

NZRU DRAFT FINAL REPORT

AIR NEW ZEALAND CUP COMPETITIONS REVIEW

AUGUST 2008



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1. Executive Summary

1.1 Introduction

The purpose of this draft Final Report is to present the decisions of the NZRU Board on the future of the Air New Zealand Cup Competition for 2009 and beyond. These decisions were made by the NZRU Board on 2 August.

This draft Final Report does not detail the Provincial Unions that will be invited to participate in the Air New Zealand Cup Competition from 2009. Once the 14 Air New Zealand Cup Provincial Unions have been informed an announcement will be made on Tuesday 12 August.

Provincial Unions now have an opportunity to provide feedback on these decisions by 5 September 2008. This feedback will be considered by the Board at its meeting on 25 and 26 September, when its final decision will be confirmed.

This review is tasked with making decisions on the Air New Zealand Cup for 2009 and beyond.

There remains a view from a number of Provincial Unions that this review is only tasked with making changes for 2009 and 2010 given the uncertainty that currently exists in relation to any expansion of the Rebel Sport Super 14 and other SANZAR competitions. The NZRU understands this view but reiterates the view set out in the Discussion Document that, ultimately, the NZRU will be making a decision on the Air New Zealand Cup for 2009 and beyond based on informed assumptions about what the SANZAR competitions may look like in the future. If circumstances change and/or these assumptions are proved to be incorrect the NZRU will need to consider what, if any, impact these have on the Air New Zealand Cup from 2009.

1.2 Decisions

The decisions of the NZRU in relation to the Air New Zealand Cup for 2009 and beyond are set out under the appropriate heading below. The rationale for each decision is explained in the body of the report.

Season Structure

1. The Air New Zealand Cup is to have a mid-August start date from 2009. This will be the third weekend after the end of the Protected Club Window to allow for two clear weekends for preseason matches.
2. The NZRU is to implement mechanisms (including sanctions) to stop Provincial Unions from withdrawing representative players from club rugby matches until after the end of the Protected Club Window normally scheduled for the last Saturday in July each year (but always three weekends prior to the commencement of the Air New Zealand Cup in mid-August).
3. The NZRU is to implement mechanisms (including sanctions) to provide that Provincial Union representative A teams (or similar teams) are limited to three matches prior to the end of the Protected Club Window with these having to be played at a time that does not impact on the Provincial Unions obligation to ensure its representative players play club rugby.
4. The NZRU is to further investigate a National Club Finals day occurring at the end of the Protected Club Window normally scheduled for the last Saturday in July each year (but always three weekends prior to the commencement of the Air New Zealand Cup in mid-August).

Competition Options

5. The NZRU will replace the current 14 team Air New Zealand Cup competition with a new competition structure and format from 2009 as follows:
 - 12 teams;
 - Round Robin over 11 weeks;
 - Each team plays five or six home and five or six away matches;
 - The playoffs will be held over 2 weeks and consist of two semi-finals and a final;
 - A competition window of 13 weeks;
 - The competition will commence on the weekend nearest the middle of August (for 2009 this will be the weekend of 15 August);
 - The competition will finish 13 weeks later (for 2009 this will be the weekend of 7 November);
 - The competition will consist of 69 matches;
 - The last team in the competition will play a promotion/relegation match against the team that wins the AA Rewards Heartland Championship (or any equivalent competition) with the match to be played at the home venue of the team from the lower division (there is further work to be performed on whether any criteria will also apply before a Provincial Union can be promoted).
6. Only New Zealand Provincial Unions will be eligible to participate in the Air New Zealand Cup under the new format set out in Decision #5 above.
7. Following the September NZRU Board meeting the NZRU will immediately commence a review of the AA Rewards Heartland Championship taking account of the fact that additional teams will need to be accommodated.
8. The NZRU recommends a change to the Regulations for the Ranfurly Shield at the next NZRU Annual or Special General Meeting to provide that after the holder of the Shield has successfully defended the Shield at home on four occasions all matches played by the holder after this fourth defence, whether in that year or subsequent years and whether home or away, will become mandatory challenges with the exception of any semi-final or final matches.
9. Subject to the outcome of any review of the AA Rewards Heartland Championship the NZRU intends to recommend a change to the Regulations for the Ranfurly Shield at the next NZRU Annual or Special General Meeting to provide that the winners of the previous years Meads and Lochore Cups will automatically be granted a Shield challenge in the following year (in that order). In the event that the holder of the Ranfurly Shield is a Heartland Championship Provincial Union then the holder will be required to accept at least one pre-season challenge each year from an Air New Zealand Cup Provincial Union.

Competition Management Mechanisms

10. The NZRU considers that it is necessary to:
 - (a) retain a salary cap at the Air New Zealand Cup level to encourage the spread of talent which in turns leads to a more competitive competition and also to manage costs;
 - (b) reduce the current salary cap level applying to Air New Zealand Cup Provincial Unions;
 - (c) review the design of the salary cap in particular the current notional value and All Blacks discounting mechanisms; and
 - (d) consider a limit on the number of players that each Provincial Union can contract under the Collective Employment Agreement as part of the salary cap design.

The NZRU intends to perform further analysis on:

- (a) the appropriate salary cap level taking into account the impact of work currently being performed on potential Franchise Contracting models as part of the Franchise Structure Review;
- (b) mechanisms for transitioning to any Franchise Contracting environment with a reduced and restructured salary cap applying to the Air New Zealand Cup; and
- (c) the number of players that Provincial Unions should be allowed to contract;

Final determination of each of these issues will be subject to negotiations with the New Zealand Rugby Players Association regarding the Collective Employment Agreement and legal advice regarding the implications, if any, of the Commerce Act 1986.

11. The NZRU intends to work with the New Zealand Rugby Players Association, Franchises and Air New Zealand Cup Provincial Unions to explore further the concept of Franchise Contracting of Super Rugby players. As part of the consideration of any Franchise Contracting model, the NZRU will also consider how Super Rugby players would then be aligned to Provincial Unions for the purposes of playing in the Air New Zealand Cup and whether any restrictions on the number of Super Rugby players a Provincial Union could play in this competition would be necessary.
12. The NZRU intends to work with the New Zealand Rugby Players Association and Air New Zealand Cup Provincial Unions to agree appropriate mechanisms for restricting the demands that can be placed on semi-professional players contracted to play in the Air New Zealand Cup from 2009 onwards.
13. Subject to agreement with the New Zealand Rugby Players Association (and legal advice) the NZRU intends to reduce the number of Loan Players that an Air New Zealand Cup Provincial Union can select in its playing 22 to three from 2009 (with a subset of one Overseas Player allowed within the three).

