

# Annual Report Issue 2009

## One Voice

### FOODWORKS



#### MGA Vision

To be the first choice pre-eminent national industry provider of professional services including workplace relations, compliance training, industry representation and industry networking to independent grocery and liquor retailers for the benefit of members.

#### Inside the October 2009 Edition No 7

- |                                                   |         |
|---------------------------------------------------|---------|
| • MGA Annual Report                               | Page 3  |
| • MGA Presidents report                           | Page 9  |
| • FoodWorks First Coles Conversion Store          | Page 13 |
| • Training Feature                                | Page 15 |
| • IGA Blackburn, the areas only supermarket opens | Page 23 |
| • Workplace relations update                      | Page 24 |
| • New General Retail Award update                 | Page 26 |



# MASTER GROCCERS AUSTRALIA

## LIQUOR RETAILERS AUSTRALIA

Independent Liquor Outlets

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## Vision

To be the first choice pre-eminent national industry provider of professional services including workplace relations, compliance training, industry representation and industry networking to independent grocery and liquor retailers.

## Mission

MGA to be recognised as the most effective industry provider of support services to independent grocery and liquor store owners. We will strive to achieve excellence in all facets of our business in order to ensure that our members are serviced effectively.

## Intent

MGA intends to expand its professional services, including workplace relations, compliance training, industry representation and industry networking nationally. We will continue to expand our business knowing that we have the capacity and expertise to achieve our goals.

## Goals

- To assist members to provide their employees with opportunities to achieve a valued and rewarding career.
- To enable members to achieve business excellence by providing training and education to ensure complete regulatory compliance.
- To be recognised and respected throughout the industry by all stakeholders.
- To participate in united, national representation with all levels of government to achieve profitable and sustainable outcomes for our members.
- To establish strong, rewarding and enduring relationships with all stakeholders.

## MGA will achieve its goals by:

- Applying the highest ethical standards which encompass respect, trust, fairness, honesty and transparency.
- Working together in a spirit of cooperation and mutual support.
- Valuing our staff through providing a harmonious work environment, creating development opportunities and recognising and rewarding talent.
- Providing quality personalised services.
- Adhering strictly to corporate governance principles.
- Providing leadership and direction to achieve the highest standards.

Resulting in a trusting and meaningful working relationship with all members.

## Introduction

Master Grocers Australia (MGA) has had another very busy year providing vital support services to our members throughout Australia.

This year has had many challenging circumstances for our industry to overcome – these have included the Global Financial Crisis and the many State and Federal Government changes to laws and regulations. Despite economic adversity, our members have been able to trade robustly and successfully. Confidence and investment levels remain high amongst independent supermarket owners with store refurbishments becoming the norm and the frequency of newly built stores increasing. Both the IGA and FoodWorks brands are supporting their retailers with a variety of support services including marketing, promotion and advertising. Consumers want a choice when deciding where they wish to do their grocery and liquor shopping and are becoming increasingly aware of the great value independent supermarkets and liquor stores provide to their local communities as a whole. Our industry is on the move and MGA's board has recognised this industry growth by committing to a substantial investment towards the growth and development of MGA's membership services and support.

This year can be regarded as a significant investment and development year for MGA with additional resources being allocated to vital support services such as workplace relations and compliance. The Compliance Management System that we have developed is a unique industry-specific compliance solution which will become a valuable tool for all independent supermarkets to use.

MGA has also built up its staff capability, skill and knowledge base to meet the increasing needs of members in all areas of workplace relations and compliance needs.



## Corporate Members

### DIAMOND



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

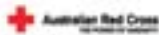
### GOLD



### SILVER



### BRONZE



### ASSOCIATE Members



### Retailer Directors

- Rodney Allen (03) 5974 2525
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# ANNUAL Report

One of the biggest issues our industry has faced for many years has been the Federal Labor Governments' Award Modernisation process. This has consumed much of MGA's resources through forwarding submissions and attending hearings.

A highlight this year has been the positive discussions MGA and the Liquor Stores Association of Victoria (LSAV) has had concerning both independent packaged liquor organisations joining forces to form the one organisation, Liquor Retailers Australia. All industry stakeholders have applauded this wonderful and common sense initiative to create a united voice for independent packaged liquor retailers in Victoria.

## Highlights

In a very busy and engaging year MGA has had many highlights.

