



Work Stoppages: 2011 Calendar Year



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WORK STOPPAGES: 2011 CALENDAR YEAR

Highlights

- Twelve work stoppages ended in 2011.
- 2,098 employees were involved.
- The estimated loss in wages and salaries in 2011 was \$1 million.

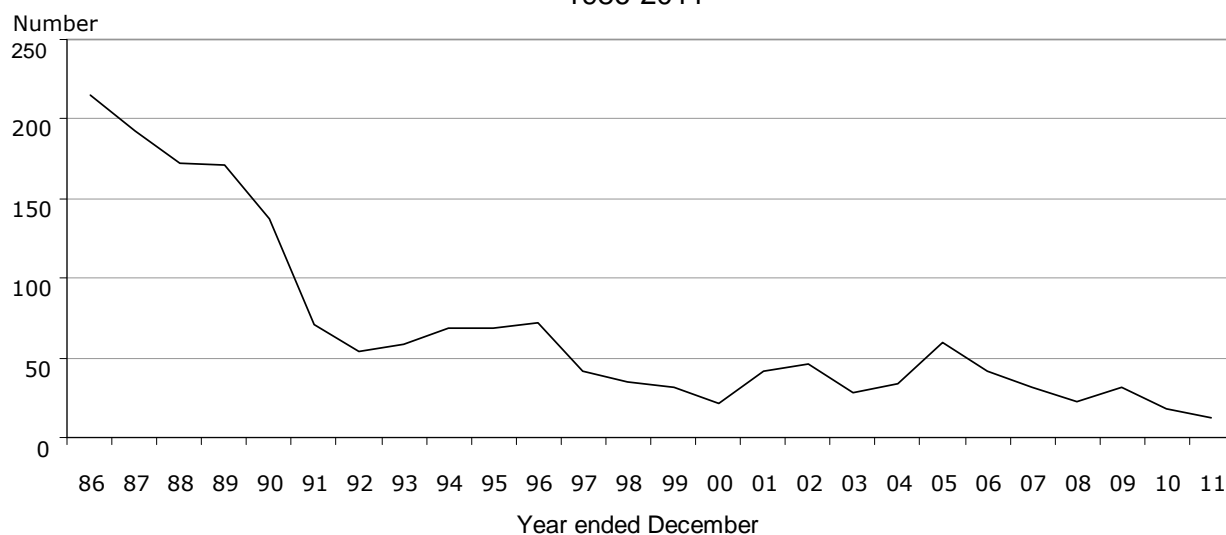
Table 1: Annual work stoppages

Calendar year	Number of stoppages	Number of employees involved	Person-days of work lost	Estimated loss in wages and salaries \$(million)
2004	34	6,127	6,162	1.0
2005	60	17,752	30,028	4.8
2006	42	10,079	27,983	5.2
2007	31	4,090	11,439	1.9
2008	23	C	C	C
2009	31	8,951	14,088	2.4
2010	18R	C	C	C
2011	12	2,098	4,850	1.0

Symbols
 C confidential
 R revised

Number of work stoppages

1986-2011



Commentary

Work Stoppages: 2011 Calendar Year is the first release of work stoppages data by the Department of Labour. Previous releases were done on a quarterly basis by Statistics New Zealand and can be found on their website.

Annual comparisons

Twelve stoppages ended in the 2011 calendar year¹, a decrease of six stoppages compared with the 2010 calendar year. This is the lowest number of stoppages recorded for any year in the current time series, which started in 1986.

The 12 work stoppages that ended in 2011 consisted of eight complete strikes, three partial strikes and one lockout. All stoppages involved 2,098 employees, a loss of 4,850 person-days of work, and an estimated \$1 million loss in wages and salaries.

In comparison, the 18 stoppages that ended in 2010 comprised 12 complete strikes, five partial strikes and one lockout.

Table 2: Average annual loss per employee involved

Calendar year	Person-days of work lost per employee	Loss in wages and salaries per employee (\$)
2005	1.7	271
2006	2.8	517
2007	2.8	466
2008	C	C
2009	1.6	266
2010	C	C
2011	2.3	458

Symbols

C confidential

Industrial distribution of stoppages

The industry with the highest number of stoppages in 2011 was manufacturing with four stoppages. Manufacturing also had the largest number of employees involved (1,086).

¹ A work stoppage is included in these statistics if it was completed before 31 December 2011 and the form 3 was sent to the Department of Labour.

