

TIR 5 YEAR PLAN

How we develop the network
of the future



By working together,
we're stronger together.
Through leveraging our
strengths we grow.



tasmanian
independent
retailers

OVERVIEW

Current State	4
Current State	5
2024 TIR Member Survey Key Takeouts	6
Future State	7
Strategic Opportunities	8
Purpose, Vision and Values	9
Pillars and Goals	10
Plan on a Page	17





CURRENT STATE

CURRENT STATE

- Competitive network of IGA stores across Tasmania underpinned by TIR Framework and the IGA license agreement
- TIR provide members with access to the SIW & IFP Warehouses as well as charge through rebate and support programs
- TIR delivers a single-brand advertising program to the IGA bannered stores
- There is currently no nominated core range for members/stores with no store blueprint that can be sourced
- Metcash is in the process of rolling out a refreshed channel branding strategy which includes a move to "Local Grocer" branding and redefined channel standards
- A number of members/store operators are new to TIR/IGA Tas with an increase in MSO's
- Members/stores are looking for support, advice and improved profitability while remaining relevant and competitive within the communities they operate in
- TIR has a fairly narrow strategic relationship with Metcash and leverages a small amount of their expertise and resources
- TIR has a highly engaged workforce that includes the IFP operations totaling 145 staff
- There are multiple and various POS & IT systems across the member network:
- No data coming back from stores i.e scan data
- Various price statements, including LPED, price match, catalogue special and manager's special
- Fragmented meat and deli supply chain



2024 TIR MEMBER SURVEY KEY TAKEOUTS

TIR Satisfaction Results

- Feedback on immediate concerns are mostly related to current supply challenges, rising cost of doing business, price increases and margin squeeze.

IFP Satisfaction Results

- Feedback on immediate concerns heavily focused on quality issues, pricing, credits and delivery concerns.
- Despite the levels of feedback on quality and price issues, IFP had a good satisfaction rating.

Communications and Engagement Results

- Too much information at times, focus on providing relevant information.
- Focus on improving follow up to member enquiries.
- Increased store visits from executives would be good.
- Daily update via email is effective communication.
- More CEO or Chairman updates.

Other member feedback

- Member services have jumped from (2023) 31% to 56%
- The most comments were received on Competitive Price Programs. Members are concerned with LPE customer confusion and low margin. Simplify the message, too many price programs. Members suggested LPE should contain slower moving lines and higher volume lines kept for weekly specials.
- TIR Marketing Results - Feedback suggested many were very satisfied with the overall marketing program although some would like to see a more local focus. Some would also like to see a more aggressive transition from traditional media (Newspaper & TV) to digital and social marketing.

