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ARTS MANAGEMENT

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NEWSLETTER DEC 2012

Tax Matters for the Arts



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Wishing you and your family a safe and happy holiday season

Lowensteins Arts Management will be closed from 21st December 2012 until the 7th January 2013

John Olsen: What inspires me

As an Australian artist, John Olsen, is highly decorated. The man often cited as Australia's greatest living treasure has been awarded an OAM and an OBE but this mad keen painter is having none of it.

Not one to stand on pomp and ceremony, John Olsen insists such titles are superfluous "full of contradictions" and he prefers to think that his OBE actually stands for "Old Bondi Expatriate".

It's this self-effacing attitude that makes John Olsen much loved and highly regarded as one of this country's most successful painters.

But what makes this 84-year-old tick?

Well to get an overview of this great man, one needs to start at the beginning.

John believes that "art is the kind of thing you are born with".

As a four-year-old growing up in New South Wales, John begins to scribble.

"It's like a form of disease really", he says. "It's what you do and it's what interests you, making marks on pieces of paper".

John says there were no paintings in his house growing up.

"There was no cultural drift at all in the house", he recalls. "Neither was there a library of any kind and I hadn't really seen any pictures at all. I'd never been to an art gallery".

However, he decided he wanted to draw and paint properly and went to art school where "I met people I'd been waiting to meet all of my life".

John would be 15 before he used paint or watercolour.

Upon informing his parents he would be quitting his safe clerical job to attend art school full time, his horrified mother inquired: "What will the neighbours think?"

His father warned him he would meet "some very odd characters" of which John admits he was right!

"There were students my age, some older and we had this common interest. I'd met another society that really I didn't know existed", he says now.

John describes art school as a relief.

By this stage he had left home and had taken up residence in Kings Cross.

"You learn more than painting, you're introduced to literature, books that you must read. Art contains many cultural strands and before long I began to know about T.S. Elliot, Tolstoy and Dickens".

While others at art school struggled to make a career out of painting, John's 'lucky break' came after he left art school and began to show his paintings around town. They were soon being noticed by the Sydney crowd and he was considered as "one of the bright things".

He was invited to a dinner one night by Sydney businessman, Robert Shaw, at his home in Bellevue Hill, which was attended by other 'movers and shakers'.

John was asked if he'd like to go to Paris and study. "Can I leave tomorrow?", an enthusiast young John inquired.

The emerging artist was given a three year scholarship and became an artist in Paris. During that time he sent back his artworks to Sydney and they were sold by Mr Shaw.

John says the experience broadened his horizons in every conceivable way. He lived on the Left Bank, not far from Picasso's studio and became an artist in Paris.

He went to see a friend in Barcelona and lived in Spain for a period of time.

"I began to be interested in food, just peasant food and I can remember going to the great market in Barcelona, La Boqueria, and seeing chooks dipped in saffron", John recalls. "Everything broadened, everything became bigger".

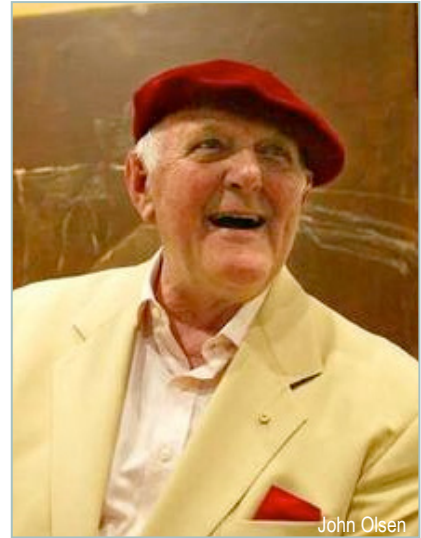
While reluctant to name his favourite painter, John says he admires the works of Rembrandt and Renoir before adding Cesare to the list.

"My own taste is very eclectic", he says. John snorts at fashion and says "quality is the only thing that counts".

