



SPECIAL POINTS OF INTEREST:

Employment agreement changes (this page)

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EMPLOYMENT AGREEMENT CHANGES AS OF 1 JULY 2011

On 1 April 2011 a number of amendments to the Employment Relations Act 2000 and Holidays Acts 2003 came into effect. One final change that has not yet come into effect concerns employment agreements. Employers will have until 1 July 2011 to meet requirements to retain a signed copy of their employees' employment agreements or a copy of their terms and conditions before these provisions become enforceable through a penalty action taken by a labour inspector.

This amendment will apply to all employment relationships and requires all employers to keep a copy of all their employees' employment agreements or terms and conditions, no matter when they were employed.

For example, if an employee started work in 1992 on a verbal agreement the employer must ensure this agreement is committed to writing and signed or they may be subject to a penalty action by a labour inspector. If there is a problem getting an agreement signed then the intended agreement or current terms and conditions of employment should be retained on file.

Employers should discuss with their employees the nature of their work and terms and conditions of employment and draw up an employment agreement that reflects the discussion. This should be negotiated in good faith and once it is agreed by both parties signed by the employer and employee.

Where an employer has provided an employee with an intended agreement the employer must retain

that agreement even if the employee has not signed it or agreed to the terms and conditions specified. It's important to point out that an intended agreement cannot be treated as an employment agreement if the employee has not signed it or not agreed to the terms and conditions.

If the employee does not accept an intended agreement, the employer should enter into good faith negotiations to reach agreement. If negotiations are unsuccessful, the employer should record what happened and the outcome of the negotiations. A copy of the intended agreement must be retained on file along with the current terms and conditions of employment, signed or unsigned.

If an employee requests a copy of their agreement or terms and conditions, then their employer must provide it.

From 1 July 2011, labour inspectors will be able to seek a penalty against an employer who is in breach of legislation relating to employment agreements, including the requirement for all employers to retain a copy of the intended and current employment agreement or terms and conditions of employment, whether signed or unsigned. Employers will be given seven working days notice of to fix the breach. Where the breach is not remedied the inspector can take a penalty action in the Employment Relations Authority.

NARGON members can download employment agreements by logging in to www.nargon.co.nz or by emailing director@nargon.co.nz

TOP TEN FOOD TRENDS FOR 2011

Successful retailers are always interested in the shopping preferences of their customers and potential customers. NARGON has gone through many of the expert lists and picked out ten shopping trends which are most likely to have an impact in New Zealand over 2011.

- Humane production
- Smart Phones

- Seasonal foods
- Craft Kiwi beer
- Cooking at home
- Gourmet sausages
- Comfort food comeback
- Healthier snacking
- More vegetarian options.



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 downloadable draft agreements and advice on employment agreements – www.nargon.co.nz.



FOOD PRICES EDGE UP, MORE ALCOHOL AVAILABLE

Figures from Statistics New Zealand show that food prices rose 0.3 percent in March 2011. The main drivers were increases for meat, poultry, and fish, grocery food and non-alcoholic beverages. The biggest drop was for fruit and vegetable prices which fell 1.6 percent. In the March quarter, the overall Consumer Price Index (CPI) rose 0.8%. From March 2010 to March 2011 overall food prices increased 5.5 percent.

In 2010, Statistics New Zealand reported the total volume of alcoholic beverages available for consumption increased 0.6 percent to 474 million litres. The amount of pure alcohol available for consumption rose 5.5 percent to 33 million litres (9.6 litres per person). This increase was driven by higher volumes of wine (up 7.7 percent) and spirits (up 20 percent). Conversely, there was a decline in the amount of beer available (down 2.2 percent).



SUSTAINABLE BUSINESS

BusinessNZ, the country's largest employer's organisation, has set up the Sustainable Business initiative. It is designed to promote sustainable business practices which they define as "just business done well, making the best and most responsible use of resources."

The main tool is the new website which states "sustainability is a central business issue. By sharing knowledge, being aware of trends, and participating in policy development, businesses can manage risk and maximise opportunity, positioning themselves and their exports for international success."