Retailer and corporate membership have grown by 15% and the growth in our Tasmanian membership numbers continues to be robust.

MGA has been continuously receiving positive industry recognition from members and stakeholders in all states, as a relevant industry organisation, delivering timely and valued support services.

The profile of MGA as an industry organisation is continually being lifted, with State and Federal Government representatives as well as the media constantly seeking MGA's comments and insights into industry matters.

The Liquor Stores Association of Victoria has been absorbed into MGA to form Liquor Retailers Australia.

MGA's Agreement Making service has been well supported and recognised for its excellent service.

Department of Education Employment and Workplace Relations has approved MGA as a preferred organisation to deliver Fair Work Act Seminars on its behalf and has allocated a grant of \$150k toward the delivery of industry education programs.

MGAV, Franklins, David's, Meat, Progressive WA and many other individual store Agreements have been successfully negotiated.

MGA's fortnightly E-Checkout newsletter has been well received by our members in all states.

MGA's November 2008 Breakfast Seminar and Retail Security handbook launch by Shadow Minister for Small Business, the Hon. Steven Ciobo MP was a huge success.

MGA is enjoying a positive and productive member-focused workplace culture. Workplace Relations seminars such as – Know Your Award and the National Retail Industry Award etc. have been well attended. MGA Retailer forums, workshops, visits to stores, and industry committees have all been well supported and attended.

MGA's attendance at industry events and functions such as the FoodWorks Conference/Expo, IGA>D's Expo, IGA State conferences, FoodWorks and IGA Regional meetings around Australia have been very well received by our members.

MGA has made many submissions to and attended many hearings with State and Federal Government departments.

MGA has developed close and personal relationships with many of its members based upon trust and the workplace relations and compliance expertise that MGA offers.

Strong and sustainable partnerships have been formed with key industry stakeholders.

MGA's communication to members via our website, e-communication and our magazine have significantly improved.

Further investment and development of MGA's Filemaker data base system has enabled better understanding of resource allocation for improved member services. The completion of MGA's Ready 4 Work Program and ongoing development and implementation of the Compliance Management System has been our MGA training highlight. The Australian Flexible Learning Framework was so impressed with MGA's industry solution package that they have allocated a grant toward the CMS development of \$200k.

The launch of membership services including: Retail Security handbook, Retail Notices handbook and Master Grocers Insurance Services to include Workers Compensation and Superannuation Services have been well received.

## MGA Board of Directors

MGA's Board of Directors, led by President Rod Allen, has been hard working and exceptionally engaged this year. The Board has faced many challenges relating to MGA's expansion and subsequent investment into future support services, particularly, the Compliance Management System (CMS).

I wish to personally thank all Board Members for their ongoing dedication and support to achieve MGA's goals of continuously improving MGA's membership services and developing a sustainable income stream for the future via the Compliance Management System.

Continued Page 6>





## MGA Board of Directors Cont.

Many Workstream committees have been formed and they have addressed the various opportunities and issues that MGA has faced, such as the CMS investment and development, finance, membership subscriptions, expansion projects and so on.

MGA's board currently has 7 Directors and a Board Observer. Jill Dixon will become a Director upon ratification of MGA's new constitution.



## MGA Team

To provide the levels of professional service and support members expect from a peak industry organisation, MGA has selectively recruited highly capable and skilled management and staff who are at all times professional and member focussed. They are 'here to help'. MGA's Workplace Relations Team is led by our Legal Counsel, Marie Brown and the Training and Compliance team is led by our National Training Manager, Michael Russell.

## MGA's Constitution

MGA's constitution has finally been approved by the Australian Industrial Relations Commission (AIRC) and the Australian Investment and Securities Commission (ASIC). Three changes and amendments have been approved after resolutions were passed by members at the last MGA AGM.

1. A name change from Master Groccers Association of Victoria to Master Groccers Australia
2. Changes to membership eligibility rules (members may now come from the broader beverage and food retailing industries)
3. Changes and amendments to general rules. (eg. allowing independent directors to join the MGA Board)

## Core pillars

MGA prides itself on having four Core Pillars that underpin our service and support for members.

