



19 November 2014

Status Report re AFFCO Core Agreement Negotiations 2014

The AFFCO Core agreement expired on the 31st of December 2013. Within sixty days prior to this your union initiated bargaining for a new agreement. Despite us trying to get the employer to start negotiations as early as possible the company did not meet with union negotiators until February 2014.

We presented a modest set of claims including a wage claim for 5% +2% over a 2 year term. The company also said they also preferred a 2 year term. The company now state that they only want a 1 year term from settlement date.

On the other hand the employer claimed to reduce the weekly minimum from \$525 to \$400, a 480 minute working day (8.5 hour ordinary working day which includes 2 paid smoko's), deletion of superannuation provisions, a reduction in sick leave provisions to a maximum of 20 days accumulation and provisions requiring production workers to perform clean-up work at the end of production at \$16 per hour with rate 1/4 for overtime hours. In addition they wanted to reduce overtime payments in plant agreements at several of the AFFCO plants and alter the Manawatu plant sick leave provision.

The union position at the start of the negotiations regarding site agreements was that they should be negotiated at plant level (as they have done since the core agreement was formed). At the start of negotiations the company insisted that plant agreements be negotiated at the same time as the core agreement. We reluctantly agreed but this is how we negotiated the plant documents during the lockout in 2012.

As at 11 November 2014 your negotiating team have met with the company on 9 days. We have now dropped all of our claims except the claim for a wage increase.

The company have now dropped their claim to remove superannuation from the document and have amended their claim regarding a \$400 weekly minimum so as to have it apply from June to October every year. The company say any worker who has off season work would be exempt from having to work during this period subject to an agreed criterion and that this time away from the plant would not count as absence from work.

The company have retained all of their other claims as listed above.

On 11 November 2014 in an attempt to reach a settlement we offered the company a package deal, we would remove our claim for a wage increase if the company agreed to roll the agreement over for 2 years. The company have rejected our package and are **now saying** that they want to negotiate plant matters at plant level before continuing with further core negotiations.

We then suggested that we file for mediation to try and progress the talks. The company refused on the grounds that they felt it was premature. So in an attempt to make progress we agreed to meet on the plants and try and resolve the company's plant claims. The company have since come back and said they will meet at one plant per week.

The current legal status of the core agreement is that it has been continuing as a collective agreement while we have been negotiating. On the 31st of December 2014 it will become an **IEA based on the terms and conditions currently in the core agreement.**

It is vitally important that our members **DO NOT SIGN** any IEA while the process of negotiating a CEA is continuing.

If approached by your Manager/Supervisor to sign one please advise your delegate or shed official immediately.

New employment laws will commence in approximately February/ March 2015.

As members are aware we held shed meetings in June 2014 to gauge member's thoughts about the company's claims. The ballot result was a **93% rejection** of the company proposed changes to our Core agreement.

Over recent months we have contemplated holding shed meetings to give a report back but up until now we have had very little to report. We are now in a serious position which has necessitated your negotiating team reporting back to our members. We feel that this report is the best way to get this message out to members because you will be able to take this document home and refer to it in your own time.

We will be holding shed meetings soon to discuss these and other matters as our position going forward becomes more apparent.

NZ Meat Workers and Related Trades Union Incorporated