



Special points of interest:

WIN

Your copy of Slippers by being one of the first five stores who volunteers to feature in a NARGON News Store Profile

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Your invitation to the Premier Bacon Kiwi Breakfast at the Fine Food show

Insert

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2010 Minimum Wage Increase

The government has announced the raising of the minimum rate to \$12.75 as of 1st April 2010 (+2%). In the lead up to the announcement there were still various agencies speculating that it should go to \$15 an hour.

With any increase in wages there is flow on effect with 8% Annual Leave, ACC and Kiwi Saver which all have some impact on the profitability of any business. And talking about Kiwi Saver, I have not had any staff opt out of Kiwi Saver since the employer levy came into being.

There are three minimum wage rates:

- ... The adult minimum wage applies to all employees aged 16 and over who are not new entrants or trainees.
- ... The new entrants minimum wage applies to employees aged 16 and 17 except for those who have completed 200 hours or three months of employment, whichever is shorter or who are supervising or training other workers, or who are trainees.
- ... The training minimum wage applies to employee's aged 16 and over who are doing recognised industry training involving at least 60 credits a year.

There is no statutory wage for employees who are

under 16 years old.

In fact around the country many employers have either reviewed or are reviewing wage increases with their staff. Some businesses have struggled to get increased sales over the last year but in reality still have to review their wages to remain competitive and to attract the right employees to their business, obviously this increases the cost of being in business through the tough times.

With the unemployment rate remaining high employers will be looking at the quality of staff employed and how they can make their workforce more productive by reviewing rosters, checking sales to man hour ratios to ensure jobs are carried out efficiently.

Over the last year the industry has noticed a trend to employers employing older people where in the past that job was offered to a student worker, a lot of employees see this as a way of improving the service being offered to customers by someone more mature and in most cases who have been in the work force for some years making them easier to train.

Ross Jordan
Board member

No exemptions for food if GST goes up

The National-led Government is widely expected to announce a rise GST to 15% in the May 20 Budget. This increase – likely to be introduced in October - would be accompanied by across the board personal tax cuts and a boost to benefits and superannuation. A number of lobby groups have requested that food, or more specifically 'healthy food', be exempted

from any increase.

While the Government has not yet made a final decision on whether to lift GST, they have already signalled that no exemptions from GST are not being considered. Their argument is that removing GST from certain items would substantially reduce the efficiency of the tax and

increase compliance, administration and revenue costs. In Australia, cooked chicken is taxed but raw chicken is not. In Britain, a long running court case had to decide whether Pringles were crisps (which incur their version of GST) or biscuit (which do not). The eventual judicial answer was biscuit.

Free and discounted copies of "Slippers – Service and Selling"

NARGON still has a couple of copies of Mark Blumsky's book "Slippers" to give away. The book is about success in retail businesses and the first five members to email Executive Director Trina Snow (director@nargon.co.nz) and volunteer to feature in a NARGON News Store Profile will

receive a free book. The Profile interview is very simple and takes less than five minutes.

NARGON has also obtained discounted copies of "Slippers" which can be bought for \$20 (including postage). Please contact Trina for details.

These are the submissions that NARGON has presented on behalf of its member so far in 2010. All submissions are viewable at www.nargon.co.nz



retail sales rose 1.0 percent in the December 2009 quarter

"The Government has announced a small increase in the three minimum wage rates which will come into force at the start of April."



Shoppers are increasingly looked for environmentally friendly businesses

Sales slip while food prices continue to climb

Figures from Statistics New Zealand show seasonally adjusted total retail sales rose 1.0 percent in the December 2009 quarter. This was the third consecutive quarter of growth. However, the news was not as bright for

supermarket and grocery stores which saw sales down 2.1 percent (\$27 million). This was largest drop for all retail industries this quarter. In January 2010, food prices increased 2.1 percent. The biggest increases were recorded for grocery food,

fruit and vegetables, and meat, poultry, and fish. Overall, while food prices are now 2.2 percent higher than a year ago, they are 12.0 percent higher than two years ago.

Minimum Wage to rise on 1 April 2010

The Government has announced a small increase in the three minimum wage rates which will come into force at the start of April. The adult minimum wage will be \$12.75 an hour (up 25 cents) while the new entrants' minimum wage and the training minimum wage will be \$10.20 an hour (up 20 cents). The Department of Labour website has further information and fact sheets: <http://www.ers.dol.govt.nz/pay/minimum.html>.

April Public Holidays

This year, Good Friday on 2 April, Easter Monday on 5 April and ANZAC Day on Sunday 25 April are all public holidays. The usual public holiday rules apply to all these days. Despite on-going political debate, all the current trading restrictions remain in force. There is no trading on Good Friday and Easter Sunday, and no trading before 1pm on ANZAC Day.

Reminder about written employment agreements

Though it has been a legal requirement for many years, NARGON reminds all members that full written employment agreements are required for every single employee. The member's section of the NARGON website contains draft agreements and advice on employment agreements – www.nargon.co.nz

Retail Quiz (6)

1. Which sort of advocates are potentially creating issues with personal grievances?
2. Which is the biggest grocery market in the world today?
3. Do you pay GST on cooked chicken in Australia?