In Australia, he admires Drysdale and Sid Nolan and reminisces about the times he and Fred Williams used to go out painting together.

While he still maintains many friendships in the art world, John admits to being "quite happy to work in my studio and have very little social contact".

Olsen paints in his studio most days and is most inspired when he can get "two colours to sing together". Getting three colours that really work usually makes his day.



When he's not painting, John revels in his sport.

"I love sport, I loosely follow the AFL, my team is Richmond", he reveals. However, many might be surprised to learn this great man of the canvas is a Rugby Union tragic.

"I'm a Wallabies supporter, so it's usually tragic", he says.

John also follows the tennis. "I like anything that's got a ball in it".

When he tires of sport, John loves nothing more than read books. "It's a major thing for me".

A lover of poetry, for two decades John has indulged in writing poetry. "I think it somehow encourages my imagination", he says.

And at 84, Australia's living legend still loves to travel. If he didn't live in Australia, John confesses he could fit comfortably somewhere in the Mediterranean.

"I could live in Florence, Barcelona, Paris or the South of France", he says.

One of his most recent trips was to Malta. "It was an absolute surprise, I liked it very much", he recalls with fondness.

He reveals a trip to St John's Co-Cathedral in the Maltese town of Valetta and "a marvellous Carravaggio" painted in 1608.

The painting depicting 'The Beheading of Saint John the Baptist' hangs in the oratory and is considered one of Carravaggio's masterpieces and the only artwork to bear the artist's signature.

It's these discoveries that inspire John Olsen!

S*x, Death and Taxes A rough guide to MONA

By Miriam Grundy



It is fair to say that David Walsh obsesses about the first two, and disdains the latter. As a result, the Museum of Old and New Art and the collection it houses centers around the former two and has come to fruition due to the latter, or rather the lack of it. Walsh is the creator of MONA, a local Tasmanian equipped with a profoundly macabre sense of humor, a fierce art collecting habit and a gift for writing algebra to beat betting systems. Left to flourish for several decades, Walsh's habits have resulted in what we now know as MONA.

Walsh has created a subversive Disneyland for art and artifact, quickly becoming one of the biggest tourist attractions in Tasmania with close to a quarter of all travellers to the Apple Isle reporting to have visited MONA. Not only has it also established a new Sydney/Melbourne/Hobart arts triangle, in its short existence MONA has achieved what no Australian institution has been able to by giving Australia a voice on the international arts stage, keeping company with progressive galleries such as the Guggenheim, Getty and Saatchi. A visit to MONA ensures a truly world-class art experience just across the Strait, so here are a few tips on exploring the temple of Walsh:

Take the ferry. The MONA ROMA ferry is the best way to start your MONA journey allowing you to take in the beautiful River Derwent and see the building emerge from the harbor, like a tip of a

rusty, angular iceberg, it deceptively hides the mass that lies beneath. It is a good idea to book the ferry online ahead of your trip so you can be sure to secure a seat on the early and late trips to allow for maximum time in the gallery or a sunset drink.

Allow yourself time. An entire day at least, two days is optimal to fully absorb the entirety of the collection and the scale and presence of the building. MONA is best done slowly with plenty of time allocated to getting meaningfully lost in the myriad of passages, rooms and enclaves that will carry you through the space. For your unplanned route, you will be equipped with an 'O' that will inform, guide and amuse you the entire way through. The O is MONA's version of the wall plaque, audio tour, artist's statement and amusing ramble all in an easy to use iPod device, tracking your stops, likes and hates and then sending your tour to you at the end of the day.

Spend your time unwisely. MONA does away with notions of viewing hierarchy and sequence. You can walk for hours through the exhibitions, take rest on a giggling sofa, lounge in the library or in my case; it may just take you a day to find the Anselm Keifer room. MONA is a museum that you discover gradually, revealing itself incrementally through both understated detail and grand display. The best way to explore MONA is through guesswork and experimentation, activating a sense of play and adventure that is a pivotal part

of the viewing experience.