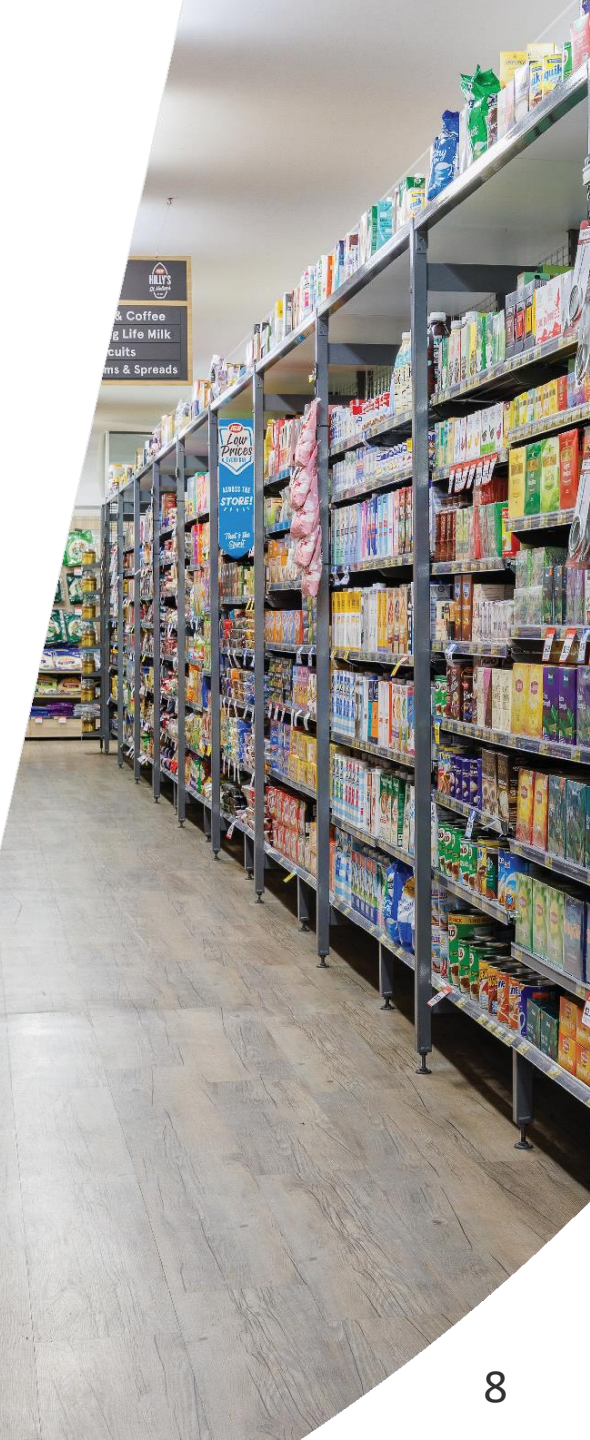




FUTURE STATE

STRATEGIC OPPORTUNITIES

- Re-align the organisational structure to become fit for purpose
- Unite and engage TIR team, members and stores and bring on the journey
- Strategic partnership with Metcash
- Determine network of the future and store blueprint
- Brand compliance & operational excellence incentives
- Area manager framework tied to strategic plan
- Grow our supplier partnerships
- New products, categories and services (value differentiation)
- Market leading promotional program that drives basket spend, market share, and profitable sales growth
- Enhance price position on price sensitive products
- Planograms (core range)
- Private label growth (CommCo – Black & Gold)
- Grow market share
- Become more customer focused – our members are our customers as well as store owners
- Leverage and grow our local position with the communities we operate in (define local)
- Leverage and promote our point of difference to the majors
- IFP Masterplan and roadmap to growth for fresh
- Innovation (Internal & External) Technology/POS
- Team member discount and consumer loyalty programs
- Scan data (incentive to reward members)
- Enhance financial strength for both TIR & it's members
- Systemisation and digitisation (ERP)
- New stores in existing and emerging markets
- Acquisitions & bolt on businesses
- Enhanced member communication and local themed marketing
- Improve the safety, health and wellbeing of our people
- Succession planning and professional development
- Member engagement initiatives



Purpose

We exist to support our members/store owners (who are also our customers) to achieve success, profitability and sustained growth, using the strength of our co-operative.

