

# 2013 Annual Report

## & Financial Statements

### Annual General Meeting Agenda:

1. Intro and apologies
2. Annual Reports
3. Financial Statements
4. Budget
5. Rule changes
6. Policy changes
7. NZLP Affiliation Ballot
8. General Business
  - AGM dates & venues  
page 16 (back cover)





# NATIONAL PRESIDENT'S REPORT 2013

During the previous year, the NZDWU Te Runanga Wai U has continued to work diligently for all our members, to ensure conditions of employment in our various collective agreements have been protected.

I am confident that the interests of our membership have been met.

I am pleased to report that membership has been steady over the year.

The NZDWU has experienced change over the previous year with the departure of outgoing National Secretary James Ritchie to take up a position with the IUF. The incoming National Secretary (Chris Flatt) taking over the reigns, has very quickly committed himself to understanding the people of our Union and the Dairy Industry with a comprehensive strategic and operational review of our Union.

I am confident under his leadership we will be well-placed to deal with the many employment law changes ahead which will be a challenge to working rights.

I express my appreciation to Angus McConnell (Assistant Secretary), who greatly assisted in the transition period during the 'change over' of National Secretary.

My thanks to our hard working Regional Organisers, to our dedicated Administration Staff and our Education Officer for their commitment to our Union, in what has been a busy year.

To the Vice President and National Executive, thank you for your assistance in managing the business affairs of our Union in a conscientious and economical manner. I am pleased to report that the financial statements of the NZDWU, have been audited and approved.

I wish to thank our Runanga/Fono who continues to bring cultural pride and mana to our Union.

Thanks also to our Women's Committee who continue to represent our membership very well. I acknowledge the commitment of both the Runanga/Fono Convenor John Nuku and Women's Committee Convenor Laura Boynton for their respective roles as NZCTU Reps.

I extend my appreciation on behalf of the NZDWU to our Welfare Committee. We are fortunate to have this dedicated and caring group looking after our members who require assistance in times of need.

To all the Site and Department Delegates, I thank you for representing Union members on a daily basis, with many varying issues.

The NZDWU is an active participant with our affiliations to the NZCTU, IUF and the NZ Labour Party. By having a voice at the table of these organisations, we can achieve industrial, social and economic fairness for all workers.

Members, be proud of your Union. Support each other and everyone who works on your behalf within the NZDWU Te Runanga Wai U.



**Sinclair Watson**  
National President

**Members,  
be proud of  
your Union.  
Support each  
other...**



**Sinclair Watson**  
National President

# NATIONAL SECRETARY'S REPORT 2013

**A**s you will be aware, I had the honour of being endorsed by DWU Congress delegates as the new National Secretary at the 2012 Congress. After a one-week handover period with James Ritchie in mid-July 2012, I formally commenced my employment with the DWU on Monday, 13 August 2012. Accordingly, this report will outline the key work-streams I have been involved with since this date.

## Summary of Report:

The report outlines the following key areas of work that I have been involved in over the last nine months and the various issues affecting the DWU in each of these areas:

**Operational Review:** Review recommended that the DWU's priority focus should be on strengthening and developing organising and delegate/membership structures within existing collective employer coverage sites.

Working now on implementing and operationalising the recommendations contained in the review report;

**Collective Bargaining:** Large amount of time now involved in preparing and renegotiating 14 of our 20 CEAs this year. Significant time has been spent on reviewing the DWU's pre-negotiation and negotiation arrangements for the Fonterra NZMP negotiations. Shaping up to be a challenging year in which to bargain, with current economic indicators remaining relatively weak and CPI running at 0.9% as at March 2013;

## Membership Communications:

Ongoing work to ensure quality communications delivered both in a face-to-face method (for example delegate meetings) as well as via electronic and written sources.

These dual communication channels are clearly important, but also pose a challenge to DWU resources and time-commitments. Rollout of Membership Portal and broader review of our social media communications, including our website, Facebook and Twitter presence are future priorities;

**External Affiliations:** Continued importance of engagement and liaison with various external industrial and political representative bodies such as the NZ Council of Trade Union (CTU), International Union of Food Workers (IUF) and NZ Labour Party (NZLP). This is particularly important in light of the current industrial climate as well as the upcoming changes to employment laws;

## Representation on External Boards:

Representation of the DWU and wider union movement on a number of external industry and trade union boards including the NZ Industry Training Organisation (NZITO), Centre for High Performance Work, Waikato Trade Union Centre Ltd, Trade Union Centre Taranaki Ltd, and Trade Union Centre Canterbury Ltd;

## Employment Relations Amendment Bill:

Changes are designed to make it easier for employers to cut pay and conditions, particularly those workers (like our members) who currently benefit from the protection of a CEA. The Bill contains a range of changes that could have



**Chris Flatt**  
National Secretary

a fundamental impact upon our members' wages and conditions as well as the bargaining ability of our Union. The DWU will be involved in the CTU campaign against the Bill. As DWU site delegates and workplace leaders in your own right, your own role in this campaign will be an important and vital one;

**DWU Financial Position:** DWU has a healthy financial position, with a net surplus for the year ended 31 March 2013 of \$295,395 and total investments of \$4,762,575. This is underpinned by the large level of cash investments.

Without the income received from these investments, DWU had net surplus from trading of only \$63,645 (we had a net deficit from trading of -\$104,433 for the year ended 31 March 2012). These investments could easily be reduced as a result of sustained industrial action and/or legal actions resulting from industrial action.

Important to keep this in mind when members question the current level of our fees or the nature of our fee structure. Any change to our current fee structure and/or thresholds should be thought through long and hard before any changes are made.

### Operational Review:

My appointment provided the DWU with an opportunity to undertake a broad operational review covering the Union's strategic direction, operational systems, service providers, staffing requirements and delegate/member services. The goal of the review was to establish the areas in which we are currently fit for purpose and, where we are not, to identify possible improvements to remedy this.

The review was undertaken from September 2012 to January 2013 and my report was provided to the National Executive as part of its two-day strategic planning meeting in early February 2013. The National Executive provided feedback and analysis at this meeting and endorsed all recommendations contained in the report.

The key recommendation in the report was the need for a strategic focus by the DWU and organisers in the 2013-2015 period on strengthening and developing organising and delegate/membership structures within existing collective employer coverage sites. This is particularly important in light of the fact that the National/ACT Government has recently announced far-reaching changes to employment laws that have the potential to dramatically undermine our statutory and industrial bargaining abilities. It is within this context that we will increasingly have to rely upon our organising and delegate structures (rather than legal remedies) to prevent any roll back of our collective conditions or coverage.

