



SPECIAL POINTS OF INTEREST:

EFTPOS machines must be checked for compliance (cover page)

Resources for stores in Canterbury (page 2)



Above: Logo to be made freely available to Christchurch business along with a dedicated online directory through BusinessNZ and the Buy NZ Made campaign

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SUPPORTING CANTERBURY IN ITS DARKEST HOURS

The thoughts and hearts of all NARGON members and staff are with the people of Christchurch, particularly those in the retail grocery industry who have been affected by the 22 February earthquake. With the rest of the nation, we are deeply saddened and shocked by the tragic loss of life and injuries.

We have also witnessed the widespread damage to property – including stores, stock and houses. To all those affected, as the Grocery Retailers' Association, we look to stand beside you during these times of loss and sadness. We share your determination to rebuild Christchurch and members are already supporting a number of significant relief efforts.

It has been inspirational to see the rapid and often heroic response from the emergency services, local and national Government, state agencies, charities and individuals looking to help. The amount of humanitarian aid delivered after the initial quake and subsequent after shocks has been incredible and helped avert many more tragedies.

While a number of stores remained closed or operating at very limited capacity, large numbers have re-opened and are serving their communities admirably. The opening of local supermarkets and grocery stores is seen a major step on the road to recovery.

Kia Kaha.

ONE IN SEVEN SHOPS VACANT

With the advent of a price war of Supermarket giants Tesco and Asda in the UK, the number of vacant high street shops has increased dramatically.

In smaller towns in the UK the number of vacant shops has increased to over 33%. The problem in this recession period is "will these shops ever regain sales and be re-vitalized?"

This is a topic to compare with the New Zealand market structure. We are seeing movement of high street shops into shopping centres. The question we should ask ourselves is what will happen to the high street in the next 10 to 20 years? If we take the UK with its problem of high shop vacancy and analyse it

against the New Zealand market place, what is the way forward for us?

Dairies and 4 Square shops are well known as top-up stores. As a comparison c-stores (4 Square type) in the UK have seen increases in sales especially in neighbourhood stores, but they are finding that more customers are choosing to now top up in supermarkets. This may not be the case in New Zealand, but we need to be aware of international trends.

It would great to get feedback from operators throughout New Zealand to get their views.

OLD EFT-POS MACHINES SWITCHED OFF

All stores are reminded they need to urgently ensure their EFT-POS terminals are up-to-date with new standards well before 1 June 2011. An estimated one third of the country's terminals (40,000 out of 120,000) around the country may need to be upgraded or replaced. A full nationwide upgrade to the latest version 6.0 will ensure New Zealand meets global security and technology standards in time for the Rugby World Cup.

If the necessary upgrades or replacement do not take place in time, stores risk being unable to process international cards and could even be kicked off the network. Banks pulled the plug on more than 250 outdated terminals in December and that number is expected to increase as the deadline approaches. Basically, every terminal has to be checked immediately. NARGON is disappointed at reports that thousands of merchants, not necessarily in our sector, were not treating the problem seriously. This is a business critical issue for any store with a terminal.





RULES ABOUT BREAKS ARE GOING TO CHANGE – BUT NOT FOR A WHILE

The Employment Relations (Rest and Meal Breaks) Amendment Act has been reported back from the Transport and Industrial select committee. The Bill would relax the current legislation determining rest and meal breaks. It would move the focus from prescription to flexibility so that stores and staff can make arrangements which work for their own circumstances and business needs. An anomaly in the original Act is also going to be corrected.

NARGON supports this approach and congratulates the committee on its decision. However, it is important to note that the Bill is not yet law. It must be approved by Parliament as a whole and is currently unlikely to be debated for quite some time, particularly given recent events in Canterbury. Until it is passed, the current rules around rest and meal breaks apply and must be followed.



