

Embargoed until 10:45am – 22 October 2008

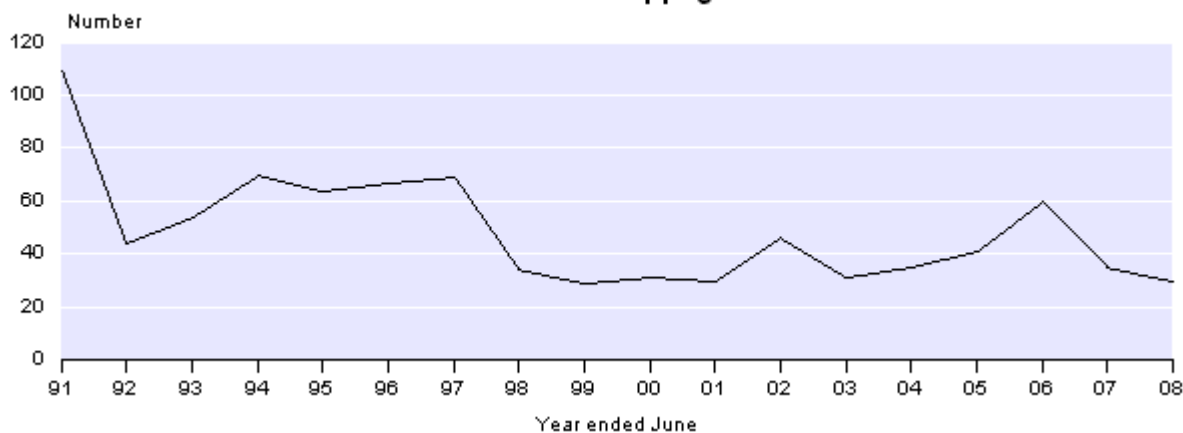
Work Stoppages: June 2008 quarter

Highlights

- Thirty work stoppages ended in the June 2008 year.
- The estimated loss in wages and salaries for the June 2008 year was \$3.9 million.
- Nine work stoppages ended in the June 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 \$(000s)
June 2007	5	354	533	83
September 2007	5	2,350	7,628	1,286
December 2007	13	842	2,711	434
March 2008	3	118	178	24
June 2008	9	3,890	7,412	2,181

Number of Stoppages



Geoff Bascand
Government Statistician

There is a companion Media Release published – [Work Stoppages: June 2008 quarter](#).

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Commentary

Overview

After annual levels of over 400 in the late 1970s, the number of work stoppages has stabilised to levels of under 100 since 1990. In the past 10 years the number of work stoppages has exceeded 40 in only two years – 2002 and 2006.

Thirty work stoppages ended in the June 2008 year, compared with 35 stoppages ending in the June 2007 year.

Annual comparison

The 30 work stoppages that ended in the year to June 2008 consisted of 23 complete strikes, five partial strikes and two lockouts. They involved 7,200 employees, and losses of 17,929 person-days of work and an estimated \$3.9 million in wages and salaries.

In comparison, the 35 stoppages that ended in the June 2007 year involved 6,474 employees, and losses of 21,015 person-days of work and an estimated \$3.5 million in wages and salaries.

Annual Work Stoppages				
June year	Number of stoppages	Number of employees involved	Person-days of work lost	Estimated loss in wages and salaries \$(million)
2006	60	16,628	27,536	5.3
2007	35	6,474	21,015	3.5
2008	30	7,200	17,929	3.9

Average losses in person-days of work per employee involved decreased from the June 2007 year, however average losses in wages and salaries per employee increased over the same period. In the June 2008 year, an average of 2.5 person-days of work and \$545 in wages and salaries were lost per employee. This compares with 3.2 person-days of work, and \$535 in wages and salaries lost per employee in the June 2007 year.

Average Annual Loss per Employee Involved		
June year	Person-days of work lost per employee	Loss in wages and salaries per employee (\$)
2006	1.6	320
2007	3.2	535
2008	2.5	545

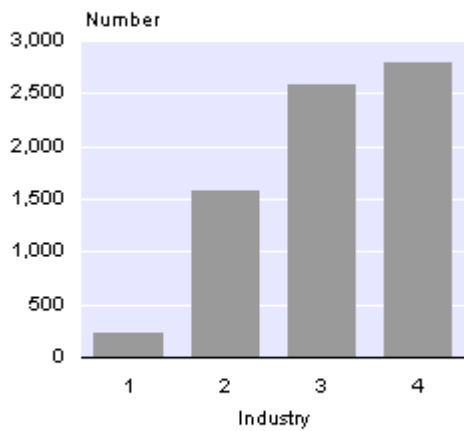
Industry distribution of stoppages

The manufacturing industry had the highest number of stoppages in the June 2008 year, with six stoppages (20 percent of all stoppages). The health and community services industry had the highest number of employees involved (contributing 36 percent of the total).