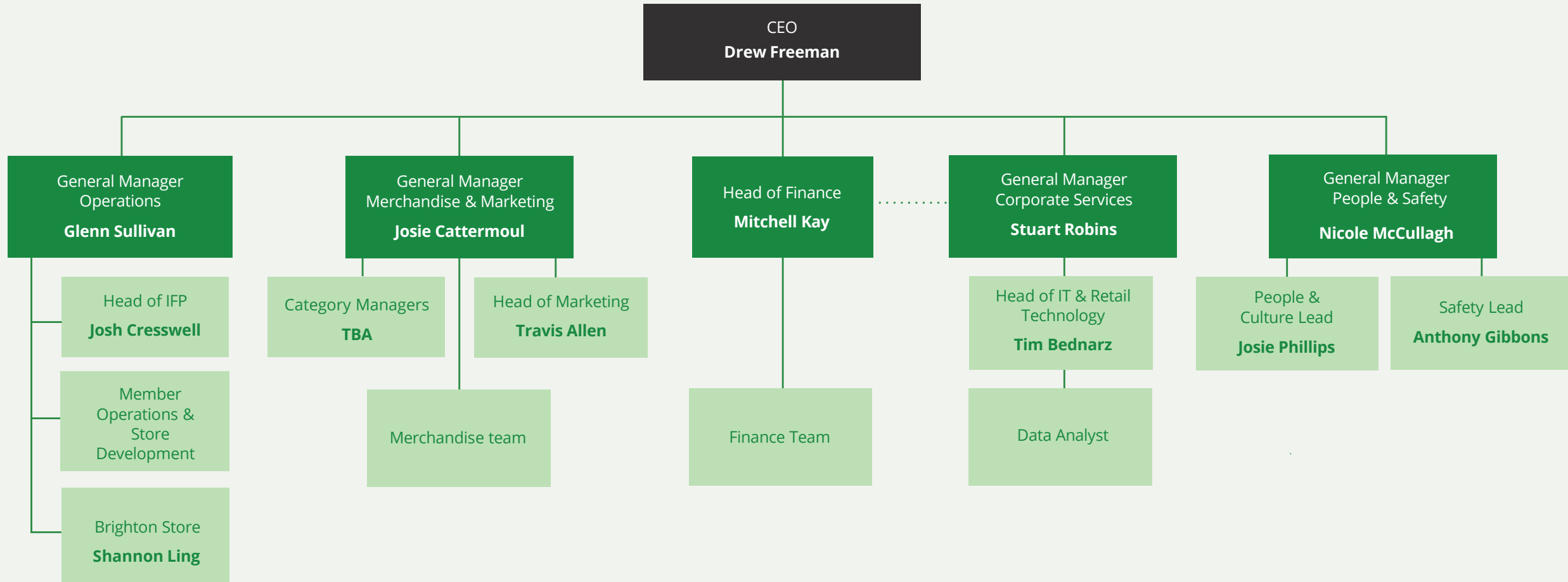
Vision

To be a united force in Tasmanian food and grocery retailing, with a thriving and engaged network of independently-owned stores supported by industry-leading practices that make them the shopping destination of choice within the communities they operate.

Values

- ✓ *We are here to support our members*
- ✓ *We are open and honest We*
- ✓ *grow and innovate*
- ✓ *We care and listen*
- ✓ *We are stronger together by working together*

ORGANISATIONAL STRUCTURE



PILLARS & GOALS



GROWING THE NETWORK & MARKET SHARE

- Drive more customers through the doors
- Deliver higher basket spend for stores
- Develop new Store opportunities
- Enhance Customer Experience
- Leverage point of difference to the majors
- Build IFP Masterplan
- Identify Network Boltons and Acquisitions

ADD MORE VALUE BACK TO OUR MEMBERS

- Enhance profitability for members
- Provide support and advice that leads to growth
- Improve CODB for members
- Better supplier terms
- Technology – POS solutions
- Corporate Procurement opportunities
- Education and Insights initiatives

CONNECTED STORES

- Modern and consistent POS systems
- Supplier Portal
- Digitalisation (ERP)
- Website relaunch
- Member Portal development
- IGA Tas App for consumers
- Scan Data Framework
- Click & Collect
- Consumer Loyalty Program

RANGING & PROMOTIONS

- Stronger Promotions
- Enhance price perception
- Planograms
- Core Range delivered
- Hero Lines and events
- Local Sourcing and Branding
- Meat Supply chain
- Focus on Fresh
- Meal Solutions

RETAIL EXCELLENCE

- Redefine channel standards
- Benchmark to Metcash standards
- Define store blueprint
- Code of Conduct
- OEP incentive program
- Retail Training Platforms
- Determine store development & property strategy
- Define Sustainability Plan

PEOPLE & CULTURE

- Member engagement initiatives, i.e Study Tours
- Communication plan
- Succession Planning (TIR/IFP)
- Personal and Professional Development Initiatives
- Recognise success
- Employer of Choice

Striving to meet the local market with a consistent backbone to our offer



GROWING THE NETWORK & MARKET SHARE

INITIATIVES

Drive more customers through the doors	Develop new store opportunities	Leverage point of difference to the majors	Build IFP Masterplan	Identify Network Boltons
<ul style="list-style-type: none"> • Develop fit-for-purpose Annual Marketing Plan • Develop and execute Price Perception Campaign • Increase marketing exposure and cut-through • Develop new all encompassing consumer website • Target customer segments, e.g. pensioners • Define store marketing support • Determine system requirements for multi buy and Meal Deal offers • Determine system requirements for loyalty program with customer data framework • Determine bulk buys program for suitable stores • Enhance range offer, including new IGA emerging categories – Giving customers no reason to leave • New product speed to market (NPD) focus 	<ul style="list-style-type: none"> • Identify suitable markets and sites for new store growth without clash • Property development – barrier to entry opportunities • Transition to exit to assist new store opportunities • Produce concept store (village grocer?) 	<ul style="list-style-type: none"> • Develop Tasmanian Owned and Grown Strategy • Highlight our Tasmanian brands • Shelf POS for Tasmanian products • Build market-leading Fresh Offer • Establish and support community driven activities • Define value and service offer – good specials, good local brands, traditional customer service, pack groceries, carry groceries out etc • Identify key community engagement initiatives • Revisit Community Chest framework 	<ul style="list-style-type: none"> • Develop strategy plan with short/medium/long opportunities • Determine fresh supply chain • Determine smaller suppliers distributed that can be distributed through IFP – turn in pick to zero • Establish CAPEX opportunities 	<ul style="list-style-type: none"> • Develop Meat and Deli supply chain strategy • Development assets position review and reduce what is held • Consider bolt on of existing good operations that deliver strategic advantage.



