View metadata, citation and similar papers at core.ac.uk
brought to you by CORE
provided by Sydney eScholarship

New South Wales Public Employment Services 1887-1942

Melissa Kerr

A thesis submitted in partial fulfilment of the requirements for the degree of Doctor of Philosophy, Work and Organisational Studies, University of Sydney Business School, Submitted in March 2012.

Declaration

Statement of Originality

This is to certify that to the best of my knowledge, the content of this thesis is my own work. This thesis has not been submitted for any degree or other purposes.

I certify that the intellectual content of this thesis is the product of my own work and that all the assistance received in preparing this thesis and sources have been acknowledged.

Melissa Kerr

Abstract

Australian historical scholarship has traditionally neglected public employment services as an area of research. However, in recent years as the State has repositioned itself in the labour market the role of public employment services has become a popular area of debate. While contemporary scholars have contributed to these debates, their historical counterparts have been slower to follow suit. In overcoming this neglect, this thesis provides an historical examination of one of the earliest forms of state intervention into the Australian labour market: public employment services. This study examined the establishment and operations of public employment services in NSW from 1887 until 1942, when they were transferred across to the Federal Department of Labour and National Service, to comply with Commonwealth Wartime legislation.

Within the Australian contemporary scholarship, public employment services have been conceptualised according to three dominant economic traditions: neo-classical economics, Keynesian economics and the writings of W.H. Beveridge. However, these traditions are predicated on inherent assumptions and predetermined outcomes, all of which fail to identify the origins and development of public employment services in Australia. Neo-classical economists have been the most critical arguing that the public provision of employments services is both inefficient and ineffective. Within the historical literature, Institutional economists in the United States have been influential in identifying the socio-economic factors that led to the development of the public employment services: asymmetrical labour market information and fraudulent acts perpetrated by private employment registries, all of which distorted the functioning of the labour market. By adopting the institutional economic approach, this thesis found that it was these socio-economic concerns that led to the introduction of the public employment service in NSW. This thesis disputes the claims of the neo-classical economists that the public employment services were both inefficient and ineffective, instead it argues that the public employment service played a pivotal role in the development of the NSW economy performing the role of labour market intermediary: channelling information and bringing together those wishing to buy and sell labour; while safeguarding those vulnerable in the labour market: the unemployed.

Acknowledgements

This thesis is dedicated to my beautiful children Phoebe and Oscar. You are both amazing and truly inspire me. While I know that you are both as relieved as I am that I have finally completed this work, I hope my dedication will inspire you in your own lives.

I would like to take to this opportunity to express my gratitude to a great many people who assisted me in completing this thesis. Firstly and most importantly, I would like to thank my supervisor, Greg Patmore, for all his patience, help, enthusiasm and encouragement. Greg has always shown incredible enthusiasm for my research and I cannot thank him enough for all his help and support. I would also like to thank my assistant supervisor Harry Knowles for his encouragement and help. Like Greg, Harry has always more than willing to listen and provide advice and guidance for which I am very grateful. I would also like to thank all the staff from Work and Organisational Studies, many whom also assisted me in my research.

There have been many others who have assisted me in my research. I would like to thank the Staff of the State Library of NSW, the British Library and in particular, the staff in the Social Science reading rooms. I would also like to thank the staff from both the National Library and National Archives in Canberra. I would also like to thank Merilyn Bryce and Margaret Walters for their assistance.

I have also been very fortunate to have received financial support from the Faculty of Economics at the University of Sydney and the Julian Small Foundation. I am most grateful for this financial support as it has enabled me to undertake my research.

Finally, I would like to thank my husband Gary and my Mum for their support and encouragement throughout the process. Gary you have been amazing in taking our children out every weekend while I worked and I want you to know that I do appreciate it very much.

Contents

Declaration 2
Abstract 3
Acknowledgements 4
Contents 5
Index of Tables 7
Chapter 1 Introduction 9
Aims of this Thesis 9
Research Plan and Methodology: 15
Thesis Structure 18
Chapter 2 Literature Review 21
Introduction 21
Concepts and Definitions 23
Economics Perspectives on Public Employment Services 28
Against State Intervention: Neoclassical Economics 29
State Interventionists: Beveridge, Keynesian Economics and Institutional Economics 38
Historical Literature on the Origins of Public Employment Services 46
International Literature 46
Australian Literature 53
Conclusion 58
Chapter 3 Casual Labour Board 61
Introduction 61
Economic and Industrial Conditions 62
Late Nineteenth Century Political Landscape 66
Origins and Members of the Casual Labour Board 68
Operations of the Casual Labour Board 71
Government Relief Work 73
Private Employment 76
Registrations 77
Expenditure of the Casual Labour Board 78
Criticisms of the Casual Labour Board 80
The Termination of the Casual Labour Board 86
Conclusion 87
Chapter 4 Government Labour Bureau 89
Introduction 89
Economic and Industrial Context 91
Political Landscape 98
Origins and Influences of the Government Labour Bureau 101
Operations 107
1893 Select Committee of the Legislative Assembly into the Workings of the Government Labour Bureau 110

