

SPECIAL POINTS OF INTEREST:

The NARGON Board would like to send Season Greetings and best wishes for the New Year to all members



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NARGON 2010 SUPPLIER AWARDS

This year's successful NARGON Supplier Awards were announced before a big crowd at the beautiful Blue Stone Room in Auckland. Here is the official list of winners:

Overall Best Trading Partner

1. Bluebird Foods Ltd
2. Coca Cola Amatil
3. Cadbury Confectionary

Best New Product

1. Bluebird Foods Ltd - Doritos
2. Pernod Ricard - Lindauer Sauvignon
3. Cadbury Confectionary - Dairy Milk Bubbly

Best Invoicing and Paper Trail

- 1 Bluebird Foods
- 2 Coca Cola Amatil
- 3 Cookie Time Ltd

Best In-store Support Team

- 1 Cadbury Confectionary
- 2 Coca Cola Amatil
- 3 Bluebird Foods Ltd

Most Efficient Distribution

- 1 Coca Cola Amatil
- 2 Frucor Beverages
- 3 Bluebird Foods Ltd

Best Small Supplier

- 1 Cookie Time Ltd
- 2 Vitapet/Masterpet
- 3 Schwarzkopf & Henkel

Thank you to all our generous sponsors and to everyone who supported this year's awards. We promise that next year will be even bigger and better!

NARGON AGM

As required by our organisation's rules, NARGON held its Annual General Meeting on 23 March 2010. These meetings are always open to all members and the AGM papers have been made available on the NARGON website: http://nargon.co.nz/index.php/news/index.php?option=com_docman&task=doc_download&gid=92&Itemid=64

The 2011 AGM will be held on March 22nd and will be held at NARGON head office, Level 6, Lumley House, 3-7 Hunter Street, Wellington, 6011.



SALES EDGE DOWN, FOOD PRICES EDGE UP

Figures from Statistics New Zealand show that overall seasonally adjusted total retail sales were virtually unchanged in August 2010, down less than 0.1 percent (\$2 million). Sales for the supermarket and grocery sector were down slightly more at 0.3 percent (\$4 million). However, the sector has consistently out-performed other retail industries over 2010.

Statistics New Zealand has also calculated that food prices rose 0.7 percent in the September 2010 month. Over the long-term, overall food prices rose 1.3 percent for the year to September 2010. This rise follows four consecutive months of annual falls in food prices.



INFORMATION ON PUBLIC HOLIDAYS

There are a large number of public holidays during the festive season and the start of a new year. When people work on those days there are a number of special legal requirements.

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 at www.nargon.co.nz.

FOODSTUFFS EXPO BREAKFAST

NARGON is looking to make the Foodstuffs Expo Breakfast an annual event after the success of the first breakfast held on 31st. August. This year was the first time the breakfast was scheduled on the morning after the Foodstuffs Dinner at the Foodstuffs Expo in Palmerston North.

There were no speakers or set start times so suppliers and owner/operators enjoyed a leisurely, complimentary breakfast after the big night out.

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

REMINDER FOR 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.



THEFT COSTING HUNDREDS OF MILLIONS OF DOLLARS A DAY

A recent survey shows that losses from goods stolen by employees or customers cost New Zealand and Australian stores \$2.89 billion in the year to June 30 2010. The figures were contained in the latest Global Retail Theft Barometer which surveys more than 1,100 leading international retailers.

Lipsticks and glosses, at 2.86 percent of all sales, were the most commonly stolen items, while razor blades, perfume and infant formula, items which are all high value and easily portable, were among the most targeted by thieves. The New Zealand figure is estimated at up to \$800 million, half from customers and half from staff.

REJECT CALLS TO EXEMPT CERTAIN PRODUCTS FROM GST

For many years there have been suggestions that certain items, usually fruit, vegetables and medicines, should be exempt from GST. Other countries which have a similar sales tax, including Australia, the United Kingdom and some states in America, do allow exemptions from their version of the tax for selected items.

Labour leader Phil Goff has broken the previous consensus between the major parties and called on the National Government to exempt 'fresh fruit and vegetables' from GST. The Government has strongly disputed Labour's claim that people would be \$5 a week better off under the policy saying the actual figure is only \$1 a week. For low income earners, the average saving is expected to be less than a dollar a week. The policy has not been formally costed but the Government estimates it would cost \$250 million in foregone revenue.

NARGON does not support the proposed policy for two reasons. First, the international evidence shows that it is impossible to have clear rules about what products are covered and what is exempt. Second, as soon as one category of exemptions is agreed to, it is increasingly difficult for Governments to turn down other 'worthy' products.

