

## CHAPTER IV.—FLUCTUATIONS IN EMPLOYMENT AND UNEMPLOYMENT

1. **General.**—In Chapter X. of this Report, the method of index-numbers is applied to trace variations in rates of wage in Australia since 1891, while in Chapters V., to IX. variations in retail prices and in wholesale and import and export prices are shown by a similar method. In order to elucidate further the progress of events, it is desirable to supplement that information, so far as practicable, by furnishing index-numbers which disclose the fluctuations in employment and unemployment.

Employment index-numbers serve not only to throw light upon the figures showing the course of wages, prices, and purchasing-power of money—inasmuch as they indicate the relative loss of time through lack of employment—but also to furnish a useful measure of the fluctuations of industrial activity regarded as a whole. In this connection, it may be said that while export statistics relate only to the margin of national production which is sent overseas, statistics of employment measure, on the other hand, the relative activity or depression of the whole of the industries to which they relate, including, that is, production for the home market as well as for export.

The particulars shewn in the following tables are based upon information furnished by the secretaries of trade unions in the several States. It will be seen from the tables that the membership of unions regularly reporting has now reached nearly 400,000. Unemployment particulars are not collected from those unions whose members have permanency of employment, such as railway and tramway employees, and public servants, or from unions whose members are casually employed (wharf labourers, etc.). Very few of the unions pay unemployment benefit, but the majority of the larger organisations have permanent secretaries and organisers who are closely in touch with the members and with the state of trade within their particular industries. In many cases unemployment registers are kept, and provision is also made in the rules for members out of work to pay reduced subscriptions. Taking these facts, and also the large membership of the numerous unions from which regular quarterly returns are being received, into consideration, it will be realized that percentage unemployment results based on trade union information may be taken to shew the general trend of unemployment existing in the several States. The tables do not furnish a complete register of unemployment, but for the purpose of making comparisons and shewing tendencies over a period of years, the percentages returned as unemployed, though not exact, are the most satisfactory available.

2. **Number Unemployed.**—The following table shews for the end of each year, 1891 to 1923 (1st Quarter), the particulars specified hereunder:—

- (a) The number of unions for which returns as to unemployment are available.
- (b) The number of members of such unions.
- (c) The number of members unemployed, and
- (d) The percentage of the number of members unemployed (c) on the total membership (b).

**Unemployment.—Australia.—Number of Unions and Members Reporting, and Number and Percentage Unemployed, 1891 to 1923 (1st Quarter).**

PARTICULARS.	Unions	Membership.	UNEMPLOYED.	
			Number.	Percentage.
1891 end of year ..	25	6,445	599	9.3
1896 " " " " ..	25	4,227	457	10.8
1901 " " " " ..	39	8,710	574	6.6
1906 " " " " ..	47	11,299	753	6.7
1907 " " " " ..	51	13,179	757	5.7
1908 " " " " ..	68	18,685	1,117	6.0
1909 " " " " ..	84	21,122	1,223	5.8
1910 " " " " ..	109	32,995	1,857	5.6
1911 " " " " ..	160	67,961	3,171	4.7
1912 " " " " ..	464	224,023	12,441	5.6
1913 average for year ..	462	246,068	16,054	6.5
1914 " " " " ..	459	268,938	22,344	8.3
1915 " " " " ..	470	276,215	25,663	9.3
1916 " " " " ..	473	290,075	16,783	5.8
1917 " " " " ..	450	286,811	20,334	7.1
1918 " " " " ..	478	299,793	17,536	5.8
1919 " " " " ..	464	310,145	20,507	6.6
1920 " " " " ..	447	341,967	22,105	6.5
1921 " " " " ..	449	361,744	40,549	11.2
1922 " " " " ..	445	380,998	35,238	9.3
1922 1st Quarter ..	442	378,550	34,879	9.2
" 2nd " " ..	448	373,757	35,796	9.6
" 3rd " " ..	443	381,380	36,706	9.6
" 4th " " ..	445	390,304	33,570	8.6
1923 1st " " ..	452	377,209	27,112	7.2

3. **Employment Index-Numbers.**—For greater convenience of examination and comparison with other statistical data, the percentage of unemployed has been subtracted from 100, so as to shew the percentage of members *not returned as unemployed*, and the results computed in the form of index-numbers with the year 1911 as base (= 1000).

**Percentage of Members of Trade Unions not Returned as Unemployed, and Employment Index-Numbers for the end of the years specified from 1891 to 1922.**

Particulars.	1891.	1901.	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.	1919.	1920.	1921.	1922.
Percentage not returned as Unemployed	90.7	93.4	95.3	94.4	94.7	89.0	93.2	93.3	92.6	94.5	94.8	92.2	90.5	91.4
Employment Index-No., 1911=1000	952	980	1,000	991	994	934	978	979	972	992	995	967	950	959

As the employment rates available for 1912 and previous years relate to the end of the year in each case, the rates used in the foregoing table for 1913 and subsequent years are those for the last quarter of each year.

