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Attention

Cathi Collier John Glenn Helen Hamilton-James Peter Toft Equestrian Australia

And

BY HAND Equestrian Australia PO Box 753 SYDNEY NSW 2129

3 June 2020

Dear Directors and Equestrian Australia

I write to you in your capacity as Directors of Equestrian Australia (*EA*) and to EA as a corporate entity and counterpart to a Sport Investment Agreement and variation with our organisation.

The Australian Sports Commission (*the ASC*) is committed to ensuring that all National Sporting Organisations (*NSOs*) which receive taxpayer funding through the ASC demonstrate good governance and leadership of their sport. This means, amongst other things, 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; that there is effective and efficient administration and sound acquittal of ASC investments; and an unequivocal focus on ensuring the safety of participants.

EA represents a core sport supported by the ASC and has received approximately \$13 million of investment from our organisation in the past four years. We are deeply committed to the long-term success and growth of equestrian sports in Australia. EA's governance is therefore of keen interest to us, and this has in recent times fallen well short of acceptable standards.

We note in making the following comments that they should not be considered in any way a reflection on any person, especially the above-named individuals. We make the point that we recognise and appreciate the openness and transparency of the individual addressees of this letter in recent times, and your commitment to seeing the sport on a better long-term footing.

In our view it is the fundamental structure of sport's national governance that has proven itself manifestly unfit for purpose and now needs to be overhauled.

The composition of the board of EA has in recent times been marked by obvious instability. With the recent resignation of Dr Ricky MacMillan as Chair after six months, and the resignation of a further Director after four months, eight Directors have now resigned including three Chairs in the last 16 months. There are currently only four Directors, with only one Director having been elected by the members of EA. No other sport funded by the

ASC has experienced this level of board turmoil. It is self-evidently an unacceptable situation that does not serve the interests of the sport.

The ASC has invested in the improvement of safety standards across the sport including a grant to employ a full-time safety officer to implement the recommendations arising from the Coronial inquests into the death of two riders. EA has not been forthcoming with reporting transparently the progress of this implementation process as required under its Sport Investment Agreement.

EA has obligations under its Recognition Agreement and Sport Investment Agreement with the ASC to adopt and comply with sound policies and practices in relation to corporate governance. Not only do these not appear to be complied with, EA has declined on numerous occasions to engage with the ASC in relation to these matters.

The ASC has therefore determined that action is required in relation to EA, details of which are outlined below, in the interests of the sport and the acquittal of our public responsibilities.

We are mindful in taking these steps that the safety of participants is paramount, and that we are determined to ensure that the preparations of prospective Olympic and Paralympic athletes for next year's Games are not compromised.

As foreshadowed, the actions to be taken comprise the following:

- 1. EA's Sport Business core funding from the ASC for 2020 in the proposed sum of \$450,000 will not be forthcoming.
- 2. Responsibility for equestrian's high-performance program will be transferred to the AIS on terms that will see the High-Performance Committee maintain its current role and EA's rights and obligations under the Sport Investment Agreement will be descoped accordingly. All existing high-performance funding including Pathway Solutions Grant will be maintained under this new structure under the supervision of the AIS not EA, subject to overall ASC budget considerations. We will shortly communicate our proposal in relation to the ongoing employment of employees who facilitate the high-performance program.
- 3. The ASC requires EA to repay unspent ASC investment. Pending repayment to ASC, EA is not permitted to spend the ASC investment.

We will revisit our position on these matters when the sport demonstrates to our satisfaction that it has developed, and will implement, a new governance model that achieves our core requirements of being structurally democratic, representative and stable.

We do not take these steps lightly but do so with a view to the long-term best interests of the sport of equestrian. Our wish is for ASC funding to EA to be reinstated as soon as it is merited.

Given the absolute importance we attach to participant safety, we propose to continue to fund the position of National Safety Officer in the sport. We will require confirmation that EA has in fact employed a full time EA Safety Officer, together with a full job description, scope and safety work program for the whole of the sport. We expect that the Board will also ensure it has a Safety Committee forthwith, or at a minimum safety is a key focus of your Risk Committee. We expect that Committee will provide full and prompt reporting to the ASC on implementation of Coronial Inquest recommendations and documentation of the safety policies and processes, including an education and training component for staff and volunteers as required under the terms of the Sport Investment Agreement. This is particularly important as the sport gears up again after COVID-19, with horses and riders commencing competition again after a break.

In taking these actions, the ASC's priority is the long-term betterment of the sport and the welfare and safety of all EA athletes, participants, staff and volunteers.

This letter constitutes notice under clause 15 of the Sport Investment Agreement.

Please direct your response to <u>robert.dalton@ausport.gov.au</u> and <u>peter.conde@ausport.gov.au</u> with a copy to <u>SportsGovernance@ausport.gov.au</u>.

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Robert Dalton Acting Chief Executive Officer Sport Australia

Peter Conde Chief Executive Officer Australian Institute of Sport