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CHANGES IN EMPLOYMENT AND UNEMPLOYMENT
SINCE THE OUTBREAK OF WAR.

The following statement summarises the changes in the employment and unemployment position in the six States from August, 1939 to September, 1940.

In interpreting these changes the following considerations should be kept in view:-

- (a) There is an unavoidable element of estimation in some of the figures used.
- (b) The figures showing changes in employment are in general more comprehensive and dependable than those showing changes in unemployment. The unemployment registrations understate considerably the actual number of persons unemployed under pre-war conditions, but in September of this year such understatement is considerably less.
- (c) Employment can, and frequently does, increase without a corresponding decrease in unemployment. This has been important in the period from August 1939 to September of this year, since expanding requirements for labour have been met to some extent from additions to the total supply of wage or salary earners.
- (d) Normal seasonal variations affect the comparison of the position in August, 1939 with that of September, 1940.
- (e) Allowance must be made for the effect of enlistments upon -
 - (i) the number of wage or salary earners available for employment in normal activities;
 - (ii) the changes in unemployment indicated by the Trade Union percentages and the Labour Exchange registrations.
- (f) Because of the policy of selective recruiting by reference to the list of Reserved Occupations, the effect of enlistments upon the figures recorded for different fields of employment may, at least for some time, be unequal.

/TOTAL

TOTAL EMPLOYMENT.

Australia. The estimated total number of wage or salary earners in employment in normal activities in August 1939 was 2,089,400^(a) and in September 1940, 2,180,400, an increase of 91,000 or 4.4 per cent. Total employment increased progressively month by month from August to March, except for the sharp seasonal rise from 2,152,000 in November to 2,191,000 in December, and the drop to 2,155,000 in January. The total reached 2,165,000 in March, representing an increase of 76,000, or 3.6 per cent. over August. Whilst the normal seasonal influences have operated during the course of the year there is much evidence to suggest that other factors were responsible for the greater part of the increase. The net decreases from March to April and April to May are partly to be accounted for in some States by the seasonal factor. Another important factor accounting for the net decreases in April and May, however, was the coal strike, which affected normal employment adversely in a number of industries apart from the Coal industry itself. It should be noted that the figures of employment include about 890 mine-workers on strike in New South Wales in February and about 14,000 in March, April and May. The substantial net increase of about 50,000 in employment since last May (principally in New South Wales and Queensland) might be partly attributed to the improvement following the settlement of the coal dispute and seasonal recovery, particularly in Queensland.

The increase in employment shown in Table A.I. is all the more noteworthy since, in general, enlistments are not included in the figures. From data confidentially supplied it is estimated that, from the outbreak of war until the end of September, about 177,000 men enlisted in the various Defence Services^(b). It is not yet possible to say how many of these men were in the wage or salary earning group at the time of their enlistment. At the Census of 1933, 77.34 per cent. of the male population aged 20 to 39 were wage or salary earners. This percentage applied to men enlisting during the present war would probably understate the number who were wage or salary earners. During the early stages of the war of 1914-1918 the proportion of wage or salary earners in total enlistments was estimated to be 90 per cent. It may be assumed that the percentage who have enlisted to date lies between 80% and 90%. Assuming that 90 per cent. of the enlistments, i.e. about 159,000, were of men in the wage or salary earning class, and that
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(a) Excluding the Territories for which estimates are not yet available.

(b) This 177,000 was made up as follows:- Military Personnel, 144,900; R.A.A.F., 23,100; R.A.Navy, 8,900. On the 31st October total enlistments were 180,000, made up as follows:- Military Personnel, 145,600; R.A.A.F., 25,350; R.A.Navy, 9,050.

relatively few of these are included in the figures of Table A.I, the total increase in all employment (including Defence Services as well as normal economic activities) from August 1939 to September 1940 can be estimated roughly at about 250,000 or 12 per cent. of the numbers employed in August of last year.

It is not possible to estimate from existing data how far these jobs have been filled respectively from (a) registered unemployed, (b) unregistered unemployed (largely skilled and semi-skilled men who usually do not take advantage of the services of the Labour Exchanges), (c) a net flow of women and girls into industry, (d) acceleration in the rate of school-leaving by boys, (e) older men and married women returning to former employment, (f) ex-employers and ex-working proprietors in certain vocations affected adversely by the war (e.g. import trades, building trades, etc.), (g) normal natural increase of the wage or salary earning group available for employment (approximately 39,000 young persons not eligible for enlistment in the period from August 1939 to September 1940). The evidence of the figures suggests strongly that most of the jobs have been filled from persons unemployed but not necessarily registered as unemployed.

