

Employment in Australia

There is little need to emphasise the fact that Australia is at present in a condition of "over-employment." Unemployment is down to the very minimum attainable in a country subject to seasonal influences, whilst the total demands for labour have run well ahead of the numbers able, or willing, to accept work. The number of "situations vacant" advertised in the daily newspapers steadily mounts and, today, the development of many enterprises depends on the ability of their management to cope with, and by one means or another, overcome the present acute shortage of labour. Latest estimates speak of no less than 175,000 unfilled jobs. These conditions are in marked contrast to those which existed in pre-war days when around 300,000 people, about 10% of the total labour force, were not in regular employment.

The total labour force, consisting of occupied civilians, those serving full-time in the defence forces and those unemployed, in Australia generally comprises about 44% of the total population. During the war years, an outstanding feature was the enormous rise in the defence forces accompanied by no corresponding reduction in the numbers in civil employment. This was achieved by the absorption of nearly all those unemployed in 1939, and by the increase in the total labour force which resulted from a rise in the total population and the attraction into employment of people (including many women) who, in normal times, would not seek a regular occupation.

Huge Expansion in Numbers in Secondary Industry.

A slight decline in the number of Australians engaged in civilian work occurred during the middle war years but so soon

as hostilities ended there was a sharp increase, which, by June, 1947—the latest date for which official figures are available—had taken civilian employment to a new high level of 3,217,000 persons, nearly 480,000 more than in July, 1939. A dissection of those in civil employment into the categories of "Employers and Workers on Own Account" and "Wage and Salary Earners" discloses significant but not unexpected, trends. There was a marked absolute fall in the former category during the war and it was not until 1947 that the pre-war numbers had been regained. As a proportion of total occupied civilians, "employers and workers on own account" fell from 25% in July 1939 to 21% in June, 1947.

One-half of this whole expansion in civilian employment was centred in the manufacturing industries, where a huge growth of employment took place. Before the war 694,000 persons were engaged in secondary industry, consisting of 69,000 employers and workers on own account and 625,000 wage and salary earners. By June, 1947, no less than 934,000 persons were in the manufacturing industries comprising 71,000 employers and workers on own account, and 863,000 wage and salary earners. Though this phenomenal increase took place it is most noticeable that the additional numbers of employers and workers on own account were, relatively, only a handful, about 2,000. As over these years, the number of establishments classed as factories rose by just under 8,000, it would seem that a large part of the manufacturing growth which occurred took the form of branch and subsidiary units of previously established parent concerns.

The rise of 240,000 in manufacturing employment—an increase of about 35%—in slightly more than nine years re

ects the stimulus given to Australian secondary industry, first by the needs of war, and second by post-war requirements of reconstruction and development. The scarcity and high prices of imports, both during the war and afterwards, have also been important in keeping up the demands for the products of Australian secondary industry.

Although complete figures are not available since the census of June, 1947, published statistics of wage and salary earners reveal a further rise of 40,000 up to November, 1948, making the total for this section 903,000. It therefore seems likely that, with the addition of employers and workers on own account to this figure, employment in secondary industries is now little short of one million persons.

Primary Industries Short of Labour.

Whilst, in some quarters, the rapid expansion of secondary industry employment may be taken as a cause for satisfaction, it is quite possible that this expansion—which has been in some measure at the expense of employment in primary industries—constitutes a threat to the future balance of the Australian economy. The wartime demand for labour in manufacturing occupations, combined with the anticipated attractions of city life, resulted in a considerable exodus of workers from rural occupations, and thereby accelerated the drift of population from country areas to the cities. Whereas in July, 1939, there were 633,000 persons, 70% of all occupied civilians, engaged in agriculture, grazing, dairying, forestry, fishing and trapping; mining, etc., by June, 1945, this figure had dropped to 160,000, or only 20%. Though rural employment recovered by 82,000 in the succeeding two years, this represented only 14% of the increase in civil employment and meant that, as a proportion of total civil employment, the numbers en-

gaged in primary industry were down to 19% by 1947.

Thus, while there are far greater numbers now at work than in pre-war days, there are 15,000 people less engaged in rural industries. These figures help to explain the lag in primary production and show graphically that the existing prosperity of the farmer may be highly precarious, founded as it is not on increased production but on the hazard of favourable seasons and extremely high world prices for primary products.

Employment in Service Industries Stable.

