

NZ Conference held 12<sup>th</sup> – 14<sup>th</sup> April 2016

Mr Chairman, Conference delegates, and observer's, I present my fourth annual report.

### **Finances 2014/15:**

- The Consolidated Accounts of the Union was in deficit of \$256,175. Consolidated accounts were initiated by MBIE in 2005, on two occasions a deficit, 2010 & 2012.
- The National Office was in deficit \$202,155 (deficit of \$53,737 in 2014). This year budgeting for a surplus of \$18,731.
- The Trade Union Centre Canterbury Ltd (NZMWU National Office 9%, Canterbury Branch 30%) has purchased a property in Langdons Road, Christchurch and expect to move in middle May, with the Building Opening 1<sup>st</sup> May 2016.

The 2014/15 slaughtering's nationally:

➤ Lamb up 4.4%, to 21,245,653	(2013/14 -	20,345,278)
➤ mutton down -3.4%, to 4,034,015	(2013/14 -	4,175,631)
➤ beef up 14.9%, to 2,681,371	(2013/14 -	2,334,510)
➤ calves up 4.4%, to 2,170,226	(2013/14 -	2,079,159)
➤ goats up 8.9%, to 123,858	(2013/14 -	113,711)
➤ venison up (no data)	(2013/14 -	420,000)

Meat and Wool export revenue is forecast to reach \$9.9 billion for 2015/16, a 10.1% increase over 2014/15 export earnings.

- USA demand for NZ beef will keep prices high, with NZ set to fill its beef quota of 213,402 tonnes for USA exports for the December 2015 year.
- NZ beef prices rose to record highs in the June 2015 year, on the back of strong demand from USA, where herd rebuilding continues following droughts. MPI expect Beef export volumes to increase in the coming year, driven by higher slaughter numbers in September 2015 quarter.
- Overall we expect lamb production to be down 3.1% compared to a year ago. Poor mating conditions in the previous season, a lower number of breeding ewes, and an expected fall in the lambing % will all contribute to the smaller lamb crop in the June 2016 year.
- Chinese demand for lamb and mutton remains low due to high inventories from domestic production, but demand is expected to pick up in early 2016. Further, increased meat demand in emerging economies is on the rise.

Value of NZ Exports Year ended June (\$million FOB – Free On Board)	2010	2015	% change
Raw wool	552.1	805.0	45.8
Lamb	2,454.5	2,504.2	2.02
Mutton	348.4	417.6	19.9
Beef & Veal	1,822.4	2,979.9	63.5
Venison	208.7	174.0	-16.7
Edible Offal	188.1	230.8	22.7
Other Meats	174.9	235.3	34.5
Hides & Skins	163.5	264.1	61.5
Deer Velvet	27.7	34.2	23.5
Tallow	127.7	109.3	-14.4
Animal Oils & Fats	20.2	8.7	-56.9
Crude Animal Materials	271.3	436.3	60.8
	<b>\$6,359.5</b>	<b>\$8,199.4</b>	<b>28.9%</b>

Actual 2014/15	Forecast 2015/16	Forecast change in export revenue 2015 to 2016	Forecast 2016/17	Forecast change in export revenue 2016 to 2017
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Meat and Wool	9 001	9 911	910	10.1%	10 475	564	5.7%
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**Productivity:** The volume of meat exported per person employed has risen from 23 tonnes in 1980 to 41.3 tonnes today (2015) – a productivity gain of 80%.

### **Negotiations 2013 to 2016:**

## **Companies Linked to Talley's Group Ltd**

- **AFFCO New Zealand Ltd:** That Core CEA expired 31 December 2013. The NZMWU initiated bargaining 4th November 2013 to renew this CEA. As you are aware Talley's have adopted tactics to ensure this MWU has no membership on their plants.