The States. Proportionately to the numbers estimated to be in employment in August 1939, the increases in the States were very unequal. Western Australia showed a slight decrease during the period, August 1939 to September 1940. The seasonal factor was largely responsible for the changes in Queensland and Tasmania, but in other States, particularly Victoria and New South Wales, the increase in employment has been well maintained.

The distribution, by States, of the increase in employment from August 1939 to September 1940 in normal activities and, by State of enlistment, of enlistments of wage or salary earners (assuming nine-tenths of all enlistments in all States were of wage or salary earners) from August 1939 to the dates mentioned was approximately as follows:-

State	Employment (to Mid- September, 1940)	Enlistments to end of September, 1940(a)	Approximate Total Increases
New South Wales ..	+ 39,100	+ 55,260(b)	+ 94,360
Victoria ..	+ 41,000	+ 48,560	+ 89,560
Queensland ..	+ 3,100	+ 20,570	+ 23,670
South Australia ..	+ 5,600	+ 14,700	+ 20,300
Western Australia ..	- 2,100	+ 13,440	+ 11,340
Tasmania ..	+ 4,300	+ 5,940	+ 10,240
Northern Territory ..	-	+ 700	+ 700
AUSTRALIA:	+ 91,000	+159,170	+250,170

(a) As at 30th September, 1940.

(b) Including Australian Capital Territory.

In August, 1939, approximately 80 per cent. of estimated total employment in normal activities was in the private field and 20 per cent. in the governmental field (including Government business undertakings, public works, etc.). Of the net increase of 73,700 for the year ended last August, about 68,300 additional persons were directly employed by private employers and about 5,400 additional persons were directly employed by public authorities. The net increase in total employment from August 1939 to September 1940, however, was 91,000. Of this net increase, about 86,700 additional persons were directly employed by private employers and about 4,300 additional persons were directly employed by public authorities. The net increase of about 17,200 in employment from last August to September for Australia as a whole was, therefore, entirely in the private field. The net decrease in Governmental employment from June to September is accounted for by large decreases in both State and Local Government employment. The net decrease in State Government employment is almost entirely due to the fall in Victoria where employment in this category fell by about 4,500, (See Tables A.V. and V.II. for further details).

The main features in the absorption of additional numbers since August of last year in both private and governmental fields are outlined below. It should be kept in mind that men enlisted for war services are in general not included in the figures either for private employment or for governmental employment; nor are part-time relief workers included in the latter.

PRIVATE EMPLOYMENT.

Of the net increase from mid-August 1939 to mid-August 1940 of about 68,300 in direct employment by private employers throughout Australia, it is estimated that the net increase in manufacturing amounted to about 36,000, or 53 per cent., (although Government factories account for at least 990 of this increase), and in retail trade to about 1,760, or 2.6 per cent. Of the net increase from mid-August 1939 to mid-September 1940 of about 86,700 in direct employment by private employers throughout Australia, it is estimated that the net increase in manufacturing amounted to about 43,900, or 51 per cent., (Government factories accounting for at least 1,540 of this increase), and in retail trade to about 1,820, or 2.1 per cent. The balance of each increase, viz. about 31,530 from mid-August 1939 to mid-August 1940 (allowing for duplication of Government factories) and 42,520 from mid-August 1939 to mid-September 1940, is a net figure for remaining fields of employment.

It is not possible to measure the extent of the increases and decreases

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in these remaining fields for Australia as a whole. Some indication may be obtained by examining the general direction of changes in all fields in New South Wales. Manufacturing employment in New South Wales showed a net increase of 18,600 from August 1939 to September 1940, despite the setback of the coal strike which reduced manufacturing employment during April and May to the level of the previous August. In the field of retail trade (including restaurants) there was a net increase of 310 for the period from August 1939 to September 1940. Most of the balance of the net increase in the private field, viz., 24,588 over the thirteen months, is accounted for by increases in offices and commerce, transport, wholesale trade, building and construction, coal mining, rural industries, amusements and other miscellaneous activities, less a decrease in mining other than coal. The figures for coal mining include the numbers on strike during the latter part of March and during April and May.

