

Equestrian Australia: a pathway for the future of the sport

Discussion paper

June 2020

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What are key stakeholders calling for...

A new governance model that delivers genuine democratic outcomes for all members

Stakeholder	What do they require?
Sport Australia	<p>“Good governance and leadership of the sport.”</p> <p>“... that the organisation is structured in a way that generates stable, representative and genuinely democratic outcomes in board election processes with a good skills mix and diversity balance...”</p> <p>“We are deeply committed to the long-term success and growth of equestrian sport in Australia” ¹</p>
Australian Olympic Committee (AOC)	<p>“The AOC will require to be satisfied that all directors are in fact representatives of each of the members of Equestrian Australia... This should be by way of free elections free from outside influence...” ²</p>
Fédération Equestre Internationale (FEI)	<p>“... FEI are willing to cooperate and to support this process with the goal of Equestrian Australia implementing a sustainable, demographic, stable and representative new governance model at the earliest.” ³</p>
Members	<p>“Equestrian Australia has actively resisted any attempts to reform the sport from within. The body is not set-up as an effective member-based organisation.”</p> <p>“Equestrian Australia’s constitution is no longer fit for purpose.” ⁴</p>

¹ Sport Australia letter to Equestrian Australia board dated 3 June 2020

² AOC letter to Administrators dated 15 June 2020

³ FEI letter to Administrators dated 19 June 2020

⁴ The crisis in Equestrian sports on submission



The success and sustainability of Equestrian is based on a multi-level and multi-discipline system, with the sport providers (NSOs, SSOs, associations, clubs and members) working closely with all three tiers of Government for funding and facility development, as well as the private sector.

A change to the voting model

In considering voting models, it is necessary to have regard to the best interests of the sport as a whole, and look for opportunities to maximise the sustainability, efficiency and effectiveness of the sport.

A focus on fairness, genuinely democratic and strategic governance

The model must maximise the fairness of the voting system and ensure members' voting rights are concentrated on strategic governance, not management issues.

An empowered, qualified and independent Board

The core to the success of any organisation is leadership. The Board, as the leaders of the organisation, needs to comprise the necessary skill, qualification, experience and qualities required to meet the demand of a truly National Sporting Organisation, but critically it must be empowered to lead Equestrian Sport into the future.



How do we deliver the first critical step to change?

How do we use the Administration process to effect change?

Deed of Company Arrangement

- A DOCA is a binding contractual arrangement between creditors and a company.
- It is an effective and flexible way to restructure a company's balance sheet.
- In the current circumstance, we see a way to utilise a DOCA to effect the necessary amendments to the Company's constitution.

Proposed DOCA terms and condition may include:

- A requirement to call a 'special general meeting' to consider and pass a resolution to amend the Constitution to allow all members to vote – to be achieved within 30 days.
- To appoint a qualified, representative and independent caretaker board to oversee the governance and restructure process – to be achieved within 60 days.

- Upon the Deed Administrators' determining that the conditions of the DOCA have been achieved, the Deed Administrators would retire and hand control of Equestrian Australia to the caretaker board.
- The caretaker board that would then have the power and authority to engage with all stakeholders to determine the best structure for the future of Equestrian as a sport in Australia.

Sufficient constitutional change and independence needs to be achieved via the DOCA, to satisfy the requirements of:

- FEI to maintain Equestrian Australia's registration.
- AOC and Paralympics Australia to ensure participation at Tokyo.
- Sports Australia to provide ongoing financial support at all levels of the sport.
- Participation at all levels.



How do we deliver the first critical step to change?

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How do we use the Administration process to effect change?

Much of the necessary restructure can be led by a new empowered and independent representative Board.