SALE VOLUMES, SALE VALUE AND FOOD PRICES ALL UP

While the overall seasonally adjusted volume of total retail sales fell 0.4 percent in the December 2010 quarter, Statistics New Zealand figures show supermarket and grocery stores had the largest increases with volume up 1.9 percent and value up 2.4 percent. December was very flat for most industries, though sales for supermarket and grocery stores saw a small but welcome improvement.

Food prices rose 1.8 percent in January 2011. Statistics New Zealand said the rise, which followed food price falls in November and December, is usual for January and is driven by a seasonal increase in fruit and vegetable prices. All food subgroups rose in January. For the year to January 2011, food prices rose 3.8 percent, including a 2.2 percent increase in October when Goods and Services Tax (GST) rose. Again, all subgroups made upward contributions.

RESOURCES FOR STORES IN CANTERBURY

The main website for emergency information remains the Ministry of Civil Defence (www.civildefence.govt.nz/) while the Canterbury Employers Chamber of Commerce has created a business-focused site to help recovery efforts (www.recovercanterbury.co.nz/). There is also a disaster recovery toolkit on the Government's Business webpage (www.business.govt.nz/managing/implementing-health-and-safety/recovery-toolkit-for-christchurch-businesses/). The Earthquake Fix site (www.earthquakefix.co.nz/) provides a list of recommended contractors for repairs.

On the Government side, the Ministry of Social Development (www.msdc.govt.nz/) has announced the Christchurch Earthquake Support Package for employers and employees in Canterbury affected by the devastating earthquake. The Christchurch Earthquake Support Package is made up of two components.

The first is the Earthquake Support Subsidy. This is a subsidy for employers who believe they are going to remain in business and want to keep their staff while working to re-open.

Earthquake Job Loss Cover is a direct payment for employees for a period of six weeks. This applies to those staff who are unable to contact their employer or where the business has closed permanently.

The Department of Labour (www.dol.govt.nz or 0800 20 90 20 – be sure to let them know if you are from Canterbury) has produced information to help business make safe, sensible and practical decisions in this difficult time. The topics covered include health and safety, wages, leave, flexible work and terminating employment relations.

BusinessNZ has set up a free online directory for Christchurch businessnz at www.lovechristchurchmade.org.nz

CHANGES AT STATISTICS NEW ZEALAND

Statistics New Zealand will no longer be producing monthly retail trade surveys. Instead, it will move to quarterly summaries of the data. Additionally, because of the impact of the earthquake to Statistics

New Zealand Christchurch operations, a number of releases have been delayed. Our thoughts are with the Statistics New Zealand staff there.

ON A LIGHTER NOTE:

DISSOLVING THE FINE LINE BETWEEN SOLIDS AND LIQUIDS

The Wall Street Journal has picked up on two new words in a Pepsi press release about a product called Tropolis. This is apparently a pureed fruit product which is thick enough to be considered a snack rather than a beverage.

The paper quotes the company as announcing "We see the emerging opportunity to 'snackify' beverages and 'drinkify' snacks as the next frontier in food and beverage convenience", and then calls on Pepsi to use those exact words in the advertising campaign.



"I DON'T HAVE TIME FOR BREAKFAST, BUT THIS HAM AND CHEESE WITH BACON FLAVORED DOUBLE ESPRESSO HOLDS ME UNTIL LUNCH."



EARTHQUAKE RELIEF EFFORTS OUTSIDE OF CANTERBURY

For those outside Canterbury, there are a number of ways to help. The major appeals are the official Government appeal (www.christchurchearthquakeappeal.govt.nz/) and the Red Cross appeal (www.redcross.org.nz/donate). The Ministry of Consumer Affairs has warned that a few unscrupulous people are running scams looking to take advantage of the recent tragedy so people should check carefully before giving.

Organisations and businesses all over the country are also raising money at the workplace, running collections, donating goods such as food and bedding, providing accommodation for families or offering jobs to those left out of work in Christchurch. Helping can be as simple as taking old mobile phone chargers to phone shops to see if they can be used in Canterbury.