ADD MORE VALUE BACK TO OUR MEMBERS

INITIATIVES

Enhanced profitability for members	Provide support and advice that leads to growth	Reduce CODB Initiatives	Modern and consistent Technology POS solutions
<ul style="list-style-type: none"> • Conduct a commercial review of suppliers and terms • Supplier cost reduction targets • Supply growth agreements • Enhance promotions ROI • Supplier income increases – sale of data, support for multi buy, etc • Loyalty rebate program DC, IFP and CT • Streamline and rationalise suppliers where appropriate 	<ul style="list-style-type: none"> • Determine Annual Category Reviews • Category insights • Benchmarking • Space management • Store Layouts • Create business development toolkit • Establish training fund for customer service training • Assist members in enhancing channel standards 	<ul style="list-style-type: none"> • Charge through terms improvement • Corporate deals to add value – preferred suppliers/opportunities • Rebate administration system • Corporate procurement opportunities • Tendering all supplier arrangements – printers/uniforms/stationary 	<ul style="list-style-type: none"> • Streamline and rationalise vendors • Removal of legacy systems • Incentive to align to our preferred vendors • Scan Data program that benefits members • Optimisation • POS System Capability to print labels in store



CONNECTED STORES

INITIATIVES

Supplier	Digitisation (ERP)	Consumer & Member Connectivity	Scan Data
<ul style="list-style-type: none"> • Redefine business process • Scope – what does good look like? – Metcash/Foodland • ERP system compatibility • Queries function • Efficient administration • Reduce risk due to Human impact 	<ul style="list-style-type: none"> • Develop digitisation road map, year 1 to 5 • Investigate and scope requirements for ERP • Planning, Testing and Training • TIR & IFP Go Live Plan • Fit for purpose cyber & data integrity • Streamline and rationalise IT vendors • Scope and develop IT provider frame- work 	<ul style="list-style-type: none"> • Scope IGA Tas Consumer App • Scope new Member Portal linked to CRM • Reporting suite for members linked to scan data • Deliver new all encompassing consumer website 	<ul style="list-style-type: none"> • Develop data and analytics framework and benchmark to best practice • Consider third party facilitation ABCis • Data storage integrity • Security • Brighton data per sq metre



RANGING & PROMOTIONS

INITIATIVES

Enhanced price perception	Identify Core range by format	Planograms	Stronger promotions	Events	Local sourcing and branding
<ul style="list-style-type: none"> • Agree pricing policy for everyday range • LPED redefine what we won't be beaten on – consumer driven • Supplier support • Understand level of discount promotions and scrutinise perception • Review price band for members location dependent i.e regional v metro • Education to members on pricing 	<ul style="list-style-type: none"> • Core range by format • Leverage against suppliers for better deals • Rules - 1 in 1 out • Seasonal support from suppliers • Tas Products focus • Blueprint per format – start with Brighton new store build • Demographic driven ranges • Planograms 	<ul style="list-style-type: none"> • Better more efficient/ consistent layouts through network • Category Management - Dairy/ Chiller/Frozen, Ambient/GM, Fresh (produce, deli, meat, bakery) • Planogram development 	<ul style="list-style-type: none"> • What do we want be famous for? Fresh service • Create right framework for promotional decisions, manage exceptions • Hero Lines and events • Promotional reporting data – dashboard • Evaluate ROI for marketing 	<ul style="list-style-type: none"> • Tie to promotional plan • Relate to Tasmania market • Cut through events • Targeted campaigns, e.g. Baby event/pets, etc • Stronger in store activation with support and tools 	<ul style="list-style-type: none"> • CommCo – freight prohibitive lines locally sourced • Extend CommCo range • Black & Gold relaunch • Packaging refresh where applicable, e.g. Christmas Hams



RETAIL EXCELLENCE

INITIATIVES

Redefine Channel Standards	Network Standards	Store format
<ul style="list-style-type: none">• Provide flexibility for members to meet their local market• Benchmark to Metcash standards• Reset channel requirements and framework	<ul style="list-style-type: none">• Levels of incentive replicate OEP standards Silver to Gold to Platinum• Recognise when good results occur• Consistency of auditing process• Recognition program and process identified - rotation of auditors	<ul style="list-style-type: none">• Define different formats• TIR investment for brand upgrade• Educate members• Store Blue print for network of future• Framework and process defined• Redefine elements required• More innovation through TIR owned store(s) or pilot through member focus groups



