of these sources in July 2022.

Case study

Fremantle Dockers AFL club highlights the challenges facing Australian sport as a result of its sponsorship partnerships with coal, gas and oil corporations.

In 2019, the Dockers became a member of the Sports Environment Alliance and more recently in 2022, released its Sustainability Strategy (Freemantle Football Club, 2022). The strategy includes the following initiatives it hopes to deliver to meet its goal of 'Anchoring a Sustainable Future':

- Delivery of two climate education sessions to staff and players annually,
- Engagement with South Pole [environmental consultant] to measure, reduce and compensate for Club greenhouse gas emissions,
- Host a staff and player planting day,
- Report annually on the outcomes delivered by the plan.

Simultaneously, Woodside Energy are one of two major sponsorship partners of the Fremantle Dockers. In 2019-20 Woodside Energy were identified by the Clean Energy Regulator (Clean Energy Regulator, 2021) as one of 10 worst climate polluters in Australia, producing 9.2 million tonnes of carbon dioxide equivalent annually. This figure does not include the pollution created by burning the fossil fuels extracted by Woodside Energy, known as scope one and three emissions (climate pollution).

Woodside Energy's proposed new Scarborough and Pluto Gas Project would produce 1.37 billion tonnes of scope one and three categories of climate pollution between 2021 – 2055 if the project was constructed (Climate Analytics, 2021). This pollution would contribute to the destruction of the Great Barrier Reef and other ecosystems, increase extreme heat, and increase other climate change impacts that threaten the future of sport.

In total, we assessed 1458 partnerships in Australian sport. Each were coded according to sport and sponsorship property (i.e. if the sponsorship was related to a league, event or competition, professional team, national team, national sport organisation, or participation program). The eight major professional and participation sports make up around 88% of all partnerships in our dataset, reflecting the number of professional teams within Australian professional sport. In total, the four football codes (Australian rules, rugby league, rugby union and soccer) include nearly 60% of the partnerships, and over 1100 (or 76%) of all partnerships in the sample are with professional teams.

Partnerships by sport and property type can be seen in Table 1.

Note: Professional teams were the dominant property type within the partnership list (76% of the sample). Where a team had more than 10 partners, we included a maximum of 10 partners per team, according to the order listed in team materials.

Table 1: Partnerships by sport and property type

Sport	Number of partnerships	% of all partnerships in sample
Australian Rules	286	20%
Rugby League	210	14%
Basketball	206	14%
Soccer	198	14%
Rugby Union	162	11%
Cricket	114	8%
Netball	102	7%
Hockey	63	4%
Golf	30	2%
Rowing	21	1%
Cycling	20	1%
Athletics	19	1%
Tennis	15	1%
Swimming	12	1%

Property	Number of partnerships	% of all partnerships in sample
(Professional) Teams	1101	76%
National Sporting Organisation	112	8%
League	97	7%
National Teams	66	5%
Events	49	3%
Other	20	1%
Participation programs	13	1%

How extensive is coal, gas and oil involvement in sport?

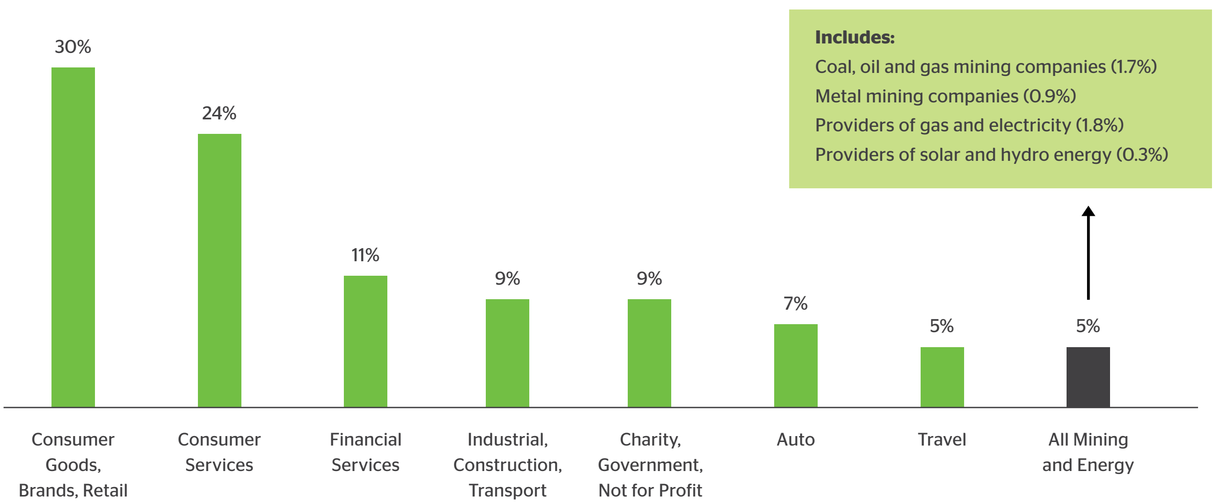
Table 2 shows the industry type of all mapped partnerships. From 1458 partnerships, 69 (4.7%) were directly attributed to the mining (ANZSIG B), and electricity and gas provision sectors (ANZSIG D).

Table 2: Number of partnerships by industry

Industry	%
Consumer Goods, Brands, Retail	29.5%
Consumer Services	23.8%
Financial Services	11.4%
Industrial, Construction, Transport	9.3%
Charity, Government, Not-for-Profit	9.0%
Auto	7.1%
Travel (Travel, Airlines, Hotels, Agencies)	5.1%
All Mining and Energy*	4.7%

**Includes fossil fuel (3.5%) and non-fossil fuel (1.2%) related companies in ANZSIG B and D.*

Figure 1: Number of partnerships by industry



Note: Given rounding applied to data category totals, percentages may total +/- 100%.

