COLDFACTS

New Zealand Cold Storage Assn Inc

JAN / FEB 2023 ISSUE

Inside this edition

COLDFACTS

New Zealand Cold Storage Assn Inc

JAN / FEB 2023 ISSUE

From the Executive

Welcome to the January / February 2023 edition of Cold Facts.

Since our last newsletter in December 2022, much has occurred, including unfortunate weather conditions and the devastating impact of Cyclone Gabrielle on many communities around the country. Our thoughts are with those affected by these significant events.

Our website has been refreshed and modernised, and is now mobile-friendly. We invite you to check your listing and support our suppliers.

https://www.coldstoragenz.org.nz/find-a-cold-store/all-cold-stores

Additionally, we are working on adding a new job listings page, which is free to members. Kindly send us your job vacancies, and we will upload them.

Membership renewals have been sent out, please check your spam folder if you haven't received your renewal invoice. We appreciate your continued support and loyalty as a member of the NZCSA.

Your membership plays a vital role in supporting our industry in the following ways:

• Advocacy: Representing the industry's views and positions to government agencies

• Promotion of the profession: Working together, the NZCSA is dedicated to raising standards and awareness of the profession.

• Professional development and education: The NZCSA is committed to building educational opportunities for all members through the annual conference.

If you are not a member and would like to join, please click on the following link or email me at info@coldstoragenz.org.nz

https://www.coldstoragenz.org.nz/member-benefits

We have already begun planning for the NZ Cold Storage annual conference, and we have some exciting speakers lined up to be announced in our April newsletter.

We hope you have a fantastic year ahead, and please do not hesitate to call me if you would like to catch up or provide feedback on how we can support the industry.

Kind Regards

Lea Boodee

NZCSA Exec Officer


NZCSA Conference
SAVE THE DATE:
27–29 AUGUST 2023
TRINITY WARF TAURANGA
CONFERENCE THEME:
JUST IN CASE?

Around The Globe

Supply chain dysfunction, skyrocketing costs and labor and inflation challenges fail to slow cold chain industry growth.

The cold storage industry has good news to report. The visibility and need for the cold chain is increasing significantly, as it did throughout the pandemic. The public realizes it is dependent on a global cold chain, and the world pays more attention to how

food moves through the system. Consequently, the cold chain industry continues to grow domestically and globally with a nearly 35% increase from 2021 to 2022, based on GCCA member capacity.

This growth, however, is juxtaposed against a cold storage industry dealing with multiple disruptions.

"An ongoing shortage of labor, the rising cost of energy, continuing natural disasters and the threat of more regular events due to climate change, geo-political tensions and general global economic instability have brought a focus on the nation's food supply chain and its risks and vulnerabilities," says Graham Harvey, Global Vice President Quality, Safety and Sustainability, NewCold. "Cost and supply pressures are mounting from several fronts for all participants in the cold chain."

And the number one disruptor depends on where in the world you operate. However,

GCCA members are meeting these challenges and adapting to changing conditions with creativity and collaboration with customers and other stakeholders across the supply chain.

Disruption Snapshots

United States

In the United States, as in many parts of the world, ongoing challenges resulting from strained global supply chains is the number one disruption impacting the cold storage industry, according to Lowell Randel, Senior Vice President, Government and Legal Affairs, GCCA.

Another significant disruptor in the U.S. cold chain industry is access to consistent and reliable labor. "Shortages of truck drivers along with warehouse talent continue to be critical," says Randel. "Added to that, in the United States the most pressing labor issue of the moment is uncertainty over whether rail workers will strike or not. Plus, ongoing challenges with port labor on the U.S. West Coast might be mirrored in East Coast ports in the future."

A third disruptor is the impact of skyrocketing costs and inflation, says Randel.

"Labor and energy are the top two expenditures for the cold storage industry and these expenditures, along with the cost of materials, equipment, energy, containers, chassis, pallets – all the things that make the supply chain go – are rising steeply," Randel notes. "In many cases, equipment and materials are also harder to find and acquire." He adds that new equipment, particularly energy equipment, has increasingly long lead times bringing uncertainty and difficulty to planning and operations.

