

Australian Enamel Newsletter

Issue 61 - April 2000



PAT HOLCOMBE

Like many enamellers, I have found my way to this exciting and challenging medium almost by accident and certainly via a circuitous route.

Currently, my work is primarily jewellery making, but my initial education and career were in science and mathematics, and deep down, I think that I will always be more a scientist than an artist. My change in career gives me greater freedom to travel, and at the same time, allows me to work at something that had been dear to my heart for as long as I can remember - jewellery!

My jewellery is very diverse. I like simple elegance and fluid lines and the unpredictability of asymmetric designs. I also favour the extra interest provided by a combination of materials and textures. And, of course, I like colour, which I provide by the use of gemstones, shell, fabric, patinas and, more recently, enamels.

My introduction to enamelling was through an opportunity to do a weekend workshop organized by our local Jewellers and Metalsmiths Group. I had no previous knowledge or interest in enamelling and had never heard of the tutor, one Carolyn Delzoppo, although I was assured that she was 'very good'! (Remember that this was about 9 years ago when I was fairly new to jewellery and was cautiously feeling my way in what I felt was a fairly 'closed' craft scene - it was my knowledge rather than Carolyn's reputation, which was lacking.) What a wonderful experience that workshop turned out to be. Carolyn was 'very' good!!! She was enthusiastic, knowledgeable, modest and generous with her knowledge. What a breath of fresh air! As well, enamelling had incredible potential as a new jewellery tool for me. I was won over. So I went home with my left over scraps of silver and enamels and, persevered with torch firing and all the extra trials that this involves. I guess the satisfaction of achievement with this colourful medium was greater than the frustrations experienced by a novice with minimal gear, for I continued in this way for some years.

Imagine my joy and gratitude when I was offered a small, workable kiln and accessories, in return for a completed piece of jewellery! This generosity and confidence is typical of the supportive contribution to enamelling by one of our matriarchs of this craft, Jacqui Hobson. Jacqui continues to act as a sounding board for me and enthusiastically follows the progress of local enamellers.

(cont...back page)

The dreaded GST time is closing fast upon us and I have recently received a comprehensive update from the Australia Council. They have given me permission to reprint it and it should provide you with some extensive bedtime reading!

I sometimes hear from enamellers that they feel somewhat isolated from others of their kind. They say how much they appreciate AEN for the network and 'contact' it provides. This is why the newsletter was originally set up and I'm delighted that it continues to perform that vital function.

I'm even happier when people are able to meet and share enamel talk. Those of us who do workshops together know what fun they are and how they inspire new ideas and energy to fuel future work.

I am therefore pleased to bring your attention to the first news item. If any other 'lonesome' enameller want to do likewise, let me know.



Editor

NEWS

📧 Victorian Enamellers Unite!

Debbie Sheezel would like to hear from any enamellers in Victoria who would like get together with others of their craft and form a casual enamelling group. Give her a call by the first week of May to express your interest. Her phone number is 03 9822 8201.

📧 Fiona Knox is exhibiting new work at 'Hazelhurst', the new Sutherland Regional Art Gallery in southern Sydney. The exhibition opens on Friday 9th June and runs for two weeks.

📧 Congratulations to Carolyn Delzoppo who has been invited to be a juror for the next Northern California Enamel Guilds' International Enamel Exhibition.

📧 Carolyn will again be teaching two weekend workshops at Val Akeds Studio in June. June 10 - 11 for Cloisonné enamelling and June 17 - 18 for Champeve Enamelling. For more information contact Val on Ph/Fax 02 9975 3734.

📧 The McGreggor Winter School is running a 'Jewellery Design and Construction' course given by Nick Deeprose, a very creative and excellent NSW jeweller. Ph:(07) 4631 2755, Fax:(07) 4631 1606.

THANK YOU

Pat Holcombe, Carolyn Delzoppo, Debbie Sheezel, Margo Carter.

📧 **The deadline for material** for the next issue is May 23rd, 2000. All articles, comments and news are welcome. Send to Barbara Ryman, 71 George St, Thirroul 2515 NSW.

