

Research Note: The state of New Zealand Union membership in 2014

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The Centre for Labour, Employment and Work (CLEW) has collected data on union membership each year since enactment of the Employment Contracts Act in 1991. In that time, there has been a dramatic decline in the share of New Zealand's workforce that belong to a trade union, as well as a concomitant shift in the composition and structure of union membership in New Zealand. While declining union membership over the past three or four decades is an international phenomenon and much has been written on the impact of this on employment conditions and the rise of social and income inequality, the drop in trade union membership and density experienced in New Zealand in the first few years of the ECA 1991 was far more precipitous than in virtually any other country around the globe.

Within the labour movement and amongst academics in the field of industrial relations, there has been much discussed and written on the need for union 'renewal' and 'revival'. Unions have attempted to address this pressing need by taking a broader approach to organising new members, often manifest in terms of a shift away from collective bargaining as the primary means of achieving better pay and conditions for union members. The 'Living Wage' (SFWU), the movement to end 'zero-hour' contracts (Unite), and that to promote gender equity in pay (NZPSA and SFWU) are but three examples of such campaigns, which reflect attempts by organised labour to extend unions' influence and support base to workers who may feel disenfranchised from traditional bargaining relationships.

So what does union membership in New Zealand look like in 2014?

CLEW Survey

The union membership survey conducted by CLEW is distributed to all registered trade unions in New Zealand in late March of each year with a target closing date of 30 April. That survey asks those unions to account for their membership numbers as at 31 December of the previous year. At September 2015, the time of initial processing of CLEW's latest union membership survey, 78 of the 137 registered unions had returned completed surveys to CLEW. Union membership data for a further 48 registered unions was sourced from the Registrar of Unions. All unions have a statutory obligation to submit a return to the Registrar by 1 June each year of their membership numbers at 1st

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March in that year. This leaves 11 registered trade unions for which union membership tallies for the year ending 31 December 2014 are unknown.

For the purposes of interpreting our data it is important to note the following:

1. One union, in education and training, has changed the way it categorises ‘membership’ for the purposes CLEW’s survey.¹ That union now includes only financial members in their survey return, whereby they had previously included other categories of membership – student members and ‘suspended’ memberships – in its tally. This change in practice has resulted in an apparent reduction of close to 5000 members in CLEW’s accounting for December 2014 and a discrepancy of around 3000 from that returned to the Registrar of Unions for March of this year.
2. Across the 48 unions for which membership data was sourced from the Registrar, the distribution of total membership across sectors has been estimated from past survey returns or assumptions based on the industry coverage area, as indicated in the Register of Unions.²
3. Where unions did not allocate 100% of their membership to an industry or where no industry was indicated on the union membership return to CLEW, those membership numbers have been added to the category ‘no industry’.

Total union membership

With these caveats in mind, total union membership in New Zealand appears to have continued its decline since the beginning of the global financial crisis (GFC) and recession (see Table 1). To this end, there appears to have been in excess of 20,000 fewer union members in New Zealand at the end of 2014 than six years prior, at the end of December 2008. Noteworthy in this regard is that that drop in union membership did not occur during or immediately after the GFC (2008-2010), when overall employment in New Zealand fell. But, rather, New Zealand trade union membership declined, instead, between 2011 and 2013, hence commencing nearly two years *after* the end of the GFC and recession in New Zealand.

Also important to note in this regard is that the precipitous decline in union membership since 2011 has slowed in the year to December 2014, notwithstanding that there was also a concomitant increase of around 4 percent in both total employment and wage and salary earners in 2014. Nonetheless, as employment has increased during the economic recovery, union membership numbers have been virtually static. One possible explanation for this phenomenon lies in the age distribution of union members. That is, some have suggested that unions have failed in the past several years to attract young people to their ranks to replace older members as they retire and that union membership is, therefore, effectively aging faster than both the workforce in general and the country’s population.

