

Mr Timothy Williams  
Chair Equestrian Tasmania  
PO Box 304  
Brighton TAS 7030

20 July 2020

By email: [office@equestriantass.com](mailto:office@equestriantass.com)

Dear Mr Williams

**Equestrian Australia Limited (Subject to Deed of Company Arrangement)  
ACN 077 455 755 ('the Company' or 'EA')**

We refer to your letters of 12 July 2020 and 15 July 2020, the latter which was received by email dated 17 July 2020.

***Equestrian Tasmania position***

1. We note your advice on behalf of Equestrian Tasmania that *"any change that took away rights from Tasmanian members, particularly a change to a one member one vote system was never going to be agreed to."*
2. We also acknowledge your point that 93% of Tasmanian members who voted at last Tuesday's meeting of creditors, voted against the resolution that includes a condition to amend the EA constitution to provide all members with a vote.

***EA members position***

3. However, we also note that 77% of the EA members who voted at the meeting on Tuesday did vote for the DOCA proposal that includes a condition to amend the EA constitution to provide all members with a vote.

***Administrator engagement with Equestrian Tasmania and other stakeholders***

4. With respect to our engagement with Tasmania Equestrian, we did in fact engage with you. We engaged in considerable respectful discussion and debate. The Administrators understood that both parties acknowledged and agreed that the EA governance model needed to be reformed and the organisation of Equestrian sport in Australia needed to be restructured. We also acknowledged that any reform would take time and require the engagement of all stakeholders. We seemed to agree on almost all issues apart from you believing that the 6 voting branches should retain all voting rights under the constitution, whereas based on our engagement with many other stakeholders of EA, they are calling for a say in the future of their sport as well.
5. Whilst the DOCA proposal that was supported by creditors at the second creditors meeting was referred to as the "Administrators' proposed DOCA" the title is not a true representation of whose views it represents. It represents the views of many of the stakeholders of EA that engaged in the

Voluntary Administration process and provided proposals and submissions to the Administrators. We received approximately 55 submissions during the process and had discussions with many of these stakeholders.

#### ***Formulation of the Administrators DOCA proposal***

6. The Administrators' DOCA proposal was formulated based on the common position of many of these stakeholders of EA, and whilst many have differing views and opinions with respect to what the operating structure of EA might eventually be, they all shared the common view, that members need to have a say in the future of EA and their sport of Equestrian.
7. The common position of these stakeholders was first captured in our discussion paper titled "Equestrian Australia: a path for the future of the sport" which was shared with all stakeholders on the KordaMentha website and the EA web page: [Link](#)
8. A selection of the more formal submissions which provided feedback and suggestions with respect to the broader operating restructure of EA have been shared with all stakeholders on the EA Engage web page.
9. The overwhelming support for the need for constitutional change, which has been described at the critical first step, is clearly evident based on the outcome of creditors and members voting at the second meeting.

#### ***Solvency of EA***

10. The Report by Administrators' clearly address the issues relating to the circumstances leading to the directors deciding to place EA into Administration.
11. The key considerations are clearly set out in the report and do not need to be restated here. The withdrawal of the ASC funding was a material consideration to the ongoing financial viability of EA. The ASC comprise approximately 45–47% of the total revenue for EA. Without ASC funding, EA is not viable as currently structured over the immediate term.

#### ***ASC position***

12. The ASC made its position very clear with respect to the governance reforms required at EA. They are clearly set out in its letter to the board of EA which has been made available to all stakeholders on the EA and KordaMentha web pages, so we do not propose to repeat it here.
13. The ASC is a major financial creditor of EA.
14. The ASC attended the creditors meeting on Tuesday, and the polling records reflect that it voted against the State Branches' DOCA proposal and voted for the Administrators' DOCA proposal.
15. We can only assume the ASC would not return funding to EA under the State Branches' DOCA proposal.
16. If the governance reforms of the DOCA are satisfied the ASC has advised it will reinstate funding of EA. Further, the ASC has indicated that it would consider an application by EA for a specific grant to enable the newly appointed independent transitional board to engage with all members, creditors, and stakeholders in the restructure of Equestrian sport.

#### ***The Administration process***

17. At the second meeting of creditors, more commonly referred to as "*the decision meeting*", creditors were asked to vote on the future of EA. It was at that meeting that the creditors had the option to retire the Administrators, place the company in Liquidation, or vote for a DOCA proposal, of which there were two.
18. The creditors voted in favour of the Administrators' DOCA proposal. The mandate for the Administrators' DOCA proposal was clearly supported by 77% of the EA members.

19. On Thursday, 16 July 2020 the DOCA was executed. We are now the Deed Administrators. Our primary responsibility as Deed Administrators is to oversee compliance with the terms of the Deed.

20. If the terms of the Deed are not satisfied, then the company will be wound up.

**Correspondence to State Branches on Thursday 16 July 2020**

21. On Thursday 16 July 2020, we sent an email to all of the State Branches' enclosing a detailed analysis of the polling results from the second meeting together with a marked-up copy of the proposed constitutional amendments in accordance with the terms of the DOCA.

22. The proposed constitutional amendments provide for a double majority model which we have previously discussed with you. The double majority model requires 75% of Voting members to vote in favour in the first instance, and secondly a simple majority of Voting Members within at least three separate Branch Territories, as determined by calculating the votes for and against the resolution in each separate Branch Territory.


23. At the second creditors meeting of Tuesday 2,278 members voted. This represent 13.2% of participating members (assuming 18,000 participating members). 1,836 or 77% of these members voted in favour of the Administrators DOCA proposal.

24. Based on State Branches and Northern Territory, Tasmania was the only Branch to vote against the Administrators DOCA proposal. A summary of the voting is set out below.

All members	For		Against	
	State headcount	% of state total	State headcount	% of state total
NSW	639	93%	32	5%
VIC	455	73%	164	26%
TAS	11	5%	213	94%
SA	90	77%	26	22%
WA	93	55%	74	44%
QLD	526	99%	4	1%
NT	22	100%	-	0%
<b>Total</b>	<b>1,836</b>	<b>77%</b>	<b>513</b>	<b>22%</b>
<b>% of total</b>	<b>77%</b>		<b>22%</b>	

25. We seek your constructive comments on the proposed amendments before we move to requestion the necessary Special General Meeting to formally consider a resolution to effect the amendments.

Yours sincerely

  
Craig Shepard  
Deed Administrator

  
Kate Conneely  
Deed Administrator

cc. *Equestrian Victoria Inc.*  
*Equestrian South Australia Inc.*  
*Equestrian Western Australia Inc.*  
*Equestrian New South Wales Inc.*  
*Equestrian Queensland Inc.*  
*Jarryd William, Advisor, Minister for Youth and Sport*  
*EA members*