



EAST PILBARA SHIRE COUNCIL

**AGENDA
(LATE REPORTS)**

ORDINARY COUNCIL MEETING

NOTICE IS HEREBY GIVEN that an
CONFIDENTIAL Meeting of the Council will be held,
in Council Chambers, Newman,
10.30am, FRIDAY, 28 OCTOBER 2022.



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of East Pilbara for any act, omission or statement or intimation occurring during Council or Committee Meetings. The Shire of East Pilbara disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

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In particular and without derogating any planning application or application of a licence, any statement or intimation of approval made by any member or Officer of the Shire of East Pilbara during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of East Pilbara.

The Shire of East Pilbara warns that anyone who has any application lodged with the Shire of East Pilbara must obtain and should only rely on

WRITTEN CONFIRMATION

of the outcome of the application and any conditions attaching to the decision made by the Shire of East Pilbara in respect of the application.

Please be advised this Agenda may include the names of people who are deceased.

Signed: _____
Steven Harding
Chief Executive Officer

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11 REPORTS BY OFFICERS

11.3 DEPUTY CEO / DIRECTOR ORGANISATION DEVELOPMENT

11.3.1 MARTUMILI ARTISTS - FEES AND CHARGES

Attachments:	Appendix 1 Fees and Charges 2022/23 Martumili Artists
Responsible Officer:	Steve Harding Chief Executive Officer
Author:	Emma Landers Deputy CEO / Director Organisation Development
Proposed Meeting Date:	28 October 2022
Author Disclosure of Interest:	Nil

REPORT PURPOSE

The purpose of this report is for Council to consider the fees and charges set for services provided by Martumili Artists.

BACKGROUND

The Shire is required to establish a Schedule of Fees and Charges for the use of Shire facilities and for the provision of services each year.

It has been identified that in the past fees and charges for Martumili have not been included in the Schedule of Fees and Charges, including the 2022/23 Schedule of Fees and Charges.

The proposed fees and charges for inclusion in the 2022/23 Schedule of Fees and Charges can be found in [Appendix 1](#).

COMMENTS/OPTIONS/DISCUSSIONS

Martumili Artists' fees and charges are calculated using the National Association for the Visual Arts (NAVA) Code of Practice and the Indigenous Code of Ethics.

Martumili has entered into Artist agreements with 760 member artists, which authorises Martumili to charge a maximum of 50% commission on the sale of paintings. As per industry standard, Martumili typically charge 40% commission on sales of paintings, with this commission varying from product to product. For example, prints 35%, box canvas 25%, baskets 20%.

As per industry practice, Martumili sell artworks to the public market at the Recommended Retail Price (RRP). The RRP is calculated using the Recommended Retail Price Formula being:

Width (artwork) x Length (artwork) x Sales Factor (artist grade level) = RRP.

There are currently 15 grade levels available to Martumili artists. Price calculation happens at the point of cataloguing (automatically – the Shire catalogue system is programmed with all the formulaic information), and artist grades are reviewed annually (during stocktake).

Artworks are sold online via the Martumili Artists website and by commercial partners at 100% of the RRP). Artworks sold directly through the Newman Martumili Gallery are sold at Direct Price (80% of the RRP / 20% discount). Artworks sold wholesale to commercial gallery partners are sold at Wholesale (60% of the RRP / 40% discount). This model is consistent with international industry standard. The Art Centre's Artist commission remains 40% on all of these sales.

Since its inception, Martumili have offered a once yearly public 40% RRP discount on artworks at an annual Christmas sale. This provides an opportunity for the public to access paintings priced at the wholesale rate, which is usually only accessible to commercial partners. In this instance, Martumili reduces its Artist commission to 25%. Martumili reduce the commission to 25% in order to reduce impact of the discounted sale upon the artists. Martumili, as an agent, has the responsibility to find markets and promote work to sell it at RRP. Should a discount be necessary to clear stock, then as a sign of good will to artists the service reduces the Art Centre's commission.

The purpose of the Christmas sale is:

- To clear stock that Martumili have been unable to sell at both RRP (online) and Direct price (in-house)
- To sell artworks prior to the summer Art Centre closure, and to support artists in EOY and law time expenses
- A way for the local community to celebrate the achievements of artists throughout the year

This year Martumili artists have produced almost 1500 paintings. To date the Art Centre has sold 1053 paintings. 827 artworks remain in stock in the Newman Gallery sales floor.

The 2021 Christmas sale resulted in record sales totals \$276,822 and engagement.

STATUTORY IMPLICATIONS/REQUIREMENTS

Consistent with section 6.19 of the *Local Government Act 1995*.

POLICY IMPLICATIONS

Nil

STRATEGIC COMMUNITY PLAN

5: Governance

G1 Vibrant local democracy, forward-thinking civic leadership, and transparent stewardship of the community's assets and resources.

G1.4 Ensure a high standard of organisational management and effectiveness.

RISK MANAGEMENT CONSIDERATIONS

Compliance – Minor

FINANCIAL IMPLICATIONS

No financial resource impact.

VOTING REQUIREMENTS

Absolute Majority.

OFFICER'S RECOMMENDATION

That Council:

1. **Endorses an amendment to the 2022/23 Fees and Charges Schedule to include Martumili fees and charges as follows:**

Martumili Fees & Charges 2022/2023	Proposed Fee Incl GST
Martumili Artist Commission	up to 50% of artwork sale price
Martumili Artist Commission – Christmas Sale	25% of artwork sale price
Agency fee for licenses	20% of negotiated fee
Artwork sale price - Recommended Retail Price (RRP)	As per industry standard RRP formula
Artwork sale price - Direct Price	20% discount on RRP
Artwork sale price - Wholesale Price	40% discount on RRP
Artwork sale price - Martumili Christmas Sale	40% discount on RRP
Merchandise	at cost + 50%

2. **Imposes the amended 2022/23 Fees and Charges Schedule per paragraph (1), in accordance with section 6.16(3)(b) of the *Local Government Act 1995*, with effect from 7 November 2022.**
3. **Authorises the Chief Executive Officer to give local public notice of the adopted Fees and Charges Schedule (as amended), pursuant to section 6.19 of the *Local Government Act 1995*.**

ABSOLUTE MAJORITY REQUIRED

APPENDIX 1

Shire Of East Pilbara Proposed Fees & Charges 2022/2023	GST Applic	21/22 Fee Incl GST	22/23 Proposed Fee Incl GST	Description	Comments
Function 11 - Recreation & Culture					
Martumili					
Martumili Artist Commission	Yes		up to 50%	Fee charged to artists	Dependent on the product and sale type. Standard artist agreements in place with all artists - average commission 40%
Martumili Artist Commission - Christmas Sale	Yes		25%	Fee charged to artists for artwork discounted for Christmas Sale.	
Agency fees for licenses	Yes		20%	Fee charged by Martumili for use of artwork by external organisations and individuals for branding, merchandise etc.	20% of the value negotiated with the external party.
Artwork sale price - Recommended Retail Price (RRP)	Yes		As per industry standard RRP formula	Online sales and used by commercial partners	RRP calculated using International Industry Standards
Artwork sale price - Direct Price	Yes		20% discount on RRP	Martumili Gallery sales direct to public	
Artwork sale price - Wholesale Price	Yes		40% discount on RRP	Artwork sales to commercial partners	
Artwork sale price - Martumili Christmas Sale	Yes		40% discount on RRP		
Merchandise	Yes		at cost + 50%		