



NZ Rugby League: District Capability Evaluation Report

January 2009



DRIVINGFORCES
Adding peak performance to business practice

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Introduction

Background

Rugby league has a lot to offer its communities, sport and the nation.

It plays an important sporting and recreational role in the communities it serves. SPARC surveys show that in the order of 81,000 people -11,000 young people and 70,000 adults - participate in rugby league in one form or other, of which approximately 15,000 (19%) are affiliated club members.

SPARC's surveys note that the largest majority who play or are involved in the game are Maori and Pacific Islanders. They also tend to be heavily involved in other sport as volunteer coaches, referees/umpires and administrators to the point where they represent double the national average in their involvement in organised sport/leisure activities and club participation.

Rugby league has the ability to cross over to other sports such as touch rugby, rugby union, basketball and netball.

Because of the Australian NRL and the Warriors, rugby league has a high media profile. This makes the sport top of mind not just for those involved in it but for the public too. This is reinforced by the publicity over its 2008 World Cup success.

For players (and coaches) the NRL and the Warriors structure creates an aspirational factor for young talented players whose pathway to international sport is part of NZRL's player pathway.

At the other end of the spectrum the sport has programmes to cater for age and recreational players but the quality is not universal across all 15 districts.

Purpose of the evaluation

The purpose of this evaluation is to *improve the capability*¹ of the districts in a changing and highly competitive environment by identifying areas of strength and building on them, improving areas of weakness and creating strategies and options to take the sport forward. A list of districts is in Attachment 1.

In the context of sport, capability means the districts' ability to:

¹ According to the Concise Oxford Dictionary "capability" means having the ability or fitness or necessary quality for the task at hand.

- Do their core business competently and professionally
- Add value to their core business by delivering national and regional strategies, policies, services and programmes and services to clubs, schools and the local community.

Methodology and process

Drivingforces has conducted over 200 evaluations of regional organisations involving over 20 sports. It applies the same methodology to all of them. This creates consistency in reporting formats and provides points of comparison between them.

The methodology for the district evaluation involved research, surveys, interviews and peer reviews. The process was thorough. This Report identifies the issues that arose from the evaluation and comments in detail about each with suggestions for improvement (called strategic actions) that are underpinned by an interlocking set of four recommendations.

The process was thorough and involved a series of detailed steps:

- Defining the scope of the project and its terms of reference.
- Researching the districts' annual reports, constitutions, minutes, policy documents, membership and financial data, strategic and annual plans and operating manuals.
- Surveying each district's capability (e.g. governance, administration, financial management) that covered 18 performance areas of which 17 were self rated for the quality of the practice (Attachment 2).
- Surveying a representative group of clubs to assess whether they get value from their districts i.e. the value for money factor and the type and range of programmes and service currently being delivered by districts and others they would like to have.
- Consulting and interviewing representatives from each participating district (Chair or CEO/Manager) and NZRL management.
- Peer reviewing the draft report.
- Delivering the final report with strategic actions, recommendations and an implementation plan and timeframe.

The aim of every evaluation undertaken by *Drivingforces* is to improve the performance of the organisation as a collective by creating a continuous cycle of evaluation – improvement – evaluation (Exhibit 1). Evidence suggests that for successful organisations this process is ongoing.

Exhibit 1 The evaluation improvement cycle



Report format

The Report is in four sections (plus an executive summary and conclusion) that sets out in detail its findings and conclusions, a series of 15 strategic actions and 4 recommendations.

- Executive summary: This is a full summary of the findings, conclusions and recommendations (pages 7 – 23).
- Section 1: Capability: This discusses in detail the findings from the capability surveys with strategic actions to improve the districts capability performance (pages 24 – 66). A summary of the strategic actions is attached (Attachment 3).
- Section 2: Services: This discusses the districts’ services to members with strategic actions to enable NZRL and the districts to improve their services by becoming “One Stop Service Centres” (pages 67 – 70).
- Section 3: Infrastructure: This discusses the district infrastructure and its ability to *deliver services* “down the line” to where they are needed – clubs (the coalface of the sport) in a timely and relevant manner – and whether the 15 district system is the best delivery structure for the sport in the longer term (pages 71 – 83).
- Section 4: Resources: this addresses the need for adequate resources to implement this Report’s recommendations (pages 84 - 86).

- Section 5: Implementation of recommendations and timetable (page 87).
- Conclusion (page 88).

There are 3 attachments.

Each section forms the building block and success indicator for the succeeding step.

1. Capability to perform and improve core competencies.
2. Services designed to add value to core competencies.
3. Infrastructure to deliver services “down the line”.
4. Resources – people, money, facilities/equipment, time and strategic direction - to implement the above and achieve results.

Executive Summary

Background

This Report is the findings from an evaluation of the capability of New Zealand Rugby League's (NZRL) 15 regional districts.

All 15 districts were invited to participate.

Ten (66%) accepted. Of the remaining five:

- Two did not respond – one of them is a large district.
- One advised rugby league is not being played in its area.
- One completed only half of the survey.
- One did not complete the survey but did take part in the consultation process.

This Report does not comment on the capability of individual districts but on the districts as a collective. It does not comment on the people who are involved in them. Nor is it intended to be an exhaustive analysis of every issue facing the districts or the sport. Nor does it attempt to second guess the wider SPARC review.

The Report's findings are derived from evidence based research, comparative analysis between the NZRL's districts and similar regional organisations in other sports, input from the self assessed surveys and from the consultation process.

The Report comments on:

- Areas that are working well and how to build on them, and
- Areas that are not working well, with strategic actions and recommendations for improvement.

This Report's principal focus is the Off Field capability (i.e. the business part of the sport e.g. governance, administration) of the districts as a collective. It comments about their On Field capability only in terms of the quality and delivery of programmes and services. In this respect it does not comment about the quality of their player, coaching and development programmes, nor does it comment about the quality or the structure of regional and national competitions.

Roles, responsibilities and linkages

To one extent or other, the outcome of this evaluation and the SPARC review will affect every level of the sport – national office, districts and clubs.

This Report's findings involve linkages with the national office and clubs and for this reason they have been included in the evaluation process.

NZRL

The role, powers and responsibilities of NZRL are set out in its present constitution can be summarised as:

- International – as the body “accredited” by the International Rugby League Federation (IF) responsible for the sport in New Zealand and for meeting the IF’s requirements
- National – responsible for the governance, administration and development of the sport nationwide.

Districts

In line with the direction being taken by other regional sport organisations, the role of most regional districts is changing. Initially their function was to organise regional competitions, select teams and appoint coaches for inter distinct competitions. Today their function is more complex.

The NZRL’s constitutions definition of the role and function of its districts is deficient and needs to be updated to reflect the role of regional organisations in modern sport governance and administration. For instance, it does not adequately identify basic eligibility criteria such as player/team/club numbers, coaching capability, governance and administration standards, quality of facilities, finances, adequacy of resources, club infrastructure and so on.

Implementing such criteria is likely to have the effect of reducing the current number of districts. This is yet to be determined.

The districts are one part of the sport’s constitutional structure and it is outside this Report’s terms of reference to deal with them in isolation of the national office, associates and clubs. It is more appropriate for it to be addressed by the wider SPARC review.

Clubs

There is approximately 145 rugby league clubs spread over the 15 districts. The largest number is in Auckland (33). Tasman currently has no clubs.

According to NZRL’s constitution the clubs’ principal functions are to compete in the district league competition, promote the sport and encourage healthy lifestyles.

In practical terms their prime function is to service and look after their members. The evaluation showed there is scope for improvement.

Summary of findings

The findings highlighted a number of issues facing rugby league. They are summarised below. Full details are set out in the Sections 1 - 4.

1 Capability

The capability survey shows that on a self rating scale of 1 – 5 (1= poor, 5 = excellent) the districts average rating was 3.3.

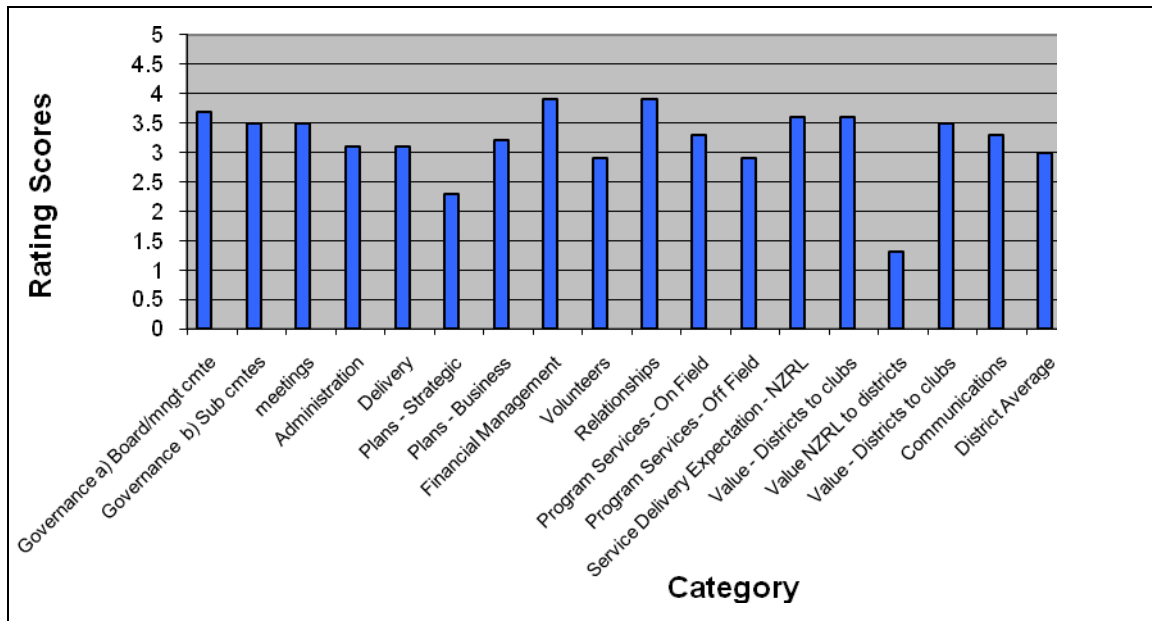
This rating is lower than most other sports in similar surveys whose average ratings are between 3.6 and 4.1.

The value of the Coach/Development Officer (C/DO) was rated 4.6. This is consistent with other sports at 4.2 – 4.8.

Exhibit 2 shows the areas where the districts rated themselves high and low. In summary they are:

- Rated high: governance, meetings, financial management, relationships and networks, on field programmes/services, delivery of services, communications and value to clubs
- Rated low: administration, delivery, planning, volunteer management, off field programmes/services.

Exhibit 2 Summary of districts' self ratings



Source: District Survey 2008

In terms of self rating three districts rated themselves high in almost every category and two rated themselves low in every category. In all probability the lower ones are too severe on themselves and the higher ones are too generous (perhaps a case of not knowing what they do not know?).

Experience shows that the effect of averaging 10 districts across 18 activities (of which 17 are self rated) smoothes out the highs and lows and allows a reasonable degree of comparability between them.

The 3.3 rating indicates scope for improvement. To assist districts to improve a series of strategic actions and recommendations are included in this Report.

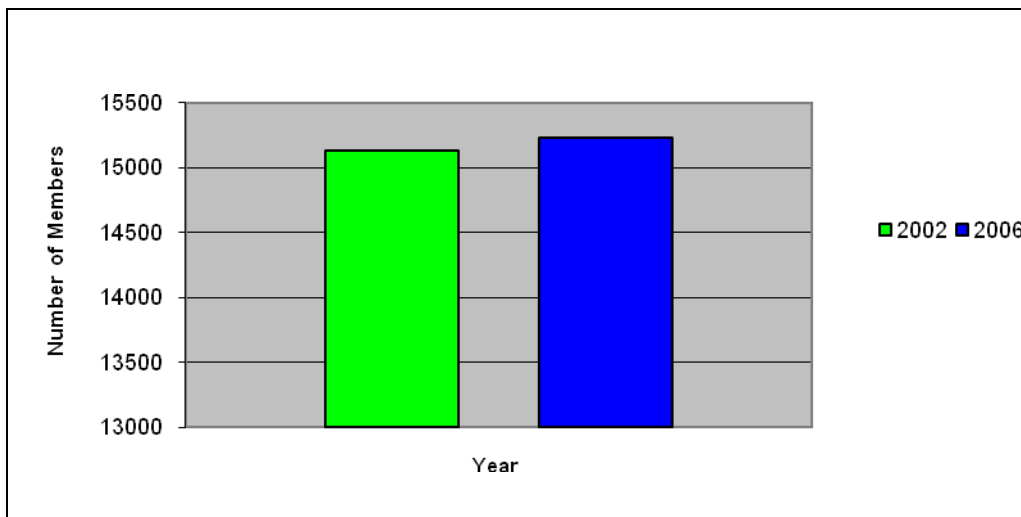
2. Membership

This Report notes that NZRL has had trouble collecting basic membership data from the districts. The only available complete data is for 2002 and 2006.

Player numbers

- NZRL 2006 membership numbers show there are 15236 registered players. This is significantly lower than the 30,000 - 40,000+ that went to the Hillary Commission in the 1990's.
- This is low when compared with other sports - for example, soccer (128,000); rugby (130,000); cricket (100,000), netball (125,000), hockey (40,000), bowls (48,000).
- Over the 2002 - 2006 period the number of registered rugby league players has grown by 100 or 0.6% - from 15136 to 15236 (Exhibit 3).

Exhibit 3 Summary: Player numbers (2002 – 2006)



Source: NZRL

On the surface this is static growth but in real terms it is declining. According to Statistics NZ over the same period:

- NZ's population grew by 7.8%

- Maori and Pacific Island population grew by 9.2%

Player numbers have not kept pace with the growth in the general population or its target populations, Maori and Pacific Island. There is potential to grow the player base but it will require a strategy and resources.

However, this Report flags a warning. Over the same period there has been a 9.3% decline in the 6 – 11 age groups (they play in what is known as Mini – Mod Football – a modified version of rugby league). They are the feeder into the 12 – 20 age groups (who are the feeder into the senior groups). The latter (12 – 20) have had less than 1% (0.8%) growth over the same 2002 -2006 period.

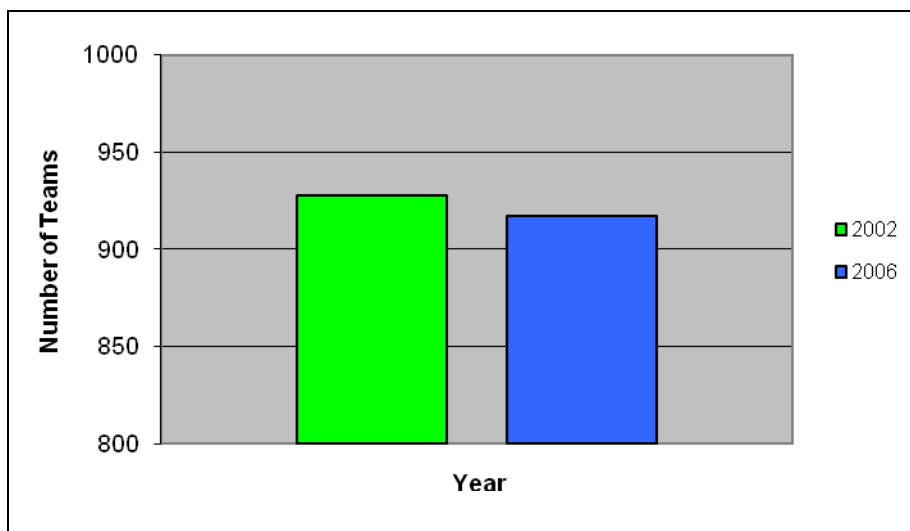
The lack of growth at the younger end of the sport is a serious issue for any sport, most of all for a sport with low player numbers. Diminution in the number of junior age players will impact on the number of players in the senior competition and eventually the pool of international talent.

Further, the drop off in young players has social and community implications. Young people are vulnerable to social and peer pressure. As one administrator put it *“Rugby league keeps the kids off the street.”* Junior players are also the catalyst for parent and community involvement.

Team numbers

Exhibit 4 shows that over the same 2002 - 2006 period there has been a 1.2% (11 teams) decline in the number of teams from 928 to 917.

Exhibit 4 Summary: Team numbers (2002 – 2006) –



Source: NZRL

Note: To calculate player numbers NZRL use a formula of 8 players per team for 6 – 11 age group and 20 players per team for the 12 – 20 age group, senior men and women).

- Auckland is traditionally strong and has 425 teams which represent approximately 46% of total team numbers. It is encouraging to note that Taranaki has had good growth – from 28 to 48 teams (71%), as has Wellington

(61 – 101 = 66%) and Canterbury (99 – 117 =18%). Gisborne is starting to record good growth.

This Report believes if these districts can achieve growth then there ought to be no reason why the others can't if they are properly resourced, managed and motivated.

- A quarter of the districts (4) have fewer than 7 teams and another three have between 14 - 20 teams. In effect 7 of 15 districts (47%) have, by the standards of other sports, modest numbers. Of the 7, only two have more teams than they had in 2002. This needs to be addressed.

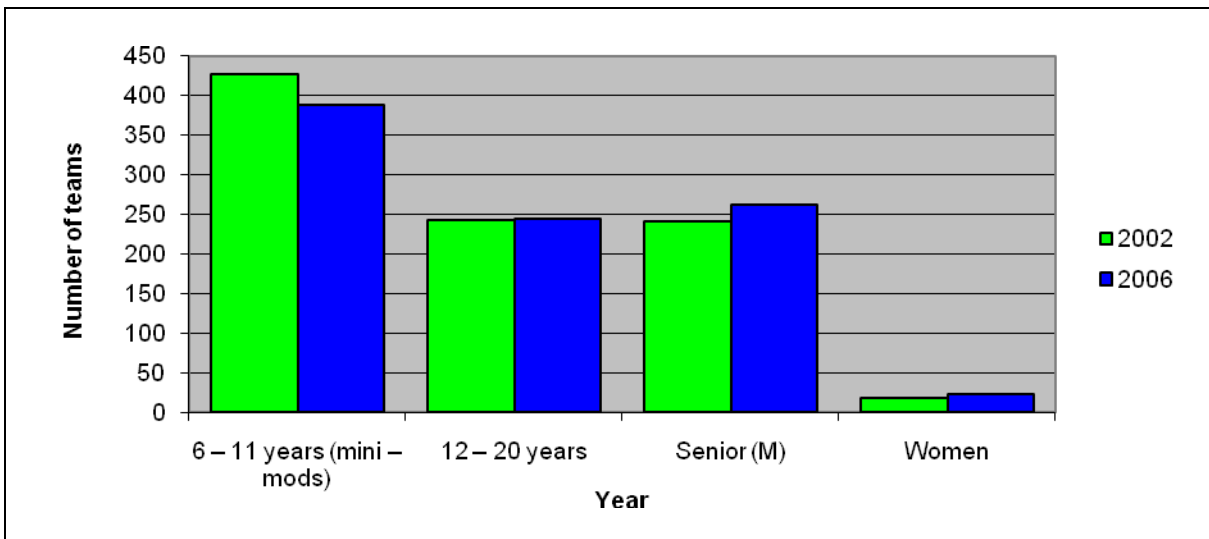
Any *trend* line that shows a plateau or drop in numbers needs to be treated seriously. Too many sports have ignored similar trends to their long term detriment and have found that turning around declining membership is extremely difficult. Further, experience shows that failure to take remedial action leads to a culture where static or declining membership numbers is seen as acceptable.

Recruitment, retention and drop out

Exhibit 5 shows the sport is capable of recruiting very young players but as with most other sports, it has difficulty in retaining them into the older age and senior grade levels. This needs to be addressed.

Rugby league has a small number of women players. Other sports such as football, rugby and hockey have shown that women are prepared to play demanding physical sports, but to achieve their potential they need to have proper coaching, development programmes, pathways and structures.

Exhibit 5 Summary: Teams x age/grades (2002 – 2006)



Source: NZRL

3. Governance and administration

Governance

This is acknowledged by districts as being important but for a number of them it is recognised more in the spirit than in practice.

