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Leading the Way

One of the most well-known names in Australian business, Roger Corbett AO shares his insights on how to be a good leader, the future of the Australian economy, and his work with the Australia-Israel Chamber of Commerce.

Interview by Chris Dutton and Daniel Di Loreto
Images by Scott Ehler

In the early 1960s, Roger Corbett was working at Grace Brothers in Chatswood, Sydney, when a senior colleague took an interest in him and in his future. “At the time, I was working for a fellow called Derek Moore, and he used to often take me for walks around the store, pointing out merchandising questions and issues and opportunities. And I can remember thinking, ‘Boy, I must have been walking around this place with my eyes closed; why couldn’t I see that?’” Roger reminisces. “I was mentored by some wonderful people who took an interest in me, supported me and taught me the art of retailing, and, I might say, the love of retailing. Such people as Ron Reedman from Grace Brothers, John Ayres from Woolworths, Paul Simons from Woolworths, John Spalvins from Adsteam, Jack

Shewmaker from Walmart, and many others to whom I am indebted and very grateful.”

It was this—the time and expertise that others gave Roger as he was building his career—to which he attributes his success. From being an unknown kid in the back dock unloading trucks, to the CEO of Woolworths, Chairman of Fairfax Media, and a director of the Reserve Bank, the importance of mentoring still resonates with Roger. He is passionate about valuing every colleague and their work, regardless of their position in the company.

“The help of people below and above you is absolutely necessary for success. I always listened, always sought advice, always valued advice, always thought about it very carefully—and more often than not, it influenced the

outcomes. For example, when I was in relatively senior positions, I would go into a meeting with a particular point of view, and, having put that point of view to my colleagues and hearing a contrary viewpoint, I was corrected on many occasions. In fact, I think of numerous occasions when I clearly would have made a big mistake if it hadn’t been for the counsel and support of my colleagues.”

It is this philosophy Roger believes has allowed him to be seen as an influential leader in the Australian business community and to become involved with the Australia-Israel Chamber of Commerce (AICC). As an eminent figure in Australian life, Roger has shared his insights with a number of emerging and established leaders at AICC events, and listened in turn to others who have >

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helped inspire him. “I’ve had a lot to do with the Chamber of Commerce over many years. I’ve been involved in its various activities; I’ve been a speaker on various occasions. It proves an extremely valuable forum in which business leaders can network and further develop at a high level.”

One recent talk Roger gave was at the AICC Boardroom Briefing when he addressed fellow senior business leaders on the difficulties in the Australian economy and what he believes needs to be done to rectify the situation. Roger has always been forthright about his

views on governance and the economy and what he thinks is going wrong in Australia—namely, the political leadership. “I think one of the real challenges for Australia, and many countries around the world, is our political leaderships, whichever political party it is,” Roger says. “In a general sense, the quality and experience of our politicians have deteriorated over recent years. More and more of them come up through the Labor machinery of the unions, various associations like Young Labor, or they come up through the Liberal coalition parties, typically the Young

Liberal university clubs and so on. They’ve never had experience in the real world.

“If we here in Australia—and, I might say, Israel—are going to get effective government, we need to seek higher-calibre people in that field in the longer term; and through the election process we need to get a more definitive ability of governments to clearly lead and make decisions. That’s fundamental: we need a government that facilitates the most effective flexibility and adjustments of assets and asset bases in a commercial sense to allow this country to be as commercially effective as a nation as we can possibly be. Of course, we should have good social support programs for those people who have struck difficult times, or through no fault of their own are less fortunate than others. Some income redistribution and some social support is an integral part of the Australian way of life, but I think in recent years we’ve lost the decisiveness of government that we need to set a commercial environment that allows business to invest with confidence. Currently, we’ve got this problem of lack of non-mining investment—it’s lagging badly—and if we’re to get recovery in Australia, we must have that investment working for us. There would be many who argue that the reason for that is a lack of confidence in political leadership.”

