

**MASTER
GROCCERS
AUSTRALIA**

October 2010 Non Members \$15

IR

Independent Retailer
MAGAZINE



MGA 2010 ANNUAL REPORT



This Edition MGA Annual Report

Pages: 2-9

IGA Retailer Policy Meeting

Prominent IGA Retailers from around Australia recently gathered in Sydney for an inaugural meeting to discuss the future state of independent supermarket and liquor store retailing in Australia

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WA Retailer Profile

Ernie's IGA in Pemberton WA is an immaculate retail store and an obvious delight to the locals, not to mention the tourists that visit this south west Western Australia town famous for it's tall timbers.

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October 1, 2010 NSW Food Safety

Many NSW supermarkets are now required (under new regulations) to appoint one qualified Food Safety Supervisor in their business and notify the relevant enforcement agency (usually the local council) who this is within 7 days of their appointment.

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Workplace Relations

Vital information that you need to read for your business.

Page: 23

Turn over for this month's
LRA IR Liquor Magazine

**LIQUOR
RETAILERS
AUSTRALIA**

Independent Liquor Outlets

Welcome to the MGA Annual Report edition of the Independent Retailer magazine.

MGA has had another successful and robust year of activity, serving and supporting members around Australia. A summary of the Annual Report has been published in the pages that follow. A full Annual Report, incorporating financial reports, is available for viewing by members on our website.

Since the last magazine edition we have had a fiercely contested federal election, resulting in the balance of power being with three independents, following the decision by two of the three Independents to support the incumbent government. The Australian Labor Party (ALP) now has the required number of seats (76/150) to form a minority government with Hon. Julia Gillard MP to continue as the Prime Minister of Australia.

Our industry landscape, in each state, is constantly changing. The economy is once again on the rebound and consumer confidence is returning. Competition is as fierce as ever and the chain supermarkets and liquor stores continue to increase their domination. Federal and state government policies continue to have an affect, or no affect, on our members businesses. This is particularly evident in the areas of planning and development, competition policy, packaged liquor, tobacco, workplace relations and employment law. MGA / LRA is working very hard on behalf of members to ensure that the view of the independent supermarket and liquor store owner is heard and acted upon.

Independent supermarkets and liquor stores are the lifeblood of competition. They are innovators, employers, community hubs and champions of market competition among the community.

Until next edition,

Good Selling,
Jos de Bruin

Master Groccers Australia (Liquor Retailers Australia) Annual Report - FY 2010 1st July 2009 to 30th June 2010

"We succeed when we meet and exceed the expectations of our members"

Introduction

MGA is a national, industry specific organisation for independent supermarkets and liquor retailers. "Our industry sector" encapsulates diversity in retail skills and expertise such as grocery, bakery, delicatessen, butchery, liquor, produce and tobacco to name a few.

Whether it is workplace relations, Occupational Health and Safety (OH&S), food safety, responsible service of alcohol, tobacco or any government laws and regulations pertaining to our industry, MGA is well qualified to deliver consistent and professional outcomes to its members and stakeholders.

MGA is a staunch and respected advocate for servicing, supporting and contributing to the growth of the independent supermarket and liquor store channels and prides itself for its ability to bring industry stakeholders together. MGA is vigilant

in consistently pursuing a competitive retailing environment with state and federal governments, enabling sustainable competitive tensions in which independent supermarkets and liquor retail businesses have the opportunity to be viable, sustainable and profitable.

MGA's board, management and staff strive to achieve the best quality results for its members, industry stakeholders and governments through its personal, committed, trusting, respectful and diligent working relationship style.

Retailer Membership

MGA membership has grown in all states. MGA welcomed the FoodWorks group of stores nationally from the 1st February, 2010 - all 470 FoodWorks (and Farmer Jacks stores in WA) officially became MGA members.

