



Special points of interest:

- NARGON AGM April 7th 2009
- Privacy officer information for stores
- Minimum wage update

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A supermarkets view on the minimum wage increase

As I write this article, the government has announced the raising of the minimum rate to \$12.50 which is not as bad as it could have been, considering the initial speculation of an increase of anything up to \$15 now that would have rattled some cages!

We are all at the coal face when these increases take effect which poses some serious business decisions for the future. There is the wage increase of 50c, 8% annual leave, ACC and Kiwi saver, which all have some impact on the profitability of any business.

Some of the many questions that we need to ask ourselves at this time is how can I make this affordable for my business and do I raise all staff wages irrespective of their wage rate. (This can be

very costly but needs to be weighed up with staff moral and business values).

The reality of minimum wage increases is that higher costs are passed onto the consumer, it may result in time reductions for some employees and in some cases a lift in unemployment. So in the end who wins?

As we draw closer to April 1st it may be prudent to look at all rosters and ensure they are as efficient as possible and geared to your customers needs. This can be made simpler if you have a staff member leaving and you are able to re roster accordingly, if you get this opportunity use it.

This years rates shouldn't have as much effect as the removal of youth rates had last year. Many retailers I

have spoken to have reduced the amount of "youths" they employ and I believe this is giving less opportunity for the next generation to learn important life and work skills, time will only tell what effect this will have.

With the unemployment rate increasing at the moment it is pleasing to have more applicants crossing over my desk. The next 12 months looks like it will have a few new challenges to face but with cheaper interest rates, more staff available and a higher inflation rate being generally a positive for retailers, its not all bad.

So with a new government, a massive shake up in the financial world and the ever publicised "recession" 2009 will be one that will keep us all on our toes

Raynor Bonnington

A glimmer of good news in latest statistics

The latest Statistics New Zealand show the biggest quarterly fall for overall retail sales since March 1997. The seasonally adjusted value of total retail sales dropped 1.1 percent (\$179 million) in the December 2008 quarter. The largest decreases were in automotive fuel retailing, down 8.2 percent (\$151 million) and motor vehicle

retailing, down 5.3 percent (\$96 million). However, there was some promising news with supermarket and grocery sales showing the biggest increase. They were up 1.3 percent (\$45 million).

Food prices also increased 0.8 percent in January 2009, following a decrease of 0.2 percent in December 2008. Higher prices were recorded

for fruit and vegetables (up 3.6 percent), non-alcoholic beverages (up 2.2 percent), grocery food (up 0.4 percent), and restaurant meals and ready-to-eat food (up 0.4 percent). Lower prices were recorded for the meat, poultry and fish subgroup (down 0.6 percent).

NARGON website updates www.nargon.co.nz

- NARGON 2009 AGM information
- All website references and links listed in this newsletter can be found under links
- Minimum wage , Meal Breaks and 90 Day probation period updates in information/members section (*you must login to view this information contact director@nargon.co.nz for login details*)



“Some stores may be surprised to learn that they are required by law to have a privacy officer”

All stores must have a privacy officer

Some stores may be surprised to learn that they are required by law to have a privacy officer. Section 23 of the Privacy Act clearly states that all agencies, including all businesses, must have at least one privacy officer. This is basically a designated person in the company who knows about privacy issues.

The Privacy Commission, the

Crown Entity which administers the Privacy Act, says a privacy officer should be familiar with the privacy principles in the Act and other legislation and ensure the company’s business practices comply with all privacy requirements.

Support, information and training are available from the Privacy Commission. Their

website is www.privacy.org.nz. They also run a free phone line on 0800 803 909 which can answer general enquiries but not provide legal advice. NARGON encourages all stores to take privacy seriously, appoint a privacy officer and ensure they have the information and support they need.

Small business package is a step in the right direction

NARGON has welcomed the Government’s “small business relief package” as a series of small but significant moves to help ease the tax burden, improve cash flows and lighten the compliance load a little.

New Prime Minister John Key announced the \$480m package as part of the Government’s wider Jobs and Growth Plan. Overall, New Zealand business will have almost half a billion dollars left in their pockets because of these changes which is certainly a step in the right

direction.

The package includes a raft of tax changes and a beefed-up suite of business advice services. There is now an enhanced free help line (0800 42 49 46) operating 24-hours a day. It offers free business health checks and a free business mentoring service.

Our sector will particularly benefit from the steps taken to improve cash flow and liquidity. NARGON believes this is one of the most practical ways the



Government can support businesses.

The full details of the Government’s “small business relief package” can be read on the internet at <http://www.beehive.govt.nz/feature/small+business+relief+package>.

“Our sector will particularly benefit from the steps taken to improve cash flow and liquidity.”