Environmental self-audit

Your store may not be able to solve the world's environmental problems but the start of a new year is often an opportune time to take a hard look at whether you are being as 'green' as you can be. It is an opportunity to help the planet and boost your bottom line. Shoppers are increasingly looked for environmentally friendly businesses and money can be saved by reducing waste and energy costs.

This is an opportunity to give

the store an environmental self-audit. Look at every aspect of the store and every activity. Be your own harshest critic and question whether there is anything you could be doing better.

- ... Are you using energy efficient lighting?
- ... is power being wasted by having too many lights or fridges on?
- ... Can you make better use of natural light?
- ... Are your fridges energy-efficient and safe
- ... Is any tap or appliance

dripping?

- ... Has the hot water cylinder been insulated?
- ... Do you know which activities use a lot of water unnecessarily?
- ... Is all packaging being reduced, reused or recycled?
- ... Are you really recycling everything that you could?
- ... Be honest. Be harsh. Globally change starts locally, and there is nowhere better to begin than your own store.

Political Commentary: Hon Kate Wilkinson

In this issue, National MP and Minister of Labour Hon Kate Wilkinson sets out the Government's plans for labour law reform in 2010:

It pays to stay informed and this will certainly prove true in 2010. The Government is taking a close look at a number of areas that have caused frustration and constrained economic growth, with employment law in line for change this year.

Much of what is being planned on this front has been well signalled. Amending the Holidays Act and sorting out problems with relevant daily pay were highlighted in our 2008 election manifesto. There has been progress on this front and we're getting closer to knowing what these changes will look like.

This month I also released a discussion document on the review of the personal grievance process. It should be clear that I am interested in looking at absolutely everything involved in the system. To date, I have heard a lot of anecdotal evidence

and it's important that perception can be separated from reality.

Media attention has automatically focused on one small aspect of the paper – a question on extending the use of trial periods. It generated the desired reaction and much of the real debate was lost, so I would encourage anyone with experience or an interest in this area to read the discussion document on the Department of Labour website and submit any thoughts you have.

There are a number of concerns that have been raised with the system, including frustration that parties can spin the process out for years and that too much emphasis is placed on minor details of process when the substance of the case is clear. The practice of 'no win no fee' advocates had also raised the ire of many and this will be investigated also. Submissions close on March 31 and if changes are necessary they will be released some time mid-year.

No doubt the pending changes to the Holidays Act are also of high interest to many in the grocery industry also. The working group reported back prior to Christmas and I have since also received advice from the Department on the recommendations. I will be in a position shortly to announce the final details, which are certain to include the ability of employees to trade their fourth week of leave for cash and a new relevant daily pay equation.

The critical aspect of fixing the Holidays Act is the need to ensure the final result works in practice. My focus as Minister of Labour is to improve the employment framework we have to encourage businesses to grow and take on more staff. Removing unnecessarily convoluted rules is one measure that will help.

(The discussion document on personal grievances can be viewed on-line here: <http://www.dol.govt.nz/consultation/personal-grievance/discussion-doc/index.asp>)



"The critical aspect of fixing the Holidays Act is the need to ensure the final result works in practice. ."

"A quarter of shoppers surveyed said that carbon now influenced their shopping habits"

UK: Carbon now as important as calories

New research from The Carbon Trust in Britain indicates that shoppers now care as much about the carbon footprint of a product as they do about its calorie content. A quarter of shoppers surveyed said that carbon now influenced their shopping habits. 86% of consumers surveyed wanted their favourite brands to help combat the threat of climate change by reducing their carbon footprint, 43% are actively seeking information about the carbon impact of the products they buy and 52% would be more loyal to a brand if they could see at a glance that the producer was taking steps to reduce their footprint.

On a lighter note!

Another retail service gem from www.notalwaysright.com titled "Please see the hypothetical aisle":

(A customer comes in looking for an item I knew we do not carry.)

Customer: "Where would I find a [item]?"

Me: "I'm sorry, ma'am, we don't carry that."

Customer: *stares at me awhile* "Well, if you did carry it, what aisle would it be in?"



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

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Store Profile

The NARGON News talked this month to David Kershaw from Pain and Kershaw Universal Providers in Martinborough

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

37 years but the store itself was founded in 1873

How many staff at your store?

Twelve full-time grocery staff, another 12 part-time, 8 students and 2 office staff

Which product surprised you most with its success?

We were very dubious about Lotto – the guy had to visit us three times to convince us to do it!

What part of the industry do you enjoy the most?

I never thought I'd come into the business. Grocery became my love because it moves a lot quicker than hardware and farming

What's your least favourite aspect?

Staffing issues take up the most time and need to be handled with care – especially in a small town

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

I'm still a licensed salesperson for explosives!

What is your favourite drink?

Martinborough Pinot Noir but I have a love of malt whiskies as well

What three things would you take to a desert island?



I'd take the symphonies of Beethoven, my wife and the books of John Grisham

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

The liquor section though I still enjoy fruit and vege.

Contributions welcome

NARGON members are welcome to contribute articles, opinion pieces and letters to the NARGON News. We are also always looking for volunteers for our Profile section.

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

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

Answers from page 2

1. "No win, no fee" advocates
2. The United States of America
3. Yes.