The numbers employed in the service industries, i.e., building and construction, transport and communication, commerce, finance, professions, amusement, etc., have remained remarkably stable. Generally, about one-half the number of occupied civilians is engaged in these occupations—51.5% in July, 1939, 48.5% in June, 1945 and 51.5% in June, 1947. They absorbed just over one-half of the 480,000 increase in civil employment between 1939 and 1947.

However, within the group of service industries important changes have occurred. The numbers in building and construction, though slightly above the 1939 figures, have declined relatively to the total. Transport and communication gained substantially, but the large section of government employees included under the heading of "service industries" recorded the biggest upward movement. The numbers in the professions rose, mainly due to the influx of women into these occupations, but private domestic servants (female) recorded a dramatic fall from 125,000 in 1939 to 51,000 in 1947.

Present Labour Shortage.

The present shortage of labour, recently stated by the Prime Minister to be about

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175,000 persons, is the outcome of a combination of factors, the main one being the war, which caused, on the one hand, a huge back-log of demand through the restriction or postponement of many items of consumption and investment and, on the other, an enormous rise in the cash holdings of the public.

A further important factor is the vast increase in the number of government employees. In July, 1939, there were 405,000 persons engaged by Commonwealth, State and Local Governments but by December last this figure was just short of 600,000, an increase of 48%. In addition, the general post-war inflationary movement, fed largely on high export incomes, and of which rising incomes and prices and buoyant trade are symptoms, has led to the setting up of many new businesses and the expansion of existing ones, with consequently added demands on the labour supply.

Although precise figures of the shortage of labour are not available, a valuable indication of the general trend is afforded by the number of vacancies registered with the Commonwealth Employment Service. At the end of 1946 there were 59,000 vacancies registered, a year later 91,000, and at present 113,000. According to a recent statement by the Prime Minister, this figure would increase to around 175,000 when allowance is made for vacancies which employers have not registered with the Commonwealth Employment Service. Of the 113,000 registered vacancies, 20,000 are for the metal trades, 19,000 for clothing and textiles, 11,000 for building and construction, and 5,000 for wood furnishings, paper and printing. There are 15,000 registered vacancies for other manual workers and nearly 17,000 for administrative, commercial and clerical occupations.

Meeting the Labour Shortage—Natural Increase.

A balance between the supply of, and the demand for, labour depends, on the

one hand, upon increases in population and, on the other, on the effect of economic conditions on the requirement for labour. Increases in population are determined by the two factors, rate of natural increase and the net rate of immigration. Additions to the labour force in the next few years from the natural increase of the population are pre-determined by the birth-rate of the early 'thirties. During the 1930's the birth-rate—the number of births per thousand of population—fell very sharply from 20.25 in 1929 to as low as 16.39 in 1934 and it was not until 1943 that the pre-depression level was regained.

The Commonwealth Statistician estimates that in the year 1940 Australia had 644,100 boys and girls in the vital 15-19 years' age group, whereas in 1947 the corresponding figure was 582,000. Last year this number had fallen by a further 23,300 and by 1951 the position will have deteriorated by an additional 42,300, for in that year there will be only about 516,400 boys and girls between the ages of 15 and 19. Besides having grave consequences upon the immediate recruitment of labour, this alarming fall in the total of young people will adversely affect the numbers becoming of marrying age and influence the long-term supply of labour unless these effects can be offset by immigration. The marked tendency for the numbers in full-time attendance at universities and similar institutions to increase will constitute a further drag upon the already diminished source of additional labour. The raising of the school leaving age in several States, and the ability of many "bread-winners" to maintain their children at school beyond the age previously found possible, are additional factors decreasing the present number of young persons seeking employment. The need to maintain larger defence forces will also tend to retard increases in civil employment.

One Commonwealth Government statistician* has estimated expected future increases in the working population from natural increase, after making the appropriate adjustments for the numbers receiving full-time training under Reconstruction Training Schemes. His estimates are as follows:—

NET NATURAL INCREASE (000's)

Year	Males	Females	Total
1947-48	8	7	15
1948-49	16	8	24
1949-50	17	7	24
1950-51	14	5	19
1951-52	10	5	15

Immigration Prospects.

