



SPECIAL POINTS OF INTEREST:

Included with this issue:

- Self Checkout Cheats



FOOD PRICES DOWN AGAIN, CARD SPENDING CONTINUES TO DROP

Figures from Statistics New Zealand show that food prices fell 0.2 percent in the December 2012 month and were down 1.0 percent overall on a year earlier. The December figures reflected a drop in prices for non-alcoholic beverages (down 2.8 percent) which was partly offset by a rise in meat, poultry, and fish prices (up 0.9 percent). Chicken pieces were up 10 percent but the 14 percent drop in lamb prices meant lamb was the cheapest it has been since February 2009.

Of the annual price drop of 1.0 percent overall, grocery food (down 3.6 percent) made the main downward contribution. Despite media hype, fresh milk was down 9.4 percent, cheese was down 8.2 percent and bread was down 4.2 percent.

Credit and debit card spending in retail industries increased 0.3 percent in December 2012 according to Statistics New Zealand. Shoppers spent more in all retail industries except fuel. The consumables sector, which includes the retail grocery sector, was up 0.8 percent in December.



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POLITICAL PROFILE – HON SIMON BRIDGES, MINISTER OF LABOUR

Hon Simon Bridges was one of the major winners from the recent Cabinet reshuffle moving inside Cabinet and picking up the substantive portfolios of Labour and Energy. This represented a huge step up from Minister of Consumer Affairs outside Cabinet though he was prominent in his previous roles as Associate Minister of Climate Change and Transport.

Bridges, in his mid-thirties, was a lawyer and Crown Prosecutor before securing the seat of Tauranga in 2008. He has risen rapidly up the ranks with commentators describing him as intelligent, ambitious and professional. His regular slot on Breakfast TV honed his media skills and elevated his public profile even as a backbencher. He also consistently places highly in the various “sexiest MP” polls.

Asked about his appointment as Minister of Labour, Bridges told the National Business Review “I had expressed an interest in Labour and, as a lawyer, I believe I bring a level of professional experience and expertise to the role that will help. I am aware of the challenges ahead, especially in employment law and health and safety. The area is one with its own unique complexities as well as



opportunities. I plan to live up to the confidence the prime minister has placed in me.”

The National-led Government is expected to be more active in the labour and employment relations field in 2013. Last year was largely dominated by the Government responding to a number of court cases but they appear determined to implement a swathe of employment law changes and reforms to Health and Safety legislation before the election. This includes implementing the recommendations of the Independent Taskforce on Workplace Health and Safety which is expected to report in April 2013.

NARGON congratulates Simon Bridges on his appointment as Minister of Labour and looks forward to working constructively with him on the issues which affect our members.



INFORMATION ON CHANGES TO ALCOHOL LEGISLATION

Legislation reforming New Zealand's alcohol laws was passed by Parliament on 11 December 2012, received Royal Assent on 18 December 2012 and is now law. What was previously the Alcohol Reform Bill is now three Acts:

- Sale and Supply of Alcohol Act
- Local Government (Alcohol Reform) Amendment Act
- Summary Offences (Alcohol Reform) Amendment Act.

The new laws replace the Sale of Liquor Act 1989 in stages from 18 December 2013.

The Ministry of Justice has published an official guide to the legislation (www.justice.govt.nz/policy/sale-and-supply-of-alcohol) including a series of Fact Sheets. NARGON members who sell alcohol are advised

to read these documents carefully. The key points of interest to supermarkets and stores are:

- Territorial authorities can develop local alcohol policies (LAPs) to restrict or extend trading hours of premises, limit the location and density of licences, and impose conditions on licensed premises.
- The national maximum trading hours from 18 December 2013 for off-licences are 7am – 11pm.
- Under the new Act, promotions which promote excessive drinking, promote alcohol in a way that has special appeal to minors, advertise free alcohol or discounts of 25 percent or more, or offer free goods or services with the purchase of alcohol will now be offences.

