



## CEOQ&A

**Jonathan Rubinsztein**  
Chief executive, Red Rock Consulting

**What was your first job?**

When I was 15, I started buying and selling high-fi equipment out of my parents' garage in Cape Town (in South Africa). I made some decent coin, too.

**What is the best deal you've made?**

Definitely convincing Nicolette my wife to marry me.

**And the worst? What did you learn?**

Throwing good money after bad buying Babcock & Brown while it continued to decline. In that process I certainly learnt not to always believe what's published and certainly not to believe what management says when their backs are against the wall.

**How has your industry changed in the past five years?**

Everything has and nothing. In the enterprise application space there have been a lot of changes, especially in the software-as-a-service area. However, I've also observed that customers have such significant investments in their current systems that the rate of adoption is much slower than people predicted.

**What's your top time-saving tip?**

Do it well first time.

**If you were PM for the day, the first thing you would do is....**

Revamp the national broadband network to make it cost-effective. Next on the agenda would be restructuring the carbon tax to focus on what it was originally intended to be, not a political appeasement.

Vicki Copeman

## Friendlier franchises

Relationships between franchise owners and franchisees are more friendly than frosty. The number of complaints from the franchise community is not growing at the same rate as the sector, and the deputy chair of the Australian Competition and Consumer Commission, Michael Schaper, says education and access to free mediation have helped.

"The number of complaints has remained relatively static over the last few years despite the growth of the sector," Schaper says. "This is a testament to the successful education, engagement and outreach program for franchisors, franchisees and potential franchisees – but there is more to do."

In the latest financial year, the ACCC received 630 franchising complaints and more than 220 inquiries relating to the franchising code of conduct, general competition matters and consumer-related issues. Schaper says the introduction of small business commissioners has given disgruntled franchisees and franchisors an alternative avenue.

"Some of the small-scale issues, particularly those that are suited to mediation, can be dealt with by the small business commissioners now and if the case includes a major breach that requires further enforcement it is referred to us," he says. "Franchising is a bit like a marriage, in a sense. Sometimes there are gripes that are causing friction but not so much that the parties want to end the agreement. They just need to air their differences."

The mediation facilities offered through state-based small business commissioners are a better forum than litigation to resolve these grievances. Of those that do require ACCC involvement, Schaper says the most common is overstating potential income. "The classic scenario is a franchisee being told they'll earn a certain income and it doesn't happen," he says. "Home services is one area where that's happening a bit at the moment."

Improved education is one way to combat potential disputes. Three thousand potential franchisees have utilised the ACCC's free online education program. "Lots of franchisors are making the program available to franchisees and as awareness rises... it reduces the need for disputes," Schaper says.

Georgia Dent



**Picky: Shoppers are indulging more**

## Retail sales up, for now

Retail sales rose 0.2 per cent in August, largely thanks to increased spending in Western Australia, according to the Australian Bureau of Statistics, but the results fall short of analysts' expectations.

The news is in contrast to several high-profile retail collapses. The latest was national footwear chain Payless Shoes, which filed for voluntary administration a fortnight ago.

The mining boom in Western Australia contributed to most of the increase (up 1.4 per cent), as did small increases in the ACT (1.2 per cent), Queensland, NSW and South Australia.

The Commonwealth Bank of Australia says a "subdued" trend in spending since June indicates that the recent interest rate cuts have had "little if any" immediate impact and further rate reductions are unlikely to ignite a boom for the sector. "Interest rate stimulus for retail spending is more of a slow burn," it says.

However, the data suggests customers are happy to spend in some areas, such as restaurants, cars and holidays, and remain responsive to discounting.

"Looking ahead, lower interest rates, some recovery in housing construction and gradually improving consumer sentiment will help," CBA says. "But the retail sector will also have to battle the headwinds from an adjustment to lower income growth as the terms of trade falls and high levels of job security concerns persist."

Department stores (up 6.9 per cent) were the greatest market contributor to the rise but that segment remains the weakest performer over the longer term (down 0.4 per cent in trend terms) because of low consumer confidence.

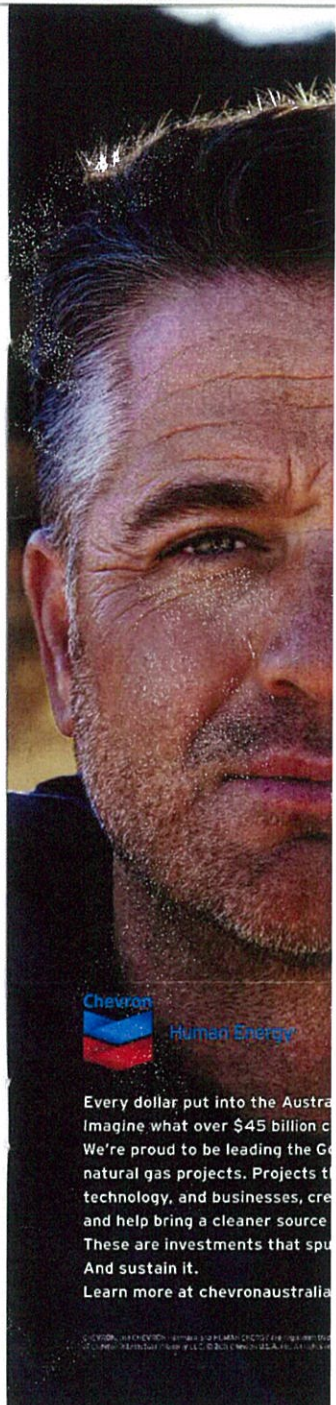
While food retailing showed a slight increase, other segments such as household goods, takeaway food and clothing, footwear and accessories suffered.

Jane Lindhe

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**38¢**

**The jump in Woolworths' share price to \$29.63 in response to its \$1.4 billion property "demerger".**

Investors have welcomed the announcement by the retailer that it will spin off its shopping centre portfolio as a new real estate investment trust.



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