Assessable Criteria

14. The NZRU has amended the Population Assessable Criteria to extend the banding approach for Provincial Unions with populations of less than 100,000 in increments of 20,000.
15. The NZRU has amended the Player Training and Development Assessable Criteria to include a fifth criteria of:
 - 4% on the number of players from that Provincial Union selected to an All Blacks squad since the completion of the 2006 Air New Zealand Cup through until the 2008 Philips Tri Nationswith a corresponding change so that each of the five categories will translate into a percentage score out of 4%.

2. Introduction

2.1 Purpose

The purpose of this draft Final Report is to present the decisions of the NZRU Board on the future of the Air New Zealand Cup Competition for 2009 and beyond. These decisions were made by the NZRU Board on 2 August.

This draft Final Report does not detail the Provincial Unions that will be invited to participate in the Air New Zealand Cup Competition from 2009. Once the 14 Air New Zealand Cup Provincial Unions have been informed an announcement will be made on Tuesday 12 August.

Provincial Unions now have an opportunity to provide feedback on these decisions by 5 September 2008. This feedback will be considered by the Board at its meeting on 25 and 26 September. The Board will confirm its final decisions at this meeting.

The remainder of this report is drafted on the basis that these are the decisions of the NZRU but if there are changes agreed by the Board at the September meeting the NZRU will make any necessary revisions prior to finalising and releasing the document.

2.2 Context

This review is tasked with making decisions on the Air New Zealand Cup for 2009 and beyond.

This review is not tasked with making decisions about the future of Super Rugby, Internationals or Other National Teams. It is acknowledged that any changes to Super Rugby, Internationals or Other National Teams may have an impact on the future of the Air New Zealand Cup and this will need to be considered as those decisions are made.

The Air New Zealand Cup Discussion Document released on 25 July contained a detailed discussion on the Season Structure for rugby in New Zealand in the future which was necessary to set the context for the Air New Zealand Cup review. This Final Report will not repeat this discussion around the overall season structure but rather will focus on the Air New Zealand Cup and its relationship with the club competition within each Provincial Union.

Having said this, the NZRU understands and appreciates that:

- any expansion of the Rebel Sport Super 14 into July and even early August will have an impact on the Air New Zealand Cup window;
- any change to the timing of the Philips Tri Nations (as a consequence of Super Rugby expansion) to an August, September and October timeframe will mean that the three Test matches currently played in New Zealand as part of this competition will be at the same time as the Air New Zealand Cup (noting this already occurs to some degree);
- any change to the timing of assembly of other National Teams such as the Junior All Blacks or New Zealand Maori to after any expanded Super Rugby competition will also have an impact on the Air New Zealand Cup particularly around the availability of players; and
- the future structure of Franchises within New Zealand rugby has an impact on Provincial Unions in the Air New Zealand Cup particularly in relation to issues such as distribution mechanisms and player contracting models.

All of these issues are currently being considered by the NZRU as part of the ongoing SANZAR

Competitions Review and Franchise Structure Review. The NZRU Board has received regular updates on these two reviews and has taken this information into account when making the decisions on the future of the Air New Zealand Cup for 2009 and beyond.

There remains a view from a number of Provincial Unions that this review is only tasked with making changes for 2009 and 2010 given the uncertainty that currently exists in relation to any expansion of Super Rugby. The NZRU understands this view but reiterates the view set out in the Discussion Document that, ultimately, the NZRU will be making a decision on the Air New Zealand Cup for 2009 and beyond based on informed assumptions about what the SANZAR competitions may look like in the future.

If circumstances change and/or these assumptions are proved to be incorrect the NZRU will need to consider what, if any, impact these have on the Air New Zealand Cup from 2009.

2.3 Report Structure

The Final Report does not attempt to repeat the detailed analysis and comparison of options contained in the Discussion Document.

It is assumed that readers of this Final Report are familiar with the Discussion Document (which is available for downloading at www.nzru.co.nz under the strategic documents link).

This report summarises:

- (a) Fan research undertaken by the NZRU in relation to the Air New Zealand Cup;
- (b) Consultation with NZRU sponsors about the future of the Air New Zealand Cup;
- (c) Submissions received from Provincial Unions on the Discussion Document (note that this can only ever be a summary of the 88 pages of submissions received)

and then outlines the decisions taken by the NZRU Board as to the structure and format of the Air New Zealand Cup from 2009 under the following sections:

- (a) Season Structure;
- (b) Competition Options;
- (c) Competition Management Mechanisms; and
- (d) Criteria for Assessing Provincial Unions.

3. Review Process

The process for the remainder of the review is set out in the following table:

Date	Activity
2 August	NZRU Board makes decisions on the Air New Zealand Cup for 2009 and beyond
5 August	Draft Final Report recording decisions of the NZRU Board is released to Provincial Unions
6 August	Draft Final Report released to Media and placed on NZRU website
12 August	NZRU releases the decision on the 12 Provincial Unions that will be invited to participate in the Air New Zealand Cup from 2009 Assessment of each Provincial Union against Assessable Criteria is provided to each individual Provincial Union
5 September	Final day for feedback to the NZRU Board on the decisions outlined in the Final Report
25 / 26 September	Final decisions of the Board and establishment of the Implementation Plan

4.

Fan Research and Sponsor Consultation

4.1 Fan Research

This section contains a brief summary of the key points emerging from the Quantitative Measurement (1,045 rugby fans) and Qualitative Measurement (three focus groups) the NZRU has conducted in conjunction with Colmar Brunton in relation to the Air New Zealand Cup. The NZRU also received feedback from a further 476 fans via a survey on allblacks.com.

The feedback clearly provides that Air New Zealand Cup ranks behind the three All Blacks campaigns (Iveco Series, Philips Tri Nations and end of year tour) and the Rebel Sport Super 14 in terms of overall fan appeal. It is equally clear that the Air New Zealand Cup appeals more to the traditional rugby fan while the Rebel Sport Super 14 and the All Blacks has a broader appeal to a wider audience.

Colmar Brunton felt what fans are looking for from the Air New Zealand Cup can be summarised under these four key headings:

1. Traditional Values
2. Provincial Rivalries
3. Evenly Contested Matches
4. The underdog having its day

As far as the number of teams 80% of those fans who had an opinion on this point felt there should be a reduction in the number of teams (with 12 the most favoured out of the options provided of 8, 10, 12 or 14 teams).

The overall summary provided in relation to the Air New Zealand Cup was as follows:

Key Challenge: To ensure fan interest (in the competition and in Rugby) is sustainable

Fan Priorities: These results support a competition reduced in teams and with structure that draws on the traditional strengths of domestic rugby

1. Traditional Semi Finals
 - Top four teams play semi finals and a final; and
 - An extended final series does not fit with perceptions of the competition and raises concerns about depth.
2. Promotion and Relegation
 - Returning to what was good about the past and adding interest at both ends of the competition.
3. Round Robin competition
 - Each team plays all the other teams every year; and
 - Featuring a reduced number of teams.

