

**Equestrian Western Australia(EWA)
State Equestrian Centre(SEC)
future governance**

6th October 2020

Presented at the EWA AGM



Equestrian Western Australia a snap shot

- ▶ Membership long term is flat with no real change since 2003 (2326 members) 2019 (2381 members) 2020 (2272 members)
- ▶ Reduction in competitor memberships while non competitor increased
- ▶ Junior members 2003 (492 members) 2020 (377 members) \$50 reduction in membership fees in 2020
- ▶ Competition Licenses have decreased 2016 (1800) 2019 (1511) 2020 (1302)



SEC

- ▶ The SEC is fully booked during weekends often with multiple events
- ▶ Weekday hire remaining constant
- ▶ Despite solid bookings the SEC runs at a loss each year
- ▶ There has not been sufficient funds historically to maintain and improve the facility to level expected by users
- ▶ This has resulted with SEC slowly becoming not fit for purpose in some areas leading to operational constraints and reduced user satisfaction

Department of Local Government, Sport and Cultural Industries support

- ▶ July 2019 EWA requested that the Department of Local Government Sport and Cultural Industries (DLGSC) provide financial assistance for limited operational costs associated with SEC. A grant for fire services upgrade of \$420,000 was repurposed to an extraordinary grant to cover limited operational cost.
- ▶ DLGSC May 2020 the extraordinary grant conditions were expanded to covered additional operational costs due to COVID.
- ▶ On successful application for Lotterywest resilience grant funding EWA received \$300,000. The remainder of the repurposed grant has been reallocated back to the SEC asset management plan. The Lotterywest resilience grant consisted of \$220,000 to EWA/SEC operations and \$80,000 EWA to sport committees.
- ▶ DLGSC May 2020 confirmed grant of \$370,000 for 2020/2021 and 2022/2023 to assist with SEC operational and asset maintenance.
- ▶ Without the support of the State Government since mid-2019 the SEC would not be currently open.

Future SEC governance & management structure

- ▶ The future management structure of the SEC will be decided and implemented during 2021
- ▶ The EWA lease for the SEC from the City of Swan has been extended to 31st Dec 2021
- ▶ EWA has meet with DLGSC and the City of Swan in regard to future structure options
- ▶ Engagement process to be undertaken: AGM, Members forum, SEC sub tenants, SEC home based clubs and SEC users both Clubs/Private/EWA affiliate and non affiliate
- ▶ Once the consultation process has been completed the Board will present the final options including pros & cons for member consideration and feedback prior to final decision

Future SEC governance & management structure (cont.)

- ▶ The main options being considered for the future structure of the SEC are:
 1. EWA does not renew the lease at the end of 2021 and walks away from the facility
 2. Current structure remains as is with EWA managing the facility and members contributing the funding of the SEC
 3. The establishment of a Not for Profit Governance Board for the SEC separate of EWA (EWA preference)
 4. The pavilion (including indoor arena) is put on care and maintenance and the outside facilities are continued to be operated

Future SEC governance & management structure (cont.)

- ▶ Any future options for the SEC to operate as an equestrian facility are only possible if external financial support for the SEC is guaranteed
 1. Operational
 2. Asset upgrade redevelopment
 3. Asset management and replacement
- ▶ A significant project and campaign was undertaken in 2018 (#SavetheSEC) with capital expenditure of \$14.8 million identified
- ▶ Whilst the WA State Government currently contributes to the operational and capital expenditure of the SEC, a significant increase in financial support is required to support the facilities capital requirements going forward
- ▶ The CEO and Board continue to engage with the federal and state governments, however the required funding has not yet been secured

Future SEC governance & management structure (cont.)

1 EWA does not renew the lease at the end of 2021 and walks away

- ▶ Financially beneficial for EWA members
- ▶ Allows EWA board and management to focus on member's needs and the sport
- ▶ EWA would have no input into future decisions relating to the SEC
- ▶ The City of Swan would be responsible for making decision re the SEC future
- ▶ If the SEC remained open as an equestrian facility, EWA would hire when required (rates and availability may change or a minimum hire contract may be negotiated)
- ▶ Risk of SEC closure or repurposing away from equestrian sports: this would be very detrimental for equestrian sport in Western Australia

Future SEC governance & management structure (cont.)

2 Current structure remains as is

- ▶ Not currently financially sustainable - government support is required for operations and necessary capital expenditure
- ▶ EWA members continue to financially contribute to the SEC operations, until operational inflows or other sources can replace members' financial contributions
- ▶ EWA board and management focus is split between membership services and SEC
- ▶ SEC continues to operate with EWA membership discounts

Future SEC governance & management structure (cont.)

3 The establish of a Not for Profit Governance Board (EWA preference)

- ▶ Establish a separate incorporated body for the SEC
- ▶ EWA and SEC would be totally separate
- ▶ EWA would be able to focus solely on members and the sport
- ▶ SEC management board and governance model to be established
- ▶ SEC would be able to focus solely on the SEC and users needs
- ▶ EWA and other key stakeholders would be represented on board
- ▶ Sufficient funding is required for this to be a viable option

Future SEC governance & management structure (cont.)

4 The pavilion (including indoor arena) is put on care and maintenance and the outside facilities are continued to be operated

- ▶ May be undertaken via a separate incorporated body for the SEC or within EWA
- ▶ Enables facilities to remain dedicated equestrian facilities
- ▶ Would reduce financial burden on EWA members
- ▶ Would reduce time invested by EWA Board and management on the SEC operations
- ▶ Sufficient funding is required for this to be a viable option, however overall funding required is lower due to elimination of expenditure required on the pavilion (including indoor arena)
- ▶ Requires significant investment in building new facilities that included toilets, showers, café, office space and administration areas etc

**For further information or if you have any
questions, ideas or are interested in getting involved
please contact us on 08 9296 1200**

Or email

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