



MASTER  
GROCCERS  
AUSTRALIA

LIQUOR  
RETAILERS  
AUSTRALIA  
Independent Liquor Outlets

2013

# ANNUAL REPORT

1 JULY 2012 TO 30 JUNE 2013





According to the RBA,<sup>†</sup>  
the average  
American  
Express  
merchant fee  
was more than  
2 x the average  
Visa merchant fee.

## Visa gives rewards that actually benefit you. Low costs are just the beginning.

At Visa, we're in the business of rewarding our customers with efficient, cost effective payment solutions. Visa credit transactions are low cost, which means more money in your pocket. Plus, when customers are told American Express is not accepted, they readily switch to another card. This means you won't have to worry about losing sales.

What's more, Visa transactions settle fast so you're rewarded with a better cash flow and more control over your money. And as the world's largest retail electronic payment network, we have more cardholders than any other major card. With so many benefits, it's easy to see why Visa is better value for your business.

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## PRESIDENTS

# REPORT

As our slogan indicates, “We succeed only when we meet and exceed the expectations of our members” and I am very pleased to say that MGA’s reputation and credibility as a national industry body has stepped up again over the past 12 months. There are many defining reasons for this progress, as you can read in the annual report that we, as a Board, can be very proud of.

I am very proud that MGA/LRA’s members are the most important aspect of our employer organisation. MGA’s Board is totally committed to supporting members with all their ‘back of house’ needs across our five Core Pillars, including:

- Workplace Relations/Industrial Relations service and support
- Training and Compliance solutions
- Industry Representation and Advocacy
- Industry Community
- Our new Core Pillar, The Energy Efficiency Information Program.

MGA’s Management Team has again demonstrated their first class skill and capability with our own full-time ‘in house’, highly qualified Workplace Relations Team, led by our Legal Counsel for Workplace Relations, Marie Brown. This is a distinct advantage for our members.

MGA is a National Registered Training Organisation and is led by MGA’s National Training Manager, Michael Russell. Online training solutions innovation and implementation, together with our partners Icon Global, has been a benchmark for achievement this year and is vital for our members in the future.

MGA’s management team is to be congratulated upon the success of obtaining a Federal Government grant of \$990,000 to help support our members and other retailers around Australia to reduce their energy consumption. Energy costs are now the second biggest cost to do business in the independent supermarket and liquor store sector. This world class Energy Efficiency Information Program that has been developed is a credit to MGA’s capability, skill and industry expertise.

I would like to thank Steve Sellars for leading this all important project along with the energetic and passionate steering committee who have been named in the Annual Report for their magnificent effort. Thank you to Federal Labor Minister, Hon. Greg Combet and the Department for Climate Change for supporting MGA and recognising this great need in our industry sector.

MGA’s Board of Directors have again been very active in supporting MGA’s significant investment in infrastructure and support solutions for members. MGA’s support offer has increased in quality and reach, as indicated in our FileMaker data base statistics. In financial Year 2013 MGA/LRA received calls and engaged with members 12,674 times, spending 10,232 hours providing service and support to members around Australia.

MGA’s Board is absolutely committed to the future prosperity of all our members around Australia. Industry representation and advocacy on behalf of members has never been more important.



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

MGA’s team dedicated considerable energy and effort to represent members at various levels of Federal and State Government levels. 29% or 3,000 hours of MGA time was spent advocating on behalf of members. Times have been very tough for trading this year with our resilient members indicating they are doing everything possible in their own businesses to keep their heads above water with the onslaught of relentless and unfair competition emanating from the two chains. The two chains are dominant and exercise their enormous market power in many unfair practices affecting our members businesses.

In August 2012 MGA launched the 'Let's Have Fair Competition' Report. The purpose of this report was to provide politicians, industry stakeholders and the ACCC with factual information, backed up with data and evidence to demonstrate the serious anti-competitive behaviours by chain stores around Australia. Whilst Federal Politicians said they understood the problem that the chains were very big and powerful, they did not understand what they could do. So the suggestion was made that MGA formulate a report with facts and evidence. This report was the culmination of many hours of tireless work by a dedicated committee and has been dubbed as the 'best industry report of its kind' for addressing the serious issues surrounding the market dominance of Coles and Woolworths. The report contains specific solutions for reform of the Competition and Consumer Act and advocated for a consistent state and local government approach to planning and development.

I wish to thank all of MGA's Board members and industry stakeholders for the enormous amount of time you have given to this project when meeting with politicians in your respective states or on the numerous occasions in Canberra. This has been recognized by all members as the single biggest issue that MGA/LRA must concentrate on to help give our members a fair go in the market place. MGA's Board is dedicated to following this issue through to get the desired result which is to help the ACCC obtain stronger powers through CCA reform. Congratulations to all MGA staff for the launching of a highly effective social media campaign to sign two petitions, involving facebook, websites and blogs.

MGA also dealt with numerous industry representation issues in the workplace relations and employment law area, as well as training funding and compliance training, tobacco, liquor, planning and development and trading hours.

I would like to take this opportunity to thank the Liquor Retailers Australia Committee, presided by George Kovits, for their commitment and dedication to lifting the compliance and retailing standards of independent packaged liquor stores around Australia.

This year we saw MGA's SA Director, Mr. Joseph Romeo step down from his Directors role to concentrate on his growing businesses in Sydney. Joseph's passion for the industry and the well-being of his fellow retailers is to be commended. In replacement, MGA welcomed Mr. Chris dos Santos, also from SA. As well as his family owning a Foodland and IGA store in Adelaide, Chris brings a wealth of government/lobbying knowledge to the board. On behalf of MGA's Board, I wish to thank Joseph for his wonderful contribution and warmly welcome Chris to MGA's Board.

This financial year has again seen MGA membership growth around Australia and in particular, IGA in Queensland. On behalf of MGA's Board I would like to warmly welcome all new members and hope you avail yourselves quickly to MGA's wonderful support services.

Once again MGA / LRA's Corporate Members have played a very important role within our organisation. We sincerely thank all corporate members for your commitment to the independent supermarket and liquor sector. I would like to take this opportunity to warmly welcome VISA as our Diamond Corporate Partner, we look forward to working together as we do with all corporate partners to mutually grow yours and our members businesses.

