



# NARGON NEWS

NEWSLETTER OF THE GROCERY RETAILERS' ASSOCIATION

## SPECIAL POINTS OF INTEREST:

NARGON Supplier Awards 2010

- Winners Flier

*Inserts*



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## NARGON 2010 SUPPLIER AWARDS

The NARGON Board would like to extend a big thank you to all the sponsors for this year's awards; without you this event would not be possible.

We would like to congratulate Bluebird Foods Ltd (*photo right*) for taking home first place in the **Best Overall Trading Partner** award, well done!

We also give congratulations to all the winners and place-getters – information for these can be found on the Winners flier contained within this Newsletter.



Thank you to all those who participated and helped to make this a successful evening.



## NARGON SUBMISSIONS

### September

Employment Relations Amendment Bill (No. 2)

Holidays Amendment Bill

*NARGON represented its members at the Select Committee on the above Bills.*

### October

Minimum Wage Review 2010

(NARGON recommends that the minimum wage does not increase.)

## RETAIL QUIZ

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

1. Which party does Hon Peter Dunne lead?
2. Which Government department has put together resources to help firms deal with employment, human resources and OSH issues created by the Canterbury earthquake?
3. By 2012, how much are British consumers expected to spend on pies, pastries and pasties?

## SALES UP, FOOD PRICES FLAT

Supermarket and grocery store sales were up 1.9 percent (\$24 million) in July 2010, according to Statistics New Zealand figures. This was the biggest increase since March 2007.

Overall, seasonally adjusted core retail sales were flat, down 0.1 percent (\$3 million). Sales in all five food categories were up but liquor retailing was actually down 9.3 percent (\$10 million).

Food prices were flat in August 2010, down 0.1 percent after small increases in the previous two months. Fruit and vegetable prices were down but this was offset by higher prices for grocery food, poultry and non-alcoholic beverages. Food prices fell 0.2 percent for the year to August 2010.

This is the fourth consecutive month of annual falls in food prices, something which has not occurred since May 2000.



## AFTER THE EARTHQUAKE DEPARTMENT OF LABOUR ADVICE

In the aftermath of the Canterbury earthquake of 4 September 2010, the Department of Labour has put together a package of information designed to help businesses and their employees make good, safe, sensible and practical decisions in this difficult time.

A number of stores were forced to close for a period of time and there are issues associated with business interruptions and re-opening.

Topics covered include:

- Managing health and safety in the workplace
- Payment of wages
- Leave for employees
- Flexible working arrangements and terminating employment
- Problem solving support.

The full document can be accessed here:  
<http://www.dol.govt.nz/quake2010/>

**NARGON wishes to extend its very best wishes to all members affected by the earthquake.**

## 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](http://www.nargon.co.nz).

## UK: THE BRITISH ATE ALL THE PIES



By 2012, British consumers will be eating their way through more than a billion pounds (over two billion New Zealand dollars) of pies, pastries and pasties. The research was conducted by Mintel and concludes that Brits have responded to rising food prices by turning back to comfort food treats which were value for money. Beef pies have

also overtaken the humble sausage roll as the most popular product in the category with the classic Cornish pasty still in third place.

The report noted: "While pies were often previously seen as being old fashioned, they have benefited from being repositioned as a popular gastro pub meal staple – moving them a step beyond the sausage roll in the eyes of the consumer as a versatile snack or viable main meal."

## GETTING LEAN TO BEAT THE RECESSION



During testing times, people naturally look for anything which might help their businesses run better and more smoothly. The Department of Labour recently published a booklet titled "High performance work – Lifting productivity together".

This details the efforts of seven real New Zealand companies who wanted to lift their productivity through a mix of lean thinking and greater engagement with their workforces. While lean techniques are traditionally associated with manufacturing, the same

principles and processes can apply to retail stores.

Somewhat paradoxically, it is often best to implement changes during the quieter times. When a store is really busy, nobody has the time to plan and implement meaningful changes because they are busy in their 'day job'.

At the core of the approach taken by the seven companies are the central concepts of getting ideas from the people on the floor, finding out where the blocks and frustrations are, and working together to find and implement solutions.

It is basically common sense put together in a systematic way. The end result is streamlined processes which are more logical, sequential and efficient, and a more engaged workforce who have seen their ideas taken seriously.

Some of the common aspects in the successful projects included:

- Simple aims including getting rid of waste, fixing up processes and eliminating frustrations
- Recognition of the importance of staff contribution to improvements
- Encouraging the employee's to speak also requiring management to listen and respond
- Giving staff input into deciding which frustrations to fix first
- Improving the flow of work – layout, process, errors, quality, timing
- Eliminating bottlenecks
- A more collaborative working style and organisation.

Copies of the booklet are available from the Department of Labour ([www.dol.govt.nz](http://www.dol.govt.nz)).