Subject to this qualification the figures given in the first line of the above table indicate the percentage of full time worked on the average in each year, on the assumption that the unemployment returns for the end of the year are representative of the state of unemployment throughout the year. The figures in the second line shew (on the same assumption) the relative state of employment in each year, compared with that in the year 1911, taken as a 1000.

4. **Unemployment in Different Industries.**—The following table shews for various industrial groups the percentages of members of trade unions returned as unemployed during each of the four quarters of 1921 and 1922. The percentage of unemployed at the end of 1912 is also given. The figures do not include persons out of work through strikes or lockouts.

Percentage of Unemployment\* in Different Industries in Australia at the end of 1912 and Quarterly for 1921 and 1922.†

INDUSTRIAL GROUP.	1912. End of Year.	1921.				1922.			
		1st Qtr. (Jan. to Mar.)	2nd Qtr. (April to June)	3rd Qtr. (July to Sept.)	4th Qtr. (Oct. (Dec.)	1st Qtr. (Jan. to Mar.)	2nd Qtr. (April to June.)	3rd Qtr. (July to Sept.)	4th Qtr. (Oct. to Dec.)
I. Wood, Furniture, etc. . . . .	3.7	9.2	10.3	14.1	9.9	10.2	11.2	5.3	2.7
II. Engineering, Metal Works, etc.	7.4	5.4	10.2	9.0	14.4	17.7	14.1	17.2	15.6
III. Food, Drink, Tobacco, etc.	7.3	15.8	14.8	14.4	14.1	7.4	14.3	12.4	12.1
IV. Clothing, Hats, Boots, etc.	6.3	12.8	8.4	8.8	2.1	1.5	1.9	2.4	2.6
V. Books, Printing, etc. . . . .	2.8	3.8	4.4	3.7	1.0	1.8	1.8	2.0	2.0
VI. Other Manufacturing . . . . .	6.9	12.6	19.0	21.3	12.4	0.0	13.8	10.7	8.5
VII. Building . . . . .	5.5	5.0	6.8	8.6	5.2	5.5	4.5	4.0	2.6
VIII. Mining, Quarries, etc. . . . .	5.6	15.2	9.4	16.3	15.1	12.8	10.5	11.7	13.5
X. Other Land Transport . . . . .	1.1	3.6	4.8	7.3	4.1	5.9	3.9	3.8	3.5
IX., XI., XII., XIII., and XIV. Other and Miscellaneous . . . . .	5.4	15.2	16.0	10.2	9.1	10.1	9.8	11.2	9.7
AUSTRALIA . . . . .	5.6	11.4	12.5	11.4	9.5	9.2	9.6	9.6	8.0

\* Not including persons out of work through strikes or lockouts.

† Figures for earlier years are given in previous Labour Reports

5. **Unemployment in each State.**—The results of the quarterly investigations as to unemployment in the years 1913 to 1921 have been published in Labour Bulletins Nos. 1 to 18, and in the Quarterly Summary of Statistics, Nos. 70 to 91. The following table shews for each State the percentage of members of trade unions returned as unemployed during each quarter of 1921 and 1922. The percentage unemployed at the end of 1912 is also given. In making any deductions from, or drawing any comparisons between, the results shewn in the following table, it must be borne in mind that the classes of industry in the several States for which data are obtained are not quite identical.

Percentage of Unemployment\* in each State at the end of Year 1912 and Quarterly for 1921 and 1922.†

STATE.	1912. end of Year.	1921.				1922.			
		1st Qtr. (Jan. to Mar.)	2nd Qtr. (April to June)	3rd Qtr. (July to Sept.)	4th Qtr. (Oct. to Dec.)	1st Qtr. (Jan. to Mar.)	2nd Qtr. (April to June)	3rd Qtr. (July to Sept.)	4th Qtr. (Oct. to Dec.)
New South Wales . . . . .	5.0	13.7	13.5	12.3	11.0	11.1	11.4	11.9	11.4
Victoria . . . . .	6.7	8.7	9.8	10.2	5.9	0.2	7.8	7.4	5.2
Queensland . . . . .	4.6	15.5	21.8	13.5	11.3	11.1	7.7	8.6	12.4
South Australia . . . . .	5.1	7.9	9.1	8.5	6.1	6.6	6.4	6.6	3.3
Western Australia . . . . .	5.8	8.9	8.3	9.2	8.0	8.5	11.4	11.1	8.0
Tasmania . . . . .	3.4	4.3	10.3	15.7	16.7	13.7	10.4	6.7	3.9
AUSTRALIA . . . . .	5.6	11.4	12.5	11.4	9.5	9.2	9.6	9.6	8.0

\* Not including persons out of work through strikes or lockouts.