In summary, restructuring and repositioning the competition is recommended. But while these are the priorities for fans, there are challenges:

- The Air New Zealand Cup is most impacted by the perceived oversupply of rugby. There are some concerns over the length of the competition (fans don't want to see it going on too long) and/or if it competes too much with the All Blacks for the fans time. With Super Rugby becoming the core component of the season, the Air New Zealand Cup is likely to be further impacted;

- Fans still have expectations the 'best players', including the All Blacks are playing in this competition. While it will never be said that All Blacks won't play in the Air New Zealand Cup, the reality is that they already have a significant season overlap that prevents most of the team being involved. As such, the repositioning of the Air New Zealand Cup will need to be done very well to avoid turning fans off this competition if there is a perceived lack of 'star' players.

4.2 Sponsor Consultation

The NZRU has met with NZRU level sponsors in relation to both this review and the SANZAR Competitions Review (which encompasses both All Blacks and Rebel Sport Super 14 sponsors).

Each sponsor had a different view on what it favoured as far as changes to competitions but the key comments received in relation to the Air New Zealand Cup were (in no particular order):

- Wanted promotion/relegation as it injects real excitement in the bottom half of the table;
- Favoured a reduction in the number of teams;
- Liked the 11 team format with a true round robin;
- Suggested an extended play off series to maximise exposure (five teams suggested as an option);
- Concerned at a lack of stars in the competition as a result of a longer Super Rugby window;
- There were views expressed that sponsors did not like the idea of somehow evening out Super Rugby players around Air New Zealand Cup teams as the Air New Zealand Cup is about provinces and where players come from – transfers is like a draft and that is for Super Rugby;
- Equally the NZRU received feedback that close matches and even teams was the absolute foundation pillar for the success of the competition. People want to support a competitive team so having a mechanism to avoid the status quo where Auckland, Canterbury, Otago, Waikato and Wellington had all the top players might add to the appeal of the competition;
- Some sponsors think that the Air New Zealand Cup should be afternoon games and broadcast free to air.

5. Season Structure

5.1 Submissions on Season Structure

There was unanimous support for moving the start of the Air New Zealand Cup to mid-August. Canterbury observed that the start of the Air New Zealand Cup needed to be a clear three weeks from the end of the club competition to give the opportunity for two pre-season matches.

There was majority support for a national clubs final day although a number of Provincial Unions highlighted the difficulties this may pose in co-ordinating 26 Provincial Unions given that each has unique issues such as ground availability, traditional start and end dates and the current views of clubs in some Provincial Unions that they would prefer to keep playing for longer even if this meant not having their representative players.

A number of Unions encouraged the NZRU to regulate to ensure that representative players are not removed from any part of the club season to prepare for the Air New Zealand Cup. There was a counter view expressed, by Hawkes Bay in particular, that this should be left to the discretion of individual Provincial Unions. Taranaki argued that any regulation in this area needed to take account of the fact that some clubs may have finished their season earlier than the end of July meaning their players are available for representative duties already and that Provincial Unions who had a high number of Super Rugby players would have an advantage. Bay of Plenty and North Harbour were of the view that two preseason matches may be insufficient and argued that mid week matches should be allowed during the club season as this would not preclude players playing club rugby as well.

5.2 Decisions on Season Structure

Having considered the points outlined in the Discussion Document and the submissions received from Provincial Unions, in the best interests of New Zealand rugby the decisions of the NZRU in relation to the season structure are set out in the following boxes. In each case a brief commentary follows to outline the key rationale for the decision (noting that in each case this builds on the logic of the Discussion Document).

Decision #1

The Air New Zealand Cup is to have a mid-August start date from 2009. This will be the third weekend after the end of the Protected Club Window to allow for two clear weekends for preseason matches.

The NZRU accepts the view that there must be two clear weekends between the end of the Protected Club Window (see discussion below) and the start of the Air New Zealand Cup.

For 2009 this will mean that the Air New Zealand Cup will commence on the weekend of 15 August with the end of the Protected Club Window being three weeks earlier on Saturday 25 July.

Decision #2

The NZRU is to implement mechanisms (including sanctions) to stop Provincial Unions from withdrawing representative players from club rugby matches until after the end of the Protected Club Window normally scheduled for the last Saturday in July each year (but always three weekends prior to the commencement of the Air New Zealand Cup in mid-August).

This mechanism will either be by way of Regulation or be included in the Provincial Union Participation Agreement with the NZRU to consider further which is the optimum way in which to structure this mechanism. This mechanism will provide for sanctions in the event that a Provincial Union does withdraw representative players. Specific consideration will need to be given to the impact of this mechanism on Super Rugby players.

The NZRU is of the view that it cannot leave it to the discretion of individual Provincial Unions as to whether representative players are removed from the business end of the club season. This is because the decision that one Provincial Union makes will have an impact on all the other Provincial Unions participating in the Air New Zealand Cup. If one Provincial Union seeks to gain an advantage by withdrawing representative players other Provincial Unions will feel compelled to follow suit to ensure they remain competitive.

Ultimately, the current situation where representative players are removed en masse from club competitions around the beginning of July has had a detrimental impact on club rugby, and the link between club rugby and the Provincial Unions representative team participating in the Air New Zealand Cup, and this cannot be allowed to continue. A combination of a later start to the Air New Zealand Cup and the mechanism described above will support club rugby.

Decision #3

The NZRU is to implement mechanisms (including sanctions) to provide that Provincial Union representative A teams (or similar teams) are limited to three matches prior to the end of the Protected Club Window with these having to be played at a time that does not impact on the Provincial Unions obligation to ensure its representative players play club rugby.

This mechanism will either be by way of Regulation or be included in the Provincial Union Participation Agreement with NZRU Management to consider further which is the optimum way in which to structure this mechanism.

This represents a change to the NZRU's preliminary view expressed in the Discussion Document whereby only two pre-season matches would be allowed and these would be played in the period between the end of the club season and the start of the Air New Zealand Cup (with the exception of the Ranfurly Shield holder).

Having considered the submissions provided the NZRU believes that allowing for up to three pre-season matches during the club season is a sensible compromise with the proviso that the players must remain available for any club commitments (i.e. the matches must be played at a time where there is not a direct clash with Saturday club rugby). Three matches will allow for Provincial Unions to

play any traditional fixtures against AA Rewards Heartland Championship Provincial Unions. This will also allow for any pre-season Ranfurly Shield matches to be played.

The mechanism will apply to the Provincial Union representative A team or similar team. This is to ensure that it covers the situation where Provincial Unions play pre-season matches as a Provincial Union XV (e.g. Wellington XV) or under traditional alternative team names (e.g. Sassenachs).