The review was endorsed by the National Executive in February, and since this time much of my work has related to the implementation and operationalising of the recommendations contained in the report, including:

- Reporting on the operational review and its recommendations at various site visits as well as the four Regional Delegates Meetings held in March and early April;
- Developing an implementation and operations plan of the

recommendations that Organisers can discuss and analyse as part of their delegate meetings and site visits. This plan begins the process of engaging site and department delegates in relation to specific reports and site duties required under the recommendations.

It will also guide Organisers and DWU Staff on what support systems are needed in ensuring the recommendations are implemented (for example, how do we track gaps in our membership contact details as well as raise alarms with appropriate Organisers and delegates when gaps are identified);

- Realigning Mark Apiata-Wade's Information/Education position to a National Organiser role with the primary task of supporting the strategic recommendations contained in the review (including a lead role in various CEA negotiations including Goodman Fielder and Synlait);
- Disestablishing Jocelyn Pratt's part-time greenfields/new organising role and preparing a new two-day per week position for her to support the strengthening of existing delegate and organising structures;
- Undertaking a recruitment and selection process for the realigned southern South Island Organiser position (Murray Kerse will be responsible for the realigned northern South Island region). After receiving 21 applications, the selection panel shortlisted and interviewed 10 applicants and held second interviews with three candidates in early April.

The selection panel recommended a candidate (John Howell) and the southern regional delegates held an endorsement meeting on 14 May in accordance with the DWU Rules;

- Follow-up discussions with various suppliers of services to the DWU to implement new contracts or supply arrangements as per review recommendations, including printers, fuel providers, mobile phone providers and vehicle/office insurance providers.

### Collective Bargaining:

2013 is a busy year for DWU bargaining, with 14 of our 20 CEAs up for negotiation. It is also shaping up to be a challenging year in which to bargain, with current economic indicators remaining relatively weak and CPI running at 0.9% as at March 2013.

Following the internal review of the Fonterra NZMP negotiation process in 2011, significant time has been spent on reviewing the DWU's pre-negotiation and negotiation arrangements. This has included meetings with Fonterra NZMP delegates and front bench negotiating team in the December 2012 to April 2013 period to ensure that we are as well prepared as possible for the NZMP negotiations in late August 2013.

To support this, I made the decision to hold the regional delegates meetings, call for claims and the reintroduced claims committee meetings earlier than in previous years (as well as holding the National Congress a week earlier) to ensure we had increased time to discuss our claims with delegates and members in order to get their support and "buy-in" to the process. Time will tell if this has been successful.

Another issue that came out of the 2011 Fonterra NZMP negotiations that required much of my time and energy (as well as Union money) was the Frahm legal challenge against the DWU.

This involved extensive preparations and discussions with our counsel and witnesses as well as attending the Employment Relations Authority hearing on 17 January. On 4 March the Authority issued its decision. The DWU won the case and received a generally favourable decision. The Authority did find our wage annualisation calculation was inaccurate, but that the DWU did not do so deliberately or in bad faith and was simply applying past practice.

The Employment Authority Member ruled that while not a mathematically pure calculation, it is and has been a common way for Unions over many years to explain to members what the value of a shortened term is.

In fact the Authority Member stated in his judgment that “far from attempting to mislead, DWU simply applied past practice”. The Authority Member also ruled that the DWU’s calculations were not a breach of the duty of good faith to members and were not designed to deliberately misled or deceive members as claimed by Mr. Frahm.

Despite the favourable outcome in favour of the DWU, this matter did absorb much Union time and resources and was a clear reminder that our calculation methods should not cause any confusion amongst members. As such, I have decided that the DWU will not be using this shortened term annualisation calculation in any future negotiations.

The DWU is also currently involved, about to commence or finalise bargaining in relation to the following CEAs: Fonterra Brands (31 October), Puhoi Cheese (31 October), RD1 (31 July) Suttons Group (30 April), Dairy Blenders (10 September), Fonterra Canpac (6 April), Timpak (31 May), LIC (31 May), Alto Longburn (14 April), Fonterra CCP (14 June), Westland Dairy (16 October), Goodman Fielder (14 April) and Synlait (30 April).

#### **Membership communications:**

The recent 2011 Membership Survey again highlighted the importance of quality, easily-accessible and regular communication from the DWU to its members. Members have stated in the Survey that they like this information to be delivered both in a face-to-face method (for example delegate meetings) as well as via electronic and written sources. These dual communication channels are clearly important, but also pose a challenge to DWU resources and time-commitments.

The Organisational Review and Membership Survey identified several areas in which the DWU communications are working well, particularly the Dairy Worker magazine (which we are trying to refocus on regional and industry developments), and notice board updates and newsletters. However, communication about broader DWU strategic and governance matters (for example the National Executive discussions and decisions) are generally very limited.

The Organisational Review also highlighted the need for the DWU to improve the nature and quality of the DWU’s electronic-based communication to members. To this end, the Membership Portal has been further developed over the last 12 months to correct various problems with the “back office” financial reconciliation functions of the system. Work has also been done on the functionality of the Organiser/Delegate services that it provides. It is envisaged that the Portal will eventually provide the Union with a greater ability to contact and communicate with our members as well as advertise DWU officials and organiser site visits.

Further work is also planned to upgrade our social media communications, including our website, Facebook and Twitter presence. These communication tools are important not only to engage and inform our members, but also to provide the Union with communication channels if we were involved in industrial action campaigns.

#### **External affiliations:**

It is clear from the current economic climate, as well as due to upcoming changes to employment laws, that the number and intensity of employer attacks on unions and wages and conditions will increase over the next year. The disputes at AFFCO Talleys and Ports of Auckland have again demonstrated the importance of DWU engagement in both domestic and international union and political affiliations. Employers must know

that when they attack one union or group of workers, they are taking on the whole union movement.

Further, there is little point organising and achieving excellent wages and conditions for NZ dairy industry workers if these are ultimately undercut and eroded by employers being able to outsource work to non-unionised workers in other countries. Accordingly, an important part of my role as National Secretary is engagement and liaison with various external industrial and political representative bodies.

