

# MANAGEMENT AGREEMENT CHECKLIST

THIS IS A CHECKLIST OF KEY DEAL POINTS AND ISSUES IN A MANAGEMENT AGREEMENT. IT DOES NOT COVER EVERY ISSUE THAT MIGHT ARISE. EVERY DEAL IS DIFFERENT IN SOME WAY. YOU SHOULD GET LEGAL ADVICE ON LEGAL AGREEMENTS BEFORE YOU SIGN THEM. BUT THIS CHECKLIST IS A GREAT STARTING POINT.

REMEMBER TO CHECK OUT THE MANAGEMENT AGREEMENT FACT SHEET FOR FURTHER INFORMATION.

## **1. MANAGER DETAILS**

- 1.1. Will the manager sign in their own name or via a service company? Use the correct entity name, trading name (if any) and ACN or ABN.
- 1.2. If using a service company:
  - (a) Ensure there's a promise of the individual manager's personal services (with a personal guarantee that they will perform the company's obligations if, for any reason, it fails to do so).
  - (b) Can artist terminate if key individual in the management company moves on?

## **2. ARTIST(S) DETAILS**

- 2.1. Contracting as a group or as individuals (or both, e.g. "together and separately...")?

## **3. TERRITORY**

- 3.1. Australia, Australasia, World? (What territory can the manager effectively manage?)

#### **4. TERM**

- 4.1. Initial period (commonly to 3–4 years). Is there an initial "probation" period in which either party can walk away?
- 4.2. Options to extend (and if so, at manager's sole option or by agreement?):
  - (a) Number.
  - (b) Length.
  - (c) Any performance triggers as a condition of the option? (Such as getting a Record deal? Publishing deal? Income turnover figure?)
- 4.3. For contracts in NSW, there is a mandatory 3-day cooling off period in which you can terminate the agreement without penalty.

#### **5. MANAGEMENT OUTSIDE "HOME" TERRITORY**

- 5.1. Who selects (requires artist consultation or approval?).
- 5.2. Who pays (manager normally pays, out of their commission).

#### **6. REMUNERATION**

- 6.1. Commission percentage (anywhere between 10–20% of defined "Gross Income" or similar).
- 6.2. How is "Gross Income" defined? Usually, it's all income received from the artist's activities (excl. of course, GST collected), less certain agreed categories of deductions, these can include:
  - (a) Recording & video costs.
  - (b) Live performance costs (agents, support act fees, live production such as sound and lights, accommodation, subsistence costs, etc.
  - (c) Merchandising costs.
  - (d) Value of payment in kind (such as instruments, equipment, goods, etc), negotiable whether resale or wholesale value.
  - (e) Gifts.
  - (f) Other.

## **7. SERVICES OF MANAGER**

- 7.1. Is the manager the artist's only (i.e. "exclusive") manager?
- 7.2. Role: Are there areas of entertainment industry activity the manager won't manage – such as literary endeavours, journalism, theatrical, modelling, tuition and social media channels that are not directly connected to the main activity that is being managed?
- 7.3. Powers: what, if any, deals can the manager sign on the artist's behalf? Are there categories of deal, such as recording agreements and licences, publishing agreements and licences, sponsorship, endorsement, and ambassador agreements, etc, which are so economically, artistically, or reputationally significant that the artist should sign personally?
- 7.4. Restrictions:
  - (a) What activities or actions require the artist's personal approval?
  - (b) How much control (and at what admin level) does the manager have over the artist's social media?
  - (c) How much of the artist's money can manager spend at any one time (is there a limit on monthly or weekly expenses)?
- 7.5. Reporting of actions and activities and keeping of business records should be at least in alignment with the Entertainment Industry Regulation 2020 (NSW) (the EI Act) and the Entertainment Industry Act 2013 (NSW) which are administered by Fair Trading NSW (Industry Code). The Industry Code is only compulsory in NSW. But it may establish good practice in other States and Territories. Queensland also has an Industry Code (the Private Employment Agents (Code of Conduct) Regulations 2015 (Qld)) which contains some reporting and record-keeping requirements.

## **8. ARRANGEMENTS FOR BANKING AND ACCOUNTING (PER THE INDUSTRY CODES)**

- 8.1. If any monies received by the manager on your behalf are not paid immediately, they must be placed in a trust account (NSW) or held for you exclusively (Qld) and paid to you within 14 days (NSW) or 7 days (Qld) of receipt.
- 8.2. If the services are provided in NSW, a manager must keep:
  - (a) accounting records of money received for your services;
  - (b) a copy of each financial statement;
  - (c) a copy of each written agreement the manager has entered with the performer or on your behalf; and
  - (d) accounting records at the manager's main place of business for at least five years after the record is created.
- 8.3. You have a right to audit these records on request, or if the services are not provided in NSW, your right to audit will be agreed and set out in the management agreement.

## **9. REMUNERATION UPON TERMINATION**

- 9.1. Except for commission on Gross Income earned during the Term, managers are not generally entitled to income earned after the Term unless that is set out in a contract. Customarily, managers negotiate an ongoing commission entitlement on so-called post-Term income to reflect their efforts during the terms, which may only pay off after the term. Typically, this entitlement is limited to certain specific sources of income:
- (a) Recordings (recorded during the Term and released during Term or within an agreed period following).
  - (b) Publishing (songs released during Term or within an agreed period following).
  - (c) Live work (gigs booked during Term, occurring after term: potentially discounted commission on these).
  - (d) Sponsorships and endorsements.

## **10. POST-TERMINATION COMMISSION**

- 10.1. Period (2–5 years) (other than where terminated for manager's breach).
- 10.2. Percentages (decreasing each year, e.g. 15% year one, 10% year two and 5% year three).

## **11. IF THE MANAGEMENT SERVICES ARE PROVIDED IN NSW OR QLD, THEY MUST COMPLY WITH THE REQUIREMENTS OF THE INDUSTRY CODE**

- 11.1. The Industry Code requires a manager to provide certain information to performers – information on this is located [here](#) for NSW and [here](#) for Queensland. We recommend familiarising yourself with these resources before signing a management agreement.
- 11.2. If any of the manager's services are to be provided in NSW or Qld (even if the manager is based outside that state) as an artist, the artist would want the manager to comply with the Industry Code as it set out some fair standards about management functions.
- 11.3. Both Industry Codes set certain caps on commission that a manager can charge.
- 11.4. Managers can offer additional services such as management of the artist's professional reputation, career, or career development. If the manager wants to charge commission of more than the prescribed rate of 10% on the relevant income, the manager must ensure that the contract complies with the NSW and Qld legislation. In NSW, this requires an entertainment industry managerial agreement under the EI Act, which among other things, must contain an "additional fee acknowledgement" covering the additional fee for those additional services, as well as some financial disclosure and "cooling off" provisions. In Qld, there must be a management agreement in writing under which the manager provides at least four additional management services.
- 11.5. [There are additional requirements for child performers.](#)

*For more information, you can speak to your local Industry Association, the Arts Law Centre of Australia or a legal practitioner.*



This checklist is an initiative of the Australian Music Industry Network. For more information visit [www.amin.org.au](http://www.amin.org.au).