The net increase of 18,600 from August 1939 to September 1940, in manufacturing was accounted for mainly by the heavy net increases in the metal working and engineering and textile industries. Smaller increases were shown for the chemicals, food and drink, skins and leather, clothing, wood-working and other miscellaneous fields, and slight decreases in non-metal mine products, paper and printing, rubber and heat, light and power. The net increase of 1,950 in manufacturing from August to September was accounted for principally by the metal working and engineering trades, in which employment reached a new high level since the outbreak of the war.

EMPLOYMENT BY PUBLIC AUTHORITIES.

The figures of employment by Public Authorities (Tables A.V, N.V, N.VI, V.II, Q.II, S.II, W.II and T.II) exclude persons enlisted for war service and part-time relief workers.

From August 1939 to September 1940 total employment by Public Authorities in Australia increased from 408,010 to 412,340, i.e. by 4,330. This was a net increase. Direct employment by the Commonwealth Government increased by about 17,180. Direct employment by the State Governments and Semi-Governmental bodies decreased, however, by 2,167 and 1,191 respectively and employment by Local Government authorities by about 9,492.

The following table shows the increases or decreases in the four types of Public Authority employment in each State:-

/DIRECT

DIRECT EMPLOYMENT BY PUBLIC AUTHORITIES.
Changes from August, 1939 to September, 1940.

State	Commonwealth Government	State Government	Semi-Government	Local Government
New South Wales ..	+ 4,951	+ 3,524(a)	- 1,515	- 2,768
Victoria ..	+ 10,747	- 2,752(b)	- 279(b)	- 1,327
Queensland ..	+ 544	- 1,220	- 80	- 3,762
South Australia ..	+ 455	+ 116	+ 87	- 1,047
Western Australia ..	+ 407	- 1,217	- 24	- 426
Tasmania ..	+ 76	- 618	+ 620	- 162
<u>TOTAL:</u>	+ 17,180	- 2,167	- 1,191	- 9,492

(a) Including Commonwealth Defence Works under State supervision.

(b) Approximate. Geelong Harbour Trust now included under State Government instead of Semi-Governmental as previously.

In Table N.VI. particulars are included for New South Wales of the numbers of State and Semi-governmental employees engaged on works financed from (a) revenue sources and (b) loan expenditure. The figures in this Table exclude part-time relief workers. From August 1939 to September 1940 direct State Government employment on revenue account increased from 86,195 to 88,408 or by 2,213, and on loan account (principal departments) it decreased from 8,041 to 5,786, or by 2,255. Semi-governmental employment on revenue account increased from 6,267 to 6,409, or by 142, and on loan account (Metropolitan Water, Sewerage and Drainage Board and Hunter District Water Board) decreased from 6,337 to 4,669, or by 1,668. Total employment on revenue account for State Government and Semi-Governmental authorities together increased from 92,462 to 94,817, or by 2,355, and total employment on loan account (principal bodies only) decreased from 14,378 to 10,455, or by 3,923.

CHANGES IN UNEMPLOYMENT.

Neither quarterly percentages of unemployment in reporting trade unions nor unemployment registrations of the State Labour Exchanges afford a measure of total unemployment (see Supplementary Notes to Table A.VIII, and A.IX with Issue No. 3). Quite apart from the fact that they do not include unemployed persons who do not register, the registration figures shown in Table A.X. are not strictly comparable between States, partly because of differences in conditions and methods of registration in the several States, and partly because the figures refer variously to adult males, males, persons or other combinations of sex and age. The inclusion of those engaged on part-time relief work or working for sustenance is necessary in order to achieve a greater degree of comparability. Full-time relief workers are

not included.

The trade union unemployment percentages and the registered unemployed reflect in part the changes in employment in normal activities, and in part the effect of enlistments for war service. But they do not indicate the extent to which unemployment as a whole has been affected by the changing demands for labour in industry and war service.