#### **NZ Council of Trade Unions (CTU):**

I regularly attend CTU meetings and strategic planning events including the CTU National Affiliates Council (NAC), CTU Food Sector Group (including the six-monthly Trans-Tasman Food Sector Unions meetings) and CTU Legal Group. Our Union is also heavily involved with the CTU Runanga and CTU Womens Committee, both of which are very important industrial and representative structures.

In September 2012, I was fortunate to attend (along with Angus McConnell, Mark Apiata-Wade, and over 30 DWU Maori delegates and members) the CTU Runanga & Iwi Leaders Hui in Tauranga. This important Hui built upon the relationship between Iwi Māori and the Trade Union Movement that has been developed over the last two years and in particular by the AFFCO Talleys and Ports of Auckland disputes.

Over 180 Maori union members, union leaders and Iwi leaders attended the Hui and it resolved to both strengthen the relationship between unions and Iwi and to progress the rights of workers in this country. The Hui outlined the areas of common interest the parties had in working together particularly in relation to the importance of work and wages to the economic wellbeing of Maori and all workers.



It also recognised the crucial role Iwi leaders had played in the settlement of the dispute at AFFCO Talleys. The historic Hui has helped to establish an ongoing relationship between Iwi Leaders and Unions in terms of future regular meetings and discussions about common issues.

### **International Union of Food Workers (IUF):**

The DWU is extensively involved in the IUF and the IUF Dairy Division Leadership Group, particularly in relation to projects involving the Asia/Pacific region. To this end, Brett Brown attended the IUF Dairy Division Leadership Group meeting in Las Vegas in October 2012 on behalf of the DWU and I have attended several Leadership Group teleconferences since this time to progress the IUF Dairy Division's global organizing initiative that was agreed at the Las Vegas meeting: "A Fair Deal for Dairy Workers".

Angus McConnell also represented the DWU at the IUF Executive meeting in Geneva in late May 2013 and I attended the IUF Asia-Pacific Regional Committee in Indonesia in late June 2013.

### **NZ Labour Party (NZLP):**

The DWU has been affiliated to the NZLP since 2003. As part of this involvement, I was fortunate to lead a large DWU delegation to the NZLP's 96th Annual Conference in November 2012. The Conference was an historic event that introduced new rules allowing branch members and affiliate members (such as DWU members) the right to have a direct say in both Party policy as well as who should be the Leader of the NZLP. These changes were positive and long overdue and mean that if there is a leadership challenge in the future, the NZLP Leader will no longer be decided just by a small group of MPs, but will now be determined by a combined vote of:

- MPs (40% of the vote);
- Labour Party branch members (40%

of the vote); and

- Affiliate members (such as DWU members through their site delegate) (20% of the vote).

Since the NZLP Conference, I have attended several NZLP meetings to further progress important governance and policy work including: finalising the leadership election administrative rules, developing a formal Constitution for the NZLP Affiliates' Council, as well as progressing the Party's Policy Platform (including the much needed 'Industry Standards Agreements' component of the NZLP Industrial Relations policy platform).

As you will be aware, the DWU will be holding its NZLP re-affiliation ballot at this year's AGMs. To support this process (and as discussed in the Operational Review) we have developed a fact sheet about the DWU's re-affiliation ballot and this has been reviewed as part of the regional delegates meetings. The final version of this fact sheet was presented at Congress.

I strongly support the DWU being, and remaining, affiliated to the NZLP. Affiliation enables the DWU and DWU members to be active and influential in the NZLP via a direct say in the development of policy, such as fair industrial relations laws that protect the rights of workers and trade unions. In light of the latest attacks on workers' rights by the National Government, I believe the importance of the DWU being and remaining affiliated to the NZLP is greater than ever.

### **Representation on External Boards:**

In my capacity as National Secretary, I am a director on a number of external bodies, including the:

- NZ Industry Training Organisation (NZITO)*: The ITO responsible for setting and monitoring national skill and qualification standards and training in the dairy, seafood and meat industries.

- Centre for High Performance Work:*

A high performance work initiative between various Trade Unions and the Department of Labour to develop high performance workplace projects aimed at improving business productivity and workplace culture;

- Waikato Trade Union Centre Ltd*: The corporate structure that governs and administers the Waikato Trade Union Centre building and assets;

- Trade Union Centre Taranaki Ltd*: The corporate structure that governs and administers the Taranaki Trade Union Centre building and assets;

- Trade Union Centre Canterbury Ltd*: The corporate structure that governs and administers the financial assets that have accumulated as a result of the loss of the Canterbury Trade Union centre in the recent Christchurch earthquakes.

My role on these external boards requires strategic analysis work as well as representation on their various governance structures to represent the views of members and workers within the dairy industry or wider union movement as well as to protect the financial investments of the DWU.

### **Employment Relations**

#### **Amendment Bill:**

As you will be aware, the National Government has introduced the long expected second round of attacks on New Zealand workers. These amendments could be law by September or October of this year.

Make no mistake about it; the Employment Relations Amendment Bill is designed to make it easier for employers to cut pay and conditions. It will increase inequality and make it harder for working families to get by. These changes are designed directly to attack workers' pay and conditions, particularly those workers (like our members) who currently benefit from the protection of a CEA.

The Bill contains a range of changes that could have a fundamental impact upon our members' wages

and conditions. One of the worst changes is the removal of the current duty of good faith on both parties to conclude a collective agreement.

Whilst this amendment may appear on the face of it to be a modest proposal, it is designed solely to destroy the ability of workers and unions to negotiate and maintain CEAs. It will allow an employer with an expiring CEA to go through a facade of negotiation, refuse to conclude it, apply to the Authority for a declaration that bargaining has ended and then push workers into individual employment agreements with lower wages and inferior conditions to those in the old CEA.

An example of how this could be used relates to the current Ports of Auckland dispute. Under the current legal obligation to conclude bargaining, both parties in this dispute are still engaged in bargaining in an attempt to find a negotiated outcome to the dispute. Whilst they do, the terms of the CEA continue to apply to the current workers.

Under the proposed Bill, the Ports would be able to call an end to bargaining and simply contract out the work of the current workers to labour hire firms on inferior wages and conditions. When the Ports tried to do this under existing law, the Courts stopped them as being in breach of their duty of good faith.

This one change alone (and there are many more) could fundamentally impact upon the way the DWU operates and represents our members. It is vital that the DWU, its officials, delegates, and members stand up and fight back in whatever way we can. Over the next few months we will be heavily involved in the CTU campaign against these attacks on union and workers' rights. As DWU site delegates and workplace leaders in your own right, your own role in this campaign will be an important and vital one.