MGA has demonstrated its engagement with all our members in a professional and timely manner through many forms of activities including; seminars, information and education forums and training programs. MGA/LRA has also attended vital IGA, FoodWork's and SPAR regional meetings in most states, state and national conferences, as well as



state and national Board meetings. On behalf of MGA's Board of Directors, I wish to thank our major stakeholders, Metcash, IGA, Foodland, FoodWorks and SPAR for this opportunity of working with you for the future prosperity of our members.

We look forward to working with our members in the year ahead. It is our aim to continue to lift the standards of support and service to existing members and further increase membership by engaging with the Friendly Grocer Group of Queensland retailers.

I would like to take this opportunity to thank all MGA Board members for their dedication and willingness to travel great distances and to give of their time to attend MGA Board Meetings. Thank you to Phil Ibbotson, MGA's long serving Company Secretary and company accountant. Phil's financial skills and knowledge have been instrumental in planning the growth of MGA.

On behalf of MGA's Board and the LRA Committee, I would like to thank all members for being our members and availing yourselves to the rich source of support and service MGA/LRA can provide your business.

We again look forward to another year of exceeding our members expectations!

**Rodney Allen,  
President of MGA**



MASTER GROCERS AUSTRALIA  
(LIQUOR RETAILERS AUSTRALIA)

# ANNUAL REPORT 2013

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

## Introduction

Master Grocers Australia (MGA) incorporating Liquor Retailers Australia (LRA) 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, fresh foods and produce, bakery, delicatessen, butchery, liquor, and tobacco to name a few.

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

## Retailer membership

MGA/LRA has achieved another year of solid membership growth increasing independent supermarket membership by 16%. Membership has grown in all states. MGA welcomed the 250 IGA stores from Queensland, who joined in April 2013, as well as, a number of stores trading under different brands from all the states. MGA is proud to acknowledge that almost all stores trading under the brands, IGA, FoodWorks, Foodland and SPAR are members.

LRA membership has fluctuated, particularly in the independent stand-alone bottle shop sector. Research has suggested that the state of the economy, fierce competition from the chains and the growing number of New Entrants, predominately non English speaking, have caused retailers to opt out of membership.

Given the volatility of the packaged liquor sector and the regulatory spotlight that has become a focus of most State governments, it has been suggested that it is vital retailers join their industry association – if not for their own protection then certainly for their own professional development and keeping up with the latest news about the sector.

## Corporate Membership

MGA/LRA’s Corporate partnerships are vital to support the organisation to deliver a strong and sustainable back of house support service to members. Memberships have increased to 34 corporate partners. Corporate partnerships include suppliers of groceries, liquor, services and other industry stakeholders.

## Membership Services and communication

Effective and succinct communication with members is vital. Providing members with an opportunity to be informed, educated, professionally developed and networking with fellow industry colleagues is a MGA/LRA focus.

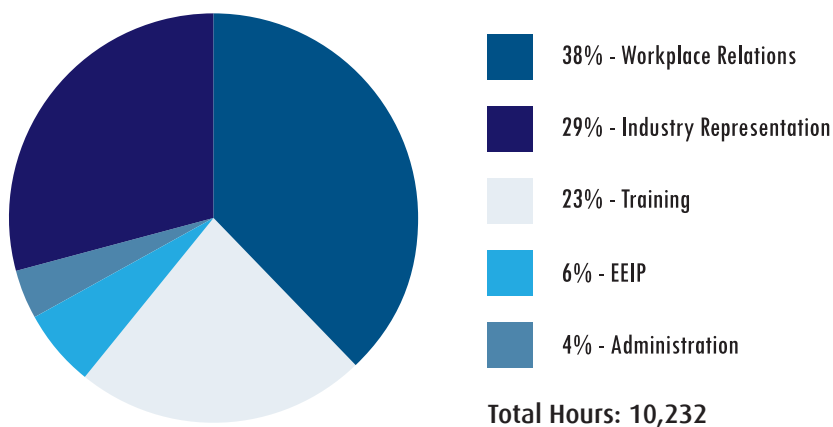
In the past financial year MGA/LRA activities have included attending industry conferences, expos and regional meetings as well as organising seminars, workshops, forums, industry breakfasts and industry golf days. This year we have seen the quality of MGA/LRA's communication mediums significantly lift.

The magazine (eight per year), website, E-Alerts and fortnightly E-Checkouts have all been significantly improved to assist members to receive the right information as they need it. MGA's website has been modernized and improved to provide members with an easy information tool that can be used on a day to day basis.

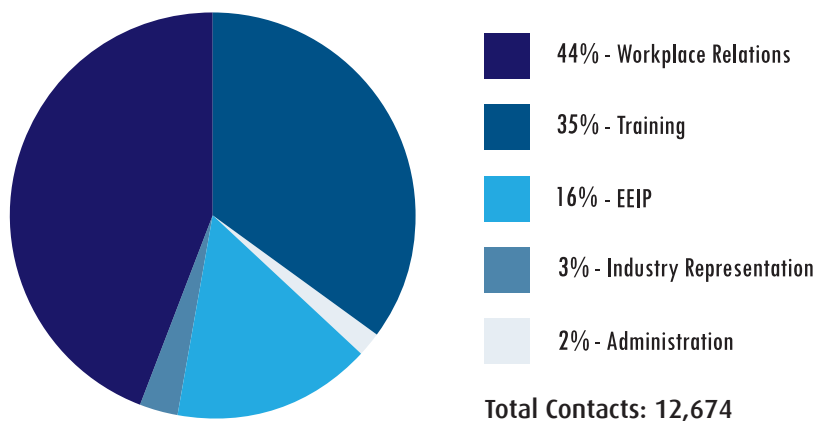
## Membership interaction

MGA/LRA Staff were contacted 12,674 times by its members and the MGA team spent 10,232 hours providing service and support to members around Australia.

