

## Introduction

The purpose of this paper is to set out the proposed Resolution to adopt and implement the recommendations made in the report of the Independent Review of the Constitution, Governance Structure and Processes of the New Zealand Rugby Union released on 31 August 2023.

### Draft Resolution to adopt the Review Panel Recommendations

To adopt the following governance proposal and all consequential changes to the New Zealand Rugby Union Incorporated (**NZR**) constitution:

#### 1. NZR Board composition & term

- 1.1. The NZR Board will comprise nine independent members. Independence will mean that Board members may not concurrently hold any Affiliated Body, Super Rugby Entity or Players Association employment, office, or Board<sup>1</sup> position, nor may they be employed by or hold office within NZR or New Zealand Rugby Commercial LP<sup>2</sup>. The definition of Independent at clause 22 of the constitution will therefore be amended to include references to a Super Rugby Entity<sup>3</sup>, the New Zealand Rugby Players Association and New Zealand Rugby Commercial LP and definitions of those terms will be inserted.
- 1.2. All positions will be open to application by any person (subject to Companies Act / Incorporated Societies Act restrictions). To achieve this, provisions relating to Elected Board Members and Nominated Board Members will be removed, and all Board positions will be appointed Board Member positions.
- 1.3. All Board positions will be appointed by the Appointments Panel (**AP**), and subject to ratification by the Affiliated Bodies, either by Postal Vote (in relation to 2024 or in relation to out-of-cycle appointments occurring more than 3 months before an AGM) or at the next Annual General Meeting (**AGM**).
- 1.4. Existing Board members whose terms are not due to complete at the 2024 AGM and who wish to serve the remainder of their current terms will advise the initial AP, which shall determine if it is in the best interests of NZR that;
  - a. the existing Board Member should continue in office for the remainder of his or her term (subject to clause 9.8 of the constitution); or
  - b. the existing Board Member should be assessed against other possible candidates.

In making these determinations the initial AP will have regard to the criteria set out in Skills and Competency Framework and in clause 5 below. If the initial AP makes a provisional determination under a. above, they shall notify the Affiliated Bodies and provide a period of seven days in which written objections will be received. Any objections received will be assessed by the initial AP before a final determination is made. Any Board members recommended by the initial AP to complete their terms

---

<sup>1</sup> An exception will be included to allow for a member of the NZR Board to continue to sit on the Māori Rugby Board as the NZR representative (as the Māori Representative does currently) to provide an effective governance link between the two Boards.

<sup>2</sup> An exception will be made to allow for NZR board members to continue to sit on the NZRC Board as NZR representatives.

<sup>3</sup> Currently Blues, Chiefs, Hurricanes, Crusaders and Highlanders.

pursuant to this clause will be included in the ratification process for all Board members once the candidates for the remaining Board positions have been selected.

1.5 All current Board members will continue to serve until they are either ratified or their replacement is ratified pursuant to clause 1.3.

## 2. Stakeholder Council

2.1. A cross-sector consultative body will be established, referred to here as the Stakeholder Council, with its final name to be agreed.

2.2. The Stakeholder Council will be established as outlined below, and further refined by NZR and other rugby stakeholders, over a period of up to 12 months. It will comprise up to twelve representatives of stakeholders of rugby in NZ plus an independent non-voting chair, including (but not limited to) the following stakeholder groups:

- a. Three Provincial Union Representatives (one Heartland Championship representative, and two NPC Union representatives).
- b. One representative of The New Zealand Māori Rugby Board (NZMRB).
- c. One representative of New Zealand Super Rugby Entities.
- d. One representative of the New Zealand Rugby Players Association.
- e. One representative of Tausoa Fa'atasi NZR Pasifika Advisory Group (or independent Pasifika Rugby entity recognised by NZR and the Affiliated Bodies, if one is formally established in future).
- f. One representative of NZ Rugby Foundation.
- g. Representatives from such other stakeholder groups as are agreed upon during the co-design process with the intent to include representatives from youth, schools and women's rugby.
- h. An independent Chair who will be non-voting and will be appointed by NZR in consultation with the other members of the Stakeholder Council.

2.3. The Stakeholder Council will:

- a. For the 2026 AGM onwards, review annually the updates to the Skills and Competencies Framework and the Needs and Priorities Statement proposed by the NZR Board.
- b. For the 2026 AGM onwards, select annually two members of the AP for the Board appointment process, on the basis that collectively the two appointees will bring a knowledge of rugby at all levels of the game in New Zealand including provincial rugby, Super Rugby, school rugby, women's rugby, and club rugby.
- c. Provide stakeholder perspectives that will inform the Board's strategic thinking.
- d. Act as a forum for cross-sector conversations and networking across rugby.

2.4. For the avoidance of doubt, the two people selected by the Stakeholder Council for the AP are not required to be members of the Stakeholder Council but must satisfy the criteria set in clause 3.

