

Welcome to the MGA's Annual Report edition of the Independent Retailer Magazine. In the interests of our environment, saving paper, postage and other associated costs we have again decided to incorporate the MGA's Annual President's and CEO's Reports in this magazine. Please note all annual end of year financial reports will be posted directly to the MGA website.

The past month has been incredibly busy at the MGA. The release of the ACCC Inquiry into Grocery Pricing Report certainly kept us busy, with many enquiries as to the MGA's response to the report coming from all sectors of the media. MGA welcomes the report and the rigor the ACCC applied to the processes of arriving at this report. No stone was left unturned with all sectors of the supermarket landscape investigated. Sectors investigated included chain stores and retailers, retailer brands, wholesalers and suppliers. MGA has gleaned four initiatives proposed by the ACCC in the report, to assist with fostering greater competition and driving down grocery prices in the market place. They are as follows:

- The introduction of Unit Pricing
- The introduction of the Grocerychoice (Grocery Watch) website
- Review of Planning and Zoning Laws
- Review of Creeping Acquisition Laws

MGA does not agree with the ACCC recommendations introducing Unit Pricing and the Grocerychoice website for a host of very concerning reasons.

Neither of the two initiatives will assist to drive grocery prices down or create a more competitive grocery retailing environment. The unit pricing initiative will add a considerable cost burden to retailers without great benefit and should only be introduced into stores by store owner's choice. The Grocerychoice website is at best farcical and at worst, is misleading for consumers. Independent Supermarkets are being misrepresented to the public with data that is considered "stale information", from the moment it is published and it is non representative of independent supermarket brands and size of stores.

Relaxation of planning and rezoning laws to allow greater opportunities for small businesses to compete for retailing sites, is welcomed by MGA. This initiative will allow greater competition in the market place from the 3rd force in independent grocery supermarkets.

As members will have witnessed, most of the Australian economic indicators have shown that the June quarter was a tough one for retailers, with the first half of this new financial year presenting some real sales and profit challenges for our members. Discretionary consumer spending has been significantly reduced until there is a sense of consumer confidence back in the economy.

This financial year will be a time of consolidation and review for most independent supermarkets to ensure all resources are being utilised to the full to maximise their return on investment. The next move by the Reserve Bank to reduce interest rates will be a welcome one.

September is not only the month for footy finals, regardless of which code, but it is also the launch month of Master Grocers Australia Insurance Services. I would like to encourage all independent grocery and liquor supermarkets to contact us at MGA Insurance Services to explore how we can assist you with your insurance needs. We have an industry specific, value for money, business and private insurance solution for small, medium, large, single and multi store owners. Watch out for the promotional brochure and E-Bulletin that will be sent to you with the 1800 phone number and email address contact details.

Finally, please go to the MGA website for your "Keen to be Green" posters to help educate your customers reduce plastic shopping bag usage - www.mga.asn.au. See inside this magazine for MGA's comment concerning the plastic shopping bag trial introduced this month in Victoria.

Until next edition - "Good Trading"
Jos de Bruin



Rosa and Lou Jardin with Suzanne and Andrew Bray at the GALA Ball.

Industry Function a Huge \$85,000 Success!

"Pirates and Pearls" was the theme of this years biggest industry event, The 58th Grocery and Liquor Association's (GALA) Industry Ball. The GALA committee lead by Steve Sellars again lifted this years event to a new high. The new venue, The Peninsula Room, Atlantic Function Centre, Docklands, Melbourne was superb and a provided refreshing change.

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