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NARGON NEWS



Technology is an integral part of the shopping experience

A customer completes their grocery shopping and wheels the trolley straight out the door without stopping at a checkout to pay. For most stores, that currently would be shoplifting. However, this scenario may actually be the way of the future when radio tags on the grocery items are read as the shopper leaves the store and the bill is automatically paid by the shoppers' credit card through their Smartphone.

If it sounds far-fetched, a German shopping outlet - Metro - recently introduced a system where radio frequency identification tags on grocery items transmitted pricing information to the trolley. As a result, shoppers basically only have to scan their trolley at checkout to pay for all their purchases. Clearly, that system has not added the automatic payment function but managing director of Coles in Australia, Ian McLeod, said "I can envisage stores where people have all their credit details in their phone and are able to pay without physically having to go to checkout counters.

There is no doubt that technology is

already changing the way that people shop in supermarkets and how supermarkets interact with their customers. Customers are increasingly embracing self-checkout technology though we remain a long way behind Britain. An Australian National Retailers Association survey of 1000 people showed 38 percent used a phone or tablet to compare grocery prices in the past six months, compared with 27 percent late last year. That is a big leap. Many Kiwi supermarkets are embracing technology and the trend is only going to accelerate.

Now, we admit NARGON is not exactly at the vanguard of technology use. As an industry body we face different pressures and priorities than stores interacting directly with customers. However, Smartphones, QR codes, radio tags and social media will all become increasingly important in the future and stores need to be ready to embrace the change.

ANNUAL GENERAL MEETING

To be held at

NARGON

level 6, Lumley house,
3-7 Hunter street, Wellington

Thursday July 11th 2013

Commencing at 4:00pm.

Followed by drinks and nibbles at the

GreenMan

Corner Of Willeston And
Victoria St Wellington

email tsnow@buynz.org.nz to register



HEALTH AND SAFETY REPORT OUT – THERE WILL BE AN IMPACT FOR STORES EVENTUALLY

The Independent Taskforce on Workplace Health and Safety has reported to the Government which is now considering the recommendations. It was established to advise on possible ways to meet the goal of reducing the rate of fatalities and serious injuries in the workplace by at least 25 per cent by 2020.

The Government has already accepted the taskforce's early recommendation for a new stand-alone health and safety agency and will respond in detail to the rest of the recommendations by July. Overall, NARGON believes the report is generally fair in the circumstances. The recommendations are

targeted at high-risk industries and are likely to have a relatively limited impact on supermarkets and stores which are relatively safe workplaces. However, there will be a bit of pain (policy changes and compliance) though this will be a fair way away.

To view the full report of the Independent Taskforce on Workplace Health and Safety online: www.hstaskforce.govt.nz

On a lighter note –

The following exchange actually took place at a grocery store in Pittsburgh, Pennsylvania, USA – at least according to www.notalwaysright.com:



(My fiancé and I are at the self-service checkout at the grocery store. We scan our one item, and we get an error message. I try again, but still get the same error message. An employee comes up to us to help out.)

Employee: "Can I help you?"

Me: "Yes, thank you! Every time I scan my item, I keep getting this error message."

Employee: "Oh! You have to scan your store card."

Me: "I will, but I can't get past this error."

Employee: "No, sorry, you have to scan your store card first."

(The employee scans the store card, then our item, and it works.)

Me: "Thanks! I never would've figured that out!"

Fiancé: *to me* "They should put up a sign, or something."

(The employee gestures to the TWO signs in front of us that explain all store cards need to be scanned first.)

Me: "Oh, my God! After years of not working in retail, I've turned into one of those customers."

Employee: "Oh, it's okay. You didn't blame me for it, so you're still a step ahead!"

Food prices up for May, card transactions also up

Food prices rose 0.3 percent in May 2013, Statistics New Zealand figures show.