Within the combined mining and energy supply sectors, we include both fossil fuel and oil and gas mining and extraction companies. Table 3 provides the partnership by sub-industry (providing a more nuanced understanding of each industry or category).

Within the mining and energy sector, these are separated as:

- 51 partnerships (or 3.5% of all partnerships) between sport and fossil fuel (coal, gas and oil) related companies including:
  - 25 partnerships (1.7% of all partnerships) with companies who undertake coal, gas and oil extraction
  - 26 partnerships (1.8% of all partnerships) with companies who are retail and wholesale providers of electricity and gas
- A further 18 partnerships in the wider mining and energy supply sector which are not fossil fuel mining or provider related including:
  - 13 (0.9%) partnerships with mining companies involved in metal and other resources mining (i.e. not directly related to fossil fuel extraction)
  - 5 partnerships (0.3%) are with solar or hydro providers

We note that while the direct mining and energy sector contains 4.7% of all partnerships, we can also identify supporting industries which may, by way of funding or financial support, or provision of infrastructure or other services, contribute to the scope of the problem of coal, gas and oil emissions or impacts.

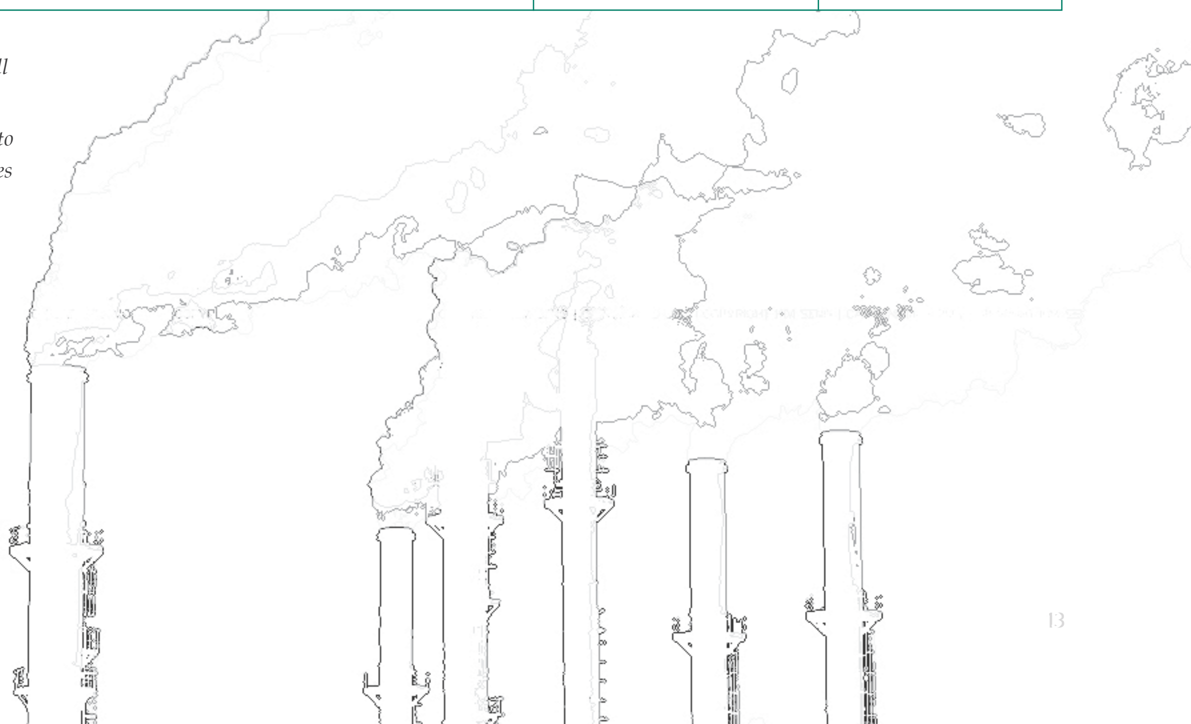
Table 3: Number of partnerships by industry and sub-industry

Industry and Category	Partnerships	%
Auto (Cars, Tyres, Sales agents)	**103**	**7.1%**
Auto	86	5.9%
Auto (Tyres)	17	1.2%
Charity, Government, Not-for-Profit	**132**	**9.0%**
Charity	13	0.9%
Government	75	5.1%
Not-for-Profit	44	3.0%
Consumer Goods and Retail	**430**	**29.5%**
Products/Brands (FMCG/Goods/Other)	82	5.6%
Products/Brands (Alcohol)	46	3.2%
Products/Brands (Electronics)	22	1.5%
Products/Brands (Takeaway)	49	3.4%
Retail Brands/Stores	139	9.5%
Products/Brands (Sport)	92	6.3%
Services	**347**	**23.8%**
Education	51	3.5%
Entertainment	11	0.8%
Gambling	21	1.4%
Health and Fitness	4	0.3%
Healthcare	25	1.7%
Hospitality	14	1.0%
IT	28	1.9%
Legal	19	1.3%
Marketing	17	1.2%
Media	67	4.6%
Professional Services	29	1.9%
Property/Real Estate	27	1.9%
Storage	8	0.5%
Telco	26	1.8%

Industry and Category	Partnerships	%
Financial Services	**167**	**11.4%**
Crypto Services	15	1.0%
Banking	54	3.7%
Banking (Big 4)	13	0.9%
Insurance	49	3.4%
Lending	22	1.5%
Superannuation	14	1.0%
Industrial, Construction and Transport	**136**	**9.4%**
Construction/Building	57	3.9%
Industrial	57	4.0%
Transport	22	1.5%
Mining and Energy	**69**	**4.7%**
Mining (Coal, Gas, and Oil)	25	1.7%
Mining (Metals and Resources)	13	0.9%
Supplier/Provider/Distributor (Electricity/Gas)	26	1.8%
Provider/Distributor (Solar/Hydro)	5	0.3%
Travel (Travel, Airlines, Hotels, Agencies)	**74**	**5.1%**
Airlines	17	1.2%
Travel	57	3.9%

**In all cases, this is the % of all partnerships (n=1458)*

Note: Given rounding applied to data category totals, percentages may total +/- 100%.