The NZRU did not believe it was necessary to attempt to provide for the number of matches that can be played after the end of the Protected Club Window and before the commencement of the Air New Zealand Cup. As outlined above there will be two clear weekends available but it will be for each individual Provincial Union to decide on the optimum preparation during this period including the number of matches.

Decision #4

The NZRU is to further investigate a National Club Finals day occurring at the end of the Protected Club Window normally scheduled for the last Saturday in July each year (but always three weekends prior to the commencement of the Air New Zealand Cup in mid-August).

The NZRU fully accepts that a Provincial Union, in consultation with its member clubs, is responsible for scheduling its club competition. The Provincial Union, in consultation with its member clubs, may decide that its club competition will carry on past the end of the Protected Club Window (whether as part of the season long competition or a new self-contained competition during August). The NZRU is not attempting to preclude this option. What the NZRU is doing is carving out a defined period for club rugby from March (or April depending on when a Provincial Union chooses to start its club competition) through until late July where clubs can have certainty they will have their representative players available (with the exception of Super Rugby players).

The concept of this Protected Club Window culminating in a National Club Finals day where preferably all, but certainly the majority, of Provincial Unions stage their club finals has a lot of appeal. The NZRU acknowledges that this is not a new concept and has been tried before with mixed results. The NZRU intends to discuss with Provincial Unions (who in turn will discuss with their clubs) and further investigate ways in which it could support a National Club Finals day as overtime this could become a real highlight of the New Zealand rugby calendar.

Some clubs may argue that a late July finish is too early but ultimately the NZRU needs to strike a balance between providing a focus on club rugby and also allowing for an appropriate preparation for the representative team for the Air New Zealand Cup. The NZRU observes that the protections provided by having a Protected Club Window represents a significant improvement on the current position where the majority of representative players across the country are removed from club rugby at the start of July.

6. Competition Options

6.1 Submissions on Competition Options

Key Attributes and Role of the Competition

The competitions Key Attributes and the Role of the Competition were not challenged in the feedback provided on the Discussion Document. There were, however, differences in relation to which competition option best met the attributes and the role and this is discussed below.

Competition Window

Wellington made the point that the proposed window is supported but that it strongly opposed any intrusion of Super Rugby into this window.

Manawatu, Southland, Tasman and Waikato all submitted that the competition could go for longer than 13 weeks through until mid or late November. Only Southland actually addressed the concerns raised in the Discussion Document about a longer competition window by arguing that with a later start to Super Rugby the squads did not need to assemble until the end of January and the added costs of a longer competition could otherwise be mitigated. Southland also submitted that the concerns around “too much rugby” did not relate to the Air New Zealand Cup.

Competition Options

When it came to the actual competition format the feedback from Provincial Unions on the preferred competition structure, format and size was (note that in some cases Provincial Unions did not express a preference on certain aspects of the competition):

Provincial Union	Number of Teams	Format	Playoffs	Promotion/ Relegation
Auckland	11	Round Robin	Semis and Final	Playoff match at venue of team seeking promotion
Bay of Plenty	12	Round Robin	6 team playoffs (could play one Round Robin match midweek to still fit within 13 week window)	Playoff match
Canterbury	11	—	—	—
Counties Manukau	12	Round Robin	Semis and Final	—
Hawke’s Bay	—	Round Robin	Quarters, Semis and Final	—
Manawatu	14	Round Robin	Semis and Final	No
North Harbour	Less than 14	Round Robin	—	—
Northland	12	Round Robin	Semis and Final	Automatic
Otago	<i>Advised that it was largely comfortable with the Discussion Document and did not provide a submission</i>			
Southland	14	Round Robin	Semis and Final	No
Taranaki	11	Round Robin	Semis and Final	—

Provincial Union	Number of Teams	Format	Playoffs	Promotion/ Relegation
Tasman	14	Round Robin	Semis and Final	—
Waikato	8	Home and Away	Semis and Final	Yes
Wellington	11 (will support this, but preference is for less)	Round Robin	Semis and Final	—

So in summary, after having considered the Discussion Document, the number of teams supported by Provincial Unions was:

8 Team Competition	1 (Waikato)
11 Team Competition	4 (Auckland, Canterbury, Taranaki and Wellington)
12 Team Competition	3 (Bay of Plenty, Counties-Manukau and Northland)
Less than 14 Teams	1 (North Harbour)
14 Team Competition	3 (Manawatu, Southland and Tasman)
No stated preference	2 (Hawkes Bay and Otago)

For completeness, Hawkes Bay and Waikato both referred to a concept whereby the Air New Zealand Cup in its current form would be scrapped altogether and instead New Zealand rugby would have up to eight or nine teams competing in some form of international competition (whether this is an expansion of Super Rugby or some form of new trans-Tasman or other international competition). This concept was not presented to the NZRU either as part of the road show conducted with Provincial Unions or in the initial round of submissions and as a result this was not referenced in the Discussion Document. As outlined previously this review is not tasked with deciding the future of Super Rugby (or whatever competition this becomes) so the NZRU intends to feed these submissions into the SANZAR Competition Review and Franchise Structure Reviews that are currently underway.

Another key point is that this is not a decision that the NZRU alone can make and indeed initial indications from our SANZAR partners are that any changes to Super Rugby will involve an evolution of the current competition format with new teams and a longer season potentially involving conferences.

Involvement of Australian Teams

A number of Provincial Unions supported the proposal not to open the competition up to teams from Australia.

Against this Canterbury remains an advocate for the involvement of Australian teams and is not convinced by the arguments in the Discussion Document. Canterbury's main reason for urging the NZRU to still consider this option is that it could provide for a competition that was genuinely professional.

Options for any Teams Relegated

Tasman argued that the NZRU needed to commence a review of the Heartland Championship immediately given the preliminary view that the Air New Zealand Cup should be reduced to 11 or 12 teams.

Ranfurly Shield

A number of Provincial Unions submitted that the Ranfurly Shield should not be altered in anyway.

Canterbury is in favour of the option whereby the Shield holder has to take the Shield on the road once they have completed a set number of home defences (five is the number suggested). Canterbury also supports the option of the Meads and Lochore champions gaining challenges for the following year although it questions whether these would automatically be at the venue of the challenger. In relation to this Southland points out that any provision will need to be made for the situation where the Meads or Lochore champion wins the Ranfurly Shield and takes it into the AA Rewards Heartland Championship (or whatever competition this becomes) to ensure that Air New Zealand Cup Provincial Unions then have an opportunity to challenge for the Shield in the following years pre-season.

6.2 Decisions on Competition Options

Having considered the points outlined in the Discussion Document and the submissions received from Provincial Unions, in the best interests of New Zealand rugby the decisions of the NZRU Board in relation to the Competition Option are set out in the following boxes. In each case a brief commentary follows to outline the key rationale for the decision (noting that in each case this builds on the logic of the Discussion Document).

