

## RESEARCH NOTES

### Unions and Union Membership in New Zealand: Annual Review for 1993

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#### Introduction

Unionism in New Zealand has undergone fundamental changes over the past decade. These changes are both quantitative and qualitative. Specific aspects of these changes include a decrease in the number of unions (from 259 in 1985 to 67 in 1993), a decrease in the number of union members (from 683,006 in 1985 to 409,112 in 1993) and a decrease in union density (from 66 percent to 43 percent). Concentration of membership in fewer larger unions and an increase in average union size (from 2,637 in 1985 to 6,106 in 1993) are other quantifiable dimensions of these changes.

State sector reform, corporatisation, privatisation and general economic and industrial restructuring have been factors impacting on unionism, both in numerical and structural terms. Legislative change, however, has been the most significant underlying force behind these changes in the scale and structure of unionism. The "1,000" members rule under the Labour Relations Act 1987 and the abolition of union registration and compulsory unionism under the Employment Contracts Act 1991 are prime examples.

The Employment Contracts Act 1991 also abolished the Office of the Registrar of Unions and with it the official source for collection of data relating to trade unions in New Zealand. The last data from this source relate to the period of early 1991. Since then the authors have undertaken an annual survey of unions so as to maintain continuity in the union membership data series that had gone back to the 1890s. The authors have modelled their survey on that undertaken by the former Registrar, but have requested additional information on the gender of members and the industries in which they were employed. While the survey has been undertaken on a voluntary basis, there is every confidence by the authors that the data is as reliable now as that recorded previously. For example, just two unions declined to disclose their membership in the 1993 survey and alternative sources allowed us to estimate their membership with a degree of certainty.

\* Industrial Relations Centre, Victoria University of Wellington. This research was funded by the Public Good Science Fund administered by the Foundation for Research Science and Technology (FoRST Contract: VUW 8305). The authors are grateful to the many union officials who assisted with this research.

The main purpose of this research note is to report the data from the 1993 survey and thus outline the quantitative aspects of unions and unionism in New Zealand. The data from the 1991 and 1992 surveys have been reported earlier (Harbridge and Hince, 1993). It is also possible to place the current data in the context of changes over time, and to identify patterns of change. Tables 1 to 4 below, and associated descriptive material, are presented to meet those objectives. Minimal attention is given in this note to explanation or causality.

The final section includes some of the main qualitative changes that have occurred in the most recent year. These changes help explain the patterns of the numbers, and also give additional insights into the overall story of fundamental change.

### 1993 survey data

We have identified 67 unions with a combined membership of 409,112 in December 1993. The decline of membership since the Employment Contracts Act is illustrated in Table 1. From a membership of 603,118 members in May 1991 the decline was dramatic to 428,160 members in December 1992. This decline diminished between 1992 and 1993, being just four percent lower than membership in the previous year.

**Table 1: Unions, Membership and Density under the Employment Contracts Act**

	Unions	Membership	Density(a)	Density(b)
May 1991 (1)	80	603,118	63%	52%
Dec 1991 (2)	66	514,325	55%	45%
Dec 1992 (3)	58	428,160	46%	37%
Dec 1993 (3)	67	409,112	43%	34%

*Note:*

Union membership is reported as full-time equivalent union members. Density(a) is membership as the percentage of the full-time workforce as recorded in the Quarterly Employment Survey (QES) undertaken by Statistics NZ. The QES reports the number of employees and working owners in activity units employing 2.5 or more full-time equivalent employees. Density(b) is membership as a percentage of the full-time employed workforce as reported by the Household Labour Force Survey. In reporting density we have chosen to exclude part-time employees from the "workforce" as the reported union membership represents full-time equivalent members.

- (1) Department of Labour, Unpublished data made available to the authors.
- (2) Harbridge and Hince (1993).
- (3) Industrial Relations Centre Survey, December, 1992.
- (3) Industrial Relations Centre Survey, December, 1993.

Union membership and density fell in the expectation and then the reality of the Employment Contracts Act 1991. These effects continued to dominate in 1992 and 1993. An increasing trend to placing employees on individual contracts in contrast to collective contracts, a more general collapse of collective bargaining as reported above, and the repeal of the compulsory unionism provisions, were specific aspects of the new industrial

relations environment that impacted on union membership. Union density as a percentage of the full-time workforce, as measured in the QES, has declined from 63 percent as at May 1991 to 43 percent as at December 1993.

### **Unions: number and size**

Union membership by union size since the implementation of the Employment Contracts Act is reported in Table 2. The data for 1993 indicate a growth in the overall number of small unions (with less than 1,000 members) and a corresponding decrease in average union size.

The re-emergence of smaller unions is not an unexpected result of the Employment Contracts Act regime. The pressure for fragmentation will arise from various sources: workers, union officials and employers. It will be based on ideological and political, as well as practical grounds. Some evidence of fragmentation of unions on enterprise lines, or as alternative breakaway groupings to broader established unions, is beginning to appear. The National Union of Public Employees emerged as a breakaway from the Public Service Association, covering certain health workers and rescue firefighters in the Christchurch and Nelson regions. A small number of employees of the Ministry of Agriculture and Fisheries have also joined the National Union of Public Employees. Another new union, the Aotearoa Stevedoring Union, was formed to compete with the established Waterfront Workers Union on the Auckland waterfront. It was, however, dissolved in early 1993. Two new enterprise based unions in the tyre manufacturing industry have emerged - at Upper Hutt and in Christchurch. These unions have emerged with an enterprise focus from broader industry groups. The Administration and Clerical Workers Union emerged in a re-grouping of a small number of former New Zealand Clerical Workers Union members in Palmerston North.