This, Roger says, is crucial to having a strong economy for Australia into the future. Business needs confidence to create the jobs that will last into the future. What is lacking is the political confidence to do what Roger believes is necessary for the future of the country. “We’ve got to create a feeling of confidence so that business can invest. Jobs are not created by government; jobs are created by private enterprise. I think we’re wasting an immense amount. Our bureaucracy has blown out enormously, and we need to restructure our federal bureaucracy particularly. Even under this Abbott government,



we’ve become a government and a bureaucracy that does not make decisions, that does not deliver outcomes, and we have a bloated federal bureaucracy. We have a lot of duplication between the federal bureaucracy and the required state bureaucracy who are in most cases executing the outcomes. We want a minimal amount of resources to go into that type of enormous bureaucracy, and we want it to go into income- and revenue-creating jobs. You’ve got to get confidence for that to occur. You’ve got to get business to feel that when they do their evaluations and their return-on-investment calculations, having made this investment on behalf of shareholders or themselves, they’re going to get a return for it. And I don’t think that exists enough in the present economy.”

One of the industries in particular that Roger says needs more investment is the tertiary education sector. With manufacturers pulling out of Australia and with the mining boom declining, some of

the traditional drivers of the economy will be gone in the near future. The government and the community need to rethink where the jobs of the future will come from. Roger’s answer is simple: invest in a highly skilled population. “Our standard of living in Australia, on a cost base, takes us out of the running in being a manufacturer of any significance. So the only manufacturing that we are good at or can compete in is manufacturing that has a high intellectual-property component. I’m chairman of Mayne Pharma. We have a factory in Salisbury, South Australia, where we employ hundreds of people. Why we’re able to compete in the pharmaceutical field, and very effectively, is because of the quality of our R&D and the tertiary level of our activities. So we need to educate our population: we need to provide them with the intellectual skills to deliver a tertiary economy. By that I mean an economy that is based primarily on intellectual processes, and that’s a service economy to a very large

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degree. But we’ve got to create an environment where business has the flexibility and can prosper in that space, and you could argue we haven’t got it at present.”

This, along with a rethink of the tax system, is essential if we want to have a country that has the same standard of living and economic strength as we have currently, according to Roger. “We are certainly undertaxed. Clearly, if we are to have the level of social security that we wish to have, if we wish to provide a level of education to ensure we have a prosperous economy in the future, and if we want to have the level of health that is so good in this country and preserve it and build it, we need to pay more, and taxes need to increase. I don’t think we need to increase income tax, which is a regressive tax, or employment tax; we all need to pay our share. Clearly, it’s my view that indirect taxes should be increased, and the GST is the obvious tax that should be increased.” >





However, it comes back to politics, as with so many other issues. Roger believes that current politicians are not up to the job or don't have the courage to do what is best for the country. "Everyone is playing a political game: all governments around Australia know that the revenue base has got to increase. No one wants to be the first and carry the political flak that says we should increase GST."

Another issue that Roger is passionate about—and on which he has strong views with regard to its

political implications—is the importance of the media and journalism in democracy. While CEO of Woolworths, he took a directorship with Fairfax Media, which Roger says he chose because of his passion for this sector. "Journalism plays such an important part in our society. You could argue that it is the third pillar of democracy," Roger says. "You have government, you have judiciary, and you have an open, independent media. There are many things that wouldn't have happened in New South Wales and Victoria if it were not for

The Sydney Morning Herald and *The Age*. They play a very, very important part. They play an important part in developing our thinking, and I think we all enjoy reading good journalism: it informs us, and it also creates the ability to get much better judgements. That's what attracted me to the media."

There have been difficulties in the media industry, though, particularly for newspapers and the move to online. "The means of delivering information has changed dramatically. We used to have three independent delivery mechanisms: newspapers, radio, and television. The digital age of being able to deliver video and other information almost instantaneously to a small device that people carry in their pockets has revolutionised the delivery of news. We first saw the digital presentation of the papers, but more recently we've seen an even bigger revolution and that's been the development of social media." This development, according to Roger, really requires a change in media law. Roger, and Fairfax, haven't been shy in advocating for changes to media ownership laws. "The merging of technology and social media through all its forms really means that the media laws as we currently have them are totally redundant. Clearly, [Kerry] Stokes wants to reinforce the siphoning rules to protect free-to-air TV, which is very important to him. [Rupert] Murdoch's got his own agendas with Foxtel. We simply want to see the opportunity to use one generating source of news, to freely be able to deliver that through whatever device is the best to deliver it and meet our customers' needs along the lines I just described. Whether the government has got politically what it takes to make what are clearly overdue and very necessary changes, we'll wait and see."