¹ In this regard, CLEW asks respondents to its survey to account for their ‘total financial membership’. MBIE, on the other hand, ask for ‘total membership’ by industry (at level 1 ANZSIC) and gender. CLEW further asks for the composition of the membership (as a percentage) by gender, by industry (at level 2 ANZSIC) and by ethnicity.

² See <http://www.societies.govt.nz/cms/registered-unions/register-of-unions>.

Although similar data is not currently available for New Zealand, recent data published by the Australian Statistics Bureau³, which includes a breakdown of age structure of union membership and union density, suggests it is more likely that those in employment aged 55-64 are trade union members than is the case for younger workers across the ditch. To this end, whereas more than one-fifth (21 percent) of employed Australians in the 55-64 age group belong to a union for their main job, only 15.7 percent of Australian workers in the 35-44 age group and 11 percent in the 25-34 age group are union members. Moreover, while the union density is higher in the older age-groups, more than one fifth (22 percent) of trade union members are aged 20-34 years, and half of Australian trade union members are aged 35-54.

Table 1: Trade Unions, Membership and Union Density 1991-2014

Year	Union membership	Number of unions	Potential union membership		Union Density	
			Total employed labour force ²	Wage and salary earners ²	(1)/(3) %	(1)/(4) %
	(1)	(2)	(3)	(4)	(5)	(6)
Dec 1991	514325	66	1509400	1199000	34.1	42.9
Dec 1992	428160	58	1514200	1190500	28.3	36.0
Dec 1993	409112	67	1545400	1215300	26.5	33.7
Dec 1994	375906	82	1612000	1269600	23.3	29.6
Dec 1995	362200	82	1686600	1331700	21.5	27.2
Dec 1996	338967	83	1741200	1375100	19.5	24.7
Dec 1997	327800	80	1750600	1401700	18.7	23.4
Dec 1998	306687	83	1739300	1387000	17.6	22.1
Dec 1999	302405	82	1766400	1395600	17.1	21.7
Dec 2000	318519	134	1800000	1425200	17.7	22.3
Dec 2001	329919	165	1846100	1482200	17.9	22.3
Dec 2002	334783	174	1906500	1540100	17.6	21.7
Dec 2003	341631	181	1955900	1579700	17.5	21.6
Dec 2004	354058	170	2024100	1637900	17.5	21.6
Dec 2005	377348	175	2084800	1702100	18.1	22.2
Dec 2006	382538	166	2134700	1759700	17.9	21.7
Mar 2008 ¹	373327	147	2173000	1792000	17.2	20.8
Dec 2008	384777	141	2175900	1798000	17.7	21.4
Dec 2009	385280	145	2147000	1791800	17.9	21.5
Dec 2010	386276	145	2156600	1804100	17.9	21.4
Dec 2011	372891	134	2188200	1819100	17.0	20.5
Dec 2012	369200	133	2183500	1817000	16.9	20.3
Dec 2013	365927	126	2226900	1881400	16.4	19.4
Dec 2014	361419	125	2305300	1951600	15.7	18.5

Source: HLFS - Persons Employed by Sex by Employment Status (Annual-Dec) Table reference: HLF005AA; Centre for Labour, Employment and Work Survey 2014.

Notes: ¹The 2007 figures are from the DOL Union Membership Return Data.

²Figures in column 3, 4, 5, & 6 are different from those reported in previous years due to the population rebase by Statistics New Zealand to take account of the latest census results. The large decrease in membership overall is largely a result of one Union changing the way they categorise 'membership' so that only 'financial' members are reported, a reduction of approx. 4000 members.

