



# **Governance Review**

**Interim report and recommendations to the EA National Board**

**May 2015**

## 1. Background

Not since 2003 has Equestrian Australia (EA) completed a review of its governance structure. Recognising that the sporting landscape has changed dramatically in the last decade, in February 2014 the EA national board announced a review into the governance arrangements of Equestrian Australia.

Eager to see equestrian adopting a best practice governance structure, the board instructed a review panel to assess the current governance arrangement and shine a light on the areas that could be improved.

A committee, comprising state branch representatives, a member of the national board and a sport committee chair, was assembled by the EA board to complete the review.

The Governance Review committee is made up of:

- Paul Biancardi, Chair
- Mary Seefried, National discipline committee representative, Australian Dressage Committee
- Judy Fasher, state branch representative, Equestrian New South Wales
- Peter Toft, state branch representative, Equestrian Queensland
- Liza Carver, national board representative, Equestrian Australia
- Grant Baldock, CEO, Equestrian Australia

## 2. Methodology

As well as taking stock of EA's governance arrangements, it was important to understand how the organisation's governance structure compared to other sporting federations both here in Australia and overseas. In coming to their recommendations the review committee considered a number of alternative structures and arrangements.

The committee also had the benefit of discussions and detailed information from the Australian Sports Commission (ASC). The ASC recognises that good governance is a necessary condition for success and its Mandatory Sports Governance Principles, outline minimum requirements that national sporting organisations must meet. The committee agreed it crucial EA remain on the front foot with regards to the Principles.

The committee also recognised the work that had been done in 2003 by a governance review committee that had been set up at that time. Although not bound by this report, the committee considered it a useful starting point.

Submissions were also sought from state branches and from the general membership and a five week submission period offered members and sport stakeholders an opportunity to have their say. Members were informed of the review via various means including the monthly member 'e-newsletter' Impulsion which directed to the Equestrian Australia website where feedback could be submitted online. Members were also able to send their feedback in writing to the national office. Traditional and online media also played a key role in engaging members to have their say, with press releases and social media utilised to spread the word.

In addition, discussions were held with a number of equestrian organisations, including Riding for

the Disabled (RDA), Pony Club Australia (PCA) and Horse Riding Club Association of Victoria (HRCav), with a view to seeking their input and involvement by way of submission to the review process.

Three meetings of the governance review committee were held. At its first meeting the Chair, Paul Biancardi put to the committee a series of suggestions for its consideration. These suggestions were put to the committee to encourage discussion and consideration of various viewpoints. The focus for the second meeting was to consider a model which would allow for closer cooperation between EA and the states (shared services), while the third and final meeting provided an opportunity for the panel to consider its recommendations.

### 3. Timelines

February 2014	Paul Biancardi and Grant Baldock attend meetings with RDA, PCA and Adult Riding
14 February 2014	Governance Review announced – member and sport stakeholder submission period open
14 April 2014	Member and sport stakeholder Submission period extended
30 April 2014	Submission period closed
30 May 2014	Governance Review Panel first meeting
10 July 2014	Governance Review Panel second meeting
16 August 2014	National Board agrees to extend review period
1 December 2014	Governance Review Panel third meeting

### 4. Detailed Findings

The 2003 governance report recommended a gradual migration from the existing state branch member to unitary model. In reaching its conclusion, the report canvassed many of the advantages and disadvantages of a unitary model verses the current federated model.

Member submissions received a multitude of views and put forward a spectrum of views from a “no change” model through to a completely centralised structure. In the main, the submissions received from related equestrian organisations, canvassed areas of closer cooperation and cost savings with EA. The most frequently mentioned areas included Insurance, Training, and Shared Administration Assistance.

The Australian Sports Commission was asked to assist the committee by examining the organisational structures and governance models of other leading sports. The committee sought information about the most successful structures and lessons to be learnt from other sport organisations. It’s fair to conclude that there is no best fit model and most sports have developed structures dictated by history and culture. One key recommendation which emerged from the ASC discussions was the suggestion that a nominations committee should be established, consisting of a majority of non-board members. This committee would be charged with the role of vetting and proposing individuals for selection to a national board

The information from the overseas equestrian federations was useful but again the structures which have been adopted are clearly appropriate to those countries, and again are the result of history and culture. As such these models do not readily translate into an Australian environment. Nevertheless, some useful information particularly in relation to voting groups, was obtained.

## **5. Recommendations**

The Governance Review Committee has accepted as its key focus the organisational structure that will produce the best outcomes for members and services in the most cost efficient way. Although the analogy of starting with a clean sheet of paper is not entirely appropriate the ultimate goals of any governance structure must be to aim for the most appropriate structure regardless of existing obstacles and constraints.

