



Sunday, 5 July 2020

Proposed Alternate Constitution Amendment

This proposal is made and endorsed by the following five (5) Equestrian Australia State Branches: New South Wales (ENSW), Victoria (EVIC), Tasmania (ETAS), South Australia (ES) and Western Australia (EWA).

Objective 1: Install an interim board for EA for a period of two (2) years. The role of the interim board includes:

- (i) managing the affairs of the organisation and
- (ii) engaging with a Joint Working Group (JWG) consisting of representatives from state branches and national discipline committees (NDC's), to consult with all members to identify and implement long term, stable, and representative governance for EA.

Reference: See EA Governance Reform Project Paper from Independent Chair Matt Miller, ensuring all interested members would get a voice.

Objective 2: Amend the EA Constitution to ensure broader stakeholder voting representation beyond state branches to include NDC's and Coaching Committee, as well as State Discipline Committee's (SDC's).

Background

In order to facilitate a structured, true member engagement and constitution reform program, with time for states, disciplines and individual members to understand the impacts of future decisions we propose the following amendment to allow those that understand how the sport is delivered to have a vote on the reformed organisational model and governance structure.

The model as proposed by the state branches extends equal voting rights (1 vote per stakeholder) to National Discipline Committees (NDC's) and State Discipline Committees (SDC's - where present) as well as National and State Coaching Committees and the Northern Territory.

In contrast the model proposed by KordaMentha, suggests "One member, one vote". This simple majority rules approach allows for as many as 20,000 individual votes and it is a genuine concern of all states that this approach has the potential to dilute meaningful representation for the smaller Australian based disciplines of Vaulting, Carriage Driving and Endurance and the smaller regions, Tasmania, South Australia, Western Australia and the Northern Territory.

There is a further concern by the state branches that the model proposed by KordaMentha, "One member, one vote", may mean that individual members won't get a voice in developing a new model for the sport, but only a vote to accept or reject a new model.

There is also concern that a rushed installation of a new model could result in unintended consequences such as:

- funding from State Government agencies could be reduced.
- existing state-based business models could be adversely affected having an immediate impact on States and/or a Disciplines ability to deliver the sport to their members.



Process

The current EA shareholders, the State Branches, as per the EA Constitution call a special general meeting (SGM) to amend the EA constitution, in regards to who can vote on future constitutional changes. The current constitutionally recognised branches are:

- Queensland
- New South Wales
- Victoria
- Tasmania
- South Australia
- Western Australia

Each hold 1 vote or 16.6% share with 5 requiring to approve a change to achieve 75% to pass a resolution

Proposed interim voting for constitutional reform

- Each Branch, including the Northern Territory (7) and
- Each National Discipline Committee (7) including the EA Coaching Committee (1)
- States Discipline Committees (35)
- State Coaching Committees (6)

All have an equal vote, therefore a total of 56 votes, (1.78% each) so 43 votes are a pass resolution, assuming all those with the right to vote do vote.

	Eventing	Dressage	Jumping	Interschools	Show Horse	Vaulting	Carriage Driving	Endurance
Queensland (3559)								
New South Wales (8402)								
Victoria (4613)								
Tasmania (797)								
South Australia (1339)								
Western Australia (2036)								
Northern Territory (135)								

(number of members for each state as at June 30 2020)

** Detailed information on members as in 1 or more disciplines is not readily available from the nominate membership database



Benefits

It is envisaged that the electoral reform (as above) will allow time for all members who chose to be engaged with a voice in the model development, and for all stakeholders to decide the final model with:

- grass roots in each discipline represented by the state discipline committees
- National issues and high performance represented by the National Discipline Committees, and
- the states/regions reducing their voting whilst continuing to have a voice.