**POLITICAL COMMENTARY: HON PETER DUNNE (UNITED FUTURE)**



Minister of Revenue, Leader of the United Future Party and MP for Ohariu-Belmont explains his perspective on tax changes for NARGON members:

*“Much has been said and written about the first wave of tax changes that have now come into effect. Rightly so, as they represent the biggest reform of our tax system in 25 years.*

*Budget 2010 set out to achieve some significant objectives for New Zealand businesses and individuals. As well as tax reform, of relevance to you is:*

- *Lifting the economy’s long term economic performance, and*
- *Delivering better public service.*

*The overall intention was to lift New Zealand out of recession as soon as possible. Central to this are two important tax matters: lowering personal and company tax rates, and raising GST.*

*Employers and their tax advisors will have received the new PAYE tables which took effect from 1 October. As a result, staff will be enjoying a bigger*

*take-home pay thanks to the reduced PAYE rates. The vast majority of people will be better off, with a person on the average wage of about \$50,000 being more than \$15 a week better off.*

*Ushering in the new GST rate will of course have its implications for retailers. The new GST rate will have meant changes to accounting and payroll systems and of course, the prices of goods and services. Shifting to a new GST rate is a more significant undertaking than when it was last increased.*

*Today business practices and even payment methods are varied and can be complex. In implementing the new rate, we set up a GST Advisory Panel to advise government on any issues that businesses would be likely to face in the move to the new rate. Based on the recommendations of the Panel, we have amended the legislation to provide for more transitional measures than in 1989, particularly where the time of supply has straddled the 1 October implementation date.*

*I appreciate that for businesses, meeting GST obligations will not be without its hiccups. We’re prepared for that, and there are transition measures in place.*

*For example, where businesses have tried, but haven’t been able to file returns or pay GST on time because of the rate change, then use of money*

*interest and late filing penalties can be waived. It will be important of course to get in touch with Inland Revenue as soon as possible, if there are going to be difficulties.*

*More generally, there has been an on-going attempt to reduce compliance costs. Some benefits are already being felt. Small and medium-sized businesses are spending nearly a fifth less time on tax matters than five years ago.*

*The tax changes introduced in the 2010 Budget add to this, making New Zealand’s tax system even fairer and simpler. The more we cut compliance costs, the better it is for New Zealand economy, and further proposals are being considered for reducing the amount of paperwork businesses have to undertake to meet their tax obligations.*

*Looking beyond the 1 October changes, businesses are set to benefit from the company tax rate reducing from 30% to 28% from the 2011-12 income year.*

*Each day, the newspapers tell us that the climb out of recession continues; perhaps not as fast as we had initially hoped, but it is a steady improvement. The tax measures that came into effect this month are going to build and strengthen that recovery.”*

**ON A LIGHTER NOTE – KOSHER HAM**

This conversation actually took place in a grocery store in Minneapolis, at least according to [www.notalwaysright.com](http://www.notalwaysright.com) –

**Me:** “Hello, ma’am. What can I get for you today?”

**Customer:** “Do you have any kosher ham here?”

**Me:** “No, I don’t think there is such a thing.”

**Customer:** “Darn it! I’ve been to three stores today, and none of them had it either. My husband’s parents are in town, and they’re Jewish. I wanted to make them dinner.”

**Me:** “I don’t think Jews are allowed to eat pig.”

**Customer:** “Duh, that’s why I need to get it kosher, so they can eat it.”

**Me:** “Ma’am, I don’t think they make any kosher ham.”

**Customer:** “What about pork?”



*NARGON members are welcome to contribute articles, opinion pieces and letters to the NARGON News. We are also looking for people and stores to feature in our Profile section.*



**PROFILE**

This issue profiles Andrew Smith, the Chief Executive of Prolife Foods in Hamilton. Their brands include Alison's Pantry, Mother Earth and Value Pack:



**How long have you been in the FMCG industry?**

20 years, starting in the United Kingdom.

**How many staff at your company?**

About 450.



**Which product surprised you most with its success?**

Mother Earth Nuts went from zero to market leader within three months.

**What part of the industry do you enjoy the most?**

The products I work with are excellent and the industry moves fast.

**What's your least favourite aspect?**

There is always another task to do.

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

I've got a doctorate in physics from Oxford University.

**What is your favourite drink?**

I like a nice Sauvignon Blanc.

**What three things would you take to a desert island?**

A book of Sudoku puzzles, lots of music and some sports equipment.

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

The bulk foods department - it's an unknown but terrific area.

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**UK: WAITROSE LAUNCHES FIRST IPHONE APP**

Supermarket giant Waitrose has launched its first iPhone application (app) and mobile site. The new app lets users access Waitrose's latest recipes and view special offers (updated in real time). Users can create a shopping list, locate their nearest Waitrose shop and watch video clips of cooking techniques and tips.

A unique 'Cook's tools' feature provides information on everything from food and wine matching to cooking times.

**RETAIL QUIZ ANSWERS**

1. United Future.
2. The Department of Labour.
3. Over one billion pounds (over two billion New Zealand dollars).



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