

## Federal-Provincial Relations: Why should we care?

A member's viewpoint by Claire Milton

It is easy to dismiss the current dispute between Equine Canada and six provincial sport organizations (Alberta, Saskatchewan, PEI, NL, Quebec, and Nova Scotia), as a petty scrap over money and power. However, it is about much more than that. It is important for all of us to understand these issues, as to ignore them is a huge disservice to the honest men and women engaged in resolving them, and the answers will affect the future direction of Equine Canada and the delivery of equestrian services and programs from coast to coast.

I have been following the issues closely. First, let me fully disclose my affiliations, lest anyone assume I have any motive but to share one person's perspective. I am a resident of Nova Scotia, an owner of horses, a rider, a mother of a rider and active hunter-jumper competitor, a dressage competitor, holder of a Gold license, active competition organizer, former director of Dressage Canada, current member of Dressage Canada Communications Committee, member of the Nova Scotia Equestrian Federation, and as of very recently, the current Secretary to the board of directors of the Nova Scotia Equestrian Federation. In a nutshell, horses and equestrian sport are an integral part of my life.

So, if there is a fence between Equine Canada and my PSO, I have been on both sides of it, and I certainly understand the perspectives of individuals on each side of it. However, let me explain why I firmly support the position of the six provinces who continue to reject Equine Canada's proposed "reform". It is entirely inaccurate to refer to these provinces as "non-participating". This is a label (one among many) that has been chosen by Equine Canada to impugn the very legitimate position taken by these provinces.

By way of short history, Equine Canada has long been dissatisfied in its relationships with PSOs. Since at least 2003, it has wanted to introduce an individual membership fee. In that year, it introduced a proposed bylaw change to accomplish this, and because of the voting structure and due to lobbying efforts of the PSOs, the bylaw amendment was rejected. Equine Canada knows to this day that the existing bylaws do not allow it to charge directly an individual membership fee. Under the existing bylaws, PSOs and organization members pay fees, and individuals become members by virtue of their membership in a PSO. Mr. Maharaj, CEO of Equine Canada, has said publicly on a number of occasions that Equine Canada is desperate to change this situation, as it currently receives no money from individual members and therefore it is cash-strapped to provide programs to these members. However, he neglects to tell you that the PSOs do send money to Equine Canada in the form of 'affiliation and governance fees' (for which I can find no authority in governing documents), based on the number of members in each province. Hundreds of thousands of dollars have been sent by the PSOs to Equine Canada over the years. Of course, members who hold sport licenses have also been funding Equine Canada through the form of levies, including the Jump Canada and Dressage Canada levies. Equine Canada is not going broke. He also neglects to mention, because perhaps he has not bothered to find out, that the PSOs have been ably providing programs, both EC and local, to members that are generally successful and well-received.

You are probably thinking that I began by stating that this situation is not about money. I explain this history only to provide an example of Equine Canada's frustration in living with the fact that the PSOs, through the Provinces Division, and through voting influence, has had a voice in the governance of the national organization. The current board of Equine Canada is in fact aimed at eliminating this influence entirely. It seeks to remove the Provinces Division to an "advisory" role, so that it can get on with implementing its so-called reform without answering to the organizations that directly represent all individual Equine Canada members. This I object to. I say "so-called" reform, because it is a matter of perspective as to whether Equine Canada's plan actually constitutes reform. To consider this question, we must consider the overall Canadian policy framework for the delivery of sport. Yes, this is a political matter, as the overall framework is clearly set out in Federal-Provincial agreements and policy, and in fact is premised on our country's constitutional distribution of powers. The Federal Government has a Minister for Sport, as do each province and territory, and questions of how sport shall be funded and what respective levels of government shall do with respect to sport delivery is fairly clearly understood. This in turn affects levels and sources of funding for various organizations, including Equine Canada and the PSOs. To be very elementary, the basic premise is that national federations shall stick to matters of national scope and importance, and provincial organizations shall deliver sport programs and services on a local basis. Certainly, national organizations are expected to set standards and models of governance, but they are expected to partner with provincial organizations to ensure all Canadians can access sport programs regardless of place of residence. In fact, the word "partner" is used in Equine Canada's own governance documents to describe the nature of its relationship with PSOs. The very essence of partnership is equality and sharing of responsibility. In my view, Equine Canada has no desire to partner with its member PSOs. It is dictating to PSOs and it is refusing to discuss very fundamental governance issues with the PSOs that do not accept the reform proposal in its current form. It needs to be wary of its duty in this regard. Sport Canada funding to a national organization is dependent on several factors, including the important requirement that it has at least eight provincial or territorial provincial sport organizations as affiliates or members. At risk of employing the hyperbole so often employed by Mr. Maharaj, this dispute is in fact of constitutional importance.

