Contributed Article

Individual Contracts, Bargaining and Union Membership

David Peetz*
School of Industrial Relations, Griffith University

Recent court cases have considered, but not conclusively addressed, whether individual contracts lead to loss of union membership. This paper examines this question, analysing relevant data from surveys, case studies and the courts. It concludes that shifts from collective bargaining to individual contracts will induce employees to leave a union, and that the magnitude of the effect varies.

In two major Federal Court cases, trade unions succeeded in obtaining injunctions to prevent employers from offering registered individual contracts on the grounds that this would be in breach of the freedom of association provisions of the Workplace Relations Act. This was hotly contested by the employers. In one of these cases (concerning BHP Iron Ore,¹) when the matter went to trial, the union’s case failed,² though the court heard little in the way of expert evidence. The unions decided against appealing, in part because they were confident that they could retain their remaining members. In the other case (concerning the Commonwealth Bank),³ the parties settled moments before the trial was due to commence. The evidence on the use of individual contracts and their relationship to collective bargaining and union membership is yet to be fully explored by Australian courts. This paper examines the evidence on those relationships.

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Individual contracts and Australian Workplace Agreements

All Australian employees have a Common Law contract with their employers, underpinned by minimum terms and conditions of employment set by statute or tribunals. When employees are governed by a collective agreement, the collective agreement does not oust the contract of employment (as is the case in Canada and the United States) but the Common Law contract does not play a significant role in their employment, save in some residual matters of discipline, good faith and fidelity. This paper concerns what are commonly referred to as individual contracts which operate in workplaces where there are no collective agreements. There, the individual contract becomes the primary legal document determining actual terms and conditions of employment. Since the early 1990s several Australian jurisdictions have enabled employers to register and enforce individual contracts. When an individual contract is ‘registered’ it ousts existing award terms and conditions of employment. Since 1997 this mechanism has also been available federally through registered Australian Workplace Agreements (AWAs). Western Australia established a registration regime in 1993, Queensland followed the federal jurisdiction in 1997, and Victoria enabled individual contracts to flourish by effectively abolishing its award system in 1992. Unregistered individual contracts, however, must comply with minimum award conditions.

Table 1 shows the incidence by industry of workplaces with 60 per cent or more of their non-managerial employees on individual contracts, as defined by the Australian Workplace Industrial Relations Survey (AWIRS) team, in late 1995, before the availability of AWAs. Individual contracts were more common in industries with relatively low union density, relatively low union presence and relatively low incidence of workplaces with union delegates. For example, there was a strongly negative industry-level correlation ($r = -0.76$) between union presence and individual contracts.

Wooden (1999) reported the results of the 1998 National Institute of Labour Studies (NILS) survey of Australian workplaces in 483 organisations, and found that in only 19 per cent of workplaces with individual agreements had at least some of those agreements been ‘formalised’, that is ‘registered’ (Wooden 1999: 437). Many employers do not register individual contracts and many with registered contracts do not apply them to their entire workforce. The ABS (Cat. No. 6305.0) estimates that 1.8 per cent of all employees were covered by registered individual contracts in all jurisdictions in May 2000. However, as discussed below, this low number should not underestimate the importance of registered individual contracts, such as AWAs, as a strategic employment relations device.


### Table 1: Individual Contracts and Union Presence by Industry, Workplaces with 20 or More Employees, 1995 (per cent)

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workplaces with 60% or more of Employees on Individual Contracts</th>
<th>Workplaces with any Union Members</th>
<th>Average Union Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property &amp; business services</td>
<td>32</td>
<td>37</td>
<td>22</td>
</tr>
<tr>
<td>Mining</td>
<td>31</td>
<td>58</td>
<td>64</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>19</td>
<td>40</td>
<td>22</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>11</td>
<td>79</td>
<td>35</td>
</tr>
<tr>
<td>Cultural &amp; recreational services</td>
<td>7</td>
<td>61</td>
<td>39</td>
</tr>
<tr>
<td>Construction</td>
<td>6</td>
<td>80</td>
<td>57</td>
</tr>
<tr>
<td>Accommodation, cafes &amp; restaurants</td>
<td>5</td>
<td>64</td>
<td>39</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>5</td>
<td>72</td>
<td>55</td>
</tr>
<tr>
<td>Government administration</td>
<td>5</td>
<td>99</td>
<td>62</td>
</tr>
<tr>
<td>Retail trade</td>
<td>4</td>
<td>59</td>
<td>52</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>3</td>
<td>86</td>
<td>65</td>
</tr>
<tr>
<td>Health &amp; community services</td>
<td>3</td>
<td>92</td>
<td>49</td>
</tr>
<tr>
<td>Communication services</td>
<td>2</td>
<td>98</td>
<td>57</td>
</tr>
<tr>
<td>Personal &amp; other services</td>
<td>1</td>
<td>86</td>
<td>64</td>
</tr>
<tr>
<td>Education</td>
<td>0</td>
<td>97</td>
<td>57</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>0</td>
<td>100</td>
<td>69</td>
</tr>
</tbody>
</table>