Australia

Labor pricing and availability is a key disruptor to the Australian cold storage industry, says Harvey.

"More than 80% of businesses are reported as suffering from skilled labor shortages and the cold chain is no exception," Harvey points out. "Attracting and retaining key talent is a problem in the skilled areas, and an acute shortage exists now. Australia's extended restrictions on immigration and seasonal workers over the two years of COVID lockdowns have dramatically slowed a key source of labor."

As in the United States, it is not just in warehousing that labor shortages are emerging. "There is a significant shortage of truck drivers across Australia's transport industry. In specialist areas such as certified tradespeople, it is extremely difficult to recruit and retain talent," Harvey says. "For many operators, the hours for a longhaul truck driver or seven-day coverage for shift work at warehouses make these positions less attractive compared to other industries. Pay rates of specialist personnel are increasing at alarming rates."

Harvey says Australia has also seen a significant increase in electricity costs in the past couple of years. "This is due to a number of factors including global conflicts impacting global commodity pricing as well as local factors of reduction of thermal power generation and unplanned outages at multiple power generators."

For transport companies operating in the cold chain, the cost of fuel is a major component not only for the vehicle, but also for the refrigeration unit. "Although Australia is a producer of oil, the parity pricing of this commodity in Australia is seeing a significant cost increase in vehicle fuel costs as well as increased volatility in pricing," Harvey explains.

Another key disruptor in the Australian market is the effect of supply chain imbalances and the flow of containers through ports. "This has not recovered since COVID and is impacting import and export of goods as well as import of spare parts, key ingredients, and packaging for frozen food production," Harvey notes. "Empty containers to fill for export have also been in a tight supply."

Harvey adds the returnable pallet market in Australia has also been disrupted over the past year as inventory imbalances have resulted in a national shortage. This impacts not only producers, but also warehouses requiring pallets for picking and outbound distribution.

The ongoing tension in the Ukraine is another major factor causing disruption to the cold supply chain, says Harvey. "All indications are that it is not expected to ease in the short term, and this will continue to hold commodity prices elevated for some time. Even when the conflict does end, the lessons learned for the reliance on a single or major source of energy or other commodity will continue to reshape future global supply chains and commodity sourcing."

Brazil

One of the most critical and potentially dis-ruptive factors for the cold storage industry in Brazil is electricity. In general, it is a regulated but volatile market, dependent on investments, incentives and climate variations, which have

a major impact on price and supply, according to Andre Angola, Head of Engineering, Main-tenance and Facilities at SuperFrio Logistica Frigorificada.

Angola explains that in Brazil, the market for buying and selling energy through the CCEE (Electric Energy Chamber of Commerce) has increasingly allowed demand and supply to promote win-win relationships between those who produce and those who consume.

Public and private investments have transformed the electricity market, notes Angola. “They have a direct effect on the generation matrix, increasingly from

sustainable sources, which today represents almost 85% of the Brazilian energy matrix with demand growth of around 3% per year, according to estimates from the Ministry of Mines and Energy,” he says.

Angola notes another important point of impact is the use of electricity by the government as an object of social policies,

incentive/fostering and inflationary control in the country.

“Within the operational area, there is a need to improve the quality of supply to some regions of Brazil, especially in the north and

northeast,” Angola points out. “In these regions there are supply interruptions and voltage instability impacting the operation of storage units, increasing maintenance costs, increasing the risk of loss of customer inventory and consequently affecting business results.”

Angola says another important disruption to the cold chain in Brazil is the lack of technical knowledge and trained professionals in the industry.” In general,

the facilities have little embedded technology as a result of the high cost of equipment imports and installations are currently built with technology from the last century,” explains Angola. “This scenario causes ruptures to occur linked to structural problems that could be avoided in the project phase or in the conservation of assets.”