FOOD FRAUD SHOWS A DRAMATIC INCREASE

Food fraud incidents around the world have increased dramatically in 2011 and 2012 according to the US Pharmacopeial Convention's global database. Their report records pronounced increases in fraud involving vegetable oils, milk, spices and seafood. Database creator and lead analyst, Dr Jeffrey Moore says "we suspect that what we know about the topic is just the tip of the iceberg."

Food fraud occurs when someone adds a new ingredient or replaces a perfectly safe ingredient with something unknown or even dangerous. This is illegal but can be hard to detect. It can also be dangerous if the new or replacement ingredients are unsafe. Any adverse effects will be

felt by unwitting consumers. If there are any suspicions of food fraud, supermarkets, stores and distributors should be talking to suppliers and demanding proof.

While developed countries generally have higher food standards than the developing world, they are by no means immune to both imported and local food fraud. At least five suppliers in Ireland are currently under investigation after exceptionally high levels of horse DNA were found in "beef" burgers. This suggests that horsemeat has been mixed in at some stage of the process, presumably because it is cheaper.

HOLIDAYS (FULL RECOGNITION OF WAITANGI DAY AND ANZAC DAY) AMENDMENT BILL

Labour MP Dr David Clark has introduced the Holidays (Full Recognition of Waitangi Day & ANZAC Day) Amendment Bill which proposes to "Mondayise" Waitangi Day and ANZAC Day. That means that if either of those days fall on a Saturday or Sunday, which is not otherwise a working day for the employee, then the public holiday will be treated as falling on the following Monday.

The bill was considered by the Transport and Industrial Relations Select Committee which recommended to Parliament that the Bill not be passed because its negative effects would outweigh its positive potential. However, the Select Committee has a majority of National Party MPs.

The Labour and Green members on the committee did not agree with the recommendation and wrote dissenting reports.

When the bill was first introduced, it was supported by all parties except National. If that happens again at the Second Reading then the bill will proceed and likely become law. National will need to persuade the Maori, Act and United Future parties to change their vote in light of the committee's deliberations. In any event, any law change would have no practical effect until 2015 which is the next time that either Waitangi Day or ANZAC Day falls on a weekend.

RETAIL QUIZ

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

1. Who is the new Minister of Labour?
2. What is the latest time an off-licence can now be open?
3. According to UMR Research, what percentage of customers steal from self-service supermarket checkouts?

CHANGE TO MINIMUM WAGE PROCESS EXPECTED

A Government proposal to fully review the minimum wage only every four years (rather than annually as it is now) has been leaked and created considerable interest. According to reports, the Government intends to set the minimum wage each year in consultation with Business NZ and the Council of Trade Unions. While the proposal has not been formally confirmed by the Government, most sources expect it to happen later in the year. The Labour Party has called on the new Minister of Labour, Simon Bridges, to raise the minimum wage to \$15 an hour from April 1 2013.



SUPERMARKET SELF-SERVICE CHECKOUT CHEATS

UMR Research (www.umar.co.nz) polled New Zealanders about stealing from self-service supermarket checkouts. The company made the following key observations:

- 10% of those who have used self-service supermarket checkouts admit to stealing from them in some way. The most common method of doing so is deliberately undercharging themselves for fruit or vegetables (basically, entering expensive vegetables as cheaper ones).
- The demographic groups that are most likely to use self-service checkouts (young people and Wellingtonians) are also the groups where those who do use them are most likely to admit to stealing from self-service checkouts. This suggests that familiarity and opportunity may be big factors - if people only use self-service checkouts occasionally then they are unlikely to steal from them, but if they use them more often they may become more likely to steal.
- Previous research with issues like illegal downloading suggests that, if those who have stolen from these checkouts were asked directly, many of them would say that such stealing was morally unacceptable. At the same time, it seems likely that such people would argue that the theft was not a big deal and that the cost to the supermarket was cancelled out by the amount of money they have saved by not employing extra checkout staff.
- The fact that undercharging for fruit or vegetables is more common than other forms of theft may also suggest 'plausible deniability' is at work - those who do steal in this way may feel that, if confronted, they could always pretend that they have made an honest mistake.