³ Australia Bureau of Statistics *Characteristics of Employment, Australia, August 2014*, Cat. No. 63330DO010_201408. <http://www.abs.gov.au/ausstats/abs@.nsf/mf/6333.0>

Industry Spread of trade union membership

Union membership remains predominantly in the public sector and community services industries with 62 percent of union members employed in these parts of the economy (see Appendix Table 2). A quarter of union members in New Zealand work in health care or social assistance, and just over a fifth (22 percent) work in education and training. Outside of these predominantly public sector industries, union membership remains highest in manufacturing, and transport, postal and warehousing, all of which represent a far smaller share of the economy than was the case three decades ago. Furthermore, with the exception of education and training, the largest numeric drop in union membership in the year to 31 December 2014 has occurred in healthcare and social assistance, and professional, scientific, technical and administrative services (business services). Construction also experienced a large drop in union membership (11.2 percent) in 2014, despite employment in the industry growing 12.6 percent over that 12 month period.

Despite these trends, a number of industries saw growth in union membership in the year to 31 December 2014. Union membership in the wholesale trade industry, for instance, grew by 70 percent, albeit off a very small level of membership and low industry union density (approximately 1 percent). The ‘utilities’ industries and information media and communications industry group – at 16.8 percent and 13.9 percent, respectively – both experienced substantial growth in union membership during 2014, and both of these increases are at a greater rate than the growth in employment in these parts of the labour force. This was also true for a number of industries located in the private sector, including manufacturing, retail trade and accommodation, financial and insurance services, and rental, hiring and real estate services. Nevertheless, public sector union membership decreased over that period, during which time the number of people employed in the sector increased, hence resulting in a fairly substantial decline in public sector union density in the 12 months to the end of December 2014.

Union density

Overall, union density in New Zealand fell from 19.1 percent to 18.5 percent of wage and salary employees in the year to 31 December 2014, after sitting at 20 percent two years earlier, at the end of 2012 (see Tables 3 and 5). The country’s public service still maintains the highest levels of union density with close to two-fifths of employees in that sector belonging to a union. However, over the last five years, union density in New Zealand’s public sector has fallen, as growth in employment has outstripped that in union membership.

Furthermore, the only private sector industry that comes close to matching public sector union density is transport, postal and warehousing (38 percent). Mining (26.5 percent), manufacturing (21.5 percent), and utilities services (20 percent) are the only other parts of the private sector where union density is greater than one in ten. It is also of concern for unions that their areas of greatest numbers are those where total employment is, in fact, decreasing. For that matter, it is this, rather than an increase in union membership, that is driving increased density in those parts of the labour force. In order to keep pace overall, therefore, unions will need to grow their membership numbers at least at the same pace as employment in the growing technology and service industries.

Table 3: Change in union density across industry groupings 2013-2014

Industry Group	Approx. density 2013 (%)	Approx. density 2014 (%)
Agriculture, Forestry and Fishing	2.9	2.6
Mining	29.3	26.5
Manufacturing	21.2	21.4
Electricity, Gas, Water and Waste Services	19.9	20.0
Construction	5.2	4.1
Wholesale Trade	0.6	1.0
Retail Trade and Accommodation	6.2	6.2
Transport, Postal and Warehousing	36.2	38.1
Information Media and Telecommunications ¹	7.2	8.6
Financial and Insurance Services	5.2	6.1
Rental, Hiring and Real Estate Services	1.1	1.3
Prof'l, scientific, technical, admin. and support serv's	3.1	2.6
Arts, Recreation and Other Services	8.1	7.5
Public and community services	43.2	41.4
<i>Public Administration and Safety</i>	41.5	39.8
<i>Education and Training</i>	46.5	43.8
<i>Health Care and Social Assistance</i>	41.4	40.1
Overall Density	19.1	18.5

Source: Centre for Labour, Employment and Work Union Survey 2013 and 2014.
 HLFS 2013 and 2014 (December quarter)

Table 4a: Public, private and not for profit union membership,

Sector	2014	2013	Change 2013- 2014 (No.)	Change 2013- 2014 (%)
Private Sector	149536	149807	-271	0%
Public Sector	204351	209465	-5114	-2%
Not for profit	7122	6144	978	16%