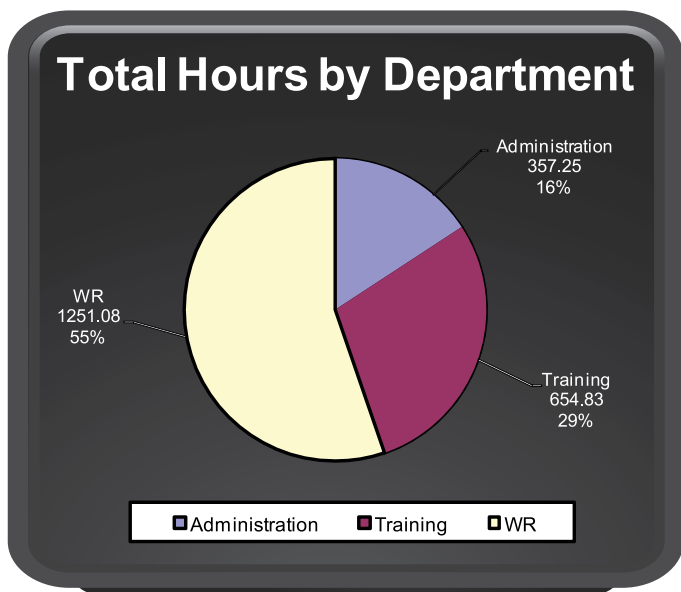
In Victoria, we welcome our new liquor store members. Cellarbrations, Bottle O, Bottlemart and Down Under Cellars groups and many other independent liquor stores who have now joined MGA / LRA.

The 2009 / 2010 Membership renewal process was successful in all states, particularly newer states such as Tasmania, Western Australia, the Australian Capital Territory and New South Wales. Membership grew from 1,144 to 1,556

Corporate Membership

MGA / LRA's corporate partnership base has grown from 19 to 31 with nearly all current members upgrading their membership levels. Corporate partner levels include Platinum, Gold, Silver and Bronze.

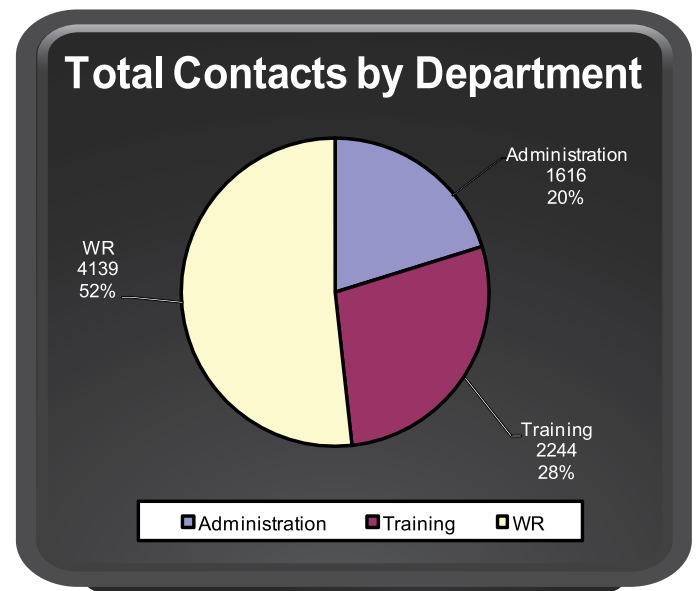
Corporate partnerships include suppliers of groceries, liquor, services and other industry stakeholders. They play a crucial role in MGA developing and delivering sustainable support services to members.



Membership Services

MGA and LRA provide members with vital business information, services and support by organising industry events, attending retailer events and developing effective communication tools including:

- FoodWorks and IGA regional meetings, state and national conferences, liaison with state boards
- Industry Expos - Metcash Expo, TIR Expo
- Industry functions – Breakfasts, Golf Days and Industry Ball
- Workplace relations seminars and information sessions
- Distribution of new members kits, over 700 Liquor House Rules Manuals were collated and sent to members with packaged liquor licenses
- Improved communication tools – Magazine – 8 per year, E-Alerts, fortnightly E-Checkouts and fax streaming
- Improved website functionality
- Updated Retail Notices Handbook – 2010, Retail Security Handbook, Scanning Code of Practice
- MGA Insurance Services – member prices for full business and private insurance, superannuation / personal financial services and workers compensation advice.