Industry-level correlation of variable with proportion of workplaces with 60% or more of employees on individual contracts:

-0.76  
-0.51


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**What is the Relationship between Union Membership and Individual Contracts**

Four basic propositions explain the relationship between individual contracting and union membership. First, collective bargaining is the mechanism by which unions achieve most gains for their members, particularly since the demise of arbitration, and demonstrate the power of their members. Second, collective bargaining is strengthened when union density is high, but unions are largely ineffective without collective bargaining or with low union density. Both these propositions are explored elsewhere (Peetz 2001). Third, a central element of shifting employees to individual contracts is to weaken unions. Fourth, without collective bargaining, there is little incentive to remain in a union. Shifts from collective bargaining to individual contracts, then, will
mean many employees will leave their union. In the rest of this paper, I elaborate on the latter two of these propositions.

**Individual Contracts as a Means of Weakening Unions**

A central element of shifting employees to individual contracts is to weaken unions. Individual contracts are an alternative to collective bargaining, and as collective bargaining increases union bargaining power, individual contracts reduce union bargaining power. In many cases, the reduction of union power is an objective in the introduction of individual contracts. However, Australian employers rarely admit in surveys that they wish to prevent unions recruiting members, especially now such behaviour may be illegal. Consequently useful variables measuring this do not usually appear in employer surveys. The survey by Gilson and Wagar (1996), however, included a question testing managerial opposition to unionisation, being the degree of agreement with the statement ‘maintaining the nonunion status of nonunion employees is very important to the organisation’. They found ‘opposition to unions was associated with the pursuit of individual contracts’ (Gilson & Wagar 1996: 284) and was, amongst ten tested variables, the most powerful predictor of the active pursuit of individual contracts by unionised employers (Gilson & Wagar 1996: 283).

In New Zealand ‘deunionisation has been deployed as a technique complimentary to and reinforcing that of the individualisation of the employment relationship’ (Anderson 1999: 216). Oxenbridge (1999: 248) concluded that individual contracts ‘are primarily used by employers as a strategy for cost-cutting, concession bargaining and deunionisation of the workforce’. For example, in Telecom ‘[l]eaked internal memoranda showed a concerted strategy to deunionize the workforce and move workers onto individual contracts’ (Kelsey 1997: 267).

Hamberger (1995: 293) noted that some larger companies ‘pursuing a deliberate strategy to reduce the role of third parties’ would be expected to use individual contracts. An internal BHP Iron Ore memo in planning the introduction of individual contracts noted that ‘even a 50% take-up of workplace agreements over the next 6 months should be enough to ‘swing the odds’ Management’s way.’ The most publicised Australian case of individual contracting and deunionisation is that of CRA and its successor company, Rio Tinto. The AIRC concluded that the company ‘seems to have formed a corporate view as to the presence of unions’, had been ‘deliberately seeking to eliminate the role of the unions at the workplace through the establishment of individual staff contracts’ and had ‘as an objective...the effective elimination of registered employee organisations in the employee/employer relationship'.