After being on the Fairfax board for 12 years, Roger has announced he is stepping down as chairman in August and handing on the baton to former Network Ten executive Nick Falloon. For Roger, he says it

was the right time for him to go and that he knows Fairfax will be in good hands once he is gone. "I think in life it's always better to go five to the hour than five past. Above all, we have a very good successor and a very experienced man in the form of Nick Falloon, who I am sure will be an outstanding chairman; I am really delighted to hand over to him."

Roger seems very content with his decision to leave Fairfax, and his honesty and awareness are a hallmark of his leadership style. "I think the most important part of leadership is to be fair dinkum," he says. "In other words, to be a genuine person. In that is trust and integrity. So if you're reporting to your boss, the boss should be able to trust you to call it as it is. If you're working with your colleagues, you should respect them and behave yourself in such a way that doesn't take all the recognition, or manipulate your interest over their interests, but work as a person who is prepared to contribute to them, or them to you. You acknowledge what they do and they acknowledge what you do. And below you, of course, to treat your people as you'd like to be treated yourself is a great axiom in life; in fact, to treat all people as you would like to be treated has been a fundamental principle that I have always endeavoured to apply. You might call that integrity; I would call it being a fair dinkum, genuine person. Then, of course, you've got to lead, and the leader takes every opportunity to be a leader."

These insights on leadership, often so valuable to young executives, are among the reasons that Roger's events with the AICC are so popular. His advice to young, aspiring CEOs and directors is simple: be smart, be experienced, and be credible. "There are two broad types of characteristics for business leadership at board level," Roger says. "First of all is technical knowledge and experience, and certainly as we move more and more into a digital age. We've only just started the digital revolution in this country, and the world. *The Economist* foreshadowed



AICC CEO Charles Nightingale, Greg Tonner, Roger Corbett AO, and Jillian Segal AM at an AICC CEO Boardroom Briefing

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that 50 per cent of the current jobs in the world would go in the next 15 years. So it's a fundamental prerequisite to have people profoundly understand the digital space and what's happening.

"Then they need to understand business, and there's a very big difference between being business-educated in an MBA sense—and I take nothing from MBAs; they're very helpful—and being commercially cunning and smart. Being commercially cunning and smart is a very rare skill; very few people have it, but it's fundamental to business success, whatever the business. Then there's the development of people's credibility. You want people on the board who have developed credibility: they've got experience, they've got judgement, they've got runs on the board. I get approached by so many people who would like to be a director and I often say, 'Well, first of all, you've got to gain credibility so that shareholders want to put their confidence in you to make judgements on their behalf?'"

From unloading trucks in the loading dock at Grace Brothers 50 years ago, to leading Australia's biggest supermarket chain and chairing one of the country's largest media networks, Roger has had an incredible career. Despite

his enormous success, he still manages to remain down to earth and incredibly frank about his successes and failures, as well as the people who he believes have allowed him to soar to such great heights. In 2008, Roger was awarded an Order of Australia for services to the retail industry and community. It's an incredible honour, and Roger was particularly touched by it. Forever humble, he attributes the award to his family, friends, and colleagues who have supported him.

"It's a prestigious award. I delight in it, to be quite honest. I'm an Aussie, and this is an Aussie award; it's awarded in Australia, and that means a great deal to me. It's a senior award. And also I take it on behalf of my wife, who has supported me for 46 years; that means an enormous amount. And all the colleagues—I have been made, such as I am, by the support of my colleagues and friends, and their advice and their help and their support that have really made me the type of person I am. I see it in that context. I've had some lucky circumstances and done some jobs that I've greatly enjoyed doing, always with the help and support of my colleagues, both above and alongside. None of these things are ever achieved in life without the help and support of others." •

