



As President of the MGA Board I would like take this opportunity to sincerely thank and farewell two very hard working and dedicated Board members who have decided to step down from the board after many years of valuable service to our industry.

They are Tim Chen from IGA in Chelsea and Sandy Bucello from Foodworks in Foster.

Tim Chen brought many skills to the Board including his knowledge of the Chinese language and will continue to provide MGA with Chinese translations when required.

Sandy Bucello also brought many skills to the Board, particularly in the area of industry development and compliance training. Sandy will continue to consult with the Board when required.

We thank both Sandy and Tim for their time and dedication to MGA.

With the ensuing Board vacancies, the MGA Board took the opportunity to realise its vision of becoming a truly national representative board, by appointing two interstate representatives to the Board and will also, for the first time, appoint an independent director in due course. I would like to take this opportunity to warmly welcome Leigh Garrett, partner in a large independent supermarket from Perth in WA, as a Board Director of MGA and Andrew Bray, multi store owner from the South Coast Region of NSW, as a Board Advisor. Leigh and Andrew are vital members of the MGA board and bring much small and large business skill, knowledge and experience, not to mention knowledge of their respective states.

After much discussion, the Board has decided to search for and appoint an independent director to the Board. This will bring to the Board business skills, knowledge and strategic acumen that will be different to the current Board but very much complement the Board's vision for a diverse and high performing Board and industry organisation.

I wish to thank the MGA Board of Directors for their support, passion and precious time out of their businesses to be involved with an organisation that wishes to make a real "support service" difference to the Australian independent supermarket industry landscape. Our Directors travel great distances from interstate and regional areas to attend Board and Committee meetings for which we are very grateful.

The future is looking very bright and exciting for MGA!

Aside from the Board's normal governance duties and participation with various working sub committees it has also been engaged with new strategic initiatives concerned with developing and offering members additional, highly valued, support services. Industry research conducted in 2007 indicated that retailers expressed considerable angst when questioned about the myriad of compliance rules and regulations they must adhere to on a day to day basis. They also indicated their concern that as directors and owners of their businesses that they were liable for any breach of these rules and regulations, particularly if there was an accident causing harm to staff or customers.

Understanding this need, the MGA Board and staff undertook a rigorous project approach involving a number of small, medium and large store owners, to provide a solution or system to assist store owners better manage their obligations to adhere to the many Government rules and regulations.

As a consequence, the board has resolved that MGA will allocate Capex funds and significantly invest in the development of a complete business support solution specifically designed to suit independent supermarket owners around Australia.

This solution will be called MGA's "Compliance Management System". Testing will commence in selected stores in October 2008, with an official roll out to a number of stores in March 2009. I encourage all independent supermarkets to take MGA's "Compliance Management System" very seriously as a support solution for your businesses.

MGA will be embarking upon a Corporate Membership drive in the next financial year to deliver on one of its core pillars that is "Industry Networking and Connection."

This will be a unique opportunity for suppliers to embrace the opportunities that MGA can provide, to assist suppliers establish stronger relationships and a better understanding of the business growth opportunities that exist in the independent supermarket channel. I encourage suppliers to include an opportunity such as this in their marketing and promotion plans as another medium to communicate with retailers in an effective manner.

As a consequence of extensive industry research carried out in 2007, retailers indicated their strong desire to have an industry specific Insurance company with whom they could insure their businesses. They wanted a company that fully understood their businesses and their needs. MGA will be launching Master Groccers Australia Insurance Services later this year. After much rigour and due diligence, MGA selected Austbrokers Australia as a partner, to deliver the only industry specific business and private insurance service in the market place. I can say first hand that MGA Insurance Services will deliver value to independent retailers in many more ways than one.