The Ministry of Social Development is co-ordinating offers of earthquake assistance—including offers of accommodation outside of Christchurch (earthquakehelp@msd.govt.nz). NARGON commends the actions of many members who have already dug deep to give generously. However, the road to recovery will be long and hard.

(UK) SHOPS NOT PREPARED TO RECOVER FROM 'DISASTERS', SAYS NEW SURVEY

In January, a new survey in Britain showed store and salon owners were the least well-equipped for disasters. 59% said they had no disaster recovery or business continuity plans (BCP), and a further 15% not thinking they even needed one. In fact, just 17% of business owners who took part in the research said they had a BCP in place.

According to the Federation of Small Business, 80% of businesses affected by a major incident close within 18 months and 90% of businesses that lose data from a disaster are forced to shut within 2 years. This research reinforces the need for all stores to think seriously about disaster recovery and business continuation.

The Aviva BCP document, 'Business Continuity Planning for Small Business' breaks down the process of creating a BCP into five simple steps. It is free to download at https://help.aviva.co.uk/riskolutions/business-continuity/BCP_004.

(US) TOP GROCERY BAGGER FOUND

Krystal Smith, 24 year old woman from Vermont, has been crowned the top grocery bagger in the United States. She beat 21 competitors by filling three bags in 38 seconds to claim the award and the US\$10,000 prize in Las Vegas. Contestants were judged on their ability to bag grocery staples including bread, milk, eggs and canned goods and on their bag-building technique, weight distribution, style, attitude and appearance.

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.

INFORMATION ON PUBLIC HOLIDAYS

There are a number of special legal requirements when people work on public holidays. To make things a little easier, there is a fact sheet on the NARGON website outlining the dates of all the public holidays in 2010-2013 and how they impact on employees. It was compiled from information provided by the Department of Labour. The fact sheet can be accessed through the Help and Resources section of the NARGON website or directly here: www.nargon.co.nz/index.php/help-and-resources/employer-guides/61-nz-public-holiday-dates-2010-2013.html



RETAIL QUIZ

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

1. What are the two major appeals for the Christchurch earthquake relief?
2. What does BCP stand for?
3. How long does the Earthquake Support Subsidy help employers with wage costs?

FOODSTUFFS EXPO BREAKFAST

NARGON is looking to make the Foodstuffs Expo Breakfast an annual event after the success of the first breakfast held on 31 August 2010. That was the first time the breakfast was scheduled on the morning after the Foodstuffs Dinner at the Foodstuffs Expo. There were no speakers or set start times so suppliers and owner/

operators enjoyed a leisurely, complimentary breakfast after the big night out.

Any suppliers interested in being involved in the 2011 Expo Breakfast should contact NARGON's Executive Director Trina Snow (director@nargon.co.nz).



PROFILE REVIEW 2010



This issue, NARGON News talked to Michael Kennedy, Vice-Chairman of NARGON and owner of the PAK'nSAVE in Mangere:

How long have you been in the industry?

I have owned my own supermarkets for 6 years but I have been in the industry for around 35 years.

How many staff at your store?

About 160.

Which product surprised you most with its success?

Doritos – no other corn chip has done well in New Zealand before.

What part of the industry do you enjoy the most?

The people contact – I love talking to staff and customers alike.

What's your least favourite aspect?

Keeping up with regulations is always an issue. It makes you more and more desk-bound.

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

I'm a Wellingtonian who said I'd never move to Auckland, but here I am!

What is your favourite drink?

Cola or a good bottle of port.

What three things would you take to a desert island?

Something from Queen on CD, the Highlander movie series, a book from Lee Child – and my wife as well!

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

Grocery.

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RETAIL QUIZ ANSWERS

1. The official Government appeal and the Red Cross.
2. Business Continuity Planning.
3. Six weeks (at the time of writing).



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Retail Grocers and
Supermarkets of New Zealand

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