Gold Fossicking 119
Registrations 120
Criticisms 124
NSW Labour Commissioners 127
Conclusion 128
Chapter 5 NSW Labour Commissioners 131
Introduction 131
Economic and Industrial Context 133
Political Landscape 136
Origins of the NSW Labour Commissioners 138
Operations 141
Female Registry 148
Private Registry Offices 151
Who Registered? 152
1904 Inquiry into the Operations of the State Labour Bureau with View of Reformation 158
Conclusion 163
Chapter 6 The State Labour Bureau of NSW 166
Introduction 166
Economic and Industrial Context 167
Political Landscape 169
Operations 170
Proposed Government Regulation –Private Registry Offices and the Unemployed Labour Bill 174
Registrations 176
State Labour Bureau – Supporters and Critics 181
Conclusion 183
Chapter 7 State Labour Branch 185
Introduction 185
Economic and Industrial Context 186
Political Landscape 190
State Labour Branch Operations prior to the Outbreak of War 1912-1914 193
Operations Outbreak of War 1914-1919 period of experiment 195
Self-Registration System and Travel to Employment 195
Regulation of Private Employment Registries 202
Sub-agents and Specialised Labour Exchanges 205
Registrations 207
Outbreak of War: Manpower regulations and National Service Offices 212
Conclusion 213
Chapter 8 Conclusion 216
Appendix 226
Appendix 1 Casual Labour Board Registrations including occupations. 226
Appendix 2 Summary of Private Employment Licenses in NSW 1923-1933 228
Appendix 3 Distribution of licensed Private Registry Operations in NSW 1923-1928 234
Appendix 4 Private Registry Prosecutions 1919-1928 236
Appendix 5 Cancellation of Labour Exchange Sub-Agents from 1940 238
Appendix 6 Summary Labour Exchange Operations 1912-1941 239

Appendix 7 Break down of Labour Exchange Operations 1912-1941 240
Appendix 8 Registrations by Industry 1915-1932 242
Appendix 9 Summary of Total Registration 1892-1941 243
Bibliography 244
Primary Documents 244
Archives 244
Government Publications 244
Annual Reports 245
Newspapers 247
Secondary Documents 248
Books and Monographs 248
Chapters 253
Articles 256

Index of Tables

Chapter 2
Table 2.1 Typology of Placement Systems 27
Table 2.2 Mediation Systems 28
Table 2.3 Economic Traditions 45
Table 2.4 Harrison's Common Abuses and Frauds Committed by Private Agencies 49
Table 2.5 Martinez's Typology of Private Employment Agency Abuses 50
Chapter 3
Table 3.1 Registration Information 72
Table 3.2 Relief Works December 1888 75
Table 3.3 Casual Labour Board Registrations by Industry 78
Chapter 4
Table 4.1 Government Labour Bureau Regional Branch Offices 114
Table 4.2 Number of Men Sent Fossicking by the Government Labour Bureau 119
Table 4.3 Government Labour Bureau Registrations 121
Chapter 5
Table 5.1 NSW Labour Commissioners Classification System 144
Table 5.2 Female Registry Operations 1902-1904 149
Table 5.3 NSW Labour Commission Registry Operations 1901-1905 153
Table 5.4 Dawes Point Registrations 154
Table 5.5 Dawes Point Registration by Classification 154
Table 5.6 Age of Men Registering at the Labour Bureau 157
Chapter 6
Table 6.1 Casual Labour Farm Payments and Credit 173
Table 6.2 Summary of Registrations – Dawes Point 177
Table 6.3 Labour Bureau Registry Operations 1905-1912 178
Table 6.4 Dawes Point Registrations by Classification 179
Table 6.5 Dawes Point Registrations by Classification including sub-classification 181
Chapter 7
Table 7.1 Self Registration Office Operations 1914-1917 197
Table 7.2 Women's Employment Agency Registrations May 1914 – December 1917 199
Table 7.3 Private Employments Licenses Granted, Expired and Renewed 1918-1922 204
Table 7.4 Registrations Characterised by Period 208

Table 7.5 Registrations by Industry 1915-1932 including Occupations.....210
Table 7.6 Dawes Point Registry August 1912-August 1917.....211
Table 7.7 Self Registration Office Operations 1914-1917 212

Currency Explanation

The currency referred to in this thesis was the pre decimal monetary system based upon the British system of pounds, shillings and pence which was abbreviated to a simplified L.s.d.. (£sd) - pounds, shillings and pence. In current terms this roughly equates to
1d = 1c
6d = 5c
1/- = 10c
10/- = 1$
1 pound = $2

Abbreviations

Amalgamated Navies and General Labourers' Union (ANGLU)
Australian Shearers Union (ASU)
Clarence and Richmond Examiner - CRE
Commonwealth Employment Service - CES
Labor Electoral League - LEL
Members of Parliament – MP
New South Wales – NSW
New South Wales Government Gazette - NSWGG
New South Wales Industrial Gazette - NSWIG
New South Wales Parliamentary Debates Legislative Council Legislative Assembly - NSWPDLCLA
New South Wales Parliamentary Papers - NSWPP
The Maitland Mercury – MM
The Sydney Morning Herald – SMH
United States Employment Service – USES
Votes and Proceedings, New South Wales Legislative Assembly - NSWVPLA

Chapter 1 Introduction

This thesis provides an historical examination of one of the earliest forms of state intervention into the Australian labour market: public employment services. The study is confined to a case study of the NSW public employment services from 1887 until 1942 when the State Labour Exchanges, as a wartime measure, were transferred to the Federal Department of Labour and National Service. By focusing on a specific case study this thesis was able to analyse both the origins and trace the development of the public employment services in NSW. A longitudinal study provided a greater understanding of the issues, as it permits complex phenomena to be viewed over time. This allows the observer to distinguish between the short term and long term effects of some events. Such longitudinal studies have been rare in academic and policy debates regarding the role of public employment services in Australia.

