

Shoeshine

A chance for change at Talley's

Mystery surrounds why Michael Talley is no longer involved in the company.

By **Victoria Young**

Mon, 01 Jul 2019

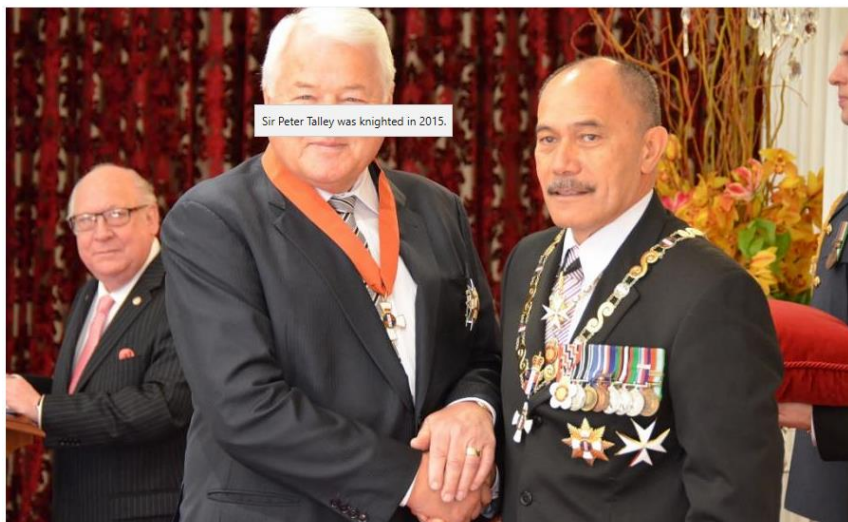


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In her 2014 Ethel Benjamin address, then Justice Helen Winkelmann warned of the courts becoming a luxury service, noting new language describing litigants as "customers," and justice becoming a market.

If courts are becoming a business, then the Talley family, estimated to be worth \$385 million on the *NBR Rich List*, is surely its No 1 customer.

Talley's Group is a privately-owned agribusiness company established in 1936 in Motueka by Ivan Talijancich.

It has grown from modest beginnings as a fishing company into one of the country's biggest agribusinesses, with interests in fishing and seafood, meat, dairy, frozen foods and mining along with contract manufacturing of food products for private labels.

The highly secretive family has long courted controversy over its approach to industrial relations and workplace safety, lobbying for less union power and a watering down of health and safety legislation.

The group continues to rack up court cases to the extent that its endless battles with employees or unions now seldom make media headlines.

There has been such an abundance of Talley's group litigation in recent years that the cases can broadly be categorised into three groups.

First, from the unjustifiably dismissed fisherman to the scorned executive chef, individuals fight claims against various Talley's units in the Employment Relations Authority.

Such claims usually are worth tens of thousands of dollars – chump change to the family which runs one of New Zealand's biggest food giants – but not insignificant for their employees who are arguably less savvy about court processes.

The second wave of cases is in health and safety – most commonly taken by WorkSafe over injuries at sea or at Talley plants.

The most recent was a three-year battle over a forklift accident at a vegetable factory, which left a woman a paraplegic. That one progressed over technicalities surrounding the charging documents the regulator produced. The Talleys lost in April after the Supreme Court decided Talley's Group could not keep appealing.

The third bunch of claims and the most high-profile clashes are between the group and the unions.

For example, the NZ Meat Workers & Related Trades Union claims to have lodged 60 claims against the family's associated companies since 2010.

The union's most recent fight also went to the nation's top court, which found Talley-owned Affco was in the wrong for locking out workers back in 2015.

One could argue, as lawyers do, that pushing these cases – particularly at appeal level – creates legal precedent that helps clarify the law for other employers. But Shoeshine somehow doubts the Talley family's familiarity with the courts is just a desire to test legal boundaries.

The other brother

The billion-dollar Talley dynasty has until recently remained under the direction of the founder's two sons. They are big political donors, with the family-owned fishery company ranking the second-highest donor at last year's election, funding candidates from three different political parties.

