

## **1. STAGED APPROACH**

The biggest issue facing any third tier competition is costs. Without even considering budgets for infrastructure, coaches, players and operating costs the travel costs involved in running a full national competition are prohibitive, at least initially. Even running a full east coast competition will be too expensive from day one. I propose a staged approach that would eventually lead to a national competition.

When the ITM Cup started in 1976 a similar approach was taken with seven North Island and four South Island teams initially being involved in division one. All other North Island teams played in a second division competition between themselves as did other South Island teams. This limited travel costs whilst the competition was established.

The lowest placed North Island team from division one and the highest placed North Island team from division two at the end of the competition automatically swapped divisions for the following year in a promotion and relegation arrangement. The South Island teams had a playoff match rather than automatic promotion and relegation.

Although there have been several changes to the structure of that competition over the years the separate divisions continue today but with the competition becoming more established there are now matches between teams in the two divisions. Promotion and relegation are an important element of that competition.

The early stages of my proposals for the Australian competition would involve competitions in each of Sydney, Brisbane, Canberra and Melbourne which will involve no travel costs for teams.

The next stages would involve the top performing teams in Sydney and Brisbane competing against each other in a Northern Conference finals series whilst the top performing teams in Melbourne and Canberra do likewise for the Southern Conference. This will obviously involve travel costs but would be on a fly in and fly out basis.

Later stages would involve the best performed teams in each city on the east coast competing against each other in a round robin series. That stage would likely be implemented in the third or fourth year of the competition and would also have to be on a fly in and fly out basis to minimise costs.

The final stage would involve the addition of the best performed teams in the Perth competition in the round robin series. I expect this stage may take five to six years to implement as revenue from broadcasters and sponsors would take that long to be able to justify the additional costs of flights and accommodation for teams travelling to and from Perth.

Whilst I'd love to see a more comprehensive competition established immediately, we have to take a medium to long term approach if we are to improve the standing of Australian rugby on the world stage. I don't think the "if you build it they will come" approach is appropriate.

**2. TIMING**

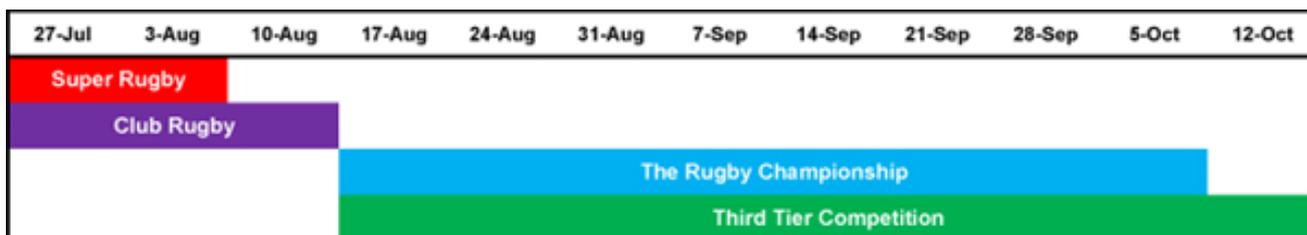
The issue of timing is difficult for any third tier competition. Ideally the Super Rugby competition would have ended before commencement so that players not in the Wallabies squad would be available to participate but those players would need a break between the end of the Super Rugby competition and participating in the new competition.

The competition cannot clash with existing club rugby competitions as that would make too many players unavailable for the new competition and preferably the players involved in the grand final of existing competitions would have a short break before commencement of the new competition.

There is no real window in the calendar for a new competition between existing club rugby competitions and the Super Rugby and TRC competitions. Modifying the timing of the Super Rugby or TRC competitions would involve reaching agreement with broadcasters, New Zealand, South Africa and Argentina which in reality is too hard. Therefore the only way to find a window for the new competition is to modify the existing club competition programs.

The competition would run for a nine week period at roughly the same time as The Rugby Championship. The competition would commence a week or two after the Super Rugby final. If introduced in 2013 (and making some assumptions about the timing of Super Rugby and TRC) this would mean the competition commencing on 24<sup>th</sup> August and concluding on 19<sup>th</sup> October.