The website address is www.sustainablebusinessnz.org.nz



EMPLOYER OBLIGATIONS UNDER THE IMMIGRATION ACT

The Immigration Act states that employers must not employ foreign nationals who are not entitled to work in New Zealand. Employers are required to show that they have taken 'reasonable precautions' and 'exercised due diligence' in checking whether foreign nationals are entitled to work for them. In a major change, sighting an Inland Revenue IR330 form will no longer be considered a 'reasonable excuse' for employing a foreign national not entitled to work here.

To avoid charges of discrimination by potential employees, Immigration NZ advises employers to check the entitlement to work of all potential employees by asking all new workers to provide a birth certificate or passport as proof of their status and to retain copies.

To help employers meet their new obligations, Immigration New Zealand has created the free online tool Visa View - www.immigration.govt.nz/visaview

NZTE SUSTAINABLE BUSINESS RESEARCH

New Zealand Trade and Enterprise has conducted research into sustainable business practices in the United Kingdom. The main conclusions are:

- British retailers are taking an active position on sustainable business growth, with upstream and downstream implications for suppliers and customers.
- Research suggests five core issues underpin sustainability responses: carbon, water, packaging, waste and ethics.
- Despite a common set of concerns, companies respond differently to these core issues.
- Striking the right balance between green perception and green performance is key. Talking too little misses the extra brand value

stores could be driving, but talking too much or before being ready risks being branded as 'green-wash'.

- In a business environment that expects incremental sustainability improvements as standard, communicating about basic housekeeping will no longer win people over. Don't be tempted to talk about 'what' you've done - instead build greater trust by talking about 'why'.
- There are three principles around communications and marketing - make sustainability communications positive, make messages relevant and understandable for your audience and give people a vested interest so they know they are making a difference.

ON A LIGHTER NOTE

. This exchange occurred in a grocery store in Framingham, Massachusetts, USA – at least according to www.notalwaysright.com:

(We've just recently switched to a new system where receipts are optional.)

Me: "...and would you like a receipt today?"
Customer: "What?"

Me: "We're now only printing receipts if you'd like one, in order to save paper. Would you like a receipt?"

Customer: "Of course I want my receipt! You know, it is young punks like you who do all your online banking who are responsible for 9-11! You should be ashamed of yourself!"





POLITICAL COMMENT – HON PHIL GOFF (LABOUR PARTY)



Labour Leader Hon Phil Goff has given a series of pre-Budget speeches where he sketched out what Labour wanted to see in

Budget 2011 and some of the main policies they will campaign on for the election in late November:

“One big problem is that our economy encourages speculation rather than investment in productive business and does not provide the right incentives for mums and dads to save.

That’s why our house prices relative to our incomes are some of the highest in the world,

why many families can’t afford a home and we have damaging price bubbles.

The Tax Working Group that National set up gave some ideas how to fix it. The Government ignored that advice.

We need a Government with the commitment to one New Zealand, not a country increasingly divided between the rich who keep getting richer and the rest. We need to be a community where we care for each other, and are determined that every child gets the best start in life and can realise their full potential.

This is a good country in which to raise our children, but we want a good start for every child.

At this election, we cannot promise the world but I can promise what my priorities will be.

Helping families with the cost of living, taking the full 15% of GST off fresh fruit and vegetables, addressing the problem of soaring power prices, lifting the minimum wage, making the first \$100 of weekly income tax free, paid for by closing tax loopholes and taking back some of the windfall gains from the very top income tax earners.

Focusing on growing jobs and skills, with better savings, R&D, better tax and monetary policies. Stopping the sale of assets and alienation of farm land to foreign owners.

And making sure our most precious asset, our children, get the very best start in life.”

LEGISLATIVE LOG-JAM

The National-led Government currently has around sixty pieces of legislation sitting on the Parliamentary Order Paper. There is no way they will be able to pass even a quarter of those bills before the election so they will be picking and choosing legislation which is urgent or which will be useful during the campaign. Most of the bills do not directly affect the retail grocery sector but there are three key bills of interest.

The wide-ranging Alcohol Reform Bill is potentially the most significant. The general consensus in Wellington is that there will not be time to pass this legislation before the election. In any case, it would be an untidy look to be discussing restricting alcohol during the World Cup party of

four million people. However, Justice Minister Simon Power indicated to NARGON he was “hopeful” of passing it before November 26 and it is worth remembering he is the Acting Leader of the House.

