COLDFACTS



SEPTEMBER 2022 ISSUE

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89th NZCSA Annual Conference Recap

Our annual conference and AGM have now been and gone for another year and we have already started our initial planning for next year. This year we had over 100 attendees. Thank you to everybody involved this year. Our conference is the one time of the year when all members can get together and the opportunity to share experiences and network with other members is invaluable.

Our many thanks go out to our generous sponsors, with special mention to our Golf sponsors - Tuatara Structures, Crown Lift Trucks and Southward Shelving & Racking. Our association simply could not run the way it does without this wonderful ongoing support. I am a great believer in the win/win strategy and I really hope that our sponsors benefit from the close association we all seem to share at our conferences.

This year the conference programme format changed to the conference activities being on the Sunday afternoon, followed by the welcome function and Conference sessions on Monday and Tuesday. Feedback from attendees is that the new format was a success.

On the golfing front we had over 15 members enjoy the sunny day and Mark Westphall was awarded the Alan Middleton trophy.

Murray Williams from Pensa Doors again sponsored the ever popular beer tasting session. I know that the members who chose this activity had a great time.

And, one of the highlights of the day was the adventure activity, NZ's longest Zipline.

Thanks Suyash and Eurotec for sponsoring the Welcome dinner night. This year we chose to have an informal networking event in the Rydges Hotel Bloody Mary's bar, attendees got to try a signature cocktail especially created for the Cold Storage conference and it went down a treat! It was very rewarding to see members and suppliers network and create new friendships.

Thanks to the team at Crown Lift Trucks for sponsoring the Gala dinner. We were entertained by Jamie Mackay from Country who shared some fantastic stories with us and with the great food and wine plus the excellent service from the hotel - it was a night to remember! Jamie kindly donated his time in exchange for a donation to the IHC.

Our guest presenters without exception made the conference hum from start to finish. Of all the comments I received from members and sponsors, the one that was unanimous was an appreciation of the relevance, quality and professionalism of the speakers. The presentations are now listed on our website and you will find them under the section "Events, Annual Conference, 2022 Presentations."



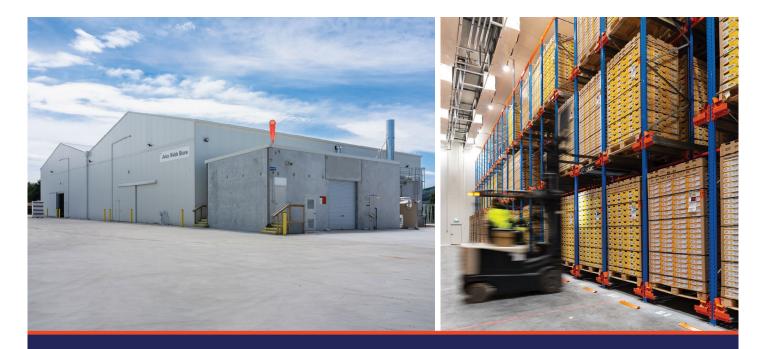
2022 NZ Cold Storage Association AGM

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The Annual General Meeting of the NZ Cold Storage Association was held in conjunction with the conference on Monday 15 August. The executive was available to stand again and were unanimously re-elected. This year Bruce Mulligan stepped down as President after 10 years. Bruce was thanked and acknowledged for his time. Bruce provided stability to the Association through what can only be described as turbulent times of late and was calm, confident and a capable leader. You can read more about Bruce's story further in the newsletter. Bruce has agreed to stay on the executive committee, which is now made up of:

Dion Abrahams Brent Cawthray Tavita Sao Bruce Mulligan Mark Stevens Jeremy Putaranui Suzanne Kim Donald Horton Lea Boodee President Vice President Treasurer Past President

Executive Officer



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Conference Survey

The survey completed at the end of our conference is a particularly valuable opportunity to make sure we are on the right track. These survey results are always seriously considered by your executive.

1) How satisfied were you with the speakers?

 Very satisfied 	72%
Satisfied	28%

2) How satisfied were you with the conference materials and information provided?

 Very satisfied 	67 %
Satisfied	28%
No response	6%

3) The content of conference sessions was appropriate and informative

Strongly agree	50%
• Agree	47%
No response	3%

4) This year's conference format was new, with additives from Sunday afternoon and conference sessions on Monday and Tuesday, do you prefer this?

 I prefer this year's format 	86 %
 I prefer the previous format 	6%

No response
 8%

5) Did you like the Conference activity options?

