

Embargoed until 10:45 AM - Wednesday, April 22, 2009

## Work Stoppages: December 2008 quarter

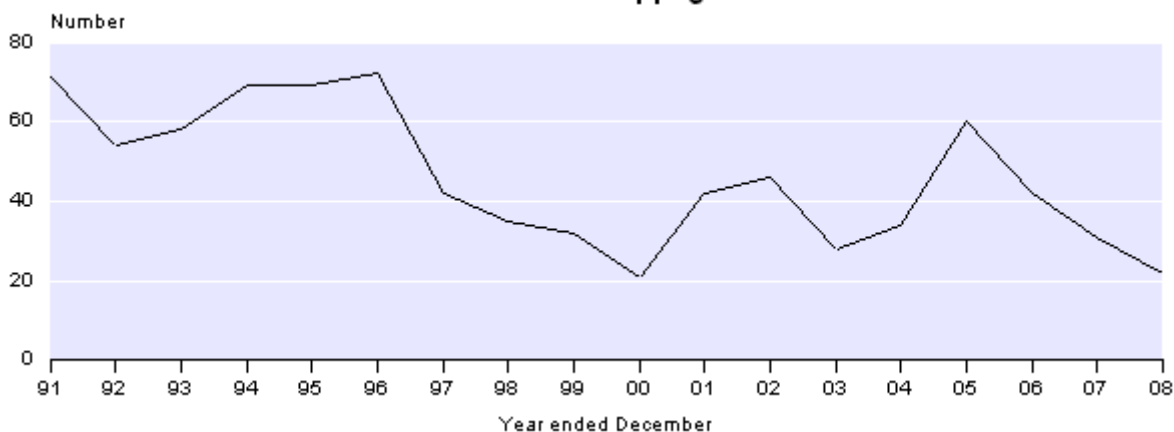
### Highlights

- 22 work stoppages ended in the December 2008 year.
- The estimated loss in wages and salaries for the December 2008 year was \$2.4 million
- 5 work stoppages ended in the December 2008 quarter.

Quarterly Work Stoppages				
Quarter	Number of work stoppages	Number of employees involved	Person-days of work lost	Estimated loss in wages and salaries \$(000)
December 2007	13	842	2,711	434
March 2008	3	118	178	24
June 2008	9	3,890	7,412	2,181
September 2008	5 R	551 R	480 R	62 R
December 2008	5	434	516	99

R revised

Number of Stoppages



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22 April 2009  
ISSN 1178-0703

## Commentary

Twenty-two work stoppages ended in the December 2008 year, nine fewer than the number ending in the December 2007 year.

### ANZISC 2006

This is the first publication of Work Stoppages that uses the Australian and New Zealand Standard Industrial Classification 2006 (ANZSIC 2006) which updates the 1996 version of this classification. There is expected to be little impact on the publication, due to the low number of stoppages each quarter. Note that industry outputs defined using ANZSIC 2006 are not directly comparable with those based on ANZSIC1996.

For more information about ANZSIC 2006 go to the [Statistics New Zealand website](http://www.stats.govt.nz) (www.stats.govt.nz).

### Annual comparison

The 22 work stoppages that ended in the year to December 2008 consisted of 18 complete strikes, four partial strikes, and zero lockouts. They involved 4,993 employees, and losses of 8,587 person-days of work and an estimated \$2.4 million in wages and salaries.

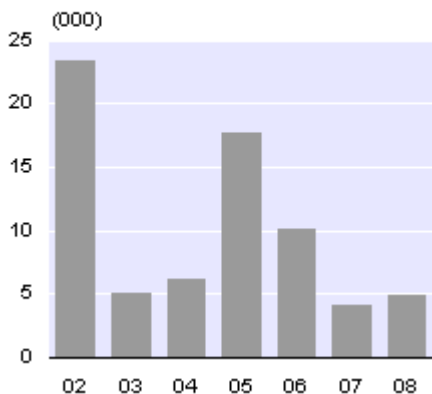
In comparison, the 31 stoppages that ended in the December 2007 year involved 4,090 employees, and losses of 11,439 person-days of work and an estimated \$1.9 million in wages and salaries.

