

PROPOSED RESALE ROYALTY ARRANGEMENT

Comments on Discussion Paper

We, the management of the National Portrait Gallery (NPG), support a resale royalty scheme for visual artists in Australia as proposed by the Myer Report. In its mission to celebrate Australian identity, history, achievement and creativity through portraiture, the NPG engages with artists, dealers, auction houses, collecting institutions and the wider visual arts sector. In particular, the NPG develops its collection of portraits through acquisition and donation and therefore the NPG would be affected by a resale royalty scheme.

We support the principle that artists should benefit in the wealth generated by their works of art realised in successive sales.

Support for such a scheme is based upon the following considerations:

An artist's reputation is developed by a range of factors including promotion by gallery dealers, auction house results, critical acclaim etc. However, increased value of an object over time is primarily to do with the artist's creative talent as exemplified in a given work of art and its relationship to an overall body of work. It is the creative talent of an artist that should be remunerated in a resale royalty scheme. Further, funds derived by the resale of works should go directly to the artist (and family) rather than a communal fund.

Whilst it is appreciated that such a scheme will involve substantial start-up costs, when considered over a decade and beyond the overall benefits to the visual arts sector generally would far outweigh the initial administrative burden and could be a very key factor in creating increased viability of the industry.

It is also true that such a scheme would benefit more established artists who have already developed their reputation in the market place over younger practitioners who might be in greater financial need. However in time, such wealth generated by established artists could be redeployed through philanthropic trusts to encourage less established artists.

Currently, there is no funding stream to visual artists beyond the initial sale of their work except through copyright fees. As a result artists are tending to 'lock up' their images in order to derive economic benefit through the copyright system. In doing so some artists are choosing to restrict the public presence and awareness of their work which is counter productive to the developing artist's reputation through public availability. The introduction of a resale royalty scheme would encourage artists to embrace the resale scheme and move away from this restrictive practice.

A minimum fee would need to be supported, however we are not in a position to recommend a suitable model.

We do not consider that the extra fee will have a major negative impact upon sales in the secondary market. Recently this market has absorbed the GST impost without a noticeable downturn in the market.

We believe that resale royalty should remain inalienable and that the copyright provisions would act as a suitable model for resale royalties.

It is our opinion that the model endorsed should be through legislation rather than based on other models.

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