

2011/2012 PFA A-LEAGUE COLLECTIVE BARGAINING FACTS BOOK:

A-League Player Rights, Wellbeing and Contract Security

A Report into the Operation of the A-League Collective
Bargaining Agreement 2008/09 - 2012/13

June 2012



FROM THE PFA EXECUTIVE

Dear PFA Member,

PFA Facts Book: A-League Player Rights, Wellbeing and Contract Security

At a time when the quality of play in the A-League has never been better and PFA members continue to demonstrate the highest professional standards off the field, your rights and entitlements are under attack.

Even the 5 year A-League Collective Bargaining Agreement 2008/09 – 2012/13 (“CBA”) between the PFA and FFA may not be enough to fully protect you. FFA and the A-League Clubs continue to seek changes that will reduce not only A-League Player Payments but also essential protections such as continued income if you are injured or the protection of your contract should the ownership of your Club change.

At this vital time for the future of both your career as a professional footballer and the A-League competition, we are pleased to provide you with this “PFA Facts Book” which provides essential information regarding the Rights, Wellbeing and Contract Security of you and your fellow A-League professionals, including:

- your rights under the CBA;
- the vital issues of contract security, protection if you are injured or sacked, and your wellbeing given the short-term and precarious nature of life as a professional footballer; and
- options available to A-League players to protect their vital interests through the PFA.

It is, of course, vital that we work closely together at this challenging time for our profession and the game in Australia.

Yours sincerely,

The PFA Executive

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*Simon Colosimo, PFA President
Image © Getty Images*

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1. INTRODUCTION

Football players, just like other employees in Australia, are best protected by a legally enforceable Collective Bargaining Agreement (CBA). It is the CBA between FFA, on behalf of the A-League clubs, and the PFA on behalf of the players, which has ensured that players in Australia receive a fair share of game revenue and have minimum wage entitlements, protections from arbitrary dismissal, freedom of movement and a low-cost disputes resolution procedure.

The current CBA expires on 30 April 2013. Once the CBA expires, the protections embodied in that agreement are up in the air. The need for a new CBA which will be in place before the expiry of the current CBA is a matter of critical importance for all A-League players.

Unfortunately, it is not just the negotiation of a new CBA which must be achieved. Although the current CBA has provided many written guarantees, the actual implementation of the CBA for players in the A-League has been less satisfactory. This publication, the A-League Collective Bargaining Facts Book, shows that many

of the protections that were negotiated by players in their CBA have been undermined in practice. Rights which A-League players thought had been provided by the CBA, have not been delivered. Other benefits have been inadequate. In practice, the current CBA has not fully delivered for players.

Furthermore, more recent experiences have suggested that the FFA will not defend the rights players have achieved to date. The ongoing debate about player payments, including as raised by the Smith review, suggests that the FFA intends to seek a reduction in the current earnings of players.

This Facts Book is a necessary step in providing players with the information that they need about their CBA and what needs to be done to ensure that the players receive an equitable share of the revenue in Australian football, and that the CBA provides players in the A-League with fair and enforceable wages and conditions for their work.

Brendan Schwab
Chief Executive and General Counsel

2. THE A-LEAGUE COLLECTIVE BARGAINING AGREEMENT 2008/09 – 2012/13 (“CBA”)

What is the CBA?

The CBA is a legally binding collective agreement between FFA (on behalf of itself and all A-League clubs) and the PFA (on behalf of all A-League Players), which sets out the rights and responsibilities of professional footballers in the A-League.

What is in the CBA?

The CBA details:

- the amount of **A-League Player Payments**, including:
 - Maximum Player Payments (the salary cap);
 - Minimum Player Payments (the salary floor); and
 - what payments can be made to Players outside of the salary cap, such as:
 - Marquee Player Payments;
 - Home-grown Player Payments (previously Youth Marquees);
 - Additional Services Agreements;
 - Relocation Allowances; and
 - Payments for Asian Champions League, Finals Series and Exhibition Matches;
- the **Minimum Remuneration** which must be paid to each A-League Player; and
- the **Standard Player Contract** which must be exclusively used by A-League Clubs to employ Players, which:
 - is guaranteed – that is, it can only be terminated by the club for Just Cause;
 - provides for the leave entitlements for players;
 - provides players with contractual rights about the playing and training environment;
 - provides protections in relation to disciplinary events;
 - balances the commercial rights of FFA, A-League clubs and players regarding the use of player images; and
 - provides rights to players in relation to career development.