#### **DWU Financial Position:**

As a result of many years of sound financial stewardship and guidance, the DWU is in a healthy financial position. This is always important for a trade union. This positive financial position has continued this year with a net surplus for the year ended 31 March 2013 of \$295,395 and total investments of \$4,762,575.

Whilst this is extremely positive, I wish to sound a note of caution. The positive financial position of the DWU is underpinned by the large level of cash investments held in various term deposit and on-call bank accounts. As such, it is important to also analyse the financial position of the union without the income received from these investments. For the year ended 31 March 2013 the net surplus from trading was \$63,645 (we had a net deficit from trading of -\$104,433 for the year ended 31 March 2012). This highlights the heavy financial reliance the DWU has on its cash investments.

It needs to be noted that these investments could easily be reduced as a result of sustained industrial action and/or legal actions resulting from industrial action. In fact we know this has been the case for both MUNZ in their Ports of Auckland dispute as well as the MWU in their Talleys AFFCO dispute. If this was to also happen to the DWU, then the financial position of the union would be dramatically affected.

It is important to keep this in mind when members question the current level of our fees or the nature of our fee structure. I believe the DWU's fee structure of 0.06% of income is one of its greatest financial strengths as it ensures those who can afford to, do pay their fair share. In light of the current economic, industrial and political landscape that we are entering over the coming 12 months, I believe any change to our current fee structure and/or thresholds should be thought through long and hard before any change is agreed to.

#### **Thank you to all...**

And finally, a very big thank you to all DWU staff, organisers, delegates and members for the support that you have provided me in my first year as the National Secretary. Your help has been greatly appreciated.

Thanks must also go to the members of the National Executive, Women's Committee, Runanga/Fono and Welfare Committee for the important work that you all provide for our union and its members.

A special mention must also go to our retiring National President, Sinclair Watson for his outstanding commitment and hard work on behalf of our Union. Whilst I know he will continue to be involved in some capacity within the DWU, I wish to pay tribute to his many years as the National President and the guidance he has given this Union over that time.

Thank you again Sinclair for the support you have provided to me over the last few months and I wish you all the very best for the future.

Congratulations also to both Brett Brown, National President and Shane Stieller, National Vice President on being elected to these important positions. I look forward to working with you both.

**And as I have said many times already, I believe the DWU is the best union in New Zealand and it is an honour to be your National Secretary.**

**Chris Flatt  
National Secretary**

## AUDIT REPORT



## TO THE SHAREHOLDERS OF NEW ZEALAND DAIRY WORKERS UNION – TE RUNANGA WAI U INCORPORATED

## Report on the Financial Statements

We have audited the financial statements of New Zealand Dairy Workers Union – Te Runanga Wai U Incorporated on pages stamped by Anderson Accounting which comprise the Statement of Financial Position as at 31 March 2013, and the Statement of Financial Performance, Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Board's Responsibility for the Financial Statements

The Board are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on financial position and financial performance.

We are also the auditors for the Waikato Trade Union Centre Limited who the society has a shareholding in. Other than in our capacity as auditor for both entities we have no relationship with, or interests in, New Zealand Dairy Workers Union – Te Runanga Wai U Incorporated.

## Opinion

In our opinion, the financial statements on pages stamped by Anderson Accounting;

- Comply with generally accepted accounting practice in New Zealand
- Give a true and fair view of the financial position of New Zealand Dairy Workers Union – Te Runanga Wai U Incorporated as at 31 March 2013, and its financial performance for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations that we have required.
- In our opinion proper accounting records have been kept by New Zealand Dairy Workers Union – Te Runanga Wai U Incorporated.

Stephen Nelley  
6 May 2013  
Cambridge

NEW ZEALAND DAIRY WORKERS UNION  
- TE RUNANGA WAI U INCORPORATEDStatement of Financial Position  
as at 31 March 2013

	2013 \$	2012 \$
<b>Current Assets</b>		
Bank of New Zealand - Cheque Account	41,446	19,123
Bank of New Zealand - Call Account	219,177	167,086
Taxation Refundable	-	10,766
Accounts Receivable	51,674	24,245
Payments in Advance	9,408	7,941
<b>Total Current Assets</b>	<b>321,705</b>	<b>229,161</b>
<b>Less Current Liabilities</b>		
GST Due for payment	33,093	38,029
Taxation Payable	4,008	-
Accounts Payable	99,344	101,383
Accrued Expenses	405,271	483,926
<b>Total Current Liabilities</b>	<b>541,716</b>	<b>623,338</b>
<b>Net Current (Liabilities)</b>	<b>(220,011)</b>	<b>(394,177)</b>
<b>Non Current Assets</b>		
Fixed Assets	484,337	385,575
Investments	4,762,575	4,740,108
<b>Total Non Current Assets</b>	<b>5,246,912</b>	<b>5,125,683</b>
<b>Net Assets</b>	<b>\$5,026,901</b>	<b>\$4,731,506</b>
<b>Funds Invested in the Union</b>		
Accumulated Funds	5,026,901	4,731,506
<b>Total Funds Employed</b>	<b>\$5,026,901</b>	<b>\$4,731,506</b>

For and on behalf of the Union

National Secretary

Dated 6 May 2013.





**NEW ZEALAND DAIRY WORKERS UNION  
- TE RUNANGA WAI U INCORPORATED**

**Statement of Financial Performance  
for the year ended 31 March 2013**

	2013 \$	2012 \$
<b>Income</b>		
Subscriptions	2,637,578	2,560,545
<b>Contract Expenses</b>		
Personal Grievances and Disputes - Expenses	82,360	82,671
Personal Grievances and Disputes - Recovered	-	(1,373)
ACC Cases	15,089	22,626
	97,449	103,924
Negotiations - Expenses	50,226	138,074
Negotiations - Recovered	(1,451)	(793)
	48,775	137,281
	146,224	241,205
	2,491,354	2,319,340
<b>Management Expenses</b>		
National Congress	70,057	57,882
National Executive	111,824	80,431
Regional Meetings	36,924	26,622
President/Vice President Election	10,331	-
	229,136	164,935
<b>Affiliation Expenses</b>		
NZCTU Affiliation Fees	59,743	56,940
NZCTU Meetings/Campaigns	15,784	29,899
NZ Labour Party Affiliation Expenses	8,089	8,094
IUF Affiliation Expenses	29,031	27,985
	112,647	122,918
	2,149,571	2,031,487
<b>Expenses</b>		
Expenses as per schedule	2,085,926	2,135,920
<b>Net Surplus from Trading</b>	63,645	(104,433)
<b>Other Income</b>		
Depreciation Recovered	7,029	19,997
Interest Received	208,418	210,446
Miscellaneous Income	74,380	118,940
Solidarity Fund Donations Received	-	5,212
	289,827	354,595
<b>Net Surplus Before Taxation</b>	353,472	250,162
Deduct Taxation	58,077	58,645
<b>Net Surplus After Taxation</b>	295,395	191,517
Add Accumulated Funds Brought Forward	4,731,506	4,539,989
<b>Leaving Available For Appropriation</b>	5,026,901	4,731,506

