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22 July 2010

The Hon Chris Bowen MP
Minister for Financial Services, Superannuation and Corporate Law
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Dear Mr Bowen,

The Cooper Review and investment in the Australian art market

We are writing to express our concern about the recommendations of the Super System Review Final Report (Cooper Report) regarding investment in Australian art. The Report recommends that self-managed superannuation funds (SMSFs) be prohibited from investing in artworks, and that they dispose of any artworks they own within five years.

CAL (Copyright Agency Limited) was appointed by the Australian government earlier this year to administer the artists' resale royalty scheme. Under that scheme, artists are entitled to a 5% royalty on certain resales of their works. CAL is a non-profit copyright management organisation, whose members include authors, artists and publishers.


CAL has had a long association with artists, but our recent appointment has heightened our awareness of the precariousness of artists' incomes. The scheme we have been appointed to administer will, over time, deliver important supplementary income but its implementation will be slow because of exemptions in the legislation and, in any event, it will not compensate artists for the loss of a significant customer base.

We urge you to reject the Report's recommendations regarding investment in art by self-managed superannuation funds.

The Report does not refer to any evidence that SMSFs are, in fact, investing in artworks in the absence of knowledge or advice about the suitability of the artworks for investment. Our enquiries indicate that if this exists at all, it is rare. In any event, there are alternatives for addressing this concern.

We would be happy to provide any further information that may assist your consideration of this issue, and to meet with you or your advisors.

Yours sincerely,

A handwritten signature in blue ink, consisting of a large, sweeping initial 'J' followed by a series of connected loops and strokes that form the name 'Alexander'.

Jim Alexander

Chief Executive