The CBA does not just deal with payments to players. A range of critical issues are also included in the CBA which provide rights for players. Some of the benefits are:

- insurance for all players in the A-League providing for 104 weeks salary relating to any injury, illness or ailment sustained in the course of a player’s employment;
- career ending insurance for League players in the event that a player suffers an injury which would prevent him from returning to the game;
- the FFA/PFA My Football Career player education, development and wellbeing program;
- a grievance procedure (also known as arbitration) which provides for a low-cost, independent mechanism to resolve employment disputes;
- a guarantee of free agency which allows players to transfer between A-League clubs without a transfer fee. This guarantee allows players a greater ability to be employed by and negotiate favourable terms with the club of their choice; and
- a uniform code of conduct which regulates player disciplinary matters and imposes maximum sanctions (4 breaches prior to termination, with maximum fines of 1/2 week’s wages, or a suspension of up to 2 matches).

3. VITAL PLAYER RIGHTS ISSUES

6 Key Player Rights

Unfortunately, the rights of players in Australia are under threat in six areas. These are:

1. Protection if you are injured
2. Contract security
3. Investment in PFA Player Development and Wellbeing programs
4. The CBA Grievance Procedure
5. A-League Player Payments
6. CBA Implementation

These issues must be addressed if:

- world class Soccerroos are to continue to return to Australia to play in the A-League;
- the A-League is going to be an attractive career choice for Australian players;
- the A-League is to continue to attract top quality foreign professionals; and
- the A-League is to retain longer our next generation of developing professionals – our future Soccerroos.

This is Not About a Pay Rise – the PFA Simply Wants Player Contracts to be Honoured

Contract security is a major issue for players in leagues all around the world. Collective action by players has been the best vehicle to achieve contract security.

In August 2011, players in Divisions 1 and 2 in Spain went on strike leading to the postponement of Round 1 of the 2011/12 season. The issues confronting the players in Spain were similar to those facing players in the Australian A-League.

A resolution to this dispute followed lengthy talks between the Spanish players union (AFE) and the Spanish League (LFP). The resolution ensured that the entitlements of players in the Spanish league would be protected in the future and that players would have greater rights in the face of clubs who fail to honour their side of the bargain.

Critical components of the resolution included that:

- the LFP agreed to the payment to 200 players who were owed wages of over €52 million by their clubs;
- clubs who do not pay their players will be relegated;
- the LFP would create a contract guarantee fund to ensure that any players who were not paid in the future would receive their contract entitlements from the fund;
- players who were not paid wages for three months can inform the LFP of this fact and can leave their club on a free transfer; and
- any new club that replaces the relegated club must pay the outstanding player payments.

This resolution ensured that the contracts of players in Spain are honoured, by the league, and the clubs together. Players in the Spanish leagues know that their contract will be honoured or the club will suffer sanctions. Further, the benefit of free agency enables players to move without the club receiving financial compensation providing a very stark financial penalty to a club which has not kept up to date with its payments.



1) PLAYER INSURANCE



Melbourne Herald Sun, 8 Feb 2012

Professional football is a risky career. Insurance against injury is therefore essential for every Player.

Unlike other workers in Australia, professional footballers are not entitled to workers compensation when they suffer an injury at work. This means that it is critical that comprehensive insurance be in place for professional footballers which covers:

- their income in the event of an injury; and
- the income that would have been received in the event that their career is ended as a consequence of injury.

Under the CBA:

- a player continues to get **paid in full if he is injured** (including Annual Salary, superannuation and Match Payments missed because of injury);
- a player's employment **cannot be terminated** by the Club if he's injured;

- a player's remuneration and entitlements must be **insured by FFA for 104 weeks** from the date of injury (which must continue after the expiry of his contract or if it is earlier terminated for any reason); and
- a player's contract **can't be made subject to his medical condition** (a player has a duty to disclose known injuries to the Club's Medical Advisors)

These benefits are provided by Schedule 3.2 of the CBA which reads:

1.1 FFA must establish and maintain such insurance as is necessary to cover the remuneration and entitlements of a League Player payable under his Standard Playing Contract (including Annual Salary, Match Payments and superannuation) for the period of any injury, illness or ailment sustained arising out of or in the course of his employment with a League Club. Such cover must continue for a period of not less than 104 weeks from the date of the injury, illness or ailment and notwithstanding the expiry or termination of the Player's Standard Player Contract for any reason.

1.2 In addition to the income protection insurance referred to in paragraph 1.1 FFA must establish and maintain career ending insurance for League Players (but not Guest Players) with terms the same or substantially similar to the policy terms at Annexure A.

Despite the plain words of Schedule 3.2 of the CBA, the PFA learned that insurance cover was not taken out for Jason Culina while employed by Gold Coast United or Newcastle United Jets. It appears that FFA at some point, without informing the players or the PFA, attempted to transfer the liability for the insurance of marquee players onto the clubs without strictly enforcing this obligation. As a result, a number of A-League Marquee Players are not insured.