Annual Work Stoppages				
December year	Number of stoppages	Number of employees involved	Person-days of work lost	Estimated loss in wages and salaries \$(million)
2006	42	10,079	27,983	5.2
2007	31 R	4,090 R	11,439 R	1.9 R
2008	22	4,993	8,587	2.4

R revised

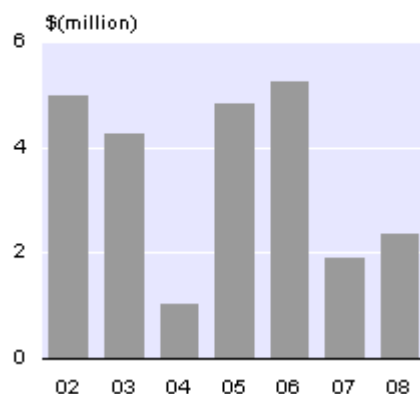
#### Number of Employees Involved

Year ended December



#### Estimated Loss in Wages and Salaries

Year ended December



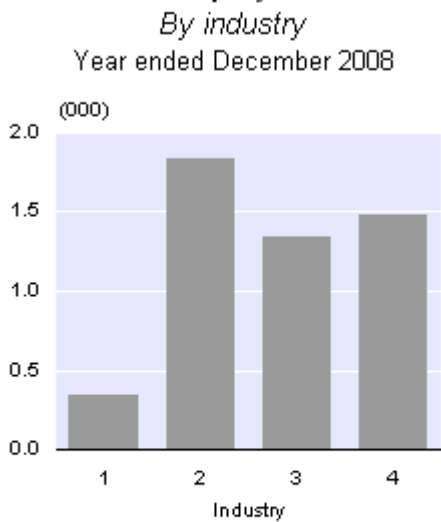
Average losses in person-days of work per employee decreased from the December 2007 year, however average losses in wages and salaries per employee increased over the same period. In the December 2008 year, an average of 1.7 person-days of work and \$474 in wages and salaries were lost per employee. This compares with 2.8 person-days of work, and \$466 in wages and salaries lost per employee in the December 2007 year.

Average Annual Loss per Employee Involved		
December year	Person-days of work lost per employee	Loss in wages and salaries per employee (\$)
2006	2.8	517
2007	2.8	466
2008	1.7	474

### Industry distribution of stoppages

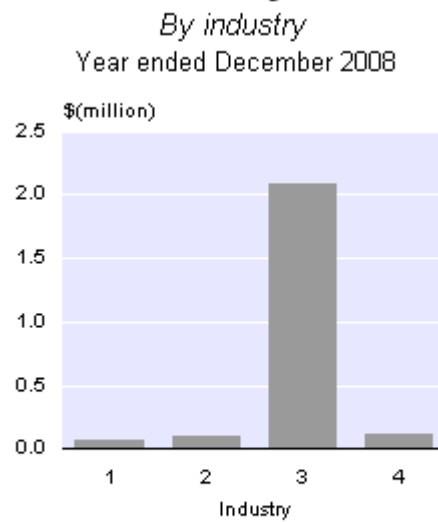
The manufacturing industry and the transport, postal and warehousing industry had the highest number of stoppages in the December 2008 year, with four stoppages each (total of 36 percent of all stoppages). The health care and social assistance industry had the highest loss in wages and salaries (88 percent of the total).

#### Number of Employees Involved



- 1 Manufacturing
- 2 Transport, postal and warehousing
- 3 Health care and social assistance
- 4 All other industries combined

#### Estimated Loss in Wages and Salaries



- 1 Manufacturing
- 2 Transport, postal and warehousing
- 3 Health care and social assistance
- 4 All other industries combined

## **Industry Distribution of Work Stoppages**

*Year ending December 2008*

<b>Industry group</b>	<b>Number of stoppages</b>
Manufacturing	4
Transport, postal and warehousing	4
Health care and social assistance	3
All other industries combined	11
<b>Total all industries</b>	<b>22</b>

**Note:** The 'All other industries combined' group covers: mining; electricity, gas and water services; construction; wholesale trade; retail trade and accommodation; information, media and telecommunications; professional, scientific and technical services; administrative and support services; public administration and safety; education and training; arts, recreation and other services.

### **Sector distribution of stoppages**

Ten public sector stoppages ended in the December 2008 year, up from the December 2007 year when there were eight public sector stoppages. Twelve private sector stoppages ended in the December 2008 year, down from 23 for the December 2007 year.

Public sector stoppages that ended in the December 2008 year involved 3,480 employees, and losses of 6,696 person-days of work and an estimated \$2.1 million in wages and salaries. Private sector stoppages involved 1,513 employees, and losses of 1,891 person-days of work and an estimated \$0.2 million in wages and salaries.

### **Resolution of stoppages**

The underlying dispute was resolved in 12 of the 22 stoppages that ended in the December 2008 year. Five of these were resolved through negotiation between the employer and employee or their representatives. Five stoppages were resolved through mediation services provided by the Department of Labour. The remaining two stoppages were resolved through mediation provided by a private provider.

