



SPECIAL POINTS OF INTEREST:

NARGONS views on tobacco displays
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Sponsorship and nomination forms for the 2010 NARGON Supplier awards

Registration form for the Foodstuffs Expo NARGON Kiwi Breakfast



EMPLOYMENT CHANGES THOUGHTFUL, MODERATE

Planned changes to employment legislation are thoughtful, moderate, and will be more likely to foster productivity, says BusinessNZ Chief Executive Phil O'Reilly.

"The changes will relieve pressure points currently experienced by many of the parties involved in employment relations, including employers, employees, labour inspectors, union reps and mediators.

"And far from being skewed in favour of employers, the changes will put stiffer requirements on employers in a number of areas and increase penalties for employer non-compliance in others.

"Overall, the changes demonstrate fairness to all parties."

Mr O'Reilly's comments on some of the key changes are:

- Extending trial periods to all workplaces: *Will give employers more confidence to hire, particularly people at the margins of the workforce*
- Union access requiring employer consent, which cannot be unreasonably withheld: *Fair to both parties, demonstrates good faith; still substantially more permissive than in other countries we normally compare ourselves with*
- More focus on substance rather than process in personal grievance cases: *For employees, will help bring clarity around dismissal cases; for employers will reduce vexatious and opportunist personal grievance claims*
- Simplifying Holidays Act: *Will make it easier for employees to understand their rights; will make it easier to comply, especially for small firms, reducing payroll administration costs*
- Holiday pay and other entitlements calculated based on the average of an employee's pay over the past year: *Will*

make it easier for employees to understand their rights; will remove incentives to 'game' entitlements

- Employees able to cash in the fourth week of annual leave, at employee's request only: *Employers commonly report requests for this ability; this will make the option available*
- Employers and employees able to agree to transfer the observance of public holidays to another working day: *Will increase flexibility; recognises cultural diversity in the workplace*
- Employers able to ask for proof of illness or injury more quickly, at employer's expense: *Will reduce pressure on employees to cover for others; will help stop rorts*
- Early mediation services without representation, prior to any formal mediation: *Will help the parties involved assess the risks involved prior to formal mediation; will help bring faster resolutions at less cost*
- Removing reinstatement as the primary remedy in dismissal cases: *Recognises that reinstatement is often not realistic*
- A code of ethics for employment advocates: *Will address some questionable practices, including no-win-no-fee 'fishing' cases*
- Formal definition of the role of Labour Inspector: *Will help foster professional practice, however, must be accompanied by adequate training and resourcing*
- Allowing Labour Inspectors to issue improvement notices: *Will help achieve compliance without litigation*
- Allowing employers and employees to communicate directly during collective negotiations: *Will help foster better understanding and communication and will reduce misunderstandings during bargaining*

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NARGON JUNE SUBMISSIONS:

Employment Relations (Rest Breaks and Meal Breaks) Amendment Bill June 2010

NARGON fully supports the intent of this Bill. The nature of work in the retail grocery sector means it is difficult to comply with current prescriptive provisions of the Employment Relations Act in relation to rest and meal breaks.

However, NARGON is concerned this Bill, as initially drafted, contains several provisions which are unclear, contradictory or likely to have a different effect than intended. NARGON represented our members at a select committee hearing for this Bill.

View the full version of the above submission and all other NARGON submissions at www.nargon.co.nz

SALES DROP SHARPLY WHILE FOOD PRICES EDGE DOWN

According to figures from Statistics New Zealand, seasonally adjusted overall retail sales were down slightly (0.3 %) in April 2010. Modest decreases in sales were recorded for 15 of the 24 retail industries in April 2010. The supermarket and retail grocery sector actually bucked the trend recording an increase of 0.5% (\$6m). The total retail sales trend has flattened in recent months.

Statistics New Zealand also revealed food prices fell 0.7% in May 2010 and by 0.5% for the year to May 2010. This is the first annual fall in food prices since the year to July 2004. Food prices are back down to levels last seen in 2008 and are now 3.8% below their peak in July last year.



All stores need to urgently ensure their EFTPOS terminals are up-to-date with the new standards by 1 June 2011

EFTPOS: ARE YOU READY?

All stores need to urgently ensure their EFTPOS terminals are up-to-date with the new standards by 1 June 2011. Up to 60,000 terminals 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.

The latest software version is more secure, more reliable and reduces the risk of credit card fraud. If the upgrades or replacements do not

take place in time, stores risk being unable to process international cards and could even be kicked off the network. Basically, every terminal has to be checked immediately.

The first step is to log onto the "Are You Ready" website (<http://www.areyouready.co.nz/>). This will determine the status of your terminal and recommend what needs to be done. Do it now. Leaving things to the last minute risks losing card processing capacity and that means losing business.

While NARGON opposes a universal ban, we support the right of individual stores to limit tobacco displays or to put tobacco products completely out of sight.



GREEN BUSINESS TOOL TRANSFERRED TO BUSINESS COMMUNITY

Envirostep is a free, online self-assessment tool designed to help businesses understand, improve and communicate their environmental performance. Over 850 companies are already registered to use the tool - <http://www.eco-verification.med.govt.nz/envirostep/>. After completing

the assessment questionnaire, users receive an instant report containing their score, profile, and recommendations for improvement. They can also upload their recommendations into an action plan.

Commerce Minister Hon Simon Power recently announced that the

Government has transferred the Envirostep scheme to a private environmental certification company, Telarc SAI Ltd. He says there is a limit to what the Government can achieve and that the company is well-placed to take the scheme forward.

NARGON'S POSITION ON TOBACCO DISPLAYS

As a representative of the retail grocery industry, NARGON has consistently opposed a blanket ban on displaying tobacco products in stores. While the previous Government appeared quite interested in such a ban, Health Minister Hon Tony Ryall confirmed to the NARGON News that the National-led Government would not be pursuing such a course of action.

