



Special points of interest:

- ... **NEW FEATURE**
Retail HOT SPOT focus
- ... Supplier Award
- ... Changes in alcohol legislation

Inside this issue:

Supermarket and Grocery sales rise	2
Tobacco display ban not on agenda	2
New employment laws	2
Retail Quiz	2
Retail HOT SPOT focus	2
Liquor Law changes expected	3
Holiday Act potential changes	3
UK—Supermarket bans battery eggs	3
Supplier Award update	3
On a lighter note	3
Store spotlight	4

Chairman's Report for 2008

It is my pleasure to present to members the Chairman's report for NARGON for the year ending 31st December 2008. It has certainly been a busy year with many changes including a new Government.

We welcomed Philip Blackburn, Rayner Bonnington and Richmond Lee to the board this year, this is also my first year as Chairman. We said goodbye to Samantha Seath our Executive Director and welcomed Trina Snow to replace her.

Last year's AGM was held in Christchurch and we were fortunate to have Rodney Hide as our speaker, he was entertaining and enthusiastic giving us his bottom line principals he would hold to if he were asked to join a Government.

Our supplier awards were held in Wellington at the Intercontinental Hotel on October 29. Red Bull was the major sponsor providing pre dinner cocktails that were very well received and Martin Sneddon, the speaker, gave a very interesting review of the organisation of the Rugby World Cup while musical cheers provided good music. The function was very well attended by 140 guests.

Ross Jordon and our Executive Director, Trina Snow, represented the board at the **FGC conference** in Queenstown in November. The conference was as always interesting and provided important networking opportunities for NARGON.

The 2008 year again saw a lot of legislation coming through Parliament resulting in multiple submissions.

With the election of the National-led Government some may now take a different course from that originally intended.

January saw another **review of the Easter trading hours, which resulted in no change**, and In February we fought against the review of tobacco displays in New Zealand. The new government has recently announced that there will be no changes to the current law.

With **March came our most difficult submission on the Health Bill.** The changes proposed could have major implications for stores in the area of store layout and in being able to advertise foods that may be classed as "unhealthy". **Samantha Seath put together a thorough and well thought out submission** on these matters and was asked to appear before the select committee to discuss our submission. As yet there has been no definite outcome.

Other submissions concerned ACC Levies which are set to rise and may rise further due to the large ACC deficit, non standard and casual work arrangement amendments to the Employment Relations Act 2000 and the 2008 Minimum Wage Submission which has now resulted in a minimum wage increase to \$12.50 per hour. Last but not least another hot topic is the Sale and Supply of Liquor (Objections to Applications) a private members bill, which will be read with the government bill that is still on the order paper.

NARGON Board members were involved in a large number of activities in 2008 which included the Liquor Promotions Code and Complaints System, GS1, the new Supermarket limited credit programme and Grocery Industry Council activities. Nargon is also represented at the AIG meetings held by Business New Zealand and was present at the Foodstuffs Expo held in Palmerston North which helped to secure votes for the supplier

awards and increase awareness Nargon's service to the Industry.

NARGON'S commitment to its members means that we do what we can when we can to improve our services and keep up-to-date with all things related to the Supermarket industry.

2008 saw a busy year where we implemented quite a few changes and updated several areas, including a re-design of our member brochure, new signage for shows, a redesign of the website with extra information now being provided and a redesign of our newsletter. We have also reconfirmed our commitment to the FMCG and CStore magazines and are providing interesting and timely articles for their publications.

2009 is looking to be just as busy with member updates and further changes such as:-

Better member tools, among them a personalisable health and safety template, and store induction programme templates. More links and information on the website to help stores. and a **New Supplier award format** sponsored by NZ Sugar and to be held in Auckland later this year.

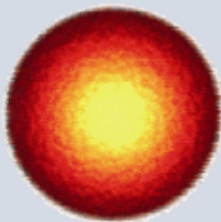
Our Board members have been enthusiastic and vibrant with ideas and I would like to thank them for the support they have given me as Chairman over the last year. To our Executive Director, Trina Snow you have been great to work with and have shown great vision in your role. Also thank you to Dawn Wratt who answers the phone and deals with some of the administration.

