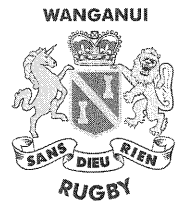




**Everybody has a ball!**

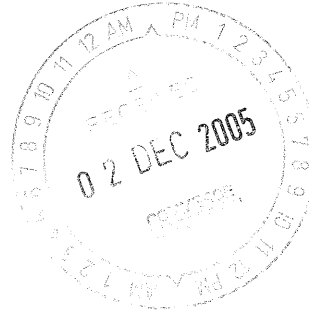
40 Maria Place Extension, PO Box 4213, Wanganui  
Phone: 06 348 0733 Fax: 06 347 8006 Email: info@wanganuirugby.co.nz



*Everybody has a ball!*

24 November 2005

Nicky Beechey  
Chief Advisor  
Market Behaviour Group  
Commerce Commission  
PO Box 2351  
WELLINGTON



Dear Nicky

**Commerce Act 1986: Application for authorisation of proposed arrangements  
– New Zealand Rugby Football Union**

Reference: Your letter J7496 dated 17 November 2005

Thank you for your letter which set out our views and comments on the application from the NZRU seeking authorisation of certain arrangements, including a collective employment agreement with the Rugby Players Collective incorporated, subject to an introduction of NZRU regulations.

Our Rugby Union offers the following comments:

- a. The Wanganui Rugby Football Union has been adequately briefed on the NZRU application and the effects the application will have on our Union.
- b. Our Union fully supports the NZRU application. Specifically, our Union believes:
  - (1) Imposing a salary cap on Premier Unions (of \$2 million per Union) will see in time players moving between Premier Unions and even to Division 1 Unions thus making more equitable competitions. Setting a salary cap also makes the 'paying of players' more equitable, realistic and viable for the Premier Unions. The flow on effects in time will be the better distribution of rugby talent, more opportunities for rugby players to play at a higher level which will in turn improve the quality of rugby. With improved quality of rugby, should be greater gate attendances, greater awareness of rugby as a sport which in turn means better financial returns for rugby Unions and the indirect economic flow on's that are realised from large sporting occasions.



**Whatever part you play, get involved. Boots and all!**

- (2) The extended player transfer window (of approximately 32 weeks) is excellent for our Union as it now gives the opportunity for players to move 'freely' into our province and play Club rugby in our Union, prior to 1 July. The 1 July date is important as this is the date by which players must be registered in order to be considered eligible for the Division 1 rugby competition. Previously, players missed out on the opportunity to play representative rugby simply due to the fact that they failed to meet the administrative requirements to be 'transferred' from one province to another province in the last two weeks in November!! The proposed extended player transfer window will now avoid this situation.
- (3) Our Union accepts and actively 'promotes' that we are a 'feeder Union' for the Premier Unions. The retaining of 'payment of transfer fees' for players who move from our Union to Premier Unions will go a long way to offset the costs we have incurred in developing the player so they have the rugby skills and personal attributes that makes them 'wanted' by Premier Unions. If we did not receive any 'payment of transfer fees', our Union may be forced to spend less money on rugby player development as we would like which would then have the flow on negative impact on less people playing, coaching, refereeing and administering rugby in our province.
- (4) Our Union currently does not provide remuneration to players and supports the proposal prohibiting remunerations (other than expenses) to players participating in the new modified Division 1 competition. With Division 1 sides not being able remunerate players, all these Unions are now competing on a financial 'level playing field', emphasise will be placed on developing and fostering local rugby talent, and players will no longer 'jump provinces' due to promises of greater remuneration. By the fact we don't have to pay remuneration to players our Union will be in a more sustainable financial situation.
- c. For the long term good and sustainability of rugby in New Zealand our Union believes the arrangements proposed in the NZRU application are essential. In time, the arrangements proposed will ensure a more equitable distribution of rugby player talent, the costs to Provincial Union's will be manageable and greater emphasis at all levels will be placed on rugby player development.



HAIG ELGAR  
Chief Executive Officer  
Wanganui Rugby Football Union