2.5. The final size, composition and mandate of the Stakeholder Council will be further refined by NZR and the Affiliated Bodies in consultation with other rugby stakeholders, and in accordance with the Review Panel recommendations, during the next 12 months and will be subject to constitutional approval by the Affiliated Bodies at the 2025 Annual General Meeting.

### 3. Appointments Panel

3.1. The AP will consist of:

- a. Two members appointed by the Stakeholder Council in accordance with Clause 2.
- b. One member appointed by the NZR Board (not being a continuing NZR Board member or a staff member).
- c. Two independent members nominated by NZR after consultation with the Institute of Directors, and approved by the members appointed pursuant to a. and b. above. These independent members must be experienced in governance of organisations of a similar size and complexity to NZR as well as in selecting directors and /or senior executives, and at least 1 must be female if a female member has not been appointed pursuant to clause 3.1 a. or b. above)

3.2. In selecting AP members, due regard must be given to diversity of thought and experience, gender, and ethnicity, recognising in particular the unique status of Māori as Tangata Whenua and the importance of knowledge and connection with Te Ao Māori for rugby in New Zealand. It is expected that the appointing parties will consult to achieve, as far as is practical, the desired diversity.

3.3. All AP members shall have a strong background in governance including as a director of organisations of relevant size and complexity to NZR.

3.4. The AP members will elect one of the independent members as the Chair, who will have a casting vote.

3.5. The maximum continuous term on the AP for members appointed by the Stakeholder Council is three years.

3.6. The AP will consult with the Chair of NZR (or other board member if the Chair is being considered for reappointment) as part of the appointments process.

3.7. Initial Appointments Panel

- a. In order to complete the Board selection processes in 2024 and 2025 and thereafter until the Stakeholder Council is finalised and approved at a general meeting, an initial AP will be established:
  - i. to carry out the functions of the AP; and
  - ii. to carry out the role of the Stakeholder Council to review the Skills and Competencies Framework and the Needs and Priorities Statement proposed by the NZR Board.Thereafter the initial AP will be replaced by an AP constituted in accordance with clauses 3.1 to 3.6 above.
- b. The initial AP will comprise:
  - Julia Raue (Chair)
  - Whaimutu Dewes
  - Rob Fisher
  - Peter Kean

Dame Farah Palmer  
Caren Rangi

- c. If one or more members of the initial AP are unavailable to serve, the remaining members will appoint a suitable replacement.

#### **4. Process**

- 4.1. The AP or initial AP shall only select and put forward to the AGM for ratification the number of candidates required to fill the current Board vacancies. Ratification will be by simple majority, with voting to be based on one vote per voting Member (Affiliated Bodies currently).
- 4.2. If a candidate selected by the AP is not ratified by a majority of voting members, the selected candidate will not become a Board member, and the AP must select another candidate (and may recommence its process to find such candidate in full or in part if it considers it necessary). Ratification of the replacement candidate will occur by postal ballot as soon as possible. The position will remain vacant in the interim.

#### **5. Overarching Constitutional Statements**

- 5.1. The following statements will be included in the Constitution:
  - a. At all times the Board must collectively demonstrate:
    - i. an understanding and appreciation of the role of Te Ao Māori in New Zealand Rugby; and
    - ii. sufficient rugby knowledge and expertise relating to rugby at all levels of the game in New Zealand from community to elite professional rugby, including experience and understanding of the issues and challenges facing rugby in New Zealand.
  - b. The Board must reinforce the importance of a diverse culture by:
    - i. Including both demographic diversity and diversity of thought and perspective;
    - ii. bringing expertise and awareness of gender or cultural issues through lived experiences and the ability to advise on matters specific to the needs of different parts of the game in NZ; and
    - iii. having strong relationships across Māori and Pasifika that will help strengthen the connection to these communities and, in turn, their connection to the game.

#### **6. Skills and Competencies Framework**

- 6.1. The Skills and Competencies Framework following the adoption of these changes will be the document set out in Appendix 1. This will be reviewed annually by the Board, and the updated document will be presented to and discussed with the Stakeholder Council who will provide feedback before presentation to the Chair of the AP.

#### **7. Recruitment Company**

- 7.1. An external expert recruitment company will be engaged to:
  - a. undertake a search for, and receive applications from, candidates for appointment to the Board;

- b. screen applicants as considered appropriate and, in consultation with the AP, review all candidates and identify a shortlist of suitable candidates for the AP to interview; and
- c. assist the AP with interviews and assessment of candidates as required by the AP, including by conducting reference checks.