*"A union buster without the atmosphere or climate of fear is like working without one leg and one arm.*

*Fear is essential. Fear is like caviar, lobster and filet mignon to a union buster.*

*Along with breaking the law, the element and emotion of fear is vital".*

***"If you can, make the union fight drag on long enough, workers  
.....lose faith, lose interest, lose hope."***

### **Tactics:**

- ✓ Lower the expectations of the other side, divide and conquer

- ✓ Raise and lower the expectations of the other side, divide and conquer
- ✓ Do everything possible to destroy the credibility of the other side's leadership, divide and conquer
- ✓ Use confidants and back channels to go over the heads of the stronger leaders to the softer targets. Divide and conquer
- ✓ When you figure out the other side's bottom line, offer a fraction. It's surprising how many times that stands.

Currently in the Employment Court we have our case for "Fixing the expired CEA" and AFFCO have a case against the Union under the National Governments new amendments to ERA 2000 "section 50k - walking away from bargaining". These two cases are going to be heard at the same time over two weeks beginning 18<sup>th</sup> July.

We are awaiting the "seeking of leave" to proceed to Court of Appeal on the full bench decision 18/11/15 which found AFFCO breached the obligations of "Good Faith" – failure to notify MWU – misleading the MWU - failure to recognise the role and authority of the MWU – bargaining directly with members of MWU and also found AFFCO had unlawfully locked out. Resulting from the Wairoa Court win, we now have a good finding on seniority - length of service is the starting point and primary consideration in re-hiring & lay off, not attitude etc. In the last two weeks we have had two further cases against the MWU on alleged breaches of "Good Faith". These are smoke screens for their further undermining of MWU & members.

- **South Pacific Meats Ltd:** A third Authority ruling of \$144,000 plus legal costs in February this year against SPM established union official access beyond doubt. The NZMWU initiated bargaining for the CEA, 9 October 2014
- **Land Meat New Zealand Ltd:** CEA expired 1 July 2014. MWU initiated bargaining on the 5<sup>th</sup> May 2014, Land Meats has failed to put up negotiators since. The Authority ordered the parties to mediation by 22 April, SPM have come back with a date after 22 April, consequently our lawyer is seeking penalties and costs for the ongoing delaying tactics
- ✚ Silver Fern Farms CEA expires 31 December 2016, we have been informed by HR that SFF are keen to progress plant by plant CEA's in the South Island.
- ✚ Alliance CEA expired 22 February 2016, we are close to settling the CEA which covers Matura, Lorneville, Levin, Dannevirke, Nelson, Pukeuri, and Smithfield.

**Meat Industry Excellence:** The Pathways to Long Term Sustainability report is going no further and that Beef and Lamb NZ will provide no further funding.

**Immigration:** The largest recorded surge in migration in a century has kept the lid on wage inflation, but has also boosted the labour force. NZ has continued to post record net migration, with a 67,400 gain in the 12 months ended February 29, led by arrivals from Australia, China and the Philippines. Migrant arrivals rose 10% to 124,200 in the latest 12-month period, from a year earlier, while departures fell 1% to 56,900.

**National Office** has attended meetings with:

- ✓ Health & Safety Forum – MIA, ACC, AQ (vets & MI). Worksafe NZ, Primary ITO, MC.
- ✓ Meat Industry Association (AIP Halal slaughterman),
- ✓ Government Department heads,
- ✓ Developed closer links with the International Union of Food Workers (IUF),
- ✓ Labour Affiliates Council and the Labour Party,
- ✓ Investigative reporters & media
- ✓ National Affiliates of the Council of Trade Unions, developing and updating Union handbooks/flyers on Delegate Training, Rules and Health & Safety.

I cannot over emphasize the need to hold regular sub-branch meetings with members, historically we built our union power from regular meetings of our membership. A well informed membership helps build the union's strength.

Darien Fenton, has been reappointed for a further two-year term from 16<sup>th</sup> March 2015 as Director of Organising. Her role is to oversee the union's organizing and campaign strategy and delivery, with a primary focus on building the union's strength and power through campaigns such as - **JOBS THAT COUNT**

WORKMATES. WHANAU. COMMUNITY.

Sherryl Haughie, our Office Manager continues to be supportive and effective in the National office. I would like to thank both Darien and Sherryl for the great job they are doing.

Regards in Solidarity,

Graham Cooke, **National Secretary**