*Ross Jordon
Chairman*



"supermarket and grocery sales were up 1.7 percent (\$20m). This was the biggest increase recorded in any retail industry"

On 1 April 2009 the Employment Relations (Breaks and Infant Feeding) Amendment Bill comes into force



NEW FEATURE
Retail **HOT SPOT** Focus
Do you accept out of town cheques?

Supermarket and grocery sales continue to rise

The Statistics New Zealand retail sales figures for January 2009 show that supermarket and grocery sales were up 1.7 percent (\$20m). This was the biggest increase recorded in any retail industry. Overall, in January 2009 seasonally adjusted total retail sales fell 1.1 percent (\$62 million)

mainly due to decreases in vehicle-related industries. Excluding those industries, core retailing sales were up 1.3 percent (\$13m). Statistics New Zealand also noted that food prices increased 0.2 percent in February 2009. For the year to February 2009, food prices rose overall by 8.8

percent. All five subgroups recorded upward contributions to the annual increase: grocery food (up 9.1 percent), meat, poultry and fish (up 11.0 percent), fruit and vegetables (up 12.1 percent), restaurant meals and ready-to-eat food (up 6.1 percent) and non-alcoholic beverages (up 6.2 percent).

Tobacco display ban not on Government agenda

The new National Government has confirmed that it will not be introducing legislation to ban retail tobacco displays at this time. Health Minister Hon Tony Ryall confirmed his earlier

advice to the NARGON News that he would not be implementing the Health Select Committee's recommendation that new legislation be introduced to force retailers to store

tobacco products out of sight. The National Party members of the Committee did not agree with that recommendation at the time.

New employment laws come into force

The 90-day probationary period came into force on 1 March 2009 after the Employment Relations Amendment Act was passed under urgency before Christmas. It allows employers with fewer than 20 employees to agree with a new employee that he or she will be employed initially for a trial (or probationary) period of up to 90 days. Further

information is available on the Department of Labour website:

<http://www.ers.dol.govt.nz/relationships/trialperiod.html>

On 1 April 2009 the Employment Relations (Breaks and Infant Feeding) Amendment Bill comes into force with the new Government seemingly deciding not to make any changes to the legislation

which was passed last year. The law sets out the new minimum requirements for employee rest breaks, infant feeding breaks and facilities. More details are available here: <http://www.ers.dol.govt.nz/relationships/breaks.html> and <http://www.ers.govt.nz/parentalleave/infantfeeding.html>

Retail Quiz (1)

All NARGON members should know the answer to these three questions: *(answers on page 4)*

1. Who is the Minister of Small Business?
2. Which employees do not need written Employment Agreements?
3. Maurice Bennett is well known for his art work using corn flakes, toast or milk?



Retail **HOT SPOT** Focus

NEW FEATURE

In this industry, there is so much to learn and remember in order to run a successful business it is no surprise that sometimes some things get put on the back burner to do later, get forgotten or are just not thought about.

Each issue the **HOT SPOT** focus aims to help and will feature one item for you to consider in the day to day running of your business

This issue's **HOT SPOT** focus regards your policy on out of town Cheques what is it?

Do you accept out of town cheques?

Best practice for cheques

- 1) No out of town cheques are cashed
- 2) Cheque users must have a shop ID card
- 3) A limit on cash out on cheques is enforced (we recommend up to \$40.00)

Liquor Law changes expected

Justice Minister Simon Power is following through on his statement to the NARGON News that liquor issues are a matter of priority for his Government. The Sale and Supply of Liquor and Liquor Enforcement Bill has passed its first reading and is open for submissions. It proposes that:

Local councils can restrict the number of liquor outlets in an area, the location and

proximity of outlets to other community buildings such as schools, and hours of operation

Except in very limited circumstances, grocery-selling stores will not be able to obtain a liquor license unless they have a floor area of at least 150 square meters. Existing licensees will have to comply upon renewal of their licenses.

Grocery-selling stores will

continue to be restricted to selling beer, wine, cider and mead.

The Government has also asked the Law Commission to speed up their review of the Sale of Liquor Act. An initial discussion document is expected in July. A full report will be completed after public consultation on the discussion document.

NARGON has put forward a submission on this bill.