Source: Centre for Labour, Employment and Work Survey 2014

Table 4b: Historical Union Membership by Sector

	Private Sector	Public Sector
2000	153200	165300
2001	159577	170342
2002	158105	176678
2003	160208	181423
2004	163927	190131
2005	175415	201933
2006	185143	197395
2008	184066	200711
2009	171617	211908
2010	176049	210227
2011	134444	238447
2012	156367	212350
2013	155952	209465
2014	156658	204351

Source: Centre for Labour, Employment and Work Survey 2000-2014

Despite this gloomy picture for its unions, New Zealand is not alone in experiencing a declining trend in trade union density. Of the four countries that we monitor for trade union membership levels (Australia, UK, USA and Canada), only Canada has maintained union density (30.5 percent) across the last five years. Australia, where union density among wage and salary workers currently stands at around 16.7 percent, has experienced a similar rate of decline in union membership and density to New Zealand over the past three years.

Union membership in the public and private sectors

Underscoring the fact that union membership in New Zealand – much like in most other OECD countries – remains primarily a public sector phenomenon, 59 percent of wage- and- salary employees in the country’s public sector belong to a trade union, while only 12 percent of private sector employees are unionised (see table 5). Also, as in 2013, 57 percent of trade union members in New Zealand work in the public sector, despite a fall of 2 percent for total union membership in that sector.

The higher level of union density in the public sector is common across the four comparator countries to which we refer in Table 5. Canada has the highest concentration of union members in the public sector, with three quarters of such employees in that country belonging to a union. As for Australia, a media release accompanying the August 2014 release of the Australian Bureau of Statistics’ *Characteristics of Employment in Australia* notes, “...a higher proportion of public servants were trade union members in their main job (39 percent) compared to those in the private sector (11 percent).” Only the USA has fewer union members who work in the public sector than in the private sector. But, for the other countries in our comparison, there is 30- 40 percent more public sector union members than private sector.

Table 5: Public/private sector union density – international comparisons 2014

Country	Union density	Public sector	Private sector	Public/private ratio ⁶
New Zealand ¹	18.5%	59.0%	12.0%	1.30
Australia ²	16.7%	n/a	n/a	n/a
UK ³	25.0%	54.3%	14.2%	1.39
USA ⁴	11.1%	35.7%	6.6%	0.97
Canada ⁵	30.6%	75.8%	16.5%	1.42

Sources:

¹Statistics NZ, QES, Table QEX018AA Dec 2014 - *Filled jobs by sector by status in employment*;

HLFS - Persons Employed by Sex by Employment Status (Annual-Dec 2014) Table HLF005AA; CLEW Survey 2014;

²Australia Bureau of Statistics, *Characteristics of Employment, Australia*, August 2014. (uses the denominator 'total employees').

³Department for Business, Innovation and Skills, *Trade Union Membership 2014: Statistical Bulletin*, June 2015.

⁴United States Department of Labour, Bureau of Labour Statistics, *Economic News Release: Union Members 2014*, 23 Jan 2015

⁵Statistics Canada, Table 282-0077: *Labour force survey estimates (LFS), employees by union coverage, North American Industry Classification System (NAICS), sex and age group, unadjusted for seasonality*, CANSIM (database) June 2014.

⁶ This ratio is the total public sector union membership divided by the private sector union membership.

Size of Unions

There is very little change in the spread of union membership across different size of unions in New Zealand from that which we last reported for the year to 31 December 2013 (see Table 6). One union that had previously reported a membership of more than 10,000 members is now just under that figure, thus increasing the proportion of unions who have a membership in the range 5000 to 9999.

