

## Information for Indigenous Art Centres

June 2015

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

### About the resale royalty scheme

The artists' resale royalty scheme started on 9 June 2010. Under the scheme:

- commercial resales of artworks over \$1,000 (including GST) must be reported; and
- a 5% royalty is payable on some resales.

The Australian government appointed the Copyright Agency to manage the scheme.

### Role of Indigenous art centres

There are different implications for art centres that buy and resell artworks than for those that operate as agent for their artists.

If you buy and resell artworks, you need to:

- report all resales over \$1,000 to us; and
- pay a 5% royalty if you bought a work after 8 June 2010, and you resell it for \$1,000 or more.

Art centres that are selling artworks as agents for their artists do not have to report the sales to us, but we encourage them to do so. The information can help us to work out whether a later sale of a work is eligible for a royalty. When reporting online, select 'primary sale' from the responses for 'Did Seller Acquire Work After 8th June 2010?'

Art centres also give us invaluable help in getting payments to artists. We are grateful for this help and we are looking for ways in which we can help art centres with the administration of the scheme.

### Scheme applies to existing works

The obligations to provide information and pay royalties apply to resales, from 9 June 2010, for existing as well as new works.

### No royalty on first sale

The first sale of a work, by the artist, does not need to be reported, and there is no royalty payable.

### What is the process for reporting?

1. Go to [www.resaleroyalty.org.au](http://www.resaleroyalty.org.au).
2. Click the "Register" button, complete the form with your contact details and register.
3. Provide information about commercial resales by:
  - completing the online form; or
  - uploading a document, such as an Excel spreadsheet, with information about multiple sales.

### Advance against future sale

If an art centre pays an artist an advance against a future sale, the art centre does not have to report the subsequent sale of the work, provided the artist was still the owner of the work when the art centre sold it. This should be reflected in your documentation for the transaction with the artist, and in the documentation for the sale of the work to the purchaser.

### Who has to pay a royalty?

The art centre and the buyer are jointly liable to pay the royalty. This means that the Copyright Agency can recover the royalty from one or both of them.

### **The Copyright Agency's fee**

By arrangement with the government, from 1 July 1, 2015 our administrative fee is up to 15% of the royalty collected. We are required to collect GST on our administrative fee, payable to the Government, which we deduct from the royalty. An artist who is registered for GST can claim that GST on their tax return.

### **Use of this information sheet**

Check [www.resaleroyalty.org.au](http://www.resaleroyalty.org.au) for the terms of use for this information sheet, and to make sure that this is the most recent version.