Aims of this Thesis

Since the 1970s, in the context of increasing economic instability and rising unemployment, economists and policy makers have engaged in debates about the state's role in the labour market. In response to this, a proliferation of literature has emerged. Dominated by neo-classical economists advocating for the removal of state intervention in the labour market, policy makers have begun repositioning the role of the state in the labour market. Consequently, over the past two decades there has been a major shift across the OECD towards a greater involvement of private providers of employment services.[1]

In Australia, following the election of the Howard Liberal National Coalition Government in 1996, policy makers undertook a number of labour market reforms in a bid to extricate the state from the labour market. Part of this labour market reform included the abolition of the public employment service in 1998. Based on the prevailing neo-classical economic orthodoxy, it was claimed that the public provision of employment services was an inefficient

[1] A. Dockery & T. Stromback , *'Devolving* Public Employment Services: Preliminary Assessment of the Australian Experience', *International Labour Review*, Vol. 140, No. 4, Winter, 2001, pp. 429-452; R. Fay, 'Making the Public Employment Service More Effective Through the Introduction of Market Signals', *Labour Market and Social Policy Occasional Papers*, No. 25, 1997, OECD; S. Ricca, 'The Changing Role of Public Employment Services', *International Labour Review*, Vol. 127, No. 1, pp. 19-34; D. Kubler, 'Coexistence of Public and Private Job Agencies', *Public Choice*, Vol. 101, No. 1, 1999, pp. 85-107; P. Zweifel & C. Zaborowski, 'Employment Service: Public or Private?', *Public Choice*, Vol. 89, No. 1, 1996, pp. 131-162.

and ineffective use of state resources. Instead, it is argued that a system of private employment agencies improves allocative efficiency since private agencies and their employees have stronger performance incentives than employees in the public sector. Furthermore, it was claimed that competition results in a greater range of approaches being tested, leading to innovation, a higher rate of improvement in service quality and cost effectiveness, and greater responsiveness to client needs.[2]

However, this neo-classical economic literature suffers from a number of significant flaws. Firstly, it is laden with inherent assumptions and pre-determined outcomes which subsequent studies have failed to substantiate. Secondly, this approach fails to explain why the public employment service was established, or what factors influenced and shaped its structure and programs. Clearly a striking feature of this discourse has been its almost total failure to place these contemporary debates within a broader historical context. Why would this be important? As Hyman reminds us, 'the present is historically conditioned and historically contingent'.[3]

If the present is both historically 'conditioned' and 'contingent', what can history tell us about the role of public employment services. Contributions to the historical literature by institutional economists in the US have been influential in identifying a range of factors that have contributed to the formation of the public employment service. Unlike their neoclassical economic counterparts, institutional economists refute the idealised notion of market forces and predetermined economic modelling and instead analyse social explanations for economic behaviour. Commons found that provision of public employment services in the United States during the early twentieth century was a social and economic necessity to counteract the discrimination and fraud perpetrated by private fee charging agencies.[4]

Throughout the literature it is evident that public employment services have been a time honoured policy response to the recurring problem of unemployment. Public employment services are specific state regulated institutions embedded within the labour market. They perform the role of labour market intermediaries: channelling information, sometimes

---

[2] However, it is important to note that while the Howard Government embarked on an agenda of privatisation they were in fact following the same path as the previous Hawke-Keating Labor Government who had sold Qantas, floated the dollar amongst others. S. Bell & B. Head, (ed.), *State, Economy and Public Policy in Australia*, Oxford University Press, Melbourne, 1994, pp. 3.

[3] R. Hyman, 'Contribution to Review Symposium', *Industrial Relations,* Vol. 21, No. 1, 1982, pp. 108.

[4] J. Commons, *History of Labor in the United States 1896-1932*, Vol. 3, Augustus M. Kelly, New York, 1966, pp. 114-136.

establishing prices, and bringing buyers and sellers of labour together. Since their emergence on a wide scale in the second half of the nineteenth century, employment services/agencies have operated as either privately operated, usually fee-charging agencies (with a view to profit or not); or, as state operated, usually free, public employment services, labour bureaus or exchanges.[5]

Prior to the emergence of labour bureaus, as they were commonly known, the unemployed had limited avenues to gain employment. For skilled tradesmen union membership not only regulated their wages and conditions but also provided them with an avenue to gain further employment. Both Leeson and Quinlan found that trade unions in both the UK and Australia played an instrumental role in assisting their members into employment. Acting as de-facto labour bureaus the early unions in Britain operated a tramping system amongst journeymen as a means of assisting and distributing men to employment, both generally and geographically. In Australia Quinlan found that the early craft unions operated a similar system called the 'houses of call' which acted as a labour exchange. This would occur at a pub where the union was based and employers would come to the pub to hire union members. For those who were not union members, being mostly the unskilled workmen, the only avenue to gain employment was either informally by referral or through the unregulated private employment registries that were known to be charge high fees and use unscrupulous and fraudulent practices.[6]

