

# No need to part with art after Labor backdown

Report Katrina Strickland

The Labor Party has caved in to pressure from the arts sector and will allow self-managed superannuation funds to continue to invest in collectables and personal assets if it is re-elected.

In its first response to Jeremy Cooper's review of the superannuation sector, Labor has rejected the proposal that self-managed funds be forced to divest, within five years, personal-use assets such as boats, furniture and horses, and collectables such as art and coins. But they will have to follow stricter guidelines on the purchase, storage, valuation and disposal of such assets to ensure they don't give a personal benefit to the fund trustees.

The guidelines, to be drawn up after the election, will be "broadly in line" with those recently released by the Self Managed Super

Funds Professionals Association of Australia and the Australian Artists Association. SPAA chairwoman Sharyn Long said its new guidelines required better storage of artworks, more rigorous audits and an annual valuation by a qualified valuer, for example.

The decision, announced on Friday in a statement from Superannuation Minister Chris Bowen and Arts Minister Peter Garrett, is a win for the visual arts community, which has been unusually cohesive in its campaign against the proposals, which it said would decimate the fragile sector.

Others will also benefit, with personal-use assets and collectables spanning coins, wine, boats, golf club memberships and stamps.

The Liberal Party and Greens had already rejected this proposal from the Cooper review.

Michael Fox, campaign co-



Artwork bought with super will need to be better stored. Photo Erin Jonasson

ordinator for Save Super Art, a coalition of galleries, collectors, artists and accountants, said: "The art market can return to a state of certainty for the first time since these recommendations were made public on April 29. I'm very pleased the government has listened to the pleas of the arts industry and

recognised the fact that economic policy can't be made without assessing its impact on Australian culture."

Though only a tiny portion of the \$386 billion of do-it-yourself super fund assets is invested in collectables, in art world terms the investments represent big money.

About 15 per cent of sales by members of the Australian Commercial Galleries Association are to self-managed super funds, accounting for about \$11 million a year, according to ACGA chief executive Janan Greer.

Auction houses also sell significant numbers of artworks to super funds but the exact number has not been quantified.

Save Super Art was planning to hold a rally on August 8, and was putting together a petition to send to Prime Minister Julia Gillard.

Mr Cooper said on Friday he did not want to comment about the Labor Party's announcement.

"It's entirely up to the government to make a decision and that's what they've done," he said. "This was a very minor part of the overall scheme of things which got some air time."

► Election coverage, pages 6-10