



Mission

To deliver the best possible industry-specific business support services for independent grocery and liquor store members

Goals

MGA's goals are to enable members and their employees to achieve:

- A collaborative, reputable and profitable independent grocery and liquor retail sector displaying best practice people management
- A valued and rewarding working career in the independent supermarket sector
- Recognition as a great place to work and shop
- One national representative voice - One outcome
- Best Industry Standards of training
- Strong and sustainable relationships with all industry stakeholders

Values

- Act with integrity and passion
- Achieving together
- Fun – A great place to work
- Development and well-being of our people
- Quality personalised service
- Strict adherence to Corporate Governance

MASTER
GROCERS
AUSTRALIA

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Annual Report Issue 2007



Presidents Report

I am happy to report to you that The Master Grocers Australia (MGA) is in good shape and well positioned for the future. Membership is increasing, finances are sustainable and further development of the MGA's member support services has begun. Owing to our organisation being in a strong financial position, membership subscriptions and services have continued to be subsidised by the MGA. Our members can feel assured that your Board is 100% committed to the national Independent Grocery and Liquor retailer sector.

In October 2006, the Board appointed Jos de Bruin as National CEO of the MGA, taking over from Jennifer Flanagan. I would like to thank Jennifer for her passion, professionalism, loyalty and dedication to the MGA and all of its members. Jennifer has worked very hard over the past nine years to build the MGA into a reputable peak industry Employer Association that has paved the way for the MGA to take its offer to members nationally.

The 2006–2007 Financial year has been a year of positive change and challenge for both our staff and Board members. The progress we have made so far would not have been possible without the high level of commitment and dedicated professionalism of my fellow Board members.

To reflect our national expansion objectives, the Board has been involved in a number of dedicated work-streams and sub-committees. The purpose of forming these sub-committees is to tap into the enormous amount of knowledge and experience our retailer Board members have in all facets of the supermarket industry.

Workstreams included such areas as The Constitution, Training and Industry Research, Marketing / Membership Services and Finance.



Jennifer Flanagan and Rodney Allen

The Board is fully reviewing the Master Grocers Association of Victoria Constitution to ensure the MGA's relevancy for the many years to come. In order to do this effectively the Board came together to specifically discuss where the national industry is today, what the likely industry changes and trends may be, what is it the MGA needs to do to be constantly relevant to members and then identify a long term strategic plan.

The Board will be proposing and recommending to all members that the Constitution be amended to reflect the long term strategic plan of national expansion the MGA is wishing to pursue. We envisage the proposed changes to the Constitution will be forwarded to all members in the near future to vote on.

I would like to take this opportunity to strongly encourage all members to vote for all the proposed constitutional amendments. An amended Constitution will give the MGA a solid platform to build a strong and viable national industry organisation for the future.

To provide the MGA with additional expertise and a diverse view of our industry the Board has created two guest observer positions on the Board. We welcome Leigh Garrett from Western Australia and Tony Smith from NSW/ACT, both Leigh and Tony are prominent independent retailers in their respective states.

No organisation can stand alone and expect to achieve what the MGA set out to do at the commencement of this year. I wish to thank our loyal and dedicated professional service providers and advisors for their commitment. Thank you to Phil Ibbotson and his dedicated team at Ibbotson and Moscatelli Accountants, Roger Pallant and Marg Haines, principals of NIBS who deliver all MGA's national OH&S training support and advice, Steven Brady Miles at William Angliss, Allan Read at Dibbs Abbott Stillman Lawyers, Sam Eichenbaum and the team at Macpherson and Kelley Lawyers, Peter Etheridge and his team at FIS, our preferred industry insurance specialists, Peter Davidson at Workplace Legal, Tim Kidman at Fuel Marketing. I would also like to express the Board's thanks to John Markham and Keith Watts who together are responsible for the production and publishing of our much read national magazine and website.

