



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

Finances 2015/16:

- The Consolidated Accounts of the Union (draft) was in deficit of \$148,727 (-\$211,511 in 2015). Consolidated accounts were initiated by the Government department MBIE in 2005, year ending 30 September 2006, following a complaint from Allan M Barber.
- The National Office was in deficit \$48,816 (-\$202,155 in 2015) as at 30th September 2016, with term investments of \$433,838. Beck & Associates Ltd our long-term accountants said "...the National Office continues to be in a very sound financial position". This has also been confirmed by the recently appointed Auditors Ashton Wheelans.
- The Trade Union Centre Canterbury Ltd (National Office 11%, Canterbury Branch 34%) has purchased 68 Langdons Road, Papanui, with other Unions.

The 2015/16 slaughtering's nationally:

- lamb down -5.5%, to 19,869,020 (2014/15 - 21,027,522)
- mutton down -5.6%, to 3,793,597 (2014/15 - 4,019,779)
- beef down -5.1%, to 2,516,253 (2014/15 - 2,651,314)
- calves down -7.5%, to 1,930,686 (2014/15 - 2,087,209)
- goats down -1.7%, to 120,229 (2014/15 - 122,319)
- venison down -18.7% to 318,000 (2014/15 - 391,000)

Meat and wool exports are forecast to \$8.2 billion in the year ending June 2017, a decrease of 10.8 percent from the previous year.

- Nearly half of NZs beef exports are destined for the US, where domestic production has increased as that country recovers from drought. Brazil has recently gained market access into the US and China, placing NZ Beef under greater competition.
- Production was about 50,000 tonnes higher than usual each of the past two years due to record dairy culling resulting from lower dairy prices.
- Strong beef prices over the past two years have helped stabilize the beef herd, which is estimated to total 3.6 million as of 30 June 2016. However, schedule prime beef prices are forecast to fall from \$5.39 to \$4.70 in 2017.
- After peaking at \$7.86 in July 2015, average beef export prices have slipped 20.5%, which is reflected in the 2017 export price of \$6.50.
- Average lamb schedule prices are forecast to fall from \$5.12 to \$5.00 per kilogram. Lamb production is forecast to fall 6.6% to 355,000 tonnes as more lambs are retained in 2017.
- The UK and Europe account for over 50% of our lamb exports. Brexit has seen the British pound fall, which increases costs for British importers. Mutton/lamb exports to China have also been impacted by rising production and falling prices inside China.

Value of NZ Exports Year ended June (\$million FOB Free On Board)	2010	2016	% change
Raw wool	552.1	759	37.5
Lamb	2,454.5	2,569	4.7
Mutton	348.4	419	20.3
Beef & Veal	1,822.4	3,095	69.8
Venison	208.7	182	-12.8
Edible Offal	188.1	254	35
Other Meats	174.9	249	42.4
Hides & Skins	163.5	226	38.2
Deer Velvet	27.7	37	33.6
Tallow	127.7	116	-9.2
Animal Oils & Fats	20.2	9	-55.4
Crude Animal Materials	271.3	423	55.9
	\$6,359.50	\$8,338.00	31%

Export Revenues [\$ Millions]. 2013-2021

YEAR TO 30 JUNE	ACTUAL				FORECAST				
	2013	2014	2015	2016	2017	2018	2019	2020	2021
MEAT & WOOL	7 794	8 162	9 001	9 201	8 210	8 520	8 710	8 880	9 130
VENISON	171	187	174	182	160	190	190	200	200

Productivity: The volume of meat exported per person employed has risen from 23 tonnes in 1980 to 46.1 tonnes today (2016) – a productivity gain of 100.4%.

Immigration: Migration statistics showed 11,370 permanent and long-term arrivals to NZ in January 2017 and 4,910 departures in seasonally adjusted terms, a net gain of 6,460. There was a record actual net gain of 71,305 migrants in the year to January, the highest ever.

National Office has attended meetings with:

- ✓ Health & Safety Forum–MIA, ACC, AQ (Vets/MI), Worksafe NZ, Primary ITO, Meat Co's
- ✓ Meat Industry Association (AIP Halal slaughterman),
- ✓ Government Department heads,
- ✓ Continues to work with the International Union of Food Workers (IUF),
- ✓ Labour History Project – arranging interviews with retired MWU officials, recording our MWU history as part of Trade Union History,
- ✓ 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.

Negotiations 2015 - 2016:

Companies Linked to Talley's Group Ltd

- **AFFCO New Zealand Ltd:** Core CEA expired 31 December 2013. The MWU initiated bargaining 4th November 2013 to renew this CEA. Talley's adopted tactics to ensure the MWU has no membership on their plants and curb our ability to support those that remain loyal to the MWU.
- Currently in the Employment Court we have our case for "Fixing the expired CEA" and AFFCO have a case "section 50k - walking away from bargaining". These two cases are going to be heard at the same time over two weeks in late March 2017.
- We are awaiting the "seeking of leave" to proceed to the Supreme Court 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. (at time of writing - CEA ratified 6th March by Michael Talley/MWU members. Supreme Court hearing date 20th & 21st June 2017)
- Other Talley's Court fixtures – AFFCO lockout at Wairoa – quantum of money to paid to members, Judicial Review of full bench decision 18/11/15, alleged bad faith comments by Darien Fenton, breaches by Affco in rehiring out of seniority etc.
- **South Pacific Meats Ltd:** The NZMWU initiated bargaining for the CEA, 9 October 2014, access is still an ongoing issue after 3 wins in the Authority. SPM failing to put negotiators for a CEA/BPA.
- **Land Meat NZ Ltd:** CEA expired 1 July 2014. MWU initiated bargaining on the 5th May 2014. Talley's/Land Meat failed to agree on a BPA and the Authority ordered Land Meat to put up negotiators and pay the MWU costs of \$6,057.00. Negotiations are being drawn out by Talley's reps.
- **Silver Fern Farms** CEA expires 31 December 2016, MWU sees the value in strategic bargaining for multi plant CEA's (Venison, Sheepmeat, Beef), resolved that a speaking team will visit all the SFF plants to promote this approach. SFF have made it clear they want plant by plant negotiations.
- **Alliance** CEA expired 22 February 2016, we are close to settling the CEA which covers Matura, Lorneville, Levin, Dannevirke, Nelson, Pukeuri, Smithfield and venison plants.

Conference 2016, workshops on Succession – Future, feedback was positive to establish a committee of M Nahu, G Davis, B Watt to push this forward. After a meeting with Richard Wagstaff/Ross Wilson (retired CTU President) a meeting was to be convened in Christchurch 5th December 2016 with 20 sub-branch officials and Organisers. The Executive with the CTU assistance is driving the "**Planning for the Future**" Strategy.

Darien Fenton, role as Director of Organising will be reviewed 6th December 2016. Darien oversees 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 and Yvonne Matthews-Johnson, our Office Administration Team continue to be supportive and effective in the National office. I would like to thank both Darien, Sherryl and Yvonne for the great job they are doing.

Regards in Solidarity,

Graham Cooke, **National Secretary**