



SPECIAL POINTS OF INTEREST:

NARGON 2010 Supplier Awards:

- Invitations
- Registration forms
- Voting forms

Insert



The NARGON BOARD would like to encourage members to extend their support to those businesses affected by the Canterbury earthquake.

NARGON 2010 SUPPLIER AWARDS

On Thursday 14 October, the annual NARGON Supplier Awards will be held in Auckland at the fabulous Bluestone Room. Make sure to register by 30 September.

Nominations for the awards have now closed, which means voting has begun! All retail members of NARGON are eligible to vote in these awards.

Entertainment for the evening is provided by Suzanne Lynch. We also have 2 tours of the Bell Tea factory for you this year accompanied with a Devonshire Tea.

This event would not be possible without the support of our sponsors and we ask that you please support them.

For more information about how to vote, the awards and accomodation, go to www.nargon.co.nz and look under Events.

Please support our major sponsors:



GOVERNMENT ANNOUNCES BIG CHANGES TO EMPLOYMENT LAW

Prime Minister John Key has announced a number of significant changes to employment law. Overall, NARGON supports the intent and direction of the new policies which we believe are sensible and balanced.

The key policies for the retail grocery sector are:

- Extending 90-day trial periods to all workplaces: This is of benefit to larger stores and will give owners more confidence to hire, particularly people who might otherwise struggle to gain a first job.
- More focus on substance rather than process in personal grievance cases: This will add clarity and reduce vexatious or opportunist claims.
- Simplifying the Holidays Act: A long overdue move which will make it easier for employees and employers to understand their rights and obligations.
- Holiday pay and other entitlements calculated based on the average of an employee's pay over the previous year: When implemented, this will remove one of the major irritants with the current legislation.
- Employees able to cash in the fourth week of annual leave but only if they choose to: We know this is often requested by employees who want to make their own decisions in order to meet their own priorities.
- Employers and employees able to agree to transfer the observance of public holidays to another working day: This is a step towards flexibility and particularly

welcome in stores which are often culturally diverse workplaces.

- Employers able to ask for proof of illness or injury after one day of sick leave: While controversial, if used correctly this move will reduce pressure on employees to cover for others and will help stop a few people taking advantage of the system.
- Early mediation services without representation, prior to any formal mediation: Overall, it should bring faster resolutions at less cost.
- Union access to the workplace will require employer consent: The policy is fair to both parties as employers cannot unreasonably withhold consent. Most similar countries already place more restrictions on union access.
- A code of ethics for employment advocates: This is needed to address the wise of some questionable practices, including no-win/no-fee advocates.
- Allowing employers and employees to communicate directly during collective negotiations: This is a common-sense step which will encourage better communication and reduce misunderstandings during bargaining. It basically re-balances the current rules.

NARGON understands that the Government wants the changes to be in force by mid-2011, well before the next election. NARGON believes these policies should be supported because they are balanced, sensible and will address a number of long-standing concerns for companies of all sizes.

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...the supermarkets and grocery sector has been one of the best performers [since late 2009].

SALES UP marginally BUT FOOD PRICES STILL FALLING overall

Seasonally adjusted retail sales rose 0.4 percent in May 2010 according to the latest figures from Statistics New Zealand. This rise was led by a 2.3 percent (\$33 million) increase in vehicle-related sales. In the supermarket and grocery sector, sales were up a modest \$7 million (0.5 percent). Sales trends have been flat since late 2009 though the supermarkets and grocery sector has been one of the best performers over that period.

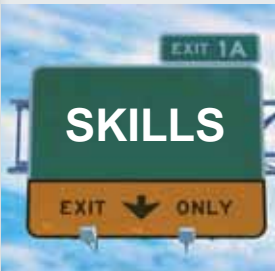
Despite food prices rising 1.3 percent in June 2010, they fell 2.0 percent overall for the year to June 2010. Statistics New Zealand confirmed this is the largest annual fall in food prices since 1957. Three subgroups contributed to annual fall, particularly fruit and vegetables (down 9.2 percent), meat, poultry, and fish (down 3.9 percent), and grocery food (down 1.4 percent).

IRD TO ADDRESS GST ERRORS

Inland Revenue has indicated it will address cases where the 1 October changes to GST result in errors or delays in GST returns. The business must be able to show that it took reasonable efforts to comply but that the error or delay can be attributed directly to the changes. In those cases, late payment penalties, late filing penalties and use of money interest will be remitted. This approach

will apply to any organisation's taxable period which includes 1 October 2010 and any taxable period that ends before 31 December 2010.

PriceWaterhouseCoopers has also put out a GST increase resource – <http://www.pwc.com/nz/en/GSTDirect/preparing-for-a-gst-increase.jhtml>



New website has launched on managing low workplace literacy skills: www.skillshighway.govt.nz

SKILLS HIGHWAY LOOKS TO BOOST LITERACY AND NUMERACY

The Government has launched a new website to help businesses understand and manage low workplace literacy skills among their employees. The Skills Highway site has practical information, free tools and tips aimed at employers. It includes real-life examples

from businesses that have run workplace literacy training and seen great results. Stores may also wish to sign up to the free newsletter to keep informed on what is happening in their region. The Skills Highway website is www.skillshighway.govt.nz

UK: VEGETARIANS “NOT HAPPY” WITH SUPERMARKET SELECTION

A quarter of vegetarians surveyed in Britain said they were “not satisfied” with vegetarian food ranges in supermarkets and fully three quarters were unimpressed with the options at fast food restaurants. The new study by MMR Research Worldwide also showed the majority of UK vegetarians felt the need to supplement their diet with vitamins and minerals.