Be hungry and thirsty. Starting from the ferry kiosk to the basement bar, MONA has many ways to tempt you away from the subject of art and onto the much more serious subject of eating and drinking, which appears to be David Walsh's second obsession in life. Take a casual lunch in the café, dine in the restaurant or sprawl with some BBQ and beanbags on the lawn. All venues feature local produce and beverages from MONA's own Moorilla Winery and Moo Brew brewery. Discuss your day over a wine or beer tasting, available at The Source restaurant where you will be expertly guided through a liquid tour of Tasmania, plus MONA seems to make much more sense after a few wines.

Stay, one night at least. MONA has a selection of pavilions inspired and named after Walsh's favorite architects and artist such as the Sidney, Walter and Brett options. These elegant quarters continue the conversation from the gallery and allow you to fully experience MONA and its surrounds. Each pavilion features works from the MONA collection inspired by or by the very hand of its namesake. MONA has a selection accommodation and activity packages that will ensure a memorable holiday. If timing is your thing, MONA has regular events, concerts, screenings and annual festival, MONA FOMA that will give you even more reason to leave the mainland.

For more information go to www.mona.net.au

Employee or contractor?

Before your business engages a worker, you need to check whether they are an employee or contractor by examining the working arrangement.

Make the correct decision

It is important you make the correct decision as you will need to meet different tax and super obligations depending on whether your worker is an employee or contractor.

Many businesses are getting this decision wrong as they are basing it on incorrect information. Often workers who should be employees are being incorrectly treated as contractors.

None of the following makes a worker a contractor:

- your business only needs them for short term or irregular work (such as during busy periods)
- you are using their specialist qualifications or skills
- the industry 'norm' is to use contractors
- they have an Australian business number (ABN)
- they have a registered business name.

Just because a worker has an ABN or registered business name does not mean they will be a contractor for every job.

To determine whether a worker is an employee or a contractor, you need to consider the whole working arrangement and look at the specific terms and conditions under which the work is performed.

Employee	Contractor
An employee works in your business and is part of your business. Characteristics of an employee include the following.	A contractor is running their own business and provides services to your business. Characteristics of a contractor include the following.
Ability to sub-contract/delegate: the worker cannot sub-contract/delegate the work - they cannot pay someone else to do the work.	Ability to sub-contract/delegate: the worker is free to sub-contract/delegate the work - they can pay someone else to do the work.
Basis of payment: the worker is paid: <ul style="list-style-type: none"> • for the time worked • a price per item or activity • a commission. 	Basis of payment: the worker is paid for a result achieved based on the quote they provided.
Equipment, tools and other assets: <ul style="list-style-type: none"> • your business provides all or most of the equipment, tools and other assets required to complete the work, or • the worker provides all or most of the equipment, tools and other assets required to complete the work, but your business provides them with an allowance or reimburses them for the cost of the equipment, tools and other assets. 	Equipment, tools and other assets: the worker provides all or most of the equipment, tools and other assets required to complete the work. The worker does not receive an allowance or reimbursement for the cost of this equipment, tools and other assets.
Commercial risks: the worker takes no commercial risks. Your business is legally responsible for the work performed by the worker and liable for the cost of rectifying any defect in the work.	Commercial risks: the worker takes commercial risks, with the worker being legally responsible for their work and liable for the cost of rectifying any defect in their work.
Control over work: your business has the right to direct the way in which the worker performs their work.	Control over work: the worker has freedom in the way the work is done subject to the specific terms in any contract or agreement.
Independence: the worker is not operating independently from your business. They work within and are considered part of your business.	Independence: the worker is operating their own business independently from your business. The worker performs services as specified in their contract or agreement and is free to accept or refuse additional work.

What can I claim as a small business in relation to Simplified Depreciation rules in 2012- 13 year?

