



# 2006

Annual Report

Master  
Grocers

Australia



*Committed to our community.  
Committed to our employees.  
Committed to our industry.*



# Vision Statement

Master Grocers Directors and staff aim to foster a retail environment that allows independent grocery and liquor retailers' market share to reach 40 per cent of the Australian market, with grocery and liquor retailers trading at professional and profitable levels.

## Key Objectives

Every Board policy and action must be consistent with:

- Assisting all member stores to comply with legislative requirements through industry specific training in legislative and operational areas.
- Recognising and servicing the specific needs of members from a non English speaking background.
- Developing effective working relationships with Government and authority agencies, Metcash Trading and other supplier companies, and all member banner groups.
- Researching the requirements of independent retailers across Australia.
- Respectfully valuing, developing and recognising MGA staff, members and supporters.
- Developing and encouraging unity in the industry through social interaction and learning.

President

Mr Rodney Allen

National CEO

Mr Jos de Bruin 2006/7

Victorian CEO

Mrs Jennifer Flanagan 2005/6

Suite 9 No 1 Milton Parade Malvern Vic

[www.mga.asn.au](http://www.mga.asn.au)



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# Presidents Report

2005 -2006 will be looked back on as a transitional year for the MGA Board.

The Board of the Master Grocers Association of Victoria Limited, has responded to the calls for support and assistance from interstate retailers, and registered the company 'Master Grocers Australia' to accommodate nation-wide service requests. Jennifer Flanagan relinquished the National CEO role (for family and health reasons), and subsequent recruiting at the highest level undertaken by Silverman Dakin sourced Mr. Jos de Bruin as an outstanding replacement.

As documented in my original announcement to the trade, *'Jos brings a wealth of experience, knowledge, expertise and trade relationships to the role. The Master Grocers Board is confident that Jos will build on the very professional, economically sound, highly respected service offer that has been created under Jennifer Flanagan over the past nine years.'*

New Directors have added new dimensions to the Master Grocers' Board. Tim Chen's (Chelsea Heights IGA) constant work in visiting stores, writing articles for the magazine, communicating to Chinese speaking members, and attending as interpreter when issues arise, is a benefit and asset that can't be valued highly enough, while Ms Debbie Smith from Allora FoodWorks (QLD) has brought a wealth of professional governance and strategic planning experience to board room discussions.

The Board remains committed to the ALSA and (re-established) NARGA board representation, which provides MGA with a national approach, and at the same time committed to a productive and professional working relationship with IGA>D and FoodWorks.

A relatively small trade association, however one with real presence, the MGA is serviced by a unique team of professional advisors and service providers who work closely with the CEO and staff. Recognition must go to Roger Pallant and Marg Haines at NIBS for their OHS work; the team at Macpherson and Kelley Lawyers, and also Dibbs Abbot Stillman Lawyers; Peter Etheredge and the team at FIS who year upon year secure insurance for members, sometimes in difficult circumstances; and especially to John Markham, Malcolm Gould and Keith Watts whose combined efforts, along with Ellikon Fine Printers, produce the highly regarded Independent Retailer magazine.

I recognise and applaud the support and involvement of Associate Members to the MGA (see page 7). These suppliers recognise the value and importance of the independent sector in preventing a duopoly in Australia.

The accompanying Financial Statements detail a balanced and responsible approach to management of member funds, with tightly controlled expenditure, and careful balancing of portfolio investments in regard to capital returns and capital growth. This allows services to members, and membership fees themselves to be heavily subsidized by returns on member held investments.

My thanks to my fellow Directors for their work and support in 2005-2006. My thanks to Jennifer Flanagan and the staff team for maintaining consistently high professional standards and responses to members - over the all important '24/7', and my thanks in particular go to the grass roots retailer members of this unique trade association.

Rod Allen  
President

# Retailer Directors

Master Grocers Australia directors are retailers operating their own individual businesses under the IGA or FoodWorks banners.



