

Media Backgrounder

Industrial action by the Dairy Workers Union at Open Country's Waharoa site

- The staff who are members of the union represent less than one-third of the total staff at the site. The remaining 2/3rds of the workforce continue to work at the site.
- This is the first time in five years of operation that there has been anything other than a harmonious relationship between the company and its staff.
- On 25th June the union presented an employment proposal on behalf of those 35 members which was unacceptable to the company. The demands would have increased labour costs by over 40 per cent making the business totally uneconomic.
- In response the company made an offer which included a pay rise of 30% above the current CPI. The company is willing to re-engage on that at any time, but not under the constant threat of strike action.
- The union issued an 8-day strike notice which would apply from 16th September during the period of peak milk supply of 2 million litres per day coming into the site for processing.
- Before and during the strike there were over 20 documented incidences of suspected industrial sabotage. These incidents included effluent leakage, damage to property, foreign materials in ingredients and bolts being tampered with on factory equipment. These incidents are being investigated.
- During the strike, there was intimidation of non-union staff. Company property was damaged.
- As a result of the Union's approach a lockout notice was issued by the company effective 24th September. The employment court ruled on Friday 25th September that the lockout was not lawful.
- On advice, the company suspended the striking workers on full pay. This was done to meet its obligations to other staff and customers under the Health & Safety in Employment Act and the Food Act. The company has legal duties to protect the health and safety of its staff while they are at work and to protect the integrity of the food the factory produces. The suspensions will continue until the outcome of the investigations into industrial sabotage are known.
- Farmers cannot stop milking. Animal welfare issues and environmental concerns, as well as the commercial implications, mean that milk must not be dumped. The company's focus is to provide certainty and continuity for 300 dairy farmer suppliers and the two-thirds of the staff who are not involved in the action. There is a strong commitment from management and staff that they will do what they can to keep the plant running.
- The plant continues to run with the support of management and staff at the factory, and staff from other sites within the Group.
- On 1 October the Employment Court found in favour of the Group using staff from other sites to support management and staff of Open Country Cheese running the Waharoa site.