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**LABOUR &  
COMMERCIAL  
ENVIROMENT**

**REASEARCH  
EVALUATION  
& ANALYSIS**



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# Annual Work Stoppage Statistics

**2014 Calendar Year**

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# WORK STOPPAGES: 2014 CALENDAR YEAR

## Highlights

- Thirteen work stoppages ended in 2014.
- 1,564 employees were involved.
- The estimated loss in wages and salaries in 2014 was \$0.3 million.

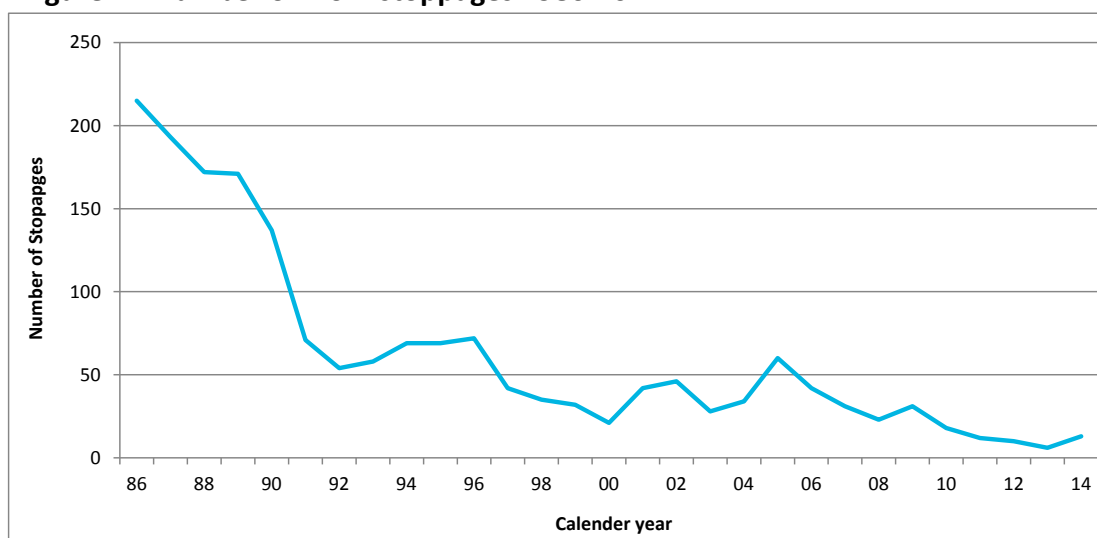
**Table 1: Annual work stoppages**

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	18	C	C	C
2011	12	2,098	4,850	1.0
2012	10	5,179	78,589	13.6
2013	6	270	483	0.12
2014	13	1,564	1448	0.3

Note: C confidential

Source: Statistics New Zealand and MBIE

**Figure 1: Number of work stoppages 1986-2014**



Source: Statistics New Zealand and MBIE

## Annual comparisons

Thirteen stoppages occurred in the 2014 calendar year, an increase of seven stoppages compared with the 2013 calendar year. This is the first increase in the otherwise downwards trend since 2009.

The thirteen work stoppages that occurred in 2014 consisted of twelve complete strikes and one complete lockout. These thirteen stoppages involved 1,564 employees, a loss of 1,448 person-days of work, and an estimated \$316,866 loss in wages and salaries.

In comparison, the six stoppages that ended in 2013 were all complete strikes. These stoppages involved 270 employees, a loss of 483 person-days of work, and an estimated \$115,513 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
2013	1.8	427
2014	0.9	203

Note: C confidential

Source: Statistics New Zealand and MBIE

## Industrial distribution of stoppages

The industry with the highest number of stoppages in 2014 year was Public Administrations and Safety.

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

Industry group <sup>(1)</sup>	Number of stoppages
Public Administrations and Safety	3
All other industries combined <sup>(2)</sup>	10
<b>Total</b>	<b>13</b>

Notes:

1. Australian and New Zealand Standard for Industrial Classification, 2006 (ANZSIC06)
2. The 'All other industries combined' group includes Transport, Postal and Fuel Delivery, Healthcare and Social Assistance, Manufacturing, Education and Training, Wholesale Trade, Retail Trade and Accommodation and Financial and Insurance Service. Each had two or less. Industry groups that had less than 3 strikes take place in 2014 are not individually identified to protect confidentiality.

## **Sector distribution of stoppages**

Eight private sector stoppages ended in 2014, double the amount of private sector stoppages in 2013. Five public sector stoppages ended in 2014, up from two in 2013.

Private sector stoppages ending during 2014 involved 690 employees, and losses of 1084 person days of work and an estimated 0.2 million in wages and salaries.

Public sector stoppages ending during 2014 involved 874 employees, and losses of 364 person days of work and an estimated 0.1 million in wages and salaries.

## **Resolution of stoppages**

The underlying dispute was resolved in seven of the thirteen stoppages that ended in 2014; 54 percent compared to 83 percent in 2013.

Of the seven resolved stoppages, four were resolved through negotiation between the employer and employee or their representatives and four were resolved through mediation.<sup>1</sup> The Ministry of Business Innovation and Employment was the provider of mediation in three out of the four stoppages.

Six of the work stoppages that ended in 2014 did not have the underlying dispute resolved.

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<sup>1</sup> Businesses were able to tick more than one dispute resolution method on the form. Consequentially more resolution methods were identified than the total of resolved strikes.

## 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. Forms are either proactively sent by businesses following a strike, or stoppages are identified by the Ministry by way of a media scan. In the latter case, a form is subsequently sent to the employer for completion.

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 provided they meet the threshold of five or more person-days of work lost.

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.

### Coverage of work stoppage statistics

Not all work stoppages are included in this report. Work stoppages are only included in the report if the stoppage:

- involved more than five person-days of work lost,
- ended before 31 December 2014, and
- was reported to the Ministry - a legislative requirement under the Employment Relations Act 2000.

Work stoppage statistics are compiled by the Ministry of Business, Innovation and Employment from the *Record of strike or lockout* form submitted by employers.

## 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).

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.

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.

## 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, work-to-rule, 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**.

## 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 Ministry of Business Innovation 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.

## **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. The full range of indicators are available on request from the Ministry of Business Innovation and Employment, subject to confidentiality rules.

## **More information**

Historical information can be found on the Statistics NZ website.

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