As required by Corporations Act 2001 (s 300-10)

	Fees Paid	Travel/Accommodation paid.	Board Meetings Held while elected	Board Meetings attended while elected
Rodney Allen - President	\$12500	No	6	6
Jean Cowley	\$7500	No	6	4
Peter Morgan	\$7500	No	6	4
Steve Miller	\$7500	No	6	6
Tim Chen	\$7500	No	6	6
Michael Daly	\$7500	Yes	6	4
Sandy Bucello	\$7500	Yes	6	4
Debbie Smith	\$625	Yes	1	1
Geoff Gledhill	\$3750	No	3	0



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# CEO's Report

July 2005 brought a flurry of publicity in regard to mooted amendments to Australia's workplace laws. Then followed an MGA involvement in the consultation process for what is now known as 'WorkChoices'. We learned of the new entity of a Fair Pay Commission, abolition of State Awards and Unfair Dismissal, changes in powers allocated to the Australian Industrial Relations Commission. We consulted with Workplace Relations Minister Kevin Andrews on four occasions, read daily updates, press releases and official legal commentaries, and attended round-table talks with other associations and member based organisations. We were part of a small group 'requested' to attend Parliament House one chilly October Canberra Sunday to receive the final legislation first hand, and be briefed by the Prime Minister, John Howard and Kevin Andrews. Finally on March 27 2006 the new legislation became effective. Approximately 3000 pages of amendments to the Workplace Relations Act 1996. It has been an enormous learning curve, and for those of us working in the IR field, a learning process that had to be undertaken very quickly, as members needed information and advice immediately. Also, any litigation that arose after March 27 was covered by the new regime, which added to our pressure to comprehend everything immediately. I attended countless 'dawn' and 'dusk' IR. discussion groups as we all grappled to learn and understand in rapid motion.



Minister Kevin Andrews and Bruce Atkinson  
Victorian Small Business Shadow Minister

Cut to June 06 - and we now have a brief, easy to read ten page basic draft Agreement, (which can be used across Australia) and a 'grocery-liquor friendly' process to streamline Agreement writing instore. Members have moved away from union based agreements, and genuinely are writing their own offer to their employees. Despite the bad publicity WorkChoices has received, we have found that only one or two members have pushed the boundaries, bordering into what we see as unfair territory, and when reminded of their obligation to the 'brand', and the damage they might do to continuity of employment in their business, these issues have willingly been addressed. At \$1000 for this exceptional service, MGA members are in the best position to access benefits from the new legislation.

With the new OHS legislation in Victoria, and MGA involvement complimented by my work on the OHS Advisory Committee, following consultation work undertaken during the Maxwell Review, Master Grocers compiled a two day OHS intensive training workshop for members. This was a \$70,000 project that grew to cover NSW and South Australian legislation, and took Allison Hawkins and me on an 8000k journey meeting with over 500 members and staff over an eight week period. MGA OHS Consultant, Roger Pallant at NIBS, then produced a brilliant CD that covers off on every OHS document a grocery-liquor site needs, and finally lodged (version two) of a Five Day Health and Safety Representatives course with the VWA for formal accreditation. Planning is now in place to take all of this to a national level.



Minister Rob Hulls and Jennifer Flanagan



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Andrew Reitzer addressing the IGA Expo



Ross and Judy Brown, Roland Vahlquist with Jennifer Flanagan at a recent ALSA meeting.



Peter Jones, Mal Cameron, John Gordon and Ian Williamson at Ritchies 135th Birthday



Peter Calvert and friend at Anglesea IGA + Liquor Grand Opening



FoodWorks CEO, Peter Noble, Trudy Heiser, Jan Taylor, and Paul Lawrence from Parmalat.



Wendy Silk and Robert Donges Supa IGA Young

MGA also lobbied and consulted with Government and Liberal Party Ministers in regard to substantial raising of the payroll tax threshold and opposing the six month extension to the compensation period under workcover. At a national level MGA has a committed and active involvement with the Australian Liquor Stores Association, and the National Association of Retail Grocers of Australia. While at (Vic) State level MGA is similarly committed to positions I hold on the OHS Advisory Council, Small Business Minister's Advisory Council, Service Skills Victoria, and the newly established Liquor Control Advisory Council which is reviewing packaged liquor legislation in this State.

Throughout the year we celebrated with Ritchies on their 135th birthday; Anglesea IGA on the refurbishment, Sarah and Michael Dare at the multi award winning Rutherglen IGA; Gatton IGA Qld; FoodWorks Fiji celebrations, Bright IGA was reborn; the independents returned to Kyneton; Strathfieldsaye moved to the block next door; Robert Donges took out the prestigious IGA Supa Award, and instead of football at Waverley Park, we now have a new FoodWorks.