This would involve the commencement of club rugby seasons being brought forward by around five weeks. If implemented in 2013 the club grand finals would therefore have to be played on 10<sup>th</sup> August.



### **3. COMPETITION STRUCTURE**

The competition would involve two divisions in each city. Division one in each city would consist of five teams and division two would have seven teams playing in an intra-city round robin series. The top performing teams from division one in each city would progress to inter-city conference finals.

A promotion and relegation system between the two divisions would also apply.

In the first year of the competition only the Northern Conference (Sydney and Brisbane) would commence with this structure.

The Southern Conference (Melbourne and Canberra) would commence with this structure in year two although there would be nothing to stop the VRU and ACTRU starting the intra-city component of the competition in year one which would mean teams would be better prepared for the commencement in year two.

The competition would provide 62 matches in the round robin series and 12 finals matches in each conference.

#### **3.1. Division One**

I'll deal with the structure of division one first as that division involves the inter-city matches with the associated travel costs whereas division two matches would be played intra-city so that no travel is required for division two teams.

Division one teams would have a bye in the first two weeks of the competition which would provide an opportunity for any Super Rugby players from those teams and players from those teams that have featured in club rugby finals to have a break before playing their first match in the competition.

Each team in division one would then play each other once and have one bye in a round robin series over the following five weeks.

Each week the two matches in division one would be played as a double header at the nominated home ground of one of the division one teams. With five round robin matches to be played each team would host one double header.

The double headers open up the possibility of attracting a broadcaster to televise two division one matches at the one venue each week.

Matches would be played on a Saturday afternoon with the first match between the two non-home teams commencing at 2.45 pm and the match featuring the home side commencing at 4.30 pm. This would mean the final match concludes at around 6.00 pm so players and supporters could still attend Wallabies matches in their city that evening or stay at the venue to watch the Wallabies match on television.

The order in which these matches would be played and the order in which teams host the matches would be determined by a public draw where each team draws a number between one and five determining where and when they play as shown in the following draw.

<b>DIVISION ONE</b>				
<b>Week</b>	<b>Date</b>	<b>Host Team (Double Header)</b>	<b>Match 1 2.45 PM</b>	<b>Match 2 4.30 PM</b>
<b>1</b>	31-Aug-13		Bye	Bye
<b>2</b>	7-Sep-13		Bye	Bye
<b>3</b>	14-Sep-13	2	4v5	2v3
<b>4</b>	21-Sep-13	3	1v4	3v5
<b>5</b>	28-Sep-13	4	1v5	4v2
<b>6</b>	5-Oct-13	5	1v3	5v2
<b>7</b>	12-Oct-13	1	3v4	1v2

Uniform competition rules and points systems would apply across all competitions and divisions. New rules such as different points for penalty goals or tries and different ways to calculate bonus points may be introduced or given a trial from time to time but would not be essential.

In the eighth week of the competition the top two teams in each city (based on points from the round robin series and a count back if necessary) would play semi finals with team 1 from one city playing team 2 from the other city and vice versa.

The top team in each city would play the semi final in their home city. The division one semi finals would be played as part of a triple header with the two semi finals of the division two competition in that city. The finals matches would be played at the same ground the grand final of the local premier competition is played.

In the ninth week of the competition the two teams that won the semi finals would play a grand final with the two losers from the semi finals playing off for third place in the competition.

The grand final would rotate between the two cities in a conference each year with the playoff final being played in the other city on a rotational basis as well. The inaugural grand final location would be determined by public draw. The division one grand final would be played as part of a triple header with the grand final and playoff final for division two in that city.

This structure would provide a double header between top teams in each city each week together with triple header finals in each city in each of the two finals weeks to help attract broadcasters.

**A PROPOSAL FOR A THIRD TIER RUGBY COMPETITION IN AUSTRALIA – Competition Structure**

**Scott Allen – September 2012**

Each club in division one would host a double header match at its home ground during the competition which would provide an opportunity for marketing and to generate revenue through food and drink sales at the ground.

