

Tax Matters for the Arts

Second win for Archibald Prize

You can imagine how Del Kathryn Barton, a Sydney born artist, must be feeling after her triumph in taking the prestigious prize for the second time.

Ms Barton blitzed the strong field of 39 finalists with her portrait of Australian actor, Hugo Weaving, to be awarded the coveted prize by the Art Gallery of New South Wales.

Along with the prestige of winning the 2013 Archibald Prize, Ms Barton also went home with a cheque for \$75,000 for her efforts.

Her depiction of Weaving holding a wildcat intrigued the judges and fascinated the competitive field of 865-plus rivals.

Ms Barton explained that the cat represented other facets of Mr Weaving's personality.

The cat, she said, had come up in conversation with the actor about what was close to his heart.

Ms Barton told ABC News: "When he was talking about animals that he might potentially identify with, there was the idea of the wildcat or the leopard or the wolf."

"So in the end it was a kind of generic wildcat to represent other facets of his personality", she said.

Mr Weaving was reportedly happy with the watercolour, acrylic and gouache portrait.

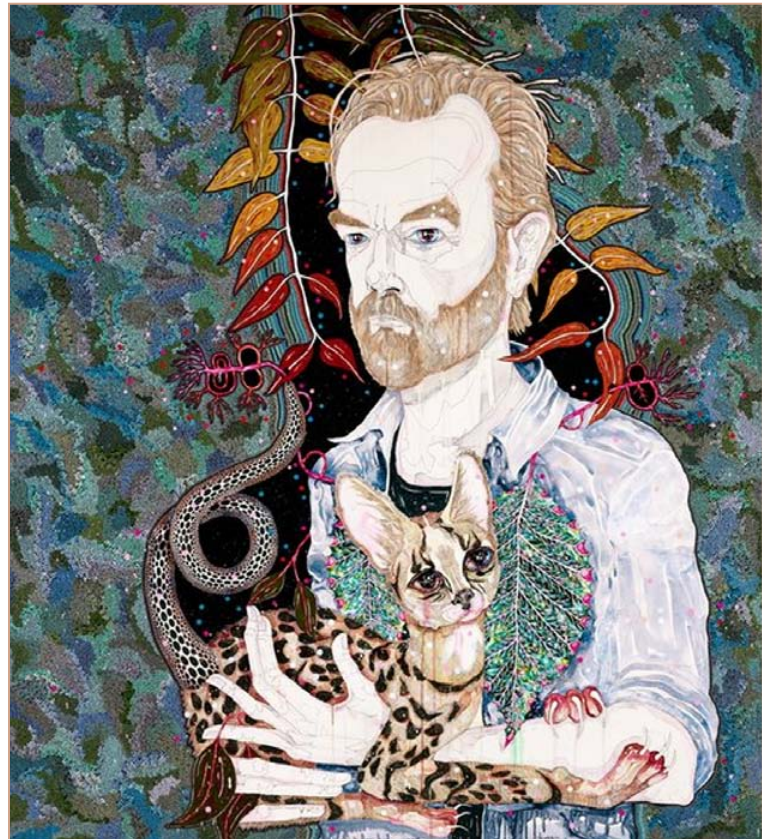
Ms Barton said she had admired the actor for years and had wanted to portray a "sincere, deep, generous and creative soul" in her portrait.

While she had initially considered a simple pictorial approach to painting Mr Weaving's portrait, Ms Barton said once she sat down and chatted with the actor her mind changed after she felt moved by his personal stories.

"Hugo Weaving is an Australian cultural icon, an artist in every sense of the word", she says.

Ms Barton previously won the Archibald Prize back in 2008 in which she painted herself and her two children.

However, having actors sit for her is nothing new. In 2011, she was also a finalist for the Archibald Prize for her portrait of actor Cate Blanchett.



hugo, by Del Kathryn Barton, Courtesy of Art Gallery of New South Wales

Weaving himself has also been keenly sought after for artists to paint. Last year he sat for Nicholas Harding as an Archibald entrant.

Since graduating with a Bachelor of Fine Arts from the University of New South Wales in 1993, Del Kathryn Barton has built an enviable following with regular shows in her hometown and Melbourne.

