

Craig Shepard, Kordamentha via email cshepard@kordamentha.com

Craig the purpose of this email is to outline to you a proposed restructure for EA. It is intended to be at a high level leaving micro issues for resolution later.

You have indicated that based on feedback received to date the Administrators will be putting forward a DOCA proposal that will essentially provide for

1. all participating members of EA having a democratic vote; and
2. the Administrators installing a new independent, experienced and qualified transitional board.

We are supportive of this critical initial step in the change process for EA.

Set out below is an outline of what we see as an optimal Governance and operational structure for the best interest of all stakeholder and participants in Equestrian Sport in Australia

Contributors to this proposal outlined herein are:

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The reason the majority of people join EA is because of the insurance product which is critical to everyone. Coaches in States with renewals now falling due require it on a daily basis as although the sport may be shut down for the present, coaching goes on. Without personally binding yourself to the future may I suggest you push membership renewals hard as this will assist cash flow.

The creditor outline which you provided the other day, does not allow an understanding of cash flow flexibility vis à vis available cash to fund the business as normal whilst paying creditors 100 cents in the dollar. The State debts are obviously not payable but where that money is required to assist in funding activities through to 31/12/20. The Sports Australia debt presumably needs to be spent on the sport on an agreed timetable. Then of course there is the VA/DoCA costs and legal's say \$500k. So the issue is how do you cashflow the business back to normal. All DoCA proposals require your assistance on this point, your thoughts please.

The reform process capable of being achieved by us is significantly at the National level. I suspect established funding arrangements between the parties need to remain intact for the moment, ie no change in funds going back to the states ex membership fees, at least until next year. This proposal includes some changes at a State level which we believe are capable of being "imposed from above"

The other contentious issues within EA are the differing aspirations of members:

- Many members come from the smaller disciplines and have no great aspirations, all they want is insurance. Smaller disciplines have in the past included Affiliated Breed Societies, Endurance, RDA, Vaulting, Show Horse, Driving, Western etc. In today's world these groups may require safety protocols, disciplinary committee support and so on, but not necessarily a full range of services.
- Within the 3 Olympic disciplines there is also a range of aspirations, from low level to the Olympics.
- Separately there is High Performance Funding with its government obligations. This program has operated with little accountability back to the EA Board.
- Finally there are State aspirations, with smaller States feeling they get swamped by larger States.

The key to all these aspirations is a need for balance whilst meeting the external demands of EA funders who complain about governance, accountability to members etc. If those latter criticisms are not met there will be no external High Performance Funding. I suspect 90% of members have no interest in High Performance Funding as they will never get to obtain benefit from it.

Objectives

1. To create an umbrella organisation to hold the FEI warrant for Australia that:
 - a. Represents the equestrian community by being open and responsive to the interests of all members of that community;
 - b. Is embraced by the Equestrian community as truly representing its interests and working co-operatively with branches at every level of equestrian sport in the:
 - i. Promotion;
 - ii. Funding;
 - iii. Organisation;
 - iv. Regulation; and
 - v. Development of the sport at every level from community, amateur training and competition to elite international competition;
 - c. Works co-operatively with each of the States for the good of the sport; and
 - d. Rejects the influence of narrow interests where they conflict with the good of the sport.

Membership

2. The membership of Equestrian Australia (**EA**) should comprise each person who participates in the sport at any one or more of the following levels:
 - a. Rider;
 - b. Owner;
 - c. Coach;

- d. Official or technical delegate
 - e. Judge;
 - f. Breeder (or employee or officer of an entity that breeds horses for equestrian sport);
 - g. Volunteer;
 - h. Affiliate clubs (non-voting);
 - i. Interschool
3. The Branches of each State and Territory (**the Branches**) and individual State clubs or organisations would not separately be members of EA although they would have an active role in its operation (Affiliates). Affiliates can include discipline clubs, Breed Societies etc.
4. Each person who becomes a member of EA would automatically become a member of the respective State Branch (the membership fee is currently split between EA, State branches and insurance).
- a. The EA would, as agent for the Branches,
 - i. collect such fees and charges incidental to membership (including insurance premiums) from the member;
 - 1. remit part of them to the Branches
 - ii. cause such details of each member, as EA prescribes, to be entered on the EA electronic database;
5. No person may be a member of EA unless they are also a financial member of a Branch.
6. No person may be a member of more than one Branch at any time.
7. Each member will have the right to cast a single vote at a general meeting of EA and the respective State Branches (it is possible to have several State votes based on membership of different State Affiliates) in any election conducted by either of them in the circumstances described below.