Table 3: Industry distribution of work stoppages

Industry group ⁽¹⁾	Number of stoppages
Manufacturing	4
All other industries combined ⁽²⁾	8
Total	12

1. Australian and New Zealand Standard Industrial Classification, 2006 (ANZSIC06)
2. The 'All other industries combined' group includes administrative and support services; public administration and safety, education and training, financial and insurance services, electricity, gas, water, and waste services; construction and arts and recreation services which had less than three stoppages each.

Sector distribution of stoppages

Eight private sector stoppages ended in 2011, three less than the private sector stoppages in 2010. Four public sector stoppages ended in 2011, down from seven in 2010 (revised figure).

Private sector stoppages ending during 2011 involved 1,794 employees, and losses of 4,346 person-days of work and an estimated \$0.8 million in wages and salaries.

Public sector stoppages involved 304 employees and losses of 504 person-days of work and an estimated \$0.2 million in wages and salaries for the same period.

Resolution of stoppages

The underlying dispute was resolved in seven of the twelve stoppages that ended in 2011; 58 percent compared to 78 percent (revised figure) in 2010. Of the seven resolved stoppages, five of them were resolved through negotiation between the employer and employee or their representatives, one stoppage was resolved through mediation services provided by the Department of Labour, and one was resolved through mediation provided by a private provider.

Five of the work stoppages that ended in 2011 did not have the underlying dispute resolved.

Ongoing stoppages

Three work stoppages were ongoing as at 31 December 2011. As these stoppages did not end during the calendar year, they are not counted for statistical purposes under this report.

Revision

The 2010 calendar year data had been revised after receiving additional information.

Main indicator	2010 calendar year	
	Published	Revised
Number of stoppages	17	18

TECHNICAL NOTES

What work stoppage information is designed to measure

Work stoppage information is used as an indicator of the state of industrial relations in New Zealand. It focuses particularly on the economic impact of events such as strikes and lockouts, and does not cover forms of industrial unrest such as authorised stopwork meetings, strike notices, protest marches and public rallies. Demarcation and coverage disputes are included only where the participants are on strike or locked out.

Recording work stoppage statistics

Work stoppage statistics are compiled from the record of strike or lockout forms submitted to the Department of Labour under section 98 of the Employment Relations Act 2000. Stoppages are identified by scanning newspapers and by regular contact with employee and employer organisations. Once a dispute is identified, a form is sent to the employer for completion. Information gathered in this way is used to estimate the number of stoppages that are in progress at the end of each month.

All data relating to each work stoppage is recorded in the month in which it ends. If there are two or more separate periods of industrial action that relate to the same issue, then these are grouped together and counted as one stoppage. A single stoppage may therefore consist of one or more periods of industrial action held in different places or at different times, but which concern the same issue. However, if the separate periods occur more than two months apart, they are classified as separate stoppages.

From the beginning of 2000, published statistics relate to complete strikes and lockouts that involve the equivalent of five or more person-days of work lost. Previously, published statistics related to 10 or more person-days of work lost. Partial strikes and partial lockouts are also included in the published statistics.

Work stoppages that are defined as unlawful under section 86 of the Employment Relations Act 2000 are treated in the same way as legal stoppages in these statistics.

Employment Relations Act

The Employment Relations Act was passed into law on 2 October 2000. This replaced the Employment Contracts Act passed on 15 May 1991.

Under the Employment Relations Act, strikes and lockouts are lawful:

- if they relate to bargaining for a single party or multi party collective agreement
- if any existing collective agreement (or collective employment contract under the Employment Contracts Act 1991) has expired
- if the parties began bargaining at least 40 days previously
- in some other very limited circumstances where part of a collective agreement is illegal and the Employment Court has made an order suspending part of the agreement.

The only employees who can lawfully strike or be locked out are those who will be bound by the collective agreement being bargained for.

The Employment Relations Act requires that unions give notice of any strike, and that employers give notice of any lockout if the strike or lockout involves an essential service and will affect the public interest. These are listed in schedule 1 of the Employment Relations Act. The Department of Labour offers mediation services when employers, employees and unions disagree over employment issues. Its aim is that simple, clear information is provided to employers, employees, and unions to reach a mutual agreement.

Coverage of work stoppage statistics

Work stoppage statistics are compiled by the Department of Labour from the 'record of strike or lockout' form' submitted by employers, within one month of a work stoppage. Stoppages are identified through media sources and by regular contact with employee and employer organisations. Strike or lockout forms received after the current publications, that are deemed to pertain to the current year, may be included in a revision in the next year's publication.

