



Master Grocers Australia Board Presidents Report

This last financial year has again been a year of positive change and challenge for the MGA board and staff. On behalf of the MGA Board of Directors I am very pleased to report to members, that after one of the busiest and most productive years, Master Grocers Australia (MGA) has experienced in its history, that the 2008 financial year has been very successful.

The MGA Board Vision of growing our unique industry specific Employer Association into a truly national organisation has been realised. We have grown MGA's national membership to include small, medium and large independent supermarkets from the IGA and Foodworks brands, as well as many smaller un-bannered stores in Western Australia, South Australia, Victoria, Tasmania, New South Wales, the ACT, Queensland and the Northern Territory.

As independent supermarkets around the country realise that the MGA's Workplace Relations and compliance support services and industry representation are specific to independent grocery and liquor supermarkets, the membership growth continues.

As in previous years, the MGA Board has committed to delivering value to all members. To this end, the Board has resolved to financially assist members by continuing to subsidise, and not increase, the cost of membership subscriptions despite the constant increase in cost pressures which you will be aware of at store level.

Over the past 12 months MGA has focused on building strong relationships with key stakeholders driving independent supermarket businesses in the Australian market place. The IGA and Foodworks brands continue to grow their presence both in consumers' minds and in many locations around Australia.

The role of MGA is to complement the brands, by delivering relevant, value-added support services to independent grocery and liquor retailers which enables further market share growth.

The start of the financial year witnessed the launch of MGA's new red and white corporate coloured branding and logos. The MGA Board's objective with this brand transformation was to position MGA as a truly modern, relevant and innovative employer association that is instantly recognisable to all our industry stakeholders.

This transformation included the development and modernisation of MGA's key industry communication tools such as, the website, magazines, E-Alerts and E-Checkout.

The staff at MGA has been very busy over the past 12 months, constantly developing and delivering workplace relations advice, compliance training and State and Federal representation. I commend our staff at MGA for their professionalism and dedication to the task of continually delivering services to members beyond their expectations. Owing to member demand and membership growth, MGA staff levels have lifted in all areas of expertise.

Many submissions have been written to various government departments and reference groups expressing the views of independent supermarket owners around Australia. The most significant submission was to the ACCC Grocery Pricing Inquiry. MGA expressed very strong views regarding the increased presence of chains stores (80 per cent market share) and strengthening the Trade Practices Act to disallow the risk of unfair practices in the market place as a result of the chain duopoly. MGA also addressed the subject of reviewing and relaxing planning and zoning laws for independent supermarkets so that they can be the genuine "Third competitive force" in the Australian marketplace.

MGA has a complex constitution that requires MGA to report to the Australian Securities & Investment Commission (ASIC) and the Australian Industrial Relations Commission (AIRC). This also means that MGA must be compliant with the Corporations Act and the Australian Workplace Relations Act. Any changes or amendments we wish to make to our constitution can be onerous and expensive owing to the detail required by both ASIC and the AIRC.

The changes the MGA Board is seeking to have voted upon and approved by members later this year will provide more flexibility and scope for MGA to deliver greater national support and value to our members and industry for the future.

The three changes that we will be asking members to vote on must be submitted to the AIRC in three separate documents and are as follows:

1. Name change from Master Grocers Association of Victoria to Master Grocers Australia
2. Alterations and amendments to Eligibility Rules
3. Amendments to other Rules

The MGA Board would like to encourage all members to vote "Yes" for all the proposed constitutional amendments.

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