This places all players at risk because:

- players who train with or play against an uninsured player may themselves be at risk;
- it makes it harder to sign and harder to transfer marquee players who may not be insured; and
- the league itself suffers. The wages of marquee players are outside of the salary cap because of the particular benefits they bring both to the club in particular but also to the league generally. Higher standards of play improve the league, which increases the number of fans attending and watching.

The issue of clubs and governing bodies not complying with obligations to insure players is not something unique to Australian football. The Danish PFA has needed to sue Danish football clubs to protect the insurance entitlements of the footballers in Denmark.

FFA Positions concerning insurance for players

The CBA only requires FFA to obtain a commercially available policy

Players may not be covered because pre-existing injuries are excluded under most commercially available policies

Players injured while on Socceroo duty are not entitled to the benefit of Schedule 3.2 of the A-League CBA

Players should not suffer any loss as a consequence of no insurance coverage because the A-League club is required to pay them in any case”



*Jason Culina, Nov 2010
Image © Getty Images*

2) CONTRACT SECURITY

The PFA has fought very hard to protect the contractual entitlements of players in the A-League. Unfortunately there is still a long way to go.

Despite the short history of the A-League, over 70 players have lost or risk losing over \$2.5 million as a result of changes in club ownership or the loss of a license.



Robbie Fowler Image © Getty Images

Rostyn Griffiths Image © Getty Images

The PFA has lost 4 important legal cases on this point:

- FIFA: New Zealand Knights (2007) vs FFA & NZF
- CBA: Rostyn Griffiths (Adelaide Utd) (2010)
- CBA: Robbie Fowler, twice (2010 v NQF2 & 2012 v FFA)

Interestingly, George Paladini (formerly Wellington Phoenix) still has a case at FIFA from 2007 as his dismissal by the Phoenix occurred before the CBA was entered into, leaving him free as a foreign player to take his case to football's world policing body.

The views expressed by the CBA Arbitrator in the Rostyn Griffiths case – whilst strictly correct under Australian company and contract law – make for concerning reading for A-League players:

- “28. In my view, if there was any intention by FIFA or FFA to depart from the usual legal rules on this basic issue, the constituent documents of FIFA or the FFA would need to give quite specific directions to that effect or clearly exhibit this intention. Neither has been done.

The Financial Impact of Ownership Changes on A-League Players*

Clubs	Financial Loss	Players	Average
New Zealand Knights ⁽¹⁾	\$591,185	17	\$34,776
Nth Queensland Fury 1 ⁽¹⁾	\$525,658	3	\$175,219
Adelaide United ⁽¹⁾	\$221,500	1	\$221,500
Newcastle Jets ⁽²⁾	\$359,003	26	\$13,808
Nth Queensland Fury 2 ⁽¹⁾	\$11,190	1	\$11,190
Gold Coast United ⁽²⁾	\$624,500	2	\$312,250
Central Coast Mariners ⁽²⁾	\$200,000	22	\$9,090
Totals	\$2,533,036	72	\$35,181

The Financial Impact of Ownership Changes on A-League Players*

	Financial Loss	Players	Average
Confirmed losses ⁽¹⁾	\$1,349,533	22	\$61,342
Being Negotiated ⁽²⁾	\$1,078,391	50	\$21,568
Totals	\$2,533,036	72	\$35,181

* This also excludes losses sustained by players as a result of the failure to make Asian Champions League payments.

- “29. There are also good reasons why the governing authorities of the sport would not wish to make this assumption of player contractual obligations an automatic rule. **Such a rule would have significant implications for purchasers of assets and licence transferees in circumstances, for example, where the selling entity was debt-laden and FFA seeking to install a new licence holder while maintaining the identity of an existing club within a region for the benefit of the competition and club fans.** One suspects that an automatic rule would be a significant disincentive to the process in situations such as these.”

Indeed, the unfairness seems to even have been acknowledged by the CBA Arbitrator:

- “30. The Pre-Contract Agreement was signed by the Football Manager of the legal entity AUFC1. **The fact that the same person presumably made the decision on whether or not to exercise the option, and is now in the position of Football Manager with AUFC2, is likely to be very frustrating to the Player but does not change the legal position.** Nor does the fact that a number of other senior employed officials of AUFC1 are now employed by AUFC2.”
- 31. **With reluctance** I find that the Player’s remedy, if he has one, is against AUFC1, which still exists, and not the current licence holder, AUFC2.”

[Arbitrator Deborah Healey in Griffiths, 20 Aug 2010]

This strict application of Australian law by arbitrators ensures that it is the company which is the party to the player contract, even if that is a \$2 company, which is responsible for the debts to players. As a consequence, even though Clubs in the A-League may be owned by billionaires, unless the playing contracts of the players are guaranteed by the owners personally, players remain vulnerable to a decision by the ownership of the Club to wind up the club.