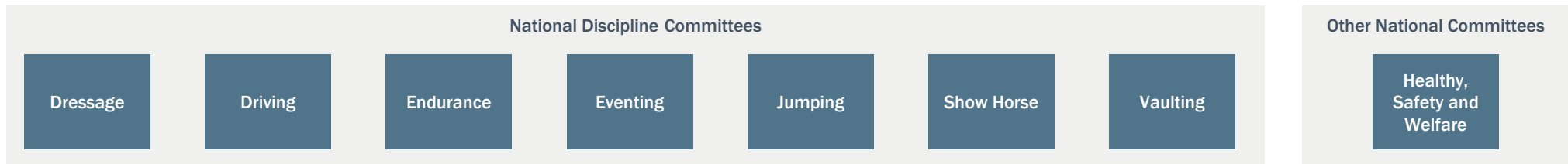
- The Administrators are calling for proposals, many of which are providing meaningful insights and suggestions with respect to the operational and governance structure of Equestrian Sport moving forward.
- All of the suggestions and proposals will be of significant value for a newly appointed Board to engage with members and reset the operating structure for Equestrian Sport into the future.
- The following slides provide some guidance on what a potential governance and operational structure for Equestrian Sport in Australia might look like. We expect to receive many more ideas and options.
- However, the final structure requires further democratic engagement with all stakeholders in order to determine the most appropriate sustainable model, in the best interest of the Sport.

What could a potential governance structure look like?

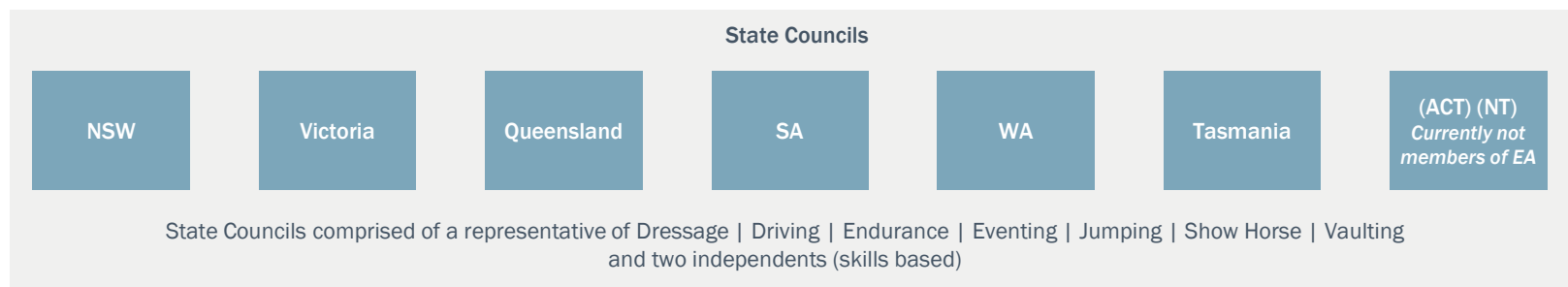


- 9 Directors**
- Four (4) elected Directors (through Nominations Committee process and voted by Members)
 - Four (4) appointed Directors (recommended to Board through Nominations Committee)
 - Athlete representative