To give you an idea of how the structure would work here’s the structure for the 2013 Northern Conference if we assume Sydney comes out of the hat to host the inaugural grand final.

		2013			
		Finals Week 1 Hosted In Sydney		Finals Week 2 Hosted In Sydney	
1.00 PM	Semi Final 1	#1 Div Two - Sydney	Playoff Final	Loser Div Two Sydney Semi Final 1	v
		#4 Div Two - Sydney		Loser Div Two Sydney Semi Final 2	
2.45 PM	Semi Final 2	#2 Div Two - Sydney	Grand Final	Winner Div Two Sydney Semi Final 1	v
		#3 Div Two - Sydney		Winner Div Two Sydney Semi Final 2	
4.30 PM	Semi Final 1	#1 Div One - Sydney	Grand Final	Winner Div One Semi Final 1	v
		#2 Div One - Brisbane		Winner Div One Semi Final 2	
		Finals Week 1 Hosted In Brisbane		Finals Week 2 Hosted In Brisbane	
1.00 PM	Semi Final 1	#2 Div Two - Brisbane	Playoff Final	Loser Div Two Brisbane Semi Final 1	v
		#3 Div Two - Brisbane		Loser Div Two Brisbane Semi Final 2	
2.45 PM	Semi Final 2	#1 Div Two - Brisbane	Grand Final	Winner Div Two Brisbane Semi Final 1	v
		#4 Div Two - Brisbane		Winner Div Two Brisbane Semi Final 2	
4.30 PM	Semi Final 2	#1 Div One - Brisbane	Playoff Final	Loser Div One Semi Final 1	v
		#2 Div One - Sydney		Loser Div One Semi Final 2	

If two teams from the same city win the semi finals the grand final would be hosted in their city regardless of which city was due to host the grand final meaning that the city due to host the grand final would lose that right and instead host the playoff final between the two teams from that city.

### 3.2. Division Two

With seven teams in division two there would be three matches each week in the round robin series. This would allow each team to host two weekends at their home ground – one a double header and the other a single match.

To accommodate the two extra teams above division one the division two matches would have to start two weeks earlier than the division one matches.

Again the order in which these matches would be played and the order in which teams host the matches would be determined by a public draw where each team draws a number between one and seven determining where and when they play as shown in the following draw.

<b>DIVISION TWO</b>						
<b>Week</b>	<b>Date</b>	<b>Host Team (Double Header)</b>	<b>Match 1 2.45 PM</b>	<b>Match 2 4.30 PM</b>	<b>Host Team (Single Match)</b>	<b>Match 4.30 PM</b>
<b>1</b>	31-Aug-13	2	4v5	2v6	3	3v7
<b>2</b>	7-Sep-13	3	4v6	3v5	7	7v1
<b>3</b>	14-Sep-13	4	1v6	4v7	2	2v5
<b>4</b>	21-Sep-13	5	2v3	5v1	6	6v7
<b>5</b>	28-Sep-13	6	2v7	6v3	1	1v4
<b>6</b>	5-Oct-13	7	1v3	7v5	4	4v2
<b>7</b>	12-Oct-13	1	3v4	1v2	5	5v6

In the eighth week of the competition the top four teams in division two in each city (based on points from the round robin series and a count back if necessary) would play semi finals with team 1 playing team 4 and team 2 playing team 3 as part of the triple header with the division one semi final.

In the ninth week of the competition the top four teams in division two would contest a play off final and a grand final as part of the triple header with the division one playoff or grand final.

The competitions would involve a promotion and relegation system between division one and two in each city but more on that a little further on.

#### **4. PARTICIPANTS**

The participants in the competition would include a mixture of some new teams and all teams in the premier competition in each city – Shute Shield teams in Sydney, Premier Rugby teams in Brisbane, John I Dent Cup teams in Canberra and Dewar Shield teams in Melbourne.