ANDERSON ACCOUNTING  
MARKED FOR IDENTIFICATION

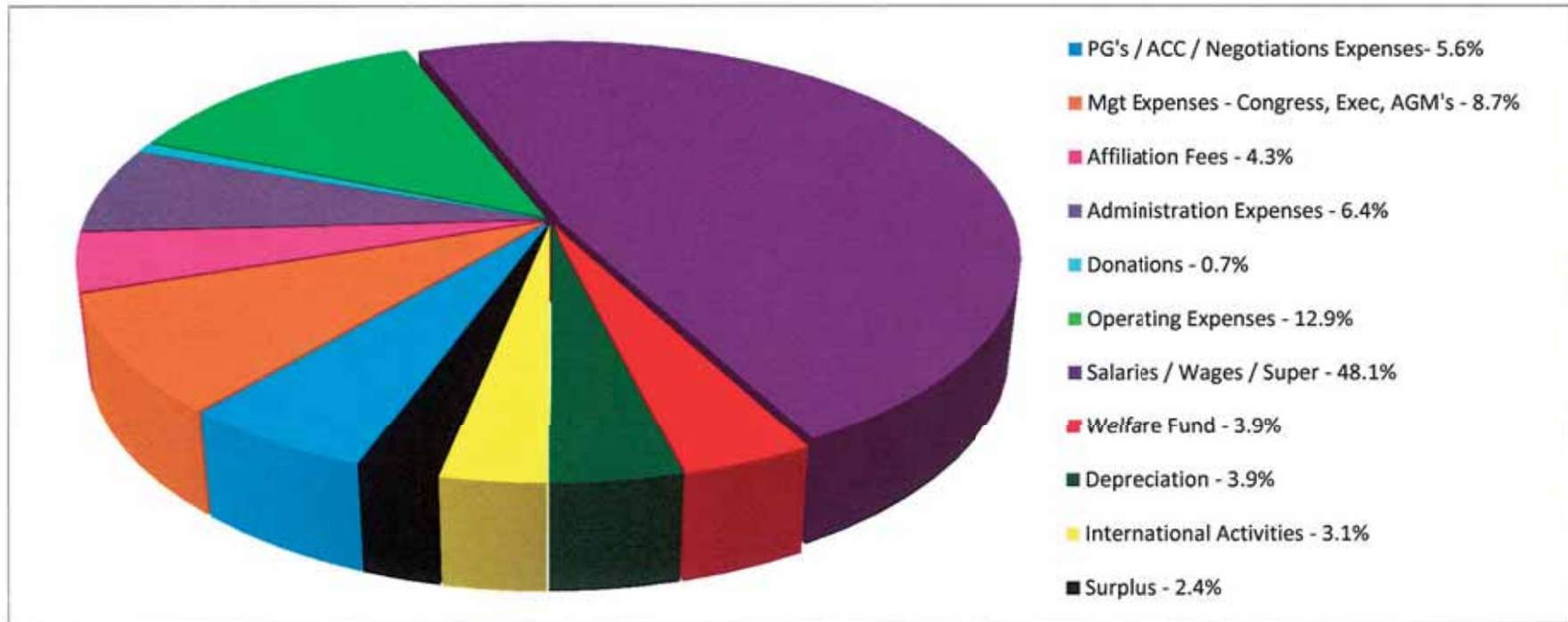
**NEW ZEALAND DAIRY WORKERS UNION  
- TE RUNANGA WAI U INCORPORATED**

**Statement of Financial Performance (Continued)  
for the year ended 31 March 2013**

	2013 \$	2012 \$
<b>Schedule of Expenses</b>		
Accident Compensation Levy	4,581	6,107
Audit Fees	2,500	4,615
Bank Charges	2,098	2,019
Donations	13,603	40,450
Education Expenses	93,613	87,892
Election Campaign Fund Expenses	-	57,200
FBT	35,307	39,130
Honoraria	27,112	37,427
Insurance	11,316	9,387
International Delegates Fund Expenses	53,743	79,584
International Activities	31,910	34,537
Light, Power & Heating	4,114	5,374
Membership Survey / Research	8,526	14,560
Miscellaneous Expenses	5,149	245
Organisers Expenses	87,767	69,458
Newspapers, Newsletters & Promotions	27,755	33,775
Postage and Courier	7,387	8,803
Printing, Stationery and Photocopying	32,877	32,242
President / Vice President Expenses	980	1,200
Publications	2,504	1,100
Rent and Rates	59,852	42,877
Repairs & Maintenance	7,072	6,900
Salaries, Wages and Superannuation	1,269,208	1,139,233
Retirement Allowance Provision	(72,677)	6,552
Secretarial & Accounting Fees	1,791	4,610
Telephone, Facsimile and Postage	44,731	47,031
Vehicle Expenses	114,306	110,236
Welfare Expenses	101,466	113,601
Depreciation as per Schedule	103,605	97,113
Loss on Sale of Fixed Assets	5,730	2,662
<b>Total Expenses</b>	2,085,926	2,135,920

ANDERSON ACCOUNTING  
MARKED FOR IDENTIFICATION

# How your DWU Subscriptions were spent



**Note:** Total annual surplus of \$295,395 was considerably more than the 2.4% surplus of net subscriptions, but most of that amount was due to interest received on investments.

