

43rd ANNUAL REPORT OF THE NZ MEAT WORKERS AND RELATED TRADES UNION INC.

Presented at the Palmerston North NZ Conference held 26th – 27th March 2014

Mr Chairman, Conference delegates, and observer's, I present to you my second annual report. The finances of the Union nationally are in surplus. The national office continues to reduce expenditure though not enough to match reduced capitation fees.

Dairying strengthens in South Island (production table). This has spread the employment season as more meat companies see the value of processing calves in the traditional off season (July/August/Sept), however, on the shoulders of the lamb/mutton season we are seeing more short days/weeks and early layoffs.

Production		2001-02	2007-08	2013-14
Beef	North Island	79%	75%	71%
	South Island	21%	25%	29%
Lamb	North Island	42%	44%	46%
	South Island	58%	56%	54%
Mutton	North Island	48%	45%	39%
	South Island	52%	55%	61%

The 2012/13 slaughtering's: Lamb slaughter was up 10.4% nationally, mutton slaughter up 22%, beef slaughter up 9.7% and calves up 11.5%. This year saw a significant national drought, which had some short term benefit for workers.

Successive droughts have not assisted with rebuilding stock numbers for breeding. Primary Industries Minister Nathan Guy is reported to have said "*....the same amount of sheep now came from less than half the flock size...*". This has been achieved by twinning, better breeds, leaving ram lambs entire etc.

China has become a major influence in the red-meat sector, with frozen mutton being exported in carcase/3 way/6 way cuts to be further processed in China for local consumption. Further processing has been reduced which detrimentally affects our members seasonal earnings.

Union Review: The Union Executive and Conference has put a reasonable effort into progressing this Review, however, the majority believe that the existing structures best deliver what our membership requires. There are areas of the Review where the union has and is still progressing towards a conclusion, such as communicating with our members, membership data, strike funds and future National Office support.

Industrially: The volume of meat exported per person employed has risen from 23 tonnes in 1980 to 43.2 tonnes today (2013) – a productivity gain of 88%.

We have a productivity problem in New Zealand

"The boss gets most of it"

It's shocking the number of Chief Executives, Chairman's and Directors that have had significant pay increases over recent years. Meat workers doing all the actual work that those executives rely upon to pay those huge fee increases receive only a token pay rise. This is consistent with other countries.

We settled the SFF CEA with a 2% increase which we understood included Dargaville and other plants in the SFF group have had difficulties in settling their CEA's. Alliance received a 1.75% increase. Affco was a two year agreement which expires 31 December 2013. The timing of x3 settlements rolling in early 2014, will require some creativeness from negotiators.

Deregulation of Meat Inspection: Post mortem Inspection (PMI) reform that allows company employees, rather than AsureQuality inspectors, to inspect for non-food safety (Quality) conditions. This is of major concern for NZ Incorporated. A Company Meat Inspector (CMI) that is an IEA worker (90 day trial) is hardly likely to stop a chain because of faecal 'shit' contamination.

Red-Meat Sector: Is under pressure from many sources to improve returns – there are two significant failings,

1. Competition at the farm gate does not allow a meat company to reinvest in infrastructure (product development etc.)
2. Competition in the market (Overseas Super market chains are able to get NZ meat companies to undersell)

Meat Industry Excellence group has embarked on a campaign to change the industry. Federated Farmers has a discussion policy paper out.

Employment Relations Amendment Bill was introduced into Parliament April 2013, this is intended to diminish the ability of unions to settle CEA's. The current 'Key' Government has decided that 'stealth' (small changes to IR) can reduce a union's relevancy more effectively, rather than being heavy handed with another Employment Contacts Act - Mark II.

Regards in Solidarity,

Graham Cooke

National Secretary