Angola notes it is important to highlight that the lack of technical knowledge is not only related to the engineering, but also to warehouse operations. “The complexity of operational demands requires specific knowl-edge of refrigerated logistics, often not found in the workforce available in some regions of the country.”

Asia, Middle East and Europe

“Over the last two to three years, our industry has become increasingly resilient, or perhaps less surprised and faster reacting, to disrup-tors,” says Richard Winnall, Chief Operating Officer, International, Americold. “Every day we are living through material disruptions

to our industry, some of which play out very quickly – such as cyberattacks or weather events – and others that play out in slow motion – such as competition for talent or spikes in energy prices.”

Winnall notes the primary disruptor across the regions he leads is competition for talent.

"I do not think many would argue that government stimulus spending through and after COVID-19 disruptions has driven goods and services demand, and with that, wage demand. Our employees have never had more options to find a new job and, perhaps, better remuneration or conditions," Winnall points out. "However, there are also many people weighing their work life balance and leaving full-time employment to devote themselves more to their families or other interests."

Winnall says in employee conversations and the exit interview process across Asia Pacific and Europe, family caring responsi- bilities have become the largest reason for workplace absenteeism and a major reason for leaving a job.

"As industry operators start to experi- ence higher employee turnover, they need to

immediately respond with higher recruitment volumes and training," asserts Winnall. "If not already geared to do this with high compe- tency and speed, you will see real service issues and productivity issues across the business as the experienced talent moves to the competi- tion or other industries."

Winnall says criminal cyberattacks are also a constant threat to the industry. "However, there is a lot we can do to protect ourselves. This effort requires ever increasing and justified investments into our systems and must include employee training, breach testing and then more training." Winnall

says he suspects the industry will never stop running from this threat.

"Weather events that impact the supply chain can have major consequences for our business and our customers," acknowledges Winnall. "Perhaps weather events can be reduced in the future by our whole industry coming to the carbon reduction agenda with real commitment and integrity. Americold, like many others in the industry, has taken our largest ever steps in the last 24 months towards a carbon-neutral future model."

United Kingdom

"The United Kingdom has navigated a series of crises over the course of the past three years, each of which has disrupted the cold storage industry," notes Shane Brennan, Chief Executive of the U.K.'s Cold Chain Federa- tion. "While we have largely moved on from the volatility linked to the pandemic, there are three primary disruptors which continue to have a significant impact on the U.K.

cold chain industry: soaring energy costs; a challenging recruitment environment; and changes to regulations and trade flows

between Great Britain, Northern Ireland and the European Union following the U.K.'s exit from the European Union."

Brennan says the extreme increase in energy costs is part of the global crisis and could not, realistically, have been completely avoided. "However, had government policy focused on energy resilience and renewables over the past decade rather than an overreli- ance on imported fossil fuels, our national exposure to this type of global energy shock could have been reduced," Brennan observes. "The U.K. government and businesses alike must make these shifts now, and the cold storage operators that have been investing in renewable generation and improving the energy efficiency of their operations are going to be better off in both the immediate and longer term."

The severe people shortage across the

U.K. logistics industry in 2021 has eased to a degree, but the recruitment of drivers and warehouse operatives remains challenging, admits Brennan.

"A complex mix of factors led to this people crisis including the impacts of the COVID pandemic, a change to the U.K.'s self-employment tax rules that altered the relationship with agencies and strong competition from other sectors," Brennan suggests. "However, the problem was exacerbated by a long-term trend towards an ageing U.K. logistics workforce. There are lessons for our industry to learn about putting greater focus on recruitment and retention, and investing in technologies that will help to improve resilience for the future."

"As for the disruption caused by post-Brexit changes to regulations and trade flows, the food supply chain has needed to follow new processes as a result of the agreements made between U.K. and EU leaders and adapt

to their impacts on trading relationships," Brennan notes. "This is a specific inflationary and depressionary factor for the U.K. food industry, and cold chain operators are having to find new solutions to provide affordable and non-disrupted supply chains."

