

Dressage NSW Update on Clarendon to Dressage NSW members

Dressage NSW Committee thanks members for their patience awaiting further details on the decision to cease running regular club level dressage competitions at Clarendon, from the end of 2022. This decision was not taken lightly or quickly, taking 3 lengthy meetings over several months, all requiring significant preparation, input and questions from all committee members.

The Committee thanks the members who have provided feedback on the decision. We can assure you all correspondence, including both concerns and support for the decision have been carefully considered.

DNSW has a Licence Agreement covering the periodic use and occupation of a designated area of Hawkesbury Showground. The decision to cease running competition was pending discussions with the Licensor and we have now had the opportunity to meet with the Licensor, in an endeavour to obtain as much information as possible about our options. We are now in a position to further update the membership.

This document should be read in parallel with the FAQ document of 24 August <https://www.dressagensw.equestrian.org.au/sites/default/files/FAQ%20DNSW%20Clarendon%20Aug%202022.pdf>

The following outlines the information necessary to assist members in understanding the reasons associated with the decision to conclude DNSW competitions at Clarendon.

In January 2022 Dressage NSW (DNSW) held a Strategic Planning Meeting. These meetings are held every few years in the interests of good governance and to review operations and determine short and mid term priorities. The meeting was facilitated and documented by an external consultant.

The full committee with the exception of one elected member participated in the meeting. The priorities were identified as:

1. DNSW roles and relationships
2. Financial sustainability
3. Officials and volunteers
4. Facilities
5. Regions and Clubs
6. Members
7. Succession planning
8. Competitions

At the conclusion of the Strategic Planning Meeting it was agreed that a review of Clarendon operations should be undertaken. This was not a new initiative and has occurred several times over the last 30 years as part of good governance and to review activities.

A Focus Group was formed to undertake this review. All DNSW Committee members, delegates and co-opted members were invited to participate, and 13 out of 16 Committee members participated. The Focus Group meetings were also facilitated and documented by an external consultant.

All participants were provided with all the information gathered, this included information on:

- History
- Relationship with the Licensor
- DNSW's strategy as a State Dressage Authority
- Manpower (such as committee, volunteers, regular maintenance requirements)
- Finances
- Facilities
- Memberships and member expectations

All information was carefully considered. A summary of the key matters is provided below.

Licence Arrangements

Under the current Licence Agreement, DNSW may use the grounds a maximum of 36 days per annum, monthly maintenance by DNSW is mandated and must be undertaken more frequently if required by the Licensor. DNSW may not sub-let the grounds to other user groups, and the Licensor may schedule other activities on the adjoining grounds with only 2 weeks' notice to DNSW.

Given the increasing number of events that are now being run on the Hawkesbury Showgrounds on the same days as our competitions, the need for appropriate risk management of running in parallel with other events requires increasingly careful consideration. Should other event/s running in parallel be regarded as incompatible for the safety of our riders, moving or cancelling events, often at short notice, is required.

In order to preserve the generally quiet and horse friendly environment riders have come to expect from Clarendon competitions, DNSW asked to hire the adjacent spaces on competition days. The Licensor declined this request, responding that they intend to maximise use of the showground at every opportunity, by making it available to as many and varied user groups as possible.

Most recently, at the August 2022 DNSW event, the Licensor scheduled 5 other activities at the same time as the DNSW competition: a large interschool show, a cat show, a cattle show, markets and a film set with a crane suspending a 4WD to drop into an air bag inside a replica house. In addition, there were loud noises generated by woodchoppers, unsettling a number of horses. We have received several complaints from riders about the events running concurrently, in particular about the noise distractions and the concerns about rider safety from these other activities. Further, several riders chose to scratch because they did not wish to compete under such distracting conditions.

Financial

DNSW is committed to Clarendon-specific fixed costs of nearly \$20,000 per annum:

- Licence Fee \$9,600 plus an annual increase of 1% +CPI
- Maintenance approx. \$6,000 (approx\$500/month, monthly maintenance mandated)
- Insurance \$3,780

Since October 2019 Clarendon has experienced a deficit of \$33,000. The Licensor kindly waived a significant portion of the Licence Fee during the COVID – 19 lockdowns, ensuring DNSW did not incur a greater financial loss.

DNSW currently has cash accumulated from the profits of various events, as well as ENSW funding initiatives. Under the Constitution, the assets of DNSW are to be used for the benefit of all aspects of the sport in NSW. Further, it is prudent and fiscally responsible to ensure there are sufficient funds in reserve for 12 months of operation

Additionally, in the case of a natural disaster or catastrophe caused by an extraordinary event or circumstance on the eve of a major event, DNSW could be liable for up to \$250,000 in committed or incurred expenses, should the event not be able to proceed. Therefore, it is necessary to cordon at least this amount for financial risk management.