• Yes	69 %
 Don't mind either way 	17%
No response	14%

6) Were you satisfied with the welcome function?

 Very satisfied 	75%
Satisfied	14%
No response	8%

7) Were you satisfied with the conference dinner?

• Very satisfied	I	75%
 Satisfied 		19%
• No response		6%

8) Were you happy with this year's venue?

• Yes 100%

9) Do you plan to attend the conference next year?

•	Yes	75%
•	Don't know	17%
•	No response	8%

10) Would you recommend this conference to others?

•	Yes	94%

٠	No response	6%

11) Out of the two locations, which is your preferred conference location for 2023?

• Tauranga	61%	
• Napier	31%	
• Either	3%	
No response	6%	
12) Profile of survey participants		

Business owner	14%
• Manager	61%
Employee	17%
No response	8%

It's confirmed - next year's conference will be in Tauranga! Dates and venue will be shared next month.







Cool lessons from a business life

By Terry Snow

Retirement beckons for Bruce Mulligan on two fronts. He leaves the presidency of the New Zealand Cold Storage Association after 11 years and is stepping back from managing Northport Coolstores Ltd in Whangārei after 33 years at the business he founded.

He will not give up the role of managing director completely, while he provides support for the new manager.

The 73-year-old Whangārei-born businessman, whose three sons have gone on to run their own businesses, answers a few personal questions for COLD FACTS.

Q: What are, say, two important lessons you have learned from more than 30 years with Northport Coolstores Ltd?

A: The process of receiving refrigerating and exporting food products has changed very little in 30 years but the compliance requirements have become infinitely more complex and demanding. For our industry facing this, my advice is to set yourself up well to handle different products and customers because export industries, overseas markets and shipping modes ebb and flow. Our main coldstore was originally built by the Whangārei Harbour Board for the storage of meat. Over time, the change has been that it now holds butter all year and kiwifruit during the autumn and winter.

Q: From your experience, what advice have you given your sons about business and what advice do you receive back from them?

A: Respect your good customers and provide the best service you can, but make sure you can do that profitably, because many of them would be perfectly happy for you only to break even. Nobody will protect your profitability if you don't. Build your balance sheet when you can, to tide you over the inevitable hard times.

Q: You come from a wider family noted for its enterprise [Bruce Mulligan's mother Jean was the granddaughter of the founder of Guthrie Bowron. Her great grandfather was involved in shipping]. What wider family values that you are aware of have you tried to carry forward into your own business life?

A: The enterprising side of my wider family was mainly on my mother's side and based in Dunedin, so growing up in Whangārei, my contact with the Guthries was



intermittent. I suppose it encouraged me to want to be my own boss and have the courage take control of my own destiny.

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My father was brought up on a sheep and cropping farm in Canterbury. He was a general surgeon and died last January two weeks short of his 105th birthday. When he retired from surgery he joined me in a kiwifruit partnership and that was the limit of his enterprising ventures.

Q: You are a Whangārei boy, from your secondary school days onwards. What has been the attraction of staying to live and work in Whangārei?

A: Whangārei is the right-sized city for me and so is the business I run. It is relatively easy to get around, close to the sea and has some great recreation opportunities close by.

Q: What was the most enjoyable part of being president of the NZ Cold Storage Association?

A: Having regular contact with some great people running similar businesses in different parts of New Zealand. Being able to work together on solutions to challenges we all face without worrying about competitive advantage.

Q: What were the surprising industry problems you had to deal with in your time as president and how did the association deal with them successfully?

A: Initially some of our members had difficulty with the attitude and inconsistent approach from some Ministry for Primary Industries (MPI) auditors and their compliance attitudes. We were able to negotiate a Modus Operandi that outlined the responsibilities of both parties, and a process to be followed in the event that MPI or one of our members had an issue where they felt they were not being treated fairly. Fortunately, since this has been put in place, it has been a good backup for both parties and hardly if ever needed to be pulled out of the drawer and used.

Q: In hindsight, as president, when it came to getting points on the board, did you find any goals that you failed to convert, but would have liked to?

A: At one stage we looked into a mutual fire insurance project for buildings constructed with flammable polystyrene panel. There was some interest, but when it came to making commitments it didn't get off the ground.

Q: How would you sum up the spirit of the association from your experience as president, especially looking to the future?