7.2. The recruitment company will be appointed by NZR in consultation with the AP and must have the capability and experience to conduct recruitment processes in a manner, as it relates to Te Ao Māori and Tikanga Māori, to the reasonable satisfaction of the NZ Māori Rugby Board representative on the Stakeholder Council.<sup>4</sup>

## 8. Tangata Whenua

8.1. The following acknowledgement will be added to the NZR constitution:

Acknowledgement of the New Zealand Māori Rugby Board Incorporated:

NZRU acknowledges:

- a. the status of Māori as tangata whenua in New Zealand and Te Tiriti ō Waitangi as the founding document of Aotearoa New Zealand;
- b. the special and important place that the New Zealand Māori Rugby Board Incorporated has, as the representative entity of Māori, amongst the stakeholders of rugby in New Zealand;
- c. that the New Zealand Māori Rugby Board Incorporated has been established to provide effective leadership and governance that ensures rugby is mana-enhancing for Māori and rugby is a place where tikanga is respected;
- d. the objects of the New Zealand Māori Rugby Board Incorporated, which are currently to:
  - i. Work in partnership with NZRU and Affiliated Unions to promote and develop Rugby pathways amongst Māori whether playing, coaching, refereeing, administration or governance;
  - ii. Monitor the effectiveness of the Regional Māori Rugby Boards
  - iii. Establish appropriate arrangements for not only annual tournaments between Māori Rugby teams from each of the Regions but also other rugby-related events involving Māori teams or players from the Regions;
  - iv. Seek funding and sponsorship for Māori Rugby and distribute funds to Members, participants in Māori Rugby and others for the benefit of Māori Rugby;
  - v. Advocate on behalf of Māori Rugby to the NZRU and other appropriate bodies regarding strategic issues relating to Māori Rugby.

## 9. Transition

10.1 To be able to hold an Annual General Meeting as early as possible, and implement the changes in an orderly fashion:

---

<sup>4</sup> For so long as the Interim Appointments Panel is in place this approval will be provided by the Chair of the NZMRB.

- a. the new process to appoint Board members will commence immediately;
- b. the AGM will be held on 12 July 2024 and will deal with all matters except ratification of Board appointments;
- c. ratification of Board appointments in 2024 will occur by way of a postal ballot (held electronically), without the requirements of clauses 28 and 32 of Schedule 5 of the Constitution;
- d. the term of Board Members retiring by rotation in 2024 will be extended until the completion of the ratification vote;
- e. only four weeks' notice of the date and place of the 2024 Annual General Meeting will be required;
- f. written notice of the appointment of an AGM delegate must be received not less than three weeks before the AGM;
- g. matters of general business and declarations regarding the numbers of teams must be notified to the Chief Executive Officer not less than three weeks prior to the AGM; and
- h. nominations for the positions of President, Vice President, Life Member and member of the Appeal Council must be received by the CEO not less than three weeks prior to the AGM.

## ***New Zealand Rugby Union Skills & Competencies Framework***

This Skills & Competency Framework incorporates guidance from the independent governance review panel's report of August 2023.

### **PURPOSE**

The purpose of this framework is to support the best possible governance structure, process, and organisational capabilities required for the effective governance of NZR.

NZR should be governed by the best possible mix of qualified directors with relevant experience to deliver the matrix of knowledge, attributes, and skills, required to govern NZR and its subsidiaries effectively and who, together, can engage authentically with the diversity of perspectives and interests that should inform NZR's decision making.

### **CURRENT CHALLENGES AND OPPORTUNITIES**

Any board must have the capability to address known challenges and opportunities between the current state and the desired future state (as expressed in the strategic plan).

For NZR, this includes:

- Societal and demographic change and the changing place of rugby within a different world
- Player, coach, match official and volunteer attraction and retention
- The professional era and the advent of private equity investment
- The emergence and growth of the women's game and the need for understanding of girls' and women's experiences in the rugby landscape in leadership
- Declining live attendance within the context of a significant potential domestic and international fan base
- Developing sustainable business models
- Varied business and stakeholder relationships

These, and other challenges and opportunities, will require the attention of the NZR Board in addition to understanding the commercial aspects of the game.

### **SKILLS & COMPETENCIES**

The NZR Board must be able to govern at an expected level of professional practice.

This will require governance experience at a level commensurate with the NZR business. The attributes required by the NZR Board are outlined in [Schedule 1: 2024 Skills & Competencies Matrix](#), but of equal importance are the soft skills required to govern effectively.

Specifically, NZR Board members should have the following:

- Sound commercial skills
- Financial acumen (all directors need a level of competency)
- Deep knowledge of rugby from the community level through to the professional game
- Experienced leadership capability
- generic and domain skills as outlined in the Skills & Competencies Matrix in Schedule 1.

### **INDEPENDENCE**

All Board members must be independent and should not be influenced by any specific interest group so they can respond to issues from a broad range of stakeholders across the wider rugby ecosystem.

Directors' duties under the Incorporated Societies Act 2022 are outlined in sections 54 through 59 of the Act. Section 61 notes that these duties are owed to the society as a whole (in this case NZR) rather than to members individually.