# Draft Budget –2013/2014

	2013-14 Budget	2012-13 Budget	Difference	BVR at 31.03.13
<b>Income</b>				
Membership Subs	2,857,400	2,748,200		
Less GST	372,704	358,461		
Nett Subscription Income	2,484,696	2,389,739	94,957	2,637,578
Interest (nett)	132,870	143,232	-10,362	139,682
Miscellaneous Income	58,838	72,515	-13,677	61,603
<b>Total Income</b>	<b>2,676,404</b>	<b>2,605,486</b>	<b>70,918</b>	<b>2,838,863</b>
<b>Expenditure</b>				
<b>DWU</b>				
Executive	55,000	50,000	5,000	56,893
Congress	65,000	65,000	0	70,057
Regional Delegates Meetings	15,000	9,000	6,000	16,507
Regional AGMs (inc A/Report)	25,000	25,000	0	19,529
Womens Committee Structure	25,000	20,000	5,000	20,926
Runanga Structure	25,000	20,000	5,000	41,148
<b>Agreements</b>				
Negotiations *	100,000	100,000	0	50,297
PGs & Disputes *	100,000	100,000	0	70,942
ACC Review *	20,000	25,000	-5,000	15,329
National JWP/CHPW	3,000	3,000	0	73
<b>NZCTU</b>				
Capitation 2.5% net subs	62,117	59,743	2,374	59,743
NACM Food Sector & H/S Meetings	10,000	10,000	0	8,907
Women's Committee Exp	5,000	5,000	0	2,218
Runanga Exp	5,000	5,000	0	5,795
Committee Pasifika	2,000	2,000	0	0
Biennial Conf (CTU, Runanga, Women's)	12,000	0	12,000	0
Campaigns *	5,000	5,000	0	0
<b>IUF Capitation</b>	<b>27,800</b>	<b>27,800</b>	<b>0</b>	<b>21,090</b>
<b>NZLP Affiliation &amp; Meetings</b>	<b>8,000</b>	<b>8,000</b>	<b>0</b>	<b>8,089</b>
<b>Administration Expenses</b>				
Bank Charges	2,000	2,000	0	2,151
Insurances (excluding vehicles)	11,000	10,000	1,000	11,279
Miscellaneous	2,000	2,000	0	0
Phone/Tolls/Fax/Internet	50,000	50,000	0	46,430
Photocopying/Printing/Stationery	30,000	25,000	5,000	29,516
Post/Courier	10,000	10,000	0	7,387
Power	5,500	5,000	500	4,819
Publications Inward	1,000	1,000	0	2,546
Rent/Rates/Reception	65,000	59,000	6,000	56,727
Repairs & Maintenance	6,000	6,000	0	7,387
<b>Operating Expenses</b>				
ACC Levy	5,500	6,500	-1,000	4,581
Accounting & Audit	11,000	10,000	1,000	10,191
Dairyworker/Publicity/Website/Del Promos	55,000	45,000	10,000	27,755
Donations	10,000	10,000	0	18,603
Education (4%)	99,388	95,590	3,798	92,317
Election (Pres/VP)	10,000	6,000	4,000	3,243
Election Camp Fund (0.8%)	19,878	19,118	760	0
Equipment	17,500	25,000	-7,500	16,292
FBT	47,685	50,000	-2,315	41,076
Honoraria	24,700	8,000	16,700	5,775
International Del Fund (3%)	74,541	71,692	2,849	50,743
International Activities	35,000	35,000	0	31,910
Miscellaneous Expenses	7,500	5,000	2,500	5,149
Motor Veh - Expenses	104,500	110,000	-5,500	116,769
Motor Veh - Replacement	30,000	112,000	-82,000	115,410
Organisers Expenses	65,000	65,000	0	98,493
President/Vice President	3,000	3,000	0	980
Research	15,000	15,000	0	8,526
Salary/Wage/Super etc	1,218,221	1,187,386	30,835	1,275,207
Welfare Fund (approx 5%)	120,000	110,000	10,000	101,466
Admin/IT - Cap Expenditure				70,506
<b>Total Expenditure</b>	<b>2,725,830</b>	<b>2,698,829</b>	<b>27,001</b>	<b>2,263,231</b>
<b>Surplus</b>	<b>-49,426</b>	<b>-93,343</b>	<b>43,917</b>	<b>108,088</b>
	-1.85%	-3.58%		

\* = estimate

**Capital Expenditure - Reserves to be set aside for:**

IT and Membership System Upgrades

Internal Service System Upgrade



# Remits carried by 2013 Congress

## RULE REMITS

### REMIT 1

#### SCHEDULE II – ELECTION AND BALLOT PROCEDURES

##### 1.4 Manner of Election

##### 1.4(c) add the words

“When a ballot has multiple candidates it will be conducted by exhaustive balloting until there is a clear majority winner/s (based on ballots cast).”

##### 1.4(d) add the words

“When a ballot has multiple candidates it will be conducted by exhaustive balloting until there is a clear majority winner/s (based on ballots cast).”

### REMIT 2

#### SCHEDULE II – ELECTION AND BALLOT PROCEDURES

##### 1.5 Conduct of the Ballot

Renumber to 1.5(e) to 1.5(e)(i) and add the following new clause

“1.5(e)(ii) The President and Vice President ballot should (where there are more than two candidates) be conducted by a preferential vote (on the ballot paper) and run (by distributing the lowest polling candidate’s voter preference) until there is a clear majority winner of valid votes cast.”

### REMIT 3

#### SCHEDULE II – ELECTION AND BALLOT PROCEDURES

##### 2. ELECTION OF OFFICERS (PRESIDENT, VICE PRESIDENT)

##### 2.1.2 Delete current wording and replace with the following wording

“The election for the positions shall be one (1) year apart with the Vice President’s election one (1) year after the President’s election.”

##### 2.1.3 Delete clause

##### 2.1.4 Delete clause

##### 2.1.5 Delete clause

##### 2.1.6 Delete clause

##### 2.2 Add to Note

“Transitional arrangements

These Rules become effective post the 2016 elections accepting that the Vice President’s term is a one off four year term.

“To be clear the President’s electoral term remains 2013, 2016, 2019.

“The Vice President’s term becomes 2013, 2016, 2020, i.e. a four year term next time to align the splitting of the officer’s electoral cycle.”

### REMIT 4

#### SCHEDULE II – ELECTION AND BALLOT PROCEDURES

##### 3. ELECTION OF NATIONAL EXECUTIVE COMMITTEE MEMBERS

##### 3.2 Add the words “and to hold the position” and “voting” so reads:

“To be eligible for nomination and to hold the position, a person must be a voting delegate to the National Congress.”