A: When I began my term as president 11 years ago we had just held a conference in Dunedin that was probably the worst attended in the association's history. One of my first jobs was to appoint a new Executive Officer. The association was at a bit of a crossroads. Fortunately the executive officer we appointed, Jack Bills, turned out to be very competent and enthusiastic and served the association very well with great support from his wife Evie. They have now retired to Australia. Throughout my term the Executive Committee has been very supportive, constructive and all contributed in diverse ways to make our conferences and other activities successful and hopefully useful to our members and associates.

Q: Any sage advice that you would like to pass onto the incoming president?'

A: Be a chairman not a president and draw from the combined talents of your executive officer and the committee.

Q: Any further comments?'

A: It has been a very enjoyable experience and I hope the membership has found the conferences and other activities during my tenure worthwhile.







Time for Viet Nam

By Terry Snow

Now is the time to get New Zealand fresh products out of cold storage and into the Vietnamese market.

The Ministry of Foreign Affairs and Trade (MFAT) in its latest market report about the country says a rapidly growing middle class and increasing disposable incomes are driving change in dietary and food expenditure in Viet Nam.

New Zealand exports to Viet Nam of fresh cherries, passionfruit, persimmon, kiwifruit and kiwi berries, apricot, apples, and blueberries all currently enjoy 0 percent import tariffs under the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA).

Trade with Viet Nam is also not always easy, says MFAT. New Zealand has secured market access to Viet Nam for exports of fresh cherries, passionfruit, persimmon, kiwifruit and kiwi berries, apricots, apples, and blueberries. Market access for strawberries is expected to be granted in 2022.

However, "securing market access for new products can be complex and time-consuming. Exporters also need to ensure that Vietnamese import health standards are met, as well as ensuring cold-storage and hygiene standards from the exporting house throughout the transportation chain to retail shelves."

MFA T says Vietnamese consumers are becoming more health-conscious and willing to pay more for imported food products that they view as better quality and produced according to higher safety standards. Retail sales of food and beverages in Viet Nam reached USD51 billion in 2020, after growing 10 percent annually in the years 2016-2020.





"As Vietnamese consumers become more affluent, nonprice factors are becoming more important in decisionmaking. Food safety is often ranked highest when choosing food and beverage products, followed by quality and price. Perceptions of New Zealand products in Viet Nam tend to be positive but awareness is limited, and there is a good opportunity to raise New Zealand's profile as a provider of safe and premium quality food and beverage products."

Apricots, cherries, peaches, plums and sloes have also been increasing in sales, to NZD10.02 million in 2020. Nearly 90 percent of kiwifruit imported into Viet Nam are from New Zealand. Research commissioned in 2022 by New Zealand Trade and Enterprise (NZTE) indicated that Vietnamese consumers had high opinion, but low awareness, of New Zealand apples.

In the five years to 2020, New Zealand exports of fruits and nuts to Viet Nam grew 39 percent annually to NZD130.2 million (of which apples accounted for NZD92 million).¹³ New Zealand apples still only account for 14 percent market share in Viet Nam, indicating there is room to grow market share.

Read the full report here:

www.mfat.govt.nz/en/trade/mfat-market-reports/ market-reports-asia/overview-of-the-vietnamese-foodand-beverage-sector-9-june-2022.

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An answer to that skills shortage

By Terry Snow

The skills shortage is hitting businesses at every level and in every sector, and the cold storage industry is not immune. But there is one possible answer - retaining or recruiting older workers as a means of filling the gap.

The Retirement Commission says that in a survey of 500 companies, 33 percent were worried about the impact on their business of the ageing workforce, with many already experiencing skill shortages. Yet 80 percent had no specific strategies or policies to recruit or retain workers aged 50+, and 65 percent agreed that older workers can face barriers to being hired because of age.

Many workers in their 50s and 60s struggle to find jobs when they want or need to change roles. Yet most employers in the survey had a positive attitude towards older workers, with 55 percent finding them no more or less resistant to change than other age groups, and 70 percent saying they were no more likely to have high absenteeism or sick leave.

In the companies surveyed, some 65 percent agreed businesses should take extra steps to attract and retain older workers, viewing them as an "untapped resource."

According to the commission, New Zealand has one of the highest rates of people aged 65+ still working - 24 percent. This compares to the UK rate of 10 percent, Australia 12 percent, USA 19 percent and Japan 20 percent.

Among New Zealanders aged 65-69, 44 percent still have jobs. The number of people aged 65+ still working will increase as the population ages. Today, there are 756,000 or 15 percent of the population in that age group. By 2038 that number is projected to grow to 1.34 million and one in three will still be working.