Regulatory Disruption and Advocacy

The necessity for the cold chain continues to be very strong. That is good news. But the

strong demand for cold chain services in turn demands a functional supply chain with the labor, equipment and materials to make it all run. This places more emphasis than ever on the importance of advocacy efforts to mitigate disruptions, points out Randel.

He notes in the United States, agencies such as the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA) and the Food and Drug Administration (FDA) are preparing to take significant regulatory actions that will have a direct impact on the supply chain.

"The EPA is advancing regulations for its Risk Management Program, and many companies using ammonia as a primary refrigerant will have added burdens down the line from EPA and OSHA," Randel explains. "Now law, the AIM Act directs the

EPA to implement an 85% phasedown of the production and consumption of hydrofluorocarbons by 2035, pressuring industries using synthetic refrigerant to move to some alternative in the future."

Randel advises food regulatory changes are also imminent as the FDA foods trace- ability rule was finalized in November 2022. "Food safety is among those changes, and many products are on the FDA's food trace- ability list."

In Australia, the government has introduced the Climate Change Bill 2022. The bill legislates the nation's commitment to reduce greenhouse gas emissions by 43% below 2005 levels by 2030, and net zero by 2050.

"The impact of this will be significant for the Australian cold chain due to the high input energy usage and will require technological innovation and investment," explains Harvey. "There is no doubt reporting on climate related activities will increase. As requirements are introduced in other countries, it will rap- idly flow to Australian companies."

Disruption Mitigation

The Refrigerated Warehouse and Trans- port Association (RWTA) recently joined the National Food Supply Chain Alliance (NFSCA), which represents all facets of Aus- tralia's food supply chain.

Harvey notes the Alliance and RWTA executives recently met with Ministers in Canberra. Discussion revolved around the creation of a supply chain strategy in Australia ensuring food security and meaning govern- ment and industry will have oversight for major disruptors facing the food supply chain.

"We believe that government and industry must work together to fully understand the complexities of the supply chain and how spe- cific events might impact the various linkages," explains Harvey. "This approach incorporates the entire 'living' food supply chain eco- system, from paddock to plate, encompassing production, processing, distribution, retail, consumption and disposal. From the perspec- tive of both government and industry, research has shown there are many social and economic benefits from a more efficient, more sustain- able and self-sufficient national supply chain."

Harvey says this government-industry strategy will provide more stability to food- related businesses, boost innovation and tech- nology, enhance the nation's food processing capacity, create jobs and, most importantly, provide the community with the confidence it needs in the nation's food security.

In Brazil, Angola says efforts have been made to invest in increasing the supply of electricity ensured through long-term con- tracts with both public and private investors in the electricity sector.

"In addition, another important component for the sustainability of operations, and which is present in industry efforts, is the promotion of electricity generation from renewable sources, with emphasis on solar and wind energy," adds Angola. He says this renews the commitment of organizations with ESG (Environmental, Social and Governance) practices and culture. "Investments in smart and sustainable buildings should be guidelines to mitigate the short, medium and long-term negative effects."

Winnall says he imagines every company in the industry is working to become a better

employer, have stronger cybersecurity controls or better communication protocol with cus- tomers in times of disruption.

"It is obviously a source of competi- tive advantage in our industry, but we also

compete for these precious resources across many industries," Winnall acknowledges. "There is no one play book for a company to mitigate these disruptions, but there is a lot of research, service companies and consul- tants ready to support your company if you do not already have the internal competency, experience and track record to deal with your specific challenges."

"The mitigations that have been put in place to cushion the harsh impacts of sky-high energy costs are very significant, both those enacted by the U.K. government and the measures taken by cold chain operators," Brennan explains. "Government is supporting businesses through its Energy Bill Relief Scheme until Spring 2023, while cold chain operators have been improving energy efficiency wherever possible and there has been heavy investment in solar power generation on cold store sites."

In terms of the challenges of recruit- ment and retention, Brennan says cold chain businesses have been working to ensure they provide an attractive proposition through improvements to facilities, employee packages and career progression opportunities. "Across the U.K. logistics sector more widely, the collaborative Generation Logistics campaign was launched this year to help attract, identify and develop a new and diverse generation of talent to fill vacancies and help future-proof the sector."