Our members are on the move, and in the past year we tracked them through Fiji, Phuket, the USA, China, Queensland, and of course Tassie with IGA in February. MGA members and banner executives are constantly looking outside their local boundaries to learn of retailing trends and new ideas. Every year the IGA Expo grows and improves, and it is clearly the event to attend if you wish to keep up to date with 'what's hot and what's not' in the grocery and liquor trade. We were honoured to be invited to attend in an official capacity this year, and spent a wonderful week meeting and chatting with retailers from across Australia.



IBA in China

Suppliers and Associate Member relationships are an integral part of this Association. The annual Golf Day and GALA Dinner where we have the opportunity to host our suppliers, and introduce members were stand out successes again this year. Particularly as the MGA President's team actually won the golf day for the first time in living history!

Associate Membership allows supplier services and products to be broadcast to every IGA and FoodWorks store via the impressive Independent Retailer magazine, with personal meetings and introductions arranged where services compliment each other to meet members' needs, for example TRG and Leasing Consultants Australia.

MGA President, Rod Allen has advised plans for the future growth of this Association, and I pledge my support to both Rod and Jos de Bruin, the incoming National CEO, into 2007.

Jennifer Flanagan  
CEO



FoodWorks in the USA

Master Grocers Australia

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MGA Golf Day 2006

# Associate Members

A challenge and an invitation.

The challenge is to join with independent retailers to discuss matters of compelling and mutual interest.

Master Grocers members recognise that suppliers and manufacturers have a desire to see a thriving and viable independent sector, to ensure that the competitive nature of our industry survives. We recognise that there is substantial growth potential in the Independent sector across Australia. Associate Membership facilitates an environment of removing impediments to growth, and developing opportunities for growth.

You are invited, therefore, to become a member.

The trend in the grocery industry is increasingly for the large chains to grow larger at the expense of the smaller independent sector. This trend is to the detriment of retailers, suppliers and the local communities they serve.

Companies are invited to join with the MGA, which represents independent retailers across all banners, to engage in a broad dialogue about the best ways to ensure that independents remain competitive and ultimately grow.

The real benefit, however, is for suppliers and independent grocery and liquor retailers to meet, often on neutral ground, and share concerns, opinions and possible solutions to common issues.

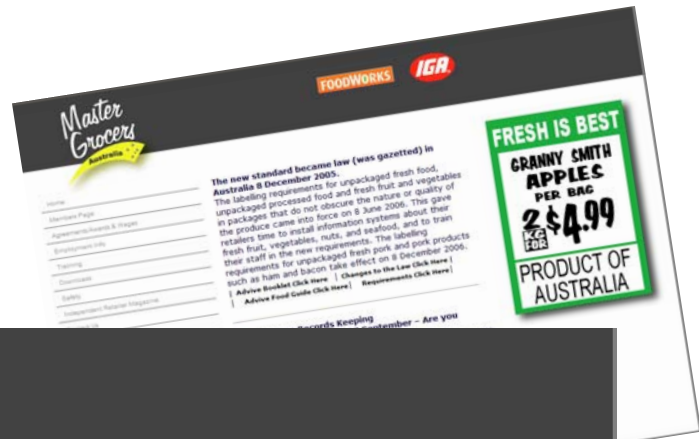
Suppliers that accept our challenge and our invitation are displaying their own company's commitment to support, and further grow a genuine force to promote fierce but fair competition within the grocery and liquor industry.




# www.mga.asn.au

The MGA web site has to be your first choice when searching for:


- Agreements/Awards & Wages
- Employment Information/Public Holidays
- Training Programs
- Safety
- Downloads
- Independent Retailer Magazine
- Trade Associate Members
- Local Grocer Member Supermarket Websites





The Master Grocers Australia has a proud history of over 100 years service to Independent Supermarket and Liquor retailers within Victoria, Southern NSW, Eastern SA and Tasmania.

The association provides information and assistance with Industrial Relations, Industry specific training and represents the interests of the industry body to federal and state governments.



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# Financial Statement

2006



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The following financial statements, in the layout and format required by the Workplace Relations Act 1996 can be downloaded from [www.mga.asn.au](http://www.mga.asn.au)



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