Three changes to the simplified depreciation rules that apply from the 2012-13 income year

1. Increase to instant asset write-off threshold

You can now claim (write off) an outright deduction for most depreciating assets purchased that cost less than \$6,500 each. This has increased from \$1,000.

Example:

Annette buys a \$5,900 camera and a \$4,500 high resolution printer for her photography business. Both the camera and the printer are depreciating assets used entirely for business. As each cost less than \$6,500, she can claim as a deduction \$5,900 for the camera and \$4,500 for the printer in the 2012-13 income year.

2. Accelerated deduction for motor vehicles

From 2012-13, if you buy a motor vehicle for use in your business, you can claim an immediate \$5,000 deduction. The remainder of the cost is deducted through the general small business pool at 15% for the first year and 30% for later years.

Example

In the 2012-13 income year, Louie bought a \$37,080 ute which was used 50% for business purposes. Louie calculates his depreciation deduction for the 2012-13 income year this way:
\$5,000 plus,
 $15\% \times ((50\% \times \$37,080) - \$5,000) = \$7,031$

3. Simplified pooling

From 2012-13, most depreciating assets that cost \$6,500 or more (regardless of their effective life) can all be 'pooled' under the simplified depreciation rules and deducted at a single rate of 30%. The exception is newly acquired assets (like Louie's ute) which are deducted at 15% (half the pool rate) for the first year.

If you had a long life pool (which no longer exists), its closing balance is rolled over to form part of the opening balance of the general pool for the 2012-13 income year (to be depreciated at a rate of 30% instead of 5%).



Augustine Dall'Ava

New super guarantee laws make directors liable

15 November 2012

Media release 2012/50

Under new laws directors are now personally liable for their company's unpaid super guarantee charge.

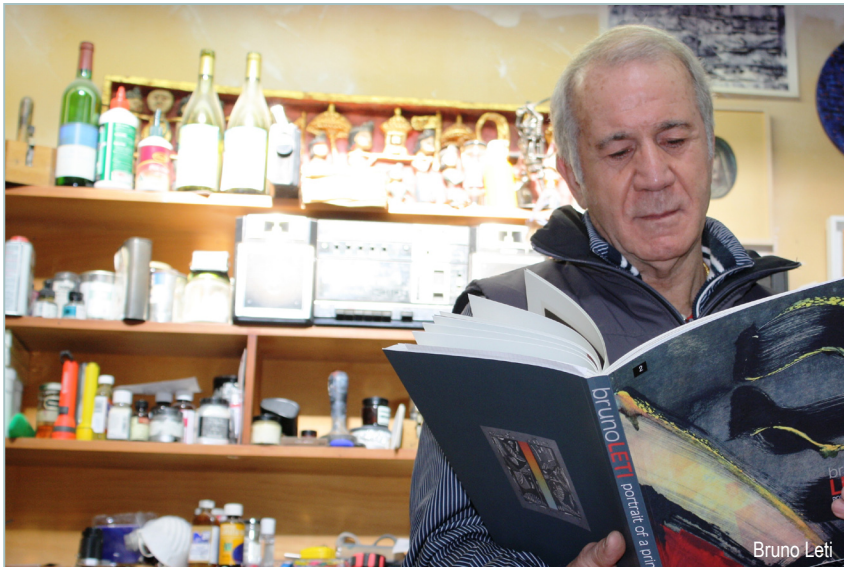
Companies have two weeks to ensure their super guarantee obligations are up-to-date for the June quarter or directors risk having to pay the super guarantee charge (SGC) themselves.

"These new laws protect peoples' retirement incomes from employers who deliberately try to avoid their superannuation obligations," said Tax Commissioner Michael D'Ascenzo.

"If you are a director whose company has not paid the super guarantee for the June quarter and your company does not lodge the overdue SGC statement with the ATO by 28 November, the only way to avoid your personal liability will be to pay the outstanding SGC.

What books do artists read?

We asked Bruno Leti ...