- There is a feeling by some districts that they are too small to warrant a “proper” governance structure.
- Other feel they are too involved with the “business of the day” e.g. running the local competitions, to “worry” about whether or not they employ best practice standards.
- Some districts continue with old habits, custom and practice where things have been done in a certain way and there is no compelling reason to change.
- Conversely, two districts are undergoing change and although presently run by small boards and management committees, they recognise this is a transition to a more formal governance structure.
- There is a lack of a national strategy to improve the governance of the districts.

This Report recognises there are a small group well governed and administered districts who have an important role to play in the future of the sport.

The issue of the number of districts was raised. There is a feeling that the 15 district system needs to be streamlined. Several questioned the need for the associates and felt they ought to be restructured or disbanded.

Administration

Administration was an area that the districts rated average.

- Many districts rely on overstretched and declining number of volunteer administrators, many of whom suffer from burnout. Most volunteers prefer On Field to administration activities; many of them lack sufficient administration skills to run a 21st Century sport organisation; nor was there evidence of up skilling them.
- Research shows the younger generation tend not to volunteer, preferring instead to pay for their recreational activities.
- In terms of capability, the survey showed that four districts had full time and two had part time paid managers and some support staff. Apart from Auckland, these districts are under resourced in terms of the number and skills of the people employed.
- There are a large number of medium – small districts who rely on volunteer administrators. The consultation process highlighted that most of them would welcome professional administrators to take over this role.

Greater numbers of sport organisations are employing professional staff to take over the regional administration. For example Bowls NZ is implementing a strategy to create a small, resourced, skilled group of regions to take over the administration and advisory functions of their 27 centres. Cricket NZ contracts its six largest associations to provide services to its smaller associations. Hockey has a number of full time regional administrators. Similar strategies need to be considered by NZRL.

3. Planning

A number of districts acknowledge that strategic planning is a weakness. Six of ten districts have strategic plans, eight have business plans. Both were more prevalent in the better managed and resourced districts. The quality of the plans varied but their objectives were similar. There is considerable scope for improvement by the districts.

There was comment about the lack of a clear strategic direction by NZRL and the impact this has on the districts' own planning. This Report notes that a plan was done in 2005 in conjunction with SPARC (it was called "Taking the Lead") but it was never implemented.

This Report stresses that the districts have to be given a strategic lead by NZRL.

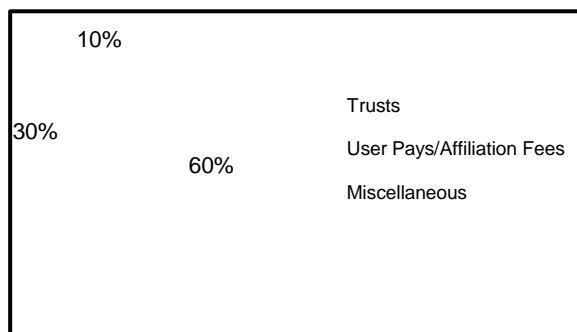
4. Finances

Income

Exhibit 6 shows a substantial source of income is trusts.

- | | |
|--|------------|
| • Trusts (gaming/community). | 60% |
| • Affiliation fees/user pays
(competition/representative/park fees) | 30% |
| • Miscellaneous (bar and shop) | <u>10%</u> |
| | 100% |

Exhibit 6 Source of income (2007)



Source: Districts' 2007 annual reports

Many districts feel there needs to be a more balanced approach between trust and user pays funding and that the sport needs to be financially self sufficient. Comments were

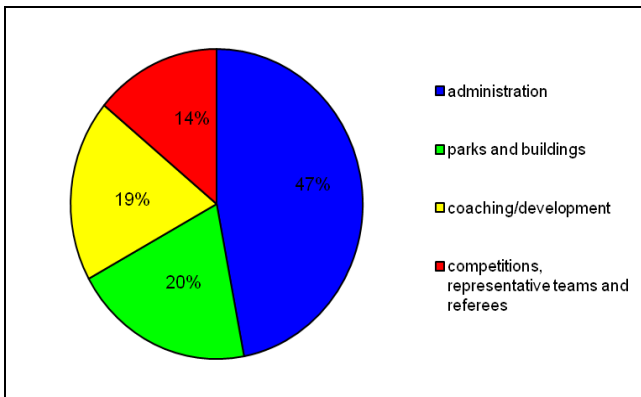
made about the growing attitude of “welfarism” brought about by the socio-economic position of players that precluded a greater user pays approach.

Expenses

A summary of average expenses shows that two thirds of the districts’ costs are for administration and facilities with only one third for player, coach and referee development and the playing part of the sport (Exhibit 7). There is considerable administration duplication and this Report believes there is considerable scope to reduce costs in this area. If this was done it would free up money for coaching, player and referee development and representative teams.

• Administration	47%	
• Parks/buildings	<u>20%</u>	67%
• Coaching/development	19%	
• Competitions, representative teams, referees	<u>14%</u>	<u>33%</u>
		100%

Exhibit 7 Breakout of main expenses



Source: Districts’ 2007 annual reports

In the 2007 financial year four of ten districts made a loss, some for the second year in a row. This needs to be carefully monitored as reoccurring losses can lead to serious financial stress.

The financial position of the districts varied from average to strong but an analysis of their annual reports showed a number of them to be asset rich but generally player and development poor.

Notwithstanding, as a general comment the financial management of the districts was reasonably sound.

5. Quality of programmes and services

Exhibit 8 shows the difference between districts and clubs ratings of the quality of programmes and services.

- Districts overall self assessment of the quality of their On and Off Field programmes and services delivered to clubs averages 3.1.
- The survey of clubs show their assessment of the quality of the same programmes and services averages 2.5.

Exhibit 8 Ratings of the quality of programmes & services

	Districts	Clubs	Difference %
On Field	3.3	3.2	3
Off Field	2.9	1.8	38
Average	3.1	2.5	19

This shows clubs and districts are in line with the quality of On Field programmes and services but there is a considerable gap between their Off Field ratings. The upside is there is considerable scope for improvement.

6. NZRL

There was considerable criticism about NZRL's performance. The main points raised were concerns about a lack of:

- Vision for the sport
- Strategic planning and direction
- Leadership
- Involvement in the decision making process
- Quality of the board and management
- Communications – frequency and clarity
- Consistency – decisions and policies and lack of understanding about their downstream implications
- Understanding about districts, especially the needs of the smaller ones
- Financially responsibility

Other points raised were:

- The “punishment” vs. “incentive” mentality created by the “review” process where districts can be suspended for a considerable period for

what they see as minor infractions of the rules. Districts feel this needs to be replaced by a more supportive and incentivised attitude with the aim of helping districts to improve and get back on their feet.

- The need for NZRL to “get its own house in order”.
- Support for this evaluation and the wider SPARC review as an opportunity for change and for a better governed and administered sport (this support comes with an expectation of change).

This Report finds it unusual that a national body would ignore a situation like Tasman where there are no teams, no competition, where its governing body has not met nor had an AGM (which is in breach of its own and NZRL’s rules).

It is understood similar situations have occurred in the past with other districts. A similar situation is emerging (or has emerged) in Otago and Southland, where the sport is in serious decline and yet there appears to be no NZRL strategy/action to address it.

This Report strongly believes there needs to be a change in the culture at the top levels of rugby league.

It also believes a philosophy based on excellence should be the driver at every level of the sport.

Comment

Capability, services, infrastructure and resources were raised as points of concern by most districts both in the survey and consultations.

The nub of the issue is the capability by the districts to do their core business and add value to it by delivering national and regional services and programmes to clubs (schools and the local community) in a manner that is effective, timely and relevant to them.

Auckland is so far ahead of the other districts in terms of capability, player numbers, financial independence and the like that it is virtually in a category of its own. Even so, Auckland is an integral part of the 15 district structure and for this reason it is included in the following analysis.

An analysis of the findings of the ten participating districts identified three main groups.

- Group 1: districts that are doing as much as they can but do not have the capability and/or unable to do any more. Two (20%) districts are in this category (Whangarei and Manawatu).
- Group 2: districts that feel they have the capability and are willing to do more for clubs but lack the resources to do so. Six (60%) districts are in this category (BOP, Gisborne, Hawkes Bay, Wellington, West Coast and Canterbury).

- Group 3: districts that feel they have the capability, are willing to do more and have the resources - money, people (numbers and skill), equipment, facilities and time - to do more for clubs. Two (20%) districts are in this category (Auckland and Taranaki).

Extrapolated across all 15 districts it shows:

- Group 1: comprises six districts (40%) - Whangarei, Coastline, Manawatu, Tasman, Otago and Southland
- Group 2: comprises seven districts (47%) – Waikato, BOP, Gisborne, Hawkes Bay, Wellington, West Coast and Canterbury
- Group 3: comprises two districts (13%) – Auckland and Taranaki

As Waikato did not participate in the evaluation it is difficult to assign it to a group but for purposes of this Report it has been put into Group 2.

Groups 2 and 3 make up 9 districts. *Of these, five serve small local areas (of which Taranaki is the largest in player numbers), leaving Auckland, Waikato, Wellington and Canterbury to cover the four largest areas. It is this five district combination that this Report uses as the basis of recommendation 3.*

The above analysis shows there are a significant number of weak links in the regional district service delivery chain that need to be fixed. Unless they are it will have far ranging implications for the health, growth and development of rugby league in New Zealand.

However, given the state of so many districts, this Report believes fixing them will not be easy. There is no band aid solution. Their lack of capability and resources plus a weak infrastructure militate against all 15 districts achieving a level of capability sufficient to take the sport forward. Moreover, the resources and time required to lift them to an acceptable level would be prohibitive.

As a collective the 15 districts do not pass muster in the four key areas.

1. *Capability* – (core) ranged from average to good, predominantly operational, on field focused but each district is capable of some improvement.
2. *Services* – (add value) was good for On Field but Off Field was limited/non existent, but a small group is capable of gearing up as “one stop service centres”.
3. *Infrastructure* – (delivery) too many weak links in the delivery chain, will prevent growth of sport nationwide. Other options need to be considered.
4. *Resources* – (money, people, skills, strategies, time) apart from a very small group, resources are lacking but the cost of gearing up every district would be prohibitively expensive and the long term viability of doing so would be questionable.

Implicit in this is the question about whether it is reasonable to expect the 15 district system to turn itself into a modern, 21st Century structure capable of effectively assisting clubs to grow the sport at the local level, to generate and sustain membership growth and to administer it in an increasingly complex, competitive and professional environment.

This Report believes it is unrealistic. In essence what rugby league needs is a regional structure that is capable of:

- Applying best practice governance and administration standards and the ability to deliver services and programmes by an effective regional structure across all districts and “down the line” to clubs, schools and the local community.
- Delivering a competition format that meets the needs of the small and the large districts.
- Creating new opportunities to grow the sport.

This Report sets out the first steps of how it can be achieved.

Recommendations

This Report makes four recommendations.

Each recommendation underpins a set of strategic actions designed to address the issues raised in the four sections, starting with the districts’ basic capability, their role as service centres, the infrastructure to deliver the services and the resources to produce results. A summary of the strategic actions and recommendations is in Attachment 3.

This Report notes that the recommendations, especially recommendation 3, are to be considered in the context of the SPARC review.

Recommendation 1 – Improve basic capability

NZRL review and implement the strategic actions in Section 1 to assist the districts to improve their basic capability.

This recommendation is based on the findings from the research, result of the survey and consultations and conclusions reached.

Recommendation 2 – Create one stop service centres

To assist districts to improve their capability, NZRL become a “One Stop Service Centre” to districts and in time, the districts to become service centres for clubs.

This recommendation is recognition that sport organisations are membership based and their prime function is to service their members regardless of whether they are regions, clubs or individual members. NZRL and districts need to improve the range of support and advisory services to clubs, in particular, the Off Field ones.

Recommendation 3 – Redesign the infrastructure to deliver the services

The current delivery infrastructure is weak and ineffective and needs to be redesigned.

Recommendation 3 is based on a district structure that is capable of:

- a) Applying best practice governance and administration standards with the ability to deliver services and programmes among all of the districts and “down the line” to clubs, schools and local community.

This can be achieved by establishing a small group of professionally administered and adequately resourced districts that are capable of assisting the other districts and clubs to improve their governance, administration, planning standards.

- b) Delivering a competition format that meets the needs of the small and large districts.

This can be achieved by creating a competition structure that

- Meets the recreational and participation needs of the small districts and -
- The high performance needs of the larger ones.

This is not part of this Report’s terms of reference but it is understood it will be addressed as part of the in the wider SPARC review.

- c) Creating new opportunities to grow the sport.

This can be done by creating new/additional competition centres from areas with high player densities and by developing areas with growth potential. Again, this is not part of this Report’s terms of reference but it will be addressed by the SPARC review.

Based on the above, this Report recommends the following:

1. All districts should continue to be involved with their regional competitions (current or new), provide coaching, select regional teams and so forth.
2. A small group of strategically placed and better resourced districts should be utilised as regional service centres to provide administration support and advice as required to the other districts and their clubs. This does not preclude paid administration support also being provided to other district as appropriate.

The regional service centres would be based at the four largest districts – Auckland, Waikato, Wellington and Canterbury plus Taranaki (Exhibit 9). Others can be added if required.

The service centres will be run out of the existing offices e.g. Auckland RL, Canterbury RL and so on.

It should be noted the service centre *concept* is flexible enough to be applied and/or modified to a revised/new district competition structure that may arise from the SPARC review.

Exhibit 9 Recommended regional service centres

Service centre	Districts covered
Auckland *	Auckland area & Northland (Whangarei, Bay of Islands & Far North)
Waikato *	Coastline & BOP
Taranaki *	Manawatu
Wellington *	Hawkes Bay & Gisborne
Canterbury*	Tasman, West Coast, Otago & Southland
*base	

As part of recommendation 3, it is recommended that the regional service centres should operate under contract from NZRL to deliver an agreed range of services and programmes to districts and clubs. The same should apply to those districts who receive NZRL funds for administration support. The contract should have performance measures and reporting protocols.

Services should be tailored to meet the specific needs of the district and clubs in each region.

It is proposed that the cost of setting up the above should be in two stages:

- establishment – years 1- 3 to be met by SPARC and trusts
- ongoing – years 4 on to be met by NZRL (co funded by districts via player levies)

A review of the structure and the performance of the regional service centres should be jointly evaluated by SPARC and NZRL at the end of year 2.

Recommendation 4 – Provide the resources to achieve results

Recommendation 4 is that a costing should be done by NZRL of the optimal resources needed to implement a fully operational regional service centre system as set out in Recommendation 3.

An indicative additional cost for the above 5 service centres is \$1.3 - \$1.5 million per year.

Implementation and timeframe

a) Implementation

Recommendation 1 is not expensive and can be implemented relatively easily and quickly.

Recommendation 2, the “One Stop Service Shop” concept, will take more time to set up but given the resources already available from NZRL, SPARC, Regional Sports Trusts (RST) and existing rugby league districts, especially Auckland, it should be more of a matter of gearing up rather than starting from scratch.

Recommendation 3 will need careful consideration and if change is agreed it should be done on conjunction with the recommendations from the SPARC review.

Recommendation 4 ties in with recommendation 3.

b) Timeframe

In terms of a timeframe, this will be subject to the SPARC review and recommendations and decisions arising from it.

This Report notes however that several districts are further advanced than others. Subject to the willingness of the parties concerned (including NZRL and SPARC) and if resources permit, there is no reason why they ought not to implement recommendations 1 and 2 reasonably soon.

Conclusion

Rugby league has much going for it. But it is evident that the sport is at a cross roads. This evaluation identified many issues at national (NZRL), regional (district) and local (club) levels. For this reason the district capability evaluation and the SPARC review is timely. The challenge for the sport is to capitalise on both.

In terms of this evaluation, there was repeated comment that the process is a positive initiative – a form of “health check” of the districts, but it was accompanied by the expectation it has to result in action.

Its value is seen in improving existing practices by the district boards/committees, managers and administrators as well as reemphasising the need to look for ways to improve them.

No sport acts in isolation of the wider community. The community is where their members come from. Each sport’s ability to respond to and service its members’ needs is a significant determinant of its health and well being. This is the task of the national board, regions and clubs. They are guardians of the sport, responsible for passing the baton on to the next generation of players and administrators to advance the sport even further.

“For rugby league to go to another level in its development and generate its share of resources, members, media profile and public support it has to become more professional

at what it does at every level. This may be a tough call but rugby league is competing against a vast array of sporting, community, recreational and entertainment options where members, customers and consumers have many ways to use their leisure time. Rugby league has to be in a position to compete successfully against all of them.”

This Report believes its recommendations will help the districts to move toward this objective.

Acknowledgements

The Report acknowledges the contribution to rugby league by a group of dedicated people – volunteers and paid – whose commitment to the sport is unquestionable. The Report’s recommendations are not a reflection of their performance or commitment but on the *capability* of the districts.

Section 1

Findings & Recommendations:

Improving the Districts' Core Capability

“Capability is about performance. Performance is about good strategic decisions, effective execution and diligent monitoring which results in superior value to members and stakeholders.”

Section summary

To enable an in-depth analysis to be done, all 15 districts were invited to participate. They represented a mix of big/small, rural/town, North and South Islands. Ten accepted the invitation.

A 66% response rate was received and is acceptable. Although it is lower than the 80% – 90% received from other regional sport organisations, it meets the above mix criteria and gives an accurate feel for the issues raised in this Report.

Each district was surveyed and asked to comment on their governance, administration and management practices across 18 capability categories and self rate the quality of them in 17 areas using a rating scale of 1 - 5 (1 = poor, 2 = satisfactory, 3 = good, 4 = very good, 5 = excellent).

The average rating for the ten participating districts is 3.3. The average rating of the value of the Coaches/Development Officers (C/DO) is 4.6.

A summary of the survey findings with the average score for each of the self rated activities follows (Exhibit 10).

The activities the districts rated themselves high are governance, meetings, financial management, relationships and networks, on field programmes/services, delivery of services, communications and value to clubs.

The areas they rated themselves low are administration, delivery, planning, volunteer management, off field programmes/services.

The C/DO is shown separately. The reason for this is the C/DO is about *value* whereas capability is about the standards and quality of *practice*.

Exhibit 10 Summary of survey rating

Activity	Rating (district average)
Governance - Board/mngt cmte - Sub cmtes	3.7 3.5
Meetings	3.5
Administration	3.1
Delivery	3.0
Plans - Strategic - Business	2.3 3.2
Financial mngt	3.9
Volunteers	2.9
Relationships	3.9
Programmes/services - On Field - Off Field	3.3 2.9
Service delivery - - NZRL - Clubs	3.6 3.6
Value - Districts (to clubs) - Clubs (from districts)	3.5 2.5
Communications	3.3
District average	3.3
Coach/Dev Officer	4.6

The summary allows each district to compare their rating and aggregate scores against the all district average and to see where they are ahead and where they need to improve.

Survey: Summary of main findings

1. Constitution

- All advised they are incorporated societies which mean they are required to meet various legal requirements (for example, filing annual reports and annual accounts with the Registrar of Incorporated Societies, reporting annually to members).
- Approximately half advised their constitution have been updated within the last three years. Two advised they are currently updating them.
- 60% of districts have a copy of their district's constitution. Every board member should have an updated copy.
- 40% of districts have codes of conduct; the remaining advised they do not and/or are developing codes.

It is prudent governance practice to review and update the constitution. Ideally it should be done every 3 - 5 years. Over time they become redundant and may not reflect best governance practice or what is actually being practiced by the board/management committee or simply do not reflect the change in direction by the organisation itself.

The net result is that boards may unwittingly place themselves at risk by operating outside their own constitution. In short, they may be acting ultra vires – that is, acting beyond their legal powers.

As part of its best practice strategy and to get greater consistency across the sport, Bowls NZ has developed a standard constitution for its centres and clubs. A significant number of them have adopted it or are adopting it. This Report proposes a similar concept should be considered by NZRL for its districts and clubs.

It is the responsibility of all boards to ensure there are codes (or policies) that set out standards of conduct on important social and playing issues. For example, because this is a potential high risk area, there should be a code of conduct for adult players/coaches/chaperones looking after children/young players.

Similarly, anti doping is another must have code. Although this is covered by an international code its main points ought to be encapsulated in a summarised version for clubs, players, coaches, medical staff and officials. The NZRL's and districts views on doping needs to be very clear and specific.

Codes also ought to include appropriate sanctions and procedures if the standards are breached.