† Figures for earlier years are given in previous Labour Reports

6. Causes of Unemployment.—The following tables give, for Australia, the membership of the unions reporting, and the number and percentage of those unemployed under three main heads for the four quarters of the years 1918 to 1922 :—

Unemployment in Australia, according to Causes, in each Quarter of 1918 to 1922.\*

Particulars.	No. of Members of Unions reporting.	Number and Percentage Unemployed through—								
		Lack of Work.		Sickness and Accident.		Other Causes.		Total.		
		No.	%	No.	%	No.	%	No.	%	
1918.										
1st quarter (Jan. to March) .. .. .	272,594	11,872	4.2	1,999	0.7	597	0.2	13,968	5.1	
2nd quarter (April to June) .. .. .	272,962	11,839	4.3	2,143	0.8	587	0.2	14,569	5.3	
3rd quarter (July to September) .. .. .	291,942	14,559	5.0	2,901	1.0	747	0.2	18,207	6.2	
4th quarter (Oct. to December) .. .. .	303,528	12,871	4.2	2,389	1.0	836	0.3	16,646	5.5	
1919.										
1st quarter (Jan. to March) .. .. .	302,727	14,167	4.7	4,771	1.6	839	0.2	19,777	6.5	
2nd quarter (April to June) .. .. .	302,299	15,917	5.3	7,702	2.5	2,039	0.7	25,658	8.5	
3rd quarter (July to September) .. .. .	284,317	11,777	4.1	4,154	1.5	850	0.3	16,781	5.9	
4th quarter (Oct. to December) .. .. .	292,420	11,423	3.9	2,535	0.9	966	0.3	14,924	5.1	
1920.										
1st quarter (Jan. to March) .. .. .	317,549	14,304	4.5	2,430	0.8	656	0.2	17,480	5.5	
2nd quarter (April to June) .. .. .	323,974	15,169	4.7	2,383	0.7	618	0.2	18,170	5.6	
3rd quarter (July to September) .. .. .	313,693	14,135	4.5	2,430	0.8	400	0.1	16,965	5.1	
4th quarter (Oct. to December) .. .. .	333,027	23,147	7.0	2,341	0.7	790	0.2	26,278	7.9	
1921.										
1st quarter (Jan. to March) .. .. .	334,155	34,555	10.4	2,802	0.8	578	0.2	37,935	11.4	
2nd quarter (April to June) .. .. .	348,054	41,071	11.8	2,287	0.6	911	0.3	44,269	12.7	
3rd quarter (July to September) .. .. .	360,512	37,786	10.5	2,733	0.7	680	0.2	41,199	11.4	
4th quarter (Oct. to December) .. .. .	346,708	31,420	9.1	2,385	0.7	643	0.2	34,457	9.9	
1922.										
1st quarter (Jan. to March) .. .. .	361,394	30,605	8.5	2,547	0.7	845	0.2	33,997	9.4	
2nd quarter (April to June) .. .. .	361,901	31,724	8.7	2,693	0.7	582	0.2	34,999	9.6	
3rd quarter (July to September) .. .. .	371,582	33,295	8.9	2,548	0.7	726	0.2	36,569	9.8	
4th quarter (Oct. to December) .. .. .	390,304	30,441	7.8	2,415	0.6	687	0.2	33,543	8.6	

\* For the corresponding figures for earlier years, see previous Labour Reports

It will be observed from the above table that during the first, second and third quarters of the year 1919, the number of persons reported as unemployed owing to sickness was very high in comparison with previous quarters. The heavy loss of employment during these periods on account of sickness was due to the influenza epidemic.

**7. Unemployment Insurance.**—Insurance against unemployment is now provided by legislation in many countries, and is extending to fresh countries as well as developing in those countries where it has already been introduced. Until recently no legislation of this kind had been passed by the State or Federal Governments of Australia. A few of the Trade Unions pay unemployment benefits from their funds, but the number of workers thus provided for is comparatively small. The State of Queensland, however, has recently passed an Act, "To make provision for insurance of unemployed workers and for other purposes."\* It has been considered advisable to give particulars of this, the first Australian, legislation dealing with the problem of unemployment.

The Act was gazetted on the 23rd of October, 1922, and by Proclamation came into force on 1st March, 1923.