### REMIT 5

#### SCHEDULE II – ELECTION AND BALLOT PROCEDURES

Appendix to the Rules - Appointments Register

Following the 2013 Congress an updated appointments register is to be attached to the Rules.

### REMIT 6

##### Rule 13.2(g)

That the principle of all delegates attending Congress is accepted and the National Executive investigate the costs and implications of such and report back to the 2014 Congress.

## POLICY REMITS

### REMIT 7

Move C.1.1, C.1.2, C.1.3, C.1.4 and C.1.5 to E.3 and renumber to E.3.1, E.3.2, E.3.3, E.3.4, E.3.5 and E.3.6. Renumber C.1.6 to C.1.1.

### REMIT 8

**Policy C.5.5** - Replace word “appoint” with the word “appointment” so reads:

“C.5.5 Where a DWU member is nominated to represent the DWU or the wider union movement to an outside body then such appointment requires the confirmation of the appointment from the DWU executive.”

### REMIT 9

#### **Policy C.8 – Grievance Committee**

Brian Henry, Barry Kanara, Llewellyn Wright are appointed as the Grievance Committee, with Shawn Perkinson as the stand-in should any of the committee become unavailable.

### REMIT 10

#### **Policy C.10 – National Returning Officer**

That Dave Edwards is appointed as the National Returning Officer from June 2013 for a three year term.

### REMIT 11

#### **Policy C.14 – DISS**

Mark Apiata-Wade is appointed as the NZDWU Director of the Dairy Industry Superannuation Scheme Trustee Limited for a three year term expiring in 2016.

### REMIT 12

**Policy C.16** – Missing Life Members to be added to the list:

Syd Wheatley, Stan Bakulich, Merv McDonald and Eric Lawrence

# Remits carried by 2013 Congress

## REMIT 13

### Policy C.19 – UniMed

C.19.1 Delete current wording and replace with the following

“That the DWU confirms support of Brian Wooller as a director of UniMed for the present term of his directorship.

“C.19.2 Glenn Barnes is confirmed as the Union’s nomination for a position on the UniMed Board of Directors for a three year term, which expires in 2016.”

## REMIT 14

### Policy C.21 – NZLP

C.21.1 Amend by replacing “2003” with “2013” and adding following words at end of the clause “if a majority of votes cast are in favour”. So reads:

“The NZDWU shall affiliate to the NZ Labour Party on a percentage basis. The percentage shall be calculated on the vote from the 2013 AGMs if a majority of votes cast are in favour.”

C.21.2 Replace “2013” with “2023”.

## REMIT 15

### Policy D.14 – New Wording

“D.14 Reserve and Industrial & Legal Fund

“D.14.1 As a broad policy, the NZDWU aim to achieve a surplus each year until a cash reserve, equal to three year’s operating expenses is achieved.

“D.14.2 Half of any cash reserve that has been accumulated in accordance with D.14.1 will be allocated to a fund known as the Industrial & Legal Fund (ILF).

“D.14.3 The ILF will be used to support the NZDWU with costs incurred as a direct or indirect result of duly authorised industrial action engaged in by the NZDWU and its members.”

## REMIT 16

### Policy D.16 – New Wording

“D.16 Solidarity & International Delegates Fund

“D.16.1 Name

The NZDWU establish a special fund to be known as the Solidarity & International Delegates Fund (SIDF).

“D.16.2 Funds

The SDIF be held in a separate bank account and funded from the general account at the rate of 3% of the income received from members’ subscriptions (excluding GST).

“D.16.3 Purpose

“D.16.3.1 The fund shall be administered by the National Executive and is to be used in accordance with Rule 4.4, Objects of the Union, specifically to foster the development of bona fide unionisation of those workers employed outside New Zealand by NZ dairy companies (or their successors) or their subsidiary companies, whether the New Zealand company holds a majority shareholding or not.

“D.16.3.2 The fund may also be used to assist international or domestic organising and solidarity campaigns that the National Executive deems to be appropriate involving or at the request of the IUF or the NZCTU or affiliated New Zealand trade unions.

“D.16.3.3 The fund can be used for direct assistance by way of grants, loans, purchase of services from other bona fide unions or sympathetic or kindred organisations in New Zealand or other countries, or any other assistance in the pursuit of the objectives herein, as the National Executive may decide.

“D.16.3.4 The fund can be used for the conferencing of the delegates from such organisations from time to time and in such places, as and when, the National Executive considers appropriate.

“D.16.4 Exclusions

“D.16.4.1 As a general rule, the fund is not to be used for NZ based officials of the NZDWU in pursuit of the objectives of the SIDF.”

## REMIT 17

### Policy H.2 – Membership –

Delete current and replace with the following:

“Policy H.2 Membership

“H.2.1 Membership for all grants except Educational Grants is automatic to all Union members, their spouses, children 18 years of age or under, and to honorary members except hardship grants shall not be available until after three months membership is completed.

“H.2.2 Membership for Educational Grants is automatic to all Union members, their spouses, children 19 years of age or under, and to honorary members.”

## REMIT 18

### Policy H.8.1 – Education Benefit

H.8.1 Delete “\$10,000” and replace with “\$20,000”.

# Should the DWU remain affiliated to the Labour Party?



**S**ince 2003, the New Zealand Dairy Workers Union Te Runanga Wai U has been affiliated to the NZ Labour Party. Being affiliated means that the DWU has the ability to have a direct say and vote about Labour Party policies and candidates. Under our DWU Rules, we are required to hold a vote at this year's Site AGMs to see if the DWU should remain affiliated to the Labour Party. This information is not to tell you who to vote for. That is your own decision at election time. This information is to give you some facts and reasons why the DWU Officers and National Executive think it is good for DWU members that the DWU remains affiliated to the Labour Party.

**B**eing affiliated to the Labour Party over the last 10 years has allowed the DWU to achieve direct improvements for DWU members and NZ workers. These have included:

- Minimum of 4 weeks annual leave.
- 14 weeks paid parental leave.
- Better rights for DWU organisers to visit workers on site.
- Good faith duties which make it easier for the DWU to negotiate agreements on your behalf.
- Bargaining fees to ensure non-union members are paying their fair share.
- Time and a half rates for working on public holidays.
- Ending the Employment Contracts Act.
- Protection for vulnerable workers like cleaners.
- Increases to the minimum wage during the Helen Clark Labour Government.
- Days in lieu for working on ANZAC and Waitangi Days.
- Affiliation gives the DWU the ability to influence and develop Labour Party industrial relations policies that protect the rights and conditions of DWU members and our union.



