



Australian Social Trends

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Article: Trade union members

AUSTRALIAN BUREAU OF STATISTICS

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Trade union members

In 2007, around one in five employees belonged to a trade union compared with nearly one in two in 1986.

In the last twenty years, the industrial relations environment in Australia has undergone significant change. Beginning in the mid-1980s, there has been a series of legislative changes that have resulted in a move away from a centralised system of awards towards agreements at the enterprise and workplace level. The emphasis on decentralised bargaining, and the opening up of collective and individual bargaining to non-union members, has reduced the role of unions in the negotiation of wages and conditions (see also *Australian Social Trends 2008*, Industrial Disputes, pp. 136–139).^{1,2}

The last two decades have also seen changes in the composition of the labour force. Most of the growth in employment since the 1980s has occurred in industries where the level of trade unionisation has traditionally been relatively low, such as Property and business services.^{3,4} There has also been growth in part-time and casual employment (where unionisation rates are generally low) and a relative decline in public sector employment (where unionisation rates are generally higher than in the private sector).⁵ This period also saw changes in the structure of the union movement with the amalgamation of some 300 unions into a much smaller number of unions organised along industry lines.¹ Associated with these changes, there has been a dramatic decline in trade union membership rates since the 1980s.

Trade union membership

Trade union membership has declined steadily since the early 1980s. In 1986, 46% of Australian employees (or 2.6 million) were trade union

Data sources and definitions

Data for this article are from the ABS survey of Employee Earnings, Benefits and Trade Union Membership (EEBTUM), conducted annually in August as a supplement to the Labour Force Survey (LFS).

A *trade union* is an organisation consisting predominantly of employees and is concerned with negotiating rates of pay and employment conditions for its members.

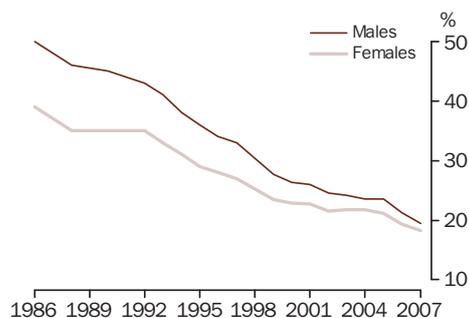
A *trade union member* is an employee with membership in a trade union related to the member's main job.

The *trade union membership rate* (also known as the *unionisation rate*) is the proportion of employees who are trade union members.

members; by 2007 the unionisation rate had declined to 19% (or 1.7 million employees). While the rates for male and female employees converged over the period, to 19% and 18% respectively, unionisation rates were higher among male than female employees in all age groups up to 45 years in 2007.

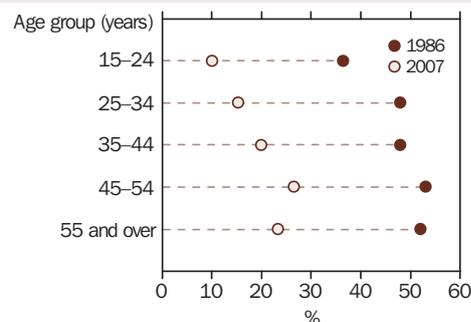
Although unionisation rates fell across all age groups between 1986 and 2007, the pattern of generally higher rates of trade union membership among older employees and lower rates among younger employees was maintained. The biggest decrease in rates were seen in the younger age groups. Over this period, the trade union membership rate among employees aged 15–24 years fell from about one in three (36%) to one in ten (10%), and the rate among employees aged 25–34 fell from 48% to 15%.

Unionisation rates



Source: *Trade Union Members, Australia, August 1986* (ABS cat. no. 6325.0); *Employee Earnings, Benefits and Trade Union Membership, Australia, August 2007* (ABS cat. no. 6310.0).

Unionisation rates, by age



Source: ABS 1986 Survey of Trade Union Members and ABS 2007 Survey of Employee Earnings, Benefits and Trade Union Membership.

The decline in unionisation rates is also observed when age cohorts are examined, suggesting that people may not be renewing their membership from year to year or when they change jobs. To some extent, this would be expected as older workers move to managerial and other non-unionised positions.⁶

In 1986, almost half (48%) of those employees born in the 1950s, and then aged 25–34 years, were union members. Ten years later the unionisation rate of this cohort, then aged 35–44 years, had fallen to 36%, and a further decade later it was 28% (26% in 2007). Similarly, among employees born in the 1960s and aged 15–24 years in 1986, 36% belonged to a union. Ten years later their unionisation rate had fallen to 30%, and the decline continued to 23% in 2006 (20% in 2007).

