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on Foster's yard with same, **page 17**. e, **page 27**

Campaign spending

Labour Party targets advertising expenditure by lobby groups. **Page 8**



Profit results

New Woodside chief Peter Coleman treads carefully. **Plus:** Brambles, CSL and Boral. **From page 17**

Broken hearts

How great stress can spark heart attack-like symptoms. **Men's Health. Page 58**



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Murdoch the renovator spruiks a younger Ten

Lachlan Murdoch has spent the past six months cutting costs at Ten Network, removing staff, rejigging the content of one of its digital channels and plotting new programs for its main channel.

Now Ten's interim chief executive and equal third largest shareholder faces his toughest test: convincing investors, advertisers and media buyers he knows how to lift the

network's interim chief executive wants to take it back to its successful strategy of aiming at more youthful viewers, writes **Neil Shoebridge**.

company's television ratings, revenue and earnings. Last night, 600 advertisers and media buyers gathered at the Sydney Theatre Company to hear

Murdoch spruik Ten's 2012 program line-up. He was the third presenter, following national sales manager Kylie Rogers and chief programming officer David Mott,

acting — as Murdoch describes it — as "an exclamation mark". "We've got a lot to tell about next year, which is why we've gone early with our upfront presentation," Murdoch tells *The Australian Financial Review* in the first interview since his unexpected arrival on Ten's share register nine months ago. "The overall strategy is to take

Ten back to its positioning as a bold, irreverent channel aimed squarely at under 40s. That is its core." TV networks typically wait until the December quarter to reveal the following year's line-up. Ten has "gone early" in an attempt to generate enthusiasm for new series such as a three-hour-a-day breakfast **Continued page 60**

ATO slugs trusts in tax crackdown

- Thousands face higher bills
- Investors rethink strategies

Katie Walsh

Beneficiaries of thousands of investment and family trusts face bigger tax bills after the Australian Taxation Office issued a pre-emptive strike against mostly wealthy and rural taxpayers who seek to benefit from capital gains tax breaks.

In what accountants called a "shock" ruling, the ATO says taxpayers can no longer presume asset sales made by trusts are eligible for discounts that slice capital gains in half before the individual pays tax.

The ruling has confused trusts and advisers given that many trustees make investment decisions aimed at earning income from capital rather than trading trust assets.

Trust advisers and beneficiaries will now have to scrutinise transactions more closely with reference to specific-fact examples but tax experts complain the case studies belie common understanding.

SUPER PAIN

'Taxpayers who exceed their permitted annual superannuation contributions from July this year will be given only one reprieve under new proposals.' Page 3

The ruling also threatens to force trusts to re-examine where they invest to reduce tax on earnings.

Often viewed as tax minimisation, the ATO wants to head off the assumption that taxpayers can change the nature of an investment by channeling it through a trust.

The recent market spasms may have led trustees to dump stocks, in fear they will plummet further, with expectation that the gains would enjoy the beneficial capital gains tax concession.

But Institute of Public Accountants senior tax adviser Tony Greco said the ruling put in doubt whether such action **Continued page 12**



Dollar a blessing

While some corporate profits are being hit by the high Australian dollar, the National Gallery of Victoria took advantage of the currency to buy this Correggio painting for \$5.2 million. **Page 6. Arts & Saleroom, page 42**

Photo: PENNY STEPHENS

Westfield weathers stormy retail trade

Lisa Carapiet

Westfield Group has reported improved sales from specialty stores in its Australian malls, and achieved rental growth, defying the softest retail trading conditions in a decade.

Joint chief executive Steven Lowy said that inside malls, spending habits were moving away from major retailers like David Jones and Myer, and towards smaller stores. And

from a regional perspective, Westfield's Queensland and Victorian assets were outperforming NSW and West Australian shopping centres.

The group had largely overcome the failure of retailers such as Borders and Colorado and Mr Lowy said 90 per cent of the vacated stores were already committed at higher rents.

"During the period we have seen a shift in market share from the majors and mini-majors to specialty retail-

ers, which make up the vast majority of our rental income stream," Mr Lowy said. "It's not without its challenges."