Ten work stoppages that ended in the December 2008 year did not have the underlying dispute resolved.

## Revision

The September 2008 quarter data has been revised after receiving additional information. Figures for the number of work stoppages, number of employees, loss of person-days of work, and loss in wages and salaries have all been revised upwards.

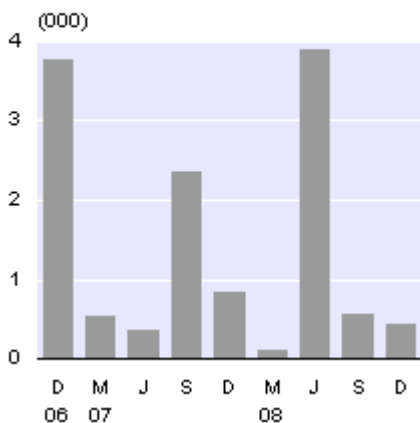
Revisions				
	September 2008 quarter		September 2008 year	
Main indicator	Published	Revised	Published	Revised
Number of stoppages	4	5	29	30
Number of employees	251	551	5,101	5,401
Person-days lost	93	480	10,393	10,781
Wages and salaries lost (\$000)	12	62	2,651	2,702

## Quarterly comparison

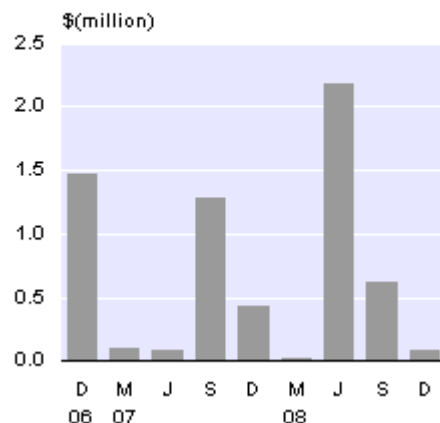
Five work stoppages ended in the December 2008 quarter, the same number as ended in the September 2008 quarter. The number of employees involved decreased in the December 2008 quarter, but losses of person-days of work, and losses in wages and salaries were both up from the September 2008 quarter.

Of the five stoppages that ended in December 2008 quarter, all were complete strikes. The stoppages involved 434 employees, and resulted in losses of 516 person-days of work and an estimated \$99,000 in wages and salaries. The September 2008 quarter had five work stoppages involving 551 employees, and losses of 480 person-days of work and an estimated \$62,000 in wages and salaries.

**Number of Employees Involved**  
Quarterly



**Estimated Loss in Wages and Salaries**  
Quarterly



## **Ongoing stoppages**

There were no ongoing work stoppages at 31 December 2008.

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## **Next release ...**

Work Stoppages: March 2009 quarter will be released on 22 July 2009.

## **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 by Statistics New Zealand from the record of strike or lockout forms submitted by 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 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, since the beginning of 1999, Statistics NZ has adopted the International Labour Organization (ILO) recommendation that 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 complete 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 Statistics NZ from the record of 'strike or lockout forms' submitted by the Department of Labour. Strike or lockout forms received after the current quarter's publication that are deemed to pertain to the current quarter, may be included in a revision in the next quarterly 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 still causing the loss of person-days of work, and wages and salaries. If, after three months, the stoppage is no longer causing the loss of person-days of work, and wages and salaries, and has little or no impact on the operation of the organisation, the 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 organisation and results in the loss of person-days of work, and wages and salaries, the stoppage statistics will not be concluded.

## **Definitions**

A stoppage is made up of a series of events, all relating 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 an 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, refusals 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 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 make up 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 in 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 repayments 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 (public or private), 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 work stoppages indicators is available for the following ANZSIC 2006 categories:

- Agriculture, forestry and fishing
- Mining
- Manufacturing
- Electricity, gas and water 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
- 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
- All industries.

In addition to published data, tables to meet specific requirements, such as sector or detailed industry breakdowns, are available on request from Statistics NZ.

## More information

For more information, follow the [link](#) from the Technical notes of this release on the Statistics NZ website.

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## **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 Statistics NZ. Statistics NZ accepts no responsibility for any such delays.

## Tables

The following table is printed with this Hot Off The Press and can also be downloaded from the Statistics New Zealand website in Excel format. If you do not have access to Excel, you may use the [Excel file viewer](#) to view, print and export the contents of the file.

1. Work stoppages
2. Work stoppages, 1978–2008
3. Work stoppages, by industry
4. Work stoppages, by regional council area
5. Work stoppages, by institutional sector
6. Work stoppages, by cause of stoppage
7. Work stoppages, by method of resolution of issue of dispute