Employees

Falling unionisation rates are evident when the workforce is examined by sector, industry, occupation and type of

employment. The workforce has continued to undergo compositional change, which has tended to increase the employment share of groups that generally have lower unionisation rates at the expense of groups that have higher rates.

...sector

The proportion of public sector employees who belonged to a trade union fell from 55% in 1997 to 41% in 2007, while the proportion in the private sector fell from 23% to 14%.

In addition, over this period the share of public sector employees of the total workforce fell from 22% to 19%.

...industry

Between 1997 and 2007, trade union membership rates fell across all industries. There were relatively steep declines in a number of industries including Finance and insurance (from 36% to 11%), Communication services (60% to 28%),

Employees and unionisation rate: by selected industry, sector and type of employment

	1997		2007	
	Employees %	Unionisation rate %	Employees %	Unionisation rate %
Sector				
Public sector	22.1	54.7	18.9	41.1
Private sector	77.9	23.3	81.1	13.7
Selected industry				
Electricity, gas and water supply	1.0	65.9	0.9	34.1
Communication services	2.0	59.8	1.8	27.5
Education	8.2	49.3	8.0	39.7
Manufacturing	14.8	36.6	11.0	20.4
Mining	1.1	43.9	1.5	21.5
Finance and insurance	4.3	35.5	4.2	11.5
Health and community services	10.3	34.6	11.2	25.3
Cultural and recreational services	2.3	23.8	2.6	14.2
Retail trade	14.3	22.3	15.0	13.6
Accommodation, cafes and restaurants	5.0	15.5	5.1	6.2
Property and business services	10.4	10.0	11.9	5.5
Full-time / Part-time status				
Full-time employees	72.5	33.7	70.5	20.7
Part-time employees	27.5	21.3	29.5	14.3
Type of employment				
With paid leave entitlements	74.2	36.0	72.9	23.3
Without paid leave entitlements	25.8	13.8	27.1	6.9
Total	100.0	30.3	100.0	18.9

Source: ABS 1997 Survey of Weekly Earnings of Employees (Distribution) and 2007 Survey of Employee Earnings, Benefits and Trade Union Membership.

Cultural and recreational services (24% to 14%), and Property and business services (from 10% to 5%). While the Education and Electricity, gas and water supply industries experienced falls in membership rates, they still maintained relatively high overall membership rates (40% and 34% respectively in 2007).

Over this period, the share of the total workforce employed in the more highly unionised Manufacturing industry fell (from 15% to 11%) while the share working in the less unionised Property and business services industry increased (from 10% to 12%).

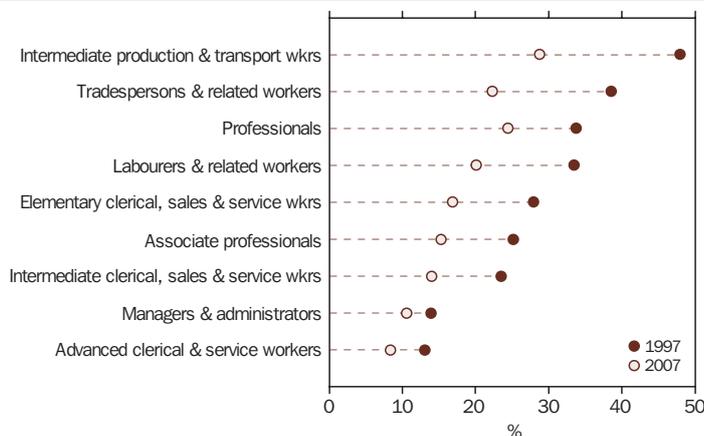
...occupation

Trade union membership rates are higher in 'blue collar' occupation groups such as Intermediate production and transport workers and Tradespersons and related workers, and are lowest in the higher skilled 'white collar' occupations such as Managers and administrators and Advanced clerical and service workers. Unionisation rates for female employees were higher than males for Managers and administrators (15% and 9% respectively in 2007), and Professionals (30% and 17%).

As with other aspects of employment, falls in unionisation rates between 1997 and 2007 have been observed across all occupation groups. The largest declines in rates were among Intermediate production and transport workers (from 48% to 29%), Tradespersons and related workers (38% to 22%), and Labourers and related workers (33% to 20%).

The occupation distribution of employees has also changed between 1997 and 2007, with a trend away from the relatively higher unionised occupations of Labourers and

Unionisation rates, by occupation



Source: *Employee Earnings, Benefits and Trade Union Membership, Australia*, August 2007 (ABS cat. no. 6310.0).