MGA / LRA Staff were contacted 7,999 times by its members and spent 2,263 hours providing service and support around Australia.

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MASTER GROCERS AUSTRALIA

LIQUOR RETAILERS AUSTRALIA

Independent Liquor Outlets



GOLD



SILVER



BRONZE



ASSOCIATES



The mission of Master Grocers Australia is to deliver the best possible industry-specific business support services for independent grocery and liquor store members.

Retailer Directors

- Rodney Allen 03 5974 2525
- Andrew Bray 02 9452 1607
- Jean Cowley 0419 370 660
- Michael Daly 03 5523 3494
- Leigh Garrett 08 9592 1763
- Steve Miller 03 9784 2000
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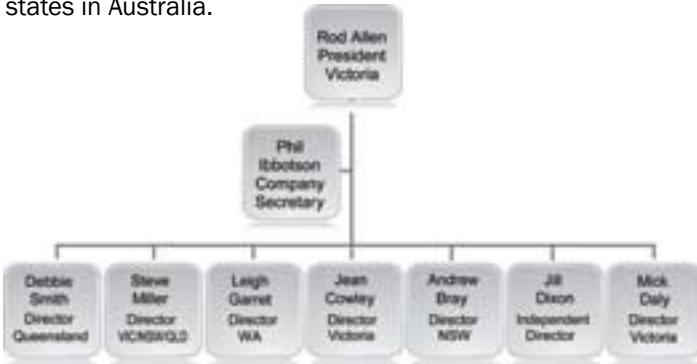
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PHONE: 03 9824 4111 FAX: 03 9824 4022
 FREECALL: 1800 888 479



MGA Board of Directors

MGA's Board of Directors are to be congratulated for their hard work and vision to guide MGA toward being a relevant and valuable national industry employer organisation for its grocery and liquor members. MGA's board is representative of most states in Australia.



MGA / LRA Staff

Quality, capable and competent people, coupled with a strong workplace culture are the key ingredients for any organisation to succeed in achieving successful outcomes for its stakeholders. Without exception, MGA / LRA team has worked tirelessly throughout the past year to deliver exceptional services and support to all members around Australia. When the pressure has been on to deliver member outcomes, MGA / LRA staff have rallied and worked together to ensure these outcomes have been achieved.

I would like to personally thank the following MGA / LRA staff for their passion and dedication to serving our members and industry:

Julia Ferguson - Office Manager, Nicky Alan - Office Administration, Marie Brown - Legal Counsel, Workplace Relations, Marena King, Chad Issa and Chantelle Casey - Workplace Relations Advisors, Michael Russell - National Training Manager, Judy O'Reilly - Training Coordinator, Chrissy Groat - Training Business Development, Jean Moysey - Training Administration, Steve Sellars - Membership Services and John Markham - Magazine, Website, Promotions and Marketing. These people have made a significant contribution to the growth and prosperity of MGA / LRA. Thank You.

Industry Stakeholders

The independent supermarket and packaged liquor industry comprises of many stakeholders who play a major role in the sustainability and future growth of our sector. MGA / LRA place great emphasis on working closely and collaboratively with all its stakeholders toward facilitating continuous future growth and sustainability of its members. MGA / LRA's stakeholders include:

- FoodWorks, IGA>D, Metcash, NARGA, ALSA, state and federal governments and statutory bodies.
- Sandy Bucello and Dana Hughes from Business Learning Materials
- Sid Lehman and Jim McKenzie from HT Solutions
- Roger Pallant and Margaret Haines from NIBS
- Brad Beach and Vanessa Marsh from Gippsland TAFE
- Jenny Dodd from the Australian Flexible Learning Framework
- Bernard Moore and Kit McMahon from Service Skills Australia
- Peter Etheridge and Jason Daniels from Master Grocers Insurance Services

We thank all MGA / LRA members, partners, suppliers and industry stakeholders for their support and dedication to our industry.