Brennan adds the U.K. cold chain has become more familiar with post-Brexit sys- tems and has found new ways to work such as increased digitization and greater dialogue with Customs. "The cold chain – and the United Kingdom as a whole – continues to navigate this period of transition while the United Kingdom and the EU settle into a new relationship and as we look to global trading opportunities."

Disruption Tomorrow

Harvey has no doubt disruptions will continue to arise in the future in the cold chain in Australia.

"The effects of the pandemic-led global supply chain disruption will take months to normalize and it is very unlikely to return to pre-pandemic levels of cost and efficiency any time soon," Harvey contends. "The impacts of global conflicts will always threaten stability, and the tensions in Southeast Asia, particularly with China, are always present.

The impact of any conflict there or elsewhere could be catastrophic for the Australian industry in terms of trade, material supply and cost."

A future challenge for the industry in gen- eral are the new demands for services and the demands of consumers, says Angola. "E-commerce, food delivery and same day delivery will require greater energy consumption and a new modality of technological improvement in refrigerated logistics centers."

"I really see the geopolitical landscape evolving and perhaps a trend back towards trade protectionism," says Winnall. In the last few years, he is seeing countries protecting their natural resources or putting in place trade barriers to support national agendas. He says this is forcing adjustments in trade flows, sourcing and service offerings.

"This is already impacting the cold storage industry with sudden shifts in demand at port located facilities, blast freezing demand or storage demand," Winnall points out. "The war in Ukraine, and Brexit and COVID- related supply chain shortages have been once-in-a-lifetime events all squeezed into the last three years!"

Winnall adds he thinks the industry needs to be prepared for further shifts and readiness around change to international trade.

"There is a likelihood of a continuation of the current period of uncertainty for the U.K. cold chain," Brennan says. "The war in Ukraine is unpredictable, the impact on Ukraine production of wheat and oils in particular."

He points out the inflationary effects of the current cost and price squeeze mean that European farmers are going to produce less in 2023, which will have an impact on volumes moving through the cold chain and increase prices on the shelf. And, he adds, there is no expectation of a swift resolution to the energy crisis, and the global economic environment is challenging.

"However, there are also reasons to be positive," says Brennan. "Despite the crises and challenges, the past three years have also seen a substantial increase in U.K. cold storage

capacity, with new developments making great use of innovations, technologies and energy efficiency measures."

He adds the U.K. cold storage industry is making good progress on the journey towards net zero, beating the energy efficiency targets set in the cold storage Climate Change Agreement to secure important tax savings.

"And there is not only an increased recognition among politicians and the media of the importance of our industry, but also a new appreciation of the hard work, innovation and expertise that kept our food supply chain running through the pandemic," Brennan says.

"There are certainly many disadvantages related to these disruptions – company profits are hard to protect as we face supply chain, people or process failures in the industry," says Winnall. "But certainly, one advantage to our industry is that our customers are building new strategies around a future of more frequent or expected disruptions, which in many cases brings new supply chain paths, higher storage inventories or stronger third party logistics operators to support them. All of this leading to overall stronger demand and investment needs into new or different capacity in our industry."

"Although I anticipate we will continue to see disruptions from labor uncertainties, high inflation and a strained supply chain continue into next year, the resilience and growth of the cold storage industry and increased public awareness of the supply chain gives me optimism," says Randel. "The agility to anticipate and respond to disruptions – good or bad – continues to be essential to future success."

ALEXANDRA WALSH is a Senior Publishing Consultant with Association Vision and Editor-In-Chief of COLD FACTS.

EMAIL: awalsh@associationvision.com

MPI Update

New Zealand Food Safety has recently published two new Food Notices.