Mining and energy partnerships within Australian sport

The list of mining and energy organisations and the sports and properties involved in the 69 partnerships over 11 Australian sports are listed in Table 4.

Table 4: Partner brand and sport involvement

Company	Sport	Sport Property
Mining (Coal, Gas and Oil)[1]		
Ampol	Rugby league	NRL Competition
BHP	Australian rules, soccer	West Coast Eagles, Adelaide FC, Perth Glory, AFLW Competition
BP	Australian rules	Hawthorn FC
Bravus Mining and Resources	Rugby league	North Queensland Cowboys
Endeavour Petroleum	Australian rules	Carlton FC
GFG	Australian rules	Port Adelaide FC
Hancock Prospecting	Swimming, rowing	Swimming Australia, Rowing Australia
Santos	Australian rules, rugby union, rugby league, cycling	Port Adelaide FC, NSW Waratahs, Wallabies, Queensland Reds, Wallaroos, Tour Down Under
Shell	Rugby league	Queensland
Viva Energy	Australian rules	Geelong Cats
Woodside Energy	Australian rules	Fremantle FC
Mining (Metals and Resources)		
Barminco	Australian rules	West Coast Eagles
Fortescue	Rugby union	Western Force
MACA Mining	Australian rules	Fremantle FC
Manhari Metals	Cricket	Melbourne Stars
McKern Steel (Foundation)	Basketball	Bendigo Spirit
Mineral Resources	Australian rules	West Coast Eagles
Neumann Steel	Rugby league	Gold Coast
Northern Star Resources	Basketball	Perth Lynx
NSW Mining	Rugby league	Newcastle Knights
Rio Tinto	Athletics, rugby union	Athletics Australia, Queensland Reds
South 32	Basketball	Townsville Fire

[1] Companies here are identified as having coal, gas, and oil mining or extraction as a core component of business, or have clear and public links to subsidiary companies with these operations

Company	Sport	Sport Property
Energy Suppliers (Electricity/Gas)		
Actewagl	Basketball	UC Capitals
AGL	Australian Rules, soccer	West Coast Eagles, Melbourne Victory, Port Adelaide FC
Alinta Energy	Cricket	Brisbane Heat , Cricket Australia and all Mens National Cricket Teams (One Day, T20, Test)
Australian Gas Networks	Cricket	Adelaide Strikers, Port Adelaide FC
Elgas	Basketball	Bendigo Spirit
Momentum Energy	Australian rules	Geelong Cats
Origin Energy	Soccer, netball	Melbourne City, majority of Super Netball teams, and overall Super Netball competition
Powercor Australia	Australian rules	Essendon
Red Energy	Rugby league	Newcastle Knights
Red Energy	Netball	NSW Swifts
SA Power Networks	Soccer	Adelaide United
Synergy	Rugby union	Brumbies
Energy Suppliers (Solar/Hyrdo)		
Hello Solar	Australian rules	North Melbourne
Hydro Tasmania	Cricket	Hobart Hurricanes
Instyle Solar	Rugby league	Penrith Panthers
RACV Solar	Cricket	Melbourne Renegades
Shine Hub	Rugby league	South Sydney Rabbitohs

Where is coal, gas and oil involvement in sport taking place?

Table 5 shows the distribution of mining and energy partnerships by sport. Of the mining (coal, gas, and oil) partnerships highlighted in Table 5, 72% are in three football codes (Australian rules, rugby league and rugby union). Cricket, soccer and netball have the majority (69%) of provider or distributor partnerships. However, we note that some brands have multiple team sponsorships in each sport (e.g. our dataset recognises that Alinta sponsors multiple national cricket teams and counts them as separate properties while Origin has sponsorships with multiple teams in one single netball league, but these are recognised as separate properties).

Table 5: Mining and energy sponsorships by sport

Sport	Mining - Coal, gas, and oil	Provider/ Distributor (Gas, Electricity)	Mining - Metals	Total Partnerships (% of all partnerships in the sport)
Australian rules	11	3	5	19 (7%)
Netball	0	9	0	9 (9%)
Rugby League	5	1	2	8 (5%)
Rugby Union	2	2	4	8 (5%)
Cricket	1	6	0	7 (8%)
Basketball	2	2	1	5 (2%)
Soccer	1	3	0	4 (2%)
Athletics	1	0	0	1 (5%)
Cycling	0	0	1	1 (5%)
Rowing	1	0	0	1 (5%)
Swimming	1	0	0	1 (8%)
TOTAL	**25**	**26**	**13**	

**Tennis, hockey and golf are among the sports where no mining or energy partners were identified*

Per Table 6, in assessing the type of sponsorship properties where mining and energy partners are involved, professional teams attract approximately 73% of coal, gas, and oil mining and energy provider/distributor partnerships. A further 11 of partnerships are with national teams.

Table 6: Mining and energy sponsorships by property

	Mining - Coal, gas, and oil	Provider/Distributor (Gas, Electricity)	Mining - Metals
Team	18	19	12
National Teams	2	4	
League/Event	3	1	
National Sport Organisation	2	2	1
TOTAL	**25**	**26**	**13**

Finally, we considered the proportion of partnerships relative to the number of total partnerships in the sport.