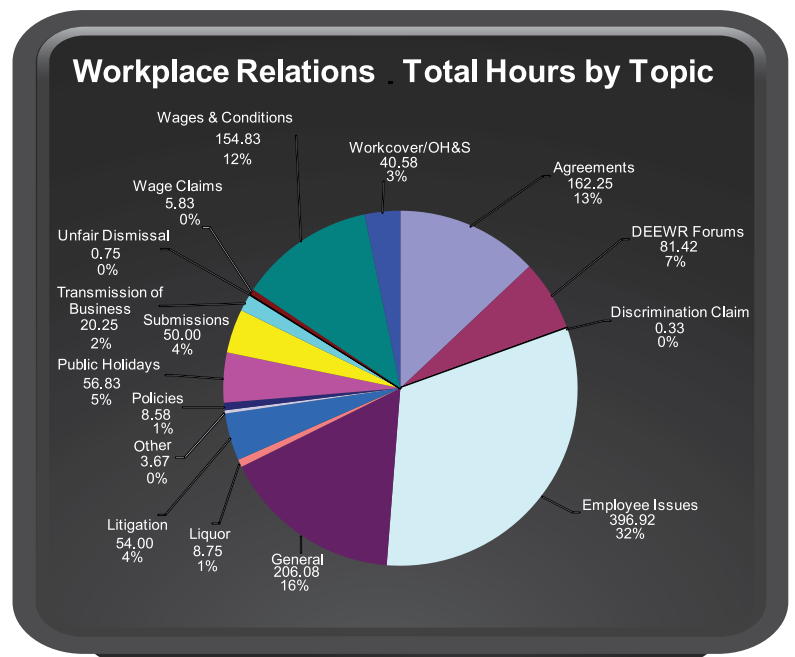
MGA / LRA has four Core Pillars

1. Workplace Relations
2. Training and Compliance
3. Industry Representation
4. Industry Community and Membership Services

1. Workplace Relations

MGA's main core pillar is Workplace Relations.

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1. Workplace Relations *Continued*

The last 12 months have been very challenging and demanding for MGA's Workplace Relations team, led by Legal Counsel for Workplace Relations, Marie Brown.

This year the introduction of the Fair Work Act and the General Retail Industry Award provided our members with much apprehension and frustration.

A significant highlight was obtaining a \$150,000 grant from the Department of Employment, Education and Workplace Relations to conduct much needed information forums and seminars for members around Australia

MGA successfully conducted 48 seminars, 78 face to face meetings and numerous teleconferences in all states and territories in Australia from September 2009 through to February 2010.

Other achievements included:

- The successful completion of the MGAV Agreement
- The completion of the first MGA ACT Multiple Employer Agreement in FWA
- Achieving approval for the majority of the WA Workplace Agreements from Fair Work Australia
- Negotiating settlements for unfair dismissals and wage claims
- Increased contact with Fair Work Australia through Commission appearances and increased contact with the Fair Work Ombudsman
- Successful objection in FWA with the \$2.88 pw SDA Wages case
- Filing an application in FWA for a minimum two hours (not three hours) engagement for casual workers which particularly has had an affect on regional businesses and school aged casuals

2. Training and Compliance

MGA's Compliance Management System (CMS) was completed at the end of this financial year. An enormous investment in time and resource has been committed by MGA's training team, particularly our National Training Manager, Michael Russell, to develop a much needed industry training and compliance solution that will reduce

workplace risk and save retailers time and money. The Australian Flexible Learning Framework is an enormous supporter of online training solutions such as MGA's CMS.

