

# Channel Meeting 18<sup>th</sup> September 2019 Summary

## Co-Operative Supermarkets Australia Limited

*Presented by the Stone Advisory Group - Warwick White, CEO Stone Advisory, Fred Harrison, CEO Ritchie's Supermarkets and Nick Nikitaras, Director Hill St Grocer*

The Stone Group Advisory is forming a new Cooperative – “Co-Operative Supermarkets Australia Limited” (CSA). A number of leading independent retailers is founding it across Australia including Fred Harrison, Brad Hopper, Vasilli Karellas, Ben Ryan, Ian Ashcroft, Jeff Harper, Mick Daly, Warren Mason, Terry Karkazi and Nick Nikitaras. Over the next few months, the Co-operative will be inviting other retailers to become a founding member of CSA. They anticipate it will be operational in early 2020. They are seeking new members to join up and harness the buying collective of hundreds of retailers to combat the scale the major chains currently enjoy.

Particularly aiming to setup a procurement/buying office to obtain the best pricing for direct sourced product and cost of doing business items (CODB) at a national level. They want to level the playing field to ensure all members big or small get the best price, for example ,on local frozen prawns, the top selling health foods, general merchandise or even meat trays, energy contracts, security systems etc. Using insights gained from the member retailers (which may have been previously guarded information) a new wave of information sharing will begin and all member retailers will enjoy best buying practices as they embrace a collective focus to understand we are all independents and we deserve the same best price. This complements the activities of Metcash and TIR/SIW in making members a stronger force, which provides ongoing confidence and growth across the entire independent network.

CSA are currently seeking expressions of interests in joining them from all independent retailers. There is an upfront bond of \$5500 per store; however, this will attract 5 per cent interest per annum and will be repaid after 5 years if the Co Op is successful.

The response from many attending TIR members was favourable with most immediately filling in an expression of interest form. For those members not present at the meeting, [a copy of the EOI can be downloaded via a link within the TIR retailer zone.](#) If a TIR member wishes to obtain more information and/or proceed with the EOI, please direct your queries to Warwick White CEO of CSA, Mobile – 0418 203 170 or email - [warwickwhite@stoneadvisory.com.au](mailto:warwickwhite@stoneadvisory.com.au)

Post completion of the EOI, members will receive the full documentation brief from CSA that includes the following:

- **Foundation Disclosure Document** – *this document sets out the obligations and risks of “membership”.*
- **The Rules of Co-operative Supermarkets Australia Limited (CSA).**
- **An Application for a “New Associated Controller”** – *this is completed for the “store owning entity”; i.e. this is for entity that owns the business, it will list the stores and nominate the “manager/member”.*
- **An Application Template** - *to be completed for each “member”*
- **An Application for Foundation CCU's** - *one for each store.*
- **The Charter**
- **The Structure** (overview)
- *An explanation as to how the documents are linked and how to complete the forms.*

Please note the EOI is non-binding and simply provides the member with access to the relevant documents for subsequent review and determination as to whether they want to formally commit and become a formal member of the Co-Operative.