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There are other Australian case studies (commissioned by the Office of the Employment Advocate (OEA), the body responsible for promoting and registering AWAs) that touch on motives for the introduction of registered individual contracts. For Pharmacia and Upjohn, a firm with relatively few union members, ‘AWAs...enabled the company to address its needs for...less union involvement.’ (Bickley et al 1999:i). D&S Concreting was a non-union site where AWAs were aimed in part at maintaining that status (ACIRRT 1999d). A case study of the Ravensworth coal mine, found that ‘Peabody management sees AWAs as just one part of its industrial relations strategy, which aims to achieve a direct employment relationship with all employees within the next five years. AWAs represent a necessary intermediate step in its attempts to gradually move employees from certified agreements to staff contracts.’ (WCP 1999a: 25) It concluded that ‘AWAs are an important element in achieving management’s aim of a non-union workforce.’ (WCP 1999a: 26) A case study of Telstra showed the early stages of a strategy by the firm to reduce union influence through AWAs (WCP 1999b). Another study, concerning ambulance workers in Victoria, where ‘some respondents indicated that they thought union membership was discouraged’ (SSS 1999: 37), provided an example of how outsourcing, casualisation and AWAs combined to deunionise a field of work.

As we would expect from the case study evidence, aggregate statistics are consistent with the proposition AWAs have been used for union avoidance. Data from the OEA on AWA ‘penetration’ can be compared with ABS data on union density in all workplaces. As can be seen in Table 2, industries with high usage of AWAs tend to be industries with high union density and there is a positive correlation (r=0.47) between density in 1997 and subsequent AWA penetration.

This is quite a different pattern to the negative correlation with the incidence of all individual contracts (the majority of which are unregistered) that was shown earlier in Table 1. Likewise, in the NILS survey: the group of industries that had high rates of registration in 1998 (Wooden 1999: 438, 2000: 202) were also the group of industries which had the high levels of union presence and density in 1995; and, vice versa, registration rates were lower in non-union workplaces (10 per cent) than in unionised workplaces with no delegate (16 per cent) and especially unionised workplaces with a delegate (36 per cent).

To understand these patterns, we should consider why registration of individual contracts into AWAs (or other comparable instruments under state legislation) takes place. Individual contracts may remain non-registered where employees have traditionally been non-union, as even where contracts are
Table 2: AWA Penetration and Union Density, All Employees (per cent)

<table>
<thead>
<tr>
<th>Industry</th>
<th>AWA Penetration January 2001</th>
<th>Union Density, 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication services</td>
<td>11.7</td>
<td>59.8</td>
</tr>
<tr>
<td>Mining</td>
<td>9.0</td>
<td>43.9</td>
</tr>
<tr>
<td>Government administration</td>
<td>7.1</td>
<td>43.5</td>
</tr>
<tr>
<td>Personal &amp; other services</td>
<td>3.2</td>
<td>27.7</td>
</tr>
<tr>
<td>Cultural &amp; recreational services</td>
<td>3.0</td>
<td>23.8</td>
</tr>
<tr>
<td>Electricity, gas &amp; water</td>
<td>2.8</td>
<td>65.9</td>
</tr>
<tr>
<td>Accommodation, cafes &amp; restaurants</td>
<td>2.6</td>
<td>15.5</td>
</tr>
<tr>
<td>Finance &amp; insurance</td>
<td>2.5</td>
<td>35.5</td>
</tr>
<tr>
<td>Transport &amp; storage</td>
<td>2.4</td>
<td>47.5</td>
</tr>
<tr>
<td>Property &amp; business services</td>
<td>1.5</td>
<td>10.0</td>
</tr>
<tr>
<td>Retail trade</td>
<td>1.5</td>
<td>22.3</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1.5</td>
<td>36.6</td>
</tr>
<tr>
<td>Health &amp; community services</td>
<td>0.9</td>
<td>34.6</td>
</tr>
<tr>
<td>Construction</td>
<td>0.7</td>
<td>33.5</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>0.6</td>
<td>12.7</td>
</tr>
<tr>
<td>Education</td>
<td>0.2</td>
<td>49.4</td>
</tr>
</tbody>
</table>

Correlation with % of employees on AWAs 0.47

Source: ABS Cat No 6310.0; OEA (2001)

inconsistent with awards the probability of detection is low. Conversely, registration may be required where individual contracts are sought as a means of moving employees from procedurally collective to individual arrangements, or where there is a risk that a union may seek to unionise contract-covered employees. This is because, while a contract is in force, registration prevents a union from being simultaneously able to recruit contract-covered employees and improve their terms and conditions by bringing them under an award or agreement, and makes it symbolically and legally clear to employees that they do not have or no longer have collective coverage.