New Zealand has probably the world's cleanest and simplest goods and services tax system in the world. NARGON has consistently opposed exempting selected goods from GST. The policy proposed will not change eating habits or address obesity, but it will cost \$250 million which has to come from somewhere, it will be complicated and expensive to administer, and the range of goods covered will quickly expand. We urge the Government to stand firm on this issue.



HIGHLIGHTS OF 2010

As we move towards the holiday season, it is traditional to look back at the previous year and have a glance forward to the issues which will dominate 2011.

Tax

Stores seemed to cope with the GST increase with the transition reported as relatively smooth. However, the hike to 15 percent has put pressure on price points and margins. There are also continuing political battles to exempt certain products from GST entirely. Personal tax cuts are putting more money in people's pockets but the full impact of this on sales is not yet clear. Owners will welcome the company tax reductions in 2011.

Employment Law

The Government has introduced a substantial package of employment law reform which is steadily passing through Parliament. NARGON welcomes the changes which will sort out relevant daily pay, extend 90-day trial periods to larger companies, clarify the laws around public holidays

and clean up other anomalies in the current law. The Youth Minimum Wage bill was disappointingly voted down without the public even having a say.

Alcohol

The Government's major liquor reform package has passed its first reading in Parliament and will now be considered by a Select Committee. It will give communities more power over licences, set maximum licence hours, exclude dairies and convenience stores from holding off-licences, raise the off-licence drinking age to 20 and increase the penalties for offences. None of the provisions will come into force until after the Rugby World Cup next year.

Tobacco

In a surprise move, Cabinet appears to have lent its support to the Maori Affairs Select Committee Report into tobacco. The report recommends a range of strict measures aimed at halving smoking by 2015 and turning New Zealand into a smoke-

free nation by 2025. Those changes include banning tobacco displays, restricting the display of tobacco brand names and enabling instant fines for people selling to under-age purchasers. The bill is expected to be introduced this year and come into force in 2011.

Plastic bags

The industry-led voluntary approach appears to be working with the number of plastic bags used significantly down. Reusable bags are an increasingly common sight though there is new research suggesting there may be health issues if those bags are not cleaned properly after use.

Sales

Supermarket and grocery sales were up overall this year, one of the very few retail sectors to do even moderately well. Food prices actually increased just 1.3 percent, despite the headlines in the media. Our sector can be proud of its results during a trying year.



ON A LIGHTER NOTE

This conversation actually took place in a supermarket in (and I'm not making this name up) Ypsilanti, Missouri, USA, at least according to www.notalwaysright.com

(An elderly couple comes through my counter with some wine.)

Me: *joking around* "Are you sure you two are old enough to have this tonight?" *holds up wine*

Customer: "Kid, I have underwear old enough to buy that."

Customer's wife: *laughs hysterically*



RETAIL QUIZ

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

1. Who was voted the best overall trading partner at the 2010 NARGON Supplier Awards?
2. Which products are the Labour Party arguing should be exempt from GST?
3. Which Select Committee wants New Zealand to be a smoke-free nation by 2025?



PROFILE REVIEW 2010

In 2010, the profiles seemed to capture the diversity, energy and humour of our sector so in this final newsletter for 2010 we wanted to share some of the highlights.

The first question asked how long people had been involved in the industry and the answers ranged from 3 to over 30 years. We have some people with decades of experience and others just making their way. In terms of employees, the range was again huge from 18 (including part-timers) in a rural store to 450 involved in a big operation.

The next question asked which product surprised them most with its success. The answers varied from V to Magnum ice-creams, but the most common answer was "bottled water". One veteran interviewee noted that he was surprised at how important beer and wine sales had become to the sector.

There was more agreement on the favourite and least favourite aspects of the job. In terms of the favourite, interacting with customers and meeting people were the clear winners. For least favourite, paperwork/red tape was at the top, but one interviewee did nominate the "radical attitudes of some towards the industry".

Perhaps the hardest question related to the three items people would take if they were stuck on a desert island. The question related to books, music and movies rather than survival equipment or company but many chose to disregard those rules. Suggestions included Sudoku books, Lonely Planet Travel Guides, "Best of the 80s" albums and science fiction thrillers. One said "my wife" while another took a very different approach plumping for a "bevy of beauties from Las Vegas". In terms of simplicity, it was hard to beat the guy who instantly said "a golf club and two golf balls!"

The final question asked about their favourite section of the store. The newsletter editor had expected the liquor aisle to be the runaway winner but actually a range of sections were selected including bulk foods, tills, bakery, produce, deli and liquor.

Most found being profiled to a painless, perhaps even enjoyable, experience. It simply involves a short phone interview and sending in a photo or two. If NARGON members want to be profiled next year 2011, simply drop me an email (director@nargon.co.nz)



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www.geongroup.com
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- RETAIL QUIZ ANSWERS**
1. Bluebird Foods.
 2. Fresh fruit and vegetables.
 3. The Maori Affairs select committee.



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