Free government operated labour bureaus first began appearing in the first half of the nineteenth century. Interestingly, as Weishaupt argued, it was the local authorities rather than the national Governments that attempted to systematically deal with problem of unemployment through the use of public employment services during this time. The earliest labour bureaus were established in Germany in the cities of Dresden in 1840 and Leipzig in 1844. A similar pattern also occurred in the United States. Leiserson found that Ohio established the first labour bureau in 1891 and by 1914 eighteen states had established over sixty labour bureaus offices. A national public employment service was established in 1907. However, Commons found that the United States Employment Service (USES) was largely

[5] R. Mitchell & A. O'Donnell, 'Employment Agencies: The Regulation of Public and Private Employment Agencies in Australia: An Historical Perspective' *Comparative Labor Law and Policy Journal*, Vol. 23, 2001, pp. 7-37.

[6] M. Quinlan, 'Early Trade Union Organization in Australia', *Labour and Industry,* Vol. 1, No. 1, 1987, pp.73-80; R. A. Leeson, *Travelling Brothers The Six Centuries' Road from Craft Fellowship to Trade Unionism,* Allen and Unwin, London, 1979, pp.133 & 236.

ineffective and faced considerable hurdles due to the existence of both the State and Federal system of labour bureaus. Following the Wagner-Peyser Act in 1933 Commons argues that the United States finally had an integrated and effective national employment service.[7]

Lee claims that regional public employment services offices also emerged in Belgium in 1870, France in 1884 and Italy in 1897. In the United Kingdom the first labour bureau was established in London on 1902 under the *Labour Bureau (London) Act 1902*, and nationwide public employment service was established later in 1909 following the *Labour Exchanges Act 1909*. Sweden also established its first public employment service in 1902, opening their first labour bureau in Goteberg.[8]

Reeves stated that one of the earliest national public employment service systems occurred in New Zealand. Established in 1891 the New Zealand Labour Bureau was an integrated labour market system divided into eleven districts with branch offices and agencies in every important town. Reeves, Cook and Endres claim that the New Zealand Labour Bureau system was influential in the design of the NSW Government Labour Bureau, opened in 1892. However, while the New Zealand labour bureau system appears to be the earliest national public employment services there were earlier attempts to establish public employment services in both NSW and Victoria.[9]

The public employment service in Australia emerged in a similar manner to Germany, the US and UK with labour bureaus opened initially in the metropolitan centres of the various colonies during the late nineteenth century. It was not until 1942 following the outbreak of World War II a national public employment service emerged. The earliest report of a government labour bureau being established occurred in Victoria in 1874. During this time the Victorian Parliament received numerous deputations from the unemployed advocating for a government labour bureau. The Government believed that the role of the labour bureau was

---

[7] Leiserson claims that eighteen states had established labour bureaus by 1914: Colorado, Connecticut, Indiana, Kansas, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, Ohio, Oklahoma, Rhode Island, Washington, West Virginia and Wisconsin - see W. M. Leiserson, 'The Theory of Public Employment Offices and the Principles of their Practical Administration' *Political Science Quarterly*, Vol. 29, No. 1, 1914, pp. 28;J. Commons, *History of Labor in the United States,* pp. 114-136; J.T. Weishaupt: Managing public employment services: Trends and experiences with recent governance reforms (Geneva, ILO Report 164) 12 November 2010 www.pesbenchmarking.eu/inc/download.asp?file accessed 4/8/2012.

[8] Lee, W., *Private Deception And The Rise Of Public Employment Offices In The United States, 1890 – 1930*, National Bureau of Economic Research, Working Paper 13695, 2007

[9] W.P. Reeves *State Experiments in Australia and New Zealand*, *State Experiments in Australia and New Zealand,* Vol. 2, Macmillan, South Melbourne, 1968 (First Published 1902)pp. 219-220; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', *Australian Economic History Review*, Vol. 26, No. 1, March 1986, pp. 56-70.

to assist immigrants who had arrived in the Colony in finding employment. The State Labour Bureau of Victoria opened in January 1885. However, by 1886 there was growing concern over its role and it was abolished later that year. In August 1892 the Victorian Labour Bureau was reopened, and like its NSW counterpart (The Government Labour Bureau), it continued to operate until 1942 when they were transferred to the Federal Department of Labour and National Service.[10]

During this late nineteenth century period other Colonies also began establishing labour bureaus. In Queensland the Government Labour Bureau opened in Brisbane in 13 October 1891. While in Tasmania there is Government interest in establishing a labour bureau from 1893 and on 22 May 1894 a Government Labour Bureau was opened in Launceston. In West Australia a Government Labour Bureau was established in Perth on 17 June 1898.[11]

Within the literature there has been confusion over the origins of the early NSW labour bureau. Reeves, Endres and Cook claimed that the first labour bureau in NSW occurred in 1892, while Coghlan stated it was established 1894. However, as this thesis argues the labour bureau that they were referring to was the Government Labour Bureau, established by the Dibbs Government on 18 February 1892. Furthermore, as discussed in Chapter 4 it had a predecessor, the Casual Labour Board established on 2 May 1887 and later abolished on 29 December 1888. Like its earlier Victorian counterpart the Casual Labour Board was also only short-lived and in both cases a more permanent labour bureau emerged later in 1892.[12]

