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Industrial disputes

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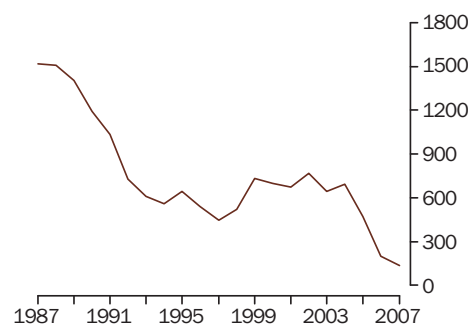
Institutional, legislative and economic changes over the past twenty years have dramatically changed the industrial relations environment in Australia. The Prices and Incomes Accords between 1983 and 1996 fostered wage restraint and negotiation among employees, employers and governments outside formal industrial relations processes.¹ Since the early 1990s, there have been a range of legislative initiatives which affected the legal terms under which industrial action can take place, including how and when such action is lawful.¹ Following the economic downturn of the early 1990s, there has been a sustained period of prosperity characterised by strong employment growth and a decline in unemployment (see *Australian Social Trends 2008*, 'Work national and state summary tables' pp. 112–115).

These developments have coincided with a pronounced decline in the level of industrial disputation in Australia. Although there were some short term increases for particular years, the general downward trend is evident in both the number of disputes and in working days lost due to industrial disputation. (See also *Australian Social Trends 1996*, Industrial disputes, pp. 109–112.)

Industrial disputes

The number of industrial disputes per year decreased from 1,519 in 1987 to 135 in 2007. There was a large decline from the mid-1980s until 1997, when there were 447 disputes recorded. This coincided with a period of labour market deregulation, relatively high unemployment and high interest rates. The

Industrial disputes, number of disputes



Source: *Industrial Disputes, Australia*, Dec 2007 (ABS cat. no. 6321.0.55.001).

Data sources and definitions

Data for this article are from the ABS Industrial Disputes collection which is conducted monthly, with data released on a quarterly basis. Data presented are for disputes in the calendar year.

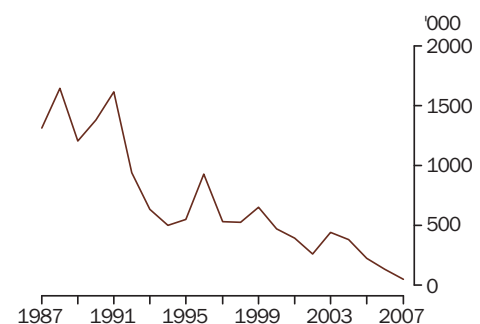
An *industrial dispute* is defined as a state of disagreement over an issue or group of issues between an employer and its employees, which results in employees ceasing work. Industrial disputes comprise strikes, which are a withdrawal from work by a group of employees; and lockouts, which are a refusal by an employer or group of employers to permit some or all of their employees to work.

Working days lost refers to the number of working days lost by employees directly and indirectly involved in the dispute. For example, ten working days lost is equivalent to the amount of ordinary time which would have been worked during a stoppage of work by ten employees for one day, or by 40 workers attending a 2 hour stop work meeting (assuming they usually work an 8 hour day). Disputes which involve the equivalent of less than 10 working days lost are excluded from the collection.

number of disputes per year then fluctuated between about 520 and 770 up until 2005, before falling to 135 in 2007.

While the large decline in industrial disputes was evident prior to the legislative changes of the last decade, changes to workplace relations legislation are relevant when considering trends in industrial disputes. The *Workplace Relations Act 1996* stipulated circumstances in which disputes were legally allowed and strengthened the powers of the Australian Industrial Relations Commission (AIRC) against illegal industrial action.²

Industrial disputes, number of working days lost



Source: *Industrial Disputes, Australia*, Dec 2007 (ABS cat. no. 6321.0.55.001).

Under decentralised bargaining systems, disputes became lawful only during the bargaining period and not while an agreement was in place, except over Occupational Health and Safety issues.³ *The Workplace Relations Amendment (Work Choices) Act 2005* made further changes to legal requirements and processes for industrial action, especially the necessity for a registered secret ballot to be undertaken by employees considering strike action.¹

Working days lost

The number of working days lost due to industrial disputes provides an indication of the impact of industrial disputes on the total economy and on particular industries. In line with the fall in the number of industrial disputes, the number of working days lost also declined, from 1.3 million in 1987 to 50,000 in 2007. However, the reduction was somewhat volatile over the first half of the period, with major peaks of 1.6 million days lost in both 1988 and 1991, and 930,000 days lost in 1996. Since 1996, there has been a marked decline in the number of working days lost due to industrial disputes.

...by industry

Nearly one-third of total working days lost (32%) during the period 1987 to 2007 occurred in the Manufacturing industry, with the Metal products, Machinery and equipment industries accounting for 20% and other manufacturing industries 12%. Other industries with a high number of working days lost were Education, Health and community services (17% of total working days lost), Construction (16%) and Coal mining (14%).

Looking at the years in which working days lost peaked, the industry which contributed most to total working days lost in 1988 was Coal mining (470,000 days). Metal product, Machinery and equipment manufacturing (660,000 days) and Construction (330,000) contributed most to the peaks in working days lost in 1991 and 1996, respectively.

The industries with the highest number of working days lost in 2007 were Education, Health and community services (21,000 days).