The NZR constitution requires that applicants for appointed positions (as currently constituted) must confirm they will be able to, and will continue to, act and think independently of any particular stakeholder, or stakeholders, in New Zealand Rugby, and the best interests of rugby across all of New Zealand.

These requirements paint a picture of strong independence from any section or faction of the game.

This should apply to all members of the NZR Board, with the Appointment Panel being the final arbiter on the matter of independence.

## **CONTINUITY**

In constituting a board, some level of continuity is needed. Loss of corporate memory in a complex environment should be avoided.

## **DIVERSITY**

The NZR Board should demonstrate diversity of thought and background.

Diversity is a broad consideration but at a minimum, the following three areas are required:

- i. The NZR Board shall have a minimum of 40% of either gender (existing policy)
- ii. At least one NZR Board member will have lived experience in relation to, and knowledge and understanding of, Te Ao Māori, and the strong connection Te Ao Māori and tangata whenua have to rugby in Aotearoa New Zealand.
- iii. Collectively, the NZR Board will possess a Pasifika perspective including an understanding of the growing contribution of Pasifika players to the game.

To avoid box-ticking, all directors need to understand and consider matters ii & iii above.

It is not desirable to have a single voice of any kind on the NZR Board as it is too easily marginalised.

## **RUGBY KNOWLEDGE**

The NZR Board requires experience and knowledge of rugby.

Understanding of the governance and management of the game at all levels is valued. Knowledge and understanding of community, schools, and provincial rugby is to be reflected on the NZR Board, as is expertise and proven leadership in high-performance rugby and sport.

The ability to bring and apply up-to-date knowledge and experience of the professional and amateur game, accompanied by an understanding of the complex structure of rugby domestically and internationally, and the social, cultural, and economic trends that motivate interest in the sport today should also be accommodated.

It is anticipated that all Board members, whatever their background, make efforts to gain a perspective and understanding of the game at all levels and in a variety of contexts.

There is, across all sports governance, a tendency for boards to get involved in the game itself. That is not the job required by board members, that is the role of management and the coaching team. The NZR Board sets the desired outcomes and has sufficient understanding to ask the right questions.

## **PRIVATE EQUITY AND THE NEW ZEALAND RUGBY COMMERCIAL SUBSIDIARY**

The advent of private investment in the game, and the creation of a subsidiary New Zealand Rugby Commercial (NZRC) entity, which was established to separate and operate the commercial activities of NZR, has a fundamental impact on the desired make-up of the NZR Board.

NZR appoints five directors to the NZRC Board, two of whom are NZR Board members.

For that reason, the NZR Board continues to need directors who are competent to oversee the relationship, provide strategic input, ensure that the subsidiary performs as required, and manage the challenges and risks accompanying the partnership with private equity and, perhaps ultimately, other external investors.

This means two things, a general competency on the NZR Board and specific high-level competencies for those NZR directors who serve on the subsidiary NZRC Board. The interests of NZR may be best served by having a mix of NZR and specialist appointments.

The NZRC Board has non-NZR directors with *'strong governance experience and technical competencies at the global level'*. To have an effective working relationship, the NZR Board needs commensurate skills around the table.

**Schedule 1: 2024 NZR Skills & Competencies Matrix**

The Appointments Panel determines the weighting and priority given to each of the below skills, competencies, and attributes, to assist with any assessment of individual board candidates.

DESIRED BOARD MEMBER CHARACTERISTICS	Assessment
<b>REQUIRED SKILLS</b>	✓
Relevant governance experience	
Ability to think strategically	
Analytical, with critical reasoning and problem-solving skills	
Understanding of strategic planning and performance frameworks	
Strong financial literacy and analytical ability	
Good oral communication skills	
Ability to understand and relate to stakeholders	
Relevant commercial experience	
<b>REQUIRED ATTRIBUTES</b>	
Ethical, open, honest, and trustworthy with a high level of integrity	
Independent and inquisitive	
An ability to establish quality relationships	
An ability to work as a member of a governance group	
Prepared to work hard and commit time and effort to do the job	
Outcome focused	
Strong stewardship orientation and stakeholder/participant focus	
<b>THE WORLD OF SPORT</b>	
Understanding of contemporary professional sport	
Understanding of community sport	
Understanding of the sporting ecosystem	
Relevant rugby-specific knowledge	
Understanding of international business of sport	
<b>DOMAIN SKILLS</b>	
Knowledge and understanding of Te Ao Māori and Māori aspirations	
Knowledge and understanding of Pasifika communities	
Knowledge, experience and understanding of high-performance rugby and sporting programmes	
Experience in rugby governance or management in the community game	

Experience in broadcast, media and digital	
Experience in marketing (entertainment and fans)	
Understanding of private equity and capital markets	
Experience working with subsidiary entities	