Ph/Fax 02 4267 2939
Email: bryman@ozemail.com.au

WANTED

Margo Carter is wanting to buy

1. a second hand dust extractor for her polishing machine.
2. a flexible shaft drive.

Contact her at 7/30 Cambridge St, Epping, Sydney.
Ph: 02 9868 2909

OPPORTUNITIES TO EXHIBIT

5TH International Juried Enamel Exhibition

- September 1 - September 30, 2000
(Sponsored by The Northern California Enamel Guild and Velvet da Vinci Gallery, San Francisco.)

Conditions for Entry

Only original work produced in the last 2 years is eligible. Enamel (vitreous glass fired to metal) must be the focus of the work. 2-D and 3-D are acceptable. Several cash awards of merit will be given. All work must be for sale.

Entry Fee for non-NCEG members: \$25 for up to 3 pieces, \$ 10 for each additional piece. There is a 5-piece maximum. Payment must be in U.S. funds drawn on a U.S. bank. All cheques should be made payable to NCEG. Entry fees are non-refundable.

Work will be judged on the basis of 2" x 2" 35mm slides. Three exact copies of each slide are mandatory for jurying purposes. Work designed as a set will constitute one entry.

Artists shall be responsible for insurance of accepted work to and from the exhibition. Work will be insured while on display at Velvet da Vinci with the exclusion of any damage due to acts of God.

Sales

Artists will write the retail price of each work on the application. If the work is sold, Velvet da Vinci will retain a 50% commission.

Note: Only accepted artwork will be exhibited. No substitutions are allowed.

Entry forms must arrive by May 19, 2000. Send to:

NCEG Juried Show
P.O. Box 254
El Cerrito, CA 94530

For further information contact Alana Clearlake (510) 450-0556; jtanner@a.crl.com; or Judy Stone (510) 526-3668, jstone@cwnet.com OR
Send a SASE to AEN for a photocopy of the form - Ed

ENAMELS...*Out of the Fire*

The San Diego Enamel Guild will sponsor a juried exhibit from June 2 through June 14, 2000 at Gallery 21, Spanish Village, Balboa Park, San Diego, CA.

Any original work in enamel is eligible. JURIED BY VIEWING ACTUAL PIECES-NO SLIDES.

Shipped/Hand Delivered pieces due May 15, 2000. Hand delivered pieces should be dropped off at Studio 5, Spanish Village by 4 p.m.

Fee: \$6.00 per piece-up to 5 pieces.

Gallery Commission 40%.

(ARTIST IS RESPONSIBLE FOR ALL SHIPPING COSTS (TO AND FROM EXHIBIT)).

For Prospectus: Send a STAMPED, SELF ADDRESSED, BUSINESS SIZED ENVELOPE TO: Steve Artz, 1167 Crest Dr. Encinitas Calif., 92024

GIRAEFE - "Passage"

4th ENAMEL - ENCOUNTER

GIRAEFE, the French Enamelling Society 1999 marked the opening of a workshop space and gallery in Morez to which all are invited to visit. October 6-8, 2000, will be the dates of an enamel festival. To take part in the exhibition which will be held in conjunction with the festival send 3 or more slides of your work (deadline is June 3, 2000) to: "Passage" - 4th ENAMEL - ENCOUNTER, c/o giraeffe BP 82-F-39403 MOREZ CEDEX France.

Symposium - 2000 in Kecskemet, Hungary

May 1- 31, June 6 - July 30, September 1- 30.

Three separate symposiums which work out in US\$ to \$25/day plus airfare to and from Hungary. Looks like a great opportunity. Details were included in the Feb. issue of *Glass on Metal* but more information can be obtained by calling 00-36/76/482-123.