Trade Union Unemployment. The unemployment percentages for the reporting unions in the States and Australia are shown in Table A.VIII. From the September Quarter of 1939 to the September Quarter of 1940 (i.e. from mid-August 1939 to mid-August 1940), the percentage for Australia decreased from 10.2 to 7.4. The number of unemployed in the membership of the reporting unions decreased from 48,888 to 36,892, or by 11,996, while the membership itself increased from 478,000 to 496,872, or by 18,872. From mid-May to mid-August of this year the percentage for Australia decreased from 10.5 to 7.4, and the unemployed from 49,775 to 36,892.

In New South Wales, from mid-August 1939 to mid-August of this year, the percentage decreased from 11.6 to 9.8. In Victoria the percentage decreased from 11.2 to 5.9; in Queensland from 5.8 to 4.9; in South Australia from 9.4 to 6.6; and in Western Australia and Tasmania there were decreases from 8.2 to 6.0 and from 8.3 to 4.6, respectively. The magnitudes of the percentages for each State cannot be taken even as a rough measure of the relative degree of total unemployment in the several States. Except for Western Australia, the direction of change in unemployment among reporting unions was, however, in substantial conformity with the direction of change in estimated total employment in normal activities. The large increase in the percentage for Australia and for New South Wales from mid-February to mid-May is chiefly due to the coal strike.

Table A.IX shows the Trade Union unemployment percentages in the principal industrial groups. Over the period, August 1939 to August 1940, substantial decreases in unemployment among the trade unionists concerned occurred in I. Wood, Furniture, etc.; II. Engineering, Metal Works, etc.; IV. Clothing, Hats, Boots, etc.; less substantial decreases occurred in III. Food, Drink, Tobacco, etc.; VI. Other Manufacturing; VII. Building; VIII. Mining, Quarrying, etc.; X. Land transport other than Railway and Tramway services, and other miscellaneous industries. Unemployment among trade unionists in Class V. Books, Printing etc. remained steady at 5.1 per cent.

Unemployment Registrations. Table A.X. shows the numbers of unemployed registered

at the State Labour Exchanges. The figures in this table should not be used to compare total unemployment as between one State and another. There is reason to believe that the proportion of registered to total unemployed differs considerably from State to State. The proportion of the total unemployed who register is known to be much higher in Queensland than in other States, since registration is a condition precedent to the claiming of benefit under the Queensland Unemployment Insurance Scheme which covers all employment to which State awards apply, certain employment not covered by State awards, and certain employment covered by Commonwealth awards. Total registrations decreased from 114,593 in August, 1939 to 70,355 in September 1940, i.e. by 44,238. There was a substantial decrease, moreover, in every State during this period. Registrations decreased in New South Wales from 52,851 to 34,273, i.e. by 18,578; Victoria, from 21,938 to 8,063, i.e. by 13,875; Queensland, from 22,406 to 18,178, i.e. by 4,228; South Australia, from 8,859 to 5,028, i.e. by 3,831; Western Australia, (for which the figures may contain some duplication), from about 6,170 to about 4,243, i.e. by about 1,927; and Tasmania, from 2,369 to 570, i.e. by 1,799. Compared with the previous month of August there was a decrease in the number of registrations in September for all States. Substantial decreases were shown in New South Wales, Queensland and South Australia, and less substantial decreases in Victoria, Western Australia and Tasmania.

Unemployment Registrations by Localities. Tables N.VII, V.III, Q.III, Q.V, S.III, W.III and T.III show unemployment registrations by principal localities. The table below shows for each State the changes in the numbers of registrations at (a) Metropolitan Exchanges, (b) Exchanges in the principal provincial towns, and (c) Exchanges in the rest of the State.

UNEMPLOYMENT REGISTRATIONS BY LOCALITIES
Changes from August 1939 to September, 1940.

State	Metro-politan	Provincial Towns	Rest of State	Whole State
New South Wales ..	-10,321	Broken Hill, Lithgow, Maitland, Newcastle, Wollongong - 3,818	- 4,439	-18,578
Victoria ..	- 8,177	Ballarat, Bendigo, Geelong, Mildura, Warrnambool, Wonthaggi - 1,906	- 3,792	-13,875
Queensland ..	- 1,453	Ipswich, Rockhampton, Townsville - 949	- 1,826	- 4,228
South Australia ..	- 2,878	Moonta, Kadina, Murray Bridge, Gawler, Port Pirie, Mt. Gambier - 234	- 719	- 3,831
Western Australia*	- 429	Fremantle, Goldfields - 160	- 18	- 607
Tasmania ..	- 475	Launceston - 231	- 1,093	- 1,799
TOTAL:	-23,733	- 7,298	-11,887	-42,918

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* State Labour Exchange only, i.e. excluding numbers on Relief Work and Sustenance Record Card Index of Department of Employment.