Other achievements include:

- Success in obtaining a financial year 2011 EBPPP Training Grant - 150 EBPPP places for Retail Management Certificate IV qualification
- Development and delivery of Online Food Safety Handlers and Supervisors training courses for all states and territories in Australia
- Delivery of OH&S (CD, 1 day, 5 day, Face to Face)
- Responsible Serving of Alcohol (Face to Face and online in some states)
- Pre Employment Training Program - Ready 4 Work training
- Online compliance training packages and programs
- In-store risk assessments
- Provision of store policies, procedures and templates
- MGA is currently collaborating with Steve Newton, General Manager - Risk for Metcash in developing a "one stop shop" Food Safety solution for all food retailers in Australia, no matter how big or small

3. Industry Representation

MGA / LRA are a committee member of:

- ACCC - Small Business Consultative Committee - Federal
- LCAC - Liquor Control Advisory Council - Victoria

MGA / LRA are an active board member of two National Industry Associations.

- National Association of Retail Grocers Australia (NARGA)

NARGA, through the leadership of John Cummings (President), and Ken Henrick (Executive Director), have been very active pursuing anomalies within the Trade Practices Act affecting independent retailers. NARGA has established excellent relationships with government and opposition politicians and is often being pursued for advice and insights concerning our industry.

- Australian Liquor Stores Association (ALSA)

ALSA, led by Mal Higgs (President) and Terry Mott (Executive Director) engage with federal government and industry stakeholders on behalf of our liquor members.

The "self regulatory" initiatives that have been developed and implemented include, the "ID 25" Campaign, the "Don't Buy It For Them" Campaign and the Retailer Guide to Responsible Product Ranging.

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MGA / LRA Engagement

MGA / LRA continues to build credibility by attending many meetings with politicians and bureaucrats at state and federal government levels, as well as, forwarding industry submissions that address issues affecting our members.

Federal

- National Weights and Measures – National system – less red tape / cost efficient
- The ACCC – Section 50 of TPA – Creeping Acquisitions
- Senate Legislative Committee – Plain Tobacco Packaging
- Fair Work Australia – Fair Work Act and General Retail Industry Award
- Fair Work Australia – Wages Review – 1 July 2010
- Fair Work Australia – Application to reduce three hour minimum casual engagement to two hours
- Fair Work Australia – Oppose SDA's application to increase the average weekly wage from \$600 to \$602.88.
- The Productivity Commission – Parental Leave
- Senate Economics Committee – Grocery choice
- OH&S - National Harmonisation

State

- State Health Departments – ACT, NSW, Victoria and WA – Changes to tobacco laws and regulations, particularly addressing the removal of tobacco from display.
- ACT – Martin Report – Supermarket competition policy
- ACT – Liquor regulations reform consultation
- New South Wales – Draft centres policy
- Victoria – Victorian retail planning policy review
- Victorian Liquor Licensing Commission – Liquor Control Advisory Committee
- Victorian Council of Small Business
- Occupational Health and Safety Advisory Committee
- Industrial Relations Victoria research project into work life balance in independent supermarkets

4. Industry Community and Membership Services

MGA's core pillar, "Industry Community", encapsulates bringing the independent supermarket and liquor industry together, to network, build relationships, learn from each other and lift the profile of the independent sector.

The community fundraising arm of MGA / LRA is the Grocery and Liquor Association (GALA).

This committee comprises of industry volunteers from grocery and liquor. They are retailers, wholesalers, suppliers and industry stakeholders. Andrew Reitzer is Patron of GALA (we thank Andrew for his generous commitment) with all proceeds being donated to the Reach Foundation – dedicated to youth in our community.