Not only are registered individual contracts found more frequently in unionised or unionisable settings, but (more importantly) the use of individual contracts is increasing most in the most highly unionised settings. This is a further indication that individual contracts are not being used simply to vacate the space left by union absence, but are performing an active function in creating that space. The NILS survey found that 40 per cent of workplaces with increased use of individual contracts had a union delegate presence, compared with only 24 per cent of those where individual contracts had
remained relatively unchanged or lessened (Wooden 1999: 434). A likely explanation is that, where unions are more active, managements have sought to use individual contracts in workplaces with delegates as a means of reducing union influence and thereby union membership.

Thus weakening unions is a key factor behind the shifting of employees to individual contracts. This might not always be the primary motive of employers. But it is a motive that many employers appear to have, and the fact that they do it with this purpose in mind reflects its efficacy in this respect.

**Union Membership Decisions in the Context of Individual Contracts**

Put simply, without collective bargaining, there is little incentive to remain in a union. Shifts from collective bargaining to individual contracts, then, will mean employees will leave the union. In individual contract ‘negotiations’, unions are rarely able to represent employees. Even in New Zealand, where under the *Employment Contracts Act 1991* (ECA) employees had the right to nominate almost anyone as their bargaining agent, only between 1 and 5 per cent of employees with individual employment contracts were represented by a union (Department of Labour data cited in Oxenbridge 1999). The introduction of the ECA led to a substantial fall in collective bargaining coverage and, ‘as union membership is connected with the coverage of collective agreements’, this meant a 30 per cent fall in union membership in eighteen months (Angwin et al 1993: 9).

In Britain, where ‘the most important aspect of procedural individualisation is its implications for trade union recognition’ (Brown 1999: 156), a matched-pair study of over 30 firms found ‘that derecognition is followed by varied and sometimes very substantial falls in union membership, and that membership falls least where management is least hostile to the derecognised union’ (Brown et al. 1998:35).

For CRA, which during the 1990s introduced individual contracts at Tiwai Point, New Zealand, Hamersley Iron, Bell Bay, Weipa and Boyne Island ‘the introduction of individual contracts at all of these workplaces led to their effective deunionisation’ (Hearn Mackinnon 2001: 208). At Tiwai Point, for example, the Engineers Union lost three quarters of its membership (Dannin 1997: 234). CRA ‘by late 1995, deunionised 11,000 of its 16,000 workforce’ (Hearn Mackinnon 1996: 288). The introduction of individual contracts in Rio Tinto’s Hunter Valley coal mines has been more difficult; but even there where employees started to sign contracts they also started to leave the union (eg Waring & Lynch 1998: 435). Unions facing other employers in mining have also felt the impact of employer strategies to introduce individual contracts,
but the biggest impact occurred in the late 1980s and early to mid 1990s. Across the mining industry as a whole, union density fell by 16 percentage points between 1986 and 1993, double the rate of decline across Australia as a whole and higher than the decline in any other industry. Between 1993 and 1996 it fell by a further 17 percentage points in mining, again double the rate of decline across the nation.

In the Pilbara, BHP Iron Ore offered its award-covered employees individual contracts (‘workplace agreements’ or WPAs) registered under Western Australian legislation in November 1999. Behind this was the proposition, as agreed by a BHP Iron Ore manager, that ‘if you could exclude the third parties, ie the unions, there was the prospect of getting better flexibilities and therefore greater productivity.’ About 46 per cent of eligible award employees signed WPAs up to the end of January 2000. The Federal Court observed that the ‘decline in union membership, after allowing for the decrease in the number of employees overall, (was) almost entirely due to WPA employees leaving the unions’. By 22 April 2000 62 per cent of WPA employees who had been in unions in November 1999 had subsequently resigned from the union. Several employees who had resigned said in evidence to the Federal Court ‘that a union was of little or no value after signing a WPA’.

At Telstra, mentioned earlier as initiating a campaign to shift employees from award/agreement status to individual contracts, some 70 per cent of employees who have signed individual contracts resigned from the CPSU (Jones 2001). Notably, between August 1997 and August 2000, the decline in union density in communications, at 22 percentage points, was by far the highest of any industry (ABS Cat No 6310.0). By January 2001 this industry, in which Telstra is the largest employer, also had the highest rate of AWA penetration.

