The Terminal Decline of Australian Trade Union Membership

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At 25.7 per cent of the workforce, membership of the Australian trade union movement is now at its lowest level since its official recording began. While to many in the union hierarchy this represents an alarming development, what should be of greater concern is evidence suggesting that this decline may now be entering a new, more accelerated phase.

As a share of the workforce, union membership in Australia has been declining steadily since the Australian Bureau of Statistics first included this figure in its labour force survey in 1976. The election of several conservative State governments in the early 1990s, however, and the advent of the Keating Government at the Federal level coincided with significant new losses in union membership. Throughout the Kennett Government’s term of office, for example, union membership in Victoria went from 37.8 per cent to 24.4 per cent of employees, now the second lowest of any State in Australia. The election of a Liberal government in South Australia in 1993 corresponded with the general demise of union membership in that State, which fell from 44.3 per cent to 30.2 per cent. Furthermore, since the election of the Court Government in Western Australia, union membership has fallen from 34.5 per cent to the lowest level in the country now at just 20.4 per cent.

At the Federal level the union movement was hardly able to rely on the Keating Government. Aside from its penchant for privatization, the implementation of that government’s groundbreaking Industrial Relations Reform Act 1993, which adopted enterprise bargaining at the Federal level, greatly assisted in creating an environment conducive to deteriorating union membership. In fact, during the period between 1992 and 1996, the Keating Government oversaw a massive eight-and-a-half per cent decline in union membership as a share of all employees—the largest rate of decline to date. In light of this, the Howard Government’s Workplace Relations Act 1996 merely represents a logical, albeit modest, evolutionary step in a process first initiated by the former Keating Government’s 1993 legislation.

Aside from various legislative attempts to move towards a more deregulated labour market, there are many other different variables contributing to the steep decline in union membership in this country. Although it is not possible to recount them all here, the rigidity and strength of these forces mean that it is becoming increasingly futile for most unions to devote their diminishing resources to stem what is now becoming a near-fatal decline.

One of the strongest such influences has been the widespread infusion of competition into virtually all sectors of the Australian economy. In the deregulated telecommunications industry, for example, the number of licensed competitors has gone from three in 1996 to 50 in the year 2000. This increasingly intense competitive environment is leading to widespread rationalization within the industry. In March of this year, Telstra undertook a $650 million cost-cutting program which will result in 10,000 jobs disappearing over the next two years, and a further 6,300 jobs being cut if the company’s Network Design and Construction Ltd unit is floated. This rapid and intense restructuring is compounding the demise of the main union within the communications sector, the Communication, Electrical and Plumbing Union (CEPU). Between June 1995 and December 1999 the CEPU’s membership fell from 161,720 to 123,652, or by 23.5 per cent. Much of this decline had been occurring before the full effects of the partial privatization of Telstra and the deregulation of the telecommunications industry had really begun to flow through. In the next few years, the CEPU should consider itself fortunate if its membership only declines by 10,000 a year.

Rationalization of a similar intensity is also occurring within the fi-
place Agreements (AWAs). Non-union agreements made under section 170LK of the Work Place Relations Act 1996 have gone from 5 per cent of all agreements certified in 1997 to 12 per cent by the end of 1999. The number of AWAs are also beginning to rise dramatically and, while their number currently stand at 134,854, they are now growing at a rate of around 6,000 a month. The more hardline approach taken by employers is being reflected in their increasing willingness to insist on offering contracts to their workers. BHP, for example, recently offered non-union contracts to 1,000 of its workers in the Pilbara region for the first time in its corporate history. The CBA has become the first bank to offer non-union AWAs to its 28,000 employees. Telstra, having already put most of its upper management on non-union AWAs, is now also looking to extend these agreements to the rest of its employees.

The union movement in this country should be troubled that its membership base has dissolved so rapidly during a period when employers were generally much less likely to be so rigorous in their dealings with them.

One product of this new employer outlook has been the increase in non-union agreements and other more flexible arrangements such as the Federal Government’s Australian Work-

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Some of Australia’s largest companies are now taking the strongest stands against unions in their corporate history

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