FIFA takes a more pragmatic approach. The PFA expects George Paladini’s case to be resolved in accordance with different principles, which provide greater protection for players:

- “...- an employment contract was duly entered into by and between (Player) X and (Club) Y,
- in the said contract, Y is referred to as “Y”
 - “Y” entered into bankruptcy proceedings shortly after the player left Y,
 - **Y2 has reinstated Y and taken the place of the latter in the national football competition,**
 - should Y2 be considered a completely different entity, which cannot be held liable for the actions of Y, it should normally have started its activities in the lowest division of the Y championship,
 - therefore, Y2 and Y must be considered one and the same party in the present dispute...”

[Decision of the FIFA Dispute Resolution Chamber, 14 January 2004]

It is time that contracts in the A-League for players are made secure in accordance with FIFA principles. A contract guarantee system must be developed and instituted by FFA. The strict operation of corporate law must not be allowed to leave Australian players without their contractual entitlements.

FFA has agreed to this as a matter of principle. Yet, this bargain needs to be implemented. FFA’s agreement with the PFA to vary the CBA in August 2011 reads:

“8.1 **...with the PFA agreeing to the restraints** referred to in the CBA, this Term Sheet and the PCRs on behalf of League Players, there is a fundamental and reciprocal obligation on **League Clubs to honour the terms of all Standard Player Contracts** entered into with league Players including by punctually complying with all financial obligations in respect to them.

As the PFA and the Players have further work to do, we have reserved our rights to make further claims on FFA and the clubs:

“8.3(a) **...the PFA continues to reserve the rights of League Players to make claims to protect and secure Player contracts, remuneration and entitlements...**”

3) INVESTMENT IN PFA PLAYER DEVELOPMENT AND WELLBEING PROGRAMS

One of the most important elements of player development is the time and money invested to ensure that the player is not just professional on the field but is professional off the field as well. The common experience of different codes and countries is that money invested in athletes to assist them become and remain a professional athlete and to transition them into the next phase of their working life is critical.

Australia is striving to be a top 10 football nation with around 400 professional male players. In contrast, Brazil has 16,200, and most European powers several thousand. Each Australian career is precious, and we cannot allow a lack of support or poor career planning to compromise the international competitiveness of Australian football.

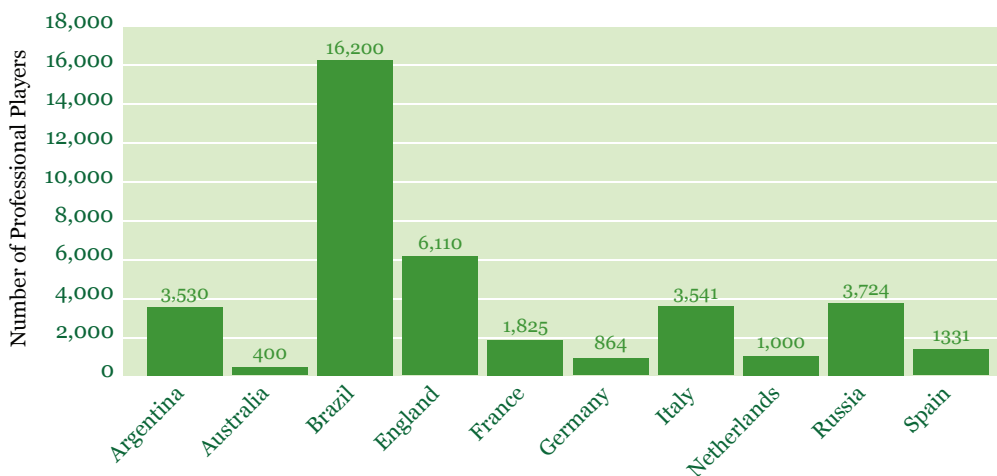
We also know that being an elite professional footballer is an extremely stressful and mentally demanding occupation.

Unfortunately, FFA has not been as willing to recognize this, nor has it properly appreciated the importance of player wellbeing programs being delivered at arms' length from the clubs and code. It is not well appreciated by FFA that players with significant issues or concerns will not engage with persons who may be linked with coaching staff or those with the power to select or not select a player.

The table on page 11 shows how far behind football is in the preparedness to invest in its athletes.

Number of Professional Players by Country

(Source FIFA Big count 2006, The Yearbook of World Soccer 2010)



Funding for Player Wellbeing Programs by Code

Players' Association Funding	Cricket (\$)	Rugby (\$)	AFL (\$)	NRL (\$)	Football (\$)
Annual Grant	1,112,233	667,531	4,160,000	320,000	300,000
Career Programs	1,080,000	771,037	From above	1,280,000	0
Retirement fund	1,550,000	0, until player generated revenue reaches a certain level	6,400,000	2,092,000	0
Other	576,245	0	Player development manager	Club career Programs	"My Football Career"
Total	4,318,478	1,438,568	10,560,000	3,692,000	300,00
Members	286	210	713	500	597
Funding per member	15,100	6,850	14,811	7,384	503

Notes: sources are relevant players' associations October 2010; PGR = Player Generated Revenue as defined in the ARU/RUPA CBA. If the players' guaranteed amount is exceeded by the guaranteed percentage, that is applied to the Retirement Fund; PDM = Player Development Manager; SR = Sports Ready Traineeships; NRL career programs run through clubs; and MFC = My Football Career. The PFA figure of \$503 is based on 597 members (inc 10 A-League teams). With MFC, the figure is \$1,256; with Socceroos \$1,675.