Strategic action 1

Each District should ensure that:

- Their constitution reflects best governance practice.
- The board acts within their legal/constitutional powers.
- Their constitution are reviewed every 3 -5 years.
- Each board member has an updated copy of the constitution and it is referred to on all constitutional matters.
- Further, in time NZRL should develop a standard best practice constitution for all of its Districts.
- Appropriate codes/policies with sanctions are in place and are followed.

2. Board/management committee

Board

Average rating 3.7

For most regional sport organisations size tends to be the main factor that determines the type of governance system they operate.

The larger ones tend to have boards whereas the small ones tend to have executive/management committees (hereafter the term “board” will be used to cover both board and management/executive committee). Both are pragmatic indicators of their respective size and resources.

- Nine of ten districts have a board as their principle governance body. One larger district is governed by a management/executive committee. This district is going through change and it is expected it will revert to a more formal board governance structure.

The name of a governing body is entirely the choice of each district but the terms Executive Committee and Management Committee do not create the image nor reflect the governance structure of a modern 21st Century sport organisation.

There are reasons for this but one of them is that by its very name the term “board’ implies a higher and more strategic level of thinking than an executive/management committee (which implies a lower strategic level and more operational focus).

- The number of board members ranged from 3 to 12 with the average being 7 – 8. This number is consistent with other sports studied by *Drivingforces*.
- Only 40% advised they have the right balance of board skills

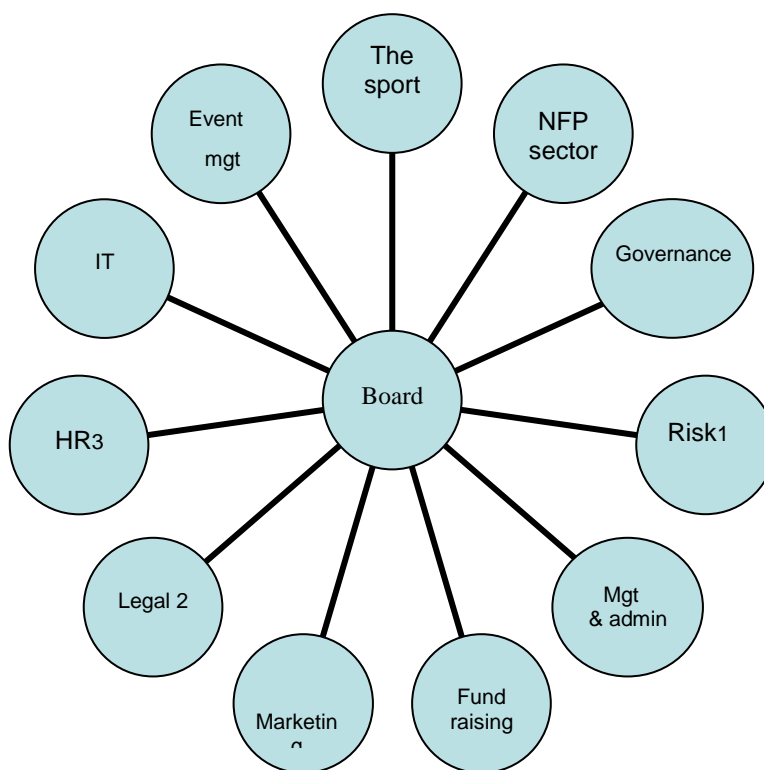
- In most instances board members are elected. Five districts advised they also appoint and/or co opt external members. For two of them (BOP and Wellington), the majority of members were external appointments.

This is different to normal practice but other sports are moving this way, for example NZ Soccer and its seven Federations all operate boards where appointed members exceed elected ones. The reason for this is to avoid board capture by clubs, inject new ideas and energy into board thinking and introduce different skills and perspectives.

For those who do not have external independent board members the Report urges them to consider the benefits of doing so. From experience, boards that have done this have reported the organisation’s governance is better for it.

The following are some of the areas where skills and knowledge are important board attributes (Exhibit11).

Exhibit 11 Board skills mix



Key

- (1) Risk - identifying, assessing and managing risk (getting caught short can damage the reputation of the board, management and the organisation)
- (2) Legal – e.g. to ensure compliance with (board) due process and the legal requirements of the organisation
- (3) HR – oversight of the organisation’s staff management/practices (getting it wrong can be costly)

Strategic action 2

Where it is not already being done, District boards should introduce different perspectives and skills to board decision making by appointing external (i.e. non club) board members.

In the main the district boards understand their responsibility to clubs, national office and stakeholders.

But there are areas for improvement:

- A review of the minutes of board meetings reinforced the view that boards' focus tends to be more operational than strategic/governance. This may be acceptable for new/establishing boards or boards that are facing a crisis but not for mature and well established ones whose focus should be on governance, strategy and policy.

The lack of strategic skills is understandable given the board comprises mainly of people from club backgrounds where the playing/competition part is paramount and where their election rests largely in the hands of clubs and/or delegates at the AGM. Training can improve this.

- 30% of boards evaluate their performance. 30% is low in comparison with similar reviews of other sports (range is between 40% – 70%).

If it is not already done, it is suggested a simple board evaluation template should be circulated to each district. Templates are available from a number of sources – for instance RSTs, SPARC (via NZRL) and the Institute of Directors (IoD). Every district board should evaluate its performance annually.

- 50% of districts conduct staff performance reviews (where staff is employed).
- Most advised they do not employ staff and that staff functions are done by volunteers. In reality most of them (but not all) do “employ” people albeit they may be volunteers, e.g. treasurer or secretary, who are paid some form of remuneration such as an honorarium.
- Four districts employ full time and two employ part time managers whose job is to administer the sport in their region. Apart from Auckland, the other five have very limited administration support. The majority of them rely on volunteers for this.
- Performance reviews are infrequent.

Paid staff is entitled to know how they are performing, areas where they are doing well and areas for improvement with training to back it. The same principle applies to volunteers. Therefore a performance review system needs to be in place.

The normal performance review process is:

- a) The CEO/Manager is reviewed by the board
- b) Staff are reviewed by the CEO/Manager (if it does not employ a CEO/Manager then a member of the board should do it).

To improve performance, it is suggested that boards, administrators and key volunteers are given access to professional development and training. Courses are available through NZRL initiated workshops, the NZ Institute of Managers (NZIM), the IoD, the Chamber of Commerce and *Drivingforces*. Courses need to be budgeted for.

Strategic action 3

To improve organisational performance, NZRL and Districts should introduce professional development programmes with budgets for the board members and staff/key volunteers.

The development programmes should reflect the size, governance structure, management/administration capability and resources of the District.

A similar strategy can be applied to the districts' administrators. A good example of this is Hockey NZ's annual administrator's conference. This is referred to in greater detail on page 33.

- 80% of boards evaluate and monitor risk. The role and purpose of risk evaluation is detailed on page 42.

Sub committees

Average rating 3.5

The districts have sub committees that supplement the work of the board. The 3.5 rating is reasonably high which probably reflects their value to the board/organisation. The number of subcommittees ranges from 1 – 6 with an average of 2.5 per district.

Their role is operational and focuses on specific tasks. 70% of them have terms of reference. Although the districts reported the workload of their sub committees is manageable, they also reported they have trouble finding volunteers to fill them.

The use of professional staff often means sub committees are relegated to fewer and more minor roles. This Report is aware that sub committees can have other roles other than operational, for example they can act in an advisory capacity to the board and management.

Sub committees should have clear terms of reference, including reporting lines, budgets (if any) and limits of authority.

3. Meetings

Average rating 3.5

In the main the standard of meetings was procedurally good and this is reflected in the 3.5 rating.

Observations noted are -

- There is a wide discrepancy over the number of meetings held each year. The highest was 20; the lowest was 7, most were 12 in number.

The Report notes that the need to meet monthly (or more frequently) is possibly a reflection of the operational focus of the board and the fact board members have the time to attend so many meetings. Twelve meetings a year is high.

There is a balance between too many and too few meetings.

Meetings should be held as needed. An excessive number of meetings is time consuming and can lead to “meeting fatigue”; conversely too few can lead to a breakdown in communication and information and create the perception of too much control by the Chair and/or the CEO/Manager.

One way of managing it and getting the right balance is for each board to develop an *annual work agenda*.

In its simplest form this is a plan that sets out the main issues/agenda items that need to be addressed over the ensuing year - for example, approving the annual business plan/budget; receiving the audited accounts; the AGM; approving key competitions and so forth. This allows the board to plan its year, prioritise its work load and identify meetings that need to be held as opposed to holding meetings for the sake of them.

- In instances where meetings cannot be held or there is a need to supplement scheduled meetings the use of conference calls and Skype are quick and convenient substitutes. Normal meeting procedures, such as minutes taking, should apply.
- In a few instances (normally because of last minute urgent matters) board papers were not circulated prior to meetings. As a standard practice board papers and reports, including financial reports, should be circulated no less than a week prior to the meeting.
- In several instances minutes were used merely as a record of the meeting. Again standard practice is they should also be used as the basis of recording necessary follow up action. Recording action points in the minutes is an easy way of ensuring decisions are followed up/implemented and reported on at subsequent meetings. Any items not completed should be in the action list at the next meeting.

- Meeting agendas should be prioritised with the more important items at the top. A review of the minutes of the district meetings showed this is often not the case.

Although the standard of meetings was procedurally good *the use of meeting time was not of the same standard. Minutes show that almost all of the meeting time is taken up with operational issues with relatively little time being spent on where the organisation is going –i.e. the bigger picture, the vision, strategic, policy, membership and financial growth, environmental and related issues.*

Research shows that most sport organisations spend 70% - 80% of their meeting time on operational matters. Of this, half is spent on matters that have happened and which they cannot change.

Research also shows that most boards spend approximately 100 – 150 hours a year on the business of the organisation. This is not a lot of time (less than 10% of the time spent by full time staff). Thus every second of board meeting time counts. Spending time on administration minutia or on matters that cannot be changed/have passed is a waste of time (unless it is part of a review of what could be done better or differently).

Strategic action 4

Districts should review the way their meetings are structured to ensure adequate time is given to the longer term strategic and policy issues.

If they are not already doing so, each board should develop an annual work agenda and review their meeting agendas to ensure important matters are given priority.

4. Administration

Average rating 3.1

The survey showed the quality of administration varies between districts. As previously noted, those who have full time professional staff tend to perform better than those with part time staff or volunteers (frequently a secretary and a treasurer).

The performance difference is understandable. Volunteer boards are made up of busy people who give their time for the good of the sport but are unable to commit time to the organisation to the same extent as full time staff.

As a collective, the administrative performance of the districts ranged from acceptable to good in most areas.

The main points noted are:

- Six districts employ a full or part time paid CEO/Manager with some administration support. The other districts, generally the smaller ones, rely on

administrators who are volunteers, of whom some are paid a modest honorarium.

- Three districts provide some form of skills/professional development training for administrators.

As noted, each year Hockey NZ run a national administrator's conference part of its professional development and training programme for its regional association administrators, The conference helps to improve their administration skills and knowledge through presentations by hockey and external speakers, allows them to discuss and debate and workshop new/emerging ideas and enables them to network among themselves (the latter is seen as an important part of the conference).

It is suggested NZRL consider doing the same on its own or in conjunction with an external party.²The same should be done by the districts for their clubs. *The importance of sound club administration is obvious and such an initiative would be a positive step in this direction.*

- 40% have upgraded their office systems/equipment in the last three years (several reported their office equipment needs are reviewed annually under the capital expenditure budget). Reliable equipment and good procedures and systems contribute toward the productivity and efficiency of the staff.

Although it was not raised specifically, sponsorship income (as opposed to trust funds) is increasingly difficult to find, yet with one exception, the districts do not employ or contract anyone with the specific skills of sponsorship search and maintenance, preferring instead to do it themselves (or not do it at all). Their financial results show the success rate is not high.

This raises the wider question associated with fundraising capability/resources, - namely the "opportunity loss" factor – i.e. the opportunity to raise "new" money from local sponsors and trusts to do things for the sport additional to its normal activities.

This "opportunity loss" is compounded when considering a competent fundraiser (strictly speaking it is part of the CEO's job) ought to be able to help coordinate the fundraising, marketing and profiling activities of rugby league within their area and in some instances assist individual clubs to access additional funds.

- Several, including the larger districts, advised that due to new board members/staff and/or due to a reliance on part time/volunteer staff, some of the uncompleted administration tasks e.g. setting up filing and data base systems, is "work in progress". This should be given higher priority as ready access to historic records can save valuable time and effort.
- Most districts advised they are aware of the importance of health and safety and the need for a safe work environment but some of them do not seem to pay sufficient attention to it. *Neglecting this area could be an expensive risk.*

² Courses are available through NZRL initiated workshops, NZ Institute of Managers (NZIM), IoD, Chamber of Commerce and *Drivingforces*.

- Most districts advise they have:
 - Staff job descriptions (where staff is employed)
 - Adequate resources for staff to do their job properly.
- Throughout the consultation process the point was made that the 15 district system meant a lot of administration duplication and an unnecessary waste of time and resources. This Report agrees.

Strategic action 5

Each District should regularly review (every 3 – 5 years) their administration practices and resources and update them if necessary.

Consideration should be given by:

- **NZRL to conducting and/or facilitating a conference/workshop to improve the administration skills of the Districts.**
- **Districts to do the same for clubs.**

The Report stresses that each district is ultimately responsible (and accountable) for its own well being, including working smarter, introducing operating efficiencies and delivering quality programmes and services to clubs and schools and providing value benefits to members.

But it is also the responsibility of NZRL to maintain oversight and provide assistance where it is requested. This is beginning to happen with its centralised year end accounting system and the proposed League - net (membership) system, but there is still a long way to go.

Leading sport organisations are aware that employing professional staff does make a difference and many of them are recruiting staff to run their regional administration and operating activities.

The effect of this is their boards are able to focus on governance and longer term strategic and policy issues and leave the organisation's operational management and administration to staff. At the same time it relieves the (overworked) volunteer³ and/or part time paid secretary/treasurer of burdensome administration functions and allows them time to do the things they volunteered for in the first instance.

³ The Report recognises that for most volunteers, volunteering is a means of enabling them to contribute to their sporting community. In the case of rugby league this Report does not intend they be displaced but flags the fact that during the consultations many people mentioned that volunteer numbers are declining. There are reasons for this including volunteer burnout caused by the same group of volunteers doing all the administration work. It is also a reflection of the fact that most volunteer do not volunteer for administration tasks in the first place, preferring instead to do what they initially volunteered for - the playing, coaching and officiating part of the sport. Evidence suggests younger people are not inclined to do volunteer work. If so this will have longer term implications. Either way the future sustainability of volunteer numbers creates an issue for most sport and not for profit organisations. Alternative strategies will need to be devised to address it.

It is accepted that paid administrators will not be possible for every district. However as a minimum this ought to be a target for all of the larger and medium size districts (the latter may be part time). An alternative is to establish a structure that takes over the administrative function of those districts that need this type of support. This is commented on in detail in Section 3.

Staff

Staff is defined as people who are paid to do a job of work. They can be full or part time but for purposes of this Report they are noted as full time equivalents (FTE).

Auckland is the biggest employer with 12.5 FTE staff. The other five districts employ between 1 - 3 FTE – a number that may be able to cope with the day to day operational activities but will be inadequate to meet the wider requirements of rugby league in the future.

There is no “right” staff structure but as a rule of thumb:

- Larger regions in other sports have a CEO/GM, administration support (full or part time), a Coach/DO and volunteer advisory committees.
- Medium size regions have a GM, a secretary/office administrator and a Coach/DO. Positions are full and/or part time plus volunteer committees.
- Small regions have an honorary treasurer and secretary although a number of sports are beginning to replace them with part (or full) time Executive Administrators with volunteer support.

5. Delivery infrastructure

Average rating 3.0

The ability to deliver good quality services and programmes to members at every level – local, regional and national – is an important cornerstone of every successful sport organisation. A strategic objective of most sports’ plans is to *ensure support services are of the highest quality and are delivered in a timely manner that meets the needs of clubs.*

This section of the Report relates to the quality of the district’s On and Off Field delivery infrastructure - the system that enables:

- National strategy, policy, programmes and services to be delivered from the national office via regional districts to clubs and schools and -
- District initiated programmes and services to be delivered to clubs and schools.

Most leading sport organisations have adopted the strategic philosophy of *national strategy, regional delivery, locally owned and driven.* It is pivotal that each delivery stage adds its bit of value to create an effective value added chain.

The evaluation showed that every district has some ability to delivery programmes and services. It also showed not all of them have the same capability. *It may be unrealistic to expect all of them to be of equal capability but from a national office point of view it is important for the sport to be strong nationwide, not just pockets of it. NZRL's mandate is to ensure every area of the sport is as strong and capable as possible.*

An analysis of the findings of the ten participating districts identified three main capability groups.

- Group 1: districts that are doing as much as they can and do not have the capability and/or unable to do any more. Two (20%) districts are in this category (Whangarei and Manawatu).
- Group 2: districts that feel they have the capability and are willing to do more for clubs but lack the resources to do so. Six (60%) districts are in this category (BOP, Gisborne, Hawkes Bay, Wellington, West Coast and Canterbury).
- Group 3: districts that feel they have the capability, are willing to do more and have the resources - money, people (numbers and skill), equipment, facilities and time - to do more for clubs. Two (20%) districts are in this category (Auckland and Taranaki).

Of the latter Group, in practical terms only Auckland is currently capable of providing services beyond its present district coverage.

It does not paint an encouraging picture when the above is extrapolated across all 15 districts.

- Group 1: comprises six districts (40%) - Whangarei, Coastline, Manawatu, Tasman, Otago and Southland
- Group 2: comprises seven districts (47%) – Waikato, BOP, Gisborne, Hawkes Bay, Wellington, West Coast and Canterbury
- Group 3: comprises two districts (13%) – Auckland and Taranaki

As Waikato did not participate in the evaluation it is difficult to assign it to a group but for purposes of this Report it has been put into Group 2.

Groups 2 and 3 make up nine districts. *Of these, five serve small local areas (of which Taranaki is the largest in player numbers), leaving Auckland, Waikato, Wellington and Canterbury to cover the four largest areas. It is this five district combination that forms the basis of recommendation 3.*

6. Plans

This Report stresses the On Field aspect of nearly all of the strategic plans was good. It was evident that a considerable amount of thought has gone into addressing the playing and competition needs of member clubs, players, coaches, referees and officials.

This did not apply to the Off Field administration/business side of rugby league. It is this aspect where there is considerable scope for improvement.

In the main the self rating shows that the planning capability of the districts is below average. This is not unique to rugby league. Many sports are weak in this area. They recognise that planning is fundamental to the role and function of all regional organisations and yet, for a variety of reasons many struggle to cope with it.

The Report stresses this should be high priority for NZRL.

Evidence from other sport organisations show those most likely to succeed are those who plan how they intend to succeed. The NZRL and the districts are no exception to this.

In brief, planning helps to:

- Establish a direction, strategic and business, where a district wants to be in a given time – 3 - 5 years for a strategic plan, 12 months for a business/operating plan.
- Identify the objectives and goals a district wants to achieve within the designated timeframe.
- Identify the resources a district needs to achieve its objectives/goals.
- Establish targets/performance measures (KPIs/metrics) to ensure it is on track.
- Respond to changes in the environment that could impact on the district – political, social and economic - locally, nationally and internationally.
- Provide the basis of reporting the district's performance to members, NZRL and stakeholders.

Sir Winston Churchill once said *“Planning is everything, the Plan is nothing”*. By this he meant the planning/thinking part is the most important aspect of the planning process and is the key to achieving the organisation's objectives.

It is the quality of thinking that differentiates a good plan from an average one.

Planning takes time but it is an important part of the board's/manager's thinking work so they need to allocate time for this.

Unfortunately most boards and managers want “to get on with it” rather than spend time thinking about what it is they intend to get on with, let alone the end result they want to achieve. The net effect is a lack of a long term vision; lack of clarity of mission, direction, goals and implementation; confusion for management/staff/volunteers, members and stakeholders and an inability to achieve performance targets.

Strategic plans

Average rating 2.3

The 2.3 rating is low compared to other sports (generally range between 3.0 – 3.5).

- 60% of the districts have strategic plan. This is low when compared to other sports (generally 80%+). Two districts advised their plans are work in progress.
- Several commented they have heavy workloads that include time consuming activities that preclude them from doing plans.
- Others feel there is no need for them, they are doing well financially (this is only one of several yardsticks to measure performance).