Food Notice: Laboratories Approved for Testing Imported Food

This notice, issued on 13 December 2022, comes into force on 1 February 2023 and replaces Part 4 and Schedule 3 of the current Food Notice: Importing Food. This notice:

1. Lists approved laboratories and the conditions of their approval

2. Renews the laboratories approval for 3 years.

Food Notice: Requirements for Registered Importers and Imported Food for Sale

This notice, issued on 13 December 2022, will come into force on 1 August 2023 and will replace the remaining sections of the current

Food Notice: Importing Food. This notice:

1. Includes requirements for food importers regarding the assessment and confirmation of the safety and suitability of food for import into New Zealand, the transport and storage of imported food, and record keeping.

2. Clarifies the different types of evidence that may be used for clearance of High Regulatory and Increased Regulatory food and the information they must contain.

3. Includes changes to the Food Safety Clearance import requirements for bovine meat and bovine meat products.

4. Updates the formatting of the import requirements for all other foods classed as High Regulatory Interest and Increased Regulatory Interest to help importers better understand the requirements. Note: The clearance requirements for these foods remain unchanged.

The Inflation Battle Will Be Won – We Just Don't Know When - *Tony Alexander Update*

With regard to the monetary policy cycle things are very much in a waiting game at the moment. We have seen the official cash rate rise from 0.25% to 4.25% with the Reserve Bank predicting a rise to 5.5% in the first week of April. We have seen mortgage rates go from below 3% to above 6% and there is a monetary policy shock running through the economy.

That shock has been accentuated by the Reserve Bank on November 23 last year warning that the economy would probably go into recession during 2023. They also predicted that the unemployment rate will rise from just over 3% to just under 6% in a couple of years time.

Their aim in November was to shock householders and businesses away from believing that high inflation would continue and, in that regard, they are to be applauded for bringing out their second monetary policy weapon of scary words. But they have left it relatively late in the tightening cycle to do this and we can already see some evidence of inflationary pressures easing and plenty of evidence that the pace of growth in the economy is slowing.

Many people believe that the economy will go into recession this year, but the chances are if it does it will be a relatively shallow recession. There is a surprisingly strong turn around in net migration flows underway, foreign students are coming back strongly especially in light of the recent Chinese announcement that students will no longer be allowed to study remotely in China and have their degrees recognised back home.

There is also support for the economy from the strong rebound in inbound tourism, underlying growth in sectors like aged care and healthcare, a relatively accommodating level for the Kiwi dollar, good export commodity prices on average, and continuing good job security.

But this of course just makes things relatively confusing because if the economy is only to have a shallow recession if any at all the implication is that interest rates won't necessarily be coming down all that much in the near future. Then again, if we are to judge our outlook for the economy and inflationary pressures on the basis of business and consumer sentiment surveys, the outlook is for a deep recession and a rapid falling away of inflation which would force the Reserve Bank to ease monetary policy aggressively over 2024.

Surveys, including my own, showed sharp deterioration in business and household sentiment after November 23. But more recent surveys, again including my own, show that a lot of the shock value of the November 23 comments from the Reserve Bank has passed. This still leaves sentiment at low levels with businesses showing negative intentions of hiring people and increasing capital investment.

Over 2023 it seems fairly safe to say that spare capacity will build up in the New Zealand economy and inflationary pressures will ease off. But not a single one of us here in New Zealand or overseas has an economic model which can tell us exactly how much economic easing will occur and how quickly inflationary pressures will abate, let alone how quickly the Reserve Bank will react to the easing of price pressures.

So, each week we look deeply at the new economic data to gain some insight into where things are heading including the December quarter inflation numbers which were released a couple of weeks ago. They showed inflation holding steady at 7.2% which on the face of it sounds quite bad. But the important thing is that the result was not another shock as happened on October 18 when the annual number turned out to be 0.6% higher than expected.

The absence of this particular piece of bad news has encouraged everyone in the financial markets to focus back in again on a general view that inflation is being beaten and it’s just a matter of time before the Reserve Bank acknowledges this.