As a painter/printmaker and one who makes drawings, take photographs and makes artists books – my reading interests are rather broad, but reflect the activities I'm involved with plus more!

Ever since I was a child growing up in the surrounds of Rome I was always a curious boy so my parents would tell me. Reading for me was a way to 'discovery' to increase knowledge and to satisfy my curiosity about the world around me.

At present I am reading Anna Funder. She came to my attention when I read her first book 'Stasiland', 2003. Stasiland is a non-fiction book about Nazis and the communal committees of people who make vital decisions but don't want to be responsible for their actions (any regime!)

Her first novel 'All That I Am' is a fascinating insight into power, corruption, the law and the press during the 1930's-40's. As Lord Acton says: "Power corrupts and absolute power corrupts absolutely".

It is a beautifully written novel, believable and with real people in very difficult, hard decision-making situations who follow their belief for a cause.

One of my first books, which I still have, was a parting gift from two of my closet cousins in Rome, Franco and Giorgio Cati. 'Il Pino Delle Rondini' is a book of fables, short stories and the imagination.

I was nearly nine years old when my parents decided to migrate to Australia with my siblings, Franca and Carlo, both older than me.

It was this kind of early reading that expanded my mind into the realm of "possibilities" and adventure. As a child migrant, to arrive in an unknown 'new land', Australia, was an exotic contrast from my Italian beginnings. The change was immense! It was a 'shock' of reality! It proved early in my life that anything can happen in our journey through life itself.

One can either be frightened by such an experience or exalted by it. A feeling of exhilaration and high spirit is what I recall. There were no limits to the imagination. This carried further many years later when I read such post-war writers as Italo Calvino, who had superb storytelling gifts and a reputation as one of the world's best fabulists.

When I read one of his first adventurous novels - 'The Path to the Spiders' Nest' - I felt I was reading my own childhood autobiography, when 'Pin', the protagonist, became involved with a band of partisans. My father became a partisan during WWII. He received a bravery commendation from Field Marshall Alexander, the Supreme Allied Commander of the Mediterranean Theatre, for rescuing eleven POW's, including Australian RAAF Captain, Humphrey Jowett.

Calvino's portrayal of these characters was seen through the eyes of a child, and a revealing commentary on the Italian Resistance, but also an insightful coming of age story. Subsequently, I read many of Calvino's novels which transport you to another

level of the imagination.

Reading Calvino one is constantly assailed by the notion that he is writing what you have always known, except that you've never thought of it before! Unnerving, but you are too taken by the laughter and you are too busy by his mesmerising ability, intelligent, allegorical and expressionistic tales. Some of my favourite works are: 'If On A Winter's Night A Traveller', 'The Baron In The Trees' and 'The Castle of Crossed Destinies' amongst others.

His last, post-humously collected personal writings 'Hermit In Paris' (he lived there toward the end of his life) I found extremely interesting. Calvino won a grant to the USA in 1960 and his meetings and recollections about key figures such as James Purdy, Martin Luther-King and his (Calvino's) impressions of the beatniks and the Kennedy-Nixon election campaign are intriguing. It is stuff I grew up with!

Looking back I feel I am an eclectic reader. As mentioned earlier, my curiosities as a creative artist led me to read many kinds of material. I have a large library, particularly art and poetry, books on philosophy and great minds in history as well as controversial writers such as Germaine Greer and Richard Dorking.

Having worked on artists books with many collaborators, past and present, I feel fortunate to have worked primarily with Chris Wallace-Crabbe, as well as Jill Jones, Peter Steele and Alan Loney – all poets.

They have given me a huge insight into the literary expression of poetry and language, adding to the imagination of creation.

We know that the history of poetry is treated in terms of languages, movements and schools. The marriage of words and images has always interested me. The challenge and opportunity to tap into a writers mind, the creative energy is constantly renewed.

I have often made work projects on paper and canvas, responding to the language of intelligence and imagination.