PEOPLE & CULTURE

INITIATIVES

Member Engagement Initiatives	TIR / IFP / Brighton Engagement	Employer of Choice
<ul style="list-style-type: none">• Event Calendar• Increased participation• Channel meetings – north and south• Expo• AOE• Survey• Communication plan – enhance retailer advise/SMS/ App/TV engagement• Focus Groups• Study Tours• TIR / IFP Member visits• TIR Director visits	<ul style="list-style-type: none">• Engagement and Plan• Key staff identification for growth opportunities• Cross training and collaboration• Customer centric focus• Training – personal and professional development• Recognise success• Supplier partner program opportunities• Employer of choice• Promote from within where appropriate	<ul style="list-style-type: none">• Personal and Professional development• Recognise success• Succession planning• Engagement and plan• Health and well-being initiatives• Code of conduct• Recruitment and retention plan

PLAN ON A PAGE

Our Purpose	We exist to support our members/store owners (who are also our customers) to achieve success, profitability and sustained growth, using the strength of our co-operative					
Our Vision	To be a united force in Tasmanian food and grocery retailing, with a thriving and engaged network of independently-owned stores supported by industry-leading practices that make them the shopping destination of choice within the communities they operate.					
Our Values	We are here to support our members	We are stronger together by working together	We are open and honest	We grow and innovate	We care and listen	
Behaviour Statements For Our Values	<ul style="list-style-type: none">We strive for our members to be successful and profitable retailersWe make business decisions based on the best interests of the member networkWe strive for effective and cost efficient delivery in everything we do	<ul style="list-style-type: none">We are united on our purposeWe use the strength of our collective efforts and experience to drive successWe work collaboratively	<ul style="list-style-type: none">We will build trust through clear two-way communication with our members including on key decisionsWe will follow through with actionsWe will encourage consistent and transparent feedbackWe act with integrity and professionalism in our dealings with our membersWe respect the confidentiality of the information shared by our members, trading partners and stakeholders	<ul style="list-style-type: none">We will encourage our people to innovate through training and exposure to new ideasWe will explore new ways to do thingsWe welcome ideas from our people and membersWe provide encouragement, guidance and advice for stores to grow their businesses	<ul style="list-style-type: none">We are here to understand the needs of our members and our peopleWe treat our members and our people with empathy, respect and fairness	
Strategy Statement	If our members are successful, we are successful, and by leveraging our strengths we grow.					
Goals	Growing the network & market share	Add more value back to our members	Connected stores	Ranging & promotions	Retail excellence	People & culture
Key Initiatives	<ol style="list-style-type: none">Drive more customers through the doorsDeliver higher basket spend for storesDevelop new Store opportunitiesEnhance Customer ExperienceLeverage point of difference to the majorsBuild IFP MasterplanIdentify Network Boltons and Acquisitions	<ol style="list-style-type: none">Enhance profitability for membersProvide support and advice that leads to growthImprove CODBBetter TermsTechnology – POS solutionsCorporate Procurement opportunitiesEducation and Insights initiatives	<ol style="list-style-type: none">Modern and consistent POS systemsSupplier PortalDigitalisation (ERP)Website relaunchMember Portal developmentIGA Tas App for consumersScan Data FrameworkClick & CollectConsumer Loyalty	<ol style="list-style-type: none">Stronger PromotionsEnhance price perceptionPlanogramsCore RangeHero Lines and eventsLocal Sourcing and BrandingMeat Supply chainFocus on FreshMeal Solutions	<ol style="list-style-type: none">Redefine standardsBenchmark to Metcash standardsDefine store blueprintCode of ConductOEP incentive programRetail Training PlatformsDetermine store development & property strategyDefine Sustainability Plan	<ol style="list-style-type: none">Member engagement initiatives, i.e Study ToursCommunication planSuccession Planning (TIR/IFP)Personal and Professional Development InitiativesRecognise successEmployer of Choice

We exist to serve our members
who are our customers
as well as store owners.

If our customers are successful,
we are successful.



Financial Update – Rebates

FY24 Rebates

- An additional **top-up rebate** will be paid once again. This will be paid as a percentage of SIW purchases and appear on your rebate statement as “**SIW – Additional**”.
- **FY24 Purchase Incentive Payments (PIP)** will be made on the 19th of July.