Despite FFA agreeing with the PFA as part of the CBA in 2008 to negotiate improved funding for these purposes, the PFA has not been able to make any meaningful progress.

The low level of funding per member is part of the reason why the PFA has reserved its right to continue to bargain in relation to player development and wellbeing. Football players are no less vulnerable when confronting career transition, and often more vulnerable than players from other codes as a consequence of the difficulties playing overseas in places such as Cyprus, Greece and various Eastern European countries. The FIFPro Black Book details the horrific experiences of many footballers in certain parts of the world. Player advocacy by the PFA on behalf of Australian footballers has needed to be capable of addressing such experiences. This capability has rarely been needed for the players of other codes.

4) THE GRIEVANCE PROCEDURE (ARBITRATION)



Alex Brosque, Sep 2010
Image © Getty Images

A player's A-League Standard Player Contract is only as secure as the PFA's ability to enforce it within the game of football and without recourse to the Courts of Law, which are slow and too expensive for players.

A long contractual dispute can permanently damage a player's career.

It is critical that players have a low cost, easy access mechanism to resolve employment-related disputes. Players need to have the certainty that grievances will be dealt with speedily, justly and independently. Currently the CBA provides for enforceable rules dealing with grievances about employment-related matters. The rules provided are the grievance procedure, which is also known as arbitration.

It is the Grievance Procedure which enabled Alex Brosque to transfer to Japan after Sydney FC sought to avoid complying with the terms of his contract. More recently, the Grievance Procedure has enabled players such as Gold Coast United's Peter Perchtold and Robson to challenge their dismissal by Clubs.

Unfortunately, the PFA is concerned with recent developments in operation of the Grievance Procedure.

Peter Perchtold is a German player who had been recruited by Gold Coast and signed a two year contract with the Club. During the break between the 2010/11 season and the 2011/12 season the Club dismissed him for failing to agree to reduce his two year contract to a single year contract. The PFA took Gold Coast United to arbitration and the arbitrator awarded Peter a little over \$340,000. This included \$50,000 damages for specificity of sport.

The Club chose to appeal the decision of the arbitrator. Critically, the administrator of the Grievance Procedure, FFA, permitted the Club to lodge its appeal after significant delays and then, decided that the Club would not have to pay the compensation into a trust at the FFA on the basis that the exceptional and compelling circumstances existed. The only such circumstances approved were merely the size of the award which was a direct consequence of the contract freely entered into by the Club.



Robson, Oct 2010
Image © Getty Images



Peter Perchtold, Jan 2010
Image © Getty Images

The PFA is particularly concerned that the decisions of FFA to permit the sequence of delays in the conduct of the Perchtold appeal meant that the case was not resolved prior to the conclusion of the 2011/12 season and that there is no guarantee that the award of damages will actually be available to Peter. The situation is, of course, now greatly complicated by FFA's decision to terminate the licence of Gold Coast United FC and itself field the team for the final 4 matches of 2011/12.

On Friday 27 April 2012, the Appeal Committee dismissed Gold Coast United's appeal against Peter's award by the arbitrator with the exception of the \$50,000 damages for specificity of sport. The appeal committee awarded Peter over \$290,000. It will now be necessary to seek to enforce this judgment against Gold Coast United which, when coupled with FFA stripping Gold Coast United of its licence to run a club in the A-League, may require that Peter to obtain his damages through legal action in the courts and outside the football framework, the very action CBA arbitration is meant to avoid.

5) A-LEAGUE PLAYER PAYMENTS

The PFA and A-League players have faced aggressive calls from FFA, A-League clubs and even the Australian Government for A-League player payments to be frozen or even dramatically cut.

The Players' Voluntary Agreement to the A-League Salary Cap

Through the CBA, the PFA is one of only two player groups in world football who have voluntarily agreed to cap Player Payments (the other being Major League Soccer). This agreement runs out on 30 April 2013.

Without the PFA's agreement, the salary cap can be an unlawful restraint of the players' trade as professional footballers. Given the recent attacks on player payments by FFA and the clubs, the cap would unreasonably limit player earnings and employment freedoms if unilaterally imposed by them.

The salary cap provides the maximum amount of payments to be provided to players in a club, but it also provides that no club can spend less than 85% of the salary cap.