The Report acknowledges all of these points but stresses that strategic planning is the responsibility of every board.

- Of those who have them their plans have been updated within the last three years. This means their plans are current.
- The same group advised their plans have been costed and include an indicative budget. Very little evidence was provided to back this (exceptions were Auckland and Wellington whose plans contained budgets/cash flows). The Report believes the other districts may be confusing strategic plan costing with their annual plan and budget.
- Four of the six advised they have the resources to implement their strategic plans. Two do not. The practical implication of this is that only four have strategic plans that have the resources to effectively implement their plans beyond the first year or so.

Several sport organisations are developing 3 - 5 year financial forecasts with expenditure prioritised in the event financial targets/performance measures (KPIs) are not achieved or are at risk. This is prudent financial and risk management. Indicative budgets are useful guides about the sources and level of income needed to fund it and the plan's affordability. This is particularly the case during tight economic times.

- The six districts advised they use their strategic plan as the basis of their annual business plan.
- One district advised they do not have the planning expertise on the board nor the money to contract it from an external party.
- In terms of adding value, 50% believe they have the capability but on examination it was largely confined to On Field activities with relatively little being done to improve clubs' Off Field activities

- Half of the districts advised they attempt to align their services and programmes with NZRL. Those that didn't responded with the comments like – “what national strategy?”
- Nine of ten districts endeavour to tailor their programmes/services to meet local conditions.

Assisting districts and clubs with their strategic planning can be done by NZRL through SPARC, RSTs, districts and external consultants e.g. developing simple templates.

- The quality of the strategic plans varied. Some were very precise e.g. Taranaki and others were more descriptive e.g. Auckland, but their subject matter was similar and covered:
 - Governance and administration (including HR and IT)
 - Sport development
 - High performance
 - Resources – money and people
 - Marketing
 - Communications.

Monitoring and measuring the plan's performance is standard practice. *“What gets measured gets done.” (Bill Gates). Plans need to have SMART objectives (Specific, Measurable, Attainable, Relevant and Timely) thus it is important their metrics/KPIs (key performance indicators) do not set the organisation up for failure.*

KPIs should be based on what the district can realistically achieve if it stretches itself. Setting unrealistic or overly ambitious targets is one of the biggest traps that sport and not for profit organisations fall into.

- Monitoring the plan is a good way to “keep a finger on the pulse” of how it (the plan) is progressing and whether it is meeting the organisation's short and longer term objectives and outcomes. Three of six districts do this.
- Reporting on the plan ought to be an integral part of the board's annual accountability (via the AGM) to members and stakeholders. The districts advised they do report in this way.

This Report stresses it was evident that a considerable amount of thought has gone into addressing the playing and competition needs of member clubs, players, coaches, referees and officials.

This did not apply to the Off Field administration/business side of rugby league. It is this aspect where there is considerable scope for improvement.

In terms of strategic plans, there are plenty of examples for NZRL to look at – NZ Cricket's “Pushing the Boundaries” and Bowls NZ's “One Bowls: One Vision” to name but two.

Annual business plan

Average rating 3.2

The annual business/operating plan rating of 3.2 is on par with other sports.

The annual business plan is different from the strategic plan.

Whereas the strategic plan is longer term and big picture, the business plan is short term (12 months), is underpinned by the strategic plan, sets out the organisation's operational activities for the year and is driven by management or, in the case of smaller organisations, by the board/management committee.

The function of a business plan is essentially twofold:

- To implement the main elements of the strategic plan each year as prioritised by the board for the financial (business) year in question, and
- To manage the normal operating activities of the organisation.

The business plan should align with the strategic plan – thus the strategic and business plans complement each other as opposed to each of them operating independently.

The business plan should be accompanied by:

- A budget (and other relevant financial information such as income and expenditure, balance sheet and cash flow).
- Performance indicators and reporting requirements (by staff and subcommittees).

The plan should be approved by the board. The reason for this is to ensure the plan is affordable, is consistent with the board's strategic direction and priorities and factors in relevant risk contingencies.

- The quality of the plans varied considerably from average to very good. There was a lack of consistency between them in terms of operational information, finances, formatting and so on. It is suggested the overall quality of the planning process would be improved if NZRL developed a planning template.

To address this it is suggested that each district be asked to do an annual business plan (where they have not been done) and to lodge a copy of the plan, along with a copy of their strategic plan with NZRL. Such a step will help NZRL to act as a source of advice on the quality of the plans (i.e. a QA role), monitor the performance of each district against its plans, provide assistance when requested and maintain a strategic oversight of the allocation of resources.

- In terms of the districts' business plans the evaluation showed:

- All but one advised they have a business plan (in one instance it was called a project plan).
- 70% of the plans tie back to the strategic plans.
- 50% are formally approved by the board. This is standard practice. Approval by the board should only be given if it is confident that the organisation has the funds to cover the cost of the annual plan's budget.
- Seven report on their plan's performance.
- One advised their annual budget and board action points act as their business plan equivalent.

Several clubs referred to the need to provide better Off Field management services and direction to clubs. A few already do this. The concept of helping clubs to improve their administration capability is one of the cornerstones of this Report.

Strategic action 6

To help improve the quality and consistency of planning:

- **Each District should formally develop and implement strategic and business planning as part of their core activity.**
- **NZRL should develop a simple strategic and business planning template.**
- **For purposes of quality assurance and monitoring performance, NZRL should receive copies of each District's strategic and business plan.**
- **To improve their planning capability, workshops should be initiated by NZRL or via RSTs or external consultants - on strategic and business planning.**
- **Districts should have the same planning expectations of their clubs.**

Other plans

This section asked about other plans that are becoming standard practice for a growing number of regional organisations. Examples are communications, IT, HR, and media.

The response was mixed.

- Five districts reported they have other plans: three have media and communications plans, one has an HR plan and one has an IT plan. Several indicated they are either considering doing them and/or it is work in progress.
- Generally there is low level of awareness about the need for this type of plan. For instance, there was virtually no reference to risk planning. In the 2009 economic climate financial risk ought to be on every board's work agenda.

Policies

The survey asked whether the districts have policies, their nature and the process used to develop and promulgate them. There was a mixed response but in brief the findings are:

- Most have policies that cover relevant areas of their activities e.g. use of drugs, team official and player code of behavior, health (mouth guards, concussion), safe play (under 15 age players), transfers, smoke free, with a number of districts advising they are work in progress.
- In most instances policies are reviewed and updated as required.
- Where appropriate, approximately half the districts involve their clubs in policy development.

The Report makes the point that policies have a purpose – to set the standards and procedures for members by the governing body (national office, district or club).

Policies are for the health, safety and protection of members and the integrity and reputation of the organisation and for these reasons sanctions ought to apply for breaches.

Policies ought to be regularly reviewed and updated to reflect changing social, cultural and environmental conditions.

Risk planning

Assessment and mitigation of risk is an important area of every board's work in the commercial and in the not for profit sectors.

The board/managers should have a plan to deal with those that require the appropriate level of action which will be determined by the type/consequences of risk and the prevailing circumstances. For example, some risks may be passed on to other parties, e.g. insurance against data loss. Others may require policies to be in place such as a system of internal controls on certain financial transactions.

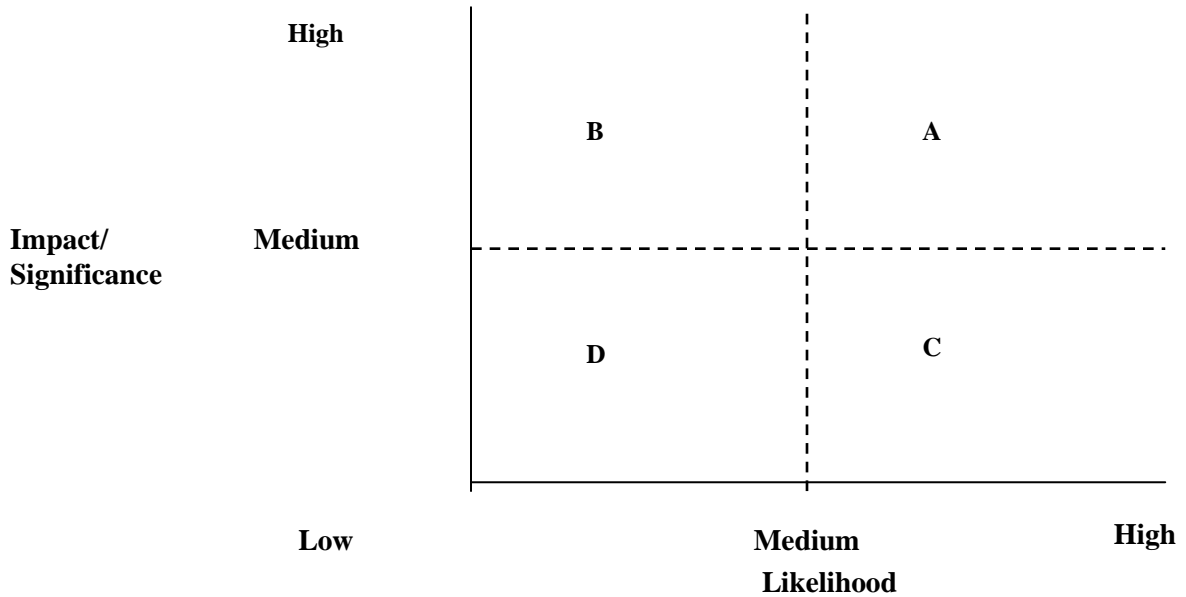
Examples of risk that this Report noted in the evaluation are:

- The need for succession planning - the organisation's reliance on its volunteer committee members and the lack of planning about who will succeed them.
- Lack of best practice financial management - the lack of safeguards against fraud, malpractice and misspending and the policies and systems to prevent this.
- Failure of IT management - the lack of policies and/or procedures to prevent the loss/misuse of data and abuse of websites and emails.

To start the process NZRL and district boards and managers should consider developing a simple matrix (Exhibit 12) to identify areas of risk based and assess its likelihood on high/low probability and high/low impact. The boards can brainstorm the possible risks and then assess where they should be placed on the matrix.

Exhibit 12 Risk assessment and risk management matrix

a) Assessment



b) Board/management designated key risk areas

- | | |
|----------------------------------|--|
| A = High impact, high likelihood | = Immediate Action |
| B = High impact, low likelihood | = Consider action and have a plan ready |
| C = Low impact, high likelihood | = Consider action |
| D = Low impact, low likelihood | = Monitor and keep under review |
| Medium | = Eliminate risk, reduce/manage its impact |

An alternative is for NZRL to circulate relevant extracts from SPARC’s/Standards NZ’s publication “Guidelines for Risk Management in Sport and Recreation”. This is available on their website and could easily be downloaded by NZRL and modified to suit each district’s specific risk issues.

7. Financial management

Average rating 3.9

Finance is an area that has to be managed properly. It is an area where every member expects the very highest standard of accountability. For this reason it has to be an area of zero tolerance.

The standard of financial management of the districts is on par with other sports that have been studied in similar projects. Even so an average rating of 3.9 indicates there is room for improvement.

The following comments are aimed at helping the districts to review and improve their current practices.

Board accountability

The board is ultimately accountable for the financial performance of the organisation which means it is responsible for ensuring there is sufficient funds to meet its operating costs, funds are used as intended, policies are adhered to and reports are approved, minuted and all funds are accounted for in the proper manner to members and stakeholders (normally at the AGM).

Best practice requires board's to have accurate and timely financial reports at every board meeting (the survey found one board did not). This should be one of the board's "no exceptions" policies.

If the board is not satisfied with the format of the financial reports it should stipulate what it wants and insist they be presented in the manner prescribed.

There should be at least one board member who understands how to read a set of accounts and a balance sheet (although monitoring and accountability for the district's financial matters is the responsibility of every board member).

Part of the induction programme for new/non finance board members should be on the basics of financial reports, for example understanding the difference between an I & E (Income & Expenditure) account, balance sheet, cash flow and an investment schedule and how to read and understand them.

The evaluation found the district boards:

- Approve and monitor the organisation's financial plan (one did not).
- Receive accurate and timely financial reports that are formally minuted (one did not).
- Variance reporting was done by most districts.
- Approve the financial reports.
- Have someone with appropriate financial and/or accounting skills on the board or accessible to the board for advice (e.g. finance or audit committee) – three districts did not.
- Audit their accounts annually and report to members on the organisation's financial performance, generally at the AGM.
- Several districts advised they do not have policies on the use/investment of surplus funds.

There were gaps, mostly of a minor nature, but the biggest one was that many boards did not receive financial reports prior to the board meeting and did not formally approve them. This needs to be addressed.

Reports

- The majority use the accounting services of NZRL. It has an accounting package for districts called Attaché. This is a system where the districts forward their accounts to NZRL who do the GST returns, final year end adjustments and year end audit and return a clean set of accounts back to them.
- Auckland does their accounts. Canterbury and Wellington do their own processing and have access to their accounts via MYOB but are also part of the NZRL system.
- NZRL advised that in time they want to bring on a central dial up system for all of the districts.

There is considerable merit in the districts using one central system and to use e-technology accounting and financial reporting. These are areas where improvements and cost savings can be made.

NZRL's aim of creating a standard chart of accounts will improve the financial management and performance of districts.

Several national sports bodies have tried this, for example Squash NZ and NZ Football, both with mixed success. The reasons for doing it are threefold:

- a) Ensure their regions are financially sound.
- b) Improve the quality of financial reporting (and therefore financial controls and management).
- c) Provide baseline data to benchmark core areas of financial performance.

The response has been mixed largely because the regions have set up their own systems and see no reason to change. The ability to benchmark core financial and non financial performance is a useful board and management tool to improve organisational performance and it should be seriously considered by NZRL as it would enable each district to benchmark itself against other districts of similar size and capability.

Setting up the programme is not difficult but it will require the goodwill and cooperation of all districts.

NZRL is in the process of implementing League net – a package used by the Australian NRL. It captures membership and is an integrated system so that they are also able to get accurate membership data base.

It is of interest to note that Squash NZ commissions the Waikato Management School to conduct an annual benchmarking survey of its districts. It creates a standard point of comparison of financial and non financial *performance* of each of Squash NZ's 11 districts. Its focus is generally on their macro financial performance - that is, income and associated

cost centre breakouts, but it also covers non financial, operational areas such as player growth and coach/player ratios – all aimed at improving each district’s performance.

It has been suggested to Squash NZ the Waikato survey could be used as a platform to build other comparative benchmark standards for example, the flow of players from schools to clubs and retention levels, as well as a create a range of *qualitative* measures such as club/member satisfaction, quality of coaches, umpires etc.

Strategic action 7

To help improve the quality of financial management and to create consistency across each District, NZRL should work with Districts to introduce:

- **A software system that creates a standard chart of accounts and financial reporting format for the Districts.**
- **A benchmarking programme similar to Squash NZ’s Waikato Management School annual benchmarking survey.**

Districts should continue to send their annual accounts to NZRL for the year end audit.

Financial performance and financial position

In terms of financial capability the following is noted:

- Eight of the districts provided their year end financial reports to NZRL (the two who did not advised theirs was with NZRL). It showed wide variations between reports.
- It was noted that four districts reported operating surpluses and four reported operational losses. The Report flags the need by boards to monitor loss situations, especially where they have been incurred for two or more years in succession, and to put in place strategies to get them back to an operating surplus. Experience has shown that failure to address this issue early can lead to financial stress.
- The districts’ financial position varied considerably. For example Auckland is in a very strong financial position following the sale of Carlaw Park, as is the West Coast (due to careful stewardship). Other districts were more modest with balance sheets reflecting their size with Wellington for example, showing signs of rebuilding after several years of being in “review”.
- The Report saw no evidence of policies on reserve/accumulated funds or policies on financial management (which does not mean they do not exist).

In terms of reserve/accumulated funds the Report notes it is prudent practice to have policies on the management of such funds.

Members need to be reassured that surpluses are not being accumulated without reason. *Driving forces* experience from other sports show that members generally resist the notion of their money being earmarked for some unknown contingency in the far distant future.

Equally, members expect their districts to have sufficient reserves to cover the (inevitable) “rainy day”. Prudent boards plan for this as a means of smoothing their cash flow.

As a general rule reserves should be equivalent to three months operating costs.

Strategic action 8

Every District should ensure it:

- Has basic policies on the financial management of its funds, including the amount of surplus and reserve/accumulated funds.
- Have sufficient reserves to cover 3 months operating costs.

Source and use of funds

Exhibits 13 and 14 show where funds come from and how they are used.

The figures are averages across the districts surveyed. It is noted that within this there are variations that reflect each districts size, location, membership, financial management, paid staff/volunteers, range/quality of services and their ability to attract trust funds (for example, trust funds ranged from 22% - 87%). The averages give a reasonable indication of the financial state of the districts as a collective.

Exhibit 13 Sources of funds % (2007 financial year)

Source	Average %
Trust (incl grants/donations)*	60
User pays	
Clubs**	12
Competitions/representative	9
Park	<u>9</u>
	30
Miscellaneous	<u>10</u>
Bar/shop & other	
Total	100

* Note: sponsorship forms a very small part of districts' income

** Affiliation fees, registration fees, fines, transfer fees.

Source: Districts' 2007 annual reports

- 60% (on average) of districts' income is from trusts (gaming/community). It has become a significant source of funding for most sports at every level – national office, regions and clubs.

Districts acknowledge that reliance on trust funding is high risk and that more needs to be done to develop alternative funding sources.

- Of the balance (40%), 30% comes from user pays as affiliation levies, competition/representative fees and park fees, and 10% is from miscellaneous sources.

Some districts feel the 60:40 ratio is out of kilter and terms like “welfarism” were used to describe it. In fact it was suggested this attitude is embedded in rugby league’s psyche.

Others feel the sport needs to establish a more balanced approach between “internal” income from the sport itself (mainly to cover the cost of its core services) and “external” income from trusts, sponsors and donors (to cover the cost of additional services).

Boards need to be satisfied that relying on such funds to the extent many do is an acceptable risk and does not jeopardise the longer term financial viability of the organisation.

This Report flags a note of caution about an overdue reliance on trust grant funds. It is stressed there is nothing wrong in using trust funds, in fact it is a legitimate source of income.

Of concern is that relying on trusts as a sustainable ongoing source of funds should be treated with caution as there have been a number of examples where trusts have not delivered the amount of funds expected and/or where they have changed their funding philosophy and strategy and have either re directed funds away from sport into other community activities or into different parts of sport.

Both actions have had negative results for the sports concerned – often forcing them to reduce/cut coaching, player development and related programmes. This is evident in the current economic crisis where a number of trusts have advised that due to a decline in their investment incomes 2009 grants will be greatly reduced.

This Report endorses any move that reduces the district’s reliance on large non commercial (e.g. trusts) external funders and believes it is incumbent on players to pay for the cost of their sport.

It is interesting to note districts do not pay any affiliation fees/levies to NZRL. This is unusual as it is standard practice with most other sports.

It has been suggested that because of the socio demographics of the people who play rugby league it would be unreasonable to expect them to pay levies to the national body as most other sports do.

This Report does not agree.

Players should cover the core cost of running their sport. For example, one district pays \$57,000 in ground and referee fees each year but gets back less than half of this in club/player fees. This is not sustainable and moreover it devalues the true cost of running the sport and its value to players. To quote from one district Chair:

“Funding issues might well encourage overdue debate on what the role of the NZRL should be in relation to the Districts. Is it all things to all people, or a narrower focus only on the elite and national teams? Clarification of respective roles and acceptance of what is affordable and by whom, would be a positive outcome.”

Exhibit 14 Use of funds % (2007 financial year)

Purpose		Average %
Administration*	47	
Parks/buildings	<u>20</u>	67
Coaching/development/referees	19	
Competitions/Representative/Referee	<u>14</u>	33
Total		100

* office expenses, governance and staff costs, travel and salaries

Source: Districts' 2007 annual reports

A summary of average expenses (Exhibit 14) show:

- Two thirds of the districts' costs relate to administration and facilities with only one third for player, coach and referee development and the playing part of the sport.

There is considerable administration duplication and this Report believes there is scope to reduce costs in this area. If this was done it would free up money for coaching, player and referee development and representative teams.