Her success is evident from her form in the annual Archibald Prize. As a fourth time entrant, Ms Barton has not only won twice but has been a finalist twice. Not a bad innings and one would expect her good fortune to continue.

Ms Barton's vibrant work is instantly recognised by its decorative and figurative imagery which combine traditional painting techniques with contemporary applications.

She is represented by the Roslyn Oxley9 Gallery in Sydney.

Congratulations Del Kathryn Barton on winning the 2013 Archibald Prize.

The Archibald Packing Room Prize was awarded to Mathew Lynn for his portrait of the author/novelist, Tara Moss.

Ms Moss, who is Canadian born, is a former model who reinvented herself with success in writing crime fiction.

Lynn has himself been a finalist many times in the Archibald Prize.

He resides in Sydney's Blue Mountains and his works can be found in major institutions, including the National Portrait Gallery in Canberra.

The Packing Room Prize gives staff at the Gallery of New South Wales the opportunity to vote for their favorite Archibald portrait.

Winners are grinnerers

Sir John Sulman Prize

Congratulations to Victoria Reichelt who took out the \$30,000 Sir John Sulman Prize from 37 other finalists.

The Sulman is one of Australia's longest running art prizes, having been established in 1936, and is now run concurrently with the Archibald Prize.

Awarded for the best subject painting, genre painting or mural project by an Australian artist, the Sulman attracts a highly competitive field.

Reichelt's thoughtful depiction of what libraries could mean to us in the future impressed fellow artist and judge, Kate Beynon.

In her oil on linen composition, Reichelt depicts a deer gazing at library books on shelves in what is obviously foreign territory for the deer.

The artist explains that her work looks at objects "in danger of 21st Century culture and technology."

Reichelt says with the invention of ipads, kindles and audio books, books as objects themselves "are sort of endangered a little bit".

"The idea is as if all the people have gone from the library and the animals have moved back in to take over", she explains.

Many would agree that computers and the internet have resulted in research being done online rather than the traditional method of delving into a library book to acquire information.

"Books are kind of being left behind a bit", says Reichelt.

The Queensland-based artist is represented by Dianne Tanzer Gallery in Fitzroy.

Reichelt, who is in her mid 30's, is currently working on a new series of paintings for exhibition at the Dianne Tanzer Gallery around October of this year.



Gold for Asher Keddie

Lowensteins Arts Management would like to congratulate Australian actor, Asher Keddie, for taking out television's highest honor, the Gold Logie Award.

Asher is a long time client of Lowensteins Arts Management and we always knew she was a big star!

The award for Most Popular Personality on Australian Television was presented to Asher at the Gold Logie Awards ceremony held at Crown Casino recently.

The 38-year-old actor is perhaps best known for her role as Doctor Nina Proudman in the Network Ten drama, Offspring.

She had previously been nominated for the Gold Logie twice before so she was indeed 'third time lucky'.

Melbourne born and bred, Asher put in an incredible performance portraying Ita Buttrose in the ABC television series, Paper Giants: The Birth of Cleo, depicting the magazine editor to a tee.

Her depiction of Blanche d'Alpuget in another telemovie (2010) about former Prime Minister, Bob Hawke, was equally compelling.

Asher's roles in Underbelly, Rush and Love My Way are also applauded.

Love My Way, a drama series which aired on Foxtel, is considered to have been responsible for giving Asher her big break in 2004.

Her first television role was in 1985 in Five Mile Creek.

In 1998, Asher made her stage debut with the Melbourne Theatre Company. She was nominated for the highly prestigious Green Room Award for her performances in the MTC's 2005 production of Les Liaisons Dangereuses and the Playbox's The Ishmael Club.

Asher's partner is renowned Australian painter, Vincent Fantauzzo.

Congratulations Asher on a well deserved award.

The Wynne Prize

Imants Tillers has won the Wynne Prize with his work – Namatjira.

It's the second successive year Tillers has won the Wynne Prize.

The \$35,000 prize is awarded annually for the best landscape painting of Australian scenery or the best example of figure sculpture by Australian artists.

Tillers painting is homage to Albert Namatjira, who was one of the most pivotal figures in Australian art.

Namatjira is perhaps Australia's most famous Aboriginal artist and one of the pioneers of contemporary Indigenous Australian Art.

His watercolor and Australian outback desert landscapes were of the Hermannsburg School of Aboriginal Art.