*Labour MPs Nania Mahuta and Jacinda Adern center front, with the NZDWU Runanga/Fono at the 2013 Congress.*

- The DWU's affiliation to the Labour Party is not telling you to vote for Labour. Who you vote for is your choice completely. The vote to affiliate to the Labour Party is about providing the DWU with the best political ability to protect your rights and conditions as union members.
- Being affiliated means that DWU members have the same rights as Labour Party members, which now includes an affiliates vote by DWU members via their site delegate in any future election of the Labour Party Leader.
- Being affiliated gives DWU members a direct say inside the Labour Party. DWU members are able to attend any Labour Party meetings or events and have all the voting rights of a Labour Party member.

"Authorised by Chris Flatt, 34 Harwood Street, Hamilton"



# Why the DWU should remain affiliated to the NZ Labour Party



- The cost to members of being affiliated is minimal. It costs members only \$1.30 each per year to be affiliated to the Labour Party. That is less than one cup of coffee.
- The DWU can only affiliate with the Labour Party. No other NZ political party allows unions to do this. The DWU cannot affiliate with National or the Greens.
- Unions like the DWU established the Labour Party nearly 100 years ago. Union members realised that to have a say, workers needed a political party to represent their views and objectives. The Labour Party was created to achieve this purpose.
- The affiliation vote is about the need for us as a union to exert the most political influence we can for the benefit of our members and workers generally. The affiliation ballot is not a vote/referendum on the performance or personalities of the current Labour Party or poll ratings.
- The DWU and the Labour Party share the same vision of making NZ a better, fairer and more equal country. A country where all workers have access to decent wages and conditions and access to affordable public services such as health, education and housing. Affiliation gives the DWU the ability to make this a reality.

**The DWU Officers and National Executive support the DWU being affiliated to the Labour Party and recommend members vote in favour of remaining affiliated at Site AGMs.**

*"As DWU President I strongly recommend that you vote to continue our union's affiliation to the Labour Party. We need to maintain our influence with them for the betterment of all DWU members."*

*—National President-Brett Brown*



*"I support our continued affiliation with Labour so DWU members have a direct voice. Labour is the only political party that accepts union affiliation".*

*—National Vice President-Shane Stieller*

*'Like you, some of us may not give both of our votes to Labour in the next election... but we will all be voting as Dairyworkers to keep the DWU affiliated to the Labour Party. We need to get and maintain good workplace laws and protections. Affiliation helps the DWU to do this'.*



**NZDWU National Executive**

DATE	TIME	SITE	VENUE
<b>NORTHERN</b>			
Monday, 8 July	12noon	Puhoi	Puhoi Sports Club
Tuesday, 9 July	6.00am	Kauri	On Site
	1.00pm	Maungaturoto	On Site
	6.00pm	Tip Top	Cafeteria
	8.00am	Tip Top	Cafeteria
Wednesday, 10 July	11.00am	Auckland Port Stores	Smoko Room
	2.00pm	Takanini	Cafeteria
	6.00pm	Takanini	Cafeteria
	8.00am	Paerata	Smoko Room
Thursday, 11 July	12noon	Victoria Street	On Site
<b>WAIKATO/BOP</b>			
Wednesday, 3 July	7.00am	Canpac	Cafeteria
	12noon	Crawford Street	On Site
	3.00pm	Canpac	Cafeteria
	12midnight	Canpac	Cafeteria
Thursday, 4 July	11.00am	GF Frankton	On Site
	3.00pm	Timpack Hamilton	Upstairs Smoko Room
	5.00pm	London Street	Level 4
	8.00am	Te Awamutu	Training Centre
Monday, 22 July	9.00am	Waharoa	On Site
Tuesday, 23 July	11.00am	Morrinsville	Butter Cafeteria
	2.00pm	Waitoa	Waitoa Hall
	3.45pm	Tatua	Cafeteria
	12.30pm	Reporoa	Cafeteria
Wednesday, 24 July	4.00pm	Hautapu	Social Club
	7.00am	Te Rapa	Training Room
Thursday, 25 July	11.00am	Tirau	Upstairs Smoko Room
	2.30pm	Lichfield	Glaxo Room
	8.00am	Edgecumbe	Cafeteria Meeting Rm
	1.00pm	Mt Maungauni Cool Store	On Site
Friday, 26 July	2.15pm	Tauranga Port Stores	On Site
	3.00pm	Dairy Blenders	On Site
Friday, 9 August			
<b>CENTRAL</b>			
Tuesday, 16 July	8.00am	New Plymouth Port Stores	Smoko Room
	2.00pm	CCP Eltham	Town Hall
Monday, 29 July	10.30am	Pandora	On Site
	2.00pm	Makomako Road	Smoko Room
Tuesday, 30 July	1.00pm	Te Roto Drive	Boardroom
Wednesday, 31 July	7.00am	Pahiatua	Old Admin
	11.00am	Lion	Smoko Room
	2.00pm	Longburn	Old Admin
	10.00am	Kapuni	On Site
Thursday, 1 August	2.00pm	Whareroa	Theatre
<b>SOUTHERN</b>			
Monday, 29 July	9.00am	Edendale	Town Hall
	1.00pm	Stirling	On Site
Tuesday, 30 July	9.00am	Mosgiel	On Site
	2.00pm	Studholme	On Site
Wednesday, 31 July	9.00am	Clandeboyne	Hall
	1.30pm	Halswell Junction	Smoko Room
Thursday, 1 August	6.00am	Christchurch Drivers	Smoko Room
Monday, 5 August	8.00am	Westland Hokitika	Rugby Hall
	2.30pm	Timpack Nelson	On Site
Tuesday, 6 August	6.30am	Darfield Drivers	On Site
	8.00am	Darfield	On Site
	8.00am	Takaka	Whites Cafeteria
	12noon	Westland Rolleston/Synlait	Rolleston
	12.30pm	Brightwater	On Site
	3.00pm	GF Christchurch	Smoko Room
	6.00pm	GF Christchurch	Smoko Room
	5.15pm	Tua Marina	On Site
Tuesday, 13 August	9.00am	Kaikoura	Smoko Room
Wednesday, 14 August	3.00pm	Dairyworks	On Site