



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **CUSMGT404A Administer artists' royalty income**

**Revision Number: 2**

## CUSMGT404A Administer artists' royalty income

### Modification History

Release	Comments
Release 2	Created to fix formatting errors only. Released with CUS09 Music Training Package version 1.2

### Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to negotiate and distribute royalty and other income due to artists.

### Application of the Unit

Employees of record companies, artist managers and, at times, artists apply the skills and knowledge outlined in this unit. They are responsible for negotiating financial agreements with artists about recording their performances for distribution through a range of physical and digital outlets. These agreements may also include subsidiary products, such as merchandise or the right of third parties to associate their brands with artists. Skills associated with administering royalty income to songwriters and composers for the use of their music are covered in:

- CUSMGT402A Administer music publishing income.

### Licensing/Regulatory Information

No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.

### Pre-Requisites

Not applicable

### Employability Skills Information

Not applicable

## Elements and Performance Criteria Pre-Content

<p><i>Elements describe the essential outcomes of a unit of competency.</i></p>	<p><i>Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.</i></p>
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## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<p>1. Clarify terms and conditions of agreements with artists</p>	<p>1.1 Identify <b>products</b> and <b>rights</b> to be covered in agreements with <b>artists</b></p> <p>1.2 Calculate <b>income</b> in line with contractual arrangements</p> <p>1.3 Negotiate and confirm royalties arising from the reproduction of artists' <b>recordings</b></p> <p>1.4 Ensure royalty negotiations accurately and fairly reflect the commercial stature of artists</p> <p>1.5 Discuss, confirm and document <b>terms and conditions</b> to be included in <b>agreements</b> with artists</p> <p>1.6 Ensure commercial interests of artists and any third parties are balanced and clearly articulated</p> <p>1.7 Liaise with personnel responsible for drawing up contracts with artists to ensure that contracts reflect agreed terms and conditions</p>
<p>2. Disperse income and maintain financial records</p>	<p>2.1 Use relevant software to calculate royalties and income in line with agreements</p> <p>2.2 Distribute income to artists in line with agreements</p> <p>2.3 Update files systematically to ensure currency and accuracy of records and reporting</p> <p>2.4 Ensure that discrepancies in payments or queries are identified, resolved or referred to <b>relevant personnel</b></p>

## Required Skills and Knowledge

*This section describes the skills and knowledge required for this unit.*

### Required skills

- literacy skills sufficient to interpret contracts and agreements
- numeracy skills sufficient to calculate royalty payments and apportion income to artists
- communication skills sufficient to negotiate terms and conditions of agreements with artists
- initiative and enterprise skills in the context of negotiating deals that maximise income for all parties to agreements
- learning skills sufficient to maintain currency of knowledge in relation to recording and other deals open to artists
- planning and organisational skills sufficient to:
  - assemble information relevant to artists' agreements
  - keep accurate records of agreements with artists
- problem-solving skills sufficient to address discrepancies in royalty calculations
- self-management skills sufficient to assess and prioritise own workload
- teamwork skills sufficient to build and maintain networks and relationships with artists and clients
- technical skills sufficient to use standard word-processing and accounting software

### Required knowledge

- copyright legislation as it relates to licensing, publishing, rights and royalties:
  - Copyright Act 1968
  - Copyright Amendment (Digital Agenda) Act 2000
- revenue structures in the music industry
- types of royalty income due to artists, composers and songwriters
- methods for calculating and distributing income to artists
- rights and obligations of artists, recording companies and third parties in agreements
- role and functions of:
  - industry personnel
  - music retail outlets
  - music publishing companies
  - record companies
  - digital distributors/aggregators
  - national and international music industry associations
- routine bookkeeping and accounting procedures
- typical features, requirements and terminology used in contracts and agreements with artists
- issues and challenges that typically arise in the context of administering artists'