After lengthy negotiations a variation to the CBA was agreed in August 2011 between FFA on behalf of the Clubs and the PFA enabling the salary cap to increase by 3%. FFA and the PFA have now agreed to Player Payments for 2012/13 of:

CBA Player Payments for 2012/13

Item	Amount for 2012/13 Contract Year
Maximum Player Payments	\$2,478,592.00
Minimum Player Payments	\$2,106,803.00
Minimum Remuneration: >20 years	\$48,506.00
Minimum Remuneration: 20 years and under	\$39,160.00

The agreement also sees the retention of two Marquee Players (previously one), an allowance for Homegrown Players (\$150,000 per club) and the phasing out of Additional Services Agreements (previously \$275,000 per club) which were replaced by bona fide 3rd party agreements.

The Attack on A-League Player Payments

In November 2010, FFA commenced negotiations for the wage rates to be included in the CBA for the 2011/12 and 2012/13 A-League seasons. The position of FFA included an immediate reduction in the salary cap to the level of the salary floor and no minimum amount to be spent per club. This proposal would have reduced the amount available to players by \$12 million, or by more than a third.

The call from some clubs for player payments to be cut was also aggressive. Then Sydney FC CEO Edwin Lugt, speaking in the Sydney Morning Herald, on 14 December 2010 said:

*"We've never had to be as realistic about things as we do right now, but I don't think we, as a league, are realistic at all when it comes to wages... The average salary in the A-League is far more than the average salary in the MLS...I can't see any single reason for the fact that the salaries in Australia are higher than they are in the US... Nobody can explain to me why that should be the case. Do we have better players? I don't think so. **There's no justification for average players here earning above-average wages.**"*

Unfortunately, despite the CBA, the review conducted for the Australian Government by Mr Warwick Smith concluded in December 2011, that A-League wages were a significant part of the problems facing football in Australia. Recommended 3.1 of the Smith Review stated:

– "3.1: Salary cap reforms including options to freeze or reduce the cap and remove the minimum salary..."

The Smith Report was unfortunately based on incorrect information. PFA research has demonstrated that the combined player payments to the Socceroos, A-League players and the Matildas are a sustainable share of the revenue generated by football in Australia. Research conducted on behalf of the Australian Athletes' Alliance by expert Brahm Dabscheck showed that player payments for football were consistent with the payments to players in other Australian sporting codes which have achieved a position of financial viability.

Players' Share of Income for Australian sports

Sport	Players' share of income
Australian Football	20.36% to 23.08%
Rugby League (State of origin)	20.22% to 23.03% (12.17%)
Cricket	25.00% to 26.00%
Rugby Union	17.72% to 20.29%
Soccer (Socceroos)	21.36% to 29.34% (10.12%)
Swimming	7.71% to 10.81%

Source: B Dabscheck, *The Linkage between Player Payments and Benefits to Revenue Sharing in Australian Sport*

In addition to the goal of financial viability, it is important to promote competitive balance. Big and small clubs are now a universal feature of major football competitions around the world. For the A-League to prosper, it is essential that the fans of all teams are given genuine hope that their team can not only be competitive, but become A-League champions.

The A-League's policies allowed Brisbane Roar to quickly turn their fortunes around in 2010/11 and build the foundations for sustainable success. They have also rewarded Central Coast Mariners, who have introduced some of Australia's most promising young players and have played in 3 of the 7 A-League Grand Finals despite being from the competition's smallest market.

In the first 7 seasons of the A-League every one of the remaining foundation clubs (New Zealand Knights having folded after the second season of the A-League) has reached the league's final day.

Mr Dabscheck also researches competitive balance in sports leagues by measuring average table position over time. His research has informed major legal cases into the relationship between competitive balance and labour market restraints that saw the National Rugby League (NRL) player draft, the Australian Football League (AFL) permit system and the NSL transfer system all abolished.

According to Mr Dabscheck, if the A-League was perfectly balanced, all A-League teams would have an average table position of nearly 5.0. At the conclusion of the 2011/12 season, 9 of the 12 clubs that have completed in the A-League, or 75% lie within 1.5 points of this average.

Average Position of Clubs in A-League: 2005/06 to 2011/12

Club	Years in League	Average Position
Central Coast Mariners	7	3.71
Melbourne Victory	7	4.14
Sydney FC	7	4.14
Brisbane Roar	7	4.29
Adelaide United	7	5.29
Newcastle Jets	7	5.29
Wellington Phoenix	5	5.60
Perth Glory	7	6.29
Gold Coast United*	3	6.33
New Zealand Knights*	2	7.00
Melbourne Heart	2	7.00
North Queensland Fury*	2	9.00

* No Longer In The League
Source: A-League Records.