While NARGON opposes a universal ban, we support the right of individual stores to limit tobacco displays or to put tobacco products completely out of sight. Indeed, a number of stores already choose to do so already arguing

it is responsible, tidier, and more secure. They usually report little effect on sales saying price rises are more likely to reduce demand than a lack of displays.

In Britain, the previous Labour Government passed legislation banning tobacco displays. This is scheduled to come into force in October 2011. However, the new coalition Government is expected to review and repeal the law. In the run-up to the UK election the Conservative Party said it was "committed to reviewing the proposed ban" while the Liberal Democrats said they were "not in favour of a ban on tobacco displays".



By scanning product barcodes, detailed allergy warnings would be called up from a database.

AUSTRALIA: MOBILE PHONES TO HELP SHOPPERS WITH ALLERGIES

It is being reported that allergy sufferers may soon to be able to scan supermarket shelves with their mobile phones to get detailed safety information about their groceries. By scanning product barcodes, detailed allergy warnings would be called up from a database and displayed on the shopper's phone. At the moment, Nestle is working with researchers at Deakin University and the international barcode standards body.

They are trialling an iPhone application but, if successful, it could be expanded to other smart phones.



POLITICAL COMMENT: HON MAURICE WILLIAMSON (NATIONAL)

In this issue, Commerce and Small Business spokesperson David Clendon offers the Green Party perspective on the big issues affecting the retail grocery sector:

"I have recently begun hosting a series of 'Green listening post' meetings, inviting business people to come along and talk about their issues of the day, their difficulties and perceived opportunities - generally a chance for me to keep in touch with the day to day realities facing business, especially the often overlooked small and medium enterprise sector (SMEs).

Combined with practical experience gained working in supermarkets, operating my own wholefoods stores, managing an engineering supply company, and working as a sustainable business adviser, the feedback from the meetings will help inform what the Greens do politically to work alongside business in the challenging 'post-recession' (we hope!) environment.

GST has (predictably) emerged as a hot topic – it is disappointing that the government made so little effort to consult business people about the short- and long-term

effects of increasing the tax rate to 15%, and the provision of an on-line 'help desk' goes only part way to aiding smaller operators in particular through the transition.

The vexed question of whether fresh fruit and vegetables and perhaps other basic foodstuffs should be exempt from the tax has stimulated much debate. My personal view is that the difficulties of definition and implementation may outweigh the benefits for retailers and consumer alike of this undoubtedly well intentioned proposal. Given the divergent views being expressed, the Greens are likely to support the bill to select committee, so that interested parties (not least of all the grocery trade) have a chance to make submissions and engage in the debate.

The sale of tobacco is also in the headlines, and it is inevitable that there will be moves to further regulate packaging, display and access to this product, and to increase the price, to deter people from taking up or continuing the habit. I have sat in on some of the tobacco enquiry which is soon to wind up, and it is hard to defend the sale of a product which, if used in the manner it is intended to be used,

contributes to the premature death of some 5000 people every year.

I have long advocated the use of a 'sustainability framework' as a tool to improve the financial bottom line, and to ensure you are operating in a socially and environmentally responsible way.

Is your business using all the available 'low cost' and 'no cost' ways of reducing your energy and water bills? Are you working with your suppliers to reduce the amount of packaging coming into your store, and so reducing the time and cost of managing and disposing of that packaging? Are you actively looking for ways to ensure that your staff know they are valued and respected as contributors to your business, which can be as important as wage or salary increases in building staff satisfaction and loyalty?

The listening post meetings will continue over the next several months, so do keep an eye on our website or e-mail me (David.clendon@parliament.govt.nz) if you would like to know when one is happening in your area. It would be great to see you there!"



"I have recently begun hosting a series of 'Green listening post' meetings, inviting business people to come along and talk about their issues of the day, their difficulties and perceived opportunities"



RETAIL QUIZ (9)

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

1. Before the May 2010 figures, in which year did annual food prices last show a decline?
2. Which website can check if EFTPOS terminals need upgrading or replacing?
3. Does NARGON support individual stores choosing not to display tobacco products?

ON A LIGHTER NOTE!

This story as recorded on www.notalwaysright.com and happened at a supermarket in Israel –

[A customer is looking at the live fish swimming in the tank at the supermarket.]

Customer: "Are these fresh?"

Staff: "They're alive."

Customer: "But are they FRESH?"

Staff: "... yes."



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.

1. Year to July 2004.
2. www.areyouready.co.nz
3. Yes.

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

STORE PROFILE

This issue, *NARGON News* talked with the new NARGON Vice Chair, Robert Scott from Molesworth Four Square (though the locals know the store as Scotty's):

How long have you been in the supermarket and grocery industry?

Since 1992 - prior to that I was a teacher.

How many staff at your store?

19, mainly part-timers.

Which product surprised you most with its success?

When V was launched, I never thought it would get off the ground. I was totally wrong. Similarly, Magnums were the first ice-cream to crack the \$2 mark. I didn't think anyone would pay \$2 for an ice-cream, but I was wrong again.

What part of the industry do you enjoy the most?

Probably meeting people from all walks of life.

What's your least favourite aspect?

The paperwork.

Tell us something your customers may not know about you?

I walked the length of New Zealand about seven years ago, I'm a motorcycle fanatic and I'm trying to have every a drink at every pub and tavern in the country. I'm slowly ticking my way through the list of nearly 1,000.

What is your favourite drink?

I'm a Speight's boy but also Croucher's boutique beers out of Rotorua.

What three things would you take to a desert island?

Lonely Planet travel guide, the Discovery Channel, and a bevy of beauties out of Las Vegas.

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

I'd probably work in liquor.

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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