Decision #5

The NZRU will replace the current 14 team Air New Zealand Cup competition with a new competition structure and format from 2009, as follows:

- 12 teams;
- Round Robin over 11 weeks;
- Each team plays five or six home and five or six away matches;
- The playoffs will be held over 2 weeks and consist of two semi-finals and a final;
- A competition window of 13 weeks;
- The competition will commence on the weekend nearest the middle of August (for 2009 this will be the weekend of 15 August);
- The competition will finish 13 weeks later (for 2009 this will be the weekend of 7 November);
- The competition will consist of 69 matches; and
- The last team in the competition will play a promotion/relegation match against the team that wins the AA Rewards Heartland Championship (or any equivalent competition) with the match to be played at the home venue of the team from the lower division (there is further work to be performed on whether any criteria will also apply before a Provincial Union can be promoted).

In making this decision the NZRU understands the ramifications for the teams that will not be accommodated in the new competition. The NZRU is tasked with acting in the best interests of New Zealand rugby and all of the work performed during this review leads the NZRU to the conclusion that

a 12 team competition is the correct decision. There is no compelling argument put forward in the submissions for the NZRU to change its preliminary view and indeed the majority of Provincial Unions are supportive of a reduction in the number of teams in the competition.

All 14 teams who applied in 2005 were afforded an opportunity to participate in the new Air New Zealand Cup from 2006. It has become apparent that the competition in its current format, structure and composition does not meet the key attributes of a successful competition (in particular financial sustainability and competitiveness) and as a result the NZRU has had to make a difficult decision.

This competition format meets all of the key points outlined above in that it starts in mid-August, means all teams' play each other, the playoffs consist of straight semi-finals and final and it fits within the optimum competition window of 13 weeks meaning that it does not go deep into November.

When compared to the current Air New Zealand Cup competition it is estimated that this new format will save New Zealand rugby approximately \$1.3m with the NZRU saving approximately \$700,000 in direct expenses associated with managing the competition and funding Provincial Unions and Provincial Unions saving a net amount of approximately \$600,000 (see the financial modelling set out in the Discussion Document).

Other benefits expected to arise from this new format when compared to the current 14 team competition are:

- NZRU is funding a reduced number of teams to compete at the “semi-professional” level;
- Player strength is more concentrated;
- Six matches per weekend decreases the perception of “too much rugby” (when compared to the current seven although it is acknowledged that the overall rugby season will be going two weeks longer).

The NZRU is concerned about the gap that exists between the Air New Zealand Cup and AA Rewards Heartland Championship and the ability for promotion/relegation to work effectively given the financial issues it can cause for Provincial Unions being relegated and also those who are promoted particularly if this occurs on an annual basis. Against this fans and sponsors are asking for promotion/relegation and for any Provincial Unions who are removed from the Air New Zealand Cup, as a result of the change to 12 teams, to have a way to get back into this competition. The NZRU considered whether any promotion/relegation should be automatic and decided on balance that a team had to earn the right to be promoted. The NZRU intends to perform further work on confirming the mechanism for promotion/relegation from 2009 including whether there should be criteria established to ensure that any promoted Provincial Union is capable of being competitive in the Air New Zealand Cup.

For completeness the key dates for 2009 and 2010 are as follows:

Year	End of Protected Club Window	First weekend of Air New Zealand Cup	Final of Air New Zealand Cup
2009	25 July	15 August	7 November
2010	24 July	14 August	6 November

The NZRU notes that the timing of the Air New Zealand Cup for 2011 is complicated by the fact that New Zealand is hosting the 2011 Rugby World Cup in September and October. The NZRU has not attempted to decide this at this time as there needs to be further discussion with Rugby World Cup Limited, Rugby New Zealand 2011, sponsors, broadcasters and the Provincial Unions participating in the competition in 2011.

Decision #6

Only New Zealand Provincial Unions will be eligible to participate in the Air New Zealand Cup under the new format set out in Decision #5 above.

There is nothing in the submissions that has altered the view of the NZRU that the Air New Zealand Cup should remain New Zealand rugby's national provincial championship as it has been since its inception in 1976.

It may be that in future Australian States (and possibly other teams such as the Pacific Islands) and New Zealand Provincial Unions do play in a competition together. But presently it is not in the best interests of New Zealand rugby to entertain this option.

Decision #7

Following the September NZRU Board meeting the NZRU will immediately commence a review of the AA Rewards Heartland Championship taking account of the fact that additional teams will need to be accommodated.

Decision #8

The NZRU recommends a change to the Regulations for the Ranfurly Shield at the next NZRU Annual or Special General Meeting to provide that after the holder of the Shield has successfully defended the Shield at home on four occasions all matches played by the holder after this fourth defence, whether in that year or subsequent years and whether home or away, will become mandatory challenges with the exception of any semi-final or final matches.

Decision #9

Subject to the outcome of any review of the AA Rewards Heartland Championship the NZRU intends to recommend a change to the Regulations for the Ranfurly Shield at the next NZRU Annual or Special General Meeting to provide that the winners of the previous years Meads and Lochore Cups will automatically be granted a Shield challenge in the following year (in that order). In the event that the holder of the Ranfurly Shield is a Heartland Championship Provincial Union then the holder will be required to accept at least one pre-season challenge from an Air New Zealand Cup Provincial Unions.

7. Competition Management Mechanisms

7.1 Submissions on Competition Management Mechanisms

Player Contracting Model and Salary Cap

The player contracting model and salary cap are obviously linked and the feedback received in this area on the Discussion Document was:

Provincial Union	Salary Cap	No. of Players able to Contract	Player Contracting Model	Franchise Contracting
Auckland	-	-	-	-
Bay of Plenty	Between \$750k and \$1m	25-35	Defined Salary Bands from \$10k to \$50k in \$10k increments	Yes
Canterbury	No salary cap (unless there is Franchise Contracting)	No restriction	Discretion of the PU	Yes (but still have a PU Contract as well)
Counties Manukau	Between \$500-\$600k (NZRU to contribute 50% of total cap for each PU)	-	-	-
Hawkes Bay	Stay at current level for 2009	-	Current model for 2009	Yes
Manawatu	Around \$800k	-	-	-
North Harbour	Salary cap near the higher end of the suggested range (i.e. \$1.2m)	-	-	-
Northland	Between \$500k - \$750k	-	-	-
Otago	<i>Did not submit</i>			
Southland	\$800k (\$500k-\$600k cash and Notional Values for Super Rugby players) with no contribution from the NZRU	Approximately 30	Discretion of the PU	Favour a change but more a ranking and draft system with NZRU still contracting

