

21 May 2000

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MEDIA RELEASE

MEAT INDUSTRY FEARS RETURN TO CHRONIC INDUSTRIAL UNREST

“All stakeholders in the New Zealand meat industry—farmers, companies and employees—would suffer from a return to the rampant industrial conflict of the seventies and eighties,” Meat Industry Association Executive Director, Brian Lynch, has told the Select Committee hearing submissions on the Employment Relations Bill. Mr Lynch said meat companies were deeply apprehensive about key parts of the Bill. “If it becomes law without significant changes, the stable workplace environment that has existed through the 1990s will be threatened”.

“We object strongly to the Bill’s provisions that would severely limit freedom of contact between employers and employees. The opportunity envisaged for unilateral expiry of a collective contract is a concept totally foreign to the mature industrial relationships built up under the Employment Contracts Act. Our Companies oppose the mandatory disclosure of sensitive commercial information.”

“The Bill contemplates unreasonable union access and empowerment. It would place impractical restrictions on replacement labour during industrial action, in an industry that handles a perishable product and has to be constantly mindful of animal welfare concerns. The scope to strike in support of multiparty agreements has unwelcome potential in this industry to increase labour costs and cause disruption”.

Mr Lynch said that along with plant rationalisation and new technology, a flexible and stable workplace had been one of the major factors driving the meat industry’s lift in productivity during the past ten years.” The industry has moved light-years from the era of the frozen carcass. Today ninety per cent of meat exports are sent offshore as processed cuts, much of it in chilled form, ready for immediate display and sale. Companies no longer operate on a seasonal basis but have twelve-months contracts to complete. They could not be confident of meeting year-round contractual commitments if the stop-start industrial scene of the 70s and 80s returned”.

“Our attitude to this Bill is based on long and bitter experience. The stability of the last ten years makes it hard to appreciate that in the difficult decades of the 70s and 80s, the meat industry was responsible for one in every four strikes in New Zealand. Half the New Zealand workers involved in strike action then, were in the meat industry. Fifty per cent of the manhours and most of the wages lost through industrial unrest were in this industry. In 1976 and 1977 alone, there were 732 strikes at meat plants. That meant every worker walked of the job at least seven times in those two years”.

“In 1990, the year before the Employment Contracts Act was introduced, striking meat workers gave up \$36 million in lost wages. In the season after the Act took effect, strike action accounted for less than \$1million in workers lost income. There was minimal disruption during the nineties, to everyone’s benefit.”

“This is still a very labour-intensive industry. A workforce of twenty thousand has a major contribution to make to its success. The point cannot be overstressed that New Zealand meat companies are engaged in a fiercely competitive business. If they are not internationally cost competitive, hard-won market positions are given away, returns are lower and jobs are put at risk.”

For further information

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