Recording long-running work stoppage statistics

In the case of long-running stoppages, as with all stoppages, employers are regularly contacted to see if the stoppage is no longer causing the loss of person-days of work, wages and salaries, and has little or no impact on the operation of the organisation. Once this is confirmed, the stoppage statistics will be concluded in that month and removed from the ongoing stoppages statistics. However, if the stoppage continues to have these impacts the stoppage statistics will not be concluded.

Definitions

A stoppage is made up of a series of events, all related to the same issue. Stoppages have two characteristics: type and degree.

The type of action is either a strike (action initiated by an employee) or a lockout (action initiated by the employer). The statutory definition of strikes and lockouts is given in sections 81 and 82 of the Employment Relations Act.

The degree of action is a measure of the severity of the stoppage, which is either complete or partial. Complete strikes involve the complete withdrawal of labour for a period, and include unauthorised stopwork meetings, as well as failure to resume work immediately after authorised stopwork meetings. Partial strikes involve a reduction of normal output and include go-slows, refusal to work overtime, working to rules, and other means of passive resistance that are clearly manifested.

Complete lockouts involve an employer discontinuing the employment of any number of employees for a period. They are similar to complete strikes but are initiated by employers. Partial lockouts arise from the act of an employer that, although allowing employees to work normal hours of work, withdraws the provision of other contractual obligations such as the opportunity to work overtime or the payment of penal rates.

Work stoppages with more than one event are classified according to the following guidelines:

1. A complete stoppage will always be recorded over a partial stoppage.

Example: Employees at Firm A implement an overtime ban (a partial strike), but later completely withdraw their labour over the same issue. The stoppage is recorded as a **complete strike**.

2. In cases where the type of action changes but the degree of action does not change, the stoppage is recorded as having the type of whichever event came first.

Example: Employees at Firm A initially withdraw all labour before being locked out by their employer at a later date. In this case the stoppage is recorded as a **complete strike**.

3. In stoppages where both the type and the degree of action change, the degree of action is always complete and the type of action is always that of any complete stoppage.

Example: Employees at Firm A implement an overtime ban (a partial strike) and later Firm A completely locks their employees out. This stoppage is recorded as a **complete lockout**.

Indicators of work stoppages

The indicators used to measure stoppage activity include the number of stoppages (measuring frequency), the duration of stoppages (measuring persistence), the number of employees involved (measuring extent), the number of person-days lost (measuring economic impact) and the estimated loss in wages and salaries (also measuring economic impact).

The number of employees involved includes not only those directly involved, but also non-striking employees who are not locked out but are unable to perform normal work as a direct result of the stoppage. Employees involved in two or more periods of industrial action that comprise only one stoppage are counted only once in the series.

The amount of time not worked by employees involved in strikes and lockouts is reported by employers in terms of the total number of hours lost. A standard eight hour day is then used to calculate the number of person-days of work (previously termed working days) lost.

In calculating the estimated loss of wages and salaries, no account is taken of the fact that work not performed during the period of the stoppage may often be performed and paid for at a later date. However, account is taken of orders of the Employment Court to pay workers arrears for work that is done and not compensated for at the rate set down in their employment agreement. These payments are deducted from losses of wages and salaries, where such information is available.

In the event that the loss in wages and salaries is not provided for a complete strike (or lockout), an estimated loss will be calculated using the total number of hours lost for the stoppage and an estimated wage rate based on data from the Quarterly Employment Survey.

Available statistics

Work stoppages are classified by industry, institutional sector (private or public), region, cause, method of dispute resolution (how the dispute was resolved), and method of achieving a return to work.

Subject to confidentiality rules, the full range of indicators for work stoppages is available for the following ANZSIC 2006 categories:

- Agriculture, forestry, and fishing
- Mining
- Manufacturing
- Electricity, gas, water, and waste services
- Construction
- Wholesale trade
- Retail trade
- Accommodation and food services

- Transport, postal, and warehousing
- Information, media and telecommunications
- Finance and insurance services
- Rental, hiring, and real estate services
- Professional, scientific, and technical services
- Administrative and support services
- Public administration and safety
- Education and training
- Health care and social assistance
- Arts and recreation services
- Other services.

More information

Historical information can be found on the Statistics NZ website.

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