Working days lost per thousand employees

Corresponding to the dramatic reduction in the overall number of working days lost, there was also a strong fall in the number of working days lost per thousand employees over the twenty years to 2007. Overall, the

Changes to industrial relations legislation since the 1980s

There have been a number of changes to industrial relations legislation in Australia since the 1980s, resulting in increased deregulation of the labour market. Between 1983 and 1996 Prices and Income Accords (or Accords) were negotiated, covering a range of employment-related issues. The Accords contributed to wage restraint and facilitated a shift from collective bargaining at the national and industry level towards enterprise bargaining at the local workplace.¹

The *Industrial Relations Reform Act 1993* provided further flexibility and allowed for collective bargaining without trade unions being involved. Awards which had been the means of negotiating employment conditions became the safety net for vulnerable workers.¹

The introduction of the *Workplace Relations Act 1996* led to further deregulation of the labour market, and increased the role of management in industrial relations.^{1,4} Australian Workplace Agreements (AWAs) were introduced as a means of facilitating individual agreements between employers and employees.⁴ The privatisation and corporatisation of public sector functions was promoted, and policies to foster the growth of part-time and casual employment were introduced.¹

The *Workplace Relations Amendment (Work Choices) Act 2005* established the Australian Fair Pay Commission to set and adjust the federal minimum wage and award minimum classification wages. Unfair dismissal provisions for organisations with less than 100 employees were removed. Through this legislation, employers and employees were encouraged to resolve disputes at the workplace through the introduction of a dispute-settling procedure.¹

A further amendment to the *Workplace Relations Act (Transition to Forward with Fairness)* was introduced to parliament in early 2008.

number of working days lost per thousand employees fell from 219 in 1987 to 5 in 2007.

The number of working days lost per thousand employees provides a measure of the relative impact of industrial disputes across industries and states. For example, whereas the Education, Health and community services industries accounted for 21,000 or 41% of the total working days lost in 2007, these industries had a lower rate of working days lost per thousand employees (11 days) than either Coal mining (139 days), Metal product, Machinery and equipment manufacturing (20 days), or Other manufacturing (12 days).

Industrial disputes by industry

Industry	Working days lost			Working days lost per thousand employees		
	1987 '000	1997 '000	2007 '000	1987 no.	1997 no.	2007 no.
Coal mining	291.8	95.7	3.4	7 844.2	4 094.4	139.4
Other mining	55.7	1.0	–	912.4	19.6	0.5
Metal product; Machinery and equipment manufacturing	199.6	77.0	7.5	465.8	190.5	20.3
Other manufacturing	195.4	68.6	7.6	296.9	106.8	11.9
Construction	194.6	107.8	6.8	605.2	288.1	10.1
Transport and storage; Communication services	92.6	47.7	1.9	206.3	103.4	3.2
Education; Health and community services	91.3	94.1	20.5	88.3	73.5	11.4
Other industries	191.1	42.1	2.2	64.0	11.1	0.4
All industries	1 311.9	534.2	49.7	219.3	75.0	5.4

Source: *Industrial Disputes, Australia, Dec 2007* (ABS cat. no. 6321.0.55.001).

...by industry

Over the period 1987 to 2007, the decline in the number of working days lost per thousand employees was evident across all industries. Coal mining, which generally had the highest number of working days lost per thousand employees of all industries, recorded a fall from 7,800 working days lost per thousand employees in 1987 to 4,100 days in 1997 and 139 days in 2007. Over this period, there was also a dramatic fall in the working days lost per thousand employees in all other Mining industries combined, with a fall from 900 in 1987 to less than one day in 2007.

The data for Coal mining represent a fall from about 8 working days lost per employee in 1987 to around one hour lost per employee in 2007.

...states and territories

All states and territories experienced a reduction in the number of working days lost per thousand employees over the period 1987 to 2007, although the size of the decrease varied across the states. The largest decreases were in New South Wales, from 363 working days lost per thousand in 1987 to 2 in 2007, Western Australia (from 210 to 3) and Tasmania (from 183 to 1).

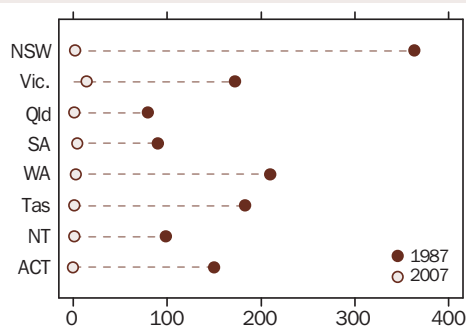
In 2007, Victoria had the highest number of working days lost per thousand employees (15), followed by South Australia (5).

Conclusion

Economic, institutional, and legislative changes have reshaped the Australian industrial landscape over the past two decades. This has coincided with a marked decline in industrial disputation.

Looking ahead, a range of economic and social factors will determine whether this trend continues into the future. For example, the strength of the economy and demand for labour will affect the relative bargaining power of employers and employees and may influence levels of disputation. Likewise, attitudes on the part of employers, employees and unions, and any future changes in legislation, are also likely to influence the level of industrial disputation.

Working days lost per thousand employees by states and territories



Source: *Industrial Disputes, Australia, Dec 2007* (ABS cat. no. 6321.0.55.001).

Endnotes

- 1 Cole, K 2007, *Workplace Relations in Australia*, Pearson Education, Australia.
- 2 Reith, P, Minister for Employment, Workplace Relations and Small Business 1999, *The Workplace Relations Act 1996 – Workplace Relations To Date, And Where To From Here?*, speech presented to Australian Mines and Metals Association, Hobart.
- 3 Australian Bureau of Statistics 2006, 'Industrial Relations', *Labour Statistics: Concepts, Sources and Methods*, cat. no. 6102.0.55.001, ABS, Canberra.
- 4 Balnave, N Brown, J Maconachie, G & Stone, R 2007, *Employment Relations in Australia*, John Wiley and Sons, Queensland.

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