1. Workplace Relations
2. Training and Compliance
3. Industry Relations and Connections
4. Industry Voice

## 1. Workplace Relations

MGA's Workplace Relations support service is greatly relied upon by its members. The past 12 months has witnessed a substantial growth in MGA Workplace Relations skill and capability under Marie Brown's stewardship. Workplace Relations services and support have grown and become much sought after by members from around Australia. Support services provided on an everyday basis include: dispute resolution, tribunal representation, Awards, Wages, Occupational Health and Safety, Tenancy, Subsidised Workplace Agreement service, industry workshops, forums, and free or subsidised seminars.

The introduction of the Fair Work Act in July 2009 affects all members. The Workplace Relations team has read through the 400 pages of the Act and are ready to assist members to understand how the new laws (such as changes to the unfair dismissal laws) will affect their businesses. The team has been very involved with the Award Modernisation process, writing many submissions and attending AIRC hearings.

The General Retail Industry Award will increase the cost of doing business mainly caused by increases in penalty rates on a Sunday and increased penalty rates for casuals on Saturdays. MGA has strongly objected to these increases by engaging with the office of the Minister for Workplace Relations, Hon Julia Gillard MP and other Federal Government and opposition politicians.

## 2. Training and Compliance

MGA's 2007 research of its members, strongly indicated that MGA must take the lead with compliance related industry training solutions. Based upon these insights, MGA's Board set out to seek and develop an enduring, sustainable industry training solution that we have named as MGA's "Compliance Management System". Prior to beginning the enormous task of developing this online, web-based system, at substantial cost to MGA, further extensive research was conducted through member workshops and in consultation with the IGA and FoodWorks brands. This revealed that there is a very large gap between stores being compliant and those who were not compliant to the various laws and regulations and there was no system in place that store owners could use to monitor and manage their risk on a day-to-day basis. Michael Russell, MGA's National Training Manager, has led this very challenging investment project from the outset. Pilot stores have been running with this for almost eight months now with their results showing extremely positive signs. Store owners are very impressed and have said that, "stores cannot afford not to take on the CMS". The CMS has many features and benefits that will give store owners vital knowledge at any time of their risk compliance exposure. Master Groccers Insurance Services has indicated that any store adopting the CMS to minimise compliance risk for their store, would receive a more favourable price for their insurance premium.

# ANNUAL Report

Other industry training services and support provided for members this year include –

Nationally recognised qualifications such as Certificate I, II, III & IV in Retail, OH&S – CD, one day and five day, Food Safety for Food Handlers and Supervisors, Responsible Serving of Alcohol - Face to Face / On Line most states, Pre Employment Program - Ready 4 Work training, Online compliance training packages and programs, In store risk assessments and Policies, procedures and templates.

I thank the Board of MGA for their vision and commitment to investing significant funds and resources toward the development of the Compliance Management System. The CMS is a solution and system that will play a significant role in reducing compliance risks in all independent supermarkets in Australia.

### 3. Industry Relationships and Connection

MGA's working relationship style hinges upon the strong partnering approach it takes with all industry stakeholders toward the betterment of independent supermarket and liquor store retailers in Australia. MGA has formed close and engaging relationships with retailers in all states via workshops and forums to ascertain their points of view when addressing issues at a state or federal government level.

Our industry comprises many important stakeholders who all play a very important role within the independent grocery and liquor sectors. Working closely together towards industry growth in very competitive and at times, difficult trading conditions, we will succeed in building strength, sustainability and relevance with consumers and the communities in which we trade.

We value greatly our working relationships with our retailers, brands, wholesalers, suppliers and with the various levels of government.

It is pleasing to note the significant improvement MGA has made, through its working relationship style, in lifting the profile of our industry with politicians and the media (print, TV and radio). There have been many issues faced by our members that MGA has addressed on their behalf.



### 4. Industry Voice

MGA actively represents its members on two national industry boards.

#### National Association of Retail Grocers Australia (NARGA)

MGA is an active Board Member of NARGA. Led by Executive Director, Ken Henrick and President John Cummings (John is an independent supermarket retailer from WA), they have again been particularly busy this year. NARGA is a strong and unwavering advocate for sustainable supermarket competition in the market place and as such would like to see Section 50 of the Trade Practices Act (TPA) changed to reflect this philosophy. NARGA has addressed other areas of the TPA, including Predatory Pricing and Unconscionable Conduct. Other issues addressed by NARGA include Unit Pricing, the Grocerychoice website and the plastic bag debate. NARGA has excellent and credible Federal relationships with both sides of government and regularly meets politicians in Canberra to discuss industry issues. We thank Ken and John for their energy, drive and passion to seek the best outcomes for our members.