The Smoke-Free Amendment Bill would look to introduce a range of restrictions on the sale and display of tobacco. It appears unlikely this will be passed before the election unless the Maori Party chooses to make it a priority in return for their support on other issues. The changes to the rest and meal breaks legislation, which would restore flexibility in this area, are likely to languish until well after polling day.

UK: SUNDAY TRADING SET TO STAY AT JUST SIX HOURS

The coalition government is consulting with the British retail grocery industry and the public around a range of “red-tape” policies including Sunday trading, weights and measures, age-restricted goods, consumer protection and other issues. Currently, supermarkets (defined as stores over 915 square metres) in the United Kingdom are only allowed to trade for up to six

hours on a Sunday after a law change in 1994.

While that may seem unusual to Kiwi stores and shoppers, most supermarkets are reportedly satisfied with the law most of the time. They consider longer opening hours would involve more costs for essentially the same business. Similarly, a consumer poll revealed three-quarters (76%) of people supported the existing

six hour restriction. Only 5% of people favoured longer opening times on Sundays. Based on feedback over the internet, an overwhelming percentage of the public either wanted the Sunday trading laws to stay as they were or for them to become even more restrictive.

PREMIER BACON GROCER’S BREAKFAST

Premier Bacon and NARGON would like to invite you to join us for breakfast at the 2011 Foodstuffs Fresh Food Expo in Palmerston North.

Where: Arena Manawatu
When: Thursday 11 August
Time: 8:00am to 9:30am

This is a great way to start the second and final day of the Expo and best of all its FREE!

To register email the following details to director@nargon.co.nz

- Business/Store Name
- First and Last Name

RETAIL QUIZ

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

1. Is sighting an IR330 form sufficient to check a potential employee can work legally in New Zealand?
2. How many hours can British supermarkets open on a Sunday?
3. Did New Zealand drink more or less beer in 2010 compared to 2009?



PROFILE - MARK KENNEDY - OTAKI NEWWORLD



This issue, NARGON News talked to NARGON Board Member Mark Kennedy, co-owner of the Otaki New World with his wife Jackie:

the rest of the industry – the owner-operators are just good people who earned their stripes through working hard.

What's your least favourite aspect?

It won't come as any surprise to say it is all the paperwork, compliance and nanny-state stuff.

Tell us one thing your customers may not know about you?

I'm a Tottenham Hotspur fan and have been for 37 years.

What is your favourite drink?

Heineken and a good flat white coffee - no surprise to people who know me!

What three things would you take to a desert island?

A pallet of Heineken, the Eagles Greatest Hits and the 1,000-page Story of Tottenham Hotspur almanac.

If you were banished to only one section of your store, which one would it be?

I'm tempted by liquor but I have a soft spot and a real affinity with bakery.

How long have you been in the industry?

I started with a Four Square in 1998, so thirteen years.

How many staff at your store?

About 80.

Which product surprised you most with its success?

Energy drinks surprised everyone, but lately Lindauer Sauvignon Blanc has proved really popular.

What part of the industry do you enjoy the most?

Dealing with people, not just customers and staff but



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RETAIL QUIZ ANSWERS

- 1. Not anymore. Employers should check birth certificates or passports and keep copies.
2. No more than six hours.
3. Less (down 2.2%).



National Association of Retail Grocers and Supermarkets of New Zealand

NARGON

PO Box 1925
Wellington
6140

Ph: 04 471 1338
Fax: 04 496 6550
Email: director@nargon.co.nz
Web: www.nargon.co.nz

BOARD MEMBERS

Michael Kennedy (Chair)
michael.kennedy@foodstuffs.co.nz

Ross Jordan
ross.jordan@foodstuffs-wgtn.co.nz

Mark Kennedy
mark.kennedy@foodstuffs-wgtn.co.nz

Robert Scott (Vice Chair)
molesworth@xtra.co.nz

Harminder Chahal
harminder.chahal@foodstuffs-wgtn.co.nz

Amos Sutcliffe
morgansroad@foursquare-si.co.nz

Pak 'n Save Mangere
09 256 7530

Inglewood Shoprite
06 756 7404

Otaki New World
06 364 8640

Molesworth Four Square
09 431 4656

Flaxmere New World
06 879 9957

Morgans Road Four Square
03 686 0456

EXECUTIVE DIRECTOR

Trina Snow
director@nargon.co.nz

021 730 185

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