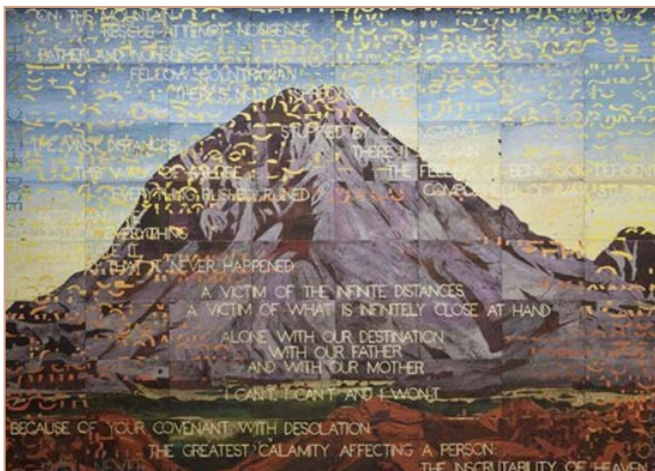
Upon his death in 1959 from a heart attack, Namatjira left a legacy of around two thousand paintings.

"I think he's the precursor of this sort of renaissance of aboriginal art", says Tillers, who has long admired the painter.

Tillers is an Australian visual artist, curator and writer.

Born in Sydney in 1950, he lives in Cooma, New South Wales, after moving there in the late 1990's.

He has exhibited in numerous group exhibitions around the world and in 2005 was awarded a Doctor of Letters honoris causa by the University of New South Wales for his distinguished contribution to the field of arts.



Namatjira, by Imants Tillers Image courtesy of Art Gallery of NSW

Bleak Picture as galleries battle to hang in

Andrea Petrie, Benjamin Preiss/Fairfax Syndication. From the Sunday Age, May 12th

Up to 30 per cent of art galleries in Melbourne have closed down during the past two years, with those in the industry blaming the global financial crisis and tighter rules surrounding art investments.

Increasing rents for gallery space and the introduction of resale royalties are also believed to have contributed to the closures of an estimated 20 galleries, with other capitals including Sydney, Perth and Adelaide also affected.

Specialist arts management accountant, Tom Lowenstein, said the art market had been hit hard by the GFC because economic uncertainty inevitably led to a drop in art sales.

He said the 2011 changes to regulations for self-managed superannuation funds being able to acquire works of art had also contributed – in particular, changes to how art had to be stored. “This meant that not only could owners of the funds not display the works of art, but they weren’t even allowed to store them at home and had to keep them off the premises, which meant incurring additional costs”, he said.

“This made it unmanageable from a practical and economic point of view, which in my opinion is a major reason why the art market has diminished by 25 to 30 per cent.”

He estimated that art sales to super funds before the legislation change had been in the vicinity of \$100 million in Australia, but since the changes had come into effect, the owners of many of funds had stopped buying art and many had sold their

collections altogether.

The introduction of the resale royalties scheme in 2010 had also affected auction houses and dealers, he said. Since then five per cent of the resale price of any art sold has to be paid to the artist or their estate for 70 years after the artist’s death. “This added to the lack of buying enthusiasm”, he said.

Michael Powell, Director of Collingwood’s Ochre gallery, admitted: “At some point I suspect I will have to close.”

“Like so many others, I have had to shave the business way back and there’s only so far you can cut back before you hit the bone.”

“There are still a lot of galleries out there who, like me, are all losing money, and although I’ve got a fairly high tolerance for pain and I heal fairly well, you can only bleed for so long before it’s over.”

Karen Woodbury closed her Richmond gallery in February last year after her landlord substantially increased the rent. While she is about to open a new gallery in Flinders Lane, she said she had largely been relying on her website to generate business while she worked from home. She also had taken part in art fairs and had worked in collaboration with another art gallery.

“We’ve been through boom time and having been in the industry for 20-odd years I have been through booms before, but I think the cycles are quicker

and sharper these days,” she said.