AROUND THE MAGAZINES

(note: in the last issue of AEN I wrote that Harlen Butt is the new **glass on metal** president. In fact he has just completed his term and the new president is Barbara Minor - Ed)

glass on metal - Volume 18, NO 4 Dec 1999

- coins for enamellers by Erika Speel
- Enamelling, Anodizing and Electro-etching Titanium by Vernon Larson
- Enamelling in China by Woodrow Carpenter
- Enamel in the Juvenile Justice System by Katherine Wood

glass on metal - Volume 19, NO 1 Feb 2000

- Steep sided Vessels with Sgraffito Decoration by Tom Ellis
- Using Millefiori, Wafers and Decals in a Controlled Manner by Edmund Massow
- NCEG Conference report
- Le Corbusier, enamel in architectural design

CRAFT ARTS International 48

- Mary Raymond, Carolyn Delzoppo and Cath Large have images in this issue
- 'Moderated Form and Depth', recent work by Korean jeweller Woo Jin-soon

BOOKS

From Brain Press - Gold Surfaces Under Enamels. (US) \$15.50 + \$4.00 shipping. Write to Brain Press. Box 1624 Ste M, Calgary, Alberta, T2P 2L7. Canada.



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GET STARTED TODAY

Taxation Reform and the Arts
BULLETIN # 6 28 January 2000

(5 months to GO!!)

Did You Know?

You could have 48.5% income tax withheld from payments to you (including grants) if an ABN is not quoted

A number of Australian arts organisations are putting energy into understanding and gearing up for the introduction of a New Tax System this year. The following is an article by Delia Browne, Executive Director of the Arts Law Centre of Australia with some additional points made following recent consultations with the ATO. We gratefully acknowledge the Arts Law's assistance in granting permission to use this material. The Arts Law Centre can be contacted as follows: toll free phone 1800 221 457 email artslaw@artslaw.com.au

web <http://www.artslaw.com.au> postal The Gunnery, 43-51 Cowper Wharf Road, Woolloomooloo 2011

"Your Number Is Up"

With registration forms for the Australian Business Number (ABN) being sent out or being available on request, now is the time for individual creators, arts groups and organisations to get serious and decide what to do about dealing with the new tax system.

Having, or not having, an ABN is particularly important because, whilst most people have some idea about the GST; the sleeper of the Federal Government's new tax regime is the relatively unannounced "Pay As You Go" scheme which will make its presence felt from 1 July 2000.

The keyword is "enterprise" and the bottom line is that if you are running a "business" you need to register for an ABN, regardless of whether or not you also have to register for the GST. This is because if you do not have (or do not provide) an ABN for goods or services you supply after 1 July 2000, payments made to you may be subject to the new Pay As You Go (PAYG) withholding tax of 48.5%.

PAYG will affect all those currently operating as independent contractors such as freelance musicians, artists, designers, composers, film makers, actors, dancers, etc. So the time to get organised is now.

What is the ABN?

One of the key components of the Federal government's new tax system is the introduction of the Australian Business Number (ABN). The ABN is intended to be the Federal government's single business identifier for an enterprise.

Broadly speaking, all business entities - whether a freelance contractor (graphic artist), partnership (band or theatre group), association or company - will need to be able to supply an ABN for their business dealings. This makes registration a requirement for virtually everyone other than wage or salary earners. All entities carrying on an enterprise need to register for an ABN by 31 May 2000.

How do I get an ABN?

An ABN will be issued to entities which satisfy the definition of carrying on an enterprise, which includes any activity done in the form of a business, or venture or concern in the nature of a trade, and the activities of various religious, charitable, or government entities.

Incorporated entities and those satisfying the requirements for GST registration will automatically be entitled to an ABN.

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However, non-corporate and non-Government entities have to satisfy the Commissioner of Taxation that they are "carrying on an enterprise" in order to be entitled to an ABN. An ABN can be withheld if, in the tax office's opinion, you are not carrying on a business or the activity being engaged in is determined to be a "hobby".

The ATO definition of "enterprise" specifically excludes:

- hobbies and private recreational pursuits; and
- any activity done by an individual or partnership without reasonable expectation of profit or gain

The second exclusion presents a potential problem for the arts as most artists, writers, musicians, actors etc largely support themselves through other paid work such as waiting tables or teaching rather than their creative work. Most artists record losses for some considerable time before (hopefully) achieving widespread recognition and commercial success. In fact, as the statistics demonstrate, many in the arts never achieve their goal of making a living from their creative work despite years of effort.

