



**MEDIA RELEASE**

**7 June 2010**

## **Cooper wrong on art as “collectable”**

Executive Director of the Australian Artists Association, and Convener of the SAVE SUPER ART campaign, Tom Lowenstein, says the Cooper Review on Superannuation has got it wrong in characterising art as a “collectable”.

“In recommending art be banned from Self Managed Super Funds, the Cooper Review refers to art as a ‘collectable’, lumped in with ‘jewellery, antiques, stamp collections, wine exotic, cars, golf club memberships and boats’.

“But there is plenty of evidence to support art as a legitimate investment asset that can build retirement savings. And there are strict regulations in place to protect the integrity of art as an investment within SMSFs to satisfy the sole purpose of providing for retirement benefits.

“To our knowledge, the guidelines established by the ATO encompassing the sole purpose test in relation to art have been widely adopted by auditors, and are being applied consistently.

“Art in SMSFs is not a collectable, for the purpose of current enjoyment, but a legitimate investment asset, which should be recognized as such”, Mr Lowenstein said.

The Save Super Art campaign has called on the Rudd Government to reject the Cooper Review recommendations, which are already creating damaging uncertainty in the Australian art market.

Sydney-based art consultant and commentator Michael Reid says a number of significant art purchases have been abandoned recently because of the Cooper Review recommendations.

“Successful art investors in SMSFs necessarily take a longer term view, and the threat of a ban and ten year period to divest is a strong disincentive”, Mr Reid said.

One of Australia’s leading experts on Australian indigenous art and artists, Susan McCulloch, co-author of the industry authority “*McCulloch’s Encyclopedia of Australian Art*”, says the Cooper Review

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recommendations create a disturbing disparity in allowing APRA-regulated funds to invest in art, but banning Self Managed Super Funds.

“The union super fund CBUS is a perfect example of how targeted art investment can be of huge benefit to the community. The 310 works in this fund include many major pieces that have been long available to the public through loans to public galleries, and have also increased in value five fold. Denying art in SMSFs would therefore be of great detriment, not only to individuals but to the public.

“Take \$100 million a year away from the Australian art market, and the effects will be devastating for visual artists, suppliers, indigenous communities, and small businesses. The most significant impact is likely to be on Aboriginal artists and their communities whose livelihood will be severely and immediately affected”, Ms McCulloch said.

Prominent Australian art market analyst, Roger Dedman, who publishes the annual *Australian Art Market Movements Handbook*, says his research over many years confirms art as a legitimate investment with which to build retirement savings.

“Carefully selected art held over a ten year plus period can confidently be expected to produce a satisfactory rate of return when viewed purely as an investment”, Dr Dedman said.

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For further information, please call Jonathan Raymond, 03 9663 3222, 0418534811

## **About SAVE SUPER ART**

**SAVE SUPER ART** is a campaign being conducted by the Australian Artists Association, a not-for-profit lobby group representing the needs of professional artists ([www.australianartistsassociation.org.au](http://www.australianartistsassociation.org.au)), with the support of organizations and individuals across the Australian art industry, including artists, indigenous art community centres, galleries, art consultants, adviser and dealers, auction houses and the wide variety of support services within the art industry. These support services include art supplies manufacturers, distributors and retailers, conservators, educators, framers, installers, publishers, reviewers, storers, transporters, and valuers.