### **Union membership by industry, gender and affiliations**

The historical data series collected by the Registrar of Unions was restricted to the number of unions and aggregate union membership. In conducting the survey since the introduction of the Employment Contracts Act we have sought to disaggregate data collected by industry. The data reported is an approximation, given that many unions had difficulties in determining the disaggregations requested. Notwithstanding, the data represents broad trends and directions of change.

Union membership by industry for the period 1991 to 1993 is shown in Table 3. The largest percentage losses have occurred in construction, trade (wholesale, retail, restaurants and hotels), agriculture, and mining - all sectors which have experienced losses in excess of 40 percent of the membership in just 24 months. The largest absolute loss was in the trade sector which lost nearly 30,000 members over the two years.

Table 2: Union Membership by Union Size

	May 1991				December 1991				December 1992				December 1993			
	Unions		Members		Unions		Members		Unions		Members		Unions		Members	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Under 1,000	4	5.0	2954	0.5	4	6.1	2750	0.5	7	12.1	5774	1.3	17	25.4	8461	2.1
1,000 - 4,999	48	60.0	99096	16.4	39	59.1	87119	16.9	32	55.2	69743	16.3	35	52.2	80779	19.7
5,000 - 9,999	8	10.0	64268	10.7	9	13.6	76489	14.9	6	10.3	42663	10.0	4	6.0	29361	7.2
Over 10,000	20	25.0	436800	72.4	14	21.2	347967	67.7	13	22.4	309980	72.4	11	16.4	290511	71.0
<b>Totals</b>	80	100.0	603118	100.0	66	100.0	514325	100.0	58	100.0	428160	100.0	67	100.0	409112	100.0
<b>Average Membership</b>			7539				7793				7382				6106	

Sources: Department of Labour, *Annual Reports*.  
Industrial Relations Centre, *Survey of Unions*.

Table 3: Union membership by industry

Industry	Membership			Decline 1991 to 1992		Decline 1991 to 1993		
	December year	1991	1992	1993	N	%	N	%
Agriculture		14,234	7,002	7,527	7,232	51	6,707	47
Mining		4,730	1,996	2,694	2,734	58	2,036	43
Manufacturing		114,564	97,409	94,224	17,155	15	20,340	18
Energy		11,129	11,721	9,784	(592)	(5)	1,345	12
Construction		14,596	3,930	6,936	10,666	73	7,660	52
Trade		64,335	34,976	30,294	29,359	46	34,041	53
Transport, comm		52,592	56,084	45,750	(3,492)	(7)	6,842	13
Finance		32,219	25,915	23,022	6,304	20	9,197	29
Public Service		205,925	189,130	188,881	16,795	8	17,044	8
Totals		514,324	428,163	409,112	86,161	17	105,212	20

There has been little change in the gender composition of unions. In 1991, exactly 50 percent of members were female. This dropped very slightly to 47 percent in both the 1992 and 1993 years.

The New Zealand Council of Trade Unions (NZCTU) was until recently the only central organisation of employees in New Zealand. In 1993, 33 unions representing 321,119 members (78 percent of all members) indicated they were affiliated to the Council. This represents a 28 percent reduction since 1991 in the numbers of employees who belong to unions affiliated with the Council. A small number of unions, eight, are affiliated to the New Zealand Labour Party. They are, however, large unions representing 20 percent of all union members between them. The data is in Table 4.

Table 4: Union affiliations 1991 - 1993

	NZCTU Affiliates		Labour Party Affiliates	
	Unions	Members	Unions	Members
Dec 1991	43	445,116	11	125,372
Dec 1992	33	339,261	7	106,630
Dec 1993	33	321,119	8	82,968

Information was also sought about affiliation to a new central organisation of employees, the New Zealand Trade Union Federation. Nine unions representing 20,800 members replied that they were affiliated to the Federation.

## Review

Three years after the implementation of the Employment Contracts Act, traditional unions remain the primary choice of bargaining agent for employees. There is little evidence of any widespread development of "staff associations" or employer sponsored groups that might not meet the test of employer independence - a situation the International Labour Organisation has asked the New Zealand Government to review. To date, 35 collective employment contracts covering 10,400 employees have been identified as being negotiated by staff associations. One of these "staff associations" is in fact a traditional (though never registered) "union" - the New Zealand Police Association and their contract covers some 6,250 employees. In the 1993 data we have treated this association as a union. The Accident Compensation Corporation Staff Association has negotiated the largest contract covering some 1,400 employees - a contract that was jointly negotiated with the New Zealand Public Service Association. Recently the executive of the Accident Compensation Corporation Staff Association resigned from their representative positions leaving the Public Service Association as the dominant bargaining agent. When these staff associations are excluded from the sample, the remaining staff associations cover just 2,300 employees - evidence that there is little widespread growth of "staff associations". These staff associations have not been treated as "unions" for the purposes of reporting the annual membership return.

Data for the 1993 year suggests that union decline may have "bottomed out" with unions losing fewer than 20,000 members in the 1993 year. Any resurgence in collective bargaining could arrest the decline altogether and lead to growth in union membership. That is our prediction for the coming year.

## Reference

Harbridge, R. and Hince, K. (1993), Unions and Union Membership in New Zealand 1985-1992, *New Zealand Journal of Industrial Relations*, **18(3)**: 352-361.