Financial Update – Rebates

FY25 Base Rebate Percentages

The Directors have resolved to maintain FY25 Base Rebate Percentages at the same rate as FY24

- Member Purchase Incentive Payment (PIP)
 - SIW 3.00% of eligible purchases
 - TIR Charge Through (DSD) 2.50% of eligible purchases
 - IFP 2.00% of eligible purchases
- Member Equipment Development Fund (EDF) Accrual
 - SIW 0.50% of eligible purchases
 - TIR Charge Through (DSD) 0.50% of eligible purchases
 - IFP 0.50% of eligible purchases

Financial Update – Rebates

Looking forward:

- The EDF policy is currently under review. The scope of works / capital purchases eligible for reimbursement by the fund will broaden and will no longer be limited to the specified list of eligible plant and equipment.
- Future top-up rebates, if any, are likely to be structured as:
 - A percentage of SIW purchases,
 - A percentage of TIR Charge Through (DSD) purchases, and
 - Potentially a percentage of IFP purchases.

Credit Policy

- TIR has updated its credit policy.
- As custodians of the Co-Operative's assets, the Board and Executive Team have a duty to ensure our policies and practices reduce risks to an acceptable level. Our credit policy is certainly no exception.
- We have reviewed the credit policy in relation to:
 - The current economic climate,
 - Current trading conditions,
 - Industry and general best practice,
 - Increased default activity, and
 - Make-up of the Co-Operative's debtors.
- The policy aims to ensure all creditors, both member and non-member, are treated fairly and consistently while managing TIR's credit risk exposure to safeguard the assets of the Co-Operative.

Credit Policy

The credit policy covers:

- New credit applications, including the acceptance or refusal of credit;
- Minimum security levels;
- Setting initial credit limits;
- Revising existing customer credit limits;
- Managing payment defaults; and
- Provides process guidance for the recovery of out-of-terms debts.

Credit Policy

Existing credit arrangements will be grandfathered; there will be **no change to existing credit arrangements** unless:

- There is a payment default;
- A credit limit increase is sought; or
- An additional store is added to or to form a multi-store operator group (MSO group).

Protecting member interests and reducing our level of exposure in an insolvency event is the primary purpose of the policy update.

Security Requirements – New Accounts

- Purchase money security interests (PMSI's) are required to be granted in favour of TIR & SIW over all stock supplied, including via a charge through arrangement (existing requirement).
- Security interests over all other assets are required to be granted in favour of TIR and SIW (existing arrangement).
- Where the all other assets security interest is first ranking, the following additional security is required:

Credit Limit	Minimum value of additional security required to be provided (as a percentage of the Credit Limit)	Form of additional security to be provided	Maximum loan to value ratio (LVR) for all borrowings and/or credit secured against real property (inclusive of approved Credit Limit)
Up to \$300k	10%	Bank Guarantee	N/A
Between \$300k to \$600k	15%	Bank Guarantee	N/A
Between \$600k to \$900k	20%	Bank Guarantee and/or registered real property mortgage(s)	80%
Above \$900k	To be determined at TIR's discretion on a case-by-case basis taking into consideration credit history and trading history for new & current members	Bank Guarantee and/or registered real property mortgage(s)	80%

A higher level of security will be required where a first registered all other assets security interest is not able to be registered in favour of TIR & SIW, or where there has been default activity on the account.

Christmas/New Year Promotion

December2024						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
25	26	27	28	29	30	01
02	03	04	05	06	07	08
09	10	11	12	13	14	15
		Promo 50				
16	17	18	19	20	21	22
Promo 50		Promo 51				
23	24	25	26	27	28	29
Promo 51 (12 days)						
		Christmas Day	Boxing Day			
30	31	Notes:				
Promo 1 (9 days)						
January2025						
MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY
30	31	01	02	03	04	05
		Promo 1 (9 days)				
		New Years Day				
06	07	08	09	10	11	12
Promo 1 (9 days)		Promo 2				
13	14	15	16	17	18	19
Promo 2						
20	21	22	23	24	25	26
27	28	29	30	31	01	02

Due to how Christmas and New Year fall this year there will be a change to the Catalogue/POS Start/Finish dates to allow Stores to change over in non-peak times.

Promotional ‘Buy-Ins’ will remain in place, stores can still feature products and take advantage of the promotional buy-ins.

This change will affect Promotional period 51 and 1.

Promotional period 51 will become a 12-day promotion and Promotional period 1 will become a 9-day promotion.