Indeed, if we look at industry level data, there is a significant negative relationship between AWA penetration and the change in union density \( r=-0.69 \) between August 1997 and August 2000. That is, union density fell the most in industries with increasing AWA penetration.

Workplace level data also provide some insights. The AWIRS workplace and employee surveys show a strongly significant negative relationship between individual contracts and union density (eg Deery & Walsh 1999). In the NILS survey, some 71 per cent of workplaces classified as ‘individual bargainers’ had no union presence, compared to 50 per cent of those classified as ‘award dependent’ but just 6 per cent of workplaces classified as ‘collective bargainers’ (Wooden & Hawke 1999: 18).
A panel survey which examined total deunionisation (the complete loss of union membership at a workplace) between 1989-90 and 1992-93 showed that rates of total deunionisation were over ten times higher in workplaces where wage increases were internally determined without union involvement than where they were negotiated with unions (Peetz 1998: 155-6). Similarly, in the NILS survey decreases in union density were more likely to occur among 'individual bargainers' than in other workplaces. Between 1995 and 1998 a decrease in union density occurred in 65 per cent of individual bargainers in the NILS survey, compared to just 47 per cent of other workplaces.

Moreover, there was a strong relationship between changes in the use of individual contracts and changes in the level of union membership. In the NILS survey, union membership as a share of employment fell between 1995 and 1998 in half of workplaces that had increased their usage of individual contracts, compared to one in five workplaces that were using individual contracts but had not increased their usage (Wooden 1999: 435). Both these figures significantly understate the fall in union membership in unionised workplaces because they include a substantial number of workplaces that were non-union in 1995 and for which union density therefore could not fall.10

Clearly there are strong negative relationships between individual contracting and union membership, and between increased use of individual contracts and declining union membership. If these were the only data available, then reverse causality might be argued, albeit unconvincingly: individual contracting arises solely because of the absence of unionism, and increases solely because of unionism's decline, but has no separate impact on union membership. However, if this were the case: there would be no union members covered by individual contracts, as individual contracts would only be offered to non-members; AWAs, like individual contracts more generally, would be more common in industries with low unionisation than in industries with high unionisation; amongst workplaces with individual contracts, those which increased their use of individual contracts would be no more likely to be unionised than those which did not increase their use of individual contracts; there would be no indication that management were using individual contracts as a union-avoidance strategy; and, there would be no case study or micro level data showing individual contracts leading to union membership losses. However, as discussed, none of these conditions are met, and indeed as explained the logic of individual contracting is to weaken collective bargaining and thereby to weaken union membership.

Moreover, there is an illuminating link between recent employer emphases on offering individual contracts in more strongly unionised locations and changes in the relationship between workplace unionism and union decline.
To provide the background for this observation: in the early 1990s it was apparent that union activism in the workplace and involvement in bargaining were key factors in determining whether and by how much union membership falls or rises (eg Peetz 1998a ch 6, Wilson, Green & Alexander 1998). Analysis of the AWIRS panel data (Peetz 1998a: 121-127) showed that 'union collapse' was approximately six times as likely in workplaces in which unions did not engage in workplace bargaining as in other workplaces. Employees in workplaces with inactive unions were more likely to leave a union. Now, if the offering of individual contracts was simply a response by management to union inactivity, then the offering of individual contracts would be much more frequent in workplaces classed as inactive and where unions did not have a workplace delegate (and so could not, in AWIRS, be defined as 'active'). Yet the reverse is the case. In recent times, as Wooden's data show, individual contracts have been disproportionately offered in workplaces with union delegates. The higher rate of increase in the use of individual contracts in workplaces with delegates suggests that the offering of individual contracts is not solely a response to union absence.

Can we observe an impact of this higher rate of use of individual contracts in workplaces that are more likely to have active unions? As mentioned above, data up to 1995 indicated that workplaces with active unions, and where unions engaged in collective workplace bargaining, performed better in resisting union decline and collapse than did other workplaces. Likewise, Wooden (2000) reported that workplaces with unions with formalised collective bargaining performed better in the period to 1995 than other workplaces with respect to union density. Yet the 1998 NILS survey (Wooden 2000: 121) showed no significant difference in the likelihood of resisting union decline between 'award-dependent' unionised workplaces and 'collective bargainers' (almost all of whom would have formalised collective agreements in place). This is a remarkable finding, because we would have expected, on the basis of the pre-1995 data, that collective bargainers would perform much better in resisting union decline than would award-dependent workplaces, where unions are typically inactive and not engaged in bargaining.