Provincial Union	Salary Cap	No. of Players able to Contract	Player Contracting Model	Franchise Contracting
Taranaki	Between \$800k and \$1m (with ability to transition current contracts)	Agree with the concept of a limit	-	-
Tasman	Approximately \$700k	-	-	Yes
Waikato	Must be at least \$1.2m	-	-	Only All Blacks not contracted by PUs otherwise no franchise contracting
Wellington	-	-	-	-

Mechanism for Super Rugby Player Involvement

Provincial Union	Proposed Mechanism for Super Rugby Player Involvement
Auckland	-
Bay of Plenty	Franchise decides which of the Provinces within the Franchise region the Super Rugby player should play for but no absolute restriction on numbers
Canterbury	Totally opposed to any restriction on the number of Super Rugby players per team
Counties-Manukau	Restriction on Super Rugby players a PU can field or have within its nominated 26 man playing squad. The competition will once again lack competitiveness and consumer interest if the bulk of the Super Rugby players are available simply return to the 5 host S14 PUs
Hawkes Bay	-
Manawatu	-
North Harbour	-
Northland	-
Otago	<i>Did not submit</i>
Southland	Required to return to PU that was selected from
Taranaki	After the All Blacks are selected the even distribution of remaining Super Rugby players across eleven teams would ensure more even competition and significant interest if a simple, workable draft process could be developed
Tasman	Limited involvement of Super Rugby players due to expansion of Super Rugby
Waikato	-
Wellington	Totally opposed to any restriction on the number of Super Rugby players per team

Restrictions on Player Demands

Provincial Union	Restriction on Player Demands
Auckland	-
Bay of Plenty	Player demands need to recognise the level of payment. This may mean a return to training outside of normal working hours thereby allowing players to supplement their income with work during the day
Canterbury	Semi professional must mean professional for the length of the competition
Counties Manukau	Players are compensated for time away from work during the competition - regulations around how much time a player can be with the team (and away from work and/or study)
Hawkes Bay	-
Manawatu	Competition should be recognised and acknowledged as a development semi-professional competition (by 2011). Our definition associated with this level of competition is "That no player can live off the proceeds of this competition alone"
North Harbour	The ability for players to supplement their income through other employment is very difficult. In the modern professional world there are limited employment opportunities for rugby players whose ambition is to play professional sport, and are also highly at risk of injury
Northland	Accepts that a reduced salary cap will lead to semi-professional rugby
Otago	<i>Did not submit</i>
Southland	-
Taranaki	-
Tasman	-
Waikato	-
Wellington	-

Loan Players

Provincial Unions	Number of Loan Players Allowed
Auckland	-
Bay of Plenty	4
Canterbury	No Loan Players
Counties Manukau	-
Hawkes Bay	-
Manawatu	-
North Harbour	-
Northland	-

Provincial Unions	Number of Loan Players Allowed
Otago	<i>Did not submit</i>
Southland	No Loan Players
Taranaki	Maintain current 6
Tasman	-
Waikato	-
Wellington	-

7.2 Decisions on Competition Management Mechanisms

There is a need to understand more about the SANZAR Competitions Review and Franchise Structure Review outcomes before any management mechanisms or revised contracting models for the Air New Zealand Cup can be finally confirmed. Further, these management mechanisms or revised contracting models will be discussed in the course of the Collective Employment Agreement negotiations later in 2008. Finally, there will be a need to consider transition mechanisms given the existing contractual commitments that will be in place across Provincial Unions.

As a result the NZRU is operating to a different timeframe with these aspects of the review given that the NZRU will need to discuss the following topics with the New Zealand Rugby Players Association (NZRPA) later this year when collective bargaining is legally able to commence.

For this reason the NZRU will need to consider further whether any of the positions eventually adopted on the matters set out below are implemented in 2009 or 2010, i.e. in conjunction with any changes to Super Rugby and the implementation of Franchise Contracting.

Decision #10

The NZRU considers that it is necessary to:

- (a) retain a salary cap at the Air New Zealand Cup level to encourage the spread of talent which in turns leads to a more competitive competition and also to manage costs;
- (b) reduce the current salary cap level applying to Air New Zealand Cup Provincial Unions;
- (c) review the design of the salary cap in particular the current notional value and All Blacks discounting mechanisms; and
- (d) consider a limit on the number of players that each Provincial Union can contract under the Collective Employment Agreement as part of the salary cap design.

The NZRU intends to perform further analysis on:

- (a) the appropriate salary cap level taking into account the impact of work currently been performed on potential Franchise Contracting models as part of the Franchise Structure Review;
- (b) mechanisms for transitioning to any Franchise Contracting environment with a reduced and restructured salary cap applying to the Air New Zealand Cup; and
- (c) the number of players that Provincial Unions should be allowed to contract;

Final determination of each of these issues will be subject to negotiations with the New Zealand Rugby Players Association regarding the Collective Employment Agreement and legal advice regarding the implications if any of the Commerce Act 1986.

Decision #11

The NZRU intends to work with the New Zealand Rugby Players Association, Franchises and Air New Zealand Cup Provincial Unions to explore further the concept of Franchise Contracting of Super Rugby players. As part of the consideration of any Franchise Contracting model, the NZRU will also consider how Super Rugby players would then be aligned to Provincial Unions for the purposes of playing in the Air New Zealand Cup and whether any restrictions on the number of Super Rugby players a Provincial Union could play in this competition would be necessary.

The current salary cap level of \$2,190,089 for 2009 is too high, has not achieved its goals and has contributed to the current financial sustainability concerns for Provincial Unions. It is acknowledged that it has placed a cap on the two or three of the larger Provincial Unions but overall the cap has not done what it was designed to do.

The NZRU and its Franchises and Provincial Unions and the NZRPA are currently exploring the option of Franchise Contracting as part of the Franchise Structure Review. One benefit of such a move is that it would shift a substantial portion of the payments to Super Rugby players from Provincial Unions to the Franchises. If Super Rugby players are contracted to Franchises, and not Provincial Unions, then the salary cap level can be reduced significantly.

A key point with any proposal for Franchise Contracting is that it need not change the overall centralised contracting model currently in place whereby the NZRU and NZRPA negotiate a Collective Employment Agreement that covers all players in New Zealand whether playing for NZRU national teams, Franchises or Air New Zealand Cup Provincial Unions. In effect it would mean some form of realignment whereby a player negotiates principally to play for a particular Franchise as opposed to the current situation where they negotiate with a Provincial Union and this then decides the Franchise they are available for in the first instance.

Another key consideration around any change to the overall contracting model is the current Air New Zealand Cup specific funding the NZRU provides Provincial Unions. As outlined in the Discussion Document the NZRU provides direct funding to Air New Zealand Cup Provincial Unions by way of the non-Franchise host Provincial Union grants, minimum player payments and coach subsidy. This amounted to \$5m in 2007. If the decision is made to move to Franchise Contracting this has the potential to eliminate some \$9m from the combined Provincial Union player salary bill and move this across to the Franchises and/or NZRU. The ideal is that an expansion of Super Rugby will drive more revenue to fund these player payments but it is only logical that the NZRU, Franchises and Provincial Unions will need to consider how the NZRU's funding mechanisms around Franchises and Provincial Unions operate under any revised contracting model.