Number of Employees Involved

By industry

Year ended June 2008

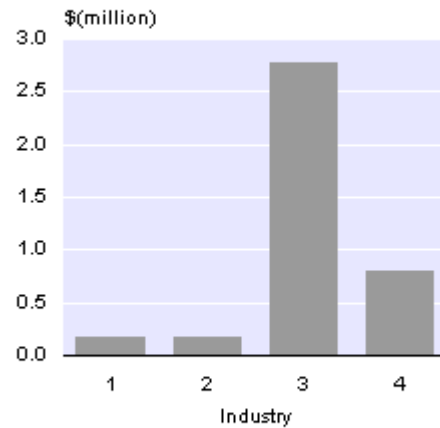


- 1 Manufacturing
- 2 Transport and storage
- 3 Health and community services
- 4 All other industries combined

Estimated Loss in Wages and Salaries

By industry

Year ended June 2008



- 1 Manufacturing
- 2 Transport and storage
- 3 Health and community services
- 4 All other industries combined

Industry Distribution of Work Stoppages

Industry group	Year ending June 2008
Manufacturing	6
Transport and storage	5
Health and community services	4
All other industries combined	15
Total	30

Note: The 'All other industries combined' group includes the following industries: mining; wholesale trade; accommodation, cafes and restaurants; property and business services; government administration and defence; education; and personal and other services.

Sector distribution of stoppages

Eleven public sector stoppages ended in the June 2008 year, down from the June 2007 year when there were 14 public sector stoppages. Nineteen private sector stoppages ended in the June 2008 year, down from 21 for the June 2007 year.

Public sector stoppages that ended in the June 2008 year involved 4,566 employees, and losses of 10,681 person-days of work and an estimated \$2.9 million in wages and salaries. Private sector stoppages involved 2,634 employees, and losses of 7,248 person-days of work and an estimated \$1.0 million in wages and salaries.

Resolution of stoppages

The underlying dispute was resolved in 16 of the 30 stoppages that ended in the June 2008 year. Eight 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.

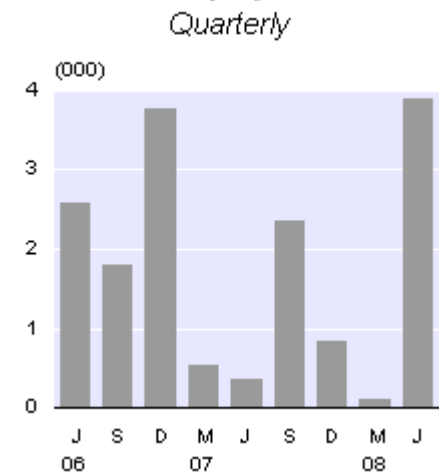
Fourteen work stoppages that ended in the June 2008 year did not have the underlying dispute resolved.

Quarterly comparison

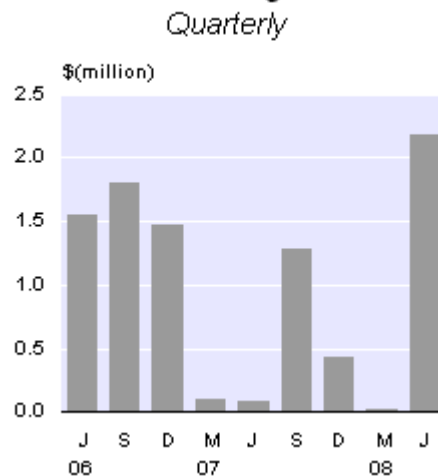
Nine work stoppages ended in the June 2008 quarter, up from the three stoppages ending in the March 2008 quarter. The number of employees, losses of person-days of work and losses in wages and salaries are all up from the March 2008 quarter.

Of the nine work stoppages recorded in the June 2008 quarter, there were six complete strikes and three partial strikes. The stoppages involved 3,890 employees, and resulted in losses of 7,412 person-days of work and an estimated \$2,181,000 in wages and salaries. The March 2008 quarter had three work stoppages involving 118 employees, and losses of 178 person-days of work and an estimated \$24,000 in wages and salaries.