- In the 2007 financial year four of ten districts made a loss, some for the second year in a row. This needs to be carefully monitored as reoccurring losses can lead to serious financial stress.
- The financial position of the districts varied from average to strong but an analysis of their annual reports showed a number of them to be asset rich but generally player and development poor.

Notwithstanding, as a general comment the financial management of the districts was reasonably sound.

8. Volunteers *“Ordinary people, extraordinary contribution.”*

Average rating – 2.9

This is lower than it should be but it is on a par with many other sports (most sports rate under 3.0)

The districts acknowledge the importance of volunteers and the role they play in underpinning the running of their sport as seen in the following quote:

“The interface between volunteer, paid staff and members is critical.”

- Four districts reported they have a data base of their volunteers, six districts advised they do not (no reason was given) but two advised it is work in progress.
- 80% of districts do not have a volunteer induction programmes, manuals or documentation on volunteer recruitment and management.
- All volunteers get the newsletters and are in the general membership information/communications loop.
- All advised volunteers are recognised in the appropriate manner through newsletters, annual reports, at AGMs and personally.
- Other points raised:
 - *“We are all volunteers”* was a comment made by a board member. This may be correct for most board members but it ought not to preclude the board from ensuring the district has a volunteer recruitment and retention plan.
 - *“We need a more structured approach to recruitment to ensure sufficient new volunteers”*. This Report agrees.
- Over half of the districts expressed concern about the shrinking volunteer base and reported numbers were down on average by 5% – 10% with one district reporting 65% reduction in volunteers.
- Three reported their volunteer base is stable and one reported it has increased.

The shrinking administration volunteer base is a matter of concern to most sport organisations at every level of their operations – national, regional and clubs. An indicator of this is seen in the following two comments:

“We get great support from volunteers for competitions and playing related activities but struggle to find them for convenor and committee ongoing roles.”

“We have taken the initiative in the last couple of years to co-op different people to do one off jobs for us. They have been happy to do that for us rather than coming on the committees and having to attend meetings.”

There are many reasons for the declining volunteer base - changes in the social and recreational environment, pressure of time, declining interest in local/community affairs, inability to identify with a club or a team, the “old guard” ceiling syndrome (older volunteers refusing to move on and/or make way for others), advent of masters sport, disinterest by parents of young players to do the administration tasks but are prepared to do some coaching, officiating and so on, the same group of people being asked time and again to carry the load and the lack of interest by the younger generation to do volunteer administration.

This Report notes some volunteers enjoy the administration aspects of the sport but they are a minority. In reality most volunteers do not volunteer to write minutes, do the petty cash or sit through endless rounds of meetings.

One of the reasons for the declining volunteer base is the perception that volunteers are no longer needed because paid staff is paid to do all the work.

Nothing could be further from the truth. They both have important and complementary roles to play.

Volunteers are a resource and they are needed.

What is needed are new ways of encouraging people to volunteer that are backed by plans/policies on recruiting, inducting, training, recognising and retaining volunteers.

For instance, each district should have an updated data base of their key volunteers with proper induction and training, have a manual on volunteer management and where possible attend courses on recruiting and managing volunteers. This should also apply to small districts. It forms part of good volunteer management and sensible succession planning.

It is strongly suggested:

- Each district ensures it has a best practice volunteer recruitment and retention plan and policies on the management of volunteers.
- The topic of volunteer management should be an agenda item for future NZRL work shops.
- NZRL and the districts obtain copies of the NZ Federation of Voluntary Welfare Organisation’s publication on managing volunteers at a cost \$16.50 per copy and/or SPARC’s “Running Sports Modules – Volunteers”.

The following comment from a district Chair is noted.

“The skills and professionalism needed to govern, administer and manage modern sport is beyond the ability of most volunteers. This is not a criticism but a reflection of the fact that sport administration has advanced from what it was a generation ago. This is one of

the reasons why sport organisations employ professional managers who bring to it the requisite skills and accountabilities for performance and results.”

Strategic action 9

To improve the management of volunteers NZRL and District should:

- Obtain copies and use the NZ Federation of Voluntary Welfare Organisations publication on managing volunteers and/or SPARC’s “Running Sports Modules – Volunteers”.
- From this develop and implement policies on volunteer recruitment, induction and management.
- NZRL should conduct workshops for Districts on volunteer management.
- Districts should conduct similar workshops for their clubs.

9. Links and relationships

Average rating – 3.9

Exhibit 15 Frequency and rating of districts’ external contacts

Organisation	Frequency - Most	Frequency - Least
Other districts	√	
Schools		√
Parents		√
RST	√	
NZRL	√	
Local sports		√
Trusts	√	
Regional sponsors	√	√
Regional business		√
Local media	√	
Local Councils/LTAs	√	

Source: District Survey 2008

This Report accepts that paid staff tends to be proactive in this area and that the Chair of one of the districts is the city's mayor (who will have extensive networks) but it questions the claim by many of the districts about the extent of their external relationships (Exhibit 15).

Districts cannot afford to spread their resources too thinly and so it is important for them to prioritise those relationships that are of high value and focus on them. Over time and as resources permit, they may be in a position to expand their network.

Districts

The art of a successful sport is to work as a team Off the Field by maximising all of the resources available to them. Districts are no exception to this.

All of the districts claim to have links with the other districts. The Report questions this.

Apart from Auckland, Taranaki, Wellington and Canterbury who meet regularly, most districts advised they have limited contact with other districts and with other organisations.

The districts advised they have no problem with sharing information with other districts – indeed they welcome it – but as noted, not all of them consider the others as a prime source of information or as part of their relationship network.

In common with every sport, the rugby league community has an enormous amount of collective knowledge and information to tap into. Former and current players and officials are often willing to help if approached. This is an area where districts could be more proactive.

Clubs

In terms of the relationship with clubs, the districts are aware of the importance of relationship building and apply it through their coaching, competitions, player and umpire development and related programmes and generally by liaising with clubs formally and informally through the President/Chair and CEO and staff.

This Report notes that many district board members are also members of clubs.

Schools and parents

The districts recognise the importance of schools (and by implication, parents) as the base of its underage competition.

Several districts reported they have good relationships with schools directly and/or via clubs but others reported they do not have the resources or the time to do this.

Schools are a significant source of players. The Report has commented on the decline in the number of players in the Mini – Mod football players and the implications of this for the sport as a whole.

This is a national issue for rugby league and the solution lies in its hands. Other sports such as soccer, cricket and hockey have addressed the issues of recruiting and retaining young people. Rugby league should be able to benefit from their experience.

Regional sports trusts (RST)

Most districts said the local RST is a point of contact for them. RSTs are an excellent networking venue for coaches, they provide training opportunities for staff and most have office space and some (paid) secretarial support. They are a resource that ought to be tapped into by districts.

NZRL

The districts view of NZRL has been noted earlier in the Report.

All of the districts reported they have contact with NZRL but they feel it needs to be better resourced in money and people.

Other sports

Contact with other sports should be a logical starting point for administrators and coaches for networking, sourcing information, sharing experiences and cross-fertilising ideas.

Most districts claim they make contact with other sports in their area but this is not supported by similar surveys of other sports which show rugby league does not feature as a point of their contact.

Community trusts, business sponsors (& strategic alliances)

As noted, a major source of sport funds are the local community/gaming trusts. Districts consider trusts as an integral part of their relationship network.

As with most other sport organisations, sponsorship is still a relatively small part of their income. In some instances it is as little as 1%. It takes work to find a good sponsor and build a relationship with them but if it is managed and serviced correctly it can create a mutually productive relationship that can last for many years. Sponsorships are a way to create a more balanced income “portfolio”.

This Report suggests the districts’ and NZRL’s sponsorship strategies need to complement each other.

If this point is accepted it is suggested that NZRL’s national sponsorship strategy includes the districts and that it (NZRL) ensures there are no major conflicts between national and regional sponsors (a list of NZRL sponsors is on its website - www.nzrl.co.nz).

Another aspect of relationship building is the role of *strategic alliances*. This is an area often overlooked by sport but which is common practice with other organisations in the not for profit and business sectors.

Strategic alliances are based on identifying areas of mutual interest and objectives that can be shared with another party (it can be more than one party) in a manner where one of the parties can use the critical mass and resources of the other to achieve its objectives.

The survey showed considerable scope for the districts to be more active in initiating and developing this type of relationship.

An example of how this works is table tennis. The Waikato Table Tennis Association, in conjunction with WINZ and Sport Waikato, recently appointed a coach through Sport Waikato Coach Force programme. This means that Waikato Table Tennis is able to achieve a coaching objective and free up funds for other purposes, Sport Waikato has done its job and WINZ has also done its job by placing a person in work. A win: win for all parties.

Note: The CoachForce programmes focus is participation, with the aim of enabling as many people as possible access to coaching services through local channels. It is a nationally driven, regionally delivered programme involving SPARC, National Sport Organisations, Regional Sport Organisations, Regional Sports Trusts, clubs and funding partners such as community trusts and gaming trusts. Information about its objectives can be seen on SPARC's website.

Similar programmes ought to be considered by the districts as a means of providing coaching support to clubs and schools.

Media

Media relationships are high on every district's networking list. Local media is always on the lookout for interesting sports news and stories.

This Report notes that the opportunity to increase the sport's profile at little or no cost is already a priority with the districts.

Local councils and authorities

It makes sense to ensure very good relationships with the local council and local territorial authorities, especially when the sport uses council leasehold grounds and facilities. They are costly to maintain and are in high demand by other sports and by councils for housing and other public/ratepayer projects.

Strategic action 10

As part of their annual business plan the Districts should:

- **Focus on building relationships with high value/important community groups.**
- **As an alternative to trust funds, work with NZRL to create a national sponsorship strategy.**
- **Utilise local sponsorship opportunities and assist clubs to do the same.**

10. Programmes and services to clubs

The survey asked districts to give two examples of the type of On and Off Field services they deliver to clubs and schools and to rate the quality of them (Exhibit 16).

On Field

The districts' programmes and services largely comprise tournaments, player development and coaching, coach and referee education and club and some schools visits.

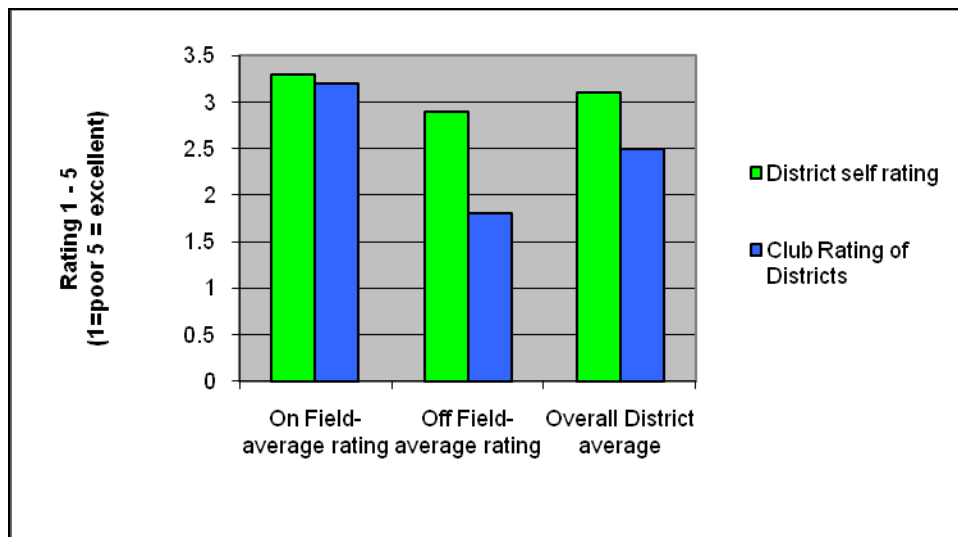
This was reinforced by the club survey which showed the districts in the main are capable of doing the On Field part but fell short when it came to Off Field administration support/advice and services.

Off Field

The survey shows many districts would like to have a greater range of support and advisory services than is presently available from NZRL. Accessing such services is not difficult and can be done by NZRL via its links to SPARC's website, RSTs and its various networks such as other NSOs, Australia NRL and other league playing nations.

The next stage is more difficult. The desire to provide more services and programmes must also be matched by the resources to deliver them. Currently this is not the case.

Exhibit 16 Expectation of the quality of programmes & services



Source: Survey ratings

Districts' self rating of the *quality* of programmes and services to clubs

Exhibit 16 is the districts' view of how they rate the quality of the programmes and services they deliver to their clubs.

- **On Field – average rating** = 3.3
- **Off Field – average rating** = 2.9
- **Average** = 3.1

This reinforces the point that the districts acknowledge the On Field programmes and services they deliver to clubs are better than the Off Field ones.

The average 3.1 rating represents 62% of the districts' potential. This means there is considerable scope for improvement.

Clubs' rating of the *quality* of programmes and services from districts

A survey of clubs tells a different story. Although their rating of the quality of On Field is similar to the districts, there is a big gap between them in the quality of the Off Field programmes and services.

- **On Field – average rating** = 3.2
- **Off Field – average rating** = 1.8
- **Average** = 2.5

The disparity between the districts self assessment and clubs assessment is wide and it suggests more research needs to be done in this area.

There was a comment from a small group of districts to the effect they never felt improving the administration of clubs and associated Off Field activities was their responsibility.

There may be some truth in this but this is countered by the comment from others that they are aware this is part of their responsibility but it is beyond their capability and/or they do not have the resources to provide more than what they currently do and if more is expected of them it will have to be provided by the national office.

Rating of the *delivery* of programmes and services

In terms of how the districts feel the NZRL and clubs would rate their (district's) ability to deliver programmes and services, the districts rated themselves 3.6 on both counts.

Monitoring & Measuring the Effectiveness of Programmes and Services

- Most of the districts advised they informally monitor their performance and the performance of clubs. Those who do not attribute it either to the small size of their district and the fact they know what is going on, or a lack of club response, lack of time or a lack of resources.
- Measuring the effectiveness/results of services and programmes is confined to feedback from delegates, club meetings, tournament managers' reports, the AGM, teams, coaches, players and referees.

- There appears to be no formal or structured measuring or evaluating process – On or Off the Field. This needs to be addressed.

Strategic action 11

In conjunction with the Districts, NZRL should prepare a set of guidelines with templates for the Districts on how to measure the effectiveness of key programmes and services they provide to clubs.

Value for money

The value for money factor is probably one of the more critical areas for clubs and members and is a useful tool for assessing the *quality* of the relationship between clubs and districts.

All of the districts feel they do give value but some acknowledged they could do better.

Examples of value are regular competition, coach and player support (undefined), subsidised tournament travel and kit, payment for referees and grounds, fund raising and trust grant applications, road shows and advocacy for the game with local councils.

Several districts acknowledged the need to improve their value to schools but felt this needs to be a mutual relationship.

“Very poor support from X to encourage school competitions, we have to initiate what we do provide, could be lots better with resources and the right support.”

“We are in the early stages of regenerating enthusiasm at schoolsThe schools provide no money to help us run rugby league programmes.”

“Clubs are increasingly expecting more from the districts to address a shortage of volunteers and resources.”

In terms of rating value for money, there is a considerable gap between what the districts feel they get from NZRL, the value they believe they give to clubs and the value clubs believe they get from their districts.

- **NZRL’s value to districts** = 1.3
- **Districts’ value to clubs** = 3.5
- **Clubs’ value from districts** = 2.5

Member Satisfaction

Three districts conduct satisfaction surveys of their clubs. The majority do not (nor intend to in the future) as they believe that existing forms of informal feedback e.g. regular

meetings, AGMs, tournament/coach reports etc, is sufficient to indicate how members feel about them and their performance.

Although they are the normal forms of feedback and are one way of assessing member satisfaction, they have their limitations, for example the lack of willingness of members to speak openly and frankly about issues that bother them.

A way of addressing this is to conduct a simple survey of members' satisfaction. NZRL could do a template where respondents are anonymous and replies are collated by a member of the district board or the CEO/GM. The feedback would give districts a better insight into where they are performing well and issues they need to address.

11. Communications, image and e - technology

Average rating – 3.3

Communications

At a time when every sport organisation is competing for its share of funds, membership, media profile and public support, it is paramount that they are capable of communicating articulately and cost effectively to members, clubs, regions and the national office and to stakeholders – funders, trusts and sponsors, suppliers (product and services) as well as the media and the public.

- Districts use a mix of mediums as their main communication tools. They range from phones, emails, newsletters, letters, meetings and the web site. The frequency of communications varies between weekly to “as required” with monthly being the norm. Several advised they do not communicate much with schools.
- Visits to clubs by districts ranged from “regularly” – being defined as weekly (usually board members who attend games and/or who meet club officials at competitions or at the club post game) to 1, 2 or 3 times a year to “as requested”. Some meetings are part of a club cluster arrangement, others were for specific reasons and others were part of a regular board - club liaison.
- Consistent with other regional sport organisations, communications tend to be informal.

The Report notes the following comments apply as much to other sports as they do to rugby league:

- Several commented on the breakdown in communications with clubs and, in particular, the “blocking” effect of the club secretary (or similar official) in getting information to other club officials and members.

This is a matter best dealt with at local level but it is worth noting other sports have addressed it by initiating regular meetings with club delegates and by appointing volunteer liaison officers to act as an informal interface with clubs. Both strategies appear to work reasonably well (as does personalised emails and newsletters).

- *The Report notes rugby league has a range of playing ages – from primary school to masters. It makes the point that the communications strategy has to take this into account. In doing so it also needs to take into account the Generations X and Y factor. A “one size fits all” approach is unlikely to work effectively.*
- Today’s communication/information plans involve information technology. This is the medium of a large percentage of the population, especially young people who have become a key target audience for every sport.
- Sport faces the challenge of recruiting and retaining young people. This is helped if young people are communicated to in their “language”. Their language is predominantly based around e-technology, such as e-mails, mobile phones/texting, blackberries (and similar), web sites and so on.
- The e-mail is a standard communication tool and is used extensively by almost everyone with access to a computer. *All fifteen districts have an email address.* For the larger ones it is the district office, for the others it is the district secretary.
- The mobile phone with its message texting and other capabilities has become a widely used communication tool. Sport administrators need to keep up with these developments.
- The web has proved to be an important method of communicating a raft of information from competition draws/results through to what’s happening in the world of rugby league. *The Report notes that approximately half of the districts operate web sites which can be accessed directly or via NZRL. Apart from being information and a communications tools, the website also has commercial uses.*
- There is no standard web site format that creates a national “look and feel”. The Report suggests there is an opportunity to do this by creating a single national format across all of the districts with each of them having the ability to link to their local news, competition draws/results, rankings etc. It is expected sponsors would appreciate the chance of being part of such an initiative.

Image

The sport has a high profile through the Warriors and more recently with the World Cup success but beyond this it is questionable whether rugby league has a strong positive image among the majority of the public.

Many districts feel that events over recent years involving the NZRL and its public mistakes over player eligibility, board machinations, financial mismanagement, player dissatisfaction over coaches, the “brutish” image of the NRL competition and the changes to the domestic competition along with indifferent employment policies, has tarnished the image of the sport among players and coaches but especially among parents of young children and perhaps with funders and potential sponsors and trusts.

If this perception is correct then it needs to be addressed by the sport at every level, beginning with NZRL.

Strategic action 12

NZRL should conduct a review of:

- **The effectiveness of its communications strategies.**
- **The image of the sport among its key target audiences, including sponsors, funders and parents.**

To make optimal commercial use of the website and related communications technologies, NZRL and the Districts should develop a joint national “look and feel” website strategy.

12 E - Technology

E – Technology is an integral part of modern administration systems. The survey showed

- All of the districts have email (or access to email); most have internet; all have computers.
- There was no standard model and type of computer.
- Seven of ten districts have their membership database in spreadsheet form (excel).
- Five of ten use an accounting software package; two have an integrated membership package.
- Four of ten have systems that are capable of generating member subscription invoices.

The survey showed a wide disparity in e- technology capability between the districts. In time there is scope for NZRL and districts to consider standardising their hardware and software as part of the financial management and benchmarking process.

Strategic action 13

NZRL and districts should develop plans to standardise their hardware equipment and software programmes as part of the process of improving their database and financial management and as a step toward implementing benchmarking.

13. Benchmarking and Best Practice

Benchmarking

With two exceptions all of the districts have heard of benchmarking and claim to use it. The Report found no evidence in support of this.

