



STATE BASKETBALL LEAGUE

OF WESTERN AUSTRALIA

SALARY CAP BY-LAW

PREPARED BY BASKETBALL WA (DECEMBER 2018)
EFFECTIVE IMMEDIATELY

CONTENTS

1.0 <u>Overview</u>	2
2.0 <u>Related SBL activities</u>	3
3.0 <u>Non-SBL related activities</u>	4
4.0 <u>Items not included</u>	5
5.0 <u>Audit and Investigation</u>	6

1.0 Overview

No Club is permitted to pay a team salary for a year totaling an amount in excess of the salary cap prescribed by these By-laws.

- (a) The total player salary cap for the SBL will be sixty thousand Australian dollars (\$60,000 AUD) per team per year.
- (b) Each club President will, within ten (10) business days of the conclusion of the SBL Grand Final, fill out the Statutory Declaration (see Appendix B) and forward this Declaration to the SBL General Manager. Such declaration will include a list of the amounts paid in accordance with clause (f) below and the total paid.
- (c) If reasonable evidence is presented to the Commission that the salary cap for a team has been exceeded, they may elect to direct the SBL General Manager to open all the contracts for that team and total the salaries. At that time the President of the Club whose team's contracts are being opened has the right to be present (at their own cost). This evidence plus any additional evidence obtained as a result of a reasonable investigation carried out by the SBL General Manager, will be presented to the Commission in summary form. Should the Commission wish to proceed with a penalty against a Club they shall give that Club the right to defend the charge at a meeting set by the SBL General Manager.
- (d) If a Club breaches the salary cap for any team, that Club may be liable for a fine not exceeded the exceeded amount of salaries, plus two thousand dollars (\$2,000). In addition, the team to which the breach related may lose competition points for all games in which the cap was exceeded and any other penalty which the Commission deems reasonable.
- (e) Whether or not a Club has breached the Salary Cap, any President who is found by the Commission to have falsely completed the Statutory Declaration as outlined in part 1.9 (b) may be reported to Legal Authorities and referred to the disciplinary tribunal.
- (f) For the purposes of these By-laws, salary means any match payments, wages, salary, commission, bonuses or allowances paid or payable (whether paid or payable in cash or in kind) to, or for the benefit of, an SBL player for their services

in respect of the SBL Competition, be that playing, training or coaching.

For the avoidance of doubt, a Match Payment includes:

- i. all payments to Players (including base or retainer payments) for selection and performance in any SBL Match as agreed to in the Player's contract with the Club;
- ii. any upfront payments to Players for signing with the SBL Club; or
- iii. all statutory and other contributions payable by an SBL Club on behalf of or for the benefit of a Player to an approved superannuation fund.

2.0 Related SBL activities

Without in any way limiting this by-law the following payments paid or provided to, or for the benefit of a Player or associate of a Player by an SBL Club or by any sponsor, supporter, supporter group or any person or entity associated directly or indirectly with that SBL Club are deemed to be included in this salary cap:

- i. payments, benefits or considerations made by the SBL Club received by spouses, direct family members, Player managers or other duly authorised representatives and any other third party of the Player;
- ii. any payment or provision of goods and services received by a Player or associate of the Player from any third-party person or entity for the purposes of playing basketball;
- iii. where a Player or an associate of a Player is employed by a SBL Club or any sponsor, supporter, supporter group or any person or entity associated directly or indirectly with that SBL Club and if such Player or associate is paid an amount which in the opinion of the SBL Commission is in excess of the market value of the Player's or the Player's associate's services or where the Player or associate does not provide services consistent with the normal terms and conditions of such employment, the amount by which the payment exceeds the market value of those services or the whole of the payment as the case may be. This excess amount will be determined at the discretion of the Commission, having regard to reasonable advice received;

- iv. any payment to a Player (other than full time Playing Coach) for coaching purposes, which have not received approval from the SBL Commission as legitimate coaching fees to be set outside the Salary Cap;
- v. any Player receiving payment for coaching purposes must hold or be working towards a minimum level zero (0) coaching accreditation and must provide evidence of such accreditation or training as the case may be upon request to the SBL Commission;
- vi. any lump sum paid directly or indirectly to a Player or an associate of the Player on termination of the contract to play basketball with a SBL Club;
- vii. any payment received as prize money for incentive or otherwise, other than memorabilia or as weekly after match prize incentives;
- viii. any payment to a Player (including a payment to be held in trust) by any person for the purpose of playing basketball for the SBL Club.

3.0 Non-SBL related services

For the avoidance of doubt, any payment to any Player who has not achieved a minimum Level 0 accreditation, or who is not working towards such a level, made in consideration for that Player's coaching services will be deemed a Player payment.

Where a player is remunerated for coaching either in Basketball Coaching Clinics run by the SBL Club, or in any business of basketball coaching operated by any sponsor, supporter, supporter group or any person or entity associated directly or indirectly with that SBL Club, then the player must have obtained a minimum level zero (0) coaching accreditation and must demonstrate to the SBL Commission carrying out a level of activity and hours of coaching which reasonably relate to the remuneration received. Any amount paid to the player which in the sole opinion of the SBL commission exceeds what is reasonably payable for the hours spent in providing the coaching, shall be deemed to be player payments.

Where a player or coach's contract for the SBL Competition includes remuneration for other non-SBL services provided by that player or coach to their Club, a signed statement by the Club apportioning that remuneration on a percentage basis between

SBL and non- SBL purposes, shall be appended to the contract in question prior to the lodgment of the contract with the SBL office. Clubs should consult with the General Manager regarding apportionment prior to the signed statement being provided to the SBL.

Wages includes a benefit within the meaning of the Fringe Benefits Tax Assessment Act 1986 of the Commonwealth. Such a benefit shall be ascribed a monetary value in accordance with the provisions of that Act.

4.0 Items not included

- (g) Notwithstanding (f) above a Club may provide accommodation of a reasonable nature to a restricted player during the duration of their temporary visa and the value of this accommodation will not be deemed as salary. Similarly, the cost of airfares provided by the Club to locate a restricted player in Western Australia or to remove that player from Western Australia will not be deemed as salary, as well as reasonable payments made for the purpose of complying with obligations which relate to the Visa applicable for the player. This will include costs such as Medical Insurance.
- (h) Pursuant to clause (g), if in the opinion of the SBL General Manager the accommodation or airfare provided by a Club to a restricted player is excessive, then the Total value of that accommodation, or airfare will be considered salary for that season.
- (i) Payments made by the Club to players for Club development work or community relations work will not be included in the Salary Cap provided the payments are reasonable and in line with what is a commercially acceptable amount. If the SBL General Manager believes such payment is excessive the total payment will be included in the Cap. Notwithstanding this, the Club is entitled to present evidence to prove that the payment subjects this clause (i) is reasonable in the circumstances. The onus of establishing the level of reasonableness is on the Club making the payment.

5.0 Audit and Investigation

The Clubs undertake to cooperate fully with any enquiry into alleged breaches of the Salary Cap as outlined in these rules, and in the event of an ongoing failure to cooperate, the Commission has the power to order and Independent audit of the Club's records.

The cost of any such investigation or audit will be borne by the Club, and the Club acknowledges that they will abide by the decision of the Commission In relation to any findings in respect to breaches of the Salary Cap.