Footnote: Bruno Leti is represented by his artworks in galleries across Australia. He has had 10 art publications about his work. The latest, Bruno Leti, Workbook No.15, written with Chris Wallace-Crabbe, has just been released.

Internationalisation of the Australian Art Market

It would be fair to say that the internationalisation of the Australian art market has been slowly, but quietly taking place for some time now.

Many Australian galleries, curators, dealers and auction houses are marketing art in a broader sense.

With the aid of technological tools, art galleries are able to create virtual online exhibition spaces that reproduce entire galleries in 3 dimensions.

Such displays on websites allow galleries to increase their international visibility.

The internationalization of the art market and a clientele with little time means that galleries find it useful to market their works on an online space that can be viewed at any time and anywhere.

Stuart Purves, the Director of Australian Galleries in Smith Street, Collingwood, recently invested in building a brand new website "for people to search and enjoy".

He says it took time and money but believes the result of high quality images of artist's works for potential buyers to view is well worthwhile.

Internet use has become an integral part of the art market and a means of facilitating access to the world of art.

However, it's not only internet access that has seen an escalation in the internationalisation of Australian art market.

A shift to buying art in the international arena has been significantly influenced by the rise of major art fairs.

Dealers have recognised the overall globalisation of the art world and see art fairs as a vital conduit in attracting new buyers.

In particular, Western auction houses claim that Chinese buyers are increasingly buying Western artists.

The inclusion of Australian artworks in the annual Hong Kong Art Fair has stimulated a new market for many galleries here in Australia that they would otherwise not have.

Tim Olsen from Tim Olsen Gallery in Sydney says there's a tremendous amount of activity in Asia and that Chinese buyers are very keen on buying up Australian artists, in particular his father, John Olsen's works.

Tim Olsen says he now has collectors "waiting with baited breath for John's works, new or old".

The overseas interest has now lead Mr Olsen to set up a private consultancy within his Sydney gallery "to advise more broadly on art".

Another Sydney gallery, Sullivan + Strumpf, has also started selling works from their stable of artists overseas after first experimenting with the Hong Kong Art Fair in 2009.

"We started small and had success, then went a bit bigger and had success and have kept that rhythm going, just upping the ante each time and it seems to be working", says Ursula Sullivan.

Sullivan + Strumpf this year took works to art fairs in Singapore, Hong Kong and Basel in Switzerland.

Ursula says exhibiting at international art shows does take a good deal of planning.

"Going in with big expectations would probably have made things difficult, but for us it has been a slow evolution and a successful evolution. A huge amount of patience and strategy is required if an artist and/or gallery desires to work at an international level and it is not for everyone", she says.

Alcaston Gallery in Melbourne, which represents indigenous artists, has been selling Australian art overseas for 23 years.

However, even with that consistency, Director Beverly Knight, believes there's a way to go.

"I would not say we have broken into the market (overseas) yet but rather over the 23 years we've had artists who fit the current trend of the day," Knight says.

Alcaston Gallery usually takes works overseas every 12 months and this year will exhibit at the Korean International Art Fair in Seoul in September.

Beverly Knight says an exhibition in London in 2010 of Sally Gabori's works was "a near sell out".

Ms Knight says "we've been able to maintain reasonable sales to the USA and Europe on a regular basis".

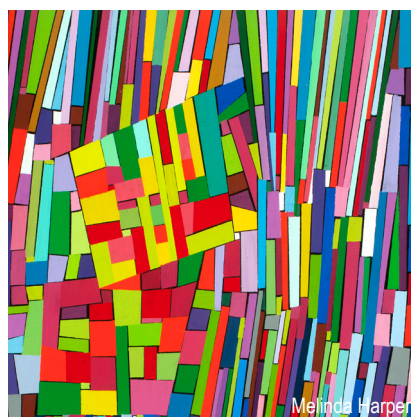
She confesses that the key for Alcaston was "the investment in our technology including CMS and Web nearly 20 years ago!"

Alcaston sells works all over Australia with New South Wales making up about 50% of sales.