For borrowers what this adds up to is this. For the moment there is still some mild upward pressure on the one year fixed mortgage rate as a result of banks factoring in an expectation that the official cash rate will rise to either 5.25% or 5.5%. There has also already been an increase in the two year fixed interest rate offered by some banks, and this has happened without the cost to those banks of borrowing two year fixed rate money actually going up. This means the interest rate increase has been a simple margin grab.

More interesting is the decrease in fixed mortgage rates for three years and longer initiated by some lenders recently. The cost to banks of borrowing money to lend out fixed for periods of two years and beyond has been decreasing in recent weeks in response to hopes of lower inflation in the United States and hopes also that our central bank won’t have to take the official cash rate to the 5.5% they have pencilled in for April.

Borrowers should expect that there will be some extreme periods of volatility over the next few months as the markets sometimes get ahead of themselves in expectations of monetary policy being able to be eased then have to pull back the degree of their optimism.

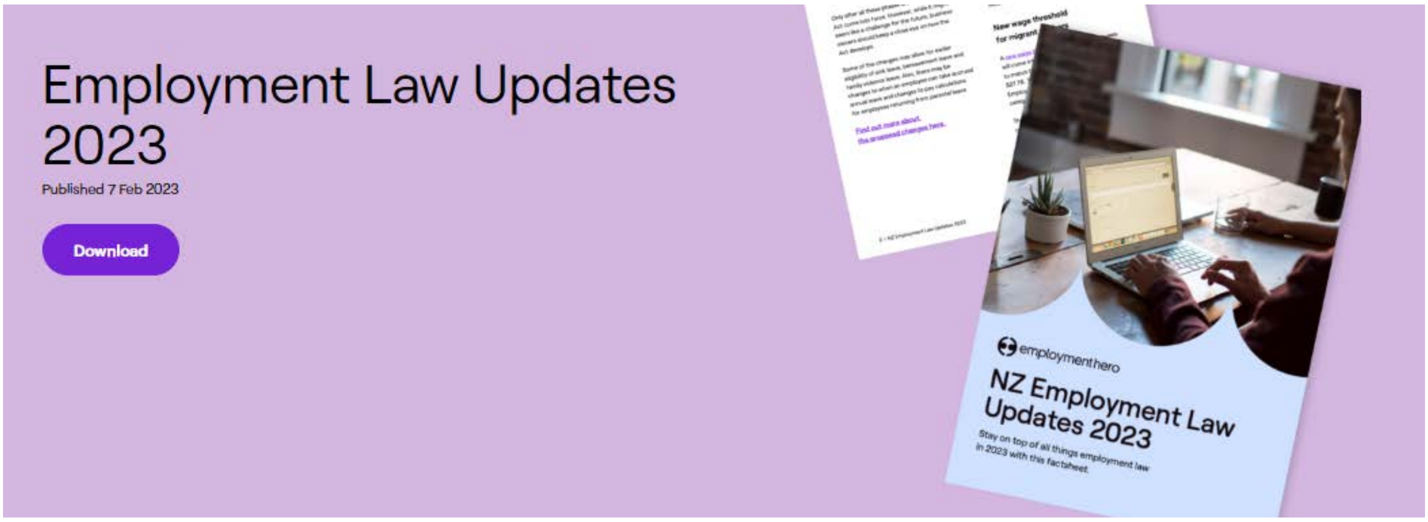
One particular thing to watch out for is the inverse shape of the yield curve for mortgage lending which is now appearing. That is, long term interest rates are now moving below the short term interest rates and people are going to naturally think about going for the lowest cost option which is fixing five years. But one needs to recognise that with the five year fixed mortgage rate near 6.5% this isn't far from the range over the past eight years of roughly 3% to 7%.

It doesn't make much sense to lock in for five years when the rate is near the top of its cycle. The time to lock in was when this rate was at 2.99% two years ago, not now. For most borrowers the optimal thing is going to be taking the pain of the one to two year fixed mortgage rates in the near future in expectation of being able to ride interest rates down when the easing eventually comes.

We don't of course know exactly when that easing is going to come so for some it is going to be a nail biting venture and there will be those who simply feel they cannot take the risk and will lock in for periods of three years or longer.