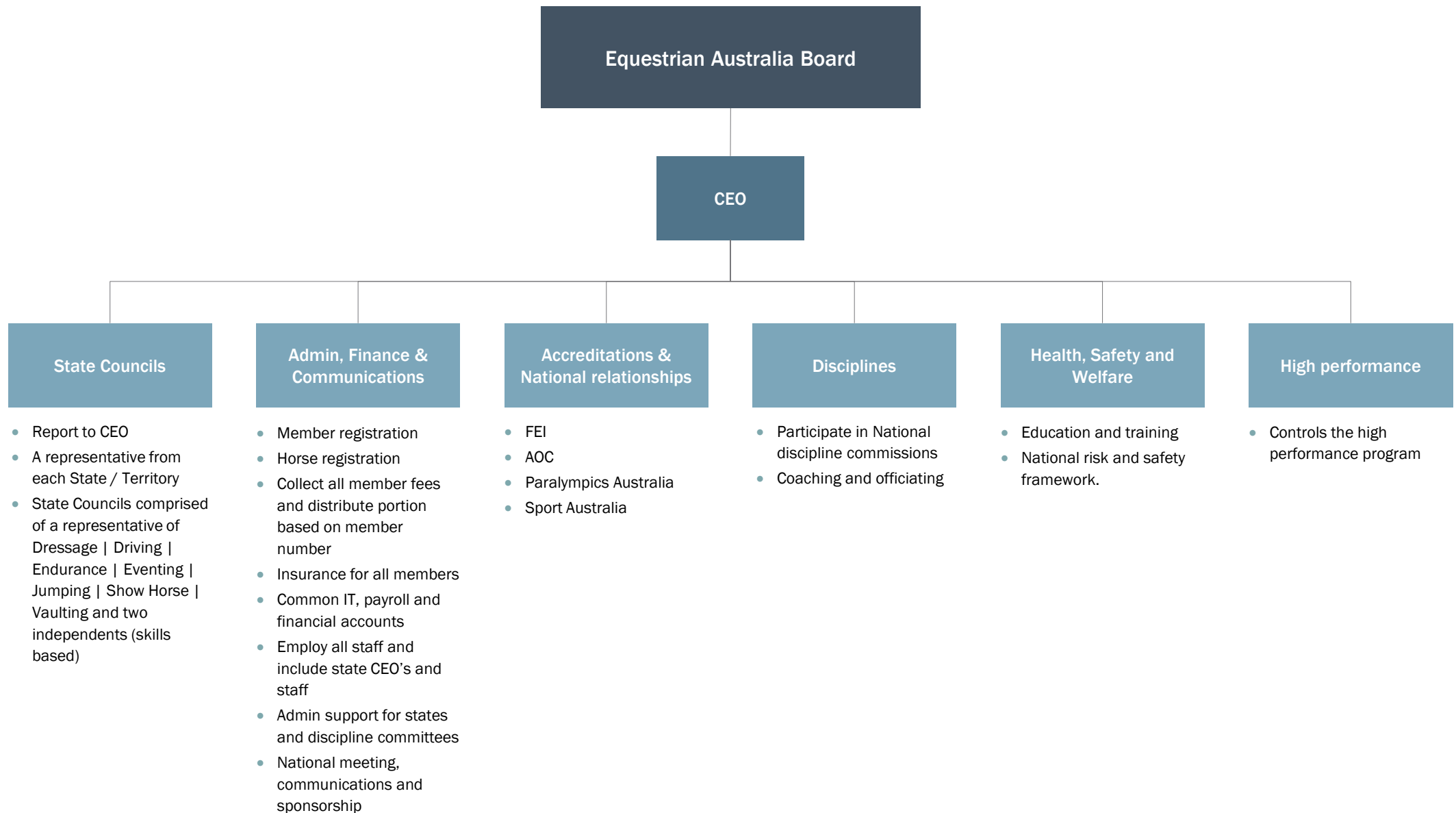
- Nominations Committee composition**
- 4 person committee
 - Chaired by independent, appointed by the National Board (process to be transparent)
 - 1 person nominated by State Councils (process to be transparent)
 - 1 person nominated by National Discipline Committees (process to be transparent)
 - 1 National Board Director
- Nominations Committee requires actual powers of veto and recommendation for elected positions.*



National Committee State Discipline Representatives (=8)
plus one National Board appointed delegate (Chair)



What could a potential operating structure look like for EA?



- Organising and co-ordinating each respective discipline.
- Sports rules, regulation and standards specific to the sport.
- Development and co-ordination of national competition framework.
- Rider development and pathways.

- States run programs.
- State Safety Officer.
- State media/communications.
- State based sponsorship and funding programs.
- Supported by a centralised Equestrian Australia – Admin, Finance and Comm’s team.

- Maximise use of online communications to stakeholders.
- National selectors per discipline (maximum 3) – agreed by Discipline Committee.
- National conflicts of interest, complaints handling and whistle blower policies and systems.

Date	Event or action
24 June 2020	<ul style="list-style-type: none"> • <i>Submission of indicative restructure proposals due by close of business.</i>
25 June 2020 to 9 July 2020	<ul style="list-style-type: none"> • Consultation period between Voluntary Administrators, stakeholders and DOCA proponents.
Late June to early July 2020	<ul style="list-style-type: none"> • Administrators conduct investigations into the Company's examinable affairs. • Continue to trade the business of Equestrian Australia. • Prepare Report by Administrators.
7 July 2020	<ul style="list-style-type: none"> • Issue Report by Administrators and call second meeting. • Provide detail on options available to Equestrian Australia for creditors to consider. • Include Administrators' recommendation for Equestrian Australia's future.
14 July 2020	<ul style="list-style-type: none"> • Hold second meeting of creditors to vote on the future: DOCA, liquidation or return to the directors. • Implement the changes voted for by creditors, which may include: constitution, governance structure, executive restructure, regain responsibility for HPP, retain accreditations, support of Sports Australia.





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