Minimum wage increases

The Government has announced that the minimum wage will increase from \$12 to \$12.50 on 1 April 2009. The training and new entrants' minimum wages will increase from \$9.60 to \$10 at the same time. Minister of Labour Kate Wilkinson said “given the current recession, we needed to find a balance between protecting jobs and fair pay for workers. We are confident that a 50c increase, in line with inflation, will not harm businesses.”

Holidays Act to be reviewed

As promised before the election, the National Government will review the Holidays Act. Many businesses have struggled with the real-life effects of

the current legislation. NARGON understands that the review, which will be run by the Department of Labour, Business New Zealand and the Council of Trade Unions

under an independent chair, will examine some of the more contentious issues including relevant daily pay. Work is expected to be underway by Easter.



“Many businesses have struggled with the real-life effects of the current legislation.”

Businesses "highly vulnerable" to employee dishonesty

It is common knowledge that theft and shoplifting often increase during recessions. While most stores are always looking to reduce these external losses, new research suggests that many businesses are still highly vulnerable to theft or fraud from within.

PricewaterhouseCoopers, Grant Thornton and KPMG research shows half of Kiwi firms have experienced employee theft or fraud, yet less than a third have adequate systems to prevent it.

The report indicates businesses' systems are not strong enough to show how much money is being lost or where the losses are occurring. This is a particular challenge for large firms with high staff turnover. New Zealand businesses lose around \$350 million each year because of employee dishonesty

Business New Zealand Chief Executive Phil O'Reilly says employers should not panic about employee dishonesty. They should treat it like any

other risk, using good business practice, strong human resources strategies and open communication. "It is true that workers who face redundancy or restructuring are more likely to turn to theft, fraud, petty damage or absenteeism. But even if the temptation to pilfer is powerful, the prospect of being dismissed is stronger. If employers treat their staff with dignity, most will be scrupulously honest," he said.



"employers should not panic about employee dishonesty"

Plastic bag users threatened with prison

Officials in Delhi have announced that the penalty for carrying a plastic shopping bag will get a \$3,800 fine and up to five years in prison. They say the only way to stop the rising tide of rubbish is to ban entirely the "use, storage and sale" of any plastic bags.

Bangladesh was the first country to ban plastic bags in 2002 amid fears they were blocking drains during monsoons. Taiwan, Australia, Rwanda and Singapore have moved to ban or discourage the use of plastic bags as have cities in Britain and America. Denmark and Ireland have

both introduced taxes on plastic bags. UK supermarkets are making voluntary reductions. In New Zealand, many stores are running their own campaigns to reduce plastic bag use.



"Taiwan, Australia, Rwanda and Singapore have moved to ban or discourage the use of plastic bags "

UK: Storm over a teacake

Iconic British chip company Walkers received over one million entries to its 'Do us a flavour' competition. The competition asked people to suggest new chip flavours and the six finalists are Fish

and Chips, Onion Bhaji, Chocolate and Chilli, Crispy Duck and Hoi Sin, Builder's Breakfast and Cajun Squirrel.

These six flavours are being sold in stores and consumers

can vote for the overall winner. The ultimate prize is £50,000 and, amazingly, 1% of any subsequent chip sales. The competition closes in May .

On a lighter note?

The sale of fake goods is common in China but it has gone a step further with the construction of new shopping centre completely and openly dedicated to fake brands. Some of the brand impostors at the mall in Nanjing, east of Shanghai, include a

McDonalds look-a-like burger bar called McDnald's, a Starbucks-style coffee shop called Bucksstar Coffee and a wannabe Pizza Hut called Pizza Huh.



Visit the NARGON Website for the latest news and information
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Store Spotlight -

Waikanae New World

How long has the store been open?

6 years

How long have you been in the Supermarket industry?

21 years

How many staff do you employ?

55 full time and 35 part time
(90 all up)

What is your favourite aspect of the food retail business?

Constant challenges

What is your least favourite aspect?

Constant challenges

What is your favourite department within the store? Why?

Wine and produce

What future challenges do you see the grocery industry facing both globally and internationally?

Lack of skilled workers

Best piece of advice anyone has ever given you?

Never give up

What is your favourite food?

Fresh fruit

Favourite spot to visit in NZ?

Waikanae, where else?

Member Invitation to the

NARGON AGM

Tuesday 7 April 2008

4pm Start

followed by drinks and nibbles

6th Floor, Lumley House,
3 - 7 Hunter Street, Wellington

This invitation is free to NARGON members

RSVP by Friday 27 March 2009 to director@nargon.co.nz

For membership enquiries contact: Trina Snow email: director@nargon.co.nz