This increase follows a rise of 0.2 percent in April and a fall of 1.3 percent in March 2013. In May, fruit and vegetable prices rose 2.1 percent, prices for meat, poultry and fish rose 0.5 percent, and grocery food prices rose

slightly (up 0.1 percent). Key drivers were higher prices for butter (up 27 percent) and cheese (up 4.7 percent).

For the year to May 2013, the food price index decreased 0.1 percent overall. The main downward contributions were grocery food prices (down 1.2 percent) and non-alcoholic beverage prices (down 0.5 percent). There were big price drops for fresh milk (down 1.8 percent), bread (down 2.0 percent) and packaged coffee (down 6.7 percent). These were almost entirely offset by price increases for restaurant meals and ready-to-eat food (up 0.7 percent), meat, poultry, and fish (up 0.9 percent); and fruit and vegetables (up

0.9 percent). The biggest increases were for avocados (up 64 percent), potatoes (up 8.6 percent), and cucumber (up 24 percent).

Statistics New Zealand confirmed shoppers in New Zealand spent more using their debit and credit cards during May 2013. When adjusted for seasonal effects, the value of electronic card spending in the retail industries increased 0.5 percent in May. The largest rises were for fuel and consumables, both of which had recorded decreases in April. The consumables sector (which includes supermarkets and the retail grocery sector) was up \$16 million (1.1 percent). Hospitality was also up \$10 million (1.6 percent).

POLITICAL COMMENT – HIGHLIGHTS OF THE EMPLOYMENT RELATIONS AMENDMENT BILL

Here is what opposition politicians had to say about the proposed labour law reforms included in the Employment Relations Amendment Bill (2013) during the Parliamentary debate on 5 June:

Darien Fenton (Labour): "With this bill, National has declared war on wages. It wants to cut the pay of hard-working Kiwis, and it has reverted to its modus operandi of last century, dressed up in the soft-soap language of choice and flexibility that we heard from the Minister of Labour. John Key's Government is now the low-wage king of New Zealand. It has held down the minimum wage, it has cut young workers' pay, and now it is gutting the primary wage-fixing mechanism under New Zealand law."

Darien Fenton (Labour):

"Every change from this Government, from allowing employers to walk away from collective bargaining and negotiations to stopping people from finding out why they have been sacked, to taking away the right to a tea break, is about National looking after its mates at the expense of everyone else. This is payback for the Government's wealthy mates, who have become restless."

Darien Fenton (Labour): "What that means is the boss will decide whether workers get their break. What is even worse is that workers will be required to work during unpaid meal breaks. I do not know what the name is for that. I think years ago they used to call it slavery..."

Andrew Little (Labour): "The disappointing

thing is that every law change this Government has made in employment law has taken us back towards the master-servant relationship. This is the Government of master and servant."

Andrew Little (Labour): "The challenge of modern management is to harness discretionary effort. Good managers, good employers, know this, which is why they do not buy into the

Andrew Little



tardy old, grubby old National Party of old, like the present lot."

Denise Roche (Greens):

"This is a noxious piece of legislation... It goes hand in hand with other noxious legislation this Government has introduced like the youth rates, the 90-day rule of the last term, and the reform of the welfare system, which is designed to flood the labour market with workers who are desperate for a job and prepared to take anything, which, of course, undermines the pay and conditions for all workers."

Denise Roche



Denise Roche (Greens): "This bill perpetuates a narrative that employers are benevolent creatures who charitably offer jobs to workers and that we should all be grateful."

Sue Moroney (Labour): "Have a look at the environment we are operating in. When we have 1,500 people lining up for 30 minimum-wage jobs at supermarkets every day of the week — as if there were that many jobs every day of the week — tell me where the power balance is in that

exercise. When you have got hundreds of people lining up for a small number of minimum-wage jobs, guess where the power lies in that relationship?"

Iain Lees-Galloway (Labour): "The National Party has never seen a workers' right or a working condition that it did not want to get rid of, and all this bill does is take us back to the bad old days. Some people have said that it takes us back to the 1990s. I reckon it takes us back to the 1890s, or maybe even before then. It is positively Dickensian, this bill. If a

Iain Lees-Galloway



worker should dare ask for more, sir — if a worker should dare ask for more — the Mr Bumbles over there will send them off, not even to the workhouse but out of the workhouse out on to the streets."

