

A Perfect Storm!

As of July 2010 it has since been announced that the Cooper Recommendations will be absorbed into Australia's new laws for Self Managed Super Funds. Clearly, art has been diagnosed in these quarters as a non 'yield asset'. Regardless of its proven capacity to hold its value in the market, it doesn't make the grade along with stocks and shares, bricks and mortar.

Meanwhile back in the Arts Ministry, Mr Garrett is busy rolling out and still blindly defending his Resale Royalty Scheme. This was brazenly touted by Mr Garrett last month, in response to the yields in art being too high in favour of commercial galleries and collectors. Hence, it was decided a 5% levy was in order. What we have here is a perfect storm!

Now imposing a **five-year moratorium** to divest SMSF artworks, will penalise thousands of retirees at least 5% of the value of those artworks, due to the resale royalties legislation.

It is a threshold time for the Art industry and **we need a weatherman!**

I propose this Govt. or the next, to create some positive initiatives for the art industry by providing some simple but direct stimulus measures.

For example: Allow a **25-30% tax rebate** for all art collectors who purchase art by LIVING AUSTRALIAN ARTISTS, perhaps for works of \$3000 and upwards??

This would allow the private sector to put some money back into the arts. Clearly by taking funds and any commercial incentives out of the Industry, the Govt. is authorising a collapse of confidence. and by way of its own ignorance and lack of industry consultation, a total abandonment of their responsibilities.

If you agree with assisting with **these Weatherman** tactics, to avert the perfect storm, please let me know! More importantly, however, let you local Govt. representative know, let your local artists, your local galleries and your local newspaper know.

The arts industry simply needs incentives for people to buy art and we need the Govt. to stop being gatekeepers in an industry they barely understand but desperately want to control.

So if you are an artsworkeer, or an arts bureaucrat, or you make your living from being around artists and you don't know much about the commercial dealings of art, you probably won't be affected too much because you are on a salary. But **YOU** most importantly of all the punters out there, will need to change your attitude and lobby to create some stimulus, or find another job!

Michael Eather
Artist + Gallerist
Brisbane 14 July 2010