The retailing sector faces a number of hurdles — weak consumer sentiment, increased savings, **Continued page 46**

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Westfield Retail defiant, page 45

Gillard caves in over drug subsidies

Emma Connors

The federal government is set to back down on its controversial decision to restrict subsidies of new medicines after a damning inquiry and concerted opposition from an unlikely alliance.

A policy reversal would add to budget pressures because the government had expected to save \$100 million over four years by deferring some

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additions to the pharmaceutical benefits scheme.

The decision to restrict subsidies by deferring some new listings prompted a campaign by consumers,

the pharmaceutical industry and the medical community that led to Parliament's referring the administration of the PBS to the Senate Finance and Public Administration References Committee.

The committee's majority report yesterday slammed the deferrals and other changes to the PBS listing process after Greens senator Richard Di Natale sided with opposition **Continued page 10**

BHP's \$1bn rail play

Dan Hall and Jamie Freed

BHP Billiton is seeking government approval for a \$1 billion-plus railway from its central Queensland coal-mines to the port of Abbot Point that will put it in direct competition with dominant rail player QR National as it expands the world's largest coking coal business.

The miner would essentially duplicate the existing infrastructure of

QR National, which relies on BHP for 40 per cent of its business in the state and has been under pressure from Queensland coalminers to expand its network rapidly.

BHP last year led a consortium of miners that attempted to buy QR National's railway tracks for \$5.1 billion before its float.

Building a new line would lower BHP's tax burden under the minerals **Continued page 18**

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...mechanisms to provide input on areas where regulation is creating unnecessary burdens on business, particularly those operating in multiple jurisdictions."

Some of the initial "seamless economy" reforms agreed under the Rudd government have taken longer than expected to introduce.

Legislation for a national business name register, scheduled to be in place by mid-2011, was introduced to federal Parliament yesterday. State and territory governments are yet to introduce legislation that would allow businesses to pay only one fee and fill in one form to register a busi-

Minister and state and territory leaders is a pre-Council of Australian Governments ritual and Ms Gillard is hosting the leaders at the Lodge.

ness nationally. The system now operates on a state-by-state basis to register a business name; it costs businesses up to \$1000 to register a business nationally. The new scheme, under which it would cost about \$70 to register a business name nationally for three years, is not expected to become operational for about a year.

Business names registration will be managed and administered by the

was "not the opposition's job to manage the Premier's diary". Deputy Opposition Leader Rob Hulls said: "We are happy for him to go. We

The government resolved to use its majority to close proceedings early so Mr Baillieu could catch his plane and take his seat at the dinner table.

Australian Securities and Investments Commission and existing business names registered with state and territory governments will be transferred into the national system.

Nationally consistent occupational health and safety laws are set to start on January 1, 2012 and a national trade licensing system will harmonise overlapping and inconsistent standards across Australia.

"From mid-2012 tradespeople such as plumbers, electricians, airconditioning and refrigeration mechanics, gas fitters and property agents will be able to work in all states and territories regardless of which jurisdiction they are licensed in," Senator Sherry said. "This reform will remove unnecessary impediments to labour mobility and will assist in addressing skills shortages across the economy."

NZ apples on the way

The way has finally been cleared for New Zealand to export apples to Australia, ending years of bickering between the two countries. But the federal opposition says it's not confident Australian quarantine inspectors have the resources to stop devastating diseases such as fire blight and European canker from coming in with the NZ fruit. **AAP**

Licence suspended

The corporate regulator has suspended the financial services licence of Sydney shadow broker Kinetic Securities, a week after the firm collapsed. Robyn Duggan and Max Donnelly of Ferrier Hodgson were appointed as liquidators of the firm which went into voluntary liquidation on August 8. **Patrick Durkin**

Biotech spending queried

Victorian Auditor-General Des Pearson has found the state spent \$722 million supporting the biotechnology industry over the past decade without measures of whether the money was producing results. In a report tabled in Parliament yesterday, Mr Pearson said a lack of an strategy increased the risk of "inappropriate prioritisation and funding, and could lead to duplication, inefficiency and waste". **Mathew Dunckley**