It is assumed that benchmarking, if any, is either informal – for example, between the four districts that make up NZRL’s Committee - or is not benchmarking at all in the accepted sense – for example as done by Squash NZ (i.e. the Waikato Business Schools benchmark survey referred to earlier). It is possible benchmarking might be done between clubs through programmes like Club Mark but there was no evidence of either.

The Report has referred to financial and non financial baseline information for benchmarking performance. This is an area where NZRL is in a position to take the initiative.

As a first step it is suggested NZRL convene a working party of district managers to develop a simple benchmark survey that compares core performance areas. The initial survey could be done in house by NZRL or contacted out to an independent organisation if resources permit.

In the context of this Report, and in particular the role of the districts in the development of grass roots rugby league, any strategy that helps to improve the performance of clubs and districts should be considered.

Strategic action 14

As part of a strategy to help the Districts to improve their performance:

- NZRL should conduct an annual benchmark of key performance indicators (quantitative and qualitative).
- As a starting point NZRL should access Squash NZ’s benchmark programme.
- As part of the process, NZRL should involve the Districts in the above by way of a working party or other consultation mechanism.
- In time the working party should consider the feasibility of the Districts doing the same with clubs.

Best practice

Best practice is determining who does what best and applying it to their organisation.

Best practice often goes “hand in glove” with benchmarking but they are not the one and the same.

Benchmarking relates to comparing/measuring performance whereas best practice relates to the standard of the practice.

Best practice can be applied to any aspect of an organisation's activities - On and Off the Field. A case in point is communications. This can be done by comparing who is the best or the most *effective* at communications e.g. use of the web site, e-communications, conventional newsletters, and use it as a model for the other districts to follow.

It is noted that it is an unproductive use of time to try to benchmark every aspect of an organisation's activities. The aim is to identify and prioritise the areas that are considered important.

Forecasting and modelling

Although it was not asked in the survey nor was it raised in the consultation process, if the sport is to sustain player growth in a planned and managed manner this Report suggests NZRL consider conducting research on the future resource needs of the districts and clubs.

This will involve the ability by the national office and the districts to look forward 3 – 5 years and calculate (forecast) their optimal resource requirements to achieve specific performance targets, for instance, 5% annual player growth. The end result ought to be a model of the optimum resources required by the different size districts i.e. large, medium and small in order to meet their growth target(s).

If done correctly, forecasting and resource planning can be used as a tool to assist districts and NZRL with their strategic planning. An example of this is Hockey NZ's 2007 Regional Associations Administration & Resource Report⁴ by the author of this Report which sets out in detail the resources needed to achieve a modest growth target. In doing so it covers most of the elements of a strategic plan such as grounds; facilities; player, coach and referee numbers; administration, staff positions; cost and so on.

14. Resources

Capability, services, structure and resources are covered in Section 2 of this Report. In summary, only two of ten districts surveyed (one of which is small) have the resources to do more than they are currently doing. If the sport is to take the next step forward it will need a greater number of districts with resource capability than is currently the case.

In terms of resources, the standard ones are people, money, equipment, facilities, time and strategy.

- People: regardless of whether they are paid, full, part time or volunteers, the districts need more skilled people at governance and administration level.
- Money: it was mentioned that an additional \$60,000 - \$80,000 per year would make a big difference. It might to the smaller districts but realistically this is too light. At best it might employ one fulltime or two part time people.
- Equipment: this includes training and coaching as well as office equipment.

⁴ HOCKEY NEW ZEALAND'S REGIONAL ASSOCIATION ADMINISTRATION & RESOURCE REPORT
www.hockeynz.co.nz/resources/administration.

- Facilities: comment has been made about the need to better utilise the sport's facilities. This is in the hands of the sport and where relevant, their local council and territorial authority.
- Time: many volunteers are hard pushed to do what they do in the time available. It may be unreasonable to expect them to do more. The situation is aggravated by declining numbers of volunteers and the reluctance of young people to take their place.
- Strategic direction: a clear and consistent strategic direction from NZRL will make it easier for districts to plan and resource their future needs.

There are plenty of examples for NZRL to look at – NZ Cricket's "Pushing the Boundaries" strategic plan and Bowls NZ's "One Bowls: One Vision" strategy.

- Others mentioned were marketing/fundraising support, more players, coaches, volunteers and administration support, better processes; assistance/templates for planning, preparation of grant applications and so on.
- *Club capability was another area identified. Several districts expressed concern their efforts are/could be negated by the inability of clubs to take over once the ground work has been established.*

In terms of who should pay for the resources, the general view is that it should be a combination of levies, user pays, trusts, sponsors and NZRL. The suggestion was made that for club players it should be levies and for representative teams it should be user pays.

"User pays is what people say – most now would rather pay for a service than being bothered to volunteer their time."

15. Coach/development officer

Average rating 4.6

The evaluation of the Coach/Development Officer is consistent with other sports.

A good development officer (DO) is the face, the eyes and ears of the district. They are its "intelligence" in the field. They have to be competent and committed to the growth and development of rugby league.

As the focus of districts is coaching, most of them combine the coaching and development officer roles. In time it may be possible to create separate roles – coaching/coach development - and the development of the sport – mainly as an advisor/support on best practice governance, planning, financial management, HR and so on.

This Report believes there should be a separation between the Coach and the Development Officers roles, especially for the larger and better resourced districts. Both positions have different functions.

- Six districts have either full or part time DOs. Most feel they are being used to best effect but two do not. The reasons given were a lack of experience by one and being shared with another district by the other.
- Areas where district DOs deliver value is similar to other sport organisations. This is mainly to provide increased support for clubs and schools, help them to improve their governance, administration and fundraising capability, coordinate the plans and activities of clubs toward common regional goals and so on.

The issue for most clubs and districts is to use DOs for what they do best i.e. development of the sport locally and regionally, rather than minor administration tasks that can be done by clubs.

Other sports have considered whether DOs should be a facilitator, responsible for coordinating and monitoring various regional programmes e.g. regional planning, or whether they should actually run them.

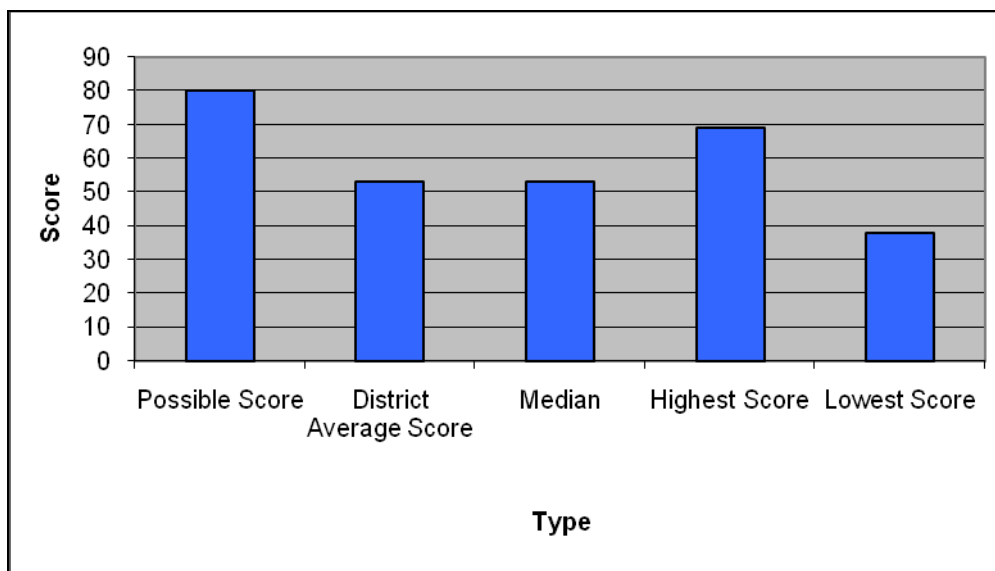
This Report believes that in the main the DOs should be able to do both.

The same point has been raised about the district/regional coach. This Report believes they provide best value as a coordinator/facilitator of coaching and coach development and its associated sports science/medicine programmes rather than actually doing the coaching.

Summary of district capability

Exhibit 17 is a summary of the above that shows the highest and lowest district capability scores, as well as the median and average scores.

Exhibit 17 Summary of district aggregate scores



Source: Survey ratings

Recommendation 1

It is recommended that NZRL and the Districts implement the capability strategic actions outlined in this Section of the Report.

The last word

The comment from a district Chair is worth noting as it lies at the heart of this Report.

“Our finances remain a concern with diminishing gate revenue, solid overheads (Park) and uncertainty over grants funding. We pay less than \$2000 in direct remuneration with volunteer input providing the bulk of the services such as secretarial administration and ground maintenance. This approach cannot continue much longer. In 2007 I signalled a need for change, but the status quo remains.”

This Report agrees.

Beyond capability - the next three challenges

The next three sections deal with the key findings that emerge from the evaluation of the districts' capability. They are:

- The ability to provide high quality services to members,
- The infrastructure to deliver them and
- The resources to achieve the outcomes.

Section 2

Findings & Recommendations

Improving the Districts' Service Capability

“The crux of the issue for every sport in New Zealand is the delivery of quality services to support growth”.

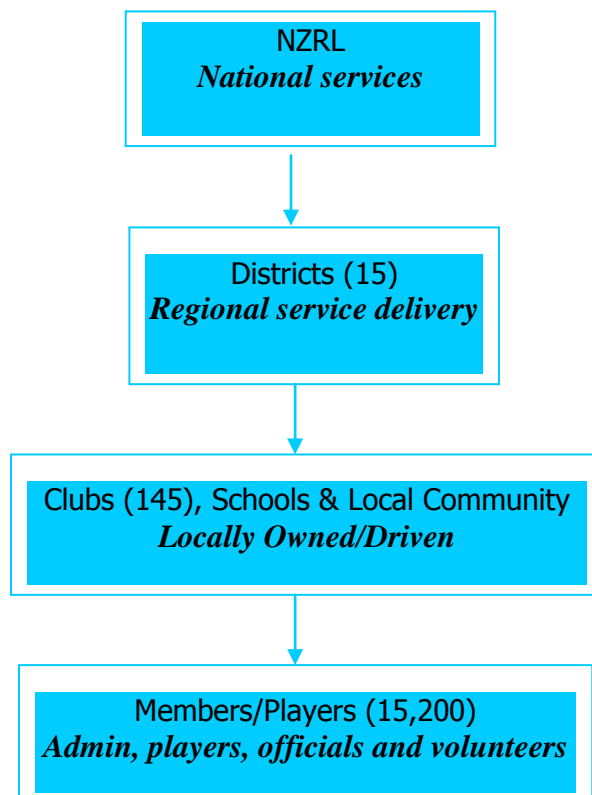
Section summary

As membership based organisations, the next challenge for the districts is to provide high quality services to their members. They are an interlocking part of a value added chain that is responsible for delivering national and regional programmes and services from the national office to clubs via the regional districts.

This service centre concept is standard practice for most sport organisations. It is based on the philosophy of *“national services, regional delivery, locally owned and driven”* (Exhibit 18).

In the case of rugby league this philosophy and its practice does not exist.

Exhibit 18 Value added service chain



Creating a (membership focused) service culture

“All parties doing all things very well all of the time.”- John Hood

The sport sector in New Zealand is membership based. Clubs, districts and the national office exist for one reason only – to serve the interests of their members. Without members they have no reason to exist.

The heart and soul of rugby league are its participating club members. They are the backbone of the system - local, regional and national. They are the board/committee member, administration officer, player, coach, referee, official and volunteer of today and in the future. For this reason everything has to be focused toward delivering services that meet their needs.

Many districts were critical of the lack of support and direction from NZRL. This is not surprising given its present situation but nonetheless in its defence it needs to be recognised the NZRL does provide some resources to districts and clubs. Evidence of this is seen in its website (www.nzrl.co.nz).

All of them are good initiatives but the districts do not feel they get value for money from NZRL. This may be a perception issue insofar some of them may not be aware of the services available or do not use or need them.

What the districts are really saying is there is an *increased expectation* of more and better services and if NZRL want them to be an integral part of its national strategy, and if it wants them to do more than they are already doing, it has to provide the leadership, strategy, resources and support to enable them to deliver the results expected of them by NZRL and clubs.

This means NZRL and the districts have to focus on becoming membership service organisations where clubs, via their districts, are able to access quality resources, advice and information from a single source as opposed to starting from scratch or sourcing them from other districts or from third parties.

The Report proposes that NZRL and the districts gear up this aspect of their operations with the aim of becoming “One Stop Service Centres” by providing a range of resources and advisory support services that can be delivered to clubs and schools via the districts.

This will include services like:

- Strategic and business planning
- Financial management
- Accounting software systems
- Communications, media, email, website design

- Sponsorship proposals/trust fund applications
- Management/administration systems
- Data bases
- Employment/HR, including employment contracts
- IT and e-technology
- Best practice and benchmarking
- Facilities management
- Event management
- Library and video material.

The same point applies to On Field resources although it is recognised this is already being done through the national coaches, technical officials and C/DOs.

In practical terms the services required from NZRL will vary between districts but it should not be difficult to agree on a range of core and non core ones.

This objective may seem ambitious but it is being done by other sports e.g. cricket, netball, hockey and bowls.

This may mean some of the existing services may have to be reduced or dropped in favour of new/additional ones. This will be a management decision.

If the “One Stop Service Centre” concept is implemented successfully it will enable NZRL and the districts to:

- Build a *leadership* role
- Maintain a *strategic overview* of the health of the sport regionally and nationally
- Monitor the *allocation of scarce resources*
- Increase their profile/brand with clubs/schools/community
- Ensure *quality assurance* of the services delivered
- Create a more *professional approach* to the administration of the game
- Add extra value to players’ levies (where they apply)
- Create the opportunity to *generate income* separate from levies by way of user pays (for instance, for services over and above the core ones)

- Create a “flow on” model for similar services to be provided by clubs/schools to their members
- Ultimately, help the various elements of the sport – clubs, districts and national office – to interact more effectively.

At present only Auckland is in a position to provide the range of On and Off Field services outlined in this Report. This should not preclude NZRL and the other districts from beginning the process of establishing themselves as service centres. Resources are already available from sources such as SPARC, RSTs, districts (e.g. Auckland RL), NRL and other sport organisations. It’s a matter of tapping into them, modifying them to suit rugby league, co branding them and “send them down the line”.

Strategic action 15

To improve the services to clubs, NZRL and the Districts should:

- **Evaluate what services they currently provide and identify and prioritise gaps that need to be filled.**
- **Develop a schedule of the resources needed to enable them to become regional Service Centres and a plan with a timeframe and budget on how they intend to implement it.**
- **Conduct regular surveys of clubs’ satisfaction of the services and areas for new/improved ones.**

To enable NZRL and the districts to do this effectively (which most of them are unlikely to do in the short term or to the extent required) will require additional resources and a *strong regional delivery structure*.

This Report acknowledges there are a small number of districts where the “One Stop Service Centre” concept is impractical. This does not mean they should not try to provide services to clubs but in reality their lack of size/critical mass and/or resources prevents them from doing it to the extent outlined. The solution to this is addressed in Section 3.

Recommendation 2

It is recommended that NZRL and Districts implement the strategic actions in Section 3 of the Report about improving the services to clubs as regional Service Centres.

Section 3

Findings and Recommendations

Improving the Districts' Delivery Infrastructure Capability

“What the sport needs in 2008 is different than 1998”.

Section summary

The next step is the ability to deliver services them. Implicit in this is the question of whether the current district infrastructure is capable of doing this.

This Report has commented that a significant number of districts are not capable of doing more than they are currently doing and that others are restrained by a lack of resources.

Either way, they are not capable of delivering the type of services that leading sport organisations are now doing.

What may have been satisfactory 50 or more years ago is no longer satisfactory in 2008, let alone for the next generation.

The question that rugby league has to ask is - does the current 15 district structure reflect the best option(s) for a modern 21st Century sport and if not, what are the options?

This Report believes the current 15 district structure does not reflect the best long term option for rugby league.

Membership

Regional and club sport are competing against the growing popularity of unstructured sport – that is, non club sport where people pay to play sport in their own time and in a socially conducive environment but without the structures and disciplines imposed by clubs.

This is illustrated by the success of professional managed events run on a user pays basis. Examples are fun runs which attract up to 80,000 people (Auckland around the Bays), various biking events – up to 10,000+ (Lake Taupo bike race), duathlons and triathlons for women and children, the annual business house dragon boat races as well as other social team competitions like indoor cricket, netball, football and so forth.

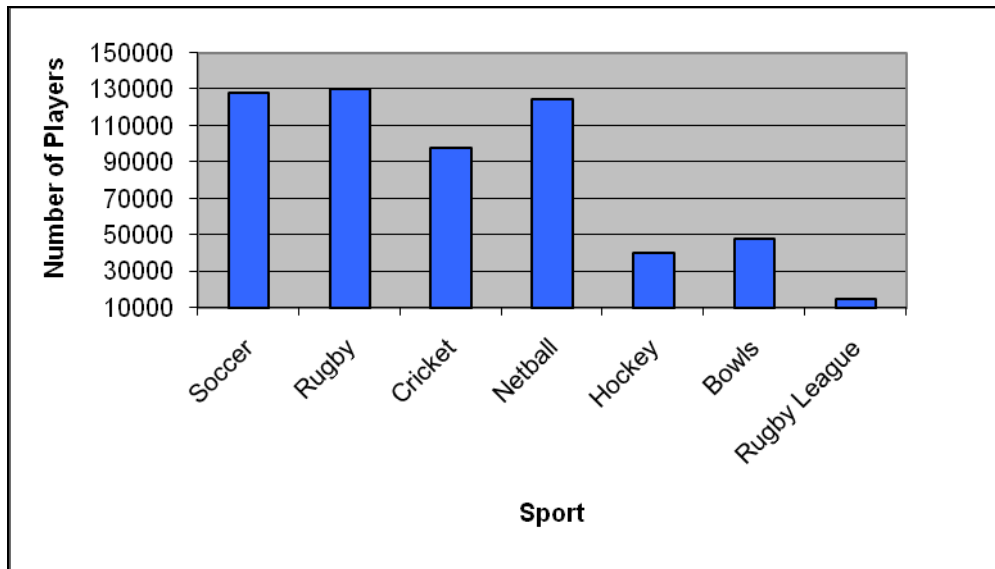
In terms of rugby league there are a sufficient number of negative indicators to suggest the sport is losing ground to them as seen in its membership numbers.

Player numbers

Player numbers are low and are steadily declining.

- The most recent complete statistics from NZRL (2006) show there are 15236 registered players. This is significantly lower than the 30,000 - 40,000 + that went to the Hillary Commission in the 1990's. The feeling is that for various reasons these numbers were inflated and did not reflect the true size of the sport.
- As seen in Exhibit 19 the numbers are low when compared with other sports, for example soccer (128,000); rugby (130,000); cricket (98,000), netball (125,000), hockey (40,000), bowls (48,000).

Exhibit 19 Player numbers – rugby league vs. other sports



Source: Various

- Over the 2002 - 2006 period the number of registered rugby league players has grown by 100 or 0.6% from 15136 to 15236 (Exhibit 20).

Exhibit 20 Summary: Player numbers (2002 – 2006)

Number of Districts x Player numbers	2002	2006	Difference	
			Number	%
15	15136	15236	+ 100	+ 0.6

Source: NZRL

- On the surface this is static growth but according to population figures from Statistics NZ in real terms it is declining. Statistics NZ latest population data for the same period show:
 - NZ's population grew by 7.8%
 - Maori and Pacific Island population grew by 9.2%
- Rugby leagues player numbers have not kept pace with the growth in the general population nor its target populations, Maori and Pacific Island. This presents a real opportunity for growth but it will require a strategy and resources.

This Report flags a warning. Over the same period there has been a 9.3% decline in the 6 – 11 age group (they play in what is known as Mini – Mod Football – a modified version of the sport) - which is the feeder into the 12 – 20 age groups who in turn have had 0.8% growth. The lack of players coming through from the younger age group has to be addressed as any diminution of numbers will impact on the number of players in the senior competition and eventually, international player numbers.

Perhaps more damaging is the drop off in young players which has the potential to create long term problems for the sport and its communities. Surveys show that if younger players are involved in a sport, recreational or cultural activity so too are their families and the wider community.