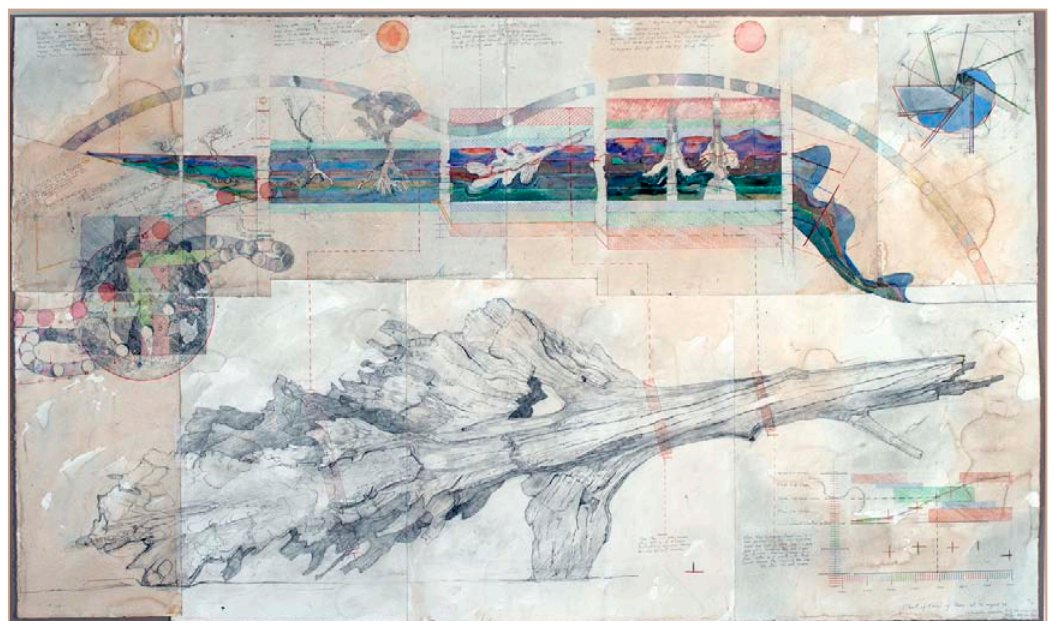
“It’s really about hanging in there. But it certainly takes you back to reality when your trading drops 40 to 50 percent in a very short space of time.”

Veteran art dealer, John Buckley, was also optimistic, saying: “Nothing ever stays down forever. This has been a particularly bad period for the economy, but whilst there’s still a lot of people talking doom and gloom, the sharemarket has been healthy over the last 12 months and has recovered almost all of its losses since the GFC hit and housing seems to be fairly healthy again. In time, although it lags a bit behind, the art market does tend to follow suit.”

Monash University fine art senior lecturer, Dan Wollmering, said he had noticed up to 12 galleries closing in the past 18 months.

Dr Wollmering, a sculptor, who has exhibited his work since 1979, said this limited the opportunities for artists because while well known artists were often unaffected by poor art markets, most artists struggled when consumers cut their spending.

“Markets are determined by the psychology of people,” he said. “If people are feeling secure and confident and healthy they’re more apt to buy art. It’s very good and healthy for the culture and it’s a shame we can’t support more artists by buying artworks.”



Tidal Almanac The Warming of the Seas by John Wolseley, 1988-1990

Book Review: The Value of Art By Michael Findlay Prestel, 2012

By Miriam Grundy

Art-lit appears to be an increasingly popular genre, from Sarah Thornton's libel-causing *Seven Days in the Art World* to tales of ambitious gallerists in Steve Martin's *An Object of Beauty* and Tom Wolf's latest novel *Back to Blood*, set in the feeding frenzy that is the Miami Art Fair. And not to mention the plethora of 'how to buy and sell art' titles that date faster than a *Women's Weekly* cookbook.



Family Tree by Sally Smart, 2003

Sitting somewhere in between all these is Michael Findlay's *The Value of Art*. It's part market report, part memoir peppered with thoughts ranging from lack of sincerity of current collectors to the rapid rise and future predictions for the Asian art market.

As far as dealer pedigree goes, Findlay is at the top of the ladder. He is a director at Acquavella Galleries, New York and was previously Head of Impressionist and Modern Paintings then International Director of Fine Art at Christies, New York. While he can speak with great authority, it does seem odd considering where Findlay is situated to be criticising the behaviour and mentality of a market that he and his associates have undoubtedly profited from.

Findlay divides the book into four sections, symbolically naming the first three for Zeus's daughters, the Three Graces, in order to analyse complexities of modern art.