To our Associate Members, we greatly value your support. The Board thanks you for your vision to be involved in the independent grocery and liquor retailer sector. Your support as a stakeholder in our industry and a member of the MGA is testimony to your commitment to grow your relationship with our independent retailer members.



2007 Annual Report



CEO's Report

The financial year 2006 – 2007 can be accurately described as a year of significant change, not only for the MGA but also our national industry environment.

As part of the transition this year, the MGA has been well represented by former CEO Jennifer Flanagan on a number of committees and advisory groups namely, The Small Business Advisory Committee, appointed by the Minister for Small Business, The OH&S Advisory Committee, appointed by the Minister for WorkCover representing small businesses (supermarkets) in Victoria, The Liquor Licensing Advisory Council, appointed by the Minister for Consumer Affairs, National Association of Retail Grocers Australia and Australian Liquor Stores Association.

My role is to grow the Master Grocers Australia into a national industry specific employer organisation providing support and services to independent grocery and liquor retailers. With very strong and dedicated support from my Board and Company Secretary, we quickly developed a short term strategic expansion plan. This plan incorporated the MGA's Vision, Mission, Goals and Role in our industry and identified a number of workstreams that required the efforts of dedicated committees to workshop with clear outcomes in mind. These workstreams included Workplace Relations, Training, Membership Services, Industry Representation, Finance and the Constitution.

The MGA Brand has been renewed and refreshed to reflect a strong and modern organisation serving its members. Our well-read and highly credentialed Independent Retailer magazine and website have also been upgraded.

Workstream outcomes were quickly brought to life resulting in four core MGA member support service pillars being identified: Workplace Relations, Industry Training, Industry Representation and Industry Networking. MGA Staff numbers have grown to 12 including the appointment of Marie Brown, (Legal Counsel Workplace Relations) and Michael Russell, (National Training Manager), both of whom, will provide much needed industry specific expertise and build a strong, dedicated team of professionals to deliver the required service offer to our members.

One of the very first initiatives of the Board was to engage with Delbeato Young Research (DBY) to conduct a national industry research project. That is, research the owners of all grocery and liquor supermarkets in Australia with a view of understanding their exact business needs in the areas of

- **Workplace Relations**
- **Agreement Making**
- **Compliance**
- **Retail Training**
- **Trade association performance**
- **Store management**
- **Succession planning**

Our Board: Phil Ibbotson Company Secretary, Jos de Bruin CEO, Debbie Smith, Sandy Bucello, Rod Allen - President, Steve Miller, Jean Cowley - Vice President, Tim Chen, Rob De Sauty and Michael Daly. Retailer Board Guests (not present): Leigh Garrett – IGA Coolesongup, WA and Tony Smith – IGA Oatley, NSW



In the interests of our precious environment and taking a 'Going Green' approach, we have decided not to publish a separate Annual Report this year. We will publish our financial statements to our Website only.

I would like to thank the MGA Board of Directors for their wonderful commitment over the past 12 months. Our Board commitments have increased to levels never seen before at the MGA. Thank you for your commitment of time, thought leadership, traveling great distances and your dedication to growing the MGA into the national peak industry body.

I would like to express the Board's thanks to Jos de Bruin, our National CEO and his team of professionals who are passionate and dedicated to supporting and servicing our members in each state. They have achieved great progress in the past 12 months.

Jos has worked tirelessly since his appointment to ensure we have a true National offer and the resources to service all our members in a timely manner. He has exceeded the Board's expectations on all levels and has been a great help to me personally during this transition from a State to a National industry body.

Finally, thank you to our members who I encourage to make use of the many services the MGA offers to make your store more profitable and your work life easier.

The MGA is now a unique national industry employer association dedicated to you and your businesses – we are here to serve!