At this stage it appears unlikely that the tax office will refuse to issue an ABN (unless it is obvious that you are not in business). If you are in business and do not have an ABN, all businesses purchasing your goods or services will be required to deduct 48.5% PAYG withholding tax from their payment. If your application for an ABN has been rejected on the basis that you are not carrying on a business, ie you are undertaking a hobby, then the 48.5% withholding tax will not apply to you. Where you are not carrying on a business and do not have an ABN you will provide the purchasers with a declaration that you are "not in business". In this case the purchaser will not be required to withhold the 48.5% tax.

What is Pay As You Go (PAYG)?

PAYG (Pay As You Go) will operate from 1 July 2000. It replaces the current provisional tax system. PAYG is essentially a withholding tax system that applies to payments made on or after 1 July 2000. Where services are provided to an entity which has not supplied an ABN, the payer is obliged to deduct 48.5% and pay it to the tax office.

PAYG is the tax office's attempt to address the increasingly blurred distinction between employee and independent contractor. PAYG means that unless the person supplying a service can provide an ABN then PAYG will apply. Or they have to be engaged as an employee, complete an Employment Declaration form and be subject to PAYE tax provisions.

Despite practices to the contrary, most freelance contractors operating in the arts are actually legally regarded as employees for PAYE purposes. If you work at an agreed hourly rate, at the employer's premises or location, on days and times determined by the employer and you cannot delegate your work to another, you are legally classed as an employee.

PAYG will apply to:

- payment for work and services;
- retirement amounts and annuities;
- a payment arising from an investment where the payee/recipient does not quote an ABN or tax file number; and
- payment royalties.

But what does the PAYG mean for the arts?

The following examples demonstrate the serious impact of the new PAYG regime impact on art practitioners who go from job to job. These examples are based on people who are carrying on a business but do not have an ABN:

- you are a dramaturg with a theatre company and you have invoiced them for your fee of \$1,000. If you don't supply an ABN, the theatre company is required to deduct \$485 PAYG tax from your fee
- you are a writer or composer who has entered into a publishing agreement where you are entitled to \$100 royalties. If you do not supply an ABN the publisher will be required to deduct \$48.50 from the payment.
- you are a multimedia artist who has succeeded in obtaining government funding of \$100,000 for a project. Without an ABN, the funder is required to deduct withholding tax of \$48,500
- you are a band performing at a local venue for a fee of \$500. Unless the band provides an ABN number, 48.5% must be withheld by the venue operator
- you are an artist, successfully selling out your first solo show for a total of \$6,000. The Gallery will deduct its usual commission of 30-40% of sales, and then- because you don't have an ABN - deduct a further 48.5% of the gross payment leaving a total of \$1,200 or less.

When and how do you Pay As You Go?

Under the PAYG system artists in business will be required to lodge quarterly Business Activity Statements (BAS) specifying the gross income for the previous quarter and the income tax payable. An Income Tax instalment is

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calculated on the tax rate applicable on the previous income tax return. eg if you paid \$3000 tax on a gross income of \$100,000 your instalment percentage will be 3%. Then you will have to pay an instalment of 3% of your gross income for the quarter to the ATO. The instalment will be credited against your final Income Tax liability, which will continue to be based on the income tax return that you lodge annually.

Maybe I should register for GST too....

It's probably not a bad idea. Some federal and state funding agencies are making it mandatory for grant recipients to be GST registered. And it is very likely that many companies will prefer to engage the services of someone that has an ABN and is registered for GST rather than have both the administrative hassle of deducting PAYG and also not being able to claim GST input credits for the services. If you are not registered, the company is not entitled to a 10% input tax credit on your supply, which means your fee or price is effectively 10% higher than your GST registered competitor.