Hours by department (National - 1 July 2012 to 30 June 2013)



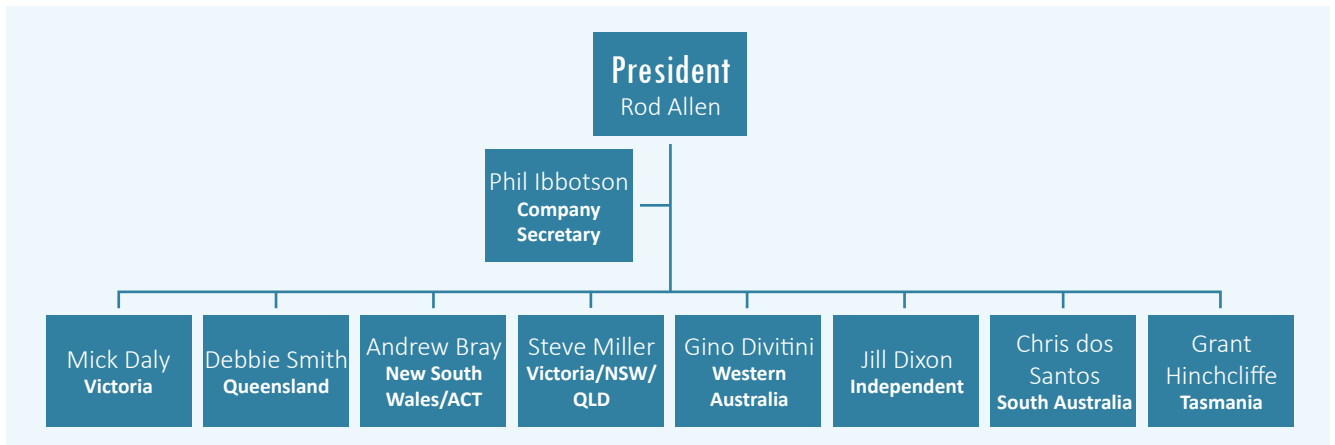
Contacts by department (National - 1 July 2012 to 30 June 2013)





## MGA Board of Directors

After another extremely busy year, MGA's Board of Directors, under the leadership of President Rod Allen, are to be congratulated for their hard work and vision to guide MGA towards being a relevant and valuable national industry employer organisation for its members. The MGA board is representative of all states in Australia. Joseph Romeo, MGA's SA Board Member stepped down and was replaced by Chris Dos Santos – store owner of Foodland Valley View and IGA Henley Beach SA.



Left to right from top row: Andrew Bray, Gino Divitini, Mick Daly, Grant Hinchcliffe, Steve Miller, Jos de Bruin, Phil Ibbotson, Chris do Santos, Rod Allen, Debbie Smith, Jill Dixon.



## MGA/LRA Staff

MGA/LRA has focused on developing a strong team culture, working together as a team for the benefit of members. 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, the MGA/LRA team has again worked tirelessly throughout the past year to deliver exceptional services and support to all members around Australia. I would like to personally thank MGA/LRA's management and staff for their passion and dedication to serving our members and industry.



*Left to right from top row: Jos de Bruin, Steve Sellars, Marie Brown, Bridget Beaton, David Sztrajt, Pearl O'Hara, Julia Ferguson, George Raptis, Judy O'Reilly, Krystyna Mailer, Janet Holmes, Toni Morris, Michael Russell, Karley Jollands, Chrissy Groat, David Grey-Smith.*

## MGA's Management Team

MGA's Management Team continues to raise the membership support standards. A big thank you must be extended to Julia Ferguson – Office Manager, Marie Brown – Legal Counsel, Workplace Relations and Michael Russell – National Training Manager.

## MGA Team members

No organisation is complete without a dedicated and hardworking team, MGA is no exception. This year we saw Administration team member Bridget Beaton leave MGA and replaced with Dale Clark. Krystyna Mailer joined the team to help provide much needed skill and capability in the area of design, communication, media and website development. Pearl O'Hara joined the Administration team to provide a comprehensive book keeping capability. Barbara Davey joined to help strongly drive the Energy Efficiency Information Program. The Employment Law Team saw Alison Ross depart and George Raptis join, in replacement with David Sztrajt to provide a first class workplace relations support service for members.

The Training team has worked very hard to achieve its goals this year. The team includes: Judy O'Reilly – Training Coordinator, Chrissy Groat – Training Business Development, Tony Morris and David Grey-Smith – Trainers, Karley Jollands and Janet Holmes – Training Administration.

Steve Sellars continues to manage membership services and events along with the very important role of Project Managing the Energy Efficiency Information Project

All of these people have made a significant contribution to the growth and prosperity of MGA/LRA this financial year.



## MGA / LRA Industry Communication

MGA/LRA's communication levels with members have once again improved with the continuous improvement of the Independent Retailer magazine, e-Checkouts and e-Alerts.

MGA/LRA's website has become a very important information support tool for members and continues to grow in usage. The website has been completely refreshed with additional support services built in to provide members with a one stop shop for information and support services.

I would like to take this opportunity to thank MGA's Administration Team for their dedication to providing an excellent administration support service. This has been vital to the smooth running of MGA /LRA.

## Industry Stakeholders

MGA/LRA has always valued a close and meaningful relationship with all industry stakeholders. These relationships are vital for MGA/LRA as an employer organisation to provide members with the very best support service. Thank you to all industry stakeholders for the opportunity of working together to ultimately assist members improve the performance of their businesses.

MGA/LRA's stakeholders include:

- IGA, Foodland, FoodWorks, Metcash Food and Grocery, SPAR, Australian Liquor Marketers, Independent Brand Australia, State and Federal Governments and Departments and Statutory Bodies – including the ACCC
- Multi store owners in each state
- Icon Global
- HT Solutions
- Service Skills Australia
- Service Skills South Australia
- Master Grocers Insurance Services (Adroit)

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



INDEPENDENT BRANDS  
AUSTRALIA PTY LTD



Australian Government




ht solutions®



## Master Grocers Insurance Services

MGA's Insurance solution, especially developed for the independent supermarket and liquor store sectors, continues to grow. Members have recognized the value in having an industry insurance provider which has a deep understanding of their business.