Thalia is the Goddess of Fruitfulness thus representing the commercial marketplace and financial lures of art, candidly explaining exactly how money

makes the art world go round, up and of late, down.

Part two is Euphrosyne, the Goddess of Joy, metaphor for the social aspect of art. This is both the positive, communal act that art stimulates as well as the social power that is derived from being part of the "Big Numbers" set.

The third section is Aglaea, for the Goddess of Beauty, which for Findlay is where the real, intrinsic value of art lies. The final section is 'Marley's Ghost: Past, Present, Future' where he bemoans the cult of the collector that now micro-manages the art world; the dangers of instant gratification in art and the superficial 'glancing' culture in which we live.

Given the top shelf art that Findlay has handled through his career, readers must steel themselves as even most quotidian examples he gives involve names that read like a room sheet at The Met.

Consequently he is much more compelling when he loses the 'art speak' and talks frankly about the industry he knows so well such as gallery and

auction house PR being disguised as 'news' and industry gush replacing fair and learned criticism.

Findlay reinforces the mantra of all successful collectors: buy what you like not what you think the market will like and that the best investment you can make is in developing your eye and understanding. He advises collectors to look at all types of art and to get to know the dealers and artists but remain aware of the dynamic of these relationships.

Another tip is to be adventitious, dedicate a percentage of your buying budget for works by emerging artists because every established artist was once an 'unknown'. And most importantly, if you love the art you live with its value will only ever increase.

Interview with Jasper Knight



Jasper Knight by Sarah Hendy, 2013

It's the morning after a preview of Jasper Knight's works at his Surry Hill studio in Sydney.

The private preview, or "studio hang", as Knight calls it, for 150 friends and associates was well received and the 34-year-old feels buoyed by the reception given to his latest body of work.

Only three days before, Knight had, with his architect partner, made a flying dash to Alice Springs returning just in time to act the congenial host for his art preview. All this busyness is nothing out of the ordinary for Knight.

When not painting Knight, who's been selected as an Archibald finalist six times, has his hands full running three art galleries which he co-owns – two in New South Wales and another in Singapore.

It's perhaps befitting that his latest body of work features racing cars.

The 11 paintings and six paper works will hang in a show all about racing cars which opens in Modena in northern Italy on June 8th.

Knight explains that the exhibition is at a racetrack about 20 kilometres from the Ferrari factory.

"It's an exciting opportunity and I get to go over and show my work to another country, which is one of the reasons you make work", he says.

The opportunity came about via "one of my old gallery managers who's Italian and has started working out of Italy again."

Knight's appeal as an artist is universal. Since 2007 he has held solo shows in Berlin, London, Paris and Hong Kong.

It was only five years earlier that Knight completed a Master of Arts at the College of Fine Arts in the University of New South Wales.

Inspired by the Pop Art tradition, Knight uses many textural surfaces in his artworks such as plywood, masonite, perspex and other materials which all usually have a history.

He is not only a painter, but a sculptor and installation artist.

Knight says he enjoys doing collaborative work with other people and while painting is his mainstay, sculptures are an integral part of his artistic makeup too.

To date he's completed 13 sculptures, many with his wife, Isabelle.

Knight's interest in art evolved around the time he was diagnosed with a brain tumor at 19.

"I survived that and I knew I just wanted to be an artist", he recalls.

"It was very clear to me after that", Knight now says.

His body of works after the tumor, interestingly, was of car drawings.

Knight's first gallery show was of chairs. "I bought the 1000 Chairs book and chose 20 from it and constructed and glued cardboard to board".

Today, there's no doubt the Sydney born artist is influenced by the city.

"I've grown up and worked in the city all my life," he says.

"My idea of painting landscape is industrial scenes of the city", Knight explains.

"I'm used to the grit and grime of the CBD, it always changes, it never bores me, not at all."

Knight says he's done a lot of shows featuring the city "in a state of flux, awaiting a rebirth, featuring a new crane".

"Things are constantly evolving with the city for better for worse", he says.

While his three art galleries represent a variety of different artists from Australia and around the globe, Knight nominates Jeffrey Smart, Howard Arkley and the late Adam Cullen as his favorite Australian artists.

