



Cooper panel's hang-up on art works

In his bid to ban art investments in self-managed super funds, superannuation review chief Jeremy Cooper appears to have a hang-up over paintings on living room walls, rather than a serious commitment to evidence-based policy. He has produced no evidence to suggest art is an inappropriate investment with which to build retirement savings. Nor has he produced evidence that the existing regulations are being rorted by funds with living rooms in which their paintings are hanging ("Cooper's super a streamlined package", June 23).

Our experience suggests that the limited number of SMSF trustees who invest in art tend to have some knowledge of the market and have taken appropriate advice, which has resulted in art investments that generally outperform equities or

property. The Australian Taxation Office has provided guidelines for acquisition of art by SMSFs and trustees and auditors of the funds have followed these directions.

Our understanding is that trustees of SMSFs do not abuse the system — they do not have art works on display at home or in their office. What the Cooper panel has conceded is that the so-called exotic assets amount to a mere 0.1 per cent of total funds invested by SMSFs, so where's the problem, and just what is the Cooper panel setting out to achieve? Unfortunately, it seems like a clear case of removing freedom of investment choice to make SMSFs less attractive.

I find it difficult to understand how the panel can justify its recommendations to ban SMSFs from acquiring art based purely on

a hunch that some people are rorting the system. I find it even more difficult to understand how a panel can make these recommendations without considering the impact on the arts industry. With an estimated cost of \$100 million a year to our art market, the proposed ban would be a case of not only throwing the baby out with the bath water but also making sure it had drowned.

I sincerely hope that the government has the sense to see there are other ways to prevent a few individuals from rorting the system than to seriously damage an industry that is productive and vital.

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