Although the recommendations of the Smith Report attacking player payments have been shelved by FFA, FFA accepted the recommendations on the day the report was released in their entirety. The PFA is concerned that the FFA will revisit the Smith Report at the conclusion of the current CBA in 2012/13.

The reality is that cutting player payments will not grow the game and would lead to an inevitable decline in domestic playing standards.

The PFA prefers an approach built on converting the millions of Australian football fans into fans of A-League clubs. The players are prepared to do their bit to make this happen, most notably through quality performances on the field, a deep commitment to football's grass roots communities and upholding the highest professional standards of it. From there, a sustainable business model can be built that will reward FFA, the clubs and the players equally based on a principle of equitable revenue sharing.

6) CBA IMPLEMENTATION

In August 2011 a range of matters were included in the CBA as matters which would be jointly resolved over the life of the CBA. Some of these matters have been successfully negotiated between the PFA and FFA. For example, between the 2010/11 and 2011/12 seasons FFA released A-League mandatory minimum medical standards, which provided a new standard of care for players at all A-League clubs. These standards which, for example, require A-League clubs to provide physiotherapists at all matches and training sessions, assist players to return to the field in the shortest possible time following swift and appropriate medical care.

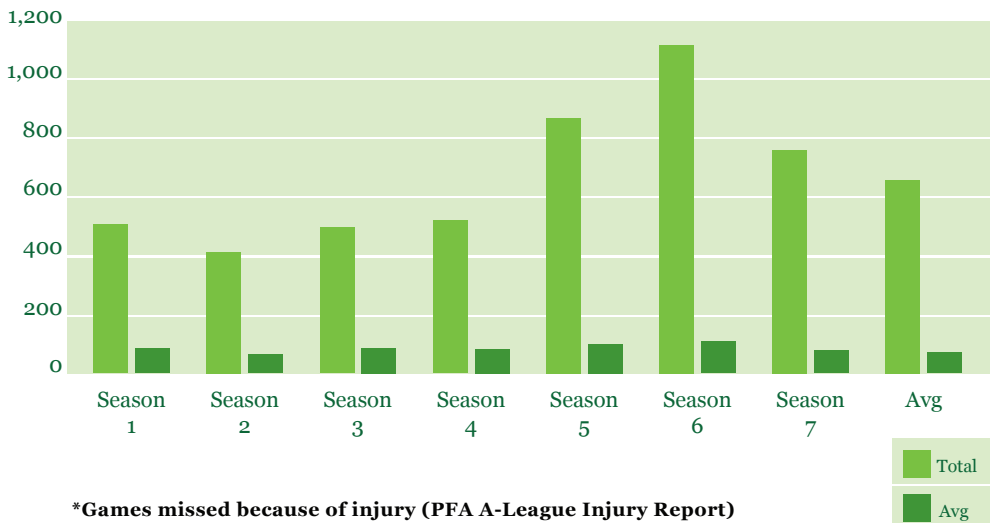
The importance of adopting minimum medical standards was emphasised by the rising rates of injury experienced by A-League players. This trend towards increased levels of injury in the A-League is shown in the figure below.

However a number of matters remain unresolved. These are set out in the CBA and include:

- the need for the code of conduct to include the basic principle that a player is innocent until proven guilty;
- a minimum of one day off per week, and an additional ½ day for education and second career purposes;
- the terms of the Grievance Procedure;
- the further development of player promotional programs, including player's assisting with work in the community;
- player career planning (for the post-football career); and
- Asian Champions League payments.

It is fundamental to the playing group that the issues which were outstanding from the 2008-2013 CBA are resolved urgently. For example, Australian clubs are competing in the Asian Champions League. The players at these clubs still do not know the basis upon which they will be remunerated for this work. Until these matters are resolved, the 2008-2013 CBA has not been implemented satisfactorily.

High A-League Injury Rates*



*Games missed because of injury (PFA A-League Injury Report)

4. WHY THE GAME CAN AFFORD THIS

Although the owners of the A-League franchises have lost money over the first 7 seasons of the A-League, this is not because the game cannot afford to pay the players their entitlements or insure the players. It is simply not due to an excessive wage bill to playing staff. As noted, the A-League is one of only two professional football leagues in the world to have a salary cap.

The PFA has conducted research which objectively demonstrates the combined player payments to Socceroos, Matildas and A-League players are sustainable when considered in the context of the revenue available to football generally. So much is demonstrated from the data provided from the research of Associate Professor Braham Dabscheck on page 15.

Critically, A-League Clubs need to maximise their revenue through energising the fan base. The football fan base in Australia must be encouraged to connect, not just with the Socceroos, but also with A-League Clubs. The A-League Clubs must become the local connection with football for fans.

PFA research has consistently pointed to “**5 Strategic Pillars**” to enable fans of football in Australia to be converted to fans of the A-League. These are:

- Quality;
- Atmosphere;
- Strong local club brands;
- Community engagement; and
- Visibility.