DNSW is aware that Clarendon grounds are a valuable resource for the Hawkesbury region. Alternatively for consideration, potentially nearly 50% of the cash reserves may need to be applied for the benefit of one geographical area or group of members.

Facilities

DNSW regularly receives complaints from riders about the condition of the Clarendon arenas. The bases need repair and the surfaces need topping up. We have received quotes of approximately \$30,000/arena to upgrade the bases and approximately \$2,500/arena to top up the surface.

DNSW is the sport's governing body, and consequently, ineligible to apply for many grants that could assist with the cost of upgrading the Clarendon facilities.

Written permission from the Licensor as the licensor and NSW Government as the landowner is required for any development on the Clarendon grounds, including like-for-like replacements, for many funding applications.

Further to this, development consent is required for many funding applications, even when replacing like-with-like. Because Clarendon is situated on a floodplain, exemptions to this requirement are difficult if not impossible, and adherence with requirements are cost prohibitive.

The risk of incident/injury and associated liability rises significantly when incompatible events are running concurrently.

Focus Group decision

Based on the information available, the Focus Group concluded that DNSW should refocus its priorities in line with those identified in the Strategic Planning Meeting and begin to reduce Clarendon activities, with a plan to phase out DNSW committees running of regular club level events. This decision was always intended to be subject to discussions with the Licensor and was made on the assumption that the dressage facilities and arenas would be retained by the Licensor. These facilities could then have been made available for DNSW and other users to hire on a casual basis.

The Focus Group took into consideration that some members may believe the grounds and the Clarendon competitions should be retained at any cost.

The Focus Group also considered that DNSW oversees the interests of 2,500 riders in NSW, the majority of who will not benefit from DNSW facilitated Clarendon competitions, nor benefit from the facilities themselves

Discussions with the Licensor

At the recent meeting between DNSW and the Licensor, the Licensor revealed that, due to their own shifting strategic focus, which now prioritises increased user groups and increased revenue streams, they have no intention of renewing the licence agreement upon its expiry in June 2025, under any scenario. They also revealed that they have no intention of retaining the dressage facilities and will enforce the terms of the Licence Agreement, requiring DNSW to return the area to flat ground.

We have since obtained an estimate of approximately \$150,000, to undertake this work, which includes removal of all fences, arenas, arena sides, bases, and tipping costs for contaminated or waste material. There is likely to be some saving if materials or structures can be sold or donated.

The Licensor suggest they may provide assistance with earthworks should DNSW terminate the licence by 31 December 2022. If this were to occur, we have received an estimate of approximately \$25,000, to undertake the remaining work. The Licensor have suggested that the closer we are to the termination date, the less incentive they will have to assist with remediation.

Over the past 12 months DNSW has received a number of requests from the Licensor to undertake additional maintenance and have recently requested the external surfaces of structures and buildings be cleaned. This request is extended to repairs and repainting of the perimeter fence, to ensure the DNSW facilities are maintained consistent with those of Hawkesbury Showground.

The current Committee members are mindful of the implications of committing the Organisation and future Committee and Executive (until 2025 and beyond), to the ongoing maintenance, projected repair costs and the investment in upgrading the facilities on land owned by someone else, with uncertainty about the future of the Licence Agreement. Most importantly the Committee is mindful of the increased financial liability, should the grounds need to be fully remediated at some point.

Since the Focus Group review and with the new knowledge ascertained that the Licensor does not intend to renew the licence in 2025, we as the committee of DNSW, see two possible ways forward:

1. Continue with the licence until June 2025 and risk financial exposure of approximately \$150,000
2. Terminate the licence prior to 2025 (exact date to be confirmed in consultation with DNSW members and the Licensor) and seek the Licensor's assistance with earthworks, endeavouring to limit DNSW's financial exposure to \$25,000.

Under both options an independent group could form to lobby the Licensor, for retention of the facilities/running competitions in the future

If the grounds are retained until or even post 2025, the need to commit substantial funds to upgrade and maintain the facilities will remain, and the competition experience that Clarendon riders have come to expect will increasingly be impacted when other activities are scheduled on competition dates.

We trust this additional information will assist the membership to evaluate the implications of either option, and take into consideration DNSW's financial exposure, its strategic focus and most importantly, the overriding obligations of good governance.

In the meantime, in the coming weeks we will be bringing members more information about areas we hope to develop as the State Dressage Authority. Some of the ideas include education on welfare and horsemanship, AOR activities, developing activities across youth and senior squads, exploring ways to help regions better access judges and stewards, and continuing our focus on judge education and other officials. We invite all riders to submit ideas they may have to further develop, support, and grow our sport.

The DNSW Committee is made up of individuals, who willingly volunteer and devote enormous amounts of time to the interest of the whole sport. Because of this, we implore those who are engaging in negative social media activity to negate the long-standing reputation of the membership in the community, to cease. These public condemnations of committee members are objectionable and not in the best interest for this matter, the sport or the interests of DNSW.

Dressage NSW Committee
22 September 2022