Participation in division one would hopefully be the aim of every team in the competition but the rules and structure of this competition would reward those teams that have rugby programs which are the equivalent of a professional team which for many existing teams will mean spending money to develop those programs.

A deadline for player nomination within a squad prior to commencement of the competition would be enforced. The teams with the best programs are likely to attract additional better players and may choose to pay players. Super Rugby contracted players who are not required by the Wallabies would play in the competition and some teams may choose to bring in marquee international players specifically for this competition.

This will no doubt create a situation where there are a group of stronger teams and weaker teams. I make no apologies for that – my proposal is that if Australia is to be a top class rugby nation well into the future we have to improve our depth and systems. What I hope is that smaller, less resourced teams would take up the challenge and improve their programs to compete with stronger teams. At the end of the day the division one competition wouldn't be about participation by all – if a team was happy with just participating they would likely remain in division two.

The only way a smaller, less resourced team could achieve a step up to compete with larger, better resourced teams would be to introduce some new resources – financial, personnel, organisational, marketing etc. That would most likely involve attracting investors or joint venturing with another team or a group of teams.

The proposed competition would be separate from existing club competitions and whilst the premier clubs in each city would be entitled to a licence to participate in the competition in their own right there would be specific provisions allowing those clubs to create a separate entity to operate the team that would compete in the new competition. That would allow existing clubs to introduce investors into that entity without compromising the existing club structure or to joint venture with another club that is not automatically entitled to a licence.

There are many clubs who have the financial and organisational capabilities to compete strongly in division one now and those clubs may choose to continue operating without any partners. The important thing is to provide the flexibility for teams to choose which way suits them best.

My proposed maximum number of teams in each city is for logistical purposes to schedule all matches within the nine week window. That window would limit the number of teams in each city to twelve. That limit is not designed to limit growth or to remove the possibility of teams outside the premier competitions joining the competition.

In Sydney there are already twelve Shute Shield teams so the limitation is most relevant there. Obviously a club like Balmain would be a candidate for this new competition and I believe clubs like that should be given an opportunity to help grow the game. There would be a number of options available to accommodate any teams outside the Shute Shield wanting to join the competition such as:

- Through a joint venture with one of the smaller, less resourced Shute Shield teams. If I was part of a smaller Shute Shield team operating under this proposal I'd be talking to Balmain early to explore a joint venture before another team does;
- The NSWRU increasing the number of teams in division two and extend the time that division is played over by introducing mid-week games or splitting the games in that division with some matches played earlier in the year and the balance played in accordance with the schedule detailed earlier.

It's important that flexibility is maintained for each state union without affecting the structure of the new competition. Each state could take a different approach as long as only five teams are included in division one and a top four for division two is determined before the finals.

In Brisbane there are ten Premier Rugby teams so either another two teams would be invited into the competition or division two could be played with only five teams on the same timetable as division one. However I see this as a great opportunity for the QRU to maintain seven teams in division two and invite say Logan and Darling Downs to enter teams. That way the new competition could be used to give clubs or regions that are currently outside the premier competition the opportunity to play against premier teams which may help to grow the game.

In Melbourne there are also ten teams already in the premier competition so another two teams could be invited in by the VRU or two divisions of five teams may be used.

Teams being invited to join the competition would be a decision for each state union but any teams invited to join the competition wouldn't have to be existing teams or clubs. They could represent regions or they could be a newly formed team backed by a wealthy sponsor.

The Canberra competition would need to invite at least an additional three teams into their competition as there are only seven teams in the current premier competition. I don't know anything about what teams could be invited from country Victoria or New South Wales to achieve this target so will have to leave that for others to comment on.

## **5. PROMOTION AND RELEGATION**

The five division one teams in each city would consist of:

- the winner of division one in that city in the previous year;
- the teams that finished first and second on the ladder at the end of the regular season in the premier competition in that city the previous year (but if the winner of division one was one of those teams, then the team that finished third would be included); and
- the teams that finished first and second in division two in that city the previous year (but if the winner of division one was one of those teams, then the team that finished third in division two would be included).