Table 6: Membership by union size 1991 – 2014, selected years

Membership range	Dec 1991			Dec 1999			Dec 2005			Dec 2013			Dec 2014		
	#	Members	%	#	Members	%	#	Members	%	#	Members	%	#	Members	%
Under 1000	4	2750	1	48	12703	4	140	19436	5	93	16811	5	92	16434	5
1000 - 4999	39	87119	17	22	43709	14	23	56801	15	21	47237	13	21	48117	13
5000 - 9999	9	76489	15	3	19669	7	4	30050	8	2	13746	4	3	23981	7
10000+	14	347967	68	9	226324	75	8	271061	72	10	288133	79	9	272887	76
Totals	66	514325		82	302405		175	377348		126	365927		125	361419	
Av. Size		7793			3688			2156			2904			2891	

Source: Industrial Relations Centre Surveys 1991, 1999, and 2005; Centre for Labour Employment and Work Surveys 2013 and 2014.

While the average size of a New Zealand trade union, based on those who returned surveys, is 2891 members, the median is only 145 members. It would have to be questioned, though, as to how unions with such a small membership are able to sustain a level of service to their members such as is required in today's workplace. Forty-five unions (36 percent of the total) have a membership of under 100 members, 31 of which are private sector unions, 10 are in local government and local government trading organisations, and 4 are in central government. Many of these small unions are clearly only operating in one workplace or with one employer. It is also likely that most are reliant on the goodwill of volunteers to service their membership or that the union exists only to ensure the continuation of a collective agreement.

Despite the significant number of relatively small unions, 83 percent of union members in New Zealand belong to one of twelve unions. This implies that the vast majority of employees who belong to a union in this country are members of unions with a solid membership base and which are likely to be well-resourced organisations. As would be expected from the earlier discussion of dominance of the public sector with regard to union membership, of the four unions with a membership greater than 30,000 members, only one is in the private sector.

Union amalgamation is also likely to continue as a trend in the face of declining overall union membership. In the past few years the Tertiary Education Union was formed with the amalgamation of the unions for university staff and polytechnic staff; FIRST Union was formed from the FINSEC and NDU amalgamation; and the Engineering, Printing and Manufacturing Union (EPMU) merged with the NZ Building Trades Union. Although not covered in our 2014 survey year, in 2015 the NZ Public Service Association has merged with Southern Local Government Officers Union and E Tū was formed from the amalgamation of the Service and Food Workers Union and the EPMU. Preparations are also well underway for the Flight Attendants and Related Services Association (FARSA) to join E Tū and bring its membership to more than 50,000.

Gender

As has been the case for more than a decade, a majority of union members in New Zealand (57.5 percent) are female (see Table 7). Nevertheless, female membership is largely concentrated in the three large state sector unions – the Public Service Association, the NZ Nurses Organisation (NZNO) and NZEI (primary teachers union). These are also the three largest unions in New Zealand at 31 Dec 2014, and among them is 60 percent of the total female union membership in the country. In addition, smaller unions tend to have higher male membership. Only twenty-four of the eighty-four unions with less than 500 members have a majority of female members, and only 35 percent of the total membership in unions with less than 500 members is female. In contrast, eight of the fourteen unions with more than 4000 members have a majority of female members and 61 percent of the total membership of these unions is female.

Table 7: Female union membership 2004-2013

Year	%Female
2004	52.0
2006	54.9
2008	55.3
2009	55.5
2010	56.9
2011	58.8
2012	57.0
2013	57.8
2014	57.5

Source: Industrial Relations Centre Surveys 2004 to 2012. Centre for Labour, Employment and Work Survey 2013 & 2014

NZ Council of Trade Unions (NZCTU) affiliation

The number of unions affiliated to the NZCTU has also decreased in the past year, as has the percentage of union members who are affiliated (through their union) to the CTU (see Table 8). However, the change in reporting of the NZCTU-affiliated education union's membership has impacted these figures. The NZCTU affiliated unions tend to be the larger unions. Of the 84 unions with less than 500 members only seven are affiliated to the NZCTU and three of those affiliated unions have more than 400 members. With the exception of one union, all the unions with membership over 4000 (a total of 14 unions) are affiliated to the CTU.