“The Sale and Supply of Liquor and Liquor Enforcement Bill has passed its first reading and is open for submissions”

Potential change to the Holidays Act

The Government is in the process of reviewing the Holidays Act. An independent panel will consider issues created by the current Act particularly around relevant daily pay. Another key emerging issue

is the ability to for employees to potentially “trade-in” a week of leave. The NARGON News understands the review will confirm the minimum annual holiday entitlement will continue to be four weeks’ but will look at

introducing an ability for employees to trade-in the fourth week each year for cash if they wish. Decisions are not expected until late in the year.

UPDATE—2009 Supplier Awards

This year we are asking suppliers to be nominated for the Suppliers awards by themselves or by stores.

The nomination form is enclosed with this newsletter and is also available on the NARGON website at www.nargon.co.nz

This is a great way for suppliers to measure the success of their services or products within the grocery

industry.

Votes will be made by our grocery store and supermarket members from the list of nominated suppliers in each category.

NZ Sugar is this years major sponsor but we still have other sponsorship options available. If you would like to sponsor the awards please contact Trina Snow on 04 496 6557

UK: First supermarket bans battery eggs

Sainsbury’s has become the first of the leading supermarket chain to end the sale of eggs from battery hens. From February it is only selling eggs from uncaged birds - three years before an EU-wide ban on

battery cages comes into force. Sainsbury’s says it had been planning to phase out the sale of eggs from caged birds next year but brought its decision forward to mark itself out from its competitors.

On a lighter note

Today, a whopping 89% of British grocery shoppers expect special offers as a standard part of their shopping experience. That figure came from market research agency Buckingham Research.

Only 8% said that they did not anticipate special offers across every shopping experience while a baffling 3% of the 512 respondents said that they did not know.



“the privately run Buy New Zealand Made campaign will continue to promote New Zealand products”



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

NARGON

P.O. Box 1925
Wellington
6140

Ph: 04 471-1338
Fax: 04 496 6550
Email: director@nargon.co.nz
Web: www.nargon.co.nz

National Association of Retail
Grocers and Supermarkets of
New Zealand



Board Members

Victoria Boyes

Greymouth New World victoria.boyes@newworld-si.co.nz 03 768 4441

Michael Kennedy (V Chair)

Pak 'n Save Mangere michael.kennedy@foodstuffs.co.nz 09 256 7530

Ross Jordan (Chair)

Inglewood Shoprite ross.jordan@foodstuffs-wgtn.co.nz 06 756 7404

Mark Kennedy

Otaki New World mark.kennedy@foodstuffs-wgtn.co.nz 06 364 8640

Robert Scott

Molesworth Four Square molesworth@xtra.co.nz 09 431 4656

Melissa Hodd

Foodstuffs (NZ) Ltd 04 472 6435

Richmond Lee

Waikanae New World Richmond.lee@foodstuffs-wgtn.co.nz 04 293 3400

Rayner Bonnington

Turangi New World Rayner.Bonnington@foodstuffs.co.nz 07 384 7570

Phillip Blackburn

Balclutha New World phillip.blackburn@newworld-si.co.nz 03 418 2850

Executive Director

Trina Snow director@nargon.co.nz 021 730 185

Store Spotlight - Maurice Bennet, Island Bay New World

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

All my life but 21 years as a supermarket owner.

How many staff at your store?

Our weekly average is 104.

Which product surprised you most with its success?

Those sweets called Wraps which later became Rollups. I kicked the rep out of the shop because I never thought they would catch on.

What part of the industry do you love the most?

The diversity – you are always faced with a million issues.

What's your least favourite aspect?

Trying to get good staff and good reps.

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

I studied civil engineering and architecture. It helps me build baked bean stacks.

What is your favourite drink?

Beer in all its forms.

What three albums or books would you take to a desert island?

Jackson Browne "For Everyman", Bill Evans Trio "Saturday at the Vanguard" and Robinson Crusoe to give me some hope.

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

The beer section.



Visit **Nargon News** at

www.nargon.co.nz to fill out the Store Spotlight questions so your store can be featured in this section

Answers from page 2

1. Hon Maurice Williamson
2. None – all need them
3. Toast