Coalition 'stuck in mud'

Labor and the Greens have accused the Coalition of filibustering in the Senate to delay passage of new carbon farming laws. The laws would enable landowners to be paid for storing carbon in trees and soil. **Marcus Priest**

Trucking watchdog

The chief executives of the largest transport companies have written to Prime Minister Julia Gillard and state leaders to urge them to agree to a single national heavy vehicle regulator at this Friday's meeting of the Council of Australian Governments. The letter, signed by Linfox chief executive Michael Byrne, Toll Group managing director Paul Little and Australian Logistics Council chief executive Michael Kilgariff said replacing state regulators would bring savings and "significantly improved safety outcomes". **Louise Dodson**

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Gillard caves in over drug subsidies

From page 1

members. The chair of the committee, Liberal senator Scott Ryan, said: "This report outlines one of the greatest debacles in the commonwealth health system for many, many years."

The report called for withdrawal of the cabinet decision on February 25 to defer PBS listings.

It also called for the government to reinstate the \$10 million rule that means listings recommended by the pharmaceutical advisory benefits committee that will cost the government less than \$10 million need not go to cabinet for approval. Since February, all recommendations for new listings have gone to cabinet.

Labor senator and committee deputy chair Helen Polley said evidence taken during the inquiry did not support the finding that deferrals represented a major change in policy or would have a serious detrimental effect on the PBS. But at a meeting last week, Prime Minister Julia Gillard told the Consumers Health Forum and pharmaceutical industry representatives she was aware of the high levels of concern about the issue and wanted to find a resolution by the end of September.

A source close to the negotiations said the public outcry had convinced the government to make concessions in terms of what drugs would be available on the PBS.

Since February, Health Minister Nicola Roxon and Finance Minister Penny Wong have argued that the delayed listings and increased cabinet oversight were necessary to restrict the cost of the PBS - estimated to be \$9 billion in 2010-11.

Tabling the report, Senator Ryan spoke of the overwhelming response to the inquiry, particularly from

Brendan Shaw would work with Ms Gillard's office to identify a solution.

The forum letter said Ms Gillard "accepted the significant level of concern created by the cabinet decision. She particularly acknowledged the views of the many health consumer groups and individual health consumers who had expressed concern". Ms Bennett said there was not

\$4 billion over four years. "The government has deferred a small number of PBAC recommendations due to difficult fiscal circumstances and these will be reconsidered once circumstances allow," the spokesperson said.

Dr Shaw said the Finance and Public Administration References Committee was sending the government a clear signal that cabinet should not interfere with the process of listing new PBS medicines.

Ms Gillard last night described the PBS as one of the cornerstones of the health system and said primary care would be improved under her agreement with the states and territories to pour billions of dollars into the system.

"We haven't just gone through months and years of painful reform to achieve some aesthetically pleasing new bureaucratic structures," she told the annual dinner of the Australian Medical Association.

But in a setback for Ms Gillard, independent MP Rob Oakeshott voted against 29 Labor amendments to a bill to create a National Health Performance Authority, a key measure in the health reforms.

Mr Oakeshott said Labor's changes "seriously compromised" the original intent, including plans for local health district networks.

with David Crowe



We haven't just gone through months and years of painful reform to achieve some aesthetically pleasing new bureaucratic structures.

Prime Minister Julia Gillard

patient groups. Some were directly affected by deferrals; many others worried about the lack of certainty caused by what they saw as a departure from the PBS listing process.

Many submissions were from members of the Consumers Health Forum, an umbrella group representing diverse associations of patients.

After meeting Ms Gillard, forum chief executive Carol Bennett told members the Prime Minister had indicated she wanted to resolve the issue by the end of next month.

Medicines Australia members were told that MA chief executive

much room for compromise as the forum worked with industry and the PM's office to find the promised resolution. "There is almost unanimous agreement that the government should retract its position and reinstate previous policy," she said.

"We will be going into meetings in the next couple of weeks to resolve this matter with the position the government should accept the recommendations made by its expert committee, the PBAC."

A spokesperson for Ms Roxon said Labor had listed 500 new medicines or brands on the PBS, at a cost of