Finally, with many of the recent union amalgamations happening amongst NZCTU affiliated unions, it seems that future amalgamations are unlikely to impact small unions. That is, it will likely be the mid-sized and larger unions which look to amalgamate in the foreseeable. But, if the NZCTU is looking to maintain union membership, it may need to work with the smaller unions, whether they be affiliated or not, to form stronger, better resourced unions through amalgamation.

Table 8: NZCTU affiliation 1991 – 2013

Year	NZCTU Affiliate unions	Members	Percentage of total m'ship in CTU affiliates
1991	43	445116	86.5
1992	33	339261	79.2
1993	33	321119	75.8
1994	27	296959	78.9
1995	25	284383	78.5
1996	22	278463	82.2
1997	20	253578	77.4
1998	19	238262	77.7
1999	19	235744	78.0
2000	26	273570	85.9
2001	32	289732	87.8
2002	34	293466	87.7
2003	36	297440	87.1
2004	38	310451	87.7
2005	37	333395	88.4
2006	39	340281	88.9
2007	28	303569	83.9
2008	37	343017	89.4
2009	41	341637	89.4
2010	39	347453	90.0
2011	34	333956	89.6
2012	35	326753	89.6
2013	36	325412	88.9
2014	33	315867	87.4

Source: Industrial Relations Centre Surveys 1991- 2012; Centre for Labour Employment and Work Survey 2013.

Appendix 1: Table 2

Table 2: Distribution of union members and employees across industry sectors at December 2014

Industry grouping	Union membership 2014	Union membership 2013	Change in membership 2013-2014 (No.)	Change in membership 2013-2014 (%)	Change in wage and salary earners 2013-2014 (%)	Wage & salary earners 2013 (000)	Wage & salary earners 2014 (000)	Union density
Agriculture, forestry and fishing	2151	2445	-294	-12.0%	-0.9%	84.4	83.6	2.6%
Mining	1749	1816	-67	-3.7%	6.5%	6.2	6.6	26.5%
Manufacturing	47677	47313	364	0.8%	-0.6%	223.7	222.4	21.4%
Electricity, gas, water and waste services	4062	3379	683	20.2%	19.4%	17	20.3	20.0%
Construction	5834	6572	-738	-11.2%	12.6%	127.3	143.3	4.1%
Wholesale trade	835	491	344	70.1%	9.6%	78.9	86.5	1.0%
Retail trade and accomodation	19265	19328	-63	-0.3%	-0.9%	314.1	311.4	6.2%
Transport, postal and warehousing	34283	33939	344	1.0%	-3.9%	93.8	90.1	38.1%
Information media and telecommunications	3280	2825	455	16.1%	-2.6%	39.2	38.2	8.6%
Financial and insurance services	3832	3754	78	2.1%	-5.0%	65.8	62.5	6.1%
Rental, hiring and real estate services	305	280	25	8.8%	-2.8%	25	24.3	1.3%
Prof'l, scientific, technical, admin. and support serv's	5161	6162	-1001	-16.2%	0.8%	200	201.5	2.6%
Arts, recreation and other services	8587	8689	-102	-1.2%	7.3%	107.4	115.2	7.5%
Public and community services	223586	228359	-4773	-2.1%	2.3%	528.3	540.7	41.4%
<i>Public Administration and Safety</i>	49325	48828	497	1.0%	5.3%	117.6	123.8	39.8%
<i>Education and Training</i> ¹	82174	86135	-3961	-4.6%	1.3%	185.1	187.5	43.8%
<i>Health Care and Social Assistance</i>	92087	93396	-1309	-1.4%	1.7%	225.6	229.4	40.1%
<i>No industry</i> ²	813	63						
TOTAL	361419	365415	-3996	-1.1%	0.3%	1946.6	1951.6	18.5%

Source: HLFS 2013 and 2014 (December quarter); Centre for Labour, Employment and Work Union Survey 2013 and 2014.

Note: ¹ The large decrease in membership overall and in education in 2014 is largely a result of one Union changing the way in which they categorise 'membership'.

² Union Members not allocated to particular industries on the Union Survey return