Knight was fortunate not only to meet both Smart and Cullen but given the nod to paint them both.

Smart has lived in Italy since the 1960's and invited Knight to his home in Posticcia Nuova, near Arezzo, in the south-east of Tuscany.

Knight spent time talking with the artist and the two had dinner together.

Interview with Jasper Knight cont.

"I could see the body of work (he had done) and his inspiration for it", Knight says.

Knight says the influences for the late Adam Cullen's work were also obvious.

"The Australian bush and the animals were his inspiration", Knight says.

"I got to see Adam work a lot and that was fantastic". "I painted with him and I could see where that bad boy side came from".

Cullen was Knight's entry in this year's Archibald Prize for which he was selected as one of the 38 finalists.

In 2000, Cullen won the Archibald Prize for his portrait of actor, David Wenham.

While the prestigious Archibald Prize has eluded Knight several times he appears unfazed.

"You don't even worry about it", he says.

"I enjoy being part of the whole Prize".

"I enjoy painting interesting people", Knight offers graciously.

"The feeling that you're lucky enough to even be part of it is enough", he says.

Ironically, Jasper Knight himself was

also the subject of the Archibald competition.

A portrait of him by Melbourne based artist, Sarah Hendy, was too a finalist in this year's Prize.

Hendy describes Knight as "a warm, generous and extraordinarily vivacious character".

She met Knight last year while preparing for her first solo exhibition at his Sydney gallery, Chalk Horse.

Knight confesses he admires works by many American artists, rather than the Europeans, but cites Englishman, David Hockney, as a favorite.

Hockney, who resided in Los Angeles for many years before returning to England in recent times, was an important contributor to the Pop Art movement of the 1960's and is considered one of the most influential British artists of the 20th Century.

His vivid depictions of LA swimming pools are unique.

"He just uses paint extremely well", says Knight.

For the grandson of Sir Harold Knight the future looks exceedingly bright.

He was a finalist for not only this year's Archibald Prize but also the 2013 Sir John Sulman Prize.

Last year he was selected as a finalist for the first time for the 2012 Doug Moran National Portrait Prize for his depiction of Jeffrey Smart and was also a finalist for the Wynne Prize for landscape painting.

But don't think for one moment Jasper Knight takes it all for granted.

He recounts a recent episode outside his studio where he was taking a photograph of one of his works when "a man in his 60's, driving an expensive car" drove by.

Through his open car window the man shouted out to Knight: "It looks like a bad Cullen, no a bad Jasper Knight", he offered before driving off.

Knight is somewhat taken aback but reflects, "It wasn't my strongest work".

Jasper Knight is represented by Australian Galleries in Sydney and Melbourne.

Budget details

The Treasurer Mr Wayne Swan, delivered his 6th budget for the upcoming 2013-2014 fiscal year on May 14th.

Amongst the highlights were a 18 billion dollar deficit, and funding for the Gonski Report and the National Disability Insurance Scheme. This was to be paid for with cuts to Welfare payments and the already announced .5% increase to the Medicare levy.

Of some interest to our clients, the following is presented.

New tax tables:

The proposed tax cuts for the 13/14 year has been deferred and rates will remain the same.

Self – Education costs to be capped

The Government has announced that the costs of self education will be capped at \$2000 as a deduction from 1st July 2014.

Means- test Exemption for downsizing homes

There will be a pilot program introduced where senior Australians who decide to move out of their family home that they had previously owned for at least 25 years can move into retirement village and not face the punitive means testing

CLIENT ALERT

From 1st July 2013 the compulsory superannuation will increase by .25% to 9.25%, All Employers should ready themselves for this additional impost and ensure that their payroll software has been updated.

For more information. The links are

<http://www.budget.gov.au/2013-14/index.htm>

of the benefits for Centrelink purposes.

Phase out of Medical benefit offset.

From 1 July 2013, the medical offset will be phased out making it less as the year's progress through to its abolition in 2015/2016 except for Disability costs.

2012-13, 2013-14 and 2014-15 income years

Taxable income \$	Tax payable \$
0 - 18,200	Nil
18,201 - 37,000	Nil + 19% of excess over 18,200
37,001 - 80,000	3,572 + 32.5% of excess over 37,000
80,001 - 180,000	17,547 + 37% of excess over 80,000
180,001+	54,547 + 45% of excess over \$180,000

Superannuation changes

The Federal Government recently announced a number changes to superannuation.