**Why is it vital that you insure with your industry association?**

## Energy Efficiency Information Program – Commonwealth Government Grant Awarded

In May 2012, MGA was awarded a \$990,000 Commonwealth Government Grant to develop an Energy Efficiency Information Program for its members and other retailers around Australia. The purpose of this grant was for MGA/LRA to assist its members to reduce energy consumption, reduce energy costs and assist businesses to become more profitable.

Soon after the EEIP grant was awarded, Steve Sellars was appointed as the EEIP Project Manager. Through the help and advice of a very select steering group of industry specialists Steve was able to research the needs of our members, ascertain the key areas within a supermarket and liquor store that consumed energy and developed an education and information program designed to empower members to seek their own energy reducing solutions for their business. Owing to the importance of this project Energy Efficiency has become part of MGA's Core pillars.

In what can be described as an amazing achievement, the EEIP Team were able to develop a 'world class' suite of energy efficiency information materials and tools including: a complete website inclusive of an interactive handbook, factsheets and self-assessment tool to assist with the reduction in energy usage and a variety of communication mediums with which to reach members. The seminar program commenced in August 2013.

First and foremost MGA/LRA wishes to sincerely thank the Commonwealth Government for their support of this project.

Sincere thanks are extended to Steve Sellars and the steering committee for their valuable time to attend meetings, share their insights and help develop a world class Energy Efficiency Information Program. The steering committee included: Louise Rhodes – Metcash, Damien Wigley – Equilibrium, Chris Tracey – Schneider Electric, Craig Lewis – Sedac and Ian Williamson – The Retail Group

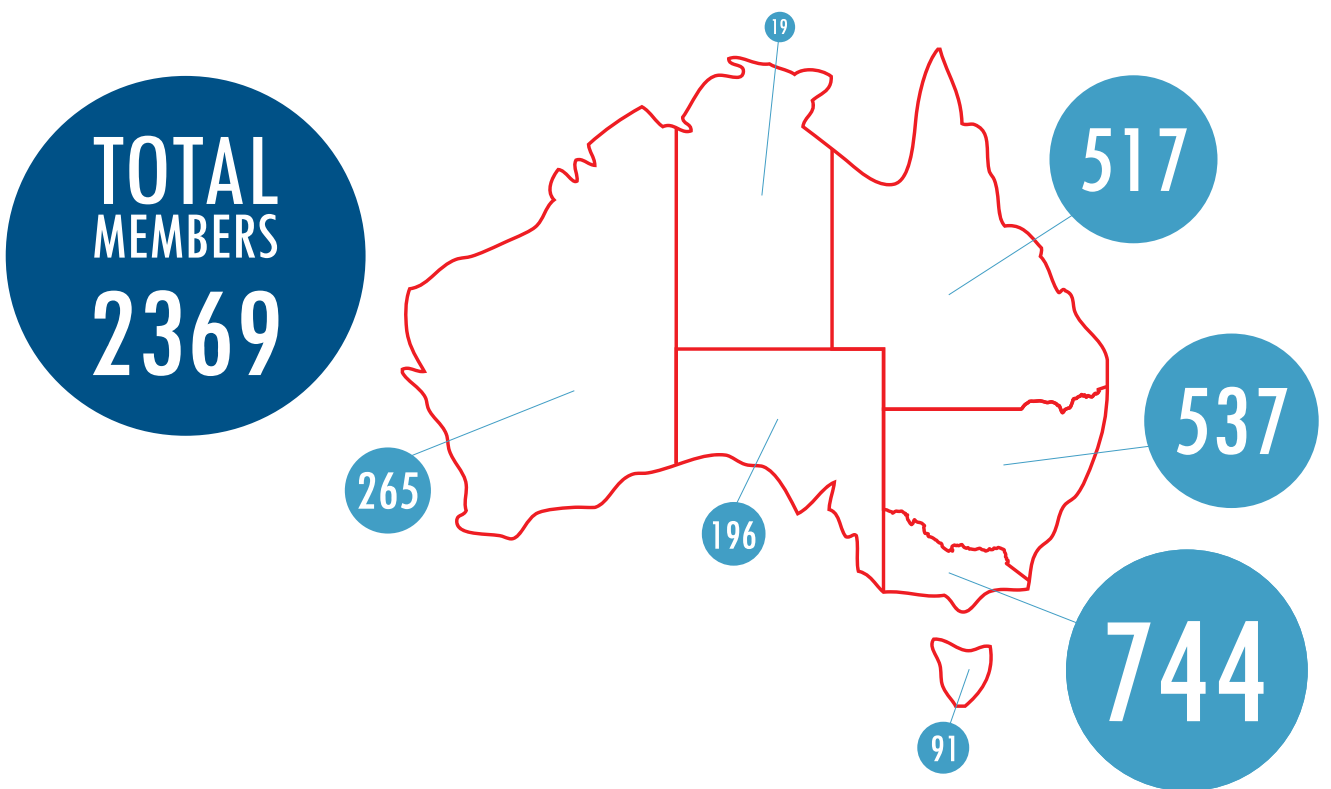




# CORE PILLARS

MGA / LRA has five Core Pillars:

1. Workplace Relations
2. Training and Compliance
3. Industry Representation
4. Energy Efficiency Information Program
5. Industry Community and Membership Services



	VIC	NSW/ACT	QLD	WA	SA	TAS	NT	TOTAL
STAFF	27,000	23,150	21,150	19,700	20,700	1,900	1,400	115,000
SALES	\$3,42b	\$2,8b	\$2,20b	\$2,30b	\$2,40b	\$350m	\$120m	\$13.6b