Why is adherence to a constitution important? As Canadians, we should not have to be told how our nation's constitution underpins the distribution of authority and power amongst various levels of government. I would easily expend an additional \$5 or \$10 if I knew that that it was demanded of me based on lawful authority. What is very troubling to me is that EC is espousing its reform agenda as though it speaks from a position of higher moral authority than the objecting PSOs. It is an organization established for the most part to develop the rules of equine sport, and to facilitate competition based on commonly shared values of integrity and fair play, and yet at this juncture they do not govern themselves on the basis of the rule of law. While we all get frustrated with three levels of government in Canada, the division of powers among federal/provincial and then municipal governments generally works well. It is on this federated basis that the structure of EC and its provincial partners was established. Any reform proposal must respect the existing Canadian sport framework, and the Constitutional premise that the Provinces and not the Federal Government are primarily responsible for recreation and sport.

As of today, Equine Canada does not have the authority to charge me an individual membership fee. Except that it is insisting that I must if I want to purchase a sport license. It is telling me that for that privilege I have to pay more for my license than does a resident of Ontario, the only province that at the time of writing this, has actually executed an agreement to go along with Equine Canada, and that I have to purchase an insurance policy that I neither want nor need. When an organization breaches its bylaws

to make an invalid decision, every decision that flows from that first mistake is equally invalid. To my mind (and let me disclose here that I have practiced law for twenty years), when Equine Canada embarked on implementing its reform proposal, it began by flouting its own constitution. It cannot simply disenfranchise me as a member or my PSO without due process. When I joined NSEF for 2010, I also joined Equine Canada, and this cannot be altered until the bylaws of Equine Canada are changed in accordance with the requirements of legislation. The “two-tiered” system created by the current proposal is not within the authority of Equine Canada to implement, and when we turn a blind eye to this abuse of authority we do so at risk, as what further abuses will follow? I have no principled objection to paying more for the privilege of being an Equine Canada member, but I simply insist that Equine Canada follow the proper procedures for implementing such a requirement, and, if you will forgive the metaphor, not try to put the cart before the horse.

This brings me to explain another aspect of this situation that, quite frankly, offends me. The communications emanating from Equine Canada have been appalling in many respects. Every time something is issued on this subject from Ottawa, my phone rings off the hook from fellow Nova Scotians who are outraged by the tone and content of these epistles. These are people who are generally very uninterested in both politics and the intrigue of governance at both Equine Canada and their PSO. Until now, they are simply horse people that want to ride, compete, and share their passion with friends. Most of this offensive communication is authored by Akaash Maharaj, but I must assume that it has been approved of by the Equine Canada board. Mr. Maharaj has a certain facility with language. He can be articulate and his vocabulary is sophisticated. However, I am not seduced by most of what he has written, which for the most part boils down to ill-informed spin.

Before any good business person attempts to sell something to a marketplace, he or she takes the time to fully understand that marketplace. Mr. Maharaj and the Board of Directors of Equine Canada have not done this homework. It has been taken for granted that members in provinces such as Nova Scotia are not well-served or supported by their PSO. And it has been assumed that these members are looking for something better. For the most part, they are not. For myself, I have been a member of NSEF for years, and my experience is very different from the picture Mr. Akaash has attempted to paint. The staff at NSEF is dedicated and effective. NSEF has delivered programs and services to members very well, and membership in the organization has increased exponentially over the last decade. Perhaps as the best evidence of how we generally feel about the communication from Mr. Akaash, membership renewals for 2010 are on track with previous years. The NSEF is governed by a very engaged, very informed, and very dedicated board of directors. When you call NSEF, a real person answers the phone, and usually is able to answer your question immediately. If research is required, it is carried out quickly and efficiently, and I have never been disappointed as a customer. Now, as a member of the board of directors, I am satisfied through the examination and approval of financial statements that its responsibilities to Equine Canada have been fulfilled. On the contrary, I don't think a real person has ever answered the phone when I call Equine Canada. I have often waited days or weeks for answers to questions, and sometimes the answer is just plain wrong. In fact, when I need something from Equine Canada, I have usually phoned NSEF to intercede on my behalf, as that has proven to be the most effective strategy. The products offered by Equine Canada to me as a competition organizer, most pointedly, ECRIT, fall far short of my needs and expectations. In short, regardless of the relationship between NSEF and EC, I will continue to purchase my NSEF membership and I will continue to obtain my insurance locally through my membership in the organization to which I feel the strongest affinity. I do not want to pay for redundant insurance. If this market research had been performed, Equine Canada would know that, for the most part, Atlantic Canadians are naturally and justifiably suspicious of any

organization headquartered in Ottawa, and would much rather deal with a local organization that has a face and a name. This is true whether we are talking about the post office or a sport organization.

To illustrate how very misguided Equine Canada's current strategy seems to me, let me quote Mr. Maharaj directly, and then I will explain how very offensive his statements are to me and to a great many of my Nova Scotia friends:

"Sadly, but perhaps predictably, there has been a great deal of misinformation spread abroad by opponents of reform. Dramatic change can be unsettling, and some of our fellow organisations have found the requirements for higher standards and public accountability difficult to accept. Reform means that all organisations involved in Canada's equine sector — local, provincial, regional, and national — must put aside narrow self-interest to serve the greater good of our country, and to remember that we exist to serve our members, and not the other way around.