We do not need to look far for an explanation. The increased use of individual contracts in workplaces with delegates and collective agreements put downward pressure on density in those workplaces where they were introduced, offsetting the advantage such workplaces, as a group, otherwise would have had in resisting density decline. The changes in the relationship between union decline and collective agreements pre- and post-1995 illustrate the impact on union density of the increased usage of individual contracts in workplaces with union delegates.
One final point needs to be made. As mentioned, not all employees who are offered individual contracts resign their union membership. Many members in accepting their contracts will be induced to leave the union, but some people covered by individual contracts would continue in union membership for particular reasons, such as personal beliefs, despite management preference to the contrary. As the British experience indicates, the extent of membership decline is influenced by how extensive managerial opposition to unions is. Unions themselves also make a difference. It is beyond the scope of this paper to canvass this issue in depth, but it is notable that unions in Rio Tinto’s coal mining operations have been more successful in withstanding membership loss than unions in that company’s metalliferous mining operations, and more recently unions at BHP Iron Ore have been able to retain higher density than was the earlier experience at neighbouring mines in the Pilbara. In many ways this relates to the extent to which unions in the face of individual contract offers have been following ‘organising’ approaches (eg ACTU 1998; Ellem 2002). While individual contracts will undoubtedly lead to losses of union membership, it is not management activity alone, but also the nature of the union’s presence and response, that determines the magnitude of the impact of individualisation strategies on union membership.

Conclusion

The introduction of individual contracts is often directed at deliberately achieving a loss of union influence and membership. While sometimes intents might differ — the motivations of management when introducing individual contracts to reduce union membership are rarely disclosed — it will result in a loss of membership except in quite unusual circumstances. Indeed, if it did not have this effect, rational managers would not seek to employ such a technique to achieve that goal.

Individual contracts are an alternative means of employment regulation to collective bargaining and indeed are antithetical to collective bargaining. Collective bargaining is the mechanism by which unions achieve most of their members’ gains, and by which the power of unionists is demonstrated. Without collective bargaining, unions are ineffective in achieving gains from employers. A central element of shifting employees to individual contracts is to weaken unions. Without collective bargaining, there is little or no incentive on the part of employees to remain in a union. Shifts from collective bargaining to individual contracts, then, will induce employees to leave a union, though the magnitude of the effect varies. It is not management activity alone, but also the nature of the union’s presence and response, that determines the magnitude of the impact of individualisation strategies on union membership.
Endnotes

1 Australian Workers’ Union v BHP Iron Ore Pty Ltd (2000) 96 IR 422; BHP Iron Ore Pty Ltd v Australian Workers’ Union and Ors (2000) 102 FCR 97
4 Australian Workers’ Union v BHP Iron Ore Pty Ltd (2001) 104 IR 14, para 143.
5 Aluminium Industry (Comalco Bell Bay Companies) Award 1983: Decision, AIRC, 8 December 1994, Print L7449.
6 Australian Workers’ Union v BHP Iron Ore Pty Ltd (2001) 104 IR 14, para 98.
7 ibid, paras 238, 239.
8 ibid, para 241.
9 Wooden and Hawke (1999) classified ‘individual bargainers’ as workplaces where at least 10 percent of the non-managerial workforce were covered by written agreements and either there were no collective agreements of the level of individual coverage exceeds that of collective coverage by at least 40 percentage points. ‘Collective bargainers’ had at least 10 per cent of the non-managerial workforce covered by written collective agreements and either there are no individual agreements or the level of collective agreement coverage exceeds individual coverage by at least 40 percentage points. Award dependent workplaces were workplaces where less than 10 per cent of non-managerial employees were covered by written agreements.
10 Allowing for this factor would probably bring the proportion of unionised workplaces experiencing union decline to around seven in ten amongst workplaces with increased use of individual contracts, and four in ten amongst other workplaces.

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