## WORKPLACE

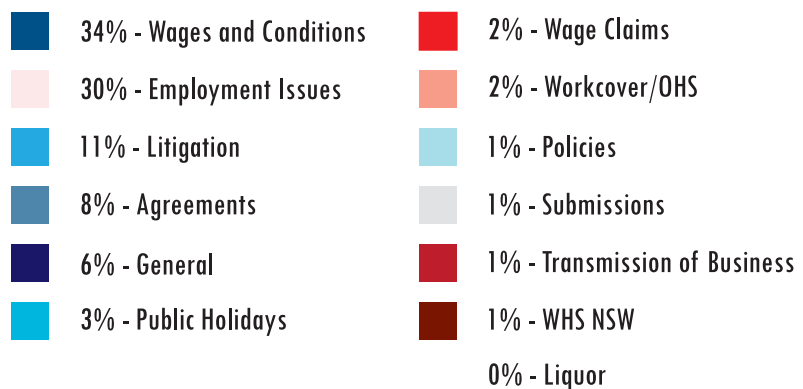
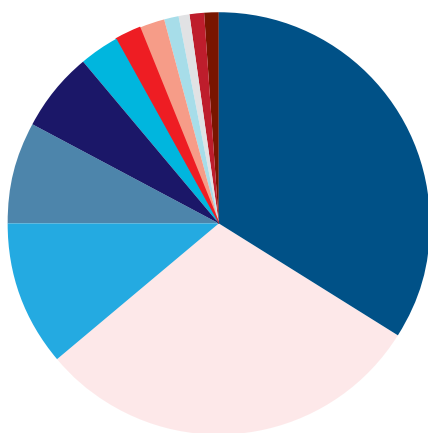
# RELATIONS

## MGA/LRA's main core pillar is Workplace Relations.

The Workplace Relations team has had a very busy 12 months attending to members needs and representing members on various matters including many matters in the Fair Work Commission.

The Workplace Relations Team were contacted 5,586 times and engaged members for 3,912 hours – average time per contact is 42 minutes. Wages and conditions enquiries accounted for 34% of contacts and 40% of time, Staff issues

### Workplace Relations by topic (National - 1 July 2012 to 30 June 2013)

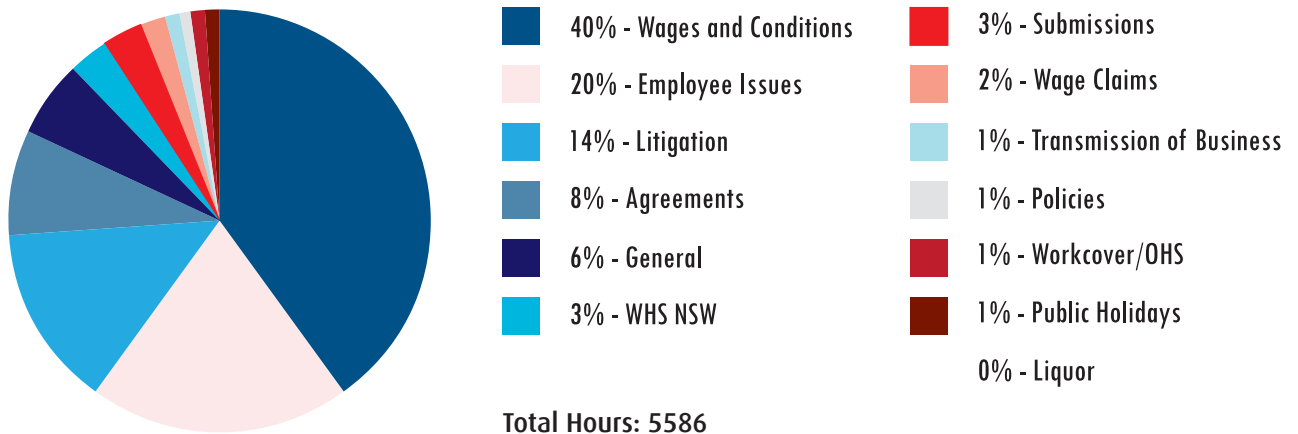


Total Contacts: 5586





## Workplace Relations by topic (National - 1 July 2012 to 30 June 2013)



accounted for 30% of contacts and 20% of time whilst unfair dismissal claims accounted for 11% contacts and 14% of time.

Members in all states have just completed the fourth year of the phasing in of the General Retail Award. Changes in the Fair Work Act, including the reduction in the unfair dismissal staff threshold from 100 to 15 staff members, continues to be a major impact on many members throughout the year. It is pleasing to note that unfair dismissal claims (contacts and hours) have reduced slightly versus last year, however, continues to be a major concern.

MGA has been heavily engaged in many matters concerning members businesses including submissions and hearings regarding the reduction in penalty rates on Sundays, the annual national wage review and opposing the three SDA applications before the Fair Work Commission particularly the application concerning adult wages being applied to 18, 19 and 20 year olds, employers to pay staff car parking expenses and the conversion of casual employees with 12 months service, to full time.

MGA's members businesses continue to be confined with excessive penalty rates, particularly, on Sundays and Public Holidays. MGA will continue to make this known to the Fair Work Commission and the current Federal Government.

### Achievements included:

- Representing Queensland members in the Queensland Industrial Relations Commission to oppose the deregulation of Trading Hours
- Submission to FWA and attending hearings concerning Sunday Penalty Rates, Public Holidays (no additional) and flexible part time hours
- Continuous negotiation for settlements for Unfair Dismissals and wage claims
- National Wage Review – conducted a members survey and made a Submission to the FWC including a recommendation for a NIL increase for FY 2013.



## INDUSTRY TRAINING & COMPLIANCE

### MGA is a Nationally registered Training Organisation

MGA's Training team had an outstanding year of success considering the many external challenges affecting the training industry environment.

This year, State and Federal Government training funding cuts have taken place leaving an air of uncertainty in the retail sector. The retail sector is the second largest employer of people in Australia and yet State and Federal governments continue to disregard the vital retail industry training needs that are to be met to help maintain and grow the future of the retail industry.

Independent supermarket operators rely heavily upon the need to continually train staff for the smooth running of their businesses, succession planning and their ability to develop capable staff to help oppose the fierce competition emanating from the 2 giant chains.

This uncertainty, coupled with poor industry attitudes and short term views toward staff training and workforce development are at times frustrating. MGA's team has built a reputation for delivering quality training to its members. MGA's staff has worked tirelessly with members to provide tailored training solutions.