- Currently, provincial associations that administer Equine Canada's services on our behalf do so without signing a service agreement, and have therefore been able to act without meeting national standards or reporting to the Canadian membership. There are hundreds of thousands of dollars of our members' fees unaccounted for in the provincially-administered Equine Medication program alone, and the reform process will require an immediate accounting to Canadians.
- Canadians who wish to join our country's national equestrian federation are currently barred from joining Equine Canada's national association directly, and are instead forced to subscribe to a provincial association or other third-party, paying those associations fees that can escalate without limit. No part of those forced membership fees support the national system. Equine Canada is forced to give away its membership, and the provincial associations are able to keep our members captive, not permitting Equine Canada to know even the identity of our own members. The new Canadian membership will change this, and create a direct relationship of accountability between Canadians and the Canadian federation. "

First, there has been a great deal of misinformation spread abroad by supporters of this proposal. I have no issue with dramatic change; in fact I embrace it when I can see the merit of its purpose. The opening statement of this passage suggests that PSOs objecting to the proposal have lower or no standards and are not accountable. This implication borders on libel. First, perhaps Mr. Akaash could identify the higher standards supposedly extant at Equine Canada. As noted above, I certainly experience higher standards for customer service delivery at the local level. Second, the financial statements of my PSO are presented to its membership on an annual basis, and are fully explained and transparent to me. They are reviewed by external accountants. In response to what I believe are unfounded allegations regarding the medication control program, I know exactly how much money is held by NSEF in a separate and readily identifiable account, and I am confident it is used to support the medication control program within my province. As a competition organizer, I know that the drug testing representatives who arrive at my venues are sent there at the direction of NSEF. The position of the six PSOs objecting to the proposal has absolutely nothing to do with a fear of standards or accountability. On the contrary, the position is premised on a standard of integrity that demands Equine Canada should honour its own constitution and the basic principle that PSOs are partners and not servants.

Next, I beg to differ that I have been "barred" from joining Equine Canada. I am a member of Equine Canada because I joined NSEF voluntarily. I was not forced into this membership and in fact I am a willing and happy supporter of the local organization that has been the face of equestrianism for me for many years. I am not a captive, and regardless of how I obtained my Equine Canada membership, I demand and expect that Equine Canada is directly accountable to me as an individual member. Therefore, I expect that it will explain to me in a more rational, fact-based and objective way why the reform proposal is going to improve Equine Canada.

After having done a lot of homework, I have concluded that the proposal is not something I support. As a matter of principle, and after reflecting on the appropriate role of both the provincial and federal organizations, I think it is premature for Equine Canada to raise additional revenues for programs and services that are not fully developed and for which there is no evident market. I also do not support the usurpation of provincial mandates and jurisdiction as expressed in government policy and in law. I understand the history that has led the current board of Equine Canada to view PSOs as thorns in its side. However, that unfortunate situation is not justification for restructuring the organization to disenfranchise the PSOs. In fact, as it stands, the PSOs are not allowed to effectively represent the individual members of Equine Canada. Due to ill-conceived changes to the composition of the Provinces Division within Equine Canada, a majority of PSOs cannot influence the direction of the Division because the Sport and Breeds and Industry Divisions have voting members within it, and although the PSOs represent all individual members of Equine Canada, the Provinces Division can send only two directors to the board. This seems mildly ridiculous to me, and certainly does not amount to a representative government. In fact, the entire structure of Equine Canada is not just mildly ridiculous, it is clearly dysfunctional. Remember that I come to this perspective not as a provincial volunteer, but as a volunteer within Equine Canada. May I be granted some credibility on this point due to my professional background and education, which includes accreditation by the Institute of Corporate Directors? I understand very well the importance of governance structure to the effectiveness of an organization. Equine Canada has at least four heads and 72 committees, and therefore so many heads, arms and legs that it flails around and does not get anywhere. This is the real problem that should be the focus of reform.

As a member of Equine Canada, I want the organization to focus on cleaning up its own house before it moves into the neighbourhoods of the provincial sport organizations. I want it to fix ECRIT, to get a grip on its knowledge database and learn how to effectively manage and use that information for its strategic purposes. I want it to learn and teach others how to develop athletes from the ground up and I want it to honour Canada's sport policy by developing truly national sport development programs, including national championships. The evidence that it has not yet succeeded in delivering its real mandate is all around us. I don't need it to focus on recreation, as my province does a great job at that, and I believe individual breed organizations and the industry generally is looking after the commercial aspects of owning and selling horses. I, like many other individual members, do not want to read any more grandiose statements about inexact visions of a great equestrian nation. I want an effective, coherent organization that produces actual results.