From July next year, earnings of more than \$100,000 on superannuation pensions will be taxed at 15 percent instead of being tax free.

In announcing the changes, Treasurer Wayne Swan, said it would improve the fairness and sustainability of the superannuation system.

The government expects the change will only affect people with more than \$2 million in superannuation assets.

Not surprisingly the move has been criticised by the Opposition with Tony Abbott saying “the government was raiding people’s retirement savings to fund its own excessive spending.”

Here’s how it will work:

Changes to the contribution caps from 1 July 2013

The general \$25,000 concessional contribution cap remains but will increase to \$35,000 (unindexed) dependent upon the individuals age. The \$35,000 cap will apply for individuals aged 60 and over at 1 July 2013. This \$35,000 will apply to those aged 50 and over at 1 July 2014.

Taxation of earnings on superannuation funds paying pensions

The Government has effectively reduced the tax exemption for earnings on superannuation assets supporting pensions by capping it to the first \$100,000 of future earnings for each individual. Under current arrangements all earnings are tax-free, in contrast to earnings in the accumulation phase of superannuation which are taxed at 15 per cent. The change does not affect the tax treatment of withdrawals. Withdrawals will continue to remain tax-free for those aged 60 and over, and face the existing taxes for those under age 60.

From 1 July 2014, future earnings (such as dividends and interest) on assets supporting income streams will be tax-free up to \$100,000 a year per individual. Earnings above \$100,000

will be taxed at the same concessional rate of 15 per cent that applies to earnings in the accumulation phase. The \$100,000 threshold will be indexed to the Consumer Price Index (CPI), and will increase in \$10,000 increments. Assuming an estimated rate of return of 7.5 per cent, earnings of \$100,000 would be derived by individuals with around \$1.333 million in superannuation.

Grandfathering

A grandfathering regime will apply for CGT purposes under this proposal for existing investments that were acquired prior to the date of announcement (5 April 2013). The capital gains on such investments (in pension phase) will be exempt until 1 July 2024. The tax treatment will differ for investments depending upon the date of their purchase.

CGT Arrangements

Three potentially different treatments may apply, depending on the date of the acquisition of the asset.

For assets purchased before 5 April 2013, the date of the announcement, the proposed measures will only apply to capital gains accruing after 1 July 2014. This provides approximately 10 years of exemption.

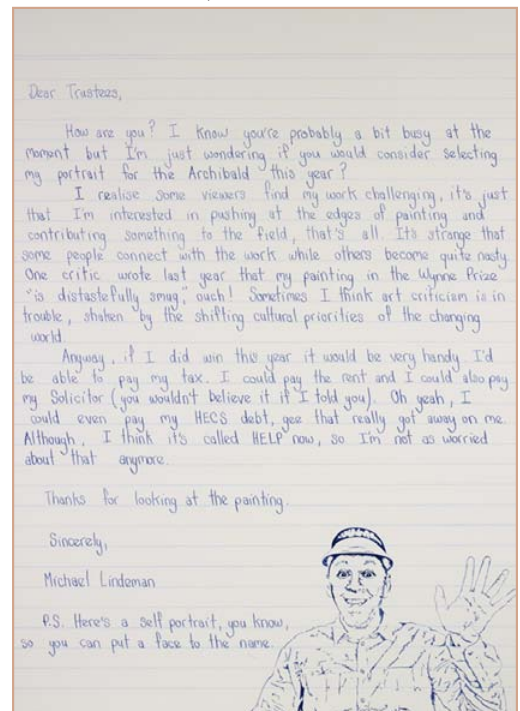
For assets purchased from 5 April 2013 to 30 June 2014, a choice may be made to tax the gain in respect of the entire period or only to that part which accrues after 1 July 2014. If the latter option is adopted it will be necessary to ascertain the market value of the asset at 30 June 2014.

For assets purchased from 1 July 2014, the reform relates to the gain for the entire ownership period.

Note: The income of a superannuation fund is taxed at a concessional rate of 15%. A capital gain received in a superannuation interest is also taxed at the rate of 15%. However the gain may be subject to a (1/3) discount, leading to a net rate of 10%. Under current law pertaining to pension interests, all investment income including an assessable gain is exempt under the exempt current pension interest (ECPI) provisions.

Changes to the treatment of excess contributions

The Government will allow all individuals to withdraw any (i.e. unlimited) excess concessional contributions made from 1 July 2013 from their superannuation fund. In addition, the Government will tax excess concessional contributions at the individual’s marginal tax rate, plus an interest charge to recognise that the tax on excess contributions is collected later than normal income tax. This effectively replaces the “one-off” refund of excess contributions that applied to contributions that exceeded the cap by less than \$10,000.



Dear Trustees self portrait - 2013 by Michael Lindeman

Taxation Issues

The ATO has announced data-matching programs to identify instances where taxpayers may not be meeting their tax obligations. The ATO says it will collect data from various banks and credit card companies relating to credit and debit cards sales of entities for the period 1 July 2011 to 30 June 2012. This will assist in identifying circumstances requiring ATO administrative action.

Records relating to approximately 900,000 merchants will be matched. The ATO says it will also collect from state revenue offices and other government agencies the names and addresses of individuals and entities transacting with real property in order to identify non-compliance with the tax law. Records relating to over 10 million individuals will be matched.

National Cultural Policy Summaries

After many years of expectations the long awaited National Cultural Policy was released by the now ex Minister Crean on the 13th of March and is designed to set forth the long term strategy of Arts funding and the framework for Australian Government support for arts, culture and creativity for the next ten years, providing Australia with a common strategic direction and rationale for current and future investment.

Under the banner of Creative Australia it is the Governments' attempt to forecast the direction of the arts in Australia.

Highlights of the report include:

The setting of 5 goals which are

1. Recognition of Aboriginal and Torres Strait people
2. Support diversity and make culture accessible to all Australians

3. Support excellence in the arts sector
4. Strengthen the capacity for the arts to strengthen Australian society as a whole
5. Ensure technology and digital arts keep pace with the times.

These goals will be achieved through 3 main pathways for action :

1. Improving funding systems. This involves a restructure of the main funding body being the Australia Council. This is to be kick started with a boost to funding of \$75 million over 5 years.
2. Improvement to fund raising and philanthropy by the strengthening of the Creative Partnerships Australia that came out of the Mitchell Report into Philanthropy and streamlining

of the Cultural Gifts Program

3. Improvement in professional training

Other issues discussed are arts education, digital innovation and encouragement and mentoring of Aboriginal groups.

The report can be read in full in <http://creativeaustralia.arts.gov.au/>

Disappointing to note that although improving the Cultural Gifts program , there is very little mention of any other tax and superannuation changes that have so adversely affected the arts sector and particularly the visual arts.

One still remains confident that these issues will be placed prominently at the foot of the Government by ourselves and other lobby groups.

When did you last update your will?

By Tom Lowenstein

Over the past few years, I have been confronted with numerous problems in my capacity as Executor, mediator, and/or advisor to Deceased Estates. Many of the problems arose from homemade Wills, and from Wills prepared without the lawyers consulting the clients' accountant. In some instances, it was impossible to carry out the wishes of the Deceased due to technical or legal reasons. Problems arose when properties left to beneficiaries were not actually owned by the Deceased but instead belonged to a company or a Trust under their control or where the assets left in the Will no longer existed, or had already been gifted during the Deceased's lifetime.

When preparing a Will the most important aspect is that both your

accountant and your solicitor are consulted and are fully aware of your assets and their location. In the first instance you should consult your accountant and obtain a comprehensive list of your assets and liabilities, including the date that the assets were acquired, as there could be possible Capital Gains Tax implications. You should also ask your accountant to prepare a chart of your business structure and to provide your solicitor with copies of Trust Deeds and company documentation, to establish in what way the control of these entities is exercised.

It is also necessary for you to prepare a comprehensive list of your beneficiaries, including children by previous marriages or others who could claim to be your dependents. Ideally, you should meet

with your accountant and solicitor as a part of the preliminary discussion to ensure that they communicate with each other and are fully informed of your circumstances.

In case of artists where a large part of their estate is in the form of artworks, special considerations need to be addressed.

If you would like to find out more regarding the financial implications of making a Will and Estate planning contact us for further information regarding this article.

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IMPORTANT

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