If your art business is likely to incur costs that include significant GST, such as those incurred in purchasing materials or hiring equipment, the only way you can recoup those additional costs (via an input tax credit) is through GST registration. Remember that if you are purchasing items from a business that is registered for GST, then GST will be built into the price you are paying whether or not you are registered for GST.

You, the GST and contracts

If you decide to register for GST you should consider the following points in relation to all of your contracts:

- identify all the supplies of goods and services that will be made under the contract
- identify when those supplies will be made
- will those supplies give rise to a GST liability or input tax credit?
- when does that supply or credit arise? Is the timing good for your cashflow management?
- can you vary your invoice terms to improve your cashflow management?
- does the contract include a GST gross up clause?
- does the contract cover your compliance regulations?

Refer to the Arts and Culture booklet available on the ATO website.

And finally

Make sure all your stationery, invoices and accounting systems include your ABN. Create or update standard invoices so that they comply with the tax invoice requirements. Perhaps you need to buy new accounting software to ensure that you are GST compliant? All these costs will be tax deductible.

For further information check out the ATO's websites at www.taxreform.ato.gov.au and www.gststartup.gov.au or call the Tax Reform Hotline on 13 2478.

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This article is intended to provide general information on GST. The contents do not contain legal advice and should not be relied upon as such. Readers should seek further professional advice.

Ask for a Visit

If you are intending to register for GST, why not make use of the ATO's free advisory service by phoning 13 24 78 and asking for an ATO field officer to visit you. The field officers will be able to assist you with changes you may need to make to your accounting records and answer queries you have about implementing GST.

GST & Australia Council Grants

Transitional Arrangements

This is an overview of what is happening with GST and Australia Council grants for activities which straddle 1 July 2000.

We know that grant contracts signed before 8 July 1999 (the date of Royal Assent) and paid before 1 July 2000 **are not** subject to GST before 1 July 2005. Grant contracts signed and paid after 1 July 2000 **are** subject to GST. However, we are currently seeking clarification regarding grant contracts signed after 8 July 1999 but before 1 July 2000. We will provide an update in the next Tax Bulletin.

Ongoing

Council is in the process of revising our grants administration systems to comply with changes to the tax system. Council may issue "recipient created tax invoices" with grant payments to GST-registered organisations. We will keep funded recipients informed of developments.

There could be an unintended consequence of PAYG Withholding Tax applying to Australia Council grants. The Australia Council has sought clarification of how the proposed provisions will apply. Arts organisations and

individuals should seek clarification from their accountants and financial adviser on the specific implications regarding PAYG as well as GST. In the meantime please take this into consideration when making your decision to register for an ABN.

GST Start Up Education Program for the Arts Sector

Council has been offered assistance to conduct a Business Skills Education and Information program in the arts sector from the GST Start Up Office (www.gststartup.gov.au) This is intended to build individual's and organisation's understanding of what to do to change their operations so they can accommodate ATO compliance requirements and to make those business decisions integral to those changes.

Sue Fisher, recently from Arts Queensland, is managing this program. Sue will be sending out more details about this program to you in late February.

Re-Registering For Gift And Tax Exemption Status (ROGATE)

All organisations that have income tax exempt or gift deductible status, or who are seeking to have income tax exempt or gift deductible status from 1 July 2000, need to re-register for endorsement. An ABN is a prerequisite for registration. Organisations requiring endorsement must apply for an ABN first and tick the appropriate box on the registration form that deals with this issue.

Discounts For Goods And Services To Gear Up For GST

More than 1000 suppliers of goods and services, many offering significant discounts, have registered to supply small businesses with goods and services needed to get GST-ready. The products and any discounts can be obtained by redeeming the \$200 Direct Assistance certificates being delivered to businesses registered for the GST. It is another reason to think carefully about whether to register for GST and to act.

Not every business will have to buy a new computer, new software or seek training or advice. However, arts businesses should see the availability of these certificates as an opportunity to make their business better and, considering all the other help being made available, such as tax write-offs, this would be an ideal time to do so.

Council encourages all artists and arts organisations to plan early, seek information (eg through the GST Assist Helpline 13 30 88 or website at www.gststartup.gov.au)

Need more information or advice?