#### Australian Liquor Stores Association (ALSA)

MGA (LRA) is on the Board of ALSA. The Australian Liquor Stores Association led by Executive Director Terry Mott and President Mal Higgs, have worked tirelessly on behalf of the packaged liquor industry to address many issues associated with the sale of alcohol in our society. There have been considerable pressures exerted upon our industry in recent years associated with the misuse and abuse of alcohol in our society by health lobbyists, university researchers, the media and so on. It is important that we have an organisation such as ALSA representing our industry at the highest levels to hold critics to account and to bring sanity and a common sense approach to the alcohol debate. ALSA has been instrumental in launching two industry codes concerning the responsible service of alcohol to legal aged customers. Secondary sale of alcohol has been recognised as one of the biggest problems our industry is facing – retailers must adopt the “ID – 25” and “Don’t Buy It for Them” campaigns in their stores to protect their liquor licenses and educate the public to not engage in purchasing alcohol on behalf of underage consumers. Other areas that have been addressed are increased Liquor Licence Fees, Product Warning Labelling, the recent Alcopops Tax, the development of instore Ranging Guidelines (ABV), Container Deposits in SA of 10 cents – with the possibility of other states following this lead.

#### MGA

MGA has attended many meetings with politicians and bureaucrats and has also forwarded a number of submissions highlighting the views of independent supermarkets to various state and federal government bodies over the past 12 months.

Continued page 8>



## Submissions and engagements included:

- National Weights and Measures – National system – less red tape/cost efficient
- The ACCC – Section 50 of TPA – Creeping Acquisitions
- Australian Industrial Relations Commission (AIRC) – Award Modernisation – hearings and submissions
- The Australian Fair Pay Commission (AFPC) – Wages Review – zero increase in October 09
- The Productivity Commission – Parental Leave
- Senate Economics Committee – Unit Pricing and Grocerychoice
- OH&S - National Harmonisation
- State Health Departments – ACT, NSW, Victoria and WA – changes to Tobacco Laws and Regulations, particularly addressing the removal of tobacco from display.
- New South Wales – Draft Centres Policy – Planning Minister Hon Kristina Keneally MP
- 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

## Formation of Liquor Retailers Australia

After many years of dialogue, MGA's President, Rod Allen and George Kovits, President of Liquor Stores Association of Victoria (LSAV) met this year to discuss the joining together of both organisations. The purpose of joining was to strengthen the voice of the independent package liquor retailer and derive the synergies and savings that come from such an initiative.

*George Kovits pictured at the LRA Launch*



In July 2009 MGA expanded and absorbed the former Liquor Stores Association of Victoria (LSAV) into its organisation.

As part of MGA, the former LSAV will now be known as Liquor Retailers Australia (LRA). Together MGA and LRA will provide one independent voice for liquor retailers, particularly in Victoria.

Combined LRA will have 700 independent licensed supermarkets and stand-alone retail store members with potentially another 500 to 600 members to be recruited.

## Membership Services

Over the past twelve months MGA has developed solutions addressing the needs of its members by producing simple and effective tools to assist members in their day to day running of their businesses.

The Retail Notices Handbook was developed to provide a one-stop shop for members to order much required compliance signage for display to customers and staff in their store. A wide range of easy-to-use signs that include OH&S, Tobacco, Liquor, Scanning Code of Conduct, Security and Keen to be Green notices are now available.

Understanding and handling security has become an increasing need for retailers. MGA has developed the Retail Security Handbook for independent supermarkets and liquor stores which is a one-stop shop for most of the information a store owner or manager will require to understand what security precautions are needed in their store.

MGA has developed an independent supermarket and liquor store Scanning Code of Conduct and will take full responsibility for its management. IGA and FoodWorks have both adopted this Code in their brand standards for immediate use by retailers.

Master Grocers Insurance Services (MGIS) continues to gain momentum with independent supermarkets and liquor stores around Australia. MGIS provides our industry with a professional, high value and consistent service, specific insurance solutions suited to each store and at very competitive prices.

## Thank You

MGA is not the organisation that it is today without the people we work with everyday. First and foremost I wish to thank MGA's management and staff who have worked tirelessly and with great dedication to deliver many services to our members. MGA's Board has also had another exceptional year of engagement. Their energy, insights and vision for MGA and our industry is exemplary. Thank you to all stakeholders for an exceptional year. We hope you can join us on our journey to grow our organisation to assist independent supermarket and liquor store retailers around Australia.