Any discussion around Franchise Contracting actually forms part of the Franchise Structure Review but is noted here given its potential impact on the player contracting model applying at the Air New Zealand Cup level.

For the avoidance of doubt, the NZRU is not aiming to reduce the amount paid to Super Rugby players. These players are full time 12 months of the year professional rugby players and should be remunerated accordingly and the NZRU is well aware of the interest in Super Rugby level players from overseas clubs.

It is the payments to semi-professional Air New Zealand Cup only players where the NZRU believes the increases in the amounts paid by Provincial Unions over recent years are unsustainable. The proposed reduction in the salary cap is designed to address this issue overtime.

One option that the NZRU intends to explore further as part of the salary cap review is a limit on the number of players each Provincial Union is able to contract. It was felt that the introduction of the salary cap in 2006 would restrict the ability of Provincial Unions to contract large numbers of players. However, the salary cap exception for any contract of less than \$7,500 in value and the advent of the Provincial Union Development Contract in the Collective Employment Agreement has resulted in the contracting of large numbers of particularly younger players for payments of a few thousand dollars which has (a) resulted in the concentration of players in Provincial Unions where they have no immediate prospect of playing Air New Zealand Cup rugby and (b) the number of these contracts has added to the financial sustainability concerns. It may be that a revised salary cap design that captures all contracts may deal with this issue without the need to limit the number of contracts a Provincial Union can offer but the NZRU intends to discuss this further both prior to and during Collective Bargaining.

Any revision to the salary cap is not a decision that is for the NZRU to make alone as the salary cap mechanisms are contained in the Collective Employment Agreement. The NZRPA has been consulted throughout this review but has consistently stated that any discussions about player contracting and changes to the salary cap should be left to form part of the collective bargaining process.

This review has enabled the NZRU to gather the views of its Provincial Unions and Franchises and confirm the need from the NZRU's point of view to retain the salary cap at a reduced level. The NZRU will now perform further analysis and take this into the Collective Bargaining process.

Any discussion around the future level and design of the salary cap will involve consideration of the need to transition or otherwise grandfather any existing player contracts. The NZRU wishes to be very clear that this is not an invitation for Provincial Unions to seek to gain an advantage by artificially bringing forward the contracting of or payments to players to avoid any reduction in the cap level or with a view to passing this liability onto the Franchise and/or the NZRU under any Franchise Contracting model. This will be a consideration when determining any transition or grandfathering mechanism.

The NZRU acknowledges that Provincial Unions would prefer to know now what the salary cap level and design will be for 2009 and beyond but for the reasons outlined above this is simply not possible at this point.

Decision #12

The NZRU intends to work with the New Zealand Rugby Players Association and Air New Zealand Cup Provincial Unions to agree appropriate mechanisms for restricting the demands that can be placed on semi-professional players contracted to play in the Air New Zealand Cup from 2009 onwards.

The NZRU does not feel it has the necessary information to make a decision on the preferred option for restricting the demands on semi-professional players at this point in time. Rather it intends to consult further with the NZRPA and Provincial Unions who will be participating from 2009 to agree what mechanisms should be introduced.

The NZRU is committed to the view that if the salary cap is to be reduced in line with the view of the competition as semi-professional there needs to be a realisation that players cannot be expected to train fulltime for 12 months of the year. Air New Zealand Cup only players should not be considered as professional rugby players as they will be playing in a competition that only runs for 13 weeks. Whilst there will be commitments outside of the competition window these should not preclude a player from finding other employment or studying.

It is the view of the NZRU that is it only when a player is selected (or potentially in the future contracted to) a Super Rugby team that he can truly be considered a professional rugby player in New Zealand.

This discussion will form part of the renegotiation of the Collective Employment Agreement.

Decision #13

Subject to agreement with the New Zealand Rugby Players Association the NZRU intends to reduce the number of Loan Players that an Air New Zealand Cup Provincial Union can select in its playing 22 to three from 2009 (with a subset of one Overseas Player allowed within the three).

A reduction in the number of loan players aligns with the philosophy outlined under the season structure section that players must play in the club competition for a Provincial Union to be available for selection to the representative team. In any event the highest number of loan players used by a Provincial Union in 2007 was three.

With the subset of a limit of one overseas player the existing rule would remain that if a player from overseas, who is not eligible for New Zealand, registers before the start of June and plays club rugby

then this restriction would not apply to them. In this way it is only the player who does not contribute to the club competition within the Provincial Union by moving there prior to the start of June that will fall into the Loan or Overseas player category.

A reduction to three loan players would also align with the current limit in place for the AA Rewards Heartland Championship.

The NZRU notes that to eliminate loan players altogether may have implications under the Commerce Act.

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8.

Criteria for Assessing Provincial Unions

8.1 Submissions on Assessable Criteria

Criteria for Deciding

Whilst some Provincial Unions argued that the NZRU should factor in 2008 results in ranking Provincial Unions, the majority were supportive of the view that the assessment should be performed on already known results from 2006 and 2007.

If the decision was taken to use 2008 results across all of the criteria it would mean waiting until the first quarter of next year to obtain the necessary audited financial information.

If the 2008 results from the Air New Zealand Cup are taken into account in the Playing History criteria this would mean the NZRU could not confirm the make up of the 2009 Air New Zealand Cup until October. Given the concerns around Provincial Unions overspending to achieve success in 2008 and that Playing History accounts for 10% only with this measured on an average ranking across the number of years taken into account the NZRU does not favour waiting until October.

The argument was also put forward that results prior to 2006 should also be used particularly in relation to Playing History and Player Training and Development. To do so would be unfair to Provincial Unions who were not participating in the old Air New Zealand NPC 1st Division and for this reason any result prior to 2006 will not be factored in.

Ultimately, the NZRU remains of the view that 2006 and 2007 results under the six criteria are the appropriate measures for ranking Provincial Unions.

Assessable Criteria

Specific feedback on the proposed criteria is outlined below under the appropriate section below.

Population 10%

Southland submitted that the criteria for deciding the amount each Provincial Union receives under the population criteria is flawed particularly when compared to the measure used for other criteria.

Southland contend that it is unfair to say that any Provincial Union with a population of less than 100,000 persons should receive no score under this criteria whereas a Provincial Union with 100,000 or more starts at 5%. This is at odds with the logic used for Playing History where it is a decreasing scale with all Provincial Unions still receiving a score. Southland also point out that through finishing 8th and 6th they have demonstrated that having a population of 100,000 is not a pre-requisite for competitiveness in this competition.