8. Members at a Branch level (provided they are financial members of a State affiliated club) are entitled to vote on the election of Branch Committees comprised of discipline representatives (to be drawn from State Clubs or organisations). It is possible for a Branch member to be a member of different discipline affiliated clubs and vote for multiple discipline representatives on the Branch Committee.

Governing Structure

9. EA will be governed by two Boards:
 - a. A Main Board (Corporate Board); and
 - b. A Sports Board.

The Main Board

10. Composition

- a. A natural person elected by the majority of votes cast by the members by EA members.
- b. Two additional persons nominated by a majority vote of the Board, such persons having specialist skills in one or more of the fields of accounting, law, administration or marketing.
- c. Two persons or their delegates, elected by the Sports Board.
- d. Such observers as the Board might, from time to time invite to any particular meeting.
- e. Total of 10 members of which 6 are elected by members.
- f. Directors to select their office bearers.
- g. No Director can be a currently serving Board Member.

11. Functions

- a. Liaison, on behalf of EA, with:

- i. Sports Australia and all relevant federal government ministers, departments and agencies;
 - ii. The FEI and its associated bodies, and agencies;
 - b. Establishing budgets and administering all accounting, financial and treasury functions for all EA activities, including those of the Sports Board, and all ancillary bodies approved by EA to operate under the auspices of EA;
 - i. This function includes the negotiation and administration of such insurance services that EA provides its members;
 - c. Providing, efficiently and effectively, all necessary administrative functions to support the functions of EA, the Disciplines and the Branches;
 - d. Establishing Judicial and Regulatory functions and ensuring that the relevant regulations are constantly reviewed and updated (in conjunction with the Sports Board) and their operation administered in a manner that promotes integrity in the sport and ensures that all persons receive natural justice in the administration of the regulations;
 - i. These functions include Membership Protection; social media and animal welfare (though the latter must be in conjunction with the Sports Board)
 - e. Providing continuous, effective and transparent communication to every member of matters being considered by EA, or of which EA is aware, affecting Equestrian Sport in Australia or the members whether in activities in Australia or elsewhere;
 - f. Marketing and promotion of each of the Disciplines in conjunction with the Sports Board;
 - g. In co-operation with the Branches and the Sports Board, seeking sponsorship and financial support for the sport, including in particular, each of the Olympic Disciplines;

- h. The EA Board negotiate MOU's with each of the Branches to conduct state activities in the name of the Federal Board, including Branch Sub-Committees appointed by State Committees. Composition of Branch Committees to be determined by National Members of State Origin voting on a discipline basis, 9 State Committee Members or expanded as agreed with National Office. States may need to change their charters to accommodate such changes.
- i. Identification and use of Technology in all aspects of EA affairs as appropriate.

The Sports Board

12. Composition

- a. The chair, or their delegate, of each national discipline committee, comprising at least the Chair, or their delegate, of each of the National Committees for:
 - i. Dressage;
 - ii. Eventing;
 - iii. Show Jumping;
 - iv. Para;
 - v. Driving;
 - vi. Vaulting;
 - vii. Reining;
 - viii. Show Horse;
 - ix. Endurance;
 - x. Interschools;
 - xi. Such other disciplines as EA admits to EA [and whose members are admitted as members of EA]
 - xii. Western

xiii. High Performance

1. **[Quaere whether the other disciplines' members ought have EA membership. Here I am thinking of reining and Western Riding in particular.]**

xiv. Discipline

xv. Welfare

b. Ex officio:

- i. The Chair of EA (or delegate)
- ii. The Finance Director of EA (whether or not a member of the Main Board)

- c. One other additional person invited by the Sports Board having a specialist skill identified by the Sports Board as needed to assist it to perform its functions
- d. Such observers as the Board might, from time to time invite to any particular meeting.

