



The “Living Wage” dealt a potentially fatal blow

While the so-called “Living Wage” campaign has received a lot of publicity, only Wellington City Council and one part of Auckland City Council have fully adopted it.

NARGON does not support the “Living Wage” because, despite its seemingly admirable intention, it will simply price people out of jobs. We have made similar points about the constant increases to the minimum wage and the abolition of youth rates.

Just two months after adopting the “Living Wage” Wellington City Council faces a budget blowout after the group which calculates the wage – Living Wage Aotearoa – upped the rate from \$18.40 an hour to \$18.80. This one announcement will cost the Council an estimated \$332,000 a year which was not budgeted for and ratepayers will have to foot this bill.

Fairfax has identified further follow-on costs. Bluntly, they (correctly) argue that “if Employee A is on \$15 an hour and Employee B on \$19 an hour, and Employee A moves to \$18.80 an hour then of course Employee B will want to be paid say \$22 an hour to maintain the relativity as Employee B’s job is more

skilled.” This is the danger of handing the control of staff pay to an outside organisation.

Even worse, it has been proved that the calculation of the “Living Wage” is not based on sound economics, it is actually based on politics. The central figure in Living Wage Aotearoa, Family Centre social policy researcher the Reverend Charles Waldegrave, of Lower Hutt, admitted that the new \$18.80 figure was “on the low side”. There is a very simple reason for that.

The Living Wage is supposedly a measure of the absolute minimum needed to function as a citizen in modern New Zealand. However, when the group calculated this year’s Living Wage based on their original methodology it came out at \$22.89 an hour. They quickly decided this figure was politically untenable and so simply adjusted last year’s figure by the rate of inflation.

That decision exposed the fundamentally political nature of the Living Wage campaign. If they believed in their calculations they would have gone into bat for \$23 an hour. Instead, it’s simply about getting other people to pay more. For example, one Wellington City Councillor who voted for the Living Wage

for council staff admitted he did not pay all his own staff \$18.40 and was adamant “I won’t.”

Wellington City Council ratepayers should be deeply worried about what the small pressure group Living Wage Aotearoa will decide next year. If they set the Living Wage at \$23 an hour the Council will need to find an extra \$3 million a year. NARGON believes the minimum wage should be set by Government – not self-proclaimed experts. Organisations and companies willing to pay more should be encouraged and welcomed, but should never be coerced by a partisan campaign.



Food prices down for February but up for the year, card spending static

The latest figures from Statistics New Zealand show that food prices fell 1.0 percent in February 2014, but were up 0.2 percent on a year earlier.

Decreases were recorded for fruit and vegetable prices (down 5.9 percent), meat, poultry, and fish prices (down 1.9 percent), restaurant meals and ready-to-eat food prices also fell (down 0.2 percent). Significantly lower prices were recorded for apples, tomatoes, beef and lamb. On the other side of the ledger were small increases

for non-alcoholic beverage prices (up 0.7 percent) and grocery food prices (up 0.1 percent). The price of boxed chocolates (down 21 percent) falls every February due to Valentine's Day discounting.

In the year to February 2014, the food price index (FPI) increased 0.2 percent. This small rise was driven by higher prices for grocery food (up 1.0 percent), restaurant meals and ready-to-eat food (up 1.6 percent), and non-alcoholic beverages (up 1.7 percent). Key upward contributions came from milk, cheese, eggs, confectionery nuts, snacks and soft drinks. Over the same period, fruit

and vegetable prices decreased 5.6 percent, influenced by lower prices for apples, lettuce, tomatoes, avocados, and cucumber. The value of electronic card spending in the core retail industries increased 0.6 percent in February 2014. Spending increased in five of the six retail industries over February including a small increase (up 0.1 percent) for the consumables sector which covers most supermarket and grocery sales. Trends for the value of electronic transactions have all generally been positive since these series began in October 2002.

Single music licence may save stores money

APRA (Australasian Performing Right Association Limited) and PPNZ Music Licensing (a division of Recorded Music NZ) have come together to create a world-first, single music licence that they say will best serve New Zealand businesses.