Jos de Bruin (CEO)



## Board Presidents Report Rodney Allen

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

In what can be termed a tough year of trading (Global Financial Crisis) for most businesses, MGA has again made significant progress in fulfilling its primary objectives of becoming a truly national employer organisation dedicated to providing valuable ‘back of house’ support services to the independent supermarket and liquor retail sector.

MGA’s Board of Directors is representative of most states and brands in Australia giving it the ability to understand the needs in each state and MGA resources required to meet those needs. Robert DeSauty, a valued MGA Director for three years, resigned from the MGA Board earlier this year and was replaced by Andrew Bray, a multi-store owner from NSW. We thank Robert for his exceptional passion toward our industry, his valuable insights and his strategic thinking. We also wish to welcome Andrew, a former MGA Board Observer, to MGA’s Board. Andrew has a breadth of business and retailing experience in NSW and is himself a successful multi-store owner both in regional NSW and in Sydney. I also wish to extend a warm welcome to Jill Dixon who has joined MGA’s Board as, in the first instance, an Independent Observer and at such time as MGA’s new constitution is ratified, she will become MGA’s inaugural Independent Director. Jill brings a great depth of strategic business experience to the Board including marketing and public relations skills.

The other members of the MGA Board are well respected retailers Debbie Smith (QLD), Jean Cowley (VIC), Leigh Garrett (WA) Steve Miller (VIC), Mick Daly (VIC) along with Phil Ibbotson our Company Accountant and Jim Studebaker, our Board Advisor.

This year, MGA’s board has worked extremely hard to follow on with its commitment to invest heavily into its future sustainability and relevance, by further developing and implementing essential business compliance support services such as workplace relations, training and the Compliance Management System (CMS), as well as strengthening our relationship with key industry stakeholders. MGA Boards’ commitment to invest heavily in our industry can be further demonstrated with the investment it has made in its people at MGA head office. We recognise that our industry requires a professional and consistent service around Australia on an as needs basis. MGA is ready to embrace all independent supermarkets in Australia as its members. It is pleasing to note that MGA’s total membership increased by 15% with additional membership growth forecasted for the next financial year.

MGA is a non-profit organisation with a rich and proud history of serving its members for over 115 years and its working relationship style focuses upon creating close interaction between retailers, wholesalers, brands, suppliers and state and federal governments.



MGA has continued to build strong and sustainable relationships with the IGA and FoodWorks brands around Australia. Both IGA and FoodWorks brands continue to grow in the minds of the consumer, the local communities they operate in and also at a State and Federal government level.

MGA’s Board has set itself a goal to make its own significant contribution to the growth of the independent sector in order to lift independent supermarket’s market share. MGA will do this by partnering all industry stakeholders and providing sound, consistent and professional ‘back of house’ support services to its members - independent supermarket and liquor store owners around Australia.

MGA has committed to do this by continuously improving its four Core Pillars:

- 1. Workplace Relations**
- 2. Training and Compliance**
- 3. Industry Relations and Connections**
- 4. Industry Voice**

Over the past twelve months MGA’s Workplace Relations team has been very busy dealing with the Federal Labor Governments’ changes to the Workplace Relations landscape.

In recent times, MGA’s two main workplace relations concerns have been associated with the introduction of the Modern Award (General Retail Industry Award) from 1 January 2010 and the replacement of the Workplace Relations Act with the Fair Work Act in July 2009. Members around the nation have expressed dismay and uncertainty toward both initiatives, as in most instances, they will simply add costs and Red Tape to their businesses. MGA has been actively informing all members at every opportunity of the amendments and changes as news has come to hand.

Continued Page 10>



MGA's engaging working relationship style has also been instrumental in the successful renegotiation of industry agreements such as the MGAV Agreement, former David's and Franklins' Agreements and state Meat Agreements. The workplace relations team has been very active in engaging with our members around Australia by organising workshops and seminars addressing such topics as "Know Your Award" and "Agreement Making". These forums have been well attended.

We are very proud of our workplace relations team, led by MGA's Legal Counsel for Workplace Relations, Marie Brown. The year ahead looks equally as engaging, particularly with the introduction of the Fair Work Act and the new General Retail Industry Award.