† This decrease does not correspond to the decrease of 44,238 referred to in the text because for Western Australia the changes by localities apply only to the registrations at the Labour Exchange proper.

There was a substantial reduction (about 23,700) in unemployment registrations in metropolitan areas from August 1939 to September 1940. Relatively to the numbers on the registers in metropolitan areas in August 1939, the decrease in Melbourne (from 12,083 to 3,906) was more marked than the decrease in Sydney (from 30,392 to 20,071).

Compared with August 1939 registrations in September in the principal provincial towns showed substantial decreases in all States. The largest decreases were 3,818 in New South Wales and 1,906 in Victoria. Registrations decreased in most of the provincial towns of New South Wales and Victoria between August and September, particularly in New South Wales (Newcastle 490, Maitland 182). In areas outside the metropolitan and the principal provincial towns there was a net decrease from August 1939 to September 1940 of 11,887. This net decrease is accounted for largely by the decreased registrations in New South Wales and Victoria, where the decreases were 4,439 and 3,792 respectively. With improving seasonal conditions for employment in Queensland between the end of January and the end of September, total registrations decreased by 17,623, and they may even decline still further with the continuance of seasonal activity in the rural areas.

Unemployment Registrations according to Trade or Occupation. Tables V.IV, Q.IV, Q.V.

S.IV and T.IV show for Victoria, Queensland, South Australia and Tasmania respectively, Labour Exchange unemployment registrations classified according to trade or occupation. The limited significance of the figures in these tables should be kept in mind. In the first place they are classified only into broad categories of usual industry, trade or occupation, and the classification must frequently be based on the unsupported claims of the persons registering. The majority of those who register are classed as general labourers. The proportions of the total represented by general labourers in recent months were - Victoria (metropolitan) 54 per cent., Queensland 63 per cent., South Australia 84 per cent., Tasmania 90 per cent. (The proportion for New South Wales was probably 80 per cent. and for Western Australia 75 per cent.). The classifications at present used in the table for persons other than general labourers do not give a comprehensive view of the trends in unemployment among persons of particular skills. Even if a purely occupational classifi-

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cation common to all States were adopted, the figures would still be of doubtful utility for this purpose, since large numbers of skilled and semi-skilled workers apparently do not register for employment at the Exchanges. Also, many registering as labourers may have occupational skills.

The conclusions to be drawn from the figures given in Tables V.IV, Q.IV, S.IV and T.IV may be summarised as follows:-

Between August 1939 and September 1940 there was a considerable decrease in the registrations of general labourers in Victoria, South Australia, Tasmania and Queensland. The August and September registrations for Queensland showed a substantial decrease in this class compared with July.

For persons whose usual occupations are associated with the following industries, trades or services, the movement in registrations between August 1939 and September 1940 was as follows:-

Wood, furniture, saw-mills, timber works etc.: Decreases in Victoria, Tasmania, and South Australia (not shown for Queensland).

Engineering, metals etc.: Large decreases in Victoria and South Australia, decreases in Queensland and Tasmania.

Food, drink, tobacco: Large decrease in Victoria, decreases in Queensland and Tasmania. No registrations in South Australia.

Clothing, hats, boots etc.: Large decrease in Victoria, decreases in South Australia, Queensland and Tasmania.

Books, printing, book-binding: Decreases in Victoria, South Australia and Queensland and no registrations in Tasmania.

Other manufacturing: Large decrease in Victoria, decreases in Queensland and Tasmania, no registrations in South Australia.

Mining: Considerable decrease in Victoria, decreases in Queensland and Tasmania, no registrations in South Australia.

Land Transport (other than railways and tramways): Large decrease in Victoria, decreases in Queensland and Tasmania, no registrations in South Australia.

Domestic, hotels etc.: Considerable decrease in Victoria, decreases in Queensland and Tasmania, no registrations in South Australia.

Commonwealth Bureau of Census and Statistics,

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