Rodney Allen
President MGA



2007 Annual Report



MGA Staff: Chief Executive Officer - Jos de Bruin
 National Legal Counsel Workplace Relations - Marie Brown
 National Employment Law Advisors - Jessica Cohen, Aneeqa Khan & Renata Koretski
 National Training Manager - Michael Russell
 National Training Coordinator - Allison Hawkins (Not Present)
 Office Manager - Judy O'Reilly Office Administration- Nicky Allen
 Membership Services, Magazine/Website- John Markham (Photographer)
 Associate Members Liaison - Keith Watts (Not Present)

To date we have received a preliminary report from DBY based upon the qualitative surveys that were done with the quantitative surveys currently underway in most states. The preliminary report illustrated a need for the MGA to be the dedicated industry provider in the areas of Workplace Relations, Training, Representation and Networking for the independent sector.

This year we have been very active traveling interstate presenting the MGA offer to various industry brand boards around Australia. I have been privileged to meet many colleagues in all states and look forward to building ongoing relationships between their businesses and the MGA. Our first presentation was to the IGA National Board on November 27, 2006. The IGA National Board endorsed the MGA as a 'Preferred Industry Employer Association' and recommended the MGA present to all IGA State Boards around the nation which subsequently occurred. IGA WA were the first additional group of IGA retailers to join the MGA with IGA NSW/ACT closely following. The MGA's strategy is to ensure existing members in each state receive the very best of support and service and has therefore put on hold, its expansion into SA and QLD until early 2008.

Workplace Relations continues to be a very important ongoing area of support and service for our members. Many of our members have taken advantage of our 'Workplace Agreement Making Service' and are very keen to pursue the option of developing their own agreements and engaging directly with their staff. Owing to unsavoury practices by a handful of employers moving away from union based agreements and pushing the boundaries into the unfair territory, there has been adverse publicity toward Workplace Agreements. The Federal Government responded to this by introducing the Fairness Test in May this year. All agreements must now be submitted to the Workplace Authority and must be subject to a 'Fairness Test', based upon employees not being disadvantaged. Any benefits or conditions employees receive under their respective awards cannot be lost in transition to a Workplace Agreement, they can only be compensated for or traded off for another benefit.

Industry specific training as highlighted in our preliminary industry research report is a very important component of the MGA's service offer. We have traditionally delivered to our members courses such as OH&S, Food Safety Supervisors, Food Handlers and Responsible Service of Alcohol.

We have begun a process of further identifying and developing a number of additional courses specific to our industry.

The MGA has been active in obtaining and administering funds from Government bodies dedicated to particular industry initiatives. The MGA was successful in tendering for and obtaining \$220,000 from the Packaged Liquor Industry Development Trust Fund. These funds are dedicated to assisting and supporting smaller members with liquor licenses by providing specific business tools to assist in developing and growing their liquor businesses. We have assisted 70 stores to date.

\$34,000 has been obtained from the Department of Industrial Relations Victoria (IRV) as part of the 'Working Families and Community Balance' study. These funds have been dedicated to a research study with the Champions Group of stores in Victoria and is built on the work already undertaken by IRV by surveying a group of regional retail businesses in regard to employer and employee thoughts and opinions on employee rostering, allowing for optimum work, life, family and community balance.

A grant has been obtained from WorkSafe Victoria for the MGA to conduct FREE OH&S audits in member stores with 50 employees or less. We have had considerable uptake so far which has enabled our members to be certain all OH&S compliance requirements are in place.

Our industry, as always, has been active with an emphasis being placed on store owners to reinvest in their stores in order to lift store retailing and customer service standards. This activity is certain to increase in the new financial year. Retailers have seen demonstrable sales and profit increases after they have renovated and refurbished their stores. This activity is an investment for the future and augers well for our members in all states.

The MGA's Associate Membership continues to grow and provides a connectedness between suppliers and our retailer members. Networking opportunities are organised, in particular, the MGA Golf Day and the GALA Dinner Dance, both of which were hugely successful this year. Many of our Associate Members enjoy continuing mutually beneficial business relationships with our store members. We are grateful for their support and look forward to growing our national offer with them.

Finally I wish to very much thank Rodney Allen, President of the MGA board and all Board members for their vision, insights, support and commitment to the direction and strategy for national expansion

Jos de Bruin CEO