Team numbers

- Over the same 2002 - 2006 period there has been a 1.2% (11 teams) drop in the number of teams from 928 to 917 (Exhibit 21)
- Any *trend* line that shows a plateau or drop in numbers needs to be treated seriously. Too many sports have ignored similar trends to their long term detriment and have found that to turn around declining numbers is extremely difficult. Experience shows that failure to take action leads to a culture where static or dropping numbers is seen as acceptable.

Exhibit 21 Summary: Team numbers (2002 – 2006)

Number of District x Teams	2002	2006	Difference	
			Number	%
15	928	917	- 11	-1.2

Source: NZRL

Note: To calculate player numbers NZRL use a formula of 8 players per team for 6 – 11 age group and 20 players per team for the 12 – 20 age group, senior men and women.

- Auckland is traditionally strong and has 425 teams which represent approximately 46% of total team numbers. It is encouraging to note that

Taranaki has had good growth – from 28 to 48 teams (71%), as has Wellington (61 – 101 = 66%) and Canterbury (99 – 117 =18%).

The Report believes if they can achieve growth then there ought to be no reason why others can't if they are properly resourced and managed.

- A quarter of the districts (4) have fewer than 7 teams and another three have between 14 - 20 teams. In effect 7 of 15 districts (47%) have modest numbers by the standards of other sports. Of the 7, only two have more teams than they had in 2002 (Exhibit 22). This is an issue that needs to be addressed.

Exhibit 22 Number of teams X district (2002 – 2006)

District	2002	2006	Difference	
			Number	Percentage
Northland	29	5	-24	-83
Auckland	448	425	-23	-5
Waikato	82	82	0	0
BOP	49	39	-10	-20
Coastline	34	20	-14	-41
Taranaki	28	48	+20	+71
Gisborne ⁵	0	8	+8	
Hawkes Bay	10	16	+6	+60
Manawatu	28	14	-14	-50
Wellington	61	101	+40	+66
Tasman	11	0	-11	
West Coast	32	30	-2	-6
Canterbury	99	117	+18	+18
Otago	13	6	-7	-54
Southland	4	6	+2	+50
Total Teams	928	917	-11	-1.2

Source: NZRL

⁵ Gisborne was in “review” in 2002 and had no registered teams but came out of “review” three years ago and in 2007 had 22 teams.

Recruitment, retention and drop out factors

Exhibit 23 shows the sport is capable of recruiting very young players but as with most other sports it has difficulty in retaining them into the older age and senior grade levels. This needs to be addressed.

Further, the sport has very low number of women players. Other sports have shown that women are prepared to play sport, even tough physical ones but they need proper coaching, development programmes, pathways and structures to keep them in the sport.

Exhibit 23 Summary: Teams x age/grades (2002 – 2006)

Number of Teams x Age/Grades	2002	2006	Difference	
			Number	Percentage
6 – 11 years (mini – mods)	428	388	-40	-9.3
12 – 20 years	242	244	+2	+0.8
Senior (M)	241	262	+21	+8.7
Women	17	23	+6	+35.0
Total	928	917	-11	-1.2

Source: NZRL

Future infrastructure

“Running a 21st-century organisation with an outdated structure limits how well it can perform.”

The state of the districts is commented on in Section 2. In summary, with 13 of 15 (87%) of districts either struggling and unable to do more than they are currently doing, or capable and willing but lacking resources, it is evident the 15 district infrastructure in its present form is incapable of taking the sport forward.

This raises the question about an alternative regional infrastructure.

There are mixed views about this. The response to this question varied between the structure needs an overhaul and 15 districts is too many, to the number is right. Most however feel the structure needs to be looked at, 15 is too many and that district status has been granted too easily and in several instances, based on too few clubs with little or no eligibility criteria.

The Report notes other sports have looked at or are considering this question. For instance Bowls NZ is in the process of implementing a three regional administration structure while recasting its 27 centres as local competition committees.

Another example is hockey which has 32 regional associations but over time is evolving into the 8 national hockey league (NHL) system. There are plenty of examples of other sports' regional configurations. In terms of the number of districts, there is no 'right' number but it is noted that other sports are operating with fewer rather than more regions (Exhibit 24)

Exhibit 24 Other sports' regional structures

Sport	Regional Groups
Soccer	7 Federations
Squash	11 Districts
Surf lifesaving	9 Districts
Netball	12 Regions
Tennis	6 Regions
Equestrian	4 Federations

Source - various

Excessive numbers of regional systems (e.g. basketball has over 40) means duplication, spreading scarce resources thinly as well as the cost of providing services and programmes.

For NZRL's districts, essentially there are two relatively simple options to choose from – maintain the status quo or consider ways to improve the existing system.

Status quo or improvement?

The question to be asked is whether the 15 district system is working as well as it could, if not how can it be improved to achieve the best outcomes for the sport?

If the answer is "Yes", the system is working well then apart from the areas identified in Sections 2 and 3 about improving capability and services, nothing further needs to be done.

If the answer is "No", and the system can be improved materially, the question is, what needs to be improved; what is its impact on the sport's capability and growth strategy; how is it to be done; what other options, if any, are available; what resources and effort are required to achieve the strategy and will the gains outweigh the losses?

a) What needs to be improved?

Sections 2 and 3 spell this out in detail.

b) Its impact on the capability and growth strategy?

Positive – if it improves the present situation.

c) How is it to be done?

By providing quality services and implementing the very best delivery system possible.

d) Other delivery options?

The Report opens the way for NZRL, districts and clubs to examine and debate a range of options. No system is perfect but the critical issue is to develop one that will serve the best interest of rugby league over the next 15 – 20 years.

e) Resources and effort required?

Collectively the sport has a reasonable pool of resources. Even so extra resources will be needed. It will require commitment and buy in from districts and clubs to make it work properly.

f) Timeframe?

2 – 3 years to be fully locked in based on a series of planned and measurable steps.

g) Gains outweigh the losses?

Yes, if the right option(s) is implemented.

Options

In the context of retaining a regional infrastructure in one form or other, the following is an outline of options for consideration:

1. Status quo i.e. do nothing and hope all the districts will improve over time.
Evidence suggests the bigger ones will but the smaller ones will struggle/fail.
2. The above i.e. the status quo but provide improved services to all 15 districts as outlined in the Report.
This is a short term band-aid solution. It does not address the longer term capability issue. It will consume significant resources for marginal returns.
3. Encourage small districts to merge with larger ones, for example, Coastline and BOP.
It can be done but it will take time and there is no guarantee the districts that should combine, will.
4. Encourage districts to become part of a larger region, for example Otago and Southland.

This will only work if every district in the region agrees. For historical reasons it is unlikely this will happen unless it is encouraged/driven by NZRL as part of a national strategy.

5. NZRL to focus on the 5 - 6 larger districts (i.e. the more capable and better resourced) on the grounds that this is where the growth of the sport is and let the others run their competitions and generally focus on the growth and well being of the game locally as best they can.

This strategy is seen to favour a select few and does not help the others to improve their performance. It has the potential to create situations like Tasman.

6. Contract the larger districts to assist the smaller and less resourced ones by providing core levels of support services e.g. planning, accounting.

This has not worked for other sports (other than rugby and cricket where, for example NZ Cricket allocate \$6 - \$7 million a year to its six largest associations, part of which is used to assist minor ones).

7. A variation to this is to target a region where growth has declined and “contract” one of the larger districts to develop the sport/deliver services within that region, for example Canterbury and Tasman.

This strategy will need the support of the districts concerned and it will need to be monitored by NZRL with a clear understanding about the nature of the relationship and extent of support between the parties. It can work if it is resourced adequately.

8. Reduce the number of districts.

This would streamline the current 15 district structure, retain the local flavour, consolidate administration, reduce duplication and create greater player mass. It would need to be managed carefully otherwise it could alienate local members and lose the best of the local features in the process.

All eight options have advantages and disadvantages with the rider that options 1 - 5 do not provide a solution to the longer term capability issue.

There is a further option.

9. Retain 15 districts but establish a small group of professionally administered and adequately resourced ones to act as regional service centres to the others to help them to improve their administration capability by providing best practice advice and support.

Option 9 – a future districts infrastructure

This Report recommends an infrastructure capable of:

- a) Applying best practice governance and administration standards with the ability to deliver services and programmes among all of the districts and “down the line” to clubs, schools and the local community.

This can be achieved by establishing a small group of professionally administered and adequately resourced districts that are capable of assisting the other districts and their clubs to improve their governance, administration, planning etc standards.

- b) Delivering a competition format that meets the needs of the small and large districts.

This can be achieved by creating a competition format that:

- Meets the recreational and participation needs of the small districts and –
- The high performance needs of the larger ones.

- c) Creating new opportunities to grow the sport.

This can be done by creating new/additional competition centres from areas with high player densities and by developing areas with growth potential.

Based on the above, this Report recommends the following:

1. All districts should continue to be involved with their regional competitions (current or new), provide coaching, select regional teams and so forth.
2. A small group of strategically placed and better resourced districts should be utilised as regional service centres to provide administration support and advice as required to the other districts and their clubs. This does not preclude paid administration support also being provided to other district as appropriate.

The regional service centres would be based at the four largest districts – Auckland, Waikato, Wellington and Canterbury plus Taranaki (Exhibit 25). Others can be added if required. The service centres will be run out of the existing offices e.g. Auckland RL, Canterbury RL and so on.

Exhibit 25 Recommended regional service centres

Service Centre	Districts covered
Auckland *	Auckland area & Northland (Whangarei, Bay of Islands & Far North)
Waikato *	Coastline & BOP
Taranaki *	Manawatu
Wellington *	Hawkes Bay & Gisborne
Canterbury*	Tasman, West Coast, Otago & Southland
*base	

Although the focus of this Report is to improve the districts' administration and service delivery capability and not the competition structure, the service centre concept is flexible enough to allow it to be applied and/or modified to accommodate a new/revised district competition structure that may arise from the SPARC review.

In broad terms it would work as follows:

1. The arrangement would involve a *contract* between NZRL and the five service centres to deliver an agreed range of services to the districts and clubs in their area. The contract would contain performance measures and reporting protocols.
2. The contract would cover a range of core services e.g. administration support (if required), and other services specific to the needs of each district,
3. The cost of setting up and resourcing the regions would be funded in two stages:
 - Stage 1, establishment cost – years 1 - 3 funded by SPARC and trusts.
 - Stage 2, ongoing cost – years 4 on – funded by NZRL (this could be co - funded with the regions and districts by affiliation fees/levies).

The reason for involving SPARC in this manner is that it is likely to continue to be involved for at least three years to assist NZRL implement and monitor the recommendations from its Review and this Report.

4. At the end of the first two years SPARC and NZRL would jointly evaluate the performance of the service centre system.
5. To assist the service centre concept it is proposed that NZRL consider:
 - a) Creating greater critical player mass per district by reducing the number of existing districts through mergers/amalgamations (or similar mechanisms) e.g. Coastline and BOP, Otago and Southland.
 - b) Encouraging small districts to join with another sport and to share facilities and administration with them throughout the year, for example touch rugby (summer) and rugby league (winter). An example of this is Otago Rugby League and Otago Touch Rugby.
6. Contracting Canterbury Rugby League to assist Tasman Rugby League to get back onto its feet as a fully functioning district (on the grounds it is not good for the sport to have a defunct district or to have part of the country without a rugby league presence).

Properly resourced and staffed the proposed regional service centre structure would achieve a number of objectives. For instance it would:

- Improve the existing system and make it more functional.
- Provide support and advisory services to those districts that require it.

- Enable an aligned and integrated approach in the services delivered by the national office to the districts and from them to the clubs in a manner tailored to meet their specific needs.
- Clearly define who is responsible for delivering what with accountability for results.
- Enable direct reporting by the regions to the national office with an ability to respond quickly.
- Retain the districts to grow club participation and organise local/regional competitions, select teams.
- Create a high performance competition structure and culture with player and coach pathways.
- Strengthen the role of the C/DOs by incorporating them into the new structure.

Option 9 has advantages and disadvantages:

Advantages

The service centres will enable the sport to achieve a number of objectives.

- A more focused and consistent approach in the development and delivery of national strategies, programmes and services.
- A higher level of (regional) professional administration and management.
- Reduce administration and operational duplication with the aim that cost savings can be redirected back into the sport.
- Employ paid professional managers/administrators
- Continue to utilise the commitment and knowledge of volunteers.
- With the C/DOs build stronger links between clubs and districts and NZRL.
- Assist districts to create additional value to clubs and deliver to them what they need, when and in a user friendly manner.
- Ensure the local/regional ownership and flavour of the sport is retained.
- Open the way to rationalise the number of districts in the future, while in the interim it enables a higher level of service and professionalism to be available to the sport than is currently the case.

Disadvantages

- Perceived loss of status by the smaller districts.
- Cost and time of implementing the new structure.
- A more centralised approach to sport management.
- Changing a traditional part of the administration of rugby league.

The clean sheet of paper test

Ideally if the “clean sheet of paper” test was applied to the regional structure of rugby league, and knowing what people know today, it is likely it would not be the same as it is today.

It is likely the structure would be based on the approach of “what is best for the sport” to ensure it is in the best possible shape for the 21st Century.

Based on *Drivingforces* experience with many other sport organisations, it is likely the districts would be replaced by a streamlined, well resourced and professionally managed structure that is capable of delivering high quality programmes and services to the sport from the national office to clubs (the coalface of sport), nationwide.

Option 9 comes close to this and offers a better longer term structure than the current one.

Recommendation 3

It is recommended that to enable rugby league to grow and to optimise the quality and delivery of services to support its Districts:

- **NZRL to establish the regional service centres as per option 9 in this Report to deliver support and advice to Districts and clubs.**
- **The service centres to complement the competition structure.**
- **The cost of setting up and resourcing the service centres to be funded in two stages**
 - **Stage 1, establishment cost – years 1 - 3 funded by SPARC & trusts.**
 - **Stage 2, ongoing cost – years 4 on – funded by NZRL (could be co - funded with the regions and districts).**
- **At the end of year two (2) SPARC and NZRL to evaluate the performance of the new District structure and service centre system.**
- **In the interim the Districts to implement the capability improvement strategic actions as recommended in Sections 2 & 3 of this Report.**

Guarantees and safeguards

Should a decision be made to change the structure it is suggested that guarantees and safeguards be considered as part of the change process. For instance this could include safeguarding local funds, maintaining historically/traditionally based local/regional events, retaining people currently employed and local sponsors.

Section 4

Findings and Recommendations

Indicative Resources

Section summary

Implementing changes to the district structure as part of the sports' growth strategy means changing the way things have been done over many years. This Report believes there is support for change providing it is done properly and produces tangible benefits.

Planning and managing growth

Change will need to be managed properly. To start the process, a broad indication of the resources and cost are set out below.

Separate from this and in the expectation of growth, it is proposed that NZRL constructs a model of the optimal resources required by the regional service centres (as well as the other districts) over the next 3 - 5 years. It is suggested NZRL consider the one done by Hockey NZ (referred to earlier in this Report) as a starting point.

It is also proposed that NZRL set up a project team to manage the change process.

Indicative resources and costs to implement the regional service structure

The main cost is people. To achieve service centre status in most instances additional paid staff with the appropriate skills will be needed. The possible exception to this may be Auckland who is already well staffed.

It will be up to each CEO/GM to determine the final make up of their staff. Volunteers' will act in support roles for paid staff e.g. assistant coaches to run regional coaching clinics, coordinate referee clinics, organise local/regional competitions, raise local funds to support representative teams and so on.

Exhibit 26 is a *broad indication* of the staff and money to set up the proposed service centre system as outlined on page 79. Administration support to other districts will need to be costed in.

Exhibit 26 Service centres indicative resource requirements

Staff (FTE)

Current (average) = 2 – 3 people - CEO/GM, administration support and a C/DO

Proposed:

a) Administration (2.5)

- CEO/GM (FT)
- Administration Officer (FT) administration, coaching/development staff support and member services.
- Finance Officer (PT) – responsible for the management of the accounts, financial reports and investment of funds.

b) Coaching & Development (3.0 - 4.0+) (plus contract/volunteers)

- Regional Development Officers (RDO) - (2 x FT) - coordinate and oversee implementation of coaching programmes, referee development, club capability and member services.
- HP Coach (FT) - responsible for talent development and HP culture, including coach, player and sports science development.
- Coach Assistants (1 - 2 per district, contract or volunteer) – responsible for developing junior/school league.
- Referees – coordinated by RDO (and/or advisory committee), responsible for programmes to increase number and quality of referees.

c) Facilities (0.5)

- Facilities – Turf/pavilion caretaker and bar- (where applicable) (1 x PT - contract or volunteer).

Total core staff = 6.0 – 7.0

Finances

An indicative additional cost of the 5 service centres is approximately \$1.5m per year.

This figure is based on

- Fully gearing up 3 regional centres – Waikato, Wellington & Canterbury
- Providing additional support to Taranaki
- Providing additional support to Auckland (if it is needed)

The additional cost of employing 3 – 4 more staff includes salaries, office accommodation, supplies, travel and related expenses (accommodation), equipment (one off) and the preparation and delivery cost of programmes/services.

Recommendation 4

It is recommended that should the regional Service Centre concept be adopted, NZRL to do a detailed change plan with a more definitive resource and costing plan.

Further, NZRL to construct a model of the optimal resources required by the regional Service Centres and Districts over the next 3 - 5 years.

Section 5

Implementation and Timeframe

Section summary

This section sets out a broad implementation strategy tied around a 2 – 3 year timeframe.

Implementation

Recommendation 1: Is not expensive and can be implemented relatively easily and quickly.

Recommendation 2: The “One Stop Service Shop” concept, will take more time to set up but given the resources already available from NZRL, SPARC, RSTs and existing rugby league districts, especially Auckland, NRL and its overseas counterparts, it should be more of a matter of gearing up rather than starting from scratch.

Recommendation 3: Will need time to be considered and if change is agreed it ought to be done on conjunction with the recommendations from the SPARC review.

Recommendation 4: Should be done in conjunction with recommendation 3.

Timeframe

In terms of a timeframe, this will be subject to the SPARC review and recommendations and decisions arising from it.

In terms of this Report’s recommendations it is proposed that NZRL’s Board consider a final implementation timetable subject to the SPARC Review and this Report undergoing the normal approval processes.

Note: *Several districts are further advanced than others. Subject to the willingness of the parties concerned (including NZRL) and if resources permit, there is no reason why they ought not to push ahead with the implementation of recommendations 1 and 2.*

Conclusion

It is prudent policy for every board to periodically examine the way their organisation operates.

It increases the chance of success and reduces the chance of failure; implemented properly it means no surprises; avoiding surprises is a key task of boards and management and in this context capability evaluations should be part of every NSO policy framework.

This Report identifies a number of issues that some people in the sport may find difficult to accept. It puts forward recommendations that require careful consideration, not because they do not make sense – they do – but because they mean change.

It has been written with the good of the sport in mind and in particular the next generation of players. They deserve to inherit a sport that is in top shape in every sense – playing, coaching, leadership, administration and all the other elements that make up a successful sport.

It believes rugby league has the ability to address the wider and strategically important issues of sustaining, planning and managing growth, providing services, maintaining the “right” balance between its On and Off Field requirements and creating strong, durable links and structures between clubs, districts and the national office.

In this regard this Report is as much about leadership and decision making as it is about growth, member services and delivery infrastructure. If the Report results in debate about the future shape of rugby league and if this results in improvement then it has done its job.

Finally:

“Let’s be positive, over 160 adults and 500 children played rugby league on the West Coast in 2007. Enthusiasts, be they players or otherwise, enjoyed the local club rep football and the special fraternity that is rugby league. Our sport is a West Coast institution. There is no reason why things can’t be even better in 2008 and beyond.”

This Report agrees.

Attachments

1. List of Districts

Auckland RL

Bay of Plenty RL

Canterbury RL

Coastline District RL

Gisborne Tairāwhiti RL

RL Hawkes Bay

Manawatu RL

Northland RL

RL Otago RL

Southland RL

Taranaki RL

Tasman RL

Waikato RL

Wellington RL

West Coast RL

2. District capability survey



DRIVINGFORCES
Adding peak performance to business practice

Capability Evaluation

Survey: NZRL Districts

May 2008

Name of District.....

Name & position (Chair, GM) of the person filling in the survey.....