Industry Training and Compliance continues to be a major focus for MGA and this section is ably led by MGA's National Training Manager, Michael Russell. Federal and State Authorities are becoming more vigilant toward ensuring that retailers are compliant with the many laws and regulations they must adhere to on a day-to-day basis. MGA's Board are committed to providing its members with a sustainable and affordable solution, for the long term, to address the risk of non compliance. Training courses in the areas of OH&S, Food Safety, Responsible Service of Alcohol and so on have been well attended however, substantial MGA funding and resources have been committed toward the development of the Compliance Management System (CMS). Recent industry research conducted by MGA has uncovered some disturbing data indicating there is an enormous need to develop and introduce the CMS to our industry in the very near future. The CMS will require "a driver" in each store to manage, implement and monitor the execution of all activities required in order to be fully compliant with all laws and regulations. Ideally the "driver" will be a person engaged in a Certificate 4 in Retail Management that may attract a Government funded training rebate. All retailers have been very impressed with the CMS and the benefits it can deliver to their stores and we look forward to "rolling out" the CMS to retailers around Australia in the next financial year.

MGA's industry working relationship style has again enabled greater industry connection and networking opportunities and has been very active in including industry stakeholders in various initiatives around Australia. MGA has been privileged to attend IGA and FoodWorks regional meetings and conferences to disseminate, share and discuss vital information associated with various areas of business compliance. MGA itself conducts in-store visits, workshops, seminars and retailer forums to inform and assist members to be fully compliant.

A function MGA conducted in November 2008 is a further example of industry connection and networking. This function attracted representation from all stakeholders. Coinciding with MGA's AGM, a meeting concerning the MGAV Agreement and a Board meeting, an industry breakfast was held with the guest speaker being the Shadow Minister for Small Business,



Hon. Mr Steven Ciobo MP. Steven who also launched MGA's new Retail Security Handbook on this occasion.

Effective communication is of paramount importance to our members and MGA has significantly improved all its communication mediums to reach members in various ways.

Mediums include the magazine, fortnightly e-Checkouts, e-Alerts, the website and fax streams.

State and federal industry representation is an important MGA Core Pillar. MGA has actively responded to state and federal government enquiries, committees and impact statements by way of detailed submissions and attending meetings and hearings. Submissions have been forwarded to address future minimum pay increases with the Australian Fair Pay Commission, Parental Leave with the Productivity Commission, the Trade Practices Act – particularly Creeping Acquisitions, Unit Pricing and the Grocerychoice website, National OH&S Harmonisation, National Weights and Measures, Award Modernisation with the AIRC, State Planning Issues, Tobacco law changes with State Health Departments to name a few.

Over and above MGA's active representation role, MGA is also an active board member of the National Association of Retail Grocers Australia (NARGA) and the Australian Liquor Stores Association (ALSA). Both being national organisations enables further effective and meaningful federal industry representation on behalf of the independent grocery and liquor industries.



# ANNUAL Report



## **In July 2009 MGA expanded and absorbed the former Liquor Stores Association of Victoria (LSAV) into its organisation.**

As part of MGA, the former LSAV will now be known as Liquor Retailers Australia (LRA).

Over the past 10 years MGA and Liquor Stores Association of Victoria (LSAV) boards and committees have had discussions concerning the possibility of joining together to strengthen the voice of the independent package liquor retailer and to derive the synergies and savings that come from such an initiative. As President of MGA, I have had the pleasure of working with George Kovits, President of LSAV, to enable this initiative to finally be brought to life. Together MGA and LRA will provide one independent voice for liquor retailers, particularly in Victoria and the combined LRA will have 700 independent licensed supermarkets and stand alone retail store members with potentially another 500 to 600 members to be recruited.

We value greatly our working relationships with retailers, brands, wholesalers, suppliers and governments and MGA's Board wishes to thank the many industry colleagues and business associates for their assistance to grow MGA into the National Organisation that it is today.



Corporate members play a very important role with MGA and our industry as presented at our "meet the board" function in February this year. Involvement with MGA provides corporate members with another dimension of engagement with independent supermarket and liquor retailers and enables MGA to provide members with a stronger "Back of House" support offer. To all other industry stakeholders, we thank you for your continued support and look forward to growing our relationships and partnerships with you to deliver a seamless support service to our members.

I wish to thank all MGA industry partners and stakeholders who have been involved with the future growth of support services to independent supermarkets and liquor stores, members of MGA and LRA.

