

News COOPER REVIEW

Super proposal 'could devastate' Aboriginal art

By LUCY BATTERSBY

THE Aboriginal art market could be devastated by a recommendation to ban art, jewellery, wine and collectables from self-managed superannuation funds, says the director of a big art auction house.

The recommendation to ban collectables is one of 180 made in the Super System Review Panel's final report to the federal government.

Up to 60 per cent of Aboriginal art is bought through self-managed super funds, according to managing director of Melbourne-based Moss Green Auctions Paul Sumner.

Banning art investments from super would be a "massive disincentive" to buyers, he said. "The removal of [art] as an investment asset class will devastate, in particular, Aboriginal art, because 60 per cent of the people who collect Aboriginal art invest through their super fund."

Aboriginal art was particularly attractive to self-managed super funds because there was a global market for it. Collectables in self-managed super funds were taxed at a fraction of the taxation rate in a

normal collection, Mr Sumner said. However, the man in charge of the review, Jeremy Cooper, said superannuation should be about retirement savings and when people added art, coins, wine, exotic cars and boats to their funds, it "gives you the feel that something is going on that is not directly connected to retirement super savings".

The panel's final report said its main concern was that the complexity of regulating collectables outweighed the potential benefits of allowing such a liberal investment menu to the self-managed sector, which did not have the same oversight as commercial superannuation funds.

"These assets lend themselves to personal enjoyment and a range of 'non-investment' factors and therefore can involve significant current-day benefits being derived by those using or accessing the assets," the panel said.

However, the panel has approved collectables for funds with a trustee and regulated by the Australian Prudential Regulation Authority, because the members believed purchase decisions for these funds had more checks and balances.



Buyers of Aboriginal art may choose to stay away.