13. **Functions** for each discipline:

- a. Establishing the rules and regulations for National and Local competitions (with disciplinary rules and regulations to be established in conjunction with the Main Board);
- b. Establishing safety processes and procedures for riders, horses, participants, judges and officials and spectators;
- c. Establishing and operating, in conjunction with the Branches, training and certification for:
 - i. Coaches;
 - ii. Judges

- iii. Officials (including technical delegates)
- d. Co-ordinating event calendars for National and FEI competitions and assisting the co-ordination of State or local competitions to avoid clashes with major events;
- e. Promoting constant improvement in the knowledge of riders, grooms and owners of the:
 - i. welfare and care of horses, their proper training and treatment;
 - ii. identifying and selecting a horse appropriate for their use, training and level of skill;
 - iii. proper principle and approaches to training and competing in their disciplines;
 - iv. principles of careful breeding to maximise the availability in Australia of properly and safely bred horses likely to be suitable for the disciplines in which they may be used.
- f. All other matters incidental to the conduct, development, promotion and improvement of participant in, and all events conducted in, each discipline.

Elections

- 14. The elected members of the Main Board are to be elected by the Members of EA for a revolving two year term. 50% of Board members to retire each year. In year 1, 50% of elected Board Members to retire (determined by Straw poll).
- 15. The constituent document of EA shall provide for the conduct of elections for the Main Board each year, utilising electronic processes.
- 16. The members of EA will be entitled to vote for the election of members to the Main Board each year.
- 17. Each Member shall have one vote.

18. If a member of the Main Board resigns or dies whilst in office, the Board of the Branch of which that person is or was a member, may nominate a replacement member of the Main Board, to hold office for the balance of the term of the person who has resigned or died.
19. Directors can only serve 3 consecutive terms.

National Committees (including Disciplines)

- Establish a range of National Committees which sit under the Sports Board, except for the High Performance Committee. All other committees to be comprised of Branch appointed delegates.
- Sports Board entitled to appoint 2 members to each National Committee.
- National Discipline Committees should include:
 - Education of Coaches and Officials –
Need to be well documented and independent of discipline committees, but be advised by the committees. All education policies and marking criteria to be posted on the EA website.
 - Member Disciplinary Tribunals and Member Protection –
An independent arm to take away perceived bias. Must be independent of all disciplines and one member to have a legal background and have no current association to any board or committee member.
 - A range of Discipline Committees as determined.
 - Safety and Welfare
 - High Performance to be appointed by the Board with the views of funding stakeholders.

Member Voting

I propose a structure that is simple whilst I think meeting the competing demands of members.

- All members (whether they be individual, corporate, affiliated etc) become members of both EA and the States. In becoming a member you nominate to be a Discipline Member eg Dressage, Jumping etc., one man/ entity one vote on all governance issues irrespective of membership class (except for defined membership class issues).
- Discipline Members elect Branch (State) Committee Members from within their respective discipline ranks responsible to run Branch affairs. Branch Committee Members must be EA members. There is no impediment to anyone becoming an EA member.
- It is possible for a Branch Member to be a member of multiple affiliate member organisations and cast a vote within each affiliate organisation in the selection of its delegate to the Branch Committee.
- Anticipated Disciplines include:
 - Dressage
 - Show Jumping
 - Eventing
 - Western
 - Campdrafting
 - Interschool
 - Driving
 - Grass Roots
 - Coaches/Officials /Former Elite Athletes
 - Other World Equestrian Sports
 - Other Disciplines
 - Para
 - Show Horse

Introduction of Segment Accounting Principles to be included in all financial reports e.g. make financial reports discernible from both a Discipline and State expenditure basis. In the past there have been suggestions one sport or State may be preferred over another.

The Administrators to appoint an initial consultative committee (and not current directors) to see through the changed articles on a strict timetable. Thereafter members elect a new Board prior to the DoCA being effectuated.

Attached is a diagrammatic representation of the proposed new structure which may be of assistance to you in understanding our proposal.

Kind Regards

Brian Silvia

Equestrian Australia
Proposed Organisational Chart
Re Restructure June 2020