As the preceding discussion has alluded to, the origins and role of the public employment service has generally been neglected in Australian scholarship. It is argued that this neglect can be attributed to a pluralist preoccupation with state intervention in the form of the system of arbitration and conciliation and those involved in the system: paid workers. The unemployed being the predominant users of public employment service fell outside their sphere of study and have been largely excluded. Consequently, a significant gap still remains in our historical knowledge of public employment services in Australia. The aim of this thesis

---

[10] Date of closure of the State Labour Bureau of Victoria's closure is unknown in existing literature and conflicting dates in the press.*South Australian Register(hereafter SAR),* 18.9.1874 pp. 4, 1.2.1875, 13.6.1892, pp. 6; *Sydney Morning Herald,* (hereafter *SMH*),23.8.188, pp. 7.

[11] *The Mercury,* 13.10.1891, pp. 2, 14.1.1893, pp. 3, 8.12.1893, pp. 3, 5.1.1894, pp. 2*; SMH,* 14.3.1893, pp. 7; *The West Australian*, 18.6.1898, pp. 4 & 9, *The Launceston Examiner,* 24.5.1894, pp. 7.

[12] W.P. Reeves, *State Experiments in Australia and New Zealand,* pp. 219-220; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70, T.A. Coghlan, *Labour and Industry in Australia,* Vol. IV, MacMillan, Melbourne, 1969 (First Published 1918), pp. 2019-2020.

is to fill the current gap in Australian historical literature by analysing the origins and development of public employment services in NSW.

To address the current gaps in the literature, this thesis examines public employment services in NSW from 1887 until 1942. Between 1887 and 1942 the public employments service operated under the following names: Casual Labour Board 1887-1888; Government Labour Bureau 1892- 1900; NSW Labour Commissioner's 1900-1906; State Labour Bureau 1906-1912; State Labour Branch 1912-1942. Between 1892 and 1942 the public employment service operated continuously albeit under different names.

This thesis has two aspects. The first is historical. This thesis emphasises the role that history can play in informing us about current issues and debates. An historical understanding is crucial for a variety of reasons. By failing to place their analysis in a broader historical context, much of the current debate rests upon assumptions, as opposed to an understanding of the past. Unless these developments can be compared against previous behaviour, any detailed analysis on the extent and nature of contemporary developments is rendered meaningless. Historical analysis not only provides a medium in which to assess current behaviour; it also alerts us to the dangers of repeating past mistakes. Historical analysis also allows us to separate the rhetoric from the realities of the past, what labour historians have called the 'noise effect'. Much of the current literature suffers from this 'noise effect' as writers have dismissed the public employment service as ineffective and inefficient based on economic modelling and not on an analysis of its origins and development.[13]

The second aspect of this thesis is to challenge the theoretical literature regarding the role of public employment services. The prevailing neo-classical economic orthodoxy argues that public employment services are both ineffective and inefficient. This thesis will test an alternative proposition that the NSW labour bureaus' played an important role in the development of the Australian economy, performing the role of labour market intermediaries: channelling information and bringing together those wishing to buy and sell labour. In doing so this thesis will examine the origins of the NSW labour bureau, identifying what factors and events led to its introduction. This thesis will also analyse the methods and techniques used to

[13] G. Patmore, 'Changes in the Nature of Work and Employment Relations: An Historical Perspective', in R. Callus & R. Lansbury (ed.), *Working Futures. The Changing Nature of Work and Employment Relations in Australia,* Federation Press, Sydney, 2002, pp. 34; G. Patmore, 'Digging Up The Past: Historical Methods in Industrial Relations Research', in K. Whitfield & G. Strauss (ed.), *Researching the World of Work,* Cornell University Press, Ithaca, 1998, pp. 214.

bring buyers and sellers of labour together and in doing so will evaluate why certain methods were effective and others were not.

In short, this thesis fills a gap within Australian historical literature regarding the role of the NSW labour bureaus, during an exceptional period in Australian history. In doing so, this thesis not only provides contemporary Australian scholars with a medium in which to assess current behaviour, but it also provides a broader framework for understanding the role of public employment services. In doing this, this thesis has attempted to demonstrate how historical analysis can contribute to contemporary debates.

