



Smiths City

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NZX and Media Release

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Smiths City to align pay rates with the living wage

National furniture and appliance retailer to mark the start of its second century of trading with a commitment to the well-being of its staff; introduces 'well-being' day and grants extra day's holiday to mark centenary.

National furniture and appliance retailer Smiths City today formally celebrates 100 years of helping New Zealanders to live better by renewing its commitment to the well-being of its staff.

At a celebration at the company's newly-refurbished Colombo Street store in Christchurch - where founder Henry Cooper Smith opened the doors on the company in 1918 - Chief Executive Roy Campbell is this morning outlining a package of new terms and conditions for all its staff.

The package, announced in the presence of the immediate family of HC Smith and staff from regional stores and the Christchurch support centre, recognises the role the Smiths City team have played in helping the company achieve 100 years in business and achieving industry-leading standards of service¹.

It also recognises the ongoing role they will play in driving the future success of the company. The package includes:

- A gift to all staff of an extra day of holiday - to be taken in the current calendar year - to recognise the contribution generations of loyal team members have made to the success of Smiths City over the last 100 years;
- The introduction of an annual 'well-being' day for all staff. The day can be taken from accrued sick leave entitlements for any purpose the employee determines; and
- A commitment to align its hourly pay rates from 1 October 2018 to at least the 2018 estimate of the living wage², the level of income necessary to allow a worker to pay for the necessities of life and participate as an active citizen in the community.

Roy Campbell said: "Smiths City's success turns on its team - from those on the shop floor through to those in the support centre and the people in the warehouse - being focussed on a single goal: helping our customers to Live Better.

¹ Smiths City was last week recognised in The Roy Morgan Customer Satisfaction Awards as the New Zealand Furniture/Electrical store of the year.

² The living wage is calculated independently by the New Zealand Family Centre Social Policy Unit (NZFCSPU). In 2018 it is \$20.55 an hour, which the NZFCSPU estimates that a person working 40 hours a week, with no additional income, will be able to afford the basics for a modest but decent life, such as, food, shelter, utilities, transport, health care, and child care. Smiths City is not committing to automatically increase its pay rates in line with future NZFCSPU estimates. Although the company is committed to the principles of the living wage, it will review any future increases against business conditions and the company's capital requirements.

“To strengthen this commitment among our staff, we are working to further develop our culture. We celebrate a focus on customers, integrity, professionalism and open communication. It is a culture aimed at encouraging our people to feel proud to be working for us, to feel valued by our organisation and to believe they can make a real difference to our customers’ lifestyles.

"We want our staff to be enthusiastic and excited about their work; to feel that they are benefitting personally from working at Smiths City; and that they are learning new skills and gaining the experience to develop an enduring and prosperous career with the organisation and in the retail sector.

“Fundamental to the development of this culture is paying Smiths City people fairly for a fair day’s work. Our people should not come to work worrying about whether they have enough to put food on the table, pay the rent and the power bill and meet their basic needs.

“For these reasons we have now committed to paying our staff at a rate that is at least aligned with the living wage. This commitment also builds on our practice of offering all staff an opportunity to undertake nationally-recognised qualifications.

“Meanwhile, to remain true to the family-friendly spirit, which has served the company so well, we have today announced the introduction of a well-being day that allows staff an extra day’s leave to pursue their passions or even just to take a ‘duvet day’.

“Finally, the gift of the holiday to staff to mark the 100-year centenary is appropriate recognition of the contribution generations of loyal New Zealanders have made to the success of Smiths City. It also recognises the important role the current generation of staff plays in building on their success and honouring their legacy.”

The move to align pay rates with the living wage will not have a material impact on Smiths City’s financial result.

Notes to editors:

Smiths City Chief Executive Roy Campbell will formally make the announcement on the living wage, and the other benefits, to staff, suppliers and the grandchildren of founder HC Smith at the Colombo Street Store in Central Christchurch at 11.00am this morning. Meanwhile, Shirley Brown, the oldest surviving grandchild of HC Smith, will also be cutting a birthday cake to mark the company’s centenary. Media are invited to the celebrations to hear the speech and meet the family and staff and to see the new Live Better livery in the Colombo Street store. Fresh barista-made coffee will also be served.

About Smiths City:

Smiths City Group (NZX.SCY) was founded in Christchurch 100 years ago and has a proud tradition as one of New Zealand’s oldest and largest retail chains. Henry Cooper Smith established the company when he bought 550 Colombo Street, Christchurch (formerly the Ward & Company City Brewery) in 1918 and commenced trading as the City Market. The business was initially an auctioneer of grain and produce, but it gradually expanded its product range to include new and used furniture and hardware. Smiths City floated on the stock exchange in 1972. It is now focused on furniture and appliances and operates 34 stores (including 3 clearance centres) nationwide. The group comprises Smiths City Retail, Smiths City Finance and Smiths City Commercial. On the web: www.smithscity.co.nz and www.smithcitygroup.co.nz.

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