

4 April 2014

STATUS REPORT RE: AFFCO CORE NEGOTIATIONS 2014

The AFFCO CEA talks have convened over 5 days since commencing on 4.2.14. With approx. 13 hours of face to face negotiations. Also a short lineout consisting of 3 union representatives and a similar number of AFFCO representatives was held at the company head office at Horotiu on Friday 28th of March where a numbers of issues were discussed but no real progress was made.

The employer has tabled the following claims:

Increase the ordinary working day to 8.5 hours which includes 2 paid smokos where applicable.
Reduce the weekly minimum to \$400 (currently \$536.18).

Delete all reference to the Meat workers superannuation scheme. The company says that members can transfer to the Kiwi saver scheme which has a mandatory employer gross contribution of 2%.

Currently the employer contribution to the MISS scheme is a fixed rate of **\$36.91** and is a negotiable rate and can be inflation adjusted.

Our member's wages are so variable which means that at different times of the year the employer contribution to another scheme could be significantly reduced.

AFFCO want to **reduce the accumulation of unused sick leave by more than 50%**.

The company has offered **half of one percent increase** in each year of a 2 year agreement

In addition to these companywide claims the employer wants to **cut terms and conditions** in some of the plant documents e.g. Wairoa where AFFCO want to **reduce the overtime rate** by up to as much as **34%** for some members.

AFFCO also want to **standardize pay rates for departmental cleaning.**

Our Union negotiating team has tabled the following claims:

A wage increase of 5% year 1 and 2% in year 2 of a 2 year agreement.

A claim for union members to receive the attendance bonus that currently only applies to non-union workers.

Increase the number of union delegates attending plant delegates meetings.

Term of agreement 2 years (this is the only thing we have been able to agree).



At the last core negotiations it was agreed that if anything was left out of the final draft agreement it needed to be raised within 5 days of ratification and could be included in the agreement. We raised several issues within the requisite time **but to date the company has refused to address these matters** since the signing of the current agreement.

Currently our negotiating team has dropped all remaining union claims except our wage claim. All of the employer's claims remain on the table.

This raises the question; **does the company really want to settle this agreement?**

Recently there has been some company propaganda circulated that states that our union has agreements with other companies where 480+ working minutes apply. This is true but these plants were initially non-union and these provisions were **forced on new workers in the 1990s** under the Employment Contracts Act.

Subsequently these plants joined the union and over the last decade we have been trying to reduce these ordinary working hours and improve other conditions on these plants. This is applicable to very few processing plants in NZ (approx. 5% of plants)

On one such plant the ordinary working hours were 50 per week and rate and 1/4 for hours in excess of 50 applied. We have been able to reduce this to 42.5 ordinary and rate 1/2 overtime rate on total earnings. We have also gained MISS superannuation provisions at this plant.

During the last AFFCO talks we were forced to remove manning scales and production tallies from the agreement. This has given AFFCO a huge advantage on its competitors including same day kill options.

Prior to these negotiations commencing a conversation took place between Mike Nahu and a company representative where it was stated that the company did not have many claims for these negotiations because they got what they wanted during the last negotiations.

It would appear that this statement was not correct because these proposed company claw backs are significant.

We do not believe that AFFCO need the changes they have claimed in these negotiations in order to survive in our industry.

We have urged them to be more realistic with their claims and to try and find a more balanced terms of settlement offer.

This update is authorized by the NZMWU AFFCO negotiating committee consisting of one representative from each of the AFFCO north Island plants and 3 full time union organisers.