Research Plan and Methodology:

This thesis relies on qualitative research methods. A historical case study approach, relying on documentary evidence, was undertaken. The reasons for this are varied. Labour-market programs involve an intricate web of factors that range from the social to the economic, from the collective to the individual. Such complexity means that an understanding of the causes and effects certain programs can be best understood through in-depth qualitative analysis. [14]

Historical case studies were chosen for a number of reasons. Firstly, case studies offer an in-depth, multifaceted observation of social phenomena, which enables a procedural, contextual and longitudinal analysis of the various actions that occurred within these agencies, thereby providing an understanding of both the formal and informal processes that have occurred over time. Whilst also allowing us to determine why certain strategies or approaches were adopted, rejected or changed. Secondly, by adopting a historical case study this thesis is able to test the current assumptions and established theories. Finally, the open-ended nature of data collection also provides a more in-depth examination of the findings. While the positivist believes that facts are 'out there' waiting to be collected, it is argued that this approach is

[14] R. Whipp, 'Qualitative Methods: Technique or Size', in K. Whitfield & G. Strauss (ed.), *Researching the World of Work,* Cornell University Press, Ithaca, 1998, pp. 56; M. Denscombe, *The Good Research Guide,* Open University Press, Philadelphia, 2001; C. Hakim, *Research Design,* Allen & Unwin, London, 1987, ch. 4; R. Yin, *Case Study Research: Design and Methods,* (2nd edn), Sage, Thousand Oaks; H. Becker, 'The Epistemology of Qualitative Research' in R. Jessor, A. Colby, & R. Schweder (ed.), *Ethnography and Human Development: Context and Meaning in Social Inquiry,* University of Chicago Press, Chicago, 1996, pp. 53-71; C. Cassell & G. Symon (ed.), *Qualitative Methods in Organisational Research: A Practical Guide*, Sage, London, 1994, pp. 1-13.

deeply flawed, as it fails to take into account the complexities of the social world, and the conscious volition of the human beings that inhabit it. [15]

The research for this thesis is based on historical methodology. Documentary evidence provided a rich source of historical data for this research. Both primary and secondary documents were used in this research. Primary documents included *NSW Industrial Gazette*, *NSW Votes and Proceedings Legislative Assembly*, *NSW Parliamentary Debates Legislative Council Legislative Assembly*, *NSW Parliamentary Papers*, and *NSW Government Gazettes*. Secondary document's included metropolitan newspapers: *The Sydney Morning Herald* and local newspapers: *The Maitland Mercury, The Argus* and the *Clarence* and *Richmond Examiner*.

Documentary evidence, despite its advantages, suffers from many flaws. Many archival records are either misplaced or destroyed because of age, carelessness or because they contain sensitive material. Therefore, it is important to question what has been recorded and why, and more importantly what has not been recorded or destroyed. Limited surviving material means that researchers are often unable to either disprove or validate the claims of the document. This problem can undermine the researcher's conclusions. Without further material to either challenge or validate these findings, the researcher recreates the past as best they can. Secondary documents also provide considerable challenges for the researcher. The researcher must ask why this author embarked on this research and how they came to these conclusions. As Ellem argues, written sources require careful work, the past or present does not speak to us, but it is the job of the researcher to try and evaluate, balance, wonder and criticise.[16]

The question of the author's intended meaning is crucially important in undertaking documentary analysis. It is important to be aware that the nature of the language used in documents changes over time. In studying industrial relations the researcher must be aware that jobs not only change in name, but also in how they are performed. This weakness is

---

[15] G. Patmore, 'Digging Up The Past', pp. 213-217; J. Hartley, 'Case Studies in Organizational Research' in C. Cassell & G. Symon (ed.), *Qualitative Methods in Organisational Research: A Practical Guide*, Sage, London, 1994, pp. 227; J. Godard, 'Beyond Empiricism: Alternative Philosophies of Science and the Study of Industrial Relations', in D. Lewin & D. Sockell (ed.), *Advances in Industrial and Labor Relations,* Vol. 6, JAI Press, Greenwich, 1994, pp. 1-35.

[16] B. Ellem, 'Analysing Documents', in D. Kelly (ed.),, *Researching Industrial Relations* (2nd ed), Federation Press, Sydney, 1999, pp. 74-78; G. Patmore, 'Digging Up The Past', pp. 213-217; J. Scott, *A Matter of Record,* Polity Press, Cambridge, 1990, pp. 1-35.

further compounded by the fact there is no general accepted measure for meaning. While the positivist will impose their own categories, the interpretivist develops categories based on the perspective of the subjects being studied. This alerts us to the fact that coding is not a theoretically neutral process. The job of the researcher is to remember that every document is a socially constructed piece in itself, bearing certain values and assumptions.[17]

In attempting to overcome this problem job categories were defined in part by using the *ANZSCO - Australian and New Zealand Standard Classification of Occupations* produced by the Australian Bureau of Statistics. In classifying jobs into industry sectors, this thesis utilised *ANZIC Australian and New Zealand Standard Industrial Classification*. However, both ANZSCO and ANZSIC are designed for twenty first century jobs and industries and for historical analysis this is not always appropriate. To overcome this, the data where possible within this thesis is presented in the same manner as the official publications.[18]

This thesis encountered a number of problems in using documentary evidence. Firstly, many of the documents relating to the operations of the Casual Labour Board have sadly been lost. The only remaining documents relate to the *Report of the Casual Labour Board Inquiry Commission* and reports cited in *NSW Parliamentary Papers*. In an effort to validate facts secondary newspaper reports were relied upon. However, in terms of the exact numbers of men registered by the Casual Labour Board no official register remained and approximate figures quoted in the Parliamentary reports have been cited in this thesis. Terminology has changed over time as has the name of certain geographic locations. In an attempt to overcome this I have included their contemporary names for example the Holt Sutherland Estate is now known as Sylvania, a southern Sydney suburb.[19]

