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## COOPER W

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## Super sector picks a fight with historic reform:





RENEE NOWYTARGER

Artist Colin Lanceley, pictured in his Sydney studio yesterday, fears the Cooper recommendations will hurt the art market

# Cooper has no eye for art, no taste for wine

ASHLEIGH WILSON

ASK Colin Lanceley about the state of the art industry and he avoids the big picture. The Sydney painter makes his living from one show to the next, and unpredictability is a fact of life.

But Lanceley, whose work hangs in all the nation's major galleries and in leading institutions around the world, is sure about one thing: it would be "madness" to adopt the recommendations on art investments contained in yesterday's Cooper review of superannuation. "Anything that discourages the buying of artwork is stupid," he says.

## KEY RECOMMENDATIONS

### MYSUPER

A new "default", no-frills super fund should be created for the bulk of members who want a cheap basic fund and are not interested in choice

### COMMISSIONS

Commissions should be banned on all MySuper products and on any insurance offered as part of packages. Super fund members

As foreshadowed before its release, the review recommends Australians who manage their own super funds be banned from adding "collectables and personal use assets" to their portfolios.

will get to choose the level of advice they pay for each year

### EFFICIENCY

An overhaul of the system of administering super funds, called SuperSteam, should include the use of tax file numbers to identify and track all super funds and increasing use of technology

### TRANSPARENCY

Super fund members should

This means all paintings, fine art, coin and stamp collections, racehorses, exotic cars, boats, antiques, wine and golf club memberships sitting in any of the nation's 423,000 self-managed

be able to easily compare competing super products

### SELF-MANAGED FUNDS

Self-managed super funds should no longer be able to hold collectibles such as art and wine

### BENEFITS

The changes are forecast to save members \$1.55bn a year in the short term and \$2.7bn a year in the long term

super funds will have to be sold.

The alternative is to shift the assets into a small super fund that has its own trustee and is regulated by the Australian Prudential Regulation Authority rather than

simply reported to the Australian Taxation Office.

Crucially, the time allowed for the assets to be sold or shifted has been halved from the expected 10 years to just five.

The review panel "does not accept as logical" claims that art and related industries would be greatly affected by the changes, saying anyone wanting to invest in such products could do so outside the self-managed super fund model.

But arts accountant Tom Lowenstein said it would have "tremendous downward pressure" on the market. "This is one area that has united the art world more

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# Study's stance on art slammed as 'madness'

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than any other issue that I have been involved in the arts," he said.

Lowenstein is the convener of the Save Super Art campaign, a lobby group formed to fight the changes, and which counts artist John Olsen among its supporters. He plans to meet Arts Minister Peter Garrett next week to discuss the issue, saying artists, dealers and collectors felt under siege after the review and the introduction of the resale royalty scheme.

"Since the flagging of these recommendations, there's been a tremendous drop within the art market already," he said.

He was backed by NSW artist Ben Quilty, winner of last year's \$150,000 Doug Moran National Portrait Prize, who said he had "no idea" why the sector was copping it from all angles. "I just hope they're meting out the same punishment on the sport world as they do to the art world," he said.

Collectable dealers are worried, too. Bob Climpson, the manager of Noble Numismatics, an auction house that specialises in coins, medals, stamps and banknotes, said prices had been rising in recent months, with much of the demand driven by private super funds. "This could potentially be a major problem and a major dampener on the market," he said. "People are definitely buying at

the moment to put into super funds, and if that's cut out they won't be buying any more."

However, Meg Heffron, one of the members of the Cooper review panel, said such concerns were unwarranted.

"I don't want to bash the SMSF industry, I don't want to bash the art industry, so it is something we thought hard about. But what we concluded was the apocalyptic predictions don't need to come to pass," she said.

The SMSF sector has been growing strongly in the past five years and accounts for about 30 per cent, or \$330 billion, of total super industry assets.

Ms Heffron said the recommendations in the review would lead to better regulation of the sector and remove emotion from retirement investment decisions. It was not making a judgment on whether art was a good or bad investment, she said.

"There are plenty who invest in artwork as part of a considered, carefully researched investment strategy and they're exactly the sort of people who should still be doing it. But there will also be a sizeable group who fall in love with a piece of artwork, don't have the cash to buy it and therefore buy it with their super fund money and really have no idea whether it is going to be a good retirement investment or not."