Considering the proportion of partnerships within sports with professional leagues in Table 7, 3.8% of all identified Australian rules partnerships and 2.8% of all rugby league partnerships were with coal, gas, and oil mining companies. Netball and cricket have limited partnerships with coal, gas and oil mining companies, but 8.8% and 5.3% of partnerships for these respective sports are with retail or wholesale providers or distributors of energy. Basketball and soccer have over 400 partnerships combined, but less than 2.5% come from the mining and energy sector.

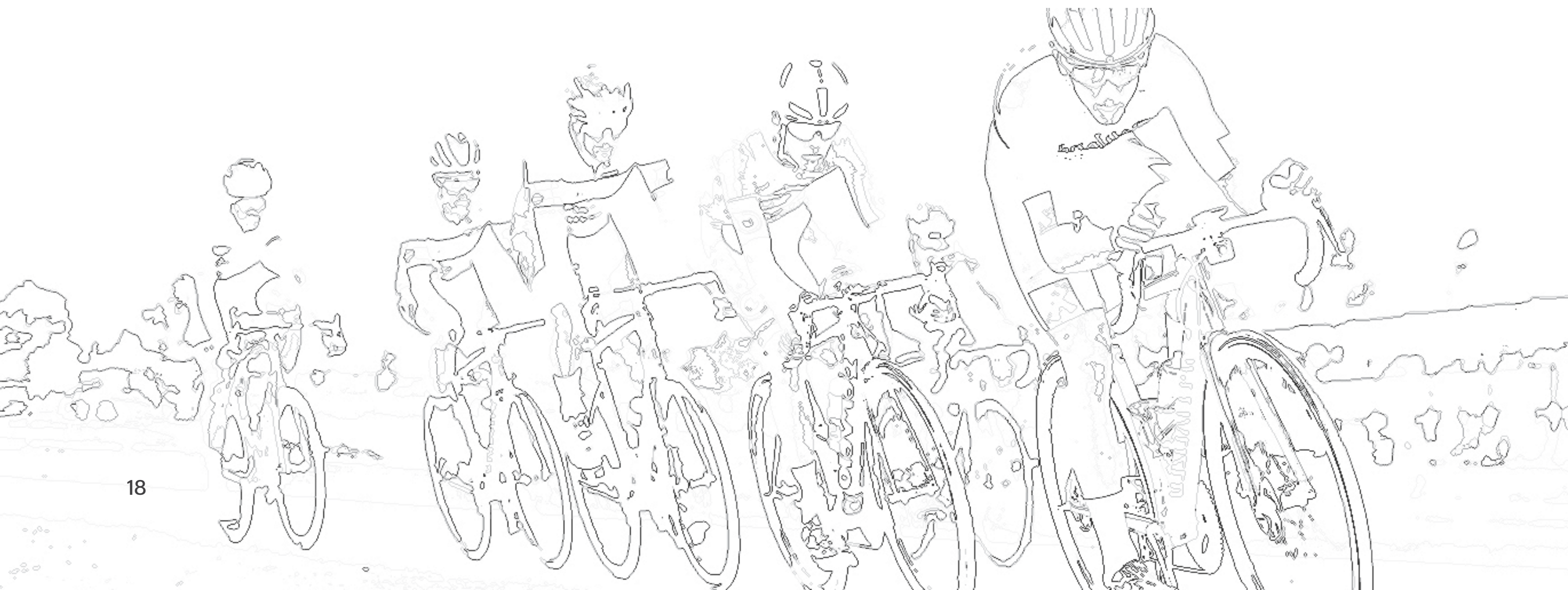
Considering sports without professional leagues (also Table 7), athletics, swimming and rowing have 5% - 8% of all partnerships with coal, gas and oil mining companies. However, in all cases, this equates to a single partnership, given the lower number of overall partnerships in these sports. Tennis, hockey and golf are among the sports where no mining or energy partners were identified.

...professional teams attract approximately 73% of coal, gas and oil mining, and energy provider/distributor partnerships.

Table 7: Partnerships by category and sport

Sport	Australian Rules	Basketball	Cricket	Netball	Rugby League	Rugby Union	Soccer
Number of partnerships	**286**	**206**	**114**	**102**	**210**	**162**	**198**
Auto (Cars, Tyres, Sales)	9.1%	10.2%	11.4%	10.8%	6.2%	5.6%	4.5%
Charity, Government, Not-for-Profit	4.2%	13.1%	12.3%	12.7%	2.4%	4.3%	9.6%
Consumer Goods and Retail	30.8%	20.9%	25.4%	19.6%	34.3%	32.1%	30.3%
Consumer Services	15.7%	28.6%	21.1%	21.6%	26.7%	30.2%	29.3%
Financial Services	18.5%	10.2%	9.6%	15.7%	12.4%	7.4%	9.1%
Industrial, Construction and Transport	9.8%	11.7%	8.8%	7.8%	7.6%	12.3%	10.1%
Travel (Travel, Airlines, Hotels, Agencies)	4.9%	2.9%	3.5%	2.9%	5.7%	3.1%	5.1%
Mining and Energy	7.0%	2.4%	7.9%	8.8%	4.8%	4.9%	2.0%
Mining/Extraction - Coal, gas, and oil	3.8%	1.0%	0.9%	0.0%	2.4%	1.2%	0.5%
Mining/Extraction - Metals	1.7%	0.5%	0.0%	0.0%	1.0%	2.5%	0.0%
Provider/Distributor (Gas, Electricity)	1.0%	1.0%	5.3%	8.8%	0.5%	1.2%	1.5%
Provider/Distributor (Solar/Hydro)	0.3%	0.0%	1.8%	0.0%	1.0%	0.0%	0.0%

Note: Given rounding applied to data category totals, percentages may total +/- 100%.