"Like the world generally art buyers are more pragmatic now and the only way you will sell art is if you have great artists and they continue to reinvent themselves", Ms Knight says.

Across town at the Vivien Anderson Gallery, Director Vivien Anderson was recently in Santa Fe, New Mexico, where she had taken a collection of Indigenous Australian paintings for an exhibition at the Chiaroscuro Gallery.

Dorothy Napangardi, Jean Baptiste Aputimi and Djambawa Marawili are among the nine artists represented, many of whom travelled to New Mexico for the opening.



Vivien says it's taken much research and planning "to create a joint venture with an established gallery that had the fortitude and foresight to commit to a schedule of events over a lengthy period to ensure that the art presented had a stable and consistent presence."

The exhibition which opened in mid-July will remain on show until September.

Vivien says it's the second exhibition in two years her gallery has been involved with at Chiaroscuro and represents very accomplished artists traditionally managed by art centres or private agents.

Vivien says several landmark exhibitions in Europe and America "led to strong interest, but failed to consolidate".

While in Australia the acquisition of artwork generally slows down during

times of economic hardship, Ursula Sullivan says the same can't be said for the international market.

"Australia is very small in comparison to the international market. There is just simply a greater volume of museums and collectors overseas than there are here in Australia, regardless of the economic situation. We see a massive amount of potential growth with this audience."

Ursula says, "Europe has a depth of wealth and a depth of culture that is hard to cripple."

She says as a younger nation, Australia doesn't have "the depth of family wealth and collecting is not as ingrained into our psyche as it is in say Europe or America".

Vivien Anderson says she expects overseas sales of Australian art will continue.

She points out that selling Indigenous art abroad is necessary for economic survival.

"Australians are conservative economically, they overreact to bad news. Art is the first to suffer and the last

to recover", Ms Anderson says.

"It's also about economies of scale. Australian collectors cannot support the expanded indigenous art market and the level of exhibition art produced to the satisfaction of everyone involved. You just have to find more markets".

"On the House"

I recently came across an interesting service - ON THE HOUSE (www.on-the-house.org) and thought it worth a mention in this newsletter.

ON THE HOUSE is an audience development service which provides free publicity to The Arts and Entertainment industry. When tickets are available, the members to the site are offered, by email, either free or deeply discounted tickets. You can't argue with that!

The way it works for members is, when an email is sent out notifying them of a new event, they can log into the system, reserve tickets to the event online (by pressing a reservation button) and receive an email confirming their reservation and how to pick up their tickets. They can see all their reservation details online as well. Where a member has reserved tickets and cannot attend, they must cancel the ticket on the site which allows other

members to book that ticket. Where all tickets have been taken up by members and there are requests for more tickets, ON THE HOUSE directs the member to the box office to purchase tickets.

Numerous producers/festivals/venues have used the service already to provide tickets to events like The Eifman Ballet, Arrested Development

2012 Tour (USA) and major festivals including the Melbourne International Arts and Fringe Festivals. The clients who provide the tickets sold on the site have found that the combination of free publicity and word-of-mouth promotion has brought a wider paying audience to their shows. Some of the past offerings are listed on the website along with other ON THE HOUSE services.

Being a little inquisitive, I called the owner to find out more about the service and how it operates.

I wanted to know was there a catch? Why is it free? How does a theatre or venue benefit from this service?"

In response, it was explained to me that ON THE HOUSE simply asks that a client offer some complimentary tickets to their membership base, much like a radio station would to gain publicity for an event. ON THE HOUSE then publishes the event on their site, sends an email to over 4000 members, promotes the event through their social media channels and sends the clients media release to their media contacts. The client is also able to discuss the possibility of selling discount tickets through their site. The benefit to the client is that the turnaround time is very fast - they can get publicity on the site in as much time as it takes them to send their media release and they get people to their event.

To find out more, you can contact the manager of the site, Irena Begelfor at enquiries@on-the-house.org

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