



RugbyWA placed in Voluntary Administration

The Board of the Western Australian Rugby Union (**RugbyWA**) advises that it has placed the organisation into Voluntary Administration. KordaMentha has been appointed as Voluntary Administrators.

It is important to note that this action does not affect Rugby WA Juniors nor the WA Rugby Union Referee's Association. Neither of these bodies are impacted by this situation and will continue to be important partners in the future of Rugby in WA.

Due to financial pressures flowing from the removal of the Western Force from the Super Rugby Competition, the Board of RugbyWA was unanimous in its belief that Voluntary Administration was the only prudent course of action.

RugbyWA is optimistic that a rescue plan for the organisation can be secured that would see creditors receive partial payment of what they are owed and Community Rugby continue in 2018.

The move to Voluntary Administration was prompted by Rugby Australia's decision to pursue RugbyWA for legal costs following its successful action to remove the Western Force from the Super Rugby Competition from the end of the 2017 season and to terminate Professional Rugby in Perth.

RugbyWA does not have the financial capacity to meet this demand.

With the support of Mr Andrew Forrest, RugbyWA has attempted to settle this issue with Rugby Australia without success.

As the Board of RugbyWA has not been able to resolve the issue of costs with Rugby Australia, the Board was left with no prudent alternative but to place the organisation into voluntary administration.

RugbyWA is hopeful a Deed of Company Arrangement can be put in place to enable the organisation's finances to be restructured and put on a stable footing in order to serve the interests of Rugby in Western Australia long into the future.

Voluntary Administration is a process where a company or organisation facing financial difficulties is placed in the hands of an independent person who can assess all the options available, and generate the best outcome for the company or organisation and for creditors.

A Deed of Company Arrangement, often called a DOCA, is essentially an agreement that is proposed to a company's or organisation's creditors in a Voluntary Administration.

The aim of a DOCA is to maximise the chances of a company or organisation continuing, or to provide a better return for creditors than an immediate winding up, or liquidation, of the company or organisation.

In addition to the claim by Rugby Australia, RugbyWA has significant liabilities, including an outstanding balance of \$1.14 million owed on a loan from the WA Government that was incurred in 2009 to provide an upgrade to nib Stadium to enable Super Rugby games to be played at the venue.

With the removal of the Western Force by Rugby Australia, revenue to service this loan has evaporated. Additionally, RugbyWA is left with other costs, which are no longer supportable without a Super Rugby Team.

RugbyWA also has outstanding costs with Lavan, who have been a tremendous supporter of RugbyWA in taking the fight to retain the Western Force.

RugbyWA will seek financial support to fund a DOCA that would be acceptable to creditors.

The Board of RugbyWA is committed to maintaining and building depth and strength in our great game from the grassroots level in under 6s through to our top senior grades and providing pathways through to the professional game.

Protecting Community Rugby, which has existed in Perth since 1893, is our overwhelming focus. There is a very real threat to its existence in 2018 and we are determined to meet this challenge and return the game to a stable, secure footing.

Looking beyond, our goal remains to see a return of Professional Rugby to WA as quickly as possible.

We look forward to seeing the Indo Pacific Rugby Championship commence in 2019. Further out, we hope there is an opportunity for WA to participate in further national and indeed international professional Rugby competitions.

Short term, we believe that the Voluntary Administration could be completed by early in the New Year, allowing the necessary planning and organisation to be in place for the beginning of the 2018 Community Rugby competition.

The RugbyWA Board is also committed to reviewing its Constitution with club stakeholders and holding fresh elections for the Board.

The RugbyWA Board wishes to thank the WA Rugby community and its extended supporter base, particularly Mr Forrest, who have supported the fight to retain the Western Force in Perth with both passion and financial commitments.

With the removal of the Western Force, we have all endured an extremely difficult and emotional time for our sport. The feeling of loss and betrayal by Rugby Australia in removing the Western Force still lingers and the pursuit of costs by Rugby Australia compounds the challenges we have to rebuild Rugby in WA.

While we regret having to take this action, the Board believes it is the best pathway to resolve the issues, retain Rugby's strength in WA, and ensure that development pathways exist from club and school rugby through to representative honors and the professional game.

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