Sport	Athletics	Cycling	Golf	Hockey	Rowing	Swimming	Tennis
Number of partnerships	**19**	**19**	**30**	**63**	**21**	**12**	**15**
Auto (Cars, Tyres, Sales)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%
Charity, Government, Not-for-Profit	36.8%	31.6%	16.7%	3.2%	28.6%	58.3%	13.3%
Consumer Goods and Retail	36.8%	36.8%	30.0%	36.5%	47.6%	25.0%	46.7%
Consumer Services	10.5%	15.8%	23.3%	31.7%	0.0%	0.0%	13.3%
Financial Services	0.0%	0.0%	13.3%	3.2%	9.5%	0.0%	13.3%
Industrial, Construction and Transport	0.0%	0.0%	0.0%	14.3%	0.0%	0.0%	0.0%
Travel (Travel, Airlines, Hotels, Agencies)	10.5%	10.5%	16.7%	11.1%	9.5%	8.3%	6.7%
Mining and Energy	5.3%	5.3%	0.0%	0.0%	4.8%	8.3%	0.0%
Mining/Extraction - Coal, gas, and oil	5.3%	0.0%	0.0%	0.0%	4.8%	8.3%	0.0%
Mining/Extraction - Metals	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Provider/Distributor (Gas, Electricity)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provider/Distributor (Solar/Hydro)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Note: Given rounding applied to data category totals, percentages may total +/- 100%.

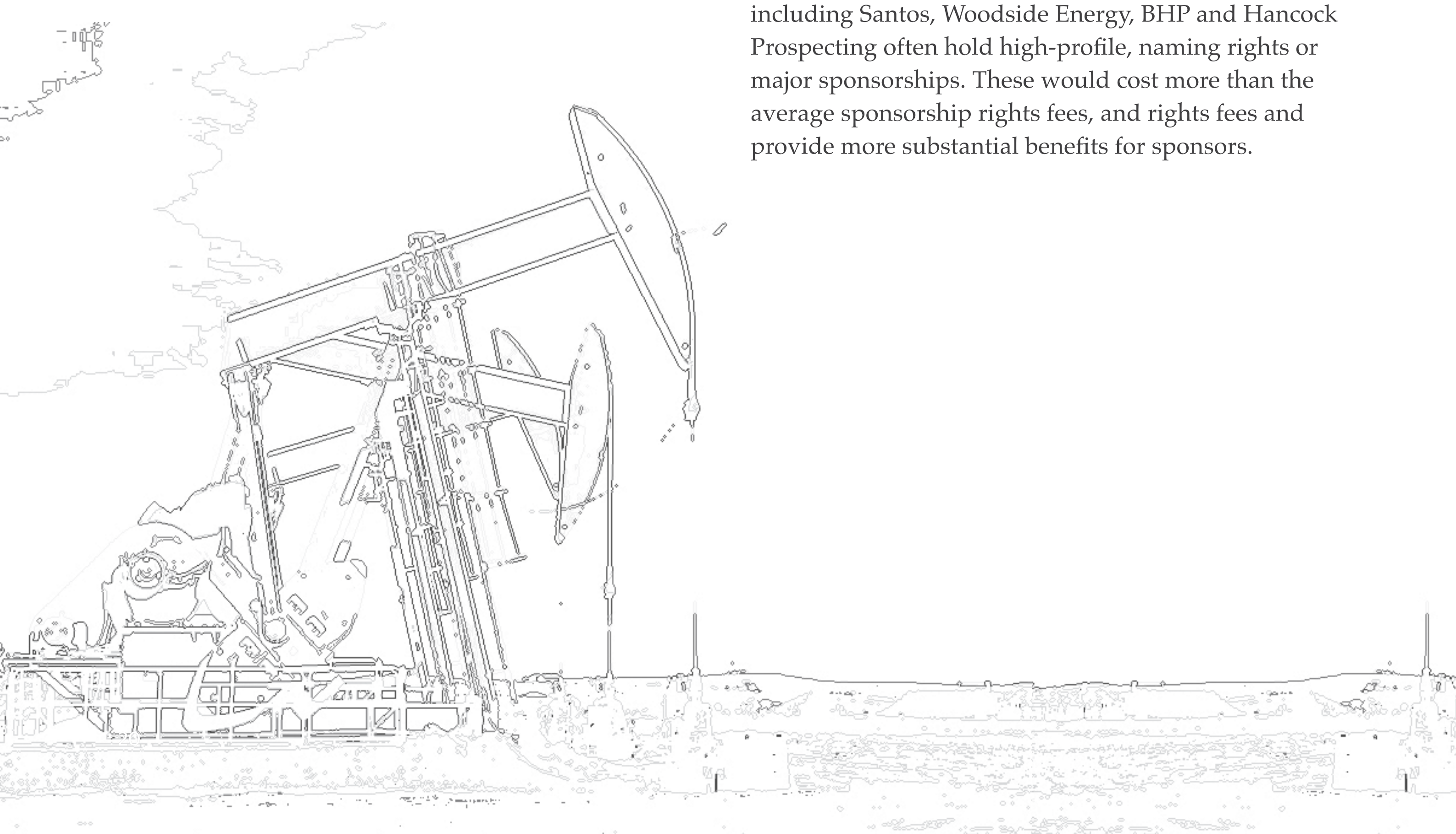
What is the size of the problem?

A reliable understanding of the Australian sports sponsorship market is difficult to estimate given sponsorship revenue figures and other commercial benefits within sponsorships are rarely made public. In addition, investment in sponsorship rights and additional advertising and promotions to leverage associations with sport can be (in different scenarios) included within, or outside of, sponsorship rights fees.