Over the last couple of years MGA's training team has responded to members difficulties in sending staff to training courses and seminars, by developing an online training solution. National online training solutions include, Food safety Induction, Food Safety for Food Handlers, Food Safety for Food Supervisors, Responsible Service of Alcohol, as well as, a suite of Workplace Health and Safety modules. All online training courses have been hosted on a public web based platform that has been designed and developed by Icon Global. MGA has been achieving month on month exponential online training sales growth. Despite these challenges, MGA's team has continued to achieve training up take and have met budgets.



**Achievements include:**

- Development of a highly skilled and capable training team to deliver a wide range of industry training
- **EBPPP Training Grant.** EBPPP places for Retail Management Certificate IV qualification. MGA's team continues to drive participants to complete their courses
- **Strong partnership with Icon Global.** MGA continues to adapt existing training and develop future online training courses with Icon Global. All courses are placed on the Icon Global platform. This has facilitated access to MGA's training courses outside of our industry. Online training course sales, month to month, continue to grow exponentially.
- **Responsible Serving of Alcohol.** This online training course has been extremely successful. The RSA course specifically designed by MGA/LRA for the ACT has been particularly in successful generating a strong income stream.
- The ongoing development of the Workplace Health and Safety online compliance training packages and programs will represent a significant sales opportunity for MGA/LRA. Industry stakeholders have acknowledged their strong support for MGA/LRA and Icon Global's comprehensive Workplace Health and Safety business solution. This package will be unveiled in the 2014 financial year
- Continuous development of store policies, procedures and templates
- MGA/LRA and Icon Global is a preferred training provider and compliance training partner for the FoodWorks Supermarket group. A dedicated portal has been created for the FoodWorks Extranet
- Metcash Food and Grocery have embraced MGA/LRA and Icon Global as a training partner within the IGA Training Academy, particularly in the online compliance training area
- Successful collaboration with Service Skills South Australia to secure funding and conduct Retail Executive Training Programs in South Australia
- Development of online retail training solutions for Mitre 10 Australia.

## Training grants and funding assistance

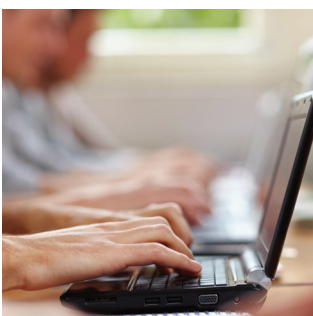
As previously mentioned, State and Federal governments have cut retail training funding. This trend must be reversed to ensure independent retailers continue to be upskilled in a very competitive and challenging retail market.

### Victorian training grant

From 1 July 2012 the Victorian Training Guarantee Funding (VTG) was reduced from \$5.39 per hour to \$1.50 per hour for Certificate II and III and \$4.00 per hour for Certificate IV qualifications. This has had a significant negative impact on the ability for MGA to provide Victorian members with an adequate retail training offer. This funding must be increased for MGA to provide a sustainable training support service for our members, otherwise they will be disadvantaged.

### Commonwealth incentive payments

From 1 July 2012, Commonwealth training funding for employers was reduced from \$4,000 per candidate to \$3,000 per candidate, payable upon completion. This backward step has had a profound negative effect on the take up of retail training by MGA members and will continue to do so in the future. The independent retail sector is at risk of facing irreparable damage in the future if this funding is not reinstated. This training funding is vital in assisting store owners to succession plan and develop their business for future prosperity.





## INDUSTRY

# REPRESENTATION

## MGA represents members at state and federal government and ACCC levels

MGA/LRA spent 29% or 3,000 hours of time representing members at various levels of State and Federal Governments as well as bureaucracies such as the ACCC. MGA/LRA has formed strong and collaborative relationships in Canberra with the two major Federal parties, Labor and the Coalition, The Nationals, The Greens and the Independents including, Senators Nick Xenophon and Bob Katter.

MGA/LRA is a committee member or participant of:

- ACCC – Small Business Consultative Committee
- Victorian Whole of Government Drugs and Alcohol Expert Advisory Committee
- Victorian Commission for Gaming and Liquor Regulations – sub committee
- National Food Plan – Green Paper, initiated by the Federal Government

## MGA / LRA ENGAGEMENT - FEDERAL REPRESENTATIONS ON BEHALF OF MEMBERS

### Competition

MGA/LRA has had a very busy year representing members on a number of issues throughout the year. None more important than Fair Competition. The biggest and most serious issue facing our members around Australia is the market dominance and power of Coles and Woolworths. MGA launched its 'Let's Have Fair Competition' report in August 2012. This report succinctly demonstrated with facts and evidences that Coles and Woolworths have engaged in a number of anti-competitive behaviors in order to add supermarket and liquor floor space to satisfy their store saturation strategy. This behavior of building oversized and in many instances cross subsidized stores is 'crowding out' existing retailers, eventually eliminating any competition.

Unfair and anti-competitive Petrol Shopper Docket activity has been on the rise in both grocery and liquor and has had a dramatic negative sales effect on member's businesses. Clearly discounting fuel at unsustainable (but cross subsidized levels) to sell groceries and liquor is an unfair advantage and demonstrates unfettered market power and dominance.

- MGA sent this report to most State and Federal politicians, bureaucrats and industry stakeholders. Numerous meetings were held in Canberra with various Government Ministers and shadow Ministers as well as politicians from various parties
- MGA has had many meetings with the ACCC, including Chairman Rod Sims, who as a consequence of this report and a MGA Board meeting in February 2012. The ACCC have embarked upon a number of its own inquiries including; unconscionable conduct with suppliers, Petrol Shopper Dockets and intervened in various developments and acquisitions.
- There is still a long way to go to extract support from the 2 major Federal parties. Labor advocates the current Competition and Consumer Act (CCA) is adequate whilst the Coalition will advocate for a Root and Branch review of the CCA if they are elected. Sections 46 (misuse of market power) and 50 (creeping acquisitions) must be strengthened to give the ACCC the power it requires to drive for a more competitive supermarket and liquor retailing environment.