My sincere thanks go to the MGA Board who put in many hours both attending to Board matters and travelling from Queensland, Western Australia, New South Wales as well as country Victoria.

Our CEO Jos de Bruin, will thank those who have very ably assisted MGA achieve its goals during the year in his report on an operational level, however I would like to offer my thanks to those who assisted with MGA Board matters. My thanks go to Phil Ibbotson, MGA's long serving Company Secretary and company accountant for the many hours of strategic financial management he has put in and to Jim Studebaker, who has been a Board Advisor for over two years and has guided our board when critical decisions have had to be made. Thanks also to Jill Dixon who has brought new skills and a refreshing approach to the Board and finally to my fellow retailer Board members my heartfelt thanks for the many hours sacrificed away from your stores for the betterment of our industry.

However, the driving force behind the MGA is our tireless CEO, Jos de Bruin. His passion and drive to see independent supermarkets and stand-alone liquor outlets grow and increase their market share is unsurpassed. He puts in countless hours and regularly travels all over Australia to ensure that the MGA is the best industry association for independent supermarkets and stand alone liquor stores in Australia. Our heartfelt thanks go to Jos for a job well done.

Finally, MGA's Board wishes to thank all members (independent supermarket and liquor store owners) from around Australia for availing yourselves of our services.

We succeed only when we meet and exceed the expectations of our members so I would like to encourage all our members to call any one of MGA's qualified and professional staff when needing advice concerning workplace relations issues or any other compliance concern you may have in your businesses.

We look forward to another year of supporting our members!

Rodney Allen

President of MGA

### CEOs Report

Welcome to MGA's Annual Report Edition of our magazine. As in previous years MGA will communicate the President's report and the CEO report via this magazine, together with financial reports which will be made available to members on the MGA website.

MGA has had another very busy year investing heavily in infrastructure and resources in order to build its capability and to meet members support service needs. MGA continues to expand and is now a truly national organisation with members in all states in Australia. MGA's Annual General Meeting will be held in Suite 9, 1 Milton Parade, Malvern at 10.00am on Wednesday 25th November. All members are invited and are most welcome to attend.

We all acknowledge that nothing stands still in our dynamic industry. Whether it is within your own business or the external world around us, there is always something of concern including interest rate fluctuations, drought, changes to local planning laws, fluctuating fuel prices or compliance issues to name a few. Despite these concerns, members report that trading is steady and businesses are growing.

Competition is the life blood of our industry. Independent supermarkets are often the hub of the communities within which they trade and they thrive in fair, sustainable and competitive environments. Some good news of course is the recent agreement made between the ACCC and the two major chains which will phase out all anti competitive restrictive covenants in shopping centre supermarket leases. This will stimulate competition by allowing new entrants to enter into previously monopolistic trading environments.

Since the last edition of this magazine, MGA has been involved with many member representative duties such

as the Senate Economic Enquiry into GroceryWatch. MGA strongly opposed this non effective ACCC initiative. We have also engaged with potentially serious planning matters in three states and we have opposed the proposed "risk based" liquor license fee structure that will cause significant cost increases for Victorian members.

FoodWorks conducted its first Coles store conversion in Keysborough, Victoria, in late September which will be closely followed by Dallas in Victoria and Charters Towers in far North Queensland. (See story inside.)

MGA's Workplace Relations Team has been actively conducting Fair Work Act (FWA) seminars in all states in Australia. These seminars have been well attended and are "a must attend" seminar for employers. The FWA has replaced the Workplace Relations Act and there are many changes that employers must be aware of in conducting their day to day businesses. Please see MGA's website for the next seminar being conducted near your store or call us to arrange your own 1 on 1 or group session. The AIRC announced in early September the transitional arrangements for the introduction of the General Retail Award. (See article inside.)

After liaising with key industry stakeholders around Australia for many months, MGA will be increasing its roll out of the Compliance Management System to members in Victoria, NSW, ACT and WA. The MGA Board is committed to investing significant resources into a unique industry training and compliance system that will significantly enable in store risk reduction and potentially save on insurance and WorkCover premiums.

Until next edition – one more magazine before Christmas

Good Trading

Jos



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### Dates to Diarise

24th November at 5.30pm –Corporate Members function

Meet the MGA Board and Industry update

25th November at 10.00am – MGA Annual General Meeting