

Counties Manukau Rugby Football Union  
Turning Promise Into Performance



3 April 2006

Mr David Chrystall  
The Commerce Commission  
PO Box 2351  
Wellington

Dear David,

### **Re Draft Determination on NZRU authorisation**

The Counties Manukau Rugby Football Union wishes to make a submission in support of the proposal by the NZRU in respect of the Premier Division competition.

Counties Manukau is one of the four Unions from last year's Division Two Competition whose invitation to play in the Premier Division was accepted. We are fully aware of, understand and accept the conditions of the new and exciting Premier Competition.

### **Salary Cap**

Our Union has been given a full explanation of the salary cap. Due to our promotion into the new Premier Division and the reduced resources available to us the salary cap will not be an issue for this Union in the early years of the Competition. Regarding crowd sizes we know that "winning" is not necessarily the formula to attract crowds. Evidence of predictable one sided results would clearly support this, where large margins do not attract patrons. We do know that matches where the home side is seen to have a chance of winning clearly support this. Counties is part of the Chiefs franchise and empirical evidence from this next level up competition also supports this contention. From where we sit some form of salary cap was essential if there was to be a more even competition, where teams outside the big 5 have a chance of making the top 4 on a more consistent basis.

In summary we strongly support the principle of a salary cap and are comfortable with the arrangement proposed.

### **Player Movement Arrangements**

We note the Commission has already signalled its support for this element of the proposal so formally place on record our understanding and support of the new arrangements.

In conclusion the Counties Manukau Rugby Football Union endorses the new competition structure and salary cap and believes this competition is in the best interests of New Zealand rugby moving forward.

If you require any further information please do not hesitate to contact me.

Yours sincerely  
**Counties Manukau Rugby Football Union Inc**

A handwritten signature in black ink that reads "N. E. Sheppard." The signature is written in a cursive style with a period at the end.

Nick Sheppard  
**CHIEF EXECUTIVE OFFICER**