In April the government released the Older Workers Employment Action Plan, with 11 action points for government departments to tackle. For example, two





suggestions for the Ministry of Business, Innovation and Employment (MBIE) to support employers were:

- To research into incentives and barriers that exist for employers, to help them in providing more opportunities for older workers to benefit from flexible work arrangements; and to
- To research opportunities and incentives for employers to provide greater opportunities for older workers to participate in training in the workplace.

www.officeforseniors.govt.nz/assets/Uploads/Older-Workers-Action-Plan-FINAL-WEB.pdf

MBIE has also released the Mature Workers Toolkit as an aid to employers in managing older workers. It contains advice about how to:

- See the person, not their age;
- challenge stereotypes (help your team bust any age-related myths. Personality and preferred learning style play a bigger part than age. Young or older, some people embrace new challenges and others don't.);
- develop people's skills (Support people who take time to adjust to change);
- understand experience vs fresh eyes (Try pairing people up to learn from each other. A buddy system works best when you pair people of different ages and experiences. They benefit from each other's perspectives and knowledge. Try to avoid pairing people who might clash or annoy each other.)

The full toolkit is available here: www.business.govt.nz/mature-workers-toolkit.



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MPI wants your opinion

By Terry Snow

The Ministry for Primary Industries is proposing legislative change that will affect exporters and it seems those who handle exports. It wants comment on the three suggested legislative changes and feedback is open until September 30.

Currently, not all export systems are supported by legislation with provisions that enable government export assurances, as there is for animal products (Animal Products Act) and wine (Wine Act). MPI says this constrains growth of trade and the durability of the export system for the future.

"The changes would give New Zealand the flexibility and the necessary legal tools to ensure our systems can respond to future changes and disruptions in the global trading environment."

MPI wants to hear your views on four possible options: the status quo, and three legislative options.

 The first legislative option would create new legislation for exports. This enables export requirements to be put in place more efficiently if these are specifically needed to facilitate trade. This option does not introduce requirements at the outset - regulation is there to be used if needed for market access.

- The second legislative option adds a set of minimum legislative tools applicable at the outset, including responsibilities for exporters.
- The third legislative option would add a visibility requirement for MPI.

The rationale for this, says MPI, is that some importing countries require export controls that are different from those which New Zealand considers necessary for its biosecurity response purposes. If MPI discovers a disease that is new to New Zealand and could potentially impact on trade, MPI will notify the importing country and inform them of steps MPI is taking to respond to the new pest or disease.

MPI explains that if a plant was produced outside a biosecurity controlled area, MPI does not currently have the legislative power to stop these products from being exported. The new pest or disease could be detected on arrival which would result in the importing country imposing more strict controls. These could Include suspending all imports of that product from New Zealand.

A legislative basis to control primary sector exports can assist with negotiating agreed trade conditions, says MPI. In the event that a pest or disease is discovered, the pre-agreed conditions remove much of the uncertainty



around importing countries' requirements and can allow for a return to normal conditions much faster.

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"MPI aims to ensure New Zealand's export legislation continues to serve us well in the long-term and provide the right foundations to protect and grow our food and fibre exports."

The compliance costs estimated for business, all over 20 years, are buried near the end of the report: Legislative Option 1 (compared to the status quo) between \$467 and \$1308 per affected exporter; Option 2 (in addition to costs under Legislative option 1) \$12,528 and \$50,664; Option 3 (in addition to the costs under Legislative Option 2) between \$1459 and \$3001. The pros and cons are explained. The costs are presented in a range as they

depend on how many extra resources an exporter puts into their processes.

MPI notes Australia takes a single legislative approach to regulating exports. The new Export Control Act (2020) and Export Control Rules 2021 consolidate and streamline the export-related requirements that were previously included in more than 20 Acts and 40 pieces of delegated legislation. This means that Australia can now use the wide range of legislative tools available to respond to changing market access and commodity regulation requirements in a more consistent and streamlined way.

MPI website: <u>www.mpi.govt.nz/export-legislation</u> for a copy of the discussion document and information on how to provide feedback. You can get in touch with MPI at: <u>exportlegislation@mpi.govt.nz</u>.

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JUNE / JULY 2022 ISSUE

New NZCSA members

14 Company

NZCSA are pleased to welcome the following new members to the Association.

- <u>Safety 'n Action</u>
- <u>PB Tech</u>