That said, a conservative investment estimate of the Australian sports-specific sponsorship market is likely over $750m annually (AusLeisure, 2020). Here, our focus on 14 sports is not a complete representation of this overall investment—there are many other organised sports, events and athletes that attract sponsorship. However, these 14 sports, and the 1458 partnerships in the dataset would represent the majority of the Australian sports sponsorship market value. Here, we would conservatively estimate that more than 60% or over $450m of Australian sports sponsorship investment would be covered by the 14 sports in our assessment.

Within this, we estimate **the sub sectors of coal, gas and oil mining companies** (1.7%) and **gas and electricity producers** (1.8%) directly involved with fossil fuels **would contribute** between $14m and $18m **to sport via partnerships and sponsorships with the 14 sports profiled in this report.**

We note that in many cases, partnerships with coal, gas, and oil companies appear to orientate towards major or top tier partnerships with sports properties. For example, coal, gas, and oil mining companies including Santos, Woodside Energy, BHP and Hancock Prospecting often hold high-profile, naming rights or major sponsorships. These would cost more than the average sponsorship rights fees, and rights fees and provide more substantial benefits for sponsors.



Understanding sponsorship benefits in sport

Outside of broadcasting rights, sponsorship represents one of sports' most prolific revenue streams. Valued at over $60 billion globally within sport alone, sponsorship is defined as an investment in an activity (whether in cash or in kind) in return for access to the exploitable commercial potential associated with that activity (Meenaghan, 1991; Roy & Cornwell, 2003). Sport is the major setting for sponsorship, primarily given the 'high involvement' nature of sport where sports consumers have high levels of loyalty and connection. Sponsors seek to leverage this, with partnerships seeking to transfer the positive perceptions sports consumers have with sport to the sponsor or partner brands.

Sponsorships are different to other types of partnerships. Specifically, sponsors expect direct business benefits in return for their investment. This is distinct from relationships like patronship, donations or philanthropic contributions where an asymmetric relationship exists (i.e. one party does not expect, nor receive, a benefit). As such, sponsorship is a reciprocal business relationship (both parties exchange something of value), where commercial advantage is sought by one or both parties (Meenaghan, 1991).

In addition, there are other forms of partnerships that blur the lines between a commercial sponsorship, corporate social responsibility, and community-orientated partnerships (Rowe, Karg & Sherry, 2019). While these will often not meet the criteria for sponsorship, they can have prominent overlap or extensions to sponsorship arrangements in sport. These partnerships seek to engage in the community passion and engagement in sport to achieve a social good, whilst building or potentially repairing their reputation as an industry partner of these community or cause-related activities.

There are multiple benefits or advantages sponsoring organisations seek to capitalise on. Within the Australian market these include, but are not limited to, tangible benefits such as brand placement within physical and digital signage and media content, digital and physical advertising opportunities, corporate hospitality benefits, access to fan and member databases and branding opportunities within community programs. In addition, there are less tangible, but still valuable, corporate and brand image related objectives that can be fulfilled within sponsorship activities.

Within this wide mix of benefits, the coal, gas, and oil industry such as coal and gas extraction companies may use sponsorship of sport specifically to:

- improve their corporate image and brand more generally,
- communicate with fans of sport, either to share or integrate messages or build awareness of their companies, operations, or services,
- utilise the soft power of sport to greenwash their operations and climate action credentials,
- align their brands with community and participation sport levels to build support for their social license to operate in their local communities, and
- access corporate hospitality benefits within live events.

To illustrate the distinct goals and opportunities of sponsorship spanning media, corporate, marketing and sales objectives (Karg, et al., 2022), Table 8 provides a summary of sponsorship aims and objectives and provides some examples of how these may appear in the industry.

Table 8: Sample sponsorship objectives (and sport examples)

Category*	Sample Objectives*	Benefit or opportunity	Sport Example
Media	Maximise exposure Enhance advertising Counter negative publicity	Build exposure via logo or brand signage or placement	A coal, gas and oil mining company have their logo on the playing shirt of a national team. Sport fans are exposed to this in live and media settings and build awareness of the association between the sport and the company.
Corporate	Community relations/image Business relationship management Client entertainment/ hospitality benefits HR objectives Employee relationship management Business development	Develop business to business relationships and enhance consideration for employees, partners, or government stakeholders	A coal, gas, and oil mining company sponsor a major sport event. At the event, they can entertain guests, other businesses employees or government stakeholders. Via these events, and wider sponsorship and brand benefits, the company can build goodwill and consideration among employees or partner organisations or policy makers that support their operations.
Marketing	Raising awareness Brand/image health Product positioning and image	Influence brand image and positioning around groups of fans and audiences	A coal, gas, and oil mining company sponsor a national sport team. Over time, sport fans see and associate the sponsor with the sport. The positive feelings fans have for the sport (and experiences they have) see them development more positive feelings for the company, improving its brand image. By integrating messaging (e.g. community practices or benefits they provide to sport), the mining company can improve perceptions of trust or responsible operations.
Sales	Direct sales at event Increase sales/customers Enhancing/developing channels/ distribution Increase targets/consumer information	Provide product or service trial or offers to sport fans	While less relevant to coal, gas, and oil mining companies, a retail provider (e.g. a power company) can send targeted or discount sales offers to fans or member databases. The relationship individuals have with the sport club is used to leverage and convert fans into customers of the sponsor.

**Source: Karg et al., 2022*

Positioning sponsorship benefits

While the benefits of sponsorship are known to be wide ranging, often the public positioning of partnerships attempt to provide a different perception. To articulate the projected benefits as they are positioned by coal, gas and oil sponsors, the identified aims of partnerships were explored via the assessment of documents relating to the announcement of the foundation or renewal of partnerships.

Here, we used information publicly available (including media reports and press releases) to identify the relevant data. This data may have been removed or altered since it was accessed in this research.

