



Session Three: Resale Royalty Scheme

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Government and Stakeholder Relations



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Agenda

- What is the Resale Royalty?
- Eligibility
- What Artworks are included?
- How does the Resale Royalty work?
- Why CAL?
- What do you need to do?
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What is the Resale Royalty?

- The Royalty
 - A flat uncapped 5% royalty to ensure Australia's visual artists receive a portion of the proceeds from the resale of their works
 - Is inalienable – the artist cannot transfer this right, and the artist cannot waive this right.
- Why it's important
 - Ensures Australia's visual artists receive an ongoing financial benefit from their work
 - Delivers on a 2007 election commitment of the Rudd government; and follows decades of lobbying from the arts sector for this new right.

Eligibility

Applies to:

- Commercial resales over \$1000 (but only from the SECOND change of ownership after 8 June 2010)
- Works by living artists and for a period of 70 years after an artist's death. Must be created by the artist or produced under the artist's authority
- Artists must be Australian citizens or residents, or from countries prescribed under regulations by the government

What Artworks are included?

- Artists' books
- Batiks
- Carvings
- Ceramics
- Collages
- Digital artworks
- Drawings
- Engravings
- Fine art jewellery
- Glassware
- Installations
- Lithographs
- Multimedia artworks
- Paintings
- Photographs
- Pictures
- Prints
- Sculptures
- Tapestries
- Video artworks
- Weavings
- Limited editions, provided each copy is authorised by the artist
- Mass-produced items (e.g., posters) are excluded

How does the Resale Royalty work?

- CAL's role
 - The collecting society responsible for the collection and payment of resale royalties – including monitoring the commercial resale of artworks, and identifying the holders of the resale royalty right
 - CAL will charge a flat 10% administrative fee of royalties collected, to cover the costs of implementing the scheme

How will CAL get information?

- Vendors and Art Market Professionals are required to provide CAL with information to enable CAL to identify artworks and artists.
- All commercial resales must be reported to CAL. Where a resale qualifies for a royalty payment, the vendor, art market professional and buyer are all liable to pay the royalty.
- If artists have registered with CAL, this will assist in the identification and location of them when resales are payable.

Why CAL?

- Existing relationships with visual artists
 - Around 1,500 visual artists are already CAL members
 - Over \$20 million already distributed annually to visual artists
- Efficient operation and track record in copyright

What do you need to do?

- Register
 - You need to be registered with CAL for us to be able to pay any resale royalties you are owed
 - From 9 June 2010, register online at:
www.resaleroyalty.org.au
 - Registration is free

For more information...

- Please take an Information Sheet

Artists' resale royalty right: what it means for visual artists
27 April 2010

This information sheet is for visual artists, including painters, sculptors, printmakers, craftworkers, installation and media artists, and photographers who produce limited edition prints.

This information sheet is for guidance only. It is not legal advice.

The artists' resale royalty right

From 9 June 2010, artists and their beneficiaries will be entitled to a 5% royalty on the sale price for certain resales of their work. This entitlement comes from the Resale Royalty Right for Visual Artists Act 2009 (the Act).

There is information about the background to the resale royalty, and a link to the Act, on the website of the Department of the Environment, Water, Heritage and the Arts at www.arts.gov.au/essays_resale_royalty.

The government has engaged Copyright Agency Limited (CAL) to collect resale royalties from buyers, sellers and art market professionals (such as commercial galleries and auction houses), and pay the royalties to artists and their beneficiaries.

When will the royalty be payable?

A royalty will be payable on the sale of an artwork if:

- it occurs after 8 June 2010;
- the sale price is \$1,000 or more;
- the artist is:
 - alive, or
 - has been dead for fewer than 70 years;
- the artist, or beneficiary of the artist's estate, is:
 - Australian, or
 - from another country with resale royalty legislation that is listed in the regulations to the Act; and
- it is not the first change of ownership after 8 June.

The first change of ownership after 8 June 2010 (in which a royalty is not payable) could be a sale by the artist, a gift, an inheritance or a resale.

The sale price includes GST, but excludes any buyer's premium or other taxes.

Which artworks?

To be eligible for the resale royalty, an artwork must be:

- created by the artist, or
- produced under the authority of the artist.

The types of artworks covered include artists' books, busts, carvings, ceramics, collages, digital artworks, drawings, engravings, fine art jewellery, glassware, installations, lithographs, multimedia artworks, paintings, photographs, pictures, prints, sculptures, tapestries, video artworks and waxings.

Manuscripts are excluded.

Limited editions are covered, provided each copy is authorised by the artist. Examples are limited edition prints (such as etchings and linocuts), photographs and sculptures.

Mass-produced items, such as posters, are excluded.

More information
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