A single comprehensive music licence created by APRA and PPNZ called OneMusic launched on October 1 2013, allowing businesses and organisations up and down the country to play music in public without the frustrations of the old two-licence system.

PPNZ Chief Executive, Damian Vaughan, said "APRA and PPNZ represent different rights holders, we operate differently and calculate fees in different ways. Too many customers were not even aware they needed both licences. So we're now dealing with the complexities behind the scenes. That's our job."

Customers can now go to one place to calculate their fee without having to deal with complex paperwork. Costs will be calculated by a much-simplified method, he says. For instance many businesses will be licensed based on their size per square metre. How a business uses music

- whether it's featured or background - will also be taken into account.

The new OneMusic licence has been welcomed by industry groups such as The Restaurant Association and the New Zealand Retailers Association. NARGON encourages members to visit the OneMusic site in order to check they are meeting their licencing obligations and whether they can save money with the new option. Full details can be viewed here - www.onemusicnz.com

OneMusic
AN APRA + PPNZ MUSIC LICENCE

UK: Asda to roll out public defibrillators in every store

British supermarket chain Asda has committed to having CPR trained staff and public access defibrillators in all of their 609 stores by the end of the year. As part of their new partnership with the British Heart Foundation, Asda will provide public access defibrillators which can be used by anyone to deliver an electric shock to the heart when someone is having a cardiac arrest.

A spokesperson said "the commitment we're making could significantly cut the amount of time a cardiac arrest sufferer has to wait for life-saving CPR and defibrillation, giving them the best possible chance of survival. This really could mean the difference between life and death for someone having a cardiac arrest while doing something as ordinary as shopping."

UK: Tesco to sponsor National Vegetarian Week

The British Vegetarian Society has announced that supermarket giant Tesco will be the headline sponsor of National Vegetarian Week 19 - 25 May 2014. During that week, the 'veggie challenge' will include fresh recipe and meal ideas, tips and hints and shopping advice with support available both in-store and

online. A Tesco spokesperson said "we see it as our job to give our customers the best possible range of food whenever and however they want to shop and it's no different for our vegetarian customers. So we're delighted to be chosen as the sponsor for this year's Vegetarian Week 2014."

Stores need to be Working Safer

The Government has introduced a wide ranging package of health and safety reforms under the Working Safer banner. It is included in the Health and Safety Reform Bill currently before Parliament.

Sparked by the Pike River Mine disaster, many of the new requirements are based on Australia's Model Work Health and Safety Act. While retail grocery is a comparatively safe industry (compared to forestry, farming and construction), stores and supermarkets need to be aware of and address the risks in their workplaces. There is absolutely no room for complacency.

The reform package includes:

- An overhaul of the law, supported by clear, consistent guidelines and information for business
- More funding for WorkSafe New Zealand to strengthen enforcement and education and implement the changes
- A focus on high-risk areas
- Stronger focus on occupational harm and hazardous substances
- Better coordination between government agencies
- Improved worker participation
- Stronger penalties, enforcement tools and court powers.

NARGON is a member of the BusinessNZ Affiliated Industries Group (AIG). Business New Zealand has provided the following summary of the new regime.

The bill aims to provide for a balanced health and safety framework involving protecting individuals from harm, providing for workplace representation, encouraging

unions and employer organisations to take a constructive role in promoting improvements to workplace health and safety practices, promoting compliance and the provision of health and safety advice and education, ensuring that the actions of persons exercising health and safety functions are subject to scrutiny and providing a framework for continuous improvement.

An important term is reasonably practicable meaning that in relation to health and safety workplaces must ensure they do everything they are reasonably able to do taking into account:

- the likelihood of the hazard or risk occurring
- the likely degree of harm involved
- what the person knows or reasonably ought to know about the hazard or risk and ways of eliminating or minimising it
- the availability or suitability of ways of eliminating the hazard or risk
- the associated cost and whether the cost is grossly disproportionate to the risk.

Workers also have health and safety obligations – they must take reasonable care for their own and others' health and safety, comply with any employer's reasonable instructions regarding compliance, and co-operate with any reasonable health and safety policy or procedure.