Where sponsorship arrangements between coal, gas, and oil and sports are undertaken, the partnerships are positioned in four areas, per Table 9.

Table 9: Sponsor positioning of partnerships (and Australian examples)

General growth of sport-business-products	Align brand with sports growth and impact Communicate and position messages to key markets and stakeholders	"Alinta Energy has made a long-term commitment to (sport) and the Australian men's team – and we look forward to a successful partnership which includes our support of them and their business growth aspirations." (Alinta) "This partnership reflects our growth into a national energy player and gives us a great opportunity to take our message around more affordable energy further than ever before" (Alinta)
Community or social development	Align brand with community benefits of sport	"Their (sport) dedication to creating and contributing to social value within local communities across WA very much aligns with our own ongoing commitment to engage with the whole State and make a positive difference" (BHP)
Assist with sustainability change	Assist sport with carbon offset strategies	"AGL will play a pivotal role in reducing the club's carbon emissions through a certified carbon neutral electricity product. (AGL)
Community -oriented practices and programs	Support and assist community programs focused on participation, Aboriginal and Torres Strait Islander peoples, and gender equality	"(our) support will extend beyond our (team sponsorship), with the three-year deal also providing a boost to our Regional Development Officers and Country Rugby Union." (Santos) "This incredibly exciting agreement also allows us to continue supporting communities across South Australia, including our key regional communities of Roxby Downs, Port Augusta and Whyalla, from a grassroots level – including young Aboriginal people." (BHP)

What is the problem? Can the benefits be replaced?

The analysis in this report identifies that only a relatively small number of sponsorships are specific to energy and mining corporations (less than 5% in total). Within this, approximately 3.5% are specific to coal, gas, and oil mining companies (1.7%) and providers of gas and electricity (1.8%). Given that coal, gas, and oil mining companies are responsible for a relatively small amount of sponsorship, is there really a problem?

We would argue that the benefits accrued by coal, gas, and oil sponsors across a range of categories from a relatively small outlay in sponsorship are both significant and unique. Per Table 8, these benefits include both tangible and intangible benefits (i.e. media exposure, brand building/positioning and goodwill opportunities, event hospitality, as well as business and consumer sales) which provide a high level of value for sponsors. Perhaps most critically, sport provides a unique means to achieve many of these objectives. Specifically, sport provides a high involvement, emotional environment that leverages pride and attachment to national or professional teams (this level of emotional or hedonic connection is replicated by few other forms of entertainment).

Further it does so on an enormously high-profile stage of national importance. As such, if coal, gas and oil companies were 'locked out' or regulated out of sport, it would be difficult for them to replace the benefits from their sports sponsorship in such an effective way.

While only 3.5% of sponsorships in our sample are from coal, gas and oil-related extraction, many of these are focused on highly visible and highly attractive sports, teams, and leagues. Specifically, many of the investments by coal, gas, and oil mining companies are major or naming rights partnerships with events or teams, which amount to multi-million-dollar investments.

The cost of replacing these partnerships may be difficult, but we believe are not insurmountable. We believe that sport could over time replace the investment made by coal, gas and oil sponsors.

Action and opportunities

Sport has a history of transition away from sponsorships from problematic industries as a result of changing community expectations and government regulation. The most concrete example in Australian sport was the banning of tobacco sponsorship. This move aligned with global action, where first tobacco advertising, and then tobacco sponsorship, was banned in many markets.

Change in Australia was supported by legislative and policy approaches to supplementing or replacing lost income from sponsorship. Nationally, the Tobacco Advertising Prohibition Act was created in 1992, and 14 years later, Australian sport became totally free of all tobacco sponsorship.

In the Australian context, the Victorian Government took this one step further via the creation of the Victorian Health Promotion Agency (VicHealth) using tobacco taxes diverted to public health, with a legislative requirement that 30% of that funding is distributed to sport and active recreation programs. The transition away from tobacco sponsorship and advertising in sport has been particularly effective and was the result of direct intervention by the Australian federal and state governments.

Case study

According to Quit Victoria, by 1980 the three largest tobacco companies were also the three biggest sponsors of Australian sport. In 1989 alone, the tobacco industry put $20 million a year into NSW Rugby League and $14 million into cricket. Because tobacco advertising on Australian television had been banned in 1976, on-ground advertising and naming rights to competitions and events was strategically used by cigarette manufacturers to provide product exposure through sport. During a day's play of a cricket test, the Benson & Hedges name and logo might appear on television screens for 90+ minutes, but not as a television advertiser. [source: The Sydney Morning Herald, (16 December 1999)]

Australia became one of the first countries to legislate an end to the association between tobacco sponsorship and sporting events. The Tobacco Advertising Prohibition Act 1992 expressly prohibited most forms of tobacco advertising, including the sponsorship of sporting events. Existing sponsorships were allowed to run their course, but no new sponsorships were permitted by the Act. The majority of sporting organisations quickly moved to replace tobacco company sponsorships and by 1998 all domestic sponsorships had expired. However, under Section 18 of the Act the Minister for Health and Ageing had discretionary power to grant an exemption to the general ban on tobacco advertising in Australia for sporting events of international significance.

An amendment to the Act in 2000 removed this discretionary power. At the time of the amendment there were still five events of international significance permitted to carry tobacco sponsorship when they were staged in Australia: the Ladies Masters Golf; the Indy 300; Rally Australia; the Motorcycle Grand Prix; and the Formula One Grand Prix. During the phase-in period, three of these events were able to acquire alternative sponsorship. The Motorcycle and Formula One Grand Prix events carried tobacco sponsorship and advertising until the deadline. Australian sport became totally free of all tobacco sponsorship of events from October 2006.