With this in mind, the committee also sought to make recommendations which could be implemented quickly and be seen as a step along the road towards the most appropriate governance structure.

### **1. Establish an External Nomination Committee**

The committee recommends that an external Nomination Committee be established. The members would include one existing Board member, most likely the current Chairman and up to 4 independent members. This committee would examine all applications for nomination to the EA board to determine the suitability of members to serve on the Board. We would envisage that the committee would examine application for election by the general membership and for election by the State Branches. We would anticipate that this committee be made up of suitably qualified individuals who be appointed by the EA Board and serve for a term of four years with the possibility of reappointment for a further term. The members of this committee need not necessarily be members of EA.

It is important to note that the role of the committee is to comment on the suitability of candidates to the Board. The election process will continue as per the constitution.

### **2. Establish a task force to implement Shared Support Services**

The committee reviewed the matrix of roles and responsibilities prepared by EA national staff. It was clear from this review that saving and efficiencies can be readily obtained by eliminating duplication of service provision. This can be achieved by a clearer understanding of service requirements and better collaboration between State Branches and EA national. In some cases services can be centralised in one location, for example the provision of financial information and in other cases better collaboration reinforced by a memorandum of understanding. The committee recommends the establishment of a task force to immediately review the provision of services to members and to implement the efficiencies identified. The task force should include all the state CEOs.

### **3. Should the EA Constitution be amended to permit half the Board to be elected by the general membership**

Some members of the committee supported the greater involvement by the general membership in the election of the EA Board. This may provide greater accountability and will allow the general membership a greater voice in the business of our sport. As a transition to full membership voting and some members of the committee believe that the EA constitution be amended to allow 50% of the Board to be directly elected. The amendment would obviously need to take into account the varying terms of the existing Board members.

Other members of the committee believe that the democratic engagement by the membership works effectively through the state branches. Further that a hybrid structure for the election of

directors to the EA Board would add additional complexity to an already complex governance framework for the sport. Currently the Board is appointed by the state branches in their capacity as shareholders. To facilitate the effective collaboration between the states and the national offices in this federated structure the Board meets twice a year with the Chairs and CEOs of the state branches including at the AGM. Having 2 classes of directors – those elected by the states and those elected by the members of the state branches may compromise these collaborative processes. Some members of the committee do not support changing the process for the election of the EA board unless those changes a part of a broader change to the federated structure of EA and the state branches.

### **Options for longer term recommendations**

#### **1. EA may be structured along Discipline lines**

Some members of the committee noted that the engagement by members with our sport is through the discipline in which they participate. Other members noted that members engage broadly through the state branches on issues (such as the recent debate about Hendra vaccinations) that affect the sport as a whole. All members of the committee noted that the discipline committees established by the EA Board under the EA Constitution have been under resourced in the past and that this has hampered the development of our sport. All members of the committee believe that communication would also be enhanced by operating to a greater extent through the disciplines. One option would be to restructure all the sports institutions so that the National Body is constituted along discipline lines rather than geographies. Under this option the constitution for the National Body would provide for the National Disciplines to be reconstituted as corporate entities in the same way as is currently the case with our existing Branches. Each national discipline would have a presence in each state. Essentially the sport will have its governance directed by the National Disciplines, whilst maintaining an important geographical aspect.

It would be the role of the National Disciplines to elect the National Board in the same way as is presently the case with the Branches.

Other members of the committee believe that participation in the sport is largely influenced by geographic considerations. Further, as the sport relies so heavily on volunteers who come together on a local and regional basis there are risks in effectively abolishing the state branches. In addition, in the smaller states there may be insufficient numbers and scale to organise the sport on separate discipline lines. While these members of the committee are cautious about longer term structural changes they agree that the EA Board and National Office should engage more effectively with the discipline committees including by having at least annual meetings with all discipline committee chairs and reviewing the resources that are available to them.

#### **2. Equestrian Sports Australia (ESA) constitution will permit the inclusion of other Equestrian bodies and their members**

It was clear from the discussions held and the submissions received from various Equestrian Sports organisations that are not currently part of EA that there are clear benefits from closer cooperation. A future governance structure of this nature would require EA to inherit a new identity, such as Equestrian Sports Australia. The area of shared support services is one which immediately comes to mind. Closer cooperation in training and insurance would also be beneficial. The constitution should be drafted in such a way to permit the inclusion of other Equestrian sporting organisations in future. The emphasis and focus will remain on the FEI disciplines and youth development, but also recognising the changes which have occurred in recent years in participation in our sport. Obviously

any such membership would need to be negotiated on a case by case basis in the future.