Number of Employees Involved



Estimated Loss in Wages and Salaries



Ongoing stoppages

There were no ongoing work stoppages as at 30 June 2008.

For technical information please contact:

Becky Chen

Wellington 04 931 4600

Email: info@stats.govt.nz

Next release ...

Work Stoppages: September 2008 quarter will be released on 22 January 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. Stoppages are identified by way of media sources and by regular contact with employee or employer organisations. 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, wages and salaries. If, after three months, 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, 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, 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 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 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 categories:

- Agriculture, forestry and fishing
- Mining
- Manufacturing
- Electricity, gas and water supply
- Construction
- Wholesale trade
- Retail trade
- Accommodation, cafes and restaurants
- Transport and storage
- Communication services
- Finance and insurance
- Property and business services
- Government administration and defence
- Education
- Health and community services
- Cultural and recreational services
- Personal and 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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Tables

The following tables are 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

Work Stoppages: June 2008 quarter

Table 1

Work Stoppages⁽¹⁾⁽²⁾⁽³⁾

	Number of stoppages				Number of employees involved	Person-days of work lost ⁽⁶⁾⁽⁷⁾	Average person-days lost per employee involved	Estimated loss in wages and salaries ⁽⁸⁾ \$(000)
	Complete strike	Partial strike ⁽⁴⁾	Lockout ⁽⁵⁾	Total				
<i>Series ref: INS</i>	<i>SA1</i>	<i>SB1</i>	<i>SJ1</i>	<i>SC1</i>	<i>SF1</i>	<i>SG1</i>	<i>SH1</i>	<i>SI1</i>
December year								
2000	18	3	-	21	2,632	11,495	4.4	2,272
2001	38	2	2	42	22,022	54,440	2.5	7,682
2002	38	6	2	46	23,309	34,398	1.5	4,979
2003	21	7	-	28	5,098	19,463	3.8	4,250
2004	27	6	1	34	6,127	6,162	1.0	1,025
2005	56	3	1	60	17,752	30,028	1.7	4,813
2006	31	10	1	42	10,079	27,983	2.8	5,211
2007	26	3	2	31	4,090	11,439	2.8	1,907
Quarter								
2006 Jun	7	3	-	10	2,578	5,107	2.0	1,550
Sep	9	2	-	11	1,804	11,905	6.6	1,804
Dec	7	4	-	11	3,772	8,010	2.1	1,470
2007 Mar	7	1	-	8	544	568	1.0	104
Jun	5	-	-	5	354	533	1.5	83
Sep	3	1	1	5	2,350	7,628	3.2	1,286
Dec	11	1	1	13	842	2,711	3.2	434
2008 Mar	3	-	-	3	118	178	1.5	24
Jun	6	3	-	9	3,890	7,412	1.9	2,181
Month								
2007 Apr	1	-	-	1	..	..	..	..
May	2	-	-	2	..	..	..	..
Jun	2	-	-	2	..	..	..	..
Jul	3	-	1	4	..	..	..	..
Aug	-	-	-	-	..	..	..	..
Sep	-	1	-	1	..	..	..	..
Oct	3	1	-	4	..	..	..	..
Nov	2	-	-	2	..	..	..	..
Dec	6	-	1	7	..	..	..	..
2008 Jan	1	-	-	1	..	..	..	..
Feb	1	-	-	1	..	..	..	..
Mar	1	-	-	1	..	..	..	..
Apr	3	1	-	4	..	..	..	..
May	1	1	-	2	..	..	..	..
Jun	2	1	-	3	..	..	..	..

(1) All data relating to each stoppage is included in the period in which the stoppage terminated, regardless of when the stoppage began.

(2) From January 2000, complete strikes and lockouts that result in the loss of fewer than the equivalent of five working days are excluded. Prior to this, those that resulted in the loss of fewer than the equivalent of 10 working days were excluded.

(3) If two or more separate periods of industrial action that relate to the same issue occur, then these are grouped as one stoppage, provided there are not more than two months between periods. Employees involved in two or more periods are counted only once in the series. The series also includes non-striking employees who are suspended because of the unavailability of normal work during the stoppage.

(4) Reduction of normal rate of output.

(5) Includes partial lockouts.

(6) Rounded to nearest whole day.

(7) Previously termed 'working days lost'.

(8) Rounded to nearest \$1,000.

Symbols:

- nil or zero

.. figure(s) not available