This would ensure that the division one champion would always defend their title the following year and provide incentive for two teams to gain promotion each year to division one. This would assist the clubs in division two to attract sponsors, supporters and players if they are a good prospect of gaining promotion to division one.

Driving improvement from division two teams will obviously help improve those teams in the premier rugby competitions and also help to lift the overall standard of those competitions.

Obviously in the first year of competition in each city the structure for participants outlined above would not apply as there will have been no previous winners. In the first year I propose that the teams that finished in the top five positions on the ladder in the premier competition in each city at the end of the regular season would form division one in the first year.

In Sydney that would see division one in 2013 consist of Eastwood, Manly, Sydney University, Southern Districts and Parramatta.

In Brisbane that would see division one in 2013 consist of Brothers, University of Queensland, Sunnybank, GPS and Easts.

That proposal may aggrieve some clubs but two teams from division two would be guaranteed promotion in 2014 to division one which may help relieve some of the short term pain.

## **6. SHIELD COMPETITION**

In division two all teams would also contest a shield. That shield could only be won by defeating the team that holds it at the time. The holder of the shield at the conclusion of the round robin series each year would retain the shield and defend it in the first round of the division two competition the following year.

In the first year or in the event that the holder of the shield is promoted to division one a public draw would be held to determine which of the first round matches in division two would contest for the shield.

## **7. COSTS AND REVENUE**

There would be no additional costs for the ARU of the intra-city round robin stage of the competition as there would be no travel beyond what each team normally undertakes in existing club competitions.

Whilst there will be additional costs for teams with coaches, support personnel and operational costs during this time each home team would be entitled to the revenue they can generate from sponsors, merchandise sales and food & beverage sales at their home games. The more each team can raise from these activities the more funds they will have to reinvest in improving the on field performance of their team.

The costs of the venue for the finals over two weekends in each city should be able to be offset by the food and beverage sales generated from a triple header at the venue each weekend.

The costs for the ARU therefore only start to kick in once the division one finals series starts. On both weekends of the finals series one team from each city in each conference would have to travel to the other city on a fly in and fly out basis.

The ARU would have to cover the travel costs of a party of 33 including 25 players and eight coaches/support staff. At an average cost of \$300 per person (which I believe is higher than could be achieved) that amounts to \$9,900 but allow \$1,100 for excess baggage for gear so let's say \$11,000 in airfares. Add to that the costs of a bus to take players to and from the match plus insurance and other incidentals – let's budget \$20,000 per team per weekend to be safe.

So the budget for two teams would be \$40,000 and over the two weekends of the finals a total of \$80,000 in 2013 for the Northern Conference (Sydney and Brisbane) increasing to \$160,000 in 2014 once the Southern Conference (Melbourne and Canberra) commences.

Does anyone think it's not possible the ARU can find a sponsor for \$80,000 in 2013 increasing to \$160,000 each year thereafter to fund an east coast third tier competition? I expect a sponsor will pay substantially more than that for nine weeks direct exposure in Sydney, Brisbane, Melbourne and Canberra plus year round indirect exposure as teams compete for promotion or relegation into division one of the competition.

Could the ARU sell this concept to a broadcaster even if only for the four division one final matches on each of two weekends when the only football being played in competition is the A League? I expect so.

If Balmain are targeting a \$1 million winner takes all prize for their proposed competition that gives us an idea of the minimum target the ARU should have in sponsorship and broadcast revenue for this proposed competition.

The surplus of sponsorship or sales to broadcasters above the costs would be used to provide a cash prize for the winners of both divisions in each city and the balance would then be distributed to the teams in both divisions in each city (to a maximum of 12 teams per city). Those funds will help each team to improve their rugby program for the following season, which at the end of the day is the purpose of this whole proposal.

Even if the ARU can't raise any revenue from sponsors and broadcasters should the ARU fund the \$160,000 costs for this competition? Yes, this sort of project is exactly what the bonus of the millions in broadcast revenue from next years Lions tour should be used for.