Under the provisions of the Act an Unemployment Insurance Fund is created, from which all payments in respect of sustenance allowance and administration of the Act shall be paid. The fund is to be constituted by contributions from workers, employers and the State. The total of the contributions to be made by each of these parties is to be of equal amount, *i.e.*, the workers, employers and the State each contribute one-third part of the fund. The Act provides, however, that for the financial year ending 30th June, 1923, an appropriation of £15,000 to the fund is to be made from the Consolidated Revenue, but that the appropriation for each and every year thereafter shall be determined in the manner prescribed, that is an amount equal to that subscribed by each of the other parties. Provision is made, however, that in case moneys available in the Unemployment Fund are, or are likely to be insufficient to meet the sustenance allowances and other expenditure payable out of the fund, the contribution may be increased on the basis that one-half of the total of the increase shall be paid by employers, one-fourth by the workers, and one-fourth by the State. The Act expressly confines the operation of its provisions to workers whose wages salary or allowances are fixed by award or industrial agreement of the State Court of Industrial Arbitration.

The contributions have been fixed by regulation at 3d. per week per employee to be paid by the employer, and 3d. per week by the employee. The employees' contributions are to be deducted from wages by the employer. In both cases stamps are used and cancelled, such stamps to be purchased by the employer from the Director of Labour. For the employers' contributions, stamps of the requisite amount are to be affixed to the Wages Book or Sheet, and for the workers to an individual card for each worker. These workers' cards are to be retained by the employer so long as the worker continues in employment, but are to be

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\* See Queensland Industrial Gazette, October, 1922.

handed to the worker when he is dismissed for any reason, and can be then used by him as evidence of his eligibility to receive unemployment allowance.

No employee is eligible to receive the allowance until he has contributed to the fund for 6 months, and only after the first fortnight of unemployment.

Failure to accept employment when offered will, except under certain conditions, render the unemployed worker liable to have the sustenance allowance discontinued for a period.

The following scale of allowances is provided for in the Schedule of the Act:

**Rate of Sustenance Allowance Per Week.**

Class of Workers	Southern District.		Central District.		Northern District.	
	Subdivision.		Subdivision.		Subdivision.	
	1	2	1	2	1	2
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
1. Individual workers, whether male or female, unmarried, or widowers or widows	15 0	16 3	16 3	17 6	17 6	20 0
2 Married workers—Male worker supporting his wife and any dependent children	25 0	27 6	27 6	30 0	30 0	35 0
3 In addition for each child wholly supported by a male or female worker (not exceeding four children) under sixteen years of age	4 0	5 0	4 0	5 0	4 0	5 0

The rate of sustenance allowance must not in any case exceed one-half the amount of wages payable under any award, or, if there is no award, in accordance with the prevailing rates of workers employed in the same calling as that of the unemployed worker in the locality where the unemployed worker lives.

The payment of sustenance allowance is not to be made until 14 days have elapsed from the time the unemployed worker has made application for sustenance allowance in the prescribed manner, and will not be paid for more than 15 weeks in any one year. The Unemployment Council may, in exceptional circumstances, modify these provisions.

The Act provides for the constitution of an Unemployment Council (now constituted), composed of the following persons:—

The Minister of Labour (Chairman).

The Registrar of Friendly Societies ;

The Director of Labour ;

A representative of the Workers ;

A representative of the employers.

The Act prescribes the manner in which the two latter representatives shall be elected.

The powers of this Council are extensive. It has the powers of a Commission within the meaning of "The Official Inquiries Evidence Act 1910." It is charged with the duty of inquiring into the causes and extent of unemployment; of ascertaining the most effective measures to be taken for temporarily or permanently reducing or eliminating unemployment; of disseminating information on all matters connected with industrial occupations, and callings of workers, with a view to improving the industrial relationship between workers and employers and lessening the evils of unemployment; of considering and reporting on the industrial efficiency of the community, the organisation of the labour market and opportunities of employment and all matters and questions relating to unemployment; of considering and reporting on the workings of the State Labour Exchanges, and making recommendations deemed necessary for their improvement and extension; of making rules to give effect to their powers under the Act.

The Council is given authority, under certain conditions, to report to the Governor-in-Council cases where the failure of employers to begin or proceed with works which could reasonably and without just cause or excuse be begun or proceeded with is likely to cause unemployment, and the Governor-in-Council may by Order in Council order and direct that such employers shall do such things and take such measures as in his opinion will be effective for temporarily or permanently reducing or eliminating unemployment. Right of appeal against such order to an industrial magistrate is provided for, and after hearing such an appeal the magistrate shall submit the evidence taken and his report thereon to the Governor-in-Council.

In case of default against an order by the Governor-in-Council, if no appeal is made, or if after the appeal has been heard the order is not withdrawn, the Unemployment Council may levy upon the employer a contribution of such amount as is considered proper. Against this levy the employer can also appeal to an industrial magistrate. Similar powers are given by the Act with reference to relief works by Local Authorities. Other provisions relate to the establishment of Labour Farms to absorb what is described in the Act as the "normally unemployable" who are unable to support themselves otherwise, and the fixation of rates of wage and conditions of labour on such Labour Farms.