Iain Lees-Galloway (Labour):

"The National Party just hates workers. It just hates the labour force. It sees the labour force not as a vital component

Sue Moroney

of growing business but as a cost — a cost to be reduced and a nuisance to be annihilated. That is how the National Party sees hard-working employees in New Zealand."

The bill passed with 61 votes for (National 59, ACT 1, United Future 1) and 58 votes against (Labour 33, Green Party 14, New Zealand First 7, Maori Party 2, Mana 1 and Independent: Horan).

REST AND MEAL BREAKS – WHAT IS ACTUALLY IN THE BILL

Despite some of the rhetoric in Parliament, the proposed changes to rest and meal breaks are sensible and flexible. Here is what will actually happen if the legislation is passed:

An employer may impose certain restrictions on the Act's rest and meal break provisions if to do so is reasonable having regard to the nature of the work. If the employer and employee cannot agree either when a rest or meal break is to be taken and/or for how long, the employer may specify reasonable times and durations that, having regard to the employer's operational environment or resources, and the employee's interests, mean the employer

can maintain continuity of service or production.

Rest and meal breaks need not be provided if the employer and employee can agree on compensatory measures or if the employer cannot reasonably provide them given the nature of the employee's work. Where rest and meal breaks are not provided, reasonable compensatory measures must be available, such as time off work.

Better use of skills among NZ businesses

The Ministry of Business, Innovation and Employment has released a short publication, *Case Studies on the Better Use of Skills Among New Zealand Businesses*. It presents five case studies of diverse companies showing the results they achieved through improved skill utilisation amongst their staff. The main themes are:

- While many different factors triggered these five organisations to make more effective use of staff skills, a desire to reduce staff turnover and a desire to be seen as a good employer and high-performing workplace were the most common.
- The role of senior managers was critical in driving the organisation's overall vision and philosophy, setting the agenda, developing actions, and monitoring improvements in the workplace.
- A combination of general initiatives (such as open communication, a flat management structure and flexible work

arrangements) and specific practices (such as capturing and rewarding innovative ideas, and assessing and developing leadership skills and capabilities of staff) helped improve skills utilisation.

- The firms developed in-house training and mentoring processes to foster and tailor soft or non-technical skills (such as management and communication). Involvement of staff at all levels of the organisation was encouraged.
- The most common outcomes from improved skills utilisation were increased rates of staff engagement, strengthened sharing of business values and external recognition as a good place to work, all of which contributed to improved staff morale and reduced turnover.

While none of the companies studied are in the retail grocery sector, there are a number of broad concepts and specific tools

which could readily be applicable to our sector. The report is free to download here: <http://www.dol.govt.nz/publications/research/better-use-of-skills-among-nz-businesses/index.asp>

UK: Stores sign up to food waste reduction targets

The British Retail Consortium (BRC) has announced that grocery retailers have signed up to challenging new targets for cutting food waste in the supply chain and at home. All the major grocery retailers have agreed to work towards three new environmental goals, including a commitment to reduce household food waste by five per cent by 2015 (from a 2012 baseline).

Measures introduced by retailers to help curb food waste in the home include offering a range of product portion sizes, providing advice on how to store food and recipes for using up leftovers. Retailers are also active participants in the 'Love Food, Hate Waste' campaign.



All NARGON members should know the answer to these three questions:

1. Which fruit or vegetable was up 64 percent in price for the year to May 2013?
2. What form of servitude did Labour's Darien Fenton compare the Government's proposed changes to rest and meal breaks legislation to?
3. What percentage of Australian shoppers have used a phone or tablet to access grocery price information according to the latest survey?

Answers

1. \$15.00 an hour.
2. Around 3 million.
3. At least six frames a second.

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