The Commonwealth Government is pursuing a large-scale immigration policy aimed to bring into the country approximately 100,000 persons annually. However, the number of persons permanently leaving Australia—approximately 150,000 a year—has to be offset against

new arrivals, leaving an anticipated annual net addition to the population from immigration of about 80,000 persons. This figure, of course, does not represent immediate additions to the labour force as it contains women and children not seeking employment. Of the new arrivals approximately 55% are males and 45% females and about 75% of the former and 25% of the latter will be straight-away absorbed into the labour force. Taking a cautious view of immigration prospects, a reasonable estimate of the number of immigrants would be 70,000 in 1947-48, rising by 5,000 each succeeding year. On this basis, net immigration is calculated at 60,000 for 1948-49—yielding 25,000 males and 7,000 females seeking employment, increasing to 75,000 by 1951/52, with 31,000 males and 9,000 females seeking work in that year.

Combining these figures with the estimates of natural increase set out in the preceding section, expected increases in the labour force during the next few years may be estimated as follows:—

FUTURE INCREASES IN THE LABOUR FORCE (000's)

	MALES			FEMALES			
	Net Natural Increase	Immigration	Total	Net Natural Increase	Immigration	Total	Grand Total
1947-48	8	23	31	7	6	13	44
1948-49	16	25	41	8	7	15	56
1949-50	17	27	44	7	7	14	58
1950-51	14	29	43	5	8	13	56
1951-52	10	31	41	5	9	14	55

Striking the Balance.

Whilst immigration may make a valuable contribution to meeting the unsatisfied and urgent requirements for labour, arising from a virile public demand for goods and services, at the same time it adds to this public demand and thereby tends to generate further labour shortages. This phenomenon is seen starkly in relation to the present deficiency of housing and it appears that, if the existing demand for labour by industry were to

remain, a balance between the demand for, and the supply of, labour would not be struck until the existing labour force increased by about 250,000 persons. The foregoing estimates of future increases in the labour force indicate that this would not be achieved until 1951 or 1952. If, on the other hand, there is some falling away in the demand within the next few years—and this is the most realistic assumption—the position would be very different. An excess, instead of a shortage of labour, might then become the prime problem of economic policy.

*Mr. J. F. Nimmo, formerly Principal Research Officer, Bureau of Statistics, Canberra.



Employment in Australia (continued)

	TOTAL LABOUR FORCE.				
	July 1939 '000	June 1943 '000	June 1945 '000	June 1946 '000	June 1947 '000
Total in Civilian Work	2737.7	2562.4	2649.2	3007.5	3216.9
Defence Forces	12.9	729.0	648.9	147.1	55.5
Unemployed	298.0	25.8	56.1	134.0	33.8
Total Labour Force	3048.6	3317.2	3354.2	3288.6	3306.2
Non-Working Population	3912.3	3905.3	4022.4	4160.0	4274.6
Total Population	6960.9	7222.5	7376.6	7448.6	7580.8

(Source: "Monthly Bulletin of Employment Statistics," "Quarterly Summary of Australian Statistics" and "Demography Bulletin," published by Commonwealth Bureau of Census and Statistics.)

	TOTAL OCCUPIED CIVILIANS.				
	July 1939 '000	June 1943 '000	June 1945 '000	June 1946 '000	June* 1947 '000
Primary Industry	632.8	499.5	535.5	608.5	617.9
Manufacturing	694.2	880.1	830.8	884.6	933.5
Service Industries—					
Building and Construction	181.3	106.2	108.2	155.4	193.1
Transport & Communication	231.1	246.9	268.2	301.3	323.6
Commerce and Finance	486.4	377.4	402.4	504.3	547.3
Professions	193.9	182.9	190.9	216.4	238.6
Entertainment and Personal Service	151.7	123.2	148.8	185.1	199.1
Private Domestic Service (Females)	124.5	41.5	47.6	50.1	51.0
Public Authority Activities (not elsewhere included)	41.8	104.7	116.8	101.8	108.3
Total Service Industries	1410.7	1182.8	1282.9	1514.4	1661.0
Total All Industries	2737.7	2562.4	2649.2	3007.5	3212.4

*Preliminary figures.

(Source: Taken from an address given at Melbourne University in September, 1947, by Mr. J. F. Nimmo, and reprinted by the Institute of Industrial Management in its booklet "How Can Australia Meet Its Labour Shortage?")

The preliminary figures for June, 1947, given here differ slightly from recently published statistics of the total number of persons in civil employment. However, the difference is so small and spread through so many industries that the comparison with earlier years is in no way inaccurate.)