Marketing Plan-Overview

Month	July	August	September	October	November	December	January
Hero Campaigns	Big Giveaway	Budget Buster	Footy Finals	Major Savers	Summer	Christmas	Big Getaway
Sales Event		Tasmanian	Spring Cleaning	Halloween	Baby Promo		New Years
			Spring Gardening	Pets	Christmas		Australia Day
		Father's Day (1st September)					
Secondary Campaigns	LPED	LPED	LPED	LPED	LPED	LPED	LPED
	Community Co	Community Co	Community Co	Community Co	Community Co	Community Co	Community Co
	Price Match	Price Match	Price Match	Price Match	Price Match	Price Match	Price Match

Introducing Partnership with Brand TASMANIAN

IGA Tasmania's BIG Grocery Giveaway!

National Pies PROUDLY TASMANIAN
CLASSIC GRASS FED BEEF PIE & SAUSAGE ROLLS
3 PIECES 151g
\$6.99 (SAVE \$1.50)
National Pies Beef Pie & Sausage Roll 3pk
\$1.94 per 100g

Duck River Soft Butter 500g
\$1.30 per 100g
\$5.49 (SAVE \$1.36)

William's Bread 800-900g
\$4.70 (LOW PRICE)

The Good Apple Sparkling Apple Juice 750mL
\$3.72 per L
\$2.79 (SAVE \$1.01)

Ashgrove Cheese 140g (excl. Fetta)
\$42.79 per 1kg
\$5.99 (SAVE \$1.51)

Cripps Café Quality Fruit Loaf 700g
40c per 100g
1/2 PRICE
\$2.79 (SAVE \$2.50)

Juicy Isle Topping 375mL
69c per 100mL
\$2.59 (SAVE \$0.06)

In support of the 5-year strategy supporting our Tasmanian products and suppliers is intrinsically important to our success and offers a real point of difference. The Tasmanian mark is recognized and supported by the locals.

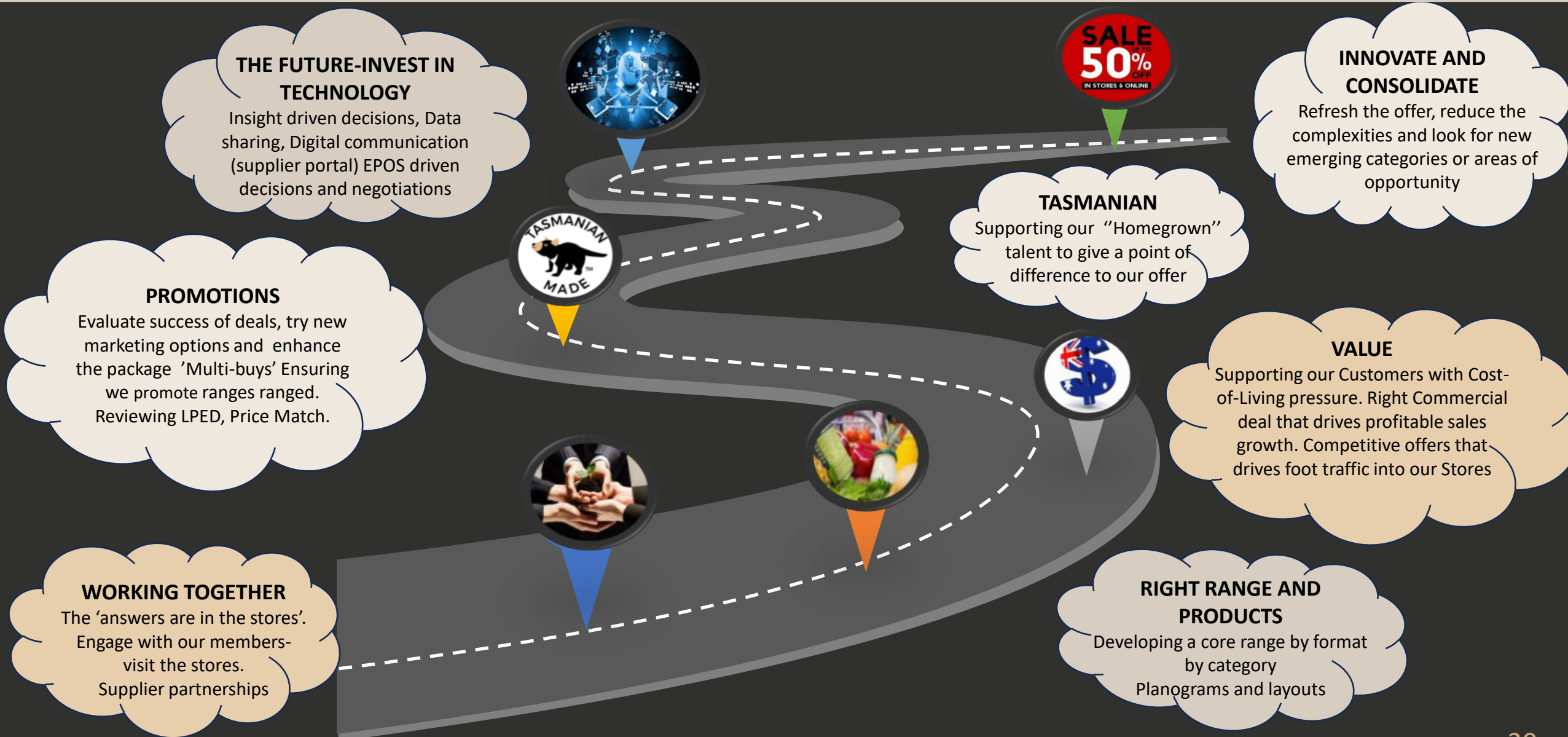
TIR is an official Licensee of the Tasmanian mark.