Source: Sport Australia

Similar changes have been implemented with alcohol sponsorship. Globally, alcohol sponsorship is banned in some markets. For example, football matches played in France require competing teams, including those from other nations, to play in uniforms free from branding of alcohol companies. In Australia over the early 2010s, national sport organisations were able to access a pool of funding in exchange for the removal of, or non-acceptance alcohol sponsors. At state level, the Booze Less program, administered via VicHealth, has provided support to the Victorian Amateur Football Association to support its ban on serving alcoholic drinks during games. In this case, the funding was allocated to replace the income from bar sales lost. In addition to financial support to drive the policy change, the program also provided signage and public messaging materials to display at venues.

Further public calls and campaigns against unhealthy sponsorships continue. The gambling industry is prolific in sport advertising and sponsorship, with increasing calls from charities, government authorities and advocates to reduce or remove visibility of sport betting brands, particularly for vulnerable communities and young people (The Age, 2022). The latest frontier is where fast-food sponsorships of sport, particularly within children's sport programs, have faced criticism.

In sum, different problematic categories of sport sponsorship have faced a variety of sanctions or critical attention, including:

- legislation (e.g. tobacco),
- government incentives (governments replace income lost from the transition away from partnerships with 'unhealthy' brands),
- public and lobby group pressure (member and fan pressure such as anti-sports betting campaigns),
- moral/athlete pressures (alcohol and gambling – players not supporting/showing brands due to personal stances and religious beliefs), and
- studies and profiles (e.g. assessment of websites/branding and impact of exposure for general or specific communities).

Transitioning away from coal, gas and oil sponsorship

The challenge of transitioning away from coal, gas, and oil sponsorship for the sport sector is not insurmountable as transitions away from tobacco sponsorship show. As one category of sponsor is removed often alternative or new opportunities for sponsorship arise to fill the gap.

However, there is a paradox where this support (or its future removal) may challenge sport in reaching financial, sporting, and community outcomes. Sponsorship provides a valuable component of overall revenue which sport organisations use to fund, among other things, high performance, and participation programs. Any transition away from coal, gas and oil sponsorship will need to consider how sport can recover in a responsible and sustainable way. It must also note the potential need for a medium to longer-term timeframe. After all, tobacco sponsorship in Australia was only exhausted 14 years after the national legislation was created.

The road to sport sponsorships' transition away from coal, gas and oil mining sponsorship, as well as wider environmental approaches can be either direct or indirect. Directly, organisations or brands can remove or reject coal, gas and oil sponsorships, or actively advocate or illustrate sports' role in a more sustainable future.

Indirectly, sports organisations may 'signal an intent' by signing a climate-related agreement or join a pro-environmental association as an institutional member. However, current observations suggest these courses of action are not always well aligned. There are multiple cases in Australia where a sports organisation is a signatory to a national environmentally focused organisation or association, climate statement or policy but still retains coal, gas and oil sponsors in their portfolio of partners.

In these instances, the commitments to climate strategy, although demonstrating positive steps forward, can be viewed as greenwashing. This is particularly the case where sports organisations continue to have strong and visible financial ties to the coal, gas and oil industries through sponsorship agreements.

Phasing out sponsorships

There is a trend of major sports properties reducing their sponsorship reliance on coal, gas and oil companies. Many have not publicly or expressly confirmed or attributed to the ending of partnerships to a reduction of such partnerships, however, multiple recent examples exist.

- After increased temperatures, wildfires and poor air quality impacted the Australian Open, Tennis Australia ended its official partnership with Santos after the first event of a multi-year deal. The move was welcomed by fans and community stakeholders that considered the sponsorship greenwashing and inconsistent with the event.
- UEFA and Schalke (a team in the German Bundesliga) cancelled their sponsorships with Gazprom. This cancellation was influenced by geo-political events (i.e. Russia's invasion of Ukraine), but was supported as a climate values statement.
- BP was announced as a sponsor of the 2020 Paralympics coverage in the UK. Although this was announced in 2020, it then disappeared from coverage. Attempts to access the details of the cancellation were explored via a freedom of information request.

Alongside operational transformation to be more environmentally conscious, there is growing evidence of venues and facilities taking on a larger education and branding role, with sponsorship a prominent component of this.

- Sports facilities have been engaging with climate conversations via naming rights and activations within stadia. International examples of this include the naming of the Climate Pledge arena (Seattle, USA), and the Footprint Arena (Phoenix, USA)
- Advancing sponsorship and operations concurrently, a renewable energy company (EPC Solar Park) entered a partnership with Phillip Oval in the Australian Capital Territory. Here, as well as naming rights, the oval has solar panels which are used to power to oval. Excess power is then sold to the grid.
- Other examples of climate-focused initiatives in sport include Ball Corporation and Kroenke Sports & Entertainment's Global Partnership to advance sustainability in sports and entertainment through a combination of improved packaging programs and consumer education across the ownership groups multiple teams in Denver, LA, and London.

Conclusion

Coal, gas and oil companies use sport as a context to improve or repair their image and implement initiatives to support their social license to operate. They rely on and leverage the popularity and visibility of sport to do so, and benefit from the unique context and scale of sport which is difficult to replicate in other industries.

There is increasing social and intergovernmental pressure for industries to transition away from coal, gas, and oil as part of national efforts to reach net zero emissions targets. The sport industry will not be exempt from these calls.

The challenge for sport—which it has faced before with other sponsor industries such as tobacco— is to supplement the financial contribution of the coal, gas, and oil industry with new, positive, and more sustainable sources of revenue. Our research has identified that approximately 3.5% of sports partnerships in Australian sport are from coal, gas and oil mining companies and providers of gas and electricity. We are unable to confirm the exact dollar value of this investment, but it can be estimated at between $14 and $18 million for Australia's top tier of 14 sports. Arguably Australian sport would survive an enforced removal of coal, gas and oil sponsorship.

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