Industry events include:

- August 2009 - The Grocery and Liquor Association (GALA) Dinner Dance. 500 members of industry enjoyed a wonderful night
- November 2009 - LRA's first "Meet the LRA Committee" function. This was an outstanding success with corporate partners and stakeholders relishing the opportunity to engage with key liquor industry decision makers. George Kovits, President of LRA was the guest speaker
- December 2009 - MGA's "Meet the Board" function was held at the MCG overlooking the MCG playing field. The guest speaker was Mick Daly, MGA Director and IGA National Board Chairman
- December 2009 – MGA Industry Corporate Breakfast in Sydney. Guest Speaker John Cummings, NARGA President
- Industry Community Golf days (WA, NSW, Vic) were also very successfully held in - Victoria (60th event, held in March with 180 participants) and Western Australia (inaugural event in June with 100 participants). Another inaugural industry golf day has been planned for NSW in July 2010. We thank all our supporters and sponsors of these valuable events

Independent Packaged Liquor - LRA

Thanks to George Kovits and the LSAV committee, the winding up and handing over of assets to MGA and the newly formed Liquor Retailers Australia, occurred seamlessly.

In a short space of time LRA has become a dynamic industry committee comprising of representation from all parts of the independent packaged liquor sector. This has facilitated a strong relationship with Victorian State Government, Responsible Alcohol Victoria and the Director for Liquor Licensing.

Continued>



Are You Receiving 'Checkout'?
If you are currently not receiving these updates send us your email address to admin@mga.asn.au.

LIQUOR RETAILERS AUSTRALIA

Independent Liquor Outlets

Whilst the LRA has only “touched the surface” in respect to delivering its desired outcomes to members and the industry in general, it is well on the way to working with government toward an industry accreditation program, reducing liquor license fees, normalising trading hours (before 9.00am, Christmas Day, Good Friday, Boxing Day, Anzac Day) and so on. The first 12 months of the LRA’s existence has made a significant impact through its hard working and dedicated industry committee.

LRA Committee Members include:

Angelo Giannetta	“Cellarbrations” retailer Port Melbourne
Bradley Marks	Ian Marks Liquor outlets (six stores)
Frank Maddicks	State Manager, Bottlemart group
Frank Palumbo	Bottlemart retailer - Deer Park
George Kovits	Duncans retailer, Bayswater – Chairman of LRA committee
Hamish Fyfe	FoodWorks Liquor, National Liquor Category Manager
John Silva	General Manager, Liquor Legends Victoria
Tony Ingpen	Supa IGA Plus Liquor retailer, Mount Evelyn
Campbell King	FoodWorks Liquor retailer, Shepparton, Tatura, Seymour
Gary WoodGate	Duncans retailer, Glenhuntly & Southern Independent Liquor Wholesalers Director
Chris Tsotra	Australian Liquor Marketers (Wholesalers), Sales Manager
Todd Hunter	Independent Brands Australia – Cellarbrations & Bottle O
Jos de Bruin	MGA / LRA

*“We succeed when we meet
and exceed the expectations
of our members”*

IGA Retailer Political Policy Meeting - 24th September 2010

Prominent IGA Retailers from around Australia recently gathered in Sydney for an inaugural meeting to discuss the future state of independent supermarket and liquor store retailing in Australia should the market dominance of the two chains be allowed to continue unabated. The independent sector is the life blood of competition and provides the community with a unique shopping experience.

Coles and Woolworths supermarkets and liquor stores have been allowed to use their market power to dominate planning and development initiatives around Australia. If this practice continues, true competition and customised local and community shopping will disappear. The Australian supermarket and liquor landscape will be dominated by a “cookie cutter” approach to retailing – everything the same with product ranges thrust upon local communities. Local suppliers of goods will be something of the past.

The challenge for us is to change the thinking of our state and federal regulators. There needs to be a balance created between strong competition policy and strong planning policies to allow true competition to flourish.

This group of retailers have formed an organisation by the name of Retailers Guild Australia (RGA). RGA will be an alternative independent voice for retailers at a party and political level.

Further information to all members will follow.



Pictured above, left to right: Luke Mckenzie - IGA>D, Fred Harrison - Vic, Joseph Romeo - SA, Robert Havorsen - WA and Roz White - QLD

Pictured below left to right: Charles Vanissel Dyke, his daughter Robyn, Michael Whitehead - NSW, Mel Luke - QLD, Jonathon Carlyle - IGA>D, Roger Drake - SA and Mark Crutcher - NSW