These results will be of interest to stores with self-service checkouts

and those considering installing them. They suggest some clues to picking up cheating but they are indications, not rules. It should be noted that the figure of 10% cheating was based on respondents admitting the offence to the polling company. The real figure may be higher with people understandably reluctant to say they effectively steal from their supermarket.



ON A LIGHTER NOTE – BACK OF THE QUEUE

The following exchange happened at a coffee store in the United Kingdom – at least according to www.notalwaysright.com:

(I'm standing in a fairly short queue when a businessman walks in, pushes straight to the front and starts dictating his order to the 20-something year old cashier.)

Cashier: "I'm afraid you're going to have to go to the back of the queue, sir."

Business man: "I have an important meeting shortly. You must serve me now!"

Cashier: "Yeah, the longer you stand there, the later you're going to be. Back of the queue."

Business man: "Do you have any idea who I am?"

Cashier: "Nope. Now shut up and go to the back of the queue."

Business man: "How dare you talk to me like that?! Get me your manager now!"

(The cashier sighs heavily, walks into the back, comes out with an older woman in tow and nods her towards the businessman, then disappears back into the back.)

Manager: "What seems to be the problem, sir?"

Business man: "That boy was incredibly rude to me! I demand you fire him immediately!"

Manager: "I'm afraid I don't have the authority to do that, but if you want I can get the owner for you."

Business man: "Bah! Fine, but I expect to be compensated for having to go through all of this trouble!"

Manager: "I'm sure you can discuss that with him, sir."

(She then walks into the back, then comes out again with the now grinning cashier.)

Cashier: "Yo."

Business man: "What's the meaning of this? I said I wanted to talk to the owner!"

Cashier: "Like I said, yo."

(The businessman silently gapes for a few seconds, then walks out stammering threats about having his head and closing the shop down.)

Manager: "Why do you always have to involve me?"

Cashier: "I just love the look on their stupid little faces when they find out I own this joint."

(The manager rolls her eyes and walks into back.)

Cashier: "I love this job. What can I get you?"



NEW STANDARDS FOR HEALTH CLAIMS ON PRODUCT LABELS

The New Zealand and Australian Governments have agreed on a new standard to regulate nutrition content claims such as “low fat” and health claims such as “contains calcium for healthy bones”. In the future, those claims will have to be backed by scientific evidence, bringing New Zealand into line with markets such as Europe and Canada. The impact will not be immediate as businesses have three years to meet the requirements of the new Standard 1.2.7 – Nutrition, Health and Related Claims. Several companies are already changing their recipes so they met the new requirements. This usually involves dropping the amount of saturated fat, sugar and sodium. The new standard will mean that shoppers should have more confidence in the health and nutrition claims on packaging, and that supermarkets know the products have passed a rigorous screening test.

LONG FIGHT LOOMING OVER PLAIN TOBACCO PACKAGING

Associate Health Minister Hon Tariana Turia has announced the Government plans to introduce plain packaging for all tobacco products in New Zealand but not until legal actions over a similar policy in Australia are resolved in the courts.

In 2012, Australia become in the first country in the world to introduce plain packaging and was immediately sued by several multinational tobacco companies and a number of countries which export significant quantities of cigarettes. The tobacco companies are complaining about a loss of intellectual property while the countries argue that plain packaging is a breach of various free trade treaties. Canada, Norway, India, Turkey and the United Kingdom are thought to be considering

similar laws and will be watching the legal struggles in Australia and New Zealand very closely.

Although the introduction to plain packaging is expected this year, it will not be passed until the Australian cases are finalised. This will take some time. The usually reliable on-line prediction market iPredict says there is just a 5% chance the legislation will be passed by 1 January 2014 and only a 20% chance that it will be law by 2015. By contrast, iPredict says there is a 50% chance Seven Sharp will be cancelled by 2014 and a 10% chance that Georgie Pie will be relaunched. This is going to be an extended battle.

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.

RETAIL QUIZ ANSWERS

1. Hon Simon Bridges
2. 11pm
3. 10%



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