UK technology aims to help supermarkets better predict what foods to stock during periods of unexpected weather.

UK: TECHNOLOGY TO BEAT THE WEATHER

Giant British supermarket chain Sainsbury's has announced that it is making a multimillion-pound investment in new technology to help it beat the unpredictable British weather. Every year, supermarkets are faced with unexpected weather patterns which change shopper's buying habits.

customers suddenly want warm, hearty food instead. This means stock, including perishable foods, is left on the shelves.

For example, the shelves might be full of barbecue foods and salads for a predicted sunny weekend only for rain to arrive and

The new technology would help Sainsbury's reduce the amount of food that was not bought during periods of unexpected weather by around 15%, resulting in an annual CO² reduction of more than 1,400 tonnes. They declined to say how much they anticipated saving each year.

POLITICAL COMMENT: RAHUI KATENE MP (MAORI PARTY)

In this issue, Maori Party MP Rahui Katene discusses her member’s Bill to remove GST from healthy food:

“Most of you will have heard by now about my plans to introduce a law exempting GST from healthy food.

As small to medium businesses you may be worried about this but let me make it very clear right now that there is no need to panic. If we look at similar businesses in Australia for example, the Government there has put in place what it describes as simple and cost effective processes. The Australian Tax Office has a guide for food retailers, like yourselves, about how to work out whether their food items are exempt. The guide also details five different accounting options retailers can choose from to make it easier to account for GST and GST free products.

Learning from Australia’s experiences will be essential if GST is ever exempted off healthy food in this country. And given that would be a popular move among the public, you can guarantee

that more customers will be walking out of your shop a little more satisfied.

Any good idea in politics comes under intense questioning. Just some of the criticisms I have faced include ‘it will be too hard, too complicated to implement,’ ‘it will take \$330 million a year in tax revenue,’ ‘defining what’s healthy and what’s not is too difficult,’ ‘why not just exempt it from fresh fruit and veggies.’ Of course I have responses for all these, but there are three main issues I’d like to point out.

Firstly, 11,000 people (or 40%) of the deaths in New Zealand every year are linked to nutrition-related sicknesses and more than that suffer from similar sicknesses which create a burden on the taxpayer’s public health dollars. Until there is change, the Government is forecast to spend more and more money on health.

Secondly, food prices have risen more than 20% in the last three years, while real incomes have risen only very slightly. Increases for the staples of a nutritious diet

– such as fruit, vegetables and milk – have been particularly high. There is a growing body of research which backs up my statement that if the price of healthy food is reduced, then that will encourage people to purchase healthy food.

Lastly, defining healthy food isn’t as hard as many critics are making it out to be. My Bill defines it as:

- Fruit and vegetables (including fresh, frozen, canned and dried)
- Breads and cereals (including all bread, grains, rice and pasta)
- Milk and milk products (including cheese, yoghurt and plain milk, but excluding ice cream, cream products, condensed and flavoured milk)
- Lean meat, poultry, seafood, eggs, nuts, seeds and legumes.

My Bill is yet to come before Parliament for its first reading so keep an eye out on new developments.”



There is a growing body of research [indicating] that if the price of healthy food is reduced, then that will encourage people to purchase healthy food.



RETAIL QUIZ (10)

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

1. Which political party has introduced a Bill to remove GST from ‘healthy food’?
2. Who announced the Government’s planned changes to employment laws?
3. What percentage of British vegetarians say they are unhappy with the selection at supermarkets?

ON A LIGHTER NOTE!

This story is recorded on www.notalwaysright.com as happening in a Dublin supermarket a few days before Valentine’s Day:

Customer: “Just these, please!”

(The customer hands me two Valentine’s Day cards. One is titled “to my wife,” and the other is titled “to my girlfriend”. Got to love his lack of shame!)



NEXT TIME YOU SEND A VALENTINE MESSAGE OVER THE OFFICE INTRANET REMEMBER NOT TO PRESS ‘SEND ALL’



Visit the NARGON website for the latest news and information www.nargon.co.nz

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

CONTRIBUTIONS WELCOME

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

ANSWERS

1. The Maori Party.
2. Prime Minister John Key.
3. 25%.

Visit *Nargon News* at www.nargon.co.nz to view this and past issues of our newsletter.

STORE PROFILE

This issue profiles the Editor of the *NARGON News*, Neil Miller:

How long have you been editing the *NARGON News*?

The first issue I worked on was September 2006 and I've been doing it ever since.

How has the newsletter changed since 2006?

It looks a lot more professional now but also the content is (hopefully) more focussed and readable.

What is the best part about putting the newsletter together?

You come across some cool stories, get to interview interesting store owners and see what the international trends are.

What is your least favourite aspect?

Some of the industry websites just have endless press releases about personnel changes.

What else do you write about?

Lots of topics including business,

retail, education, economics, politics, food and beer.



How often do you go to the supermarket or grocery store?

I live very close to a great store so probably three times a week.

What is your favourite drink?

I'm a big fan of craft New Zealand beers like Epic, Tuatara and Emerson's.

What three things would you take to a desert island?

'A Man Walks into a Bar: The Socialable History of Beer' by Pete Brown, a DVD of 'Withnail and I' and the complete works of PJ O'Rourke.

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

I know I should say fresh produce but I will have to go with beer.

NEW NARGON WEBSITE

If you are a member of NARGON and do not know your login details, please contact director@nargon.co.nz or phone Trina on 04 496 6557.



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