These five factors will all help the growth of the game. They will all enable the game to become entrenched locally. However, they require genuine attempts to institutionalise the game in the relevant market. They are the vehicle to maximise the revenue in the league.

A good example of this growth is associated with the introduction of the second Melbourne club. The creation of Melbourne Heart has led to one of the premier sporting fixtures in the calendar with the Melbourne derby often having the highest regular season crowd attendances in the A-League. The quality of these matches, atmosphere and visibility of the game in the city of Melbourne is critical to the game’s growth. The absence of a second Sydney franchise has denied Sydney fans the opportunity to participate in the experience of a ground full of atmosphere and with the higher visibility associated with the local derby.

The PFA understands that the wellbeing of the game is a precondition to the wellbeing of the player. As one of the architects of the A-League in 2003, the PFA advocates a renewed focus on the fundamental principles that underpinned the work of the then NSL Task Force and the PFA’s blueprint, appropriately titled “For the Fans”.

Ultimately it is not in the interests of the game domestically to have a focus on the cutting player entitlements or failing to protect player contracts. A failure to protect the contracts of players discourages players from playing in Australia. This is particularly the case as the football leagues around South-East Asia become bigger. These leagues represent an ever-present threat of a player drain from Australia, a drain which will only be encouraged by a failure to protect player contracts and entitlements. Australian football will be best served by providing certainty of contracts, certainty of wages and certainty of a high-standard, exciting brand of football. Anything less and the game itself will suffer.

5. WHAT NEEDS TO BE DONE ?

Players are standing up for the game. Players have agreed to have caps placed on their wages to financially assist clubs with a league which has a high degree of competitive balance on the field.

It is now time that the FFA and the clubs paid some of this back by properly supporting the players who have made the on-field quality of the A-League great. Numerous commentators have described the on-field standard as never being higher, and this has flowed through to figures off the pitch, with increases in crowd numbers and TV audiences.

However players must not be put into the category of the party that suffers for the good of the game. This is counter-productive because it sends the signal that Australia is not a place for foreign players to come to. It is counter-productive because it encourages Australian players to regard Australia as not being a place to play football in. It is counter-productive because it discourages Australian players from returning to Australia.

The A-League needs to be the best league it can be. The only way of being the best league it can be is to ensure that players believe that their contracts will be honoured in Australia and that their football career, as well as their career post football will be run professionally.

For these reasons we say that FFA must, as a matter of urgency ensure that:

- insurance is in place for all A-League players in accordance with their contracts and the CBA;
- a system is in place to protect players and their contracts when the owners of clubs or their licence conditions change;
- FFA and the A-League Clubs both support and operate in accordance with the Standard Players Contract and the CBA and do not act in a way which would undermine the obligations imposed on them;
- PFA Player Development and Wellbeing Programs, including retirement funds, are adequately funded to ensure that players are able to devote themselves to the game while playing, and have the opportunity to properly prepare for life after football;
- the grievance procedure provides for an independent, efficient and just process and one which Clubs must respect; and
- outstanding CBA matters are dealt with promptly meaning that Clubs and players have certainty leading into the final year of the CBA.

On this platform, FFA and the PFA can work in partnership with the club owners to build the A-League into the competition we know it can be.

6. CBA TIMELINE



The timeline for the negotiation of a new CBA to start on 1 May 2013 is tight, even urgent. The existing broadcast rights deal for the A-League expires on 30 June 2013. As this provides a very significant level of revenue into football, the impact of the new broadcast rights deal is critical to any assessment of what would constitute an equitable sharing of revenue in football between the clubs and the players. Furthermore, the current CBA between FFA on behalf of the clubs and the PFA expires on 30 April 2013. Perhaps just as importantly, the contract window for the 2013/14 season and beyond commences on 1 November 2012.

Accordingly, players and clubs in the A-League when developing their contracts must have a clear idea of the quantum of money within the league, in order that negotiations between players and clubs, as well as the capacity of clubs to develop their lists, are not restricted. This means that the FFA must commence and conclude negotiations concerning a new CBA as a matter of urgency. A failure to do so will place significant risk on clubs and the A-League that contracts for the coming seasons will not be completed consistent with the full employment standards which apply in the A-League.

Despite the criticism levelled at the PFA for driving too hard a bargain, the fact is the PFA is an extremely responsible partner in the game. The negotiation of a new CBA should be a cooperative and seamless process for the game.

After all, the PFA and A-League players:

1. will agree to a salary cap that ensures players receive a fair share of game revenue and helps all clubs compete on the field and remain viable off it;
2. seek in return a genuine career path with a reasonable level of investment in player education and development to help players prepare for life after football; and
3. simply want basic protections such as contract security and insurance in the event of injury.

The quality of the A-League and the international competitiveness of Australian football depends on this.



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