

CEO's Annual Report

There is an old saying, "if there is no ripple at the bow then you are drifting." I can categorically state that MGA and independent supermarkets in Australia are not drifting. In fact, positive change and industry investment is being embraced and is evident around the nation, resulting in strong sales and profit growth. The signs are good as this is certainly reflected in the growth of national independent supermarket market share.

MGA has had a remarkable year of change, growing from a state centric organisation into a highly relevant national independent grocery and liquor supermarket industry association.

This year we welcomed new IGA, Foodworks and un-bannered supermarkets as MGA members from Western Australia, New South Wales, ACT, Tasmania and Northern Territory.

MGA's membership has risen to 1,100 with 18 Associate Members.

Quality and professional people are the driver of success in any business. MGA is no exception to this rule and is very fortunate to have recruited a team of highly professional and service orientated people dedicated to our members.

The Board

I wish to take this opportunity to thank all members of the MGA Board for their dedication, passion and hard work (not to mention the countless hours of travel) toward the ongoing development of MGA in becoming a modern and visionary industry association. I wish to particularly thank our President, Rod Allen, who has given many days away from his own supermarket business and travelled around the nation with me to help build solid business relationships with various Boards and independent supermarket owners. Our Board has been very progressive in setting a strategic direction for MGA.

The Constitution

The MGA constitution has been amended to reflect MGA's wish to be a truly national organisation as well as provide for an increased scope of member service and support capability. I encourage all members to vote "Yes" for these changes later on in the year.

The Board's vision for MGA growth and relevance is also evidenced by significant Capex funds that have been allocated to developing an industry specific "Compliance Management System". This will be explained in greater detail later in this report.

Communication

Communication with members is crucial to ensure correct information vital to their businesses is delivered in a timely manner. The MGA "Independent Retailer" magazine has been improved to include workplace relations and compliance news as well as many industry and member news articles of interest. Members have embraced the benefits of E-Commerce over the past 12 months creating an opportunity for MGA to develop a suite of E-communication tools such as the E-Alerts and E-Bulletins. All communication tools to members have been designed to maximise members valuable time by being industry specific, simple and quick to read. The MGA website has become the "Home Page" for many members owing to its rich source of workplace relations and compliance information.

Relationships

MGA industry relationships have been strengthened and broadened as we continue to communicate to all stakeholders, the vital role the independent sector plays not only in the Grocery and Liquor Industry, but its contribution to the economy as a major employer of people and a significant contributor to communities in regional and metropolitan areas around Australia. The major independent brands are working very hard and succeeding in establishing their point of difference in the market place from the chains and are more focused on their community strengths than ever before. MGA's role is to complement the strategies of the brands by providing all independent retailers with the best workplace and compliance support possible, while also representing their best interests at a State and Federal government level.

Core Pillars

The MGA has 4 Core Pillars dedicated to assisting retailers:

- **Workplace Relations**
- **Industry Compliance Training**
- **Industry Representation**
- **Industry Networking and Connection**

Improving MGA's people capability and expertise has been a key focus for the board over the past 12 months. Members must feel comfortable knowing they are a member of a credible and professional organisation, which they can access, for all Workplace Relations and Compliance matters, without hesitation. This internal capability has eradicated the need for MGA to engage outside consultants as was the case in the past.

MGA's business systems and processes have been streamlined to give members seamless and timely support. Judy O'Reilly, MGA's Office Manager has worked tirelessly to optimise our internal resources to deliver the best outcomes.