IGA Tasmania is permitted to use the Tasmanian mark for:

- Instore Shelving or promotions
- Catalogues
- TV and Social Media

TASMANIAN

Road map for Success-5 Year Plan



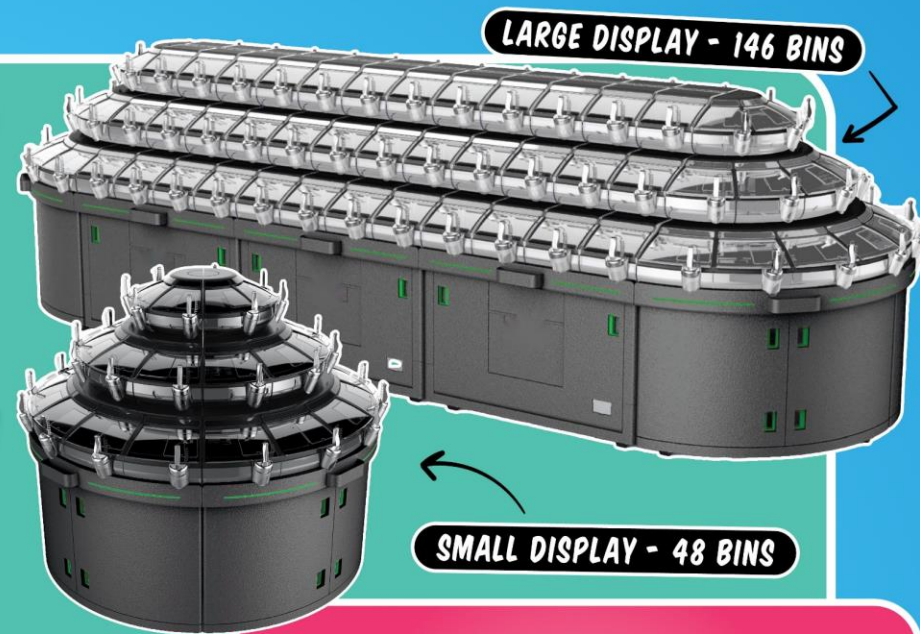


PICK N MIX



ADD OUR PICK N MIX TO
TAKE YOUR IGA TO A
NEW LEVEL!

- HIGH PROFIT MARGINS
- FAMILY-FRIENDLY ATTRACTION
- INCREASED IMPULSE BUYS
- ADAPTABLE INVENTORY
- SPACE EFFICIENT DISPLAYS
- SEASONAL & CONSISTENTLY ROTATING PRODUCTS



ORDER NOW TO GET YOUR
STATION FOR FREE!

WE HAVE JUST FINISHED DESIGNING A
BRAND NEW MODULAR PICK N MIX STATION
THAT CAN SCALE FROM 48 TO 146 BINS!
THESE VISUALLY APPEALING STATIONS WILL
ELEVATE YOUR PICK N MIX!

IGA
EXCLUSIVE
OFFER

THE FIRST 50 LOCATIONS TO ORDER
WILL RECEIVE THIS EQUIPMENT FOR FREE!

\$0 INVESTMENT
SAVE \$7000!

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