Player Numbers – 15%

There appears to be some confusion about the measure for player numbers. Provincial Unions have questioned whether their numbers are accurate when compared to their total registered player numbers for 2007. The numbers supplied in the Discussion Document, and used for this criteria, are male players only with the split between junior and senior based on 18 and under and 19 or over. This is a different split to that normally used when publishing player numbers and the official total registered player numbers figure for each Provincial Union obviously includes female players and this is why it will differ from that referenced in the Discussion Document.

Manawatu argued that account should be taken of players from other Provincial Unions whose club or school team's played in a competition administered by one of the 14 Air New Zealand Cup Provincial Unions. This issue has previously been considered in relation to the recording of registered player numbers and dismissed and the NZRU does not see any reason to depart from the established practise for the purposes of confirming this criteria.

There were submissions around the relative weightings applied to junior and senior players but the NZRU still believes this is the appropriate balance taking account of the fact that it is the current senior player ranks that will feed the Air New Zealand Cup representative team.

Playing History – 10%

Southland submitted that there should be an increased weighting towards this criteria. The NZRU believes that the weighting of 10% remains appropriate. This is on the basis that this measure is only taking account of two years of performance in 2006 and 2007 and as a result those Provincial Unions who came from the previous Air New Zealand NPC 2nd Division were arguably at a disadvantage.

Player Training and Development – 20%

North Harbour raised the question as to why the development of players for the All Blacks by Provincial Unions was not included under this criteria.

Taranaki questioned whether the measures suggested were truly reflective of the development that Provincial Unions had invested in players particularly given that there was no measurement provided for the production of New Zealand Secondary School or U-17 players. Taranaki also questioned the effectiveness of these criteria in covering instances where players had been developed in one Provincial Unions and then had moved prior to selection for higher honours.

The NZRU accepts that the criteria are somewhat arbitrary but believes that they do provide a measure of the performance of Provincial Unions in developing and training players through measuring the performance of the academy and then the progression of players from academy to Air New Zealand Cup and National Age Grade and then on to Super Rugby and ultimately the All Blacks.

Financial Performance and Position – 30%

It was argued by Bay of Plenty and Northland that the NZRU should somehow take account of changes to the financial position of Provincial Unions from 2007 to 2008 or otherwise recognise any restructuring that had occurred to improve the financial position and future financial performance of Provincial Unions.

The NZRU has some sympathy for this view but does not see how it can perform an objective measure when it is only part way through the 2008 financial year for Provincial Unions. Using 2007 results enables the NZRU to rely on audited financial statements and perform a direct comparison across Provincial Unions.

Ultimately, any steps that have been taken since the end of the 2007 financial year will be taken into account by the NZRU in performing the assessment of the Governance and Administration of Provincial Unions.

Southland submitted that the criteria should take account of the confirmed ability of a Provincial Union to sustain itself in the future. However, it did not favour Provincial Unions having to submit detailed applications for the competition as occurred in 2005. With respect, the NZRU does not see how it is possible to have Provincial Unions provide a detailed analysis of their future projected revenues and expenses, which has the level of detail and certainty necessary for the NZRU to rely upon it, without asking Provincial Unions to go through a formal application process as they did in 2005. For this reason the NZRU does not see this as an option.

Governance and Administration – 15%

An assessment of the Governance and Administration has been performed by the NZRU following receipt of the information requested from Provincial Unions on 16 July.

For this reason this criteria already takes account of any changes made to the Governance and Administration of Provincial Unions during the first half of 2008.

Manawatu argued that there should be an increased weighting towards this criteria. This has been considered by the NZRU but ultimately it is felt that the weighting determined in 2005 remains appropriate. This is especially so given that effective governance and administration will be one of the main contributors to success across four of the other five criteria (with population the only one that is outside the control of the Provincial Union Board and Management).

8.2 Decisions on Assessable Criteria

Decision #14

The NZRU has amended the Population Assessable Criteria to extend the banding approach for Provincial Unions with populations of less than 100,000 in increments of 20,000.

Having considered this point the NZRU agrees it is logical to also have banding below 100,000. However, to provide for an appropriate scale below this level of population the NZRU has decided that this should be in increments of 20,000 people.

This means that percentage scores under this criteria will now be allocated as follows:

Population	Percentage
350,000+	10%
300,000 – 350,000	9%
250,000 – 300,000	8%
200,000 – 250,000	7%
150,000 – 200,000	6%
100,000 – 150,000	5%
80,000 – 100,000	4%
60,000 – 80,000	3%
40,000 – 60,000	2%
20,000 – 40,000	1%
0 – 20,000	0%

Decision #15

The NZRU intends to change the Player Training and Development Assessable Criteria to include a fifth criteria of:

- 4% on the number of players from that Provincial Union selected to an All Blacks squad since the completion of the 2006 Air New Zealand Cup through until the 2008 Philips Tri Nations

with a corresponding change so that each of the five categories will translate into a percentage score out of 4%.

The initial thinking of the NZRU was that the key selection ground for the All Blacks was the Rebel Sport Super 14 but it is true that the All Blacks squad for the end of year tour is selected immediately following the Air New Zealand Cup. Also the form shown by players during the Air New Zealand Cup leads to Super Rugby selection which in turn leads to All Blacks selection for the Iveco Series and Philips Tri Nations.

For this reason the NZRU believes there is merit in including the number of All Blacks players produced by Provincial Unions in the criteria, not in substitution for any of the current four categories but as a fifth category. Given that the inaugural Air New Zealand Cup was not played until the second half of 2006 only All Blacks squads selected from the 2006 end of year tour through until the current Philips Tri Nations squad will be taken into account.

For completeness this means the 20% for Player Training and Development will now be measured as follows:

- 4% on the academy Best Practise Indicators score as agreed between the NZRU and the Provincial Union for 2007;
- 4% on the number of players from that Provincial Union selected to Rebel Sport Super 14 squads in 2007 or 2008 (including any players who replaced conditioning players in 2007). Note that it is not proposed to use 2006 Rebel Sport Super 14 squad selection given that this was based on the performance of players in the 2005 NPC when four of the Provincial Unions were in the 2nd division;
- 4% on the number of players from that Provincial Union selected to New Zealand Under 19, New Zealand Under 21 or New Zealand Under 20 in any of 2006, 2007 or 2008;
- 4% on the number of players from the Provincial Unions academy in 2006 or 2007 who have graduated to be selected for at least one Air New Zealand Cup match in 2006 and/or 2007;
- 4% on the number of players from that Provincial Union selected to an All Blacks squad since the completion of the 2006 Air New Zealand Cup through until the 2008 Philips Tri Nation

In each case a banded approach will be used to translate the number of players selected, or the Best Practise Indicators into a percentage score out of 4%.