

Comments from Air New Zealand in response to letter to Mr Rob Fyfe from Nicky Beechey, dated 17 November 2005 in respect to:

Commerce Act 1986: Application for authorisation of proposed arrangements – New Zealand Rugby Football Incorporated (NZRU)

As the naming rights sponsor our position is that of support for the proposed NZRU application.

Principally, and most materially, we believe the salary cap mechanism should facilitate a more even distribution of talent across the teams competing in the Air New Zealand Cup. If successful this should act to increase the competitiveness of all teams and matches with flow on effects to an increased level of public interest in the competition across all New Zealand.

We believe that the cap, in consideration with increased public interest, should also support a more sustainable economic foundation for provincial rugby over the medium to long term.

Our only concern would be around the mechanisms to review the cap periodically to ensure broad competitiveness to international standards, a material deviation on the low side potentially accelerating international player loss and subsequent competition quality. We believe it is also in the NZRU's best interests to take a responsible position in this area and believe they have appropriate mechanisms to manage international competitiveness.