In the later period there were also numerous problems with the data. For example the data relating to the operations of private registries has some significant gaps. Between 1930 and 1932 there no data was published. The data is again published from 1932 until December 1933 however, no data is published in the following period. There were also problems with the data relating to the sub-agents appointed by the labour bureau's in the 1920s and 1930s. It

[17] B. Ellem, 'Analysing Documents', pp. 73-79; G. Patmore, 'Digging Up the Past', pp. 213-217.
[18] Australian Bureau of Statistics, *Australian and New Zealand Standard Industrial Classification (ANZSIC)* 2006, www.abs.gov.au; Australian Bureau of Statistics, *Australian and New Zealand Standard Classification of Occupations, (ANZSCO)* www.abs.gov.au.
[19] Australian Bureau of Statistics, *Australian and New Zealand Standard Industrial Classification (ANZSIC)* www.abs.gov.au; Australian Bureau of Statistics, *Australian and New Zealand Standard Classification of Occupations, (ANZSCO)* www.abs.gov.au.

was difficult to identify the total number of sub-agents, as only those who transacted business in any given month were recorded in the official publications. For example in July 1928 only 27 sub-agents were recorded, while 65 agents were recorded in July 1931 and 138 sub-agents in 1937.[20]

Reliability and validity are important concerns for this research. To overcome inconsistencies the evidence has been triangulated. This crosschecking involved multiple sources of documentary evidence, most notably, official publications, Parliamentary reports and debates and newspapers. In short, historical methodology provided the most appropriate and valid means to recreate the past.[21]

Thesis Structure

This thesis is structured in the following way. Chapter Two sets out the theoretical and conceptual basis of this thesis. It examines both the International and Australian contributions to the study of public employment services. This chapter also highlights the limitations within the literature, and the way in which this study differs from previous work.

Chapter Three examines the earliest public employment service in NSW: The Casual Labour Board 1887-1888. This chapter answers the following questions: What factors led to the development of the Casual labour Board? How successful was the Casual Labour Board? What role did it play in the development of the NSW economy? Why was it abolished? In answering these questions this chapter begins by examining the economic and industrial conditions and the late nineteenth century political landscape. The justification for this is that it is essential when understanding a historical event, to firmly locate it within its historical context. This contextual structure will be applied in the following chapters. Despite its short tenure, the evidence highlights the significant role played by the public employment service in supporting the capital development of NSW, whilst safeguarding the social and economic concerns of the unemployed. Importantly this chapter identifies an important aspect that has generally not been discussed within the literature on public employment services: the agency of the unemployed.

Chapter Four examines the origins and development of the Government Labour Bureau 1892-1900. Again, it provides an understanding of the social, economic and political factors that

[20] *NSWIG,* Vol. 33, No. 1, 1928, pp. 48-49, Vol. 40, No. 1, 1931, pp. 60-61; *NSWPDLCLA,* Vol. 152, 1937, pp. 2067; Private registry data compiled from *NSWIG,* Vol. 14, August 1918 – Vol. 22, December 1922.
[21] B. Ellem, 'Analysing Documents', pp. 73-79.

shaped this period and how they affected the nature and structure of the public employment service. This chapter examines the claims put forth by Nurick, Coghlan, Endres and Cook that the early public employments services were temporary ad hoc responses to the social problem of unemployment and ultimately lacked long term commitment from the State. Again the agency of the unemployed is evident in their successful campaigning for the establishment of a public employment service. In a period of economic and industrial crisis this chapter will identify the social and economic factors that led to a public employment service.[22]

Chapter Five provides an analysis of the renamed and restructured public employment service: NSW Labour Commissioner's 1900-1906. After reviewing the social, economic and political factors this chapter provides an early insight into the various methods trialled and adopted. Early attempts at innovation provide an understanding of how and why certain public employment services were developed. This chapter examines the claims by Endres & Cook that under the NSW Labour Commissioners the labour bureau only underwent a cosmetic transformation and failed to develop innovative labour market programs. This chapter continues to demonstrate that the State did remain committed to the public employment service continuing to evolve by developing and expanding labour market programmes.[23]

In chapter Six the renamed State Labour Bureau 1906-1912 is examined. Following yet another name change and restructure, this chapter provides an understanding of how the public employment service continued to adapt and to change to its environment. Again new approaches were adopted as the public employment service continued to support capital development and assist the unemployed.

Chapter Seven provides an analysis of the renamed State Labour Branch 1912-1942. For the public employment service this proved to be one of the most challenging periods of time with two World Wars and a worldwide economic depression. Against such considerable challenges, this chapter demonstrates how the public employment service adapted to the

[22]J. Nurick, *Too Few Jobs: Why Governments Can't Cure Unemployment*, Australian Institute for Public Policy, Perth, 1984; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2019-2020; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.
[23] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 60.

various challenges. This chapter examines the development of the public employment service as it expands further and how it responds to the exceptional circumstances of the period.

Chapter Eight concludes by clarifying the argument put forth by this thesis against the claims in the literature. This thesis provides a historical context to contemporary debates and in doing so refutes the neo-classical economist's claims that public employment services are inefficient and ineffective. In this chapter it is argued that public employment services have played a vital role in the development of the NSW economy, safeguarding the social and economic concerns of the unemployed. This thesis found that the origins and development of the public employment services were shaped by a number of socio-economic and political concerns. This chapter concludes with suggestions for future research.