Sir Peter is the more public-facing brother and is said to be the one who calls the shots. He was knighted in 2015, having held memberships on several seafood industry bodies, founded a museum for the World of Wearable Art and rescued Moteuka's hospital.



Michael Talley.

However, it is the lesser-known brother Michael's retirement from the food production empire that Shoeshine sees as an opportunity for a new business approach by the family.

In September last year, Michael was quietly removed from Companies Office records as a director from various entities including the main holding company Talley's Group's meat business South Pacific Meats, hospitality business Rutherford Hotel Holdings, seafood brand Amaltal and Talley Frozen Foods and the list goes on.

Just why that occurred has not been made public, though there's plenty of speculation about internal family discord.

At this time last year Michael was a director of 16 companies in the group but he no longer holds any directorships in the Talley's broad empire.

Companies Office records do not show any replacements for Michael's directorships but, perhaps crucially, he still has a 20% shareholding in parent company Talley's Group.

Despite inquiries from *NBR* the Talley family has maintained its usual silence on the circumstances leading to Michael's retirement as a director. Neither Michael nor Sir Peter responded to requests for comment.

Even senior people at Talley's appear to be in the dark. When asked what Michael was doing now, Affco director Dane Gerrard said, "to be perfectly honest, I don't know," before promptly hanging up the phone.

Opportunity for change

One benefit of the Talleys' litigious nature is that the courts have been able to shed some light on Michael's modus operandi. While both brothers are said to be tough businessmen, one critic described Peter as more of a gentleman.

In 1992 then chief employment judge Tom Goddard described Michael's behaviour as "harsh and oppressive" in a ruling in favour of fisheries workers.

The judge noted Michael's position of influence in small towns at the top of the South Island where "he is seen as the personification of one of the largest employers in the area."

The court found a power imbalance and that workers were persuaded by Michael who provided an "LV Martin guarantee" rather than amend employment contracts.

Michael "did not display the strength of character needed to resist the temptation to take advantage of employees who were unable and unaided to look after their own interests," the judge found, in a case that was taken not just against Talley's but Michael individually.

Fast forward to more recent disputes and similarly, in 2015, the meat worker's union sought to paint Michael as "effectively controlling" South Pacific Meats, making allegations of anti-union behaviour against him as an individual. The union claimed that Michael was the mastermind behind its anti-union tactics, although the claims were contested by Talley representatives.

Whether Michael's absence from the business amid a political climate where unions are becoming stronger will change the culture within the family's various businesses remains to be seen.

Often with *NBR* Rich Lister families, care is taken to pass on the business to the next generation in a way that maintains the consistency of previous leadership.

Little is known about Peter's son, Andrew, and Michael's son, Milan, except that they both hold directorships and shareholdings throughout the Talley's empire.

Andrew has been more visible in the seafood community than his cousin Milan, penning an industry letter last year criticising government moves to put cameras on commercial fishing vessels – a move he described as the government "jumping to a heavy-handed solution without actually understanding the cause."

Shoeshine has little issue with the Talleys wanting to remain a private family as they run a private business.

However, it's hoped the next generation will move on from the family's previous litigious traditions and adopt more modern business practices given the influence it has as an employer nationwide.

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Tue, 02 Jul 2019 - 10:19am

A good summary Victoria.

"Internal family discord" can be easily summarised as Michael Talley physically attacking Andrew in a Talley's board room meeting in September 2018.

Andrew Talley has demonstrated his hand shake is worth little. In reaching a settlement with AFFCO in May 2012 (3 month Lock out) with NZ IWI acting as mediators (Novotel Auckland International Airport), Andrew promised a positive future relationship with the MWU. Nothing changed, in fact MWU has been forced to defend successfully the Employment Court decisions in the Court of Appeal and Supreme Court since.

Talley's prefer to leave Dane Gerrard in charge of Human Resources at all meat plants. Hanging up the telephone demonstrates his acquired skills.

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