A second SGM would be held within 12-18 months of the first SGM to amend the constitution to deal with:

- Board Appointment Process
- Structure of the sport
- Overlay of business operations for efficiencies
- Model for voting future constitutional reform

END

Updated Proposal

EA Governance Reform Project

Objectives

- Deliver stable and effective EA governance to enable EA to lead a high performing, sustainable, safe and inclusive sport
- Re-build cohesion, trust and cooperation within the sport by getting the sport to work together for the future of the sport

Critical Success Factors

- The sport has a democratic, representative and stable governance model and processes supported by the sport and key stakeholders
- The 2019 Coronial Inquest recommendations have been implemented
- The sport is safe and inclusive
- The sport is financially viable

Proposed Approach

- Establish a collaboration between National Committees and State Branches (a coalition of the willing in the form of a Joint Working Group (JWG)), to develop a governance reform program for EA incorporating leadership by a new independent interim EA Board (Stage 1)
- Provide the proposed reform plan to KordaMentha prior to consideration and approval of a Deed of Company Arrangement by creditors on 14 July 2020
- Post the creditors meeting on 14 July, the new Board reviews the proposed reform plan, activates the JWG to lead further development of the reforms
- A 2 stage implementation process is commissioned by the Board after consideration of the JWG recommendations which incorporates agreed milestone reporting to key stakeholders and the sport
 - Stage 2: Develop a detailed implementation plan, conduct member consultation and engagement, and recommend a final governance model for endorsement by SA

- Stage 3: The Board through the JWG or a Reform Implementation Steering Committee oversees development and implementation of a transition plan from the existing state to the agreed new state (subject to Board oversight)
- Subject to the above, the EA Board launches the new governance arrangements and strategic plan for the next 3 years around mid-2021
- Undertake a post implementation review three to six months following completion of the project and communicate the review results to key stakeholders and the sport

Key Steps

Phase One

- Establish the JWG - membership preferably limited to 20 representatives of National Committees and State Branches together with an independent chair endorsed by Sport Australia **(by 14 July 2020)**
- **Creditors Meeting/ Deed of Company Arrangement decision (14 July 2020)**

Phase Two

- Subject to the decision on 14 July, convene the JWG to further develop a detailed project plan including communication materials, engagement programs, and methodology for evaluating member preferences on governance models **(by 31 October 2020)**
- Following endorsement by the Board, conduct member and key stakeholder engagement on model options and establish preferred model/s- *likely a 2 stage consultation / engagement process to enhance member buy-in and ownership* **(by 14 December 2020)**
- JWG considers feedback from member and key stakeholder engagement process and determines recommended governance model and reports proposed approach to Board and Sport Australia for endorsement **(by 31 January 2021)**

Phase Three

- Subject to this endorsement, the JWG oversees development and approval of a change management plan to transition from the current state to the agreed governance model (including supporting artefacts) **(by 31 March 2021)**
- Subject to the outcomes from development of the detailed change management plan, launch the new governance arrangements **(by 30 April 2021)**

- Conduct a post implementation review and embed any minor changes **by 31 May 2021)**

Background Notes

- This proposal seeks to support the sport through a new independent Board work towards governance reform to deliver stable, representative, democratic and capable leadership for the sport
- It is a highly collaborative and inclusive approach to reform involving the sport re-assuming control for its future
- This proposal assumes the reform program must be comprehensive, involve extensive engagement with members, and is likely to take 6-12 months
- There is clear widespread support such an approach whereby the sport comes together to take responsibility for its future through processes and governance which are representative and democratic
- To date there has been no effective coordination or cohesion in the sport's response to the existing governance problems; the Administrator has been presented with numerous submissions on what sub-groups within the sport believe is the best governance model
- The key is to agree on a reform strategy process at this time not a governance model; if we can agree on the process and, demonstrate we have a credible reform strategy, and collectively commit to behaviours that will support the reform process, we can succeed
- This is not about installing a new governance model- it is a complex change management exercise to ensure the reforms agreed on are sustained and deliver better outcomes for the sport
- The need for major change is recognised by most and demanded by key stakeholders; we need to bring collaborative leadership to the sport and leave behind drivers of past dysfunction

Matt Miller
Independent Chair
Joint Working Group