1. Introduction

This survey follows Peter's email to you about the capability evaluation. The purpose of the evaluation is to take the administration of the District's to another level in their development by identifying areas that are going well (and building off them) and areas for improvement.

It would be appreciated if you would complete this survey and return it to me by email/post or fax by **Friday 6 June 2008**.

My contact details are:-

Email: chris.ineson@drivingforces.co.nz

Fax: (06) 364 2225

Post: 195 Sims Rd, Te Horo, Otaki 5581

Phone: 021 220 0178 (M) or 06 364 2225

The survey is a "Yes"/"No" type but provision has been made for you to comment further under the "Comment" section. Several sections ask you to give a rating on a scale of 1-5 (poor – excellent).

The Survey covers 19 areas from leadership and governance, administration, planning and communications through to volunteers. It is not intended to be exhaustive but to give an *indication* of your current capability and future requirements.

The survey will be supplemented by a consultation process from which a report will be prepared. The report will address generic issues raised by the Districts. The report will *not* comment on issues specific to your District although it may refer to areas of excellence.

2. Research Material

I would appreciate it if you would email to me

- copy of your latest annual report
- your latest set of accounts
- minutes of your last two board/executive meetings
- staff list (including full time and part time) and brief job descriptions
- copy of your current strategic and business plans
- copy of your constitution
- a list of clubs and contact details

3. Club survey

As part of the review a representative sample of clubs will be surveyed. I would be grateful if you could forward a list of the clubs in your District and contact details (name of the Chair and/or President, email address and phone/fax numbers).

Note: This applies only to Districts with clubs.

4. Consultation

At a time to be arranged I would like to discuss with you in person or by phone the main issues arising from the survey and in particular your thoughts about the District system. Comments raised in the consultations will be treated in confidence.

Please contact me if you have any queries or points of clarification about the evaluation or the survey.

Thank you

Chris Ineson

NZRL District Capability Evaluation

Explanatory Notes:

1. The following questions are predominantly “Yes” and “No” type but provision has been made for you to add your comments in the “Comments” section.

Where a rating is required would you please use a scale of 1- 5.

1=poor

2=satisfactory

3=good

4=very good

5=excellent

2. Capability is defined as your District’s ability to do its job competently and professionally
3. Board and/or Management Committee is the body responsible for the governance of the District
4. Staff = paid management/administrator/secretary – may be full or part time.
5. Volunteers = people who perform the function of paid staff e.g. secretary, treasurer -may be paid an honorarium
6. Added value = your District’s ability to improve and/or increase the value of what it does in terms of services and programmes it delivers “down the line” to clubs, schools and the local community
7. Delivery = the distribution of national and regional programmes and services by your District to clubs, schools and the local community
8. Services and Programmes
 - On the Field = relate to the sport/playing aspects of the game e.g. coaching, player development, competitions etc
 - Off the Field = relate to the business/administration aspects of the game e.g. governance, planning, financial management, sponsorship, communications, stakeholder and media relations etc
9. Finally, please remember this is a survey of the District’s capability. It is not a survey of your capability or that of paid staff or volunteers.

Survey

1. Constitution

- 1.1. Is your District an incorporated society? Yes /No
If not what is its legal status?
- 1.2. It has a written and updated constitution? Yes /No
- 1.3. The constitution has been updated in the last 3 years to reflect modern sport management practices? Yes /No
- 1.4. If not, when was it last reviewed?.....
- 1.5. You refer to your constitution on constitutional matters? Yes /No
- 1.6. Every board/ management committee member has an updated copy? Yes /No
- 1.7. It has a code of conduct with clear disciplinary procedures? Yes /No

Please comment further –

2. Governance

a) Board/Management Committee

- 2.1. Is the District's governing body
- a board? Yes /No
 - an executive/management committee? Yes /No
- 2.2. How many are there on the board/committee.....
- 2.3. How many are
- elected?.....
 - appointed/co opted?.....
- 2.4. The board/management committee provides leadership and direction to achieve the District's objectives? Yes /No
- 2.5. It clearly understands its role and responsibilities to member clubs? Yes /No
- 2.6. Regularly identifies the skills it needs to do its job? Yes /No
- 2.7. Evaluates its performance regularly? Yes /No
- 2.8. Monitors and formally reviews the performance of CEO/administrator Yes /No
- 2.9. Monitors the organisation's risk? Yes /No
- 2.10. How do you rate the board/committee's overall performance (scale of 1 – 5)?

Please comment further –

b) Sub Committees

- | | | |
|------|---|---------|
| 2.11 | Do you have sub cmtes and approximately how many? | Yes/No |
| 2.12 | More people stand for them than positions available? | Yes /No |
| 2.13 | They have terms of reference? | Yes /No |
| 2.14 | Their workload is manageable? | Yes /No |
| 2.15 | How do you rate the sub cmtes value (scale of 1 – 5)? | |

3. Meetings

- | | | |
|------|---|---------|
| 3.1. | The board/committee meets regularly?..... | Yes /No |
| | How many times a year does it meet? | |
| 3.2. | Papers and agendas are circulated prior to each meeting?..... | Yes /No |
| 3.3. | Minutes are taken of every meeting (including teleconferences)?..... | Yes /No |
| 3.4. | Minutes are used as the basis of follow up action? | Yes /No |
| 3.5. | It reports on the organisation’s performance – governance, operational and financial - to members annually at the AGM?..... | Yes /No |
| 3.6. | Please rate the quality of the management of meetings (1 – 5) | |

Please comment further –

4. Administration

a) Capability

- | | | |
|------|--|---------|
| 4.1. | The District has paid CEO, administrator or other forms of admin support?..... | Yes /No |
| 4.2 | Staff have job descriptions?..... | Yes /No |
| 4.3 | Staff have training to improve their skills?..... | Yes /No |
| 4.4 | CEO appraises the performance of staff & key volunteers?..... | Yes /No |
| 4.5 | Staff/volunteers have | |
| | • resources to do their job properly?..... | Yes /No |
| | • skills to do their job competently? | Yes /No |
| | • training to improve their skills?..... | Yes /No |
| 4.6 | Is the number of staff/vols sufficient for the smooth running of the District? | Yes /No |
| 4.7 | Is the current number sustainable in the future? | Yes /No |
| 4.8 | District employ/contract people with marketing and sponsorship and fundraising skills?..... | Yes /No |
| 4.9 | Office systems/processes and equipment/facilities are regularly upgraded i.e. within the last 3 years? | Yes /No |
| 4.10 | The board/committee and management are aware of their health and safety and HR responsibilities? | Yes /No |

4.11 The work environment takes into account the health and safety of staff/volunteers? Yes /No

4.12. Please rate the quality of the administration of the District (1 - 5).....

Please comment further –

b) Number of Administration Staff & Volunteers

4.13 Please advise the number of -

a) Paid administration staff employed by your District, their positions and whether they are full, part time or contract

 FT _____

 PT _____

 Contract _____

 b) Volunteer administration, their positions and whether they are paid an honorarium _____

5. Delivery Infrastructure

5.1. It has an effective infrastructure to deliver regional programmes/services to clubs & schools and the local community? Yes /No

5.2. The District has the resources and personnel to do it properly? Yes /No

5.3. The District's programmes/services are aligned and integrated with national (NZRL) strategy? Yes /No

5.4. The District's programmes/services are designed to meet local conditions and needs? Yes /No

5.5 Please rate the quality of the District's delivery capability (1 - 5)

Please comment further –

6. Plans & Policies

a) Strategic

6.1. The District has a written current strategic plan and operates by it? Yes /No

- 6.2. The board/committee has reviewed/updated it within the last 3 years? Yes /No
- 6.3. The plan has been fully costed and includes a budget? Yes /No
- 6.4. The strategic plan forms the basis of the annual business plans? Yes /No
- 6.5. The District has the resources (money, skilled people, equipment etc) to implement the plan? Yes /No
- 6.6. The plan's performance is regularly monitored and evaluated by the board/committee? Yes /No
- 6.7. Please rate the quality of the strategic plan (1-5)

Please comment further –

b) Business

- 6.8 A business/operating plan is developed for each financial year? Yes /No
- 6.9. The business plan ties back to the strategic plan? Yes /No
- 6.10. The plan includes full financial details e.g. income/expenditure, budget and cash flow? Yes /No
- 6.11. The board/committee formally approves and monitors the business plan? Yes /No
- 6.12. The appropriate staff/volunteer report regularly to the board/committee on the implementation/performance of the plan? Yes /No
- 6.13. Please rate the quality of the business plan (1-5).....

Please comment further –

c) Other

Do you have a –

- Communications plan? Yes /No
- Media plan? Yes /No
- HR plan? Yes /No
- IT plan? Yes /No
- Other plans? – stipulate Yes /No

d) Policies

- | | | |
|------|---|---------|
| 6.14 | The District has written and up to date policies? | Yes /No |
| 6.15 | Members are advised about them? | Yes /No |
| 6.16 | Policies are reviewed regularly? | Yes /No |
| 6.17 | Members are consulted/involved in policy development? | Yes /No |

7. Finances & Financial Management

- | | | |
|------|--|---------|
| 7.1. | The board/committee approves and monitors the organisation's annual financial plan as part of the business plan? | Yes /No |
| 7.2. | The appropriate staff/volunteer provides up to date and accurate financial reports for each board meeting? | Yes /No |
| 7.3. | The board/committee approves the financial report and this is minuted?..... | Yes /No |
| 7.4. | There is a member of the board/committee with financial/accounting skills? | Yes /No |
| 7.5. | The financial accounts are audited each year? | Yes /No |
| 7.6. | The board/committee reports to members each year on the organisation's financial performance?..... | Yes /No |
| 7.7. | Please rate the quality of the financial management of the District (1 - 5)..... | |

Please comment further –

8. Volunteers

- | | | |
|-------|--|---------|
| 8.1. | There is a volunteer data base?..... | Yes /No |
| 8.2. | There is an induction/ training programme for volunteers?..... | Yes /No |
| 8.3. | Volunteers receive the District's newsletters and communications to other members?..... | Yes /No |
| 8.4. | There is a manual on volunteer recruitment and management? | Yes /No |
| 8.5. | The contribution of volunteers is recognised in the appropriate manner?..... | Yes /No |
| 8.6. | Has the number of volunteers increased/decreased over the last 5 years and by how much (percentage)..... | |
| 8.7. | Is it sufficient to meet the District's current <u>and future</u> administration, bar, grounds and caretaking etc functions? | Yes/No |
| 8.8. | Are the hours worked by volunteers sustainable over the next 3 – 5 years? | Yes/No |
| 8.9. | Is it difficult to recruit and retain volunteers? | Yes/No |
| 8.10. | Do volunteers prefer to do On Field or Off Field work?..... | |

8.11 Please rate the quality of the management of volunteers (1 - 5).....

Please comment further –

9 Links and Relationships

9.1 The District has created links and/or relationships with?

- Other Districts? Yes /No
- Schools? Yes /No
- Parents? Yes /No
- Regional Sports Trust? Yes /No
- NZRL? Yes /No
- Other local sport groups? Yes /No
- Local/community trusts? Yes /No
- Local/regional sponsors? Yes /No
- Local media? Yes /No
- Local/regional business? Yes /No
- Local community? Yes /No
- Local city council/authority? Yes /No
- Other (stipulate).....

9.2 Please rate its relationships with key stakeholders (1 – 5).....

Please comment further –

10. Benchmarking and Best Practice

10.1 You understand what benchmarking and best practices mean? Yes /No

Give 2 examples of both–

10.2 You benchmark your District against other Districts? Yes /No

10.3 Do you benchmark the clubs in your District? Yes /No

Please comment further –

11. Programmes & Services

11.1 What programmes and services does your District currently deliver to clubs & schools?

Give 2 examples

- On Field
 - Off Field
-
-

11.2 How would you rate (1 – 5) -

- On Field programmes/services?
- Off Field programmes/services

11.3 How would you rate your District's ability/capability to deliver services to the level/standard expected by –

- (a) NZRL (1 – 5)
- (b) Clubs/schools (1 – 5)

11.4 Do you monitor, measure, and evaluate the effectiveness/result of the services delivered?

Yes /No

11.5 If Yes, how?

11.6 If No, do you plan to?

Please comment further –

12 Resources

12.1 Do you have the resources to do your core business competently?

Yes /No

12.2 If No, please list the main resources required to enable you to do this.

12.3 Please list the resources you feel you will need over the next 5 years to enable your District to improve its services to clubs & schools

12.4 Who should pay for them – players (via levies), user pays, trusts/sponsors, NZRL?

13. Value for Money

13.1. Does NZRL provide value for money to your District?..... Yes /No

Give 2 examples

13.2 On a scale of 1 – 5 please rate its value

13.3. Does your District give value for money to clubs/schools? Yes / No

Give 2 examples

On a scale of 1 – 5 please rate your District's value to clubs/schools

Please comment further -

14. Delivering Added Value & Member Satisfaction

14.1. Does your District have the capability and resources to -

a) increase its current range of programmes/services to clubs/schools? Yes /No

b) add value?..... Yes/No

14.2 The District conducts satisfaction surveys of members?..... Yes/No

14.3 If no, do you plan to? Yes/No

14.4 If yes, please rate the members' satisfaction from the most recent survey (1 – 5)

Please comment further

15. Communications

15.1 How often does your District communicate with its clubs/schools?.....

15.2 What is the main form of communication – letter, email, newsletter, in person etc?

15.3 How often does a District board/committee or staff visit member clubs?.....

15.4 Please rate its communications (1 - 5)

Please comment further

16. Coaching & Development Officer (CDO)

16.1 Is the CDO being used to best effect? Yes /No

16.2 If not how could they be used better?

Give 2-3 examples

16.3 Rate the value (not the performance) of the CDO

17. E - technology

17.1 There is internet access and a computer? Yes /No

17.2 The District has a website and e-mail address? Yes /No

17.3 Is membership database in a spreadsheet system? Yes /No

17.4 The District uses an accounting software package? Yes /No

17.5 If yes, does it have a membership package? Yes /No

17.6 It generates invoices for members' annual subscriptions? Yes /No

Comment

18. Strengths & Weaknesses

18.1 Do you feel your District is strong? Yes /No

Why is it strong?

18.2 Do you feel your District is struggling? Yes /No

Why is it struggling?.....

18.2 What areas need assistance e.g. planning, fund raising strategies etc?

19. General Comment/Other Issues

Are there any issues not covered above that you want to comment on further? If so please note them below and/or please raise them during our discussion.

Reminder: Please email/post (or fax) your replies to me by **Friday 6 June 2008** and please do not forget to email/post the research material (refer page 2).

If you have any queries or want further clarification of any of the above please do not hesitate to contact me.

Thank you

Chris Ineson

3. Summary of strategic actions & recommendations

Section 1 Improving the districts' core capability

Strategic action 1

Each District should ensure that:

- Their constitution reflects best governance practice.
- The board acts within their legal/constitutional powers.
- Their constitution are reviewed every 3 -5 years.
- Each board member has an updated copy of the constitution and it is referred to on all constitutional matters.
- Further, in time NZRL should develop a standard best practice constitution for all of its Districts.
- Appropriate codes/policies with sanctions are in place and are followed.

Strategic action 2

Where it is not already being done, District boards should introduce different perspectives and skills to board decision making by appointing external (i.e. non club) board members.

Strategic action 3

To improve organisational performance, NZRL and Districts should introduce professional development programmes with budgets for the board members and staff/key volunteers.

The development programmes should reflect the size, governance structure, management/administration capability and resources of the District.

Strategic action 4

Districts should review the way their meetings are structured to ensure adequate time is given to the longer term strategic and policy issues.

If they are not already doing so, each board should develop an annual work agenda and review their meeting agendas to ensure important matters are given priority.

Strategic action 5

Each District should regularly review (every 3 – 5 years) their administration practices and resources and update them if necessary.

Consideration should be given by:

- NZRL to conducting and/or facilitating with RSTs a conference/workshop to improve the administration skills of the Districts.
- Districts doing the same for clubs.

Strategic action 6

To help improve the quality and consistency of planning:

- Each District should formally develop and implement strategic and business planning as part of their core activity.
- NZRL should develop a simple strategic and business planning template.
- For purposes of quality assurance and monitoring performance, NZRL should receive copies of each District's strategic and business plan.
- To improve their planning capability, workshops should be initiated by NZRL or via RSTs or external consultants - on strategic and business planning.
- Districts should have the same planning expectations of their clubs.

Strategic action 7

To help improve the quality of financial management and to create consistency across each District, NZRL should work with Districts to introduce:

- A software system that creates a standard chart of accounts and financial reporting format for the Districts.
- A benchmarking programme similar to Squash NZ's Waikato Management School annual benchmarking survey.

Districts should continue to send their annual accounts to NZRL for the year end audit.

Strategic action 8

Every District should ensure it:

- Has basic policies on the financial management of its funds, including the amount of surplus and reserve/accumulated funds.
- Have sufficient reserves to cover 3 months operating costs.

Strategic action 9

To improve the management of volunteers NZRL and District should:

- Obtain copies and use the NZ Federation of Voluntary Welfare Organisations publication on managing volunteers and/or SPARC's "Running Sports Modules – Volunteers".
- From this develop and implement policies on volunteer recruitment, induction and management.
- NZRL should conduct workshops for Districts on volunteer management.
- Districts should conduct similar workshops for their clubs.

Strategic action 10

As part of their annual business plan the Districts should:

- Focus on building relationships with high value/important community groups.
- As an alternative to trust funds, work with NZRL to create a national sponsorship strategy.
- Utilise local sponsorship opportunities and assist clubs to do the same.

Strategic action 11

In conjunction with the Districts, NZRL should prepare a set of guidelines with templates for the Districts on how to measure the effectiveness of key programmes and services they provide to clubs.

Strategic action 12

NZRL should conduct a review of:

- The effectiveness of its communications strategies.
- The image of the sport among its key target audiences, including sponsors, funders and parents.

To make optimal commercial use of the website and related communications technologies, NZRL and the Districts should develop a joint national “look and feel” website strategy.

Strategic action 13

NZRL and districts should develop plans to standardise their hardware equipment and software programmes as part of the process of improving their database and financial management and as a step toward implementing benchmarking.

Strategic action 14

As part of a strategy to help the Districts to improve their performance:

- NZRL should conduct an annual benchmark of key performance indicators (quantitative and qualitative).
- As a starting point NZRL should access Squash NZ’s benchmark programme.
- As part of the process, NZRL should involve the Districts in the above by way of a working party or other consultation mechanism.
- In time the working party should consider the feasibility of the Districts doing the same with clubs.

Recommendation 1

It is recommended that NZRL and the Districts implement the capability strategic actions outlined in this Section of the Report.

Section 2 Improving the districts' service capability

Strategic action 15

To improve the services to clubs, NZRL and the Districts should:

- Evaluate what services they currently provide and identify and prioritise gaps that need to be filled.
- Develop a schedule of the resources needed to enable them to become regional Service Centres and a plan with a timeframe and budget on how they intend to implement it.
- Conduct regular surveys of clubs satisfaction of the services and areas for new/improved ones.

Recommendation 2

It is recommended that NZRL and Districts implement the strategic actions in Section 3 of the Report about improving the services to clubs as regional Service Centres.

Section 3 Improving the districts' delivery infrastructure capability

Recommendation 3

It is recommended that to enable rugby league to grow and to optimise the quality and delivery of services to support its Districts:

- NZRL to establish the regional service centres as per option 9 in this Report to deliver support and advice to Districts and clubs.
- The service centres to complement the competition structure.
- The cost of setting up and resourcing the service centres to be funded in two stages.
 - Stage 1, establishment cost – years 1 - 3 funded by SPARC & trusts.
 - Stage 2, ongoing cost – years 4 on – funded by NZRL (could be co funded with the regions and districts).
- At the end of year two (2) SPARC and NZRL to evaluate the performance of the new District structure and service centre system.
- In the interim the Districts to implement the capability improvement strategic actions as recommended in Sections 2 & 3 of this Report.

Section 4 Resources

Recommendation 4

It is recommended that should the regional Service Centre concept be adopted, NZRL to do a detailed change plan with a more definitive resource and costing plan.

Further, NZRL to construct a model of the optimal resources required by the regional Service Centres and Districts over the next 3 -5 years.



This report was compiled by Chris Ineson of Driving Forces
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