income

## Evidence Guide

*The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.*

<b>Overview of assessment</b>	
<b>Critical aspects for assessment and evidence required to demonstrate competency in this unit</b>	<p>Evidence of the ability to:</p> <ul style="list-style-type: none"> <li>• negotiate terms and conditions of financial agreements with artists</li> <li>• calculate, collect and distribute income to artists in line with agreements.</li> </ul>
<b>Context of and specific resources for assessment</b>	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> <li>• access to:             <ul style="list-style-type: none"> <li>• copyright and licensing legislation, including the Copyright Act 1968 and Copyright Amendment (Digital Agenda) Act 2000</li> <li>• word-processing and accounting software</li> <li>• industry association agreements</li> <li>• artists</li> </ul> </li> <li>• use of culturally appropriate processes, and techniques appropriate to the language and literacy capacity of the candidate and the work being performed.</li> </ul>
<b>Method of assessment</b>	<p>The following assessment methods are appropriate for this unit:</p> <ul style="list-style-type: none"> <li>• case studies to assess the candidate's ability to negotiate terms and conditions of financial agreements with artists</li> <li>• direct observation of candidate calculating, collecting and distributing income to artists</li> <li>• written or oral questioning to test knowledge as listed in the required knowledge section of this unit</li> <li>• problem-solving activities to assess ability to calculate income and apportion their distribution.</li> </ul>
<b>Guidance information for assessment</b>	<p>Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:</p> <ul style="list-style-type: none"> <li>• BSBPUR402B Negotiate contracts</li> <li>• CUSIND401A Develop specialist expertise in the music industry</li> <li>• CUSMGT401A Manage distribution of music and</li> </ul>

	<p>associated products</p> <ul style="list-style-type: none"><li>• CUSMGT402A Administer music publishing income</li><li>• CUSMGT403A Managelicensing of music</li><li>• CUSPUR501A Establish and manage recording contracts.</li></ul>
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## Range Statement

*The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.*

<p><b>Products</b> may include:</p>	<ul style="list-style-type: none"> <li>• audio recordings:             <ul style="list-style-type: none"> <li>• physical products, e.g. CDs</li> <li>• digitally distributed</li> </ul> </li> <li>• video recordings:             <ul style="list-style-type: none"> <li>• physical products, e.g. DVDs</li> <li>• digitally distributed</li> </ul> </li> <li>• merchandise, such as:             <ul style="list-style-type: none"> <li>• T-shirts</li> <li>• posters</li> <li>• stickers</li> <li>• mugs</li> <li>• gimmicky objects.</li> </ul> </li> </ul>
<p><b>Rights</b> may include:</p>	<ul style="list-style-type: none"> <li>• brand association granted to a third party</li> <li>• ownership of copyright in the recording</li> <li>• other.</li> </ul>
<p><b>Artists</b> may include:</p>	<ul style="list-style-type: none"> <li>• solo performers, such as:             <ul style="list-style-type: none"> <li>• singers</li> <li>• instrumentalists</li> <li>• dancers</li> <li>• circus performers</li> </ul> </li> <li>• bands</li> <li>• ensembles.</li> </ul>
<p><b>Income</b> may include:</p>	<ul style="list-style-type: none"> <li>• royalties derived from audio-only recordings, such as:             <ul style="list-style-type: none"> <li>• physical product sales</li> <li>• digital downloads</li> <li>• background/in-store music</li> <li>• educational recordings</li> <li>• premiums</li> <li>• ringtones</li> </ul> </li> <li>• royalties derived from synchronisation rights from the use of sound recordings in audiovisual productions</li> </ul>



	<ul style="list-style-type: none"> <li>• income from: <ul style="list-style-type: none"> <li>• public performance of recordings</li> <li>• sale of merchandise</li> <li>• rights licensed or assigned to third parties.</li> </ul> </li> </ul>
<b>Recordings</b> may include:	<ul style="list-style-type: none"> <li>• recorded studio performances</li> <li>• recorded live performances</li> </ul>
<b>Terms and conditions</b> may include:	<ul style="list-style-type: none"> <li>• advances</li> <li>• royalty payment schedule</li> <li>• royalty splits: <ul style="list-style-type: none"> <li>• general</li> <li>• synchronisation</li> <li>• public performance</li> <li>• other</li> </ul> </li> <li>• assignment of copyright</li> <li>• creative control</li> <li>• duration, e.g. term and retention</li> <li>• enforcement of rights</li> <li>• goods and services tax (GST)</li> <li>• independent advice</li> <li>• jurisdiction</li> <li>• notices</li> <li>• obligation to exploit</li> <li>• overseas income</li> <li>• productivity commitment</li> <li>• promises and warranties</li> <li>• recoupment</li> <li>• reversion of copyright</li> <li>• termination</li> <li>• territory.</li> </ul>
<b>Agreements</b> may cover:	<ul style="list-style-type: none"> <li>• recording deals</li> <li>• brand association arrangements</li> <li>• other.</li> </ul>
<b>Relevant personnel</b> may include:	<ul style="list-style-type: none"> <li>• manager</li> <li>• accountant</li> <li>• auditor</li> <li>• artist</li> <li>• artist manager.</li> </ul>

## **Unit Sector(s)**

Management and leadership - management