## Rotation of Tobacco Graphic Health Warnings

After numerous meetings with politicians, the ACCC and industry organisations, the regulation requiring retailers to rotate tobacco graphic health warnings on 1 December each year was repealed. This was a great win saving our industry sector – \$6.2 million

- **National Container Deposit Scheme.** MGA continues to Advocate “No” to avoid the risk of more red tape and cost burdens for members
- **Refrigerant Gas cost increases.** The issue was addressed with Minister for Climate Change
- **Fair Work Commission – National Wages Review, 1 July 2013 –** Advocated for Nil wage increase
- **Fair Work Commission –Review Fair Work Act and General Retail Industry Award**
  - o Application to reduce Sunday Penalty Rates and abolish ‘additional’ public holidays
  - o Oppose the SDA’s three applications – adult wage rates for 18, 19 and 20 year olds, employers to pay for staff parking, casual workers become full time after 12 months.
- **The National Food Plan – Green Paper**
- **OHS – National Harmonisation**
- **National Weights and Measures**

## State representations

- State Health Departments – ACT, NSW, Victoria and WA – Changes to Tobacco Laws and Regulations
- NSW State Health Department – Tobacco Act 2008- review the definition of POS to exclude the 1 cash register rule
- ACT – Supermarket Competition Policy and review of Liquor laws and liquor licence fees and online RSA training
- New South Wales and Victoria – Planning and development reviews and issues.
- NSW, Vic and SA Department of Health – Food Labeling
- South Australia – New class of Packaged Liquor License, de regulation of Trading Hours, Public Holiday penalty rates for Christmas and New Years Eve
- Queensland – Deregulation of Trading hours and submission for new class of packaged liquor license.
- Victorian Commission for Gaming and Liquor Regulation

## Fostering Fair Competition

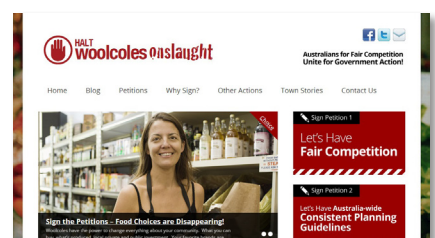
Coupled with the launch of the “Lets Have Fair Competition” report in August 2012, MGA embarked upon a social media campaign to engage members, industry stakeholders and the general public to enable a ground swell of public displeasure with the power and market dominance of Coles and Woolworths.



## Website and Blog

MGA did something bold! The objective was to involve our members, industry stakeholders and the outside world, to get their support and enable their voice to be heard.

This blog site included an invitation to supporters to sign two petitions. The first petition supported the need for immediate Competition and Consumer Act reform. The second petition advocated the need for local planning laws and regulations to be consistent (disallow inappropriately sized developments that will crowd out existing retailers) around Australia to allow robust competition to thrive. A “Haltwoolcolesonslaught” facebook page was also launched creating an opportunity for the general public to have their say.



# ENERGY EFFICIENCY INFORMATION PROGRAM

# PROGRAM



## EEIP provides information and education to use energy more efficiently.

The purpose of the Energy Efficiency Information Project, is to assist and empower members with the information and knowledge to reduce their energy consumption, reduce their energy bills and increase their in store profitability. Energy consumption has become the second biggest cost to do business, behind wages in most members businesses.

Together with the assistance of an industry steering committee, comprising of industry energy specialists, a comprehensive strategy with valuable information and tools has been developed to empower members to introduce an energy efficiency culture into their stores. These tools include:

- 7 factsheets covering topics from 'how to read your energy bill' to identification of key areas for energy reductions including refrigeration, heating, ventilation and air conditioning and lighting
- A comprehensive energy reduction Handbook
- An interactive Self Assessment tool
- A dedicated EEIP website with information and tools as well as a facility to book and confirm attendance at seminars.
- The development of a Smart phone app
- The execution of 80 free seminars to be delivered from August 2013.
- This EEIP has been recognised by various industry stakeholders as a 'world class' energy information program for all members.

Factsheet #1

## ENERGY PRICING

### - The facts about what energy costs you

The old adage: "you can't manage what you don't measure" holds true when it comes to energy consumption. Reading and understanding your energy bills, and where you are using energy in your store, is vital to improving energy efficiency and saving money.

In a typical supermarket, by far the greatest energy use relates to refrigeration and cold rooms, followed by lighting, air conditioning, and kitchens or preparation areas. Using Figure 1 below as a guide together with your most recent energy bills, you can estimate the cost of providing these services to your store and identify areas with the greatest potential for energy and cost savings.

A breakdown of electricity use within a typical store is as follows:

With air conditioning	Without air conditioning
42% - Refrigeration and cold rooms	70% - Refrigeration and cold rooms
12% - Air conditioning	25% - Lighting
12% - Lighting	8% - Prep areas and ovens
8% - Prep areas and ovens	1% - Back-of-house
1% - Back-of-house	1% - Checkouts and systems
1% - Checkouts and systems	

Figure 1: Typical electricity consumption (with and without air conditioning). Source: Ausmart 2012

It is also important to note that energy use in a store is a complex and interrelated system and the whole-of-store energy use needs to be considered when identifying opportunities.

### Understanding your energy bill

A good understanding of your energy bills will help you to identify:

1. **The cost of the energy you are using:** Energy has a different cost per unit at different times of the day, as reflected in your tariffs. Your retailer will be able to tell you when the tariffs start and end e.g. peak may be 7am to 10pm, Monday to Friday.
2. **When you use energy:** Knowing when you use energy will also put you in a better position to negotiate a suitable supply contract with your retailer. Your peak demand: the maximum amount of energy you use during a period and how that relates to your average demand. This can help you unearth any savings by better managing your use of energy.
3. **Your peak demand:** The maximum amount of energy you use during a period and how that relates to your average demand. This can help you unearth any savings by better managing your use of energy.

Version 1 (14/5/13) Factsheet #1 - Energy Pricing

MASTER GROCERS AUSTRALIA LIQUOR RETAILERS AUSTRALIA

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MASTER GROCERS AUSTRALIA

## ENERGY EFFICIENCY INFORMATION HANDBOOK

Australian Government

LIQUOR RETAILERS AUSTRALIA



## INDUSTRY COMMUNITY & MEMBERSHIP SERVICES

### **MGA provides members and industry stakeholders with up to date business news and information.**

As every year passes by we see the complexion of the independent supermarket and liquor store sector evolve and change. Competition continues to be fierce and relentless as the two large chains continue to takeover floor space crowding out existing retailers.

