Basic Guide to Closed Shop Agreements

A type of collective agreement, a closed shop agreement requires non-union workers to join the union or face dismissal.

Application

The Labour Relations Act applies to all employers, workers, trade unions and employers' organisations, but does not apply to:

- members of the:
  - National Defence Force;
  - National Intelligence Agency; or

See

- Labour Relations Act

Applies to all workers and employers and aims to advance economic development, social justice, labour peace and the democracy of the workplace.

What is a Closed Shop Agreement?

A closed shop agreement is a type of collective agreement that requires non-union workers to join the union.

Parties

A closed shop agreement is a type of collective agreement concluded by:

- a majority trade union (1 or more trade unions whose members are a majority of the workers employed), and
- an employer or employers' organisation.

Dismissal

Under a closed shop agreement, non-union workers must join the union or face dismissal.

If a union expels a member or refuses to allow a new worker to become a union member, and if this expulsion or refusal is in accordance with the union’s constitution or is for a fair reason, then the employer will have to dismiss the worker. This dismissal is not considered unfair.

Conscientious Objectors

Conscientious objectors (workers who refuse to belong to a union on the grounds of conscience) may not be dismissed for refusing to join the union.

Legal Force

A closed shop agreement is legally binding only if:

- 2 thirds of the workers have voted in favour of the agreement;
- workers are not required to be trade union members prior to employment; and
- subscriptions and levies are only used to advance or protect the socio-economic interests of workers.

Related Links

- Basic Guide to Agency Shop Agreements
  The Labour Relations Act allows for an agreement requiring the deduction of fees from non-union workers
- Basic Guide to Collective Agreements
  The Labour Relations Act provides for agreements that alter conditions of employment
- Basic Guide to Employers' Organisations
  Under the Labour Relations Act, employers may form or join groups that represent employers in collective bargaining
- Basic Guide to Trade Unions
  Trade unions are necessary for bargaining for workers' rights and benefits and they regulate industrial relations.