

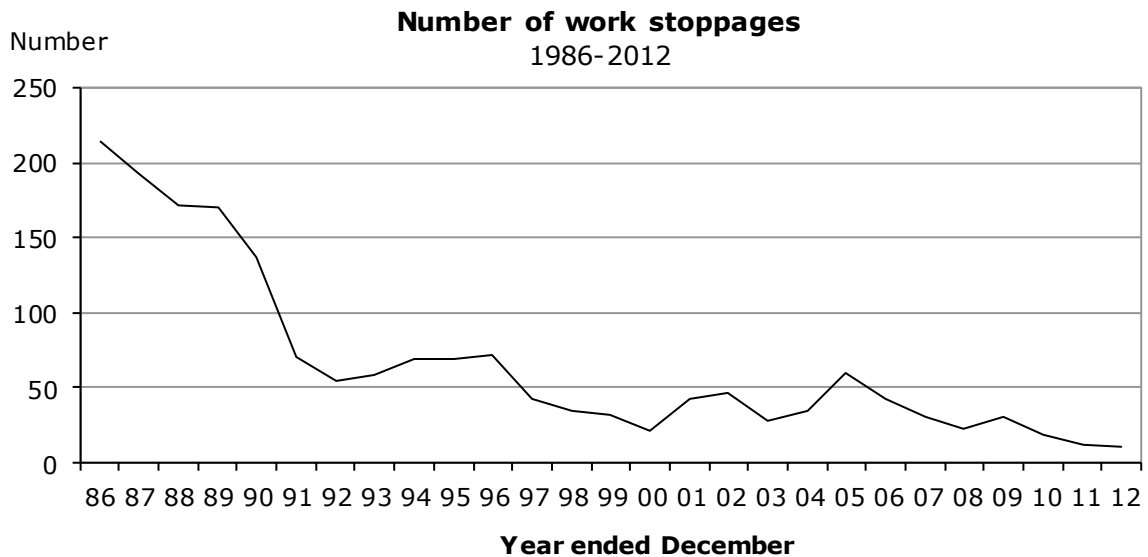
# WORK STOPPAGES: 2012 CALENDAR YEAR

## Highlights

- Ten work stoppages ended in 2012.
- 5,179 employees were involved.
- The estimated loss in wages and salaries in 2012 was \$13.6 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)
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
2012	10	5,179	78,589	13.6
<b>Symbols</b> C confidential R revised				



## Annual comparisons

Ten stoppages ended in the 2012 calendar year<sup>1</sup>, a decrease of two stoppages compared with the 2011 calendar year. This is the lowest number of stoppages recorded for any year in the current time series, which started in 1986.

The ten work stoppages that ended in 2012 consisted of six complete strikes, three partial strikes and one lockout. Stoppages involved a total of 5,179 employees, a loss of 78,589 person-days of work, and an estimated \$13.6 million loss in wages and salaries.

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

**Table 2: Average annual loss per employee involved**

Calendar year	Person-days of work lost per employee	Loss in wages and salaries per employee (\$)
2006	2.8	517
2007	2.8	466
2008	C	C
2009	1.6	266
2010	C	C
2011	2.3	458
2012	15.2	7,514
Symbols		
C confidential		

## Industrial distribution of stoppages

The industry with the highest number of stoppages in 2012 year was transport, postal and warehousing with four stoppages.

**Table 3: Industry distribution of work stoppages**

Industry group <sup>(1)</sup>	Number of stoppages
Transport, postal and warehousing	4
All other industries combined <sup>(2)</sup>	6
<b>Total</b>	<b>10</b>
1. Australian and New Zealand Standard for Industrial Classification, 2006 (ANZSIC06)	
2. The 'All other industries combined' group includes manufacturing, public administration and safety, and healthcare and social assistance; which had less than two stoppages each.	

<sup>1</sup> A work stoppage is included in these statistics if it was completed before 31 December 2012 and the form 3 was sent to the Ministry of Business, Innovation and Employment.

## **Sector distribution of stoppages**

Nine private sector stoppages ended in 2012, one more than private sector stoppages in 2011. One public sector stoppage ended in 2012, down from four in 2011.

## **Resolution of stoppages**

The underlying dispute was resolved in seven of the ten stoppages that ended in 2012; 70 percent of stoppages compared to 58 percent in 2011. Of the seven resolved stoppages, three of them were resolved through negotiation between the employer and employee or their representatives and one stoppage was resolved without negotiation or other action.

Three of the work stoppages that ended in 2012 did not have the underlying dispute resolved.

## **Ongoing stoppages**

There were no work stoppages on-going as at 31 December 2012.

## **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 Ministry of Business, Innovation and Employment under section 98 of the Employment Relations Act 2000. Stoppages are identified by scanning newspapers and by regular contact with employees and employer's organisations. Once a dispute is identified in any of these ways, 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 Employment Relations Service 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 agreement among themselves.

## **Coverage of work stoppage statistics**

Work stoppage statistics are compiled by the Ministry of Business, Innovation and Employment from the 'record of strike or lockout form' submitted by employers, within one month of a work stoppage. Stoppages are identified by way of media sources and by regular contact with employee and employer organisations. Strike or lockout forms received after the current publication, which are deemed to pertain to the current year, may be included in a revision in the next years publication.

## **Recording long-running work stoppage statistics**

In the case of long-running stoppages, as with all stoppages, employers are regularly contacted. If the stoppage is causing the loss of person-days of work, wages and salaries, and has little and/or no impact on the operation of the organisation, then stoppage statistics will be concluded in that month and removed from the ongoing stoppages statistics. However, if the stoppage continues to impact on the operation of the organisations and results in the loss of person-days of work, wages and salaries, 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.

## **Copyright**

© **Crown copyright** [2013]

Material in this publication is subject to Crown copyright protection unless otherwise indicated. The Crown copyright protected material may be reproduced free of charge in any format or media without requiring specific permission. This is subject to the material being reproduced accurately and not being used in a derogatory manner or in a misleading context. Where the material is being published or issued to others, the source and copyright status must be acknowledged.

The permission to reproduce Crown copyright protected material does not extend to any material on this site that is identified as being the copyright of a third party. Authorisation to produce such material must be obtained from the copyright holders concerned.

## **Liability**

While care and diligence has been used in processing, analysing, and extracting data and information in this publication, the Ministry of Business, Innovation and Employment gives no warranty it is error free and will not be liable for any loss suffered through the use, directly or indirectly, of the information in this publication.

## **Timing**

Timed statistical releases are delivered using postal and electronic services provided by third parties. Delivery of these releases may be delayed by circumstances outside the control of the Ministry of Business, Innovation and Employment. The Ministry of Business, Innovation and Employment accepts no responsibility for any such delays.