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Dear Peter and Ron,

Further to our meeting last month RugbyWA (RWA) and the Australian Rugby Union (ARU) have been working towards establishing a sustainable model for the long term management of professional rugby in Western Australia.

As we outlined in our discussions there are fundamental issues facing rugby if not professional sport more broadly. In regard to the Western Force the issues have been brought to a head more recently through the two key issues of a long term underperforming team and the more recent economic challenges within Western Australia.

I would again stress the ARU is committed to ensuring that the Western Force continues to be based in Western Australia and to that end the ARU will be taking full financial responsibility for the professional and commercial arm of RWA's business. We will also be utilising the ARU high performance resources to not only assist the Western Force but assist with the identification and recruitment of suitable players to enhance the overall competitiveness of the playing squad.

We are also committed to ensuring that all local stakeholders including the RWA board are part of the ongoing administration of the sport in Western Australia.

The key components of the new agreement include:

- ARU will be responsible for all aspects of managing Professional Rugby within Western Australia through the existing agreement; and
- RWA will remain responsible for administering and developing Community Rugby and development pathways in Western Australia and ARU will support RWA in their ambition to grow and develop Community Rugby and provide successful development pathways programs to grow the player base for the professional game.
- ARU and RWA recognise the need for a business model that leverages single point capability by removing duplication in business systems and processes, and utilises resources where best suited, whilst retaining the connection and engagement with local stakeholders.
- ARU and RWA acknowledge that the business model must be flexible enough to allow the introduction of alternative forms of investment in the future.



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We believe this model provides several opportunities for Rugby in Western Australia. First and most importantly it will provide financial stability to the organisation. It will also provide the opportunity for enhanced performance on the field as well as leaving open the opportunity for the future ownership and management of the team in Western Australia.

In developing this new financial model it is evident that the outstanding loan that RWA has with the WA Government is creating a significant financial challenge and limitation on RWA's future. The loan of \$2 million originally secured in October 2009 for stadium improvements, many of which are now redundant, following the rebuilt eastern grandstand, currently amounts to \$1.12m. We acknowledge the considerable contribution the WA Government has made in providing various grants to assist RWA with loan repayments. However, we now ask, respectfully, for the full forgiveness of the loan to allow RWA to focus its resources on administering and developing the game of Rugby in Western Australia.

A further issue we discussed in our meeting, is the cost associated with hiring nib stadium. Our benchmarking of stadiums across Australia indicates that nib is a relatively expensive stadium. We appreciate that the current hiring agreement rewards larger audiences, however, in view of the current attendance levels we request the model is reviewed to align the costing more closely to other Australian stadiums.

We believe that with the support of the ARU, the Board of RWA and the WA Government, both professional and community rugby will be able to enjoy a successful and meaningful role within the Western Australian community.

Once again, I would like to thank you for the outstanding support provided to date by the WA Government. We look forward to resolving these outstanding matters with you as soon as possible.

Kind regards,

**William Pulver**  
Chief Executive Officer  
Australian Rugby Union