In deciding what to do a borrower needs to chat with an adviser regarding the level of interest rate risk they can take, including the risk that we are all wrong and inflation goes up so interest rates are 1% higher in a year's time when you would refix a one year rate locked in now. There is no way to completely remove risk and understand one's financial and psychological ability to hold steady if things go the wrong way is very important.

Go to www.tonyalexander.nz to subscribe to my free weekly "Tony's View" for easy-to-understand discussion of wider developments in the NZ economy, plus more on housing markets.



Employment Law Updates 2023

2023 is shaping up to be a big year for business, as New Zealand navigates tough economic conditions. It's likely that we can expect a few employment law updates on the horizon too, and it's critical that businesses are across the changes before it's too late.

Download the factsheet to find out more about potential employment law updates that could be coming your way in 2023.

We recommend you contact a local law firm for further advice on how these employment law updates apply to your specific business situation, or visit the Ministry of Business, Innovation and Employment for more information.

What are the latest employment law updates in 2023?

In this factsheet:

The Holidays Act submissions process

Modern slavery legislation

New wage threshold for migrant workers

Income insurance scheme

Independent contractors clarification

An amendment to the Employment Relations Act

Disclaimer: The information in this article is current as at 1 February 2023, and has been prepared by Employment Hero Pty Ltd (ABN 11 160 047 709) and its related bodies corporate (Employment Hero). The views expressed in this article are general information only, are provided in good faith to assist employers and their employees, and should not be relied on as professional advice. The Information is based on data supplied by third parties. While such data is believed to be accurate, it has not been independently verified and no warranties are given that it is complete, accurate, up to date or fit for the purpose for which it is required. Employment Hero does not accept responsibility for any inaccuracy in such data and is not liable for any loss or damages arising either directly or indirectly as a result of reliance on, use of or inability to use any information provided in this article. You should undertake your own research and to seek professional advice before making any decisions or relying on the information in this article.

7 Tips To Improve Your Cold Storage Efficiency

One of the biggest challenges when it comes to cold storage is maintaining the right temperature. Mainly used for food, pharmaceuticals and other perishable items, keeping the temperature constant is not only essential for the product but will also keep running costs to a minimum.

Here are our quick tips for ensuring that your cold storage is performing as efficiently as possible:

1.Keep your condenser unit clean

To be effective, the condenser unit needs to be kept free of dust and debris to allow for maximum airflow. The condenser is there to remove unwanted heat from your cold room, so for the best performance, it needs to be maintained and clean at all times.

2.Ensure your doors are sealed

Any issues with the doors or their seals can cause refrigerated air to escape, meaning the cooling systems have to work harder to keep the temperature down, driving running costs up. If you notice any cracks or damage, it is advisable to replace the doors or seals as soon as possible.

3.Check the evaporator coils

Evaporator coils lower the temperature of the air using refrigerant to absorb the heat. To maximise its productivity it needs to have no restrictions to flow of air. Make sure that it is kept clean at all times.

4.Keep an eye on your walls and ceiling

Discolouration can be the first sign that there is something wrong with your cold storage. Structural damage or cracks can prevent your cold storage from working efficiently, so it’s important to get them checked straight away. Also look out for mould or rot, other signs of potential issues.

5.Make sure you're using the right lighting

The brighter the lights, the more energy is needed. Traditionally floodlights are used in cold storage, especially warehouses. Modern cold storage warehouses often use LED lighting to keep costs down.

6.Monitor the temperature

Keeping a close eye on the temperature inside and any changes should be noted, especially if they are noticeably different from the design temperature. You should contact your refrigeration contractor if the temperature change persists, as there might be issues with the cooling system.

7.Have an inspection schedule

The best way to ensure that you don't miss anything is to have a regular inspection and maintenance schedule. Speak to your cold storage contractors who can help you prepare and monitor your system.

Article credit: Stancold PLC

COLDFACTS

New Zealand Cold Storage Assn Inc

JAN / FEB 2023 ISSUE