There are also many New Entrants from overseas coming into our industry sector. People who have little or no English speaking skills and have little knowledge regarding the retailing and merchandising standards that many Australians expect from their local store.

MGA's core pillar, 'Industry Community', encapsulates bringing the independent supermarket and liquor industry together from all backgrounds, 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). The GALA committee comprises of industry volunteers from the grocery and liquor industries. They are retailers, wholesalers, suppliers and industry stakeholders. Up until June 2013, Andrew Reitzer, CEO of Metcash was a patron of GALA and provided much needed encouragement to our industry sector to support our industry coming together and assisting various community organisations, including the Reach Foundation in Victoria and NSW. We thank Andrew for his generous commitment as a patron of GALA and wish Andrew well into the future as he steps down from the role as CEO at Metcash.

Once again there were a variety of Industry events held around Australia including:

- August 2012 – The Grocery and Liquor Association (GALA) annual ball. 500 members of industry enjoyed a wonderful night
- August 2012 – WA Golf Day held at Joondalup Golf Course. 70 industry colleagues participated and raised over \$5,000 on the day for Telethon 7
- November 2012 – MGA's Industry Breakfast and AGM. Guest speakers included Shadow Minister for Small Business, Hon. Bruce Billson and ACCC Director, Mr Nigel Ridgeway
- February 2013 – MGA'S Board Meeting with QLD industry guests. Invitees included; Attorney General, Jarrod Bleijie, Small Business Minister, Jann Stuckey and Alan Ducret, ACCC GM for QLD.
- Industry Community Golf days were also very successfully held in:
  - o October 2012 – Western Australia. 3rd WA event at Joondalup with 70 participants
  - o March 2013 –Victoria. 63rd Vic event at Keysborough with 180 participants
  - o April 2013 – NSW. 3rd event at St Michael's with 70 participants

We sincerely thank all our supporters and sponsors of these valuable events.



## LRA – INDEPENDENT PACKAGED LIQUOR

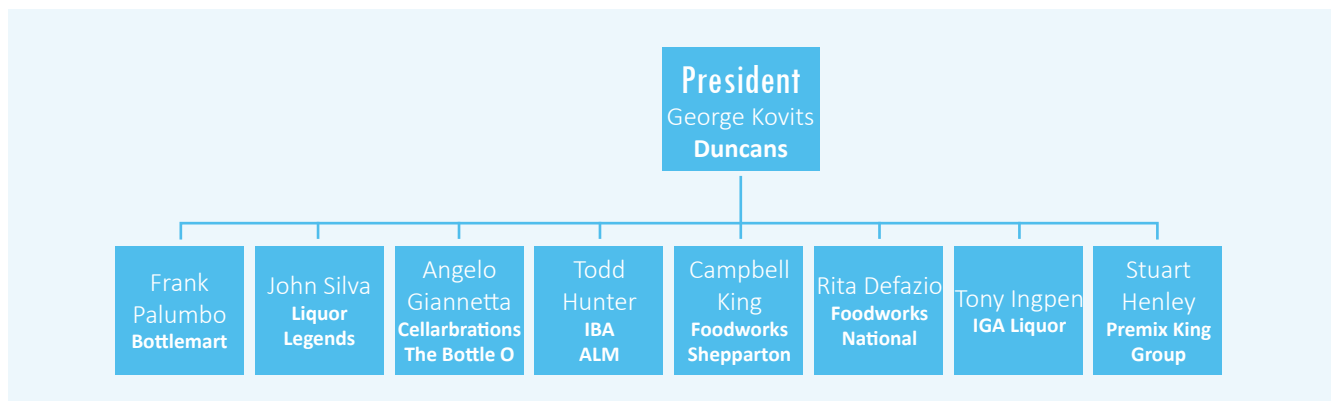
### The EEIP provides information and education to use energy more efficiently.

The LRA committee has again been very active representing all members throughout the year. The LRA committee continues to be recognized as a hardworking committee consulting with regulators and industry stakeholders to seek better outcomes for members. Whether it be fairer risk based liquor license fees for the independent sector or providing consultation support to the Victorian Commission for Gaming and Liquor Regulation.

LRA's strong relationship with State and Territory Governments continues, particularly with Victoria, ACT and NSW. LRA embarked upon a number of initiatives this year including:

- **South Australia.** Partnering MGA members in SA to acquire a new class of liquor licence for supermarkets to sell wine only and in the case of the independent operators – only South Australian wine. This is greatly beneficial for SA independent supermarkets, wine growers and the SA economy.
- **Queensland.** After meeting with the Attorney General, Hon Jarrod Bleijie MP and Minister for Small Business, Hno Jann Stuckey MP, LRA developed a submission for a new class of liquor license for independent supermarkets to sell packaged liquor. This is good for the prosperity of small business and tourism in QLD. The current situation is that consumers have no choice and Coles and Woolworths control 78% of the QLD packaged liquor market.
- **ACT.** LRA liaised with the ACT Government to develop a tailored online RSA training course, as well as advocating for a fairer liquor licensing structure.
- **Victoria.** LRA continues to have a strong working relationship with the Victorian State Government and The Department of Justice. It has been difficult to establish a productive working relationship with the VCGLR owing to the many new faces within the commission. A solid working relationship with VCGLR will become a goal for LRA in financial year 2014. The main goal for LRA in financial year 2014 is to build LRA membership in Victoria amongst the stand alone bottleshop sector which has seen an enormous ownership change to New Entrants from overseas. There are many instances of language and knowledge barriers and little knowledge of their industry association.

LRA Committee Members in financial year 2013 include:



The LRA committee would like to sincerely thank Frank Maddicks for his strong support and service on the LRA committee. Frank left the committee in March 2012. Welcome to Frank Palumbo who will be the new LMG/Bottlemart LRA committee member.



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