Chapter 2 Literature Review

Introduction

In Australia unemployment policy is currently informed by neo-classical economic notions of labour market flexibility and mutual obligation. However, things have not always been this way. Over the past century there have been profound shifts in the way unemployment and government policy has been conceptualised. Evidence of such significant shifts in policy direction can be found in the literature regarding the role of public employment services. In Australia following World War II Keynesian macroeconomic policy dominated leading to the establishment of the Commonwealth Employment Service (CES) in 1946, however, following the oils shocks and instability of the 1970s, policymakers rejected Keynesian economics in favour of neo-classical economics and its rejection of state intervention in the market. For the CES, this significant shift in policy direction ultimately signalled the end of the national public employment service.[24]

Recent commentators have noted that theoretical and conceptual analysis does not occur in a vacuum and the changing fashions in state theory can be linked to substantiative changes in the political economy of advanced societies. Bell and Head argue that the revival of theorising about the state in recent decades is partly due to the expanding and changing forms of state intervention in the economy, partly to the inadequacies of traditional economic theories in explaining these changes, and partly to the failure of state regulation to produce economic stability and growth in most capitalist world since the end of the long boom in the 1970s. Labour markets are central to the capitalist system but it has become increasingly evident since the 1970s that they are failing to distribute jobs and incomes effectively. [25]

The current literature on public employment services has been overwhelmingly shaped by economic discourse and is divided between those who advocate for state intervention: writers following in the tradition of W. H. Beveridge, Keynesian economics, and institutional economics, and those who oppose it: Neo-classical economics. Each tradition holds differing assumptions over the role of the public employment services. The word 'tradition' is used

[24] A. Dockery & T. Stromback, 'Devolving Public Employment Services', pp. 429-452.
[25] S. Bell & B. Head (eds.), *State, Economy and Public Policy in Australia,* pp. 3; S. Bell (ed.), *The Unemployment Crisis In Australia: Which Way Out?* Ambridge University Press, Melbourne, 2000.

here in a general sense to imply a mode of thought followed by people continuously from generation to generation. As the following discussion will illustrate, these traditions have had an enduring effect on the subsequent scholarly debates in this area.[26]

There are a number of problems with the existing literature on public employment services. Firstly, writers following in the tradition of Beveridge, Keynesian economics or neo-classical economics have remained faithful to their tradition and subsequently there has been a lack of cross fertilization of ideas. Secondly, the literature suffers from significant theoretical flaws: as the theories of Beveridge, Keynesian economics and neoclassical economics are predicated on inherent assumptions resulting in predetermined outcomes. Subsequently, within their analysis the role of the public employment service is judged on predetermined economic criteria without any reference to other possible socio-economic factors. Finally, the Australian literature has been dominated by scholars following in the tradition of Beveridge, neo-classical economics or Keynesian economics who have largely failed to examine the historical origins of public employment services to identify how, and why, it has developed, and what role it played in the labour market and economy.[27]

This chapter outlines the theoretical and conceptual framework of this thesis. This chapter identifies and evaluates the existing literature that has contributed to the understanding of public employment services. The literature has been drawn primarily from overseas research, mostly from the United States and Britain. Australian scholars have been slower in contributing to this literature. Consequently, a significant gap remains in our historical understanding of the origins and effects of the public employment service in Australia. This thesis seeks to fill this gap by examining the origins and effects of the Australian public employment service to ascertain whether, as recent critics argue, that it was an inefficient and ineffective labour market institution.

This chapter will begin with by defining and discussing the fundamental concepts within the literature on public employment services. Attention will then turn to evaluating the four

---

[26] Keynesian and Neo-classical economics see J.E. King, *Labour Economics: An Australian Perspective*, MacMillan, South Melbourne, 1990; Institutional Economic approach see - J. Commons, *History of Labor in the United States 1896-1932,* pp. 114-136; Beveridge see W.H. Beveridge, *Unemployment: A Problem for Industry*, Longmans Green, London, 1939.

[27] A. Dockery & T. Stromback, 'Devolving Public Employment Services'; E. Webster, 'What Role for Labour Market Programs? In S. Bell (ed.), *The Unemployment Crisis In Australia: Which Way Out?* Ambridge University Press, Melbourne, 2000. Ch. 11; J.E. King, *Labour Economics: An Australian Perspective*, pp. 213; M. Friedman, *Monetarist Economics*, Blackwell, Oxford, 1981.

economic traditions evident within the literature. Neoclassical economic writing was influential on the formation of public policy in the nineteenth and early twentieth century. Furthermore, the neoclassical economic conception of the role of the state and the labour market has largely influenced and shaped later economic discourse, and it is argued that it provides an important point of departure for evaluating the economic literature in this area.

Following this, our attention will turn to the State Interventionists: Beveridge, Keynesian economics and institutional economics. Beveridge was influential in British policy in the early part of the twentieth century. Keynesian economics was the dominant paradigm of the post World War II period. The breakdown of Keynesian economics in the late twentieth century provided the impetus for the resurgence in neoclassical economics. Finally, the discussion will examine the Instuitional economic contribution to the literature. The influence of institutional economists on public policy is a little bit harder to trace, thought it can be found in the early decades of the twentieth