- Employers and managers must exercise due diligence to ensure the workplace complies with the obligations imposed - they must keep up-to-date with relevant knowledge,

- understand the hazards and risks involved in the particular operation,
- eliminate or minimise those risks,
- ensure there are processes for receiving and considering information about incidents, hazards and risks,
- comply with the law,
- verify the provision and use of resources and processes involved in keeping up-to-date and
- understand, identify and eliminate or minimise hazards and risks.

The bill places considerable emphasis on the imposition of penalties for failing to comply with its numerous obligations.

Worker participation is provided. An employer must, as far as is reasonably practicable, engage with workers likely to be directly affected by a health and safety matter in accordance with any agreed procedures, share relevant information and give the workers a reasonable opportunity to express their views and contribute to the decision-making process. All health and safety representative's must be involved in the process and workers advised of the outcome in a timely manner.

The policy intent is that low to moderate risk industries, such as supermarkets and grocery stores do not see additional unnecessary compliance but that they do focus on identifying, minimising and hopefully eliminating risk. Stores should carefully consider the implications. A summary of the Working Safer blueprint can be viewed here - www.mbie.govt.nz/pdf-library/what-we-do/workplace-health-and-safety-reform/Safety-First-blueprint.pdf

UK: Convenience store customers embrace technology

In somewhat surprising news, the latest IGD ShopperVista research has shown that more than seven in ten (72%) convenience store shoppers would use coupons sent to their mobile phones when doing their food and grocery shopping. Convenience store customers have long been seen as more traditional and conservative when it comes to mobile technology but the British survey found that younger shoppers (95% of under-35s) were particularly interested in using this service.

Other key findings from the research include the facts that 68% of customers are interested in promotions being sent to their mobiles and 55% saying they would like to receive information about new products through their mobiles. Given a move towards customers choosing to shop "little and often" and the growth of convenience stores sales (up £10 billion or NZ\$19.5 billion this year), this shift in customer behaviour may become increasingly significant.



On a lighter note – Even polite Canadians don't like queue jumpers

This actually happened at a supermarket in Toronto, Ontario, Canada - at least according to www.notalwaysright.com:

(Today is a busy weekend. I'm working checkout and there is a huge line waiting. In the middle of one of my transactions, a woman cuts everyone in line. The people in line are visibly agitated but just let it go.)

Me: "Sorry, ma'am. I cannot check you out. These customers have been waiting in line patiently for their turn. Please go wait like everyone else."

Customer: "I'm in a hurry. Please, can you make an exception just this once?"

Me: "Ma'am, I'm sorry, but it just wouldn't be fair for everyone else in line. Please wait for your turn."

(After I say this, the customer's mood quickly swings from cheery to angry.)

Customer: "This store should treat their customers better! I'm giving them all my hard earned money. You know what? **** this place and everyone here! You people are ***** idiots! I'm going to shop at [Competitor Store]!"*storms out without her items*

(As she turns her back and storms off, almost everyone in line, and even some people in other lines, flip her off in unison.)



NARGON'S Position on Plain Packaging

- A) Plain packaging should not proceed until solid evidence has been found that it will reduce harm.
- C) Health and social warnings cover at least 75 percent of both sides of the packaging, and be placed in the upper area of the packaging.
- D) Warnings are rotated regularly to avoid over exposure.

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



1. Which employees are exempt from the requirement to have a written employment agreement?
2. Using their original methodology, what should have the so-called Living Wage been set as this year?
3. Do workers have health and safety obligations under the proposed Health and Safety Reform Bill?

3 Answers:

1. None. Every employee requires a written employment agreement.
2. \$22.89 an hour.
3. Yes - they must take reasonable care for their own and others' health safety, comply with any employer's reasonable instruction regarding compliance, and co-operate with any reasonable health and safety policy or procedure.

Reminder about written employment agreements

NARGON reminds all members that full written employment agreements are required for every single employee. This is a strict legal requirement. The member's section of the upgraded NARGON website contains draft agreements and advice on employment agreements – www.nargon.co.nz.



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