International comparison



There is considerable variation in the trade union membership rates among OECD countries. In 2003, compared with the Australian unionisation rate of 23%, lower rates were observed in France (8%), Korea (11%) and the United States (12%); while much higher rates were observed in Denmark (70%) and Finland (74%). Countries with unionisation rates closer to Australia's included Japan (20%), The Netherlands (22%), New Zealand (22% in 2002) and Germany (23%).⁶

There were some similarities in the pattern of trade union membership across countries. Rates were generally higher in the public than private sector, and higher for full-time than part-time employees. Unionisation rates in manufacturing were generally at least equal to or higher than the national average and rates for young workers (aged 16–24 years) were generally lower. Differences between men and women varied from country to country, with employed women more likely than employed men to be union members in Finland, Norway and Sweden.⁷

While a small number of countries, including Belgium, Denmark, Finland and Korea, experienced an increase in unionisation rates over the period 1970 to 1990; the picture from 1990 to 2003 was one of declining rates in virtually all OECD countries. Steep declines were observed in Australia, New Zealand, Ireland and Germany. As in Australia, the changing composition of the workforce and legislative changes were associated with declining unionisation rates in other countries.⁶

Trade union membership rates, selected countries

Country	1993	2003
Sweden	83.9	78.0
Italy	39.2	33.7
United Kingdom	36.1	29.3
Canada	32.8	28.4
Australia	37.6	22.9
New Zealand(a)	34.5	22.1
Japan	24.3	19.7
United States	15.1	12.4

(a) 1993 and 2002 for New Zealand.

Source: Visser, J 2006, 'Union membership statistics in 24 countries', *Monthly Labour Review*, January, pp. 38–49; Blanchflower, DG 2007, 'International Patterns of Union Membership', *British Journal of Industrial Relations*, vol. 45, no. 1, pp. 1–28.

related workers, Tradespersons and related workers, and Intermediate production and transport workers.

...type of employment

Unionisation rates also differed with employment conditions. Rates were higher for full-time employees (21% in 2007) than part-time employees (14%), and were also

higher for those with paid leave entitlements (23% in 2007) than those without paid leave entitlements (7%). The unionisation rates in all these groups fell between 1997 and 2007, most notably among people without leave entitlements (from 14% to 7%).

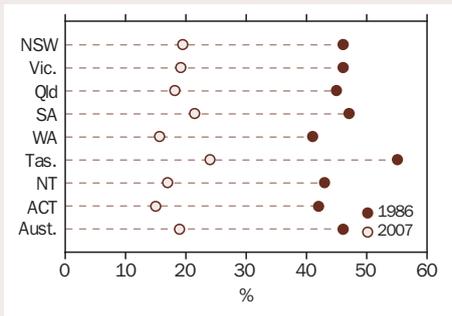
Endnotes

- 1 Cole, K 2007, *Workplace Relations in Australia*, Pearson Education, Australia.
- 2 Peetz, D 2002 'Individual contracts, bargaining and union membership', *Australian Bulletin of Labour*, vol. 28, no. 1, pp. 39–52.
- 3 Australian Bureau of Statistics 2004 'Trade Union Membership', in *Australian Labour Market Statistics, April 2004*, cat. no. 6105.0, ABS, Canberra.
- 4 Australian Bureau of Statistics 2005, 'Industrial relations', *Year Book Australia*, ABS, Canberra.
- 5 Wooden, M, and Sloan, J 1998, *Industrial relations reform and labour market outcomes: A comparison of Australia, New Zealand and the United Kingdom*. Paper presented at the Reserve Bank of Australia 1998 conference: Unemployment and the Australian Labour Market, 9–10 June 1998. Viewed 2 June 2008, <<http://www.rba.gov.au/PublicationsAndResearch/Conferences/1998/WoodenSloan.pdf>>.
- 6 Blanchflower, DG 2007, 'International Patterns of Union Membership', *British Journal of Industrial Relations*, vol. 45, no. 1, pp. 1–28.
- 7 Visser, J 2006, 'Union membership statistics in 24 countries', *Monthly Labour Review*, January, pp. 38–49.

States and territories

The downward trend in unionisation since 1986 was reflected in each state and territory. The unionisation rate in Tasmania, which has the highest proportion of trade union members, fell from 55% in 1986 to 24% in 2007. By comparison, in the ACT, which has the lowest unionisation rate, the proportion of union members fell from 42% to 15% over the same period.

Unionisation rates: states and territories



Source: *Trade Union Members, Australia, August 1986* (ABS cat. no. 6325.0); *Employee Earnings, Benefits and Trade Union Membership, Australia, August 2007* (ABS cat. no. 6310.0).

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