General information on the New Tax System

- obtain *A Fax From Tax* on 13 28 60
- download regularly updated information from the tax reform Internet site www.taxreform.ato.gov.au particularly the pages for "charities and non-profit organisations" and "Arts and Culture"
- phone the tax reform infoline 13 24 78
- phone the ***GST Business Assist Helpline*** on 13 30 88 for small and medium enterprises (SMEs) run by the Australian Society of Certified Practising Accountants (ASCPA).

The ATO has launched its new queries response initiative called "replyin5".

Where the Tax Office receives a specific query about the new tax system, the correspondent can expect to receive a detailed, personalised written reply within 5 working days. This service replaces the ATO's current Tax Reform enquiry response system.

This services relates to:

- Goods and Services Tax (GST)
- Australian Business Number (ABN)
- Business Activity Statement (BAS)
- Pay As You Go (PAYG)
- Fringe Benefits Tax (FBT)

The service is accessed via:

Post: replyin5
GPO Box 9935
Capital City

Fax: 1300 139 031

Spread the word and feedback, please!

Please circulate this Bulletin to your colleagues. We would welcome your feedback. Bulletins can be found on the Council website www.ozco.gov.au

If you would like to be added to our distribution list for further bulletins please provide your email or postal details to Kris Rossiter via email: k.rossiter@ozco.gov.au; via the toll free telephone number (1800) 226 912 or via PO Box 788 Strawberry Hills NSW 2012.

Enriching the life of the nation through the arts

FATHER AND SON TEAM HOOKED ON PRECIOUS METAL CLAY by Brett R. Wagner.

(Reprinted with permission from the Enamel Guild South Vol xx, No 5. June 1999)

"I've been working with metal for 10 years, and I learn something new with PMC every day. My father, William G. Wagner, a commercial photographer, is hooked on PMC too.

We comb flea markets for anything with texture to press patterns into PMC, but we like the positive impressions better than the negative ones. My father came up with the idea of using Sculpey (found in any craft store) to make inexpensive, negative moulds. Push PMC into the mold to get positive impressions.

I've found a foolproof way to fuse 24k gold PMC to fine silver PMC. Fire the gold PMC as directed and mold the silver PMC into shape. Paint a little silver PMC slip (PMC thinned with water into a thick liquid) between the silver and gold and fire. I've successfully fused silver and gold about 90% of the time.

I've raised the firing temperature to 1700^o for 2 hours, and this seems to increase the success rate. But you should do sample tests because every kiln is different.

I've added other metals to PMC, including copper, 1/8"brass screws, steel and even fine silver sheet, wire and tubing. Put the brass screws in place before firing and you end up with a pre-tapped hole. It's a good idea to put a little yellow ochre on the screw to make sure the silver and brass don't bond together.

The copper and steel are best "trapped" together by PMC. To add silver I use my slip and higher heat method. You just have to remember that PMC is going to shrink so adjust accordingly, or just live with the wonderful distortions you get."

(Brett Wagner operates a craft studio, "One Good Chicken", in Cranford, N.J. He sells at shows and through shops and has worked in commercial glass casting and jewelry repair.)

PAT HOLCOMBE

(cont...from front page)

My interest and intrigue with this medium continues to grow and its fickle nature frequently outwits me. But through practise and experimentation, and further workshops with Carolyn and other local enamellers, my successes now outnumber my failures. I prefer cloisonné with transparent enamels on fine silver, but sometimes combine it with champlevé or use Sterling for certain constructions. I also like to use silver or gold foils to provide depth and "colour texture" but I am happy to try anything that will give more variation and interest to the design. For the most part, I use the 'enamel gem' as a component in the construction of the broader jewellery piece, rather than an end in its own right. Like the rest of my jewellery, my enamelling is quite varied in style. If anything characterizes my work, it is the lack of a 'definitive style'! I suspect this typifies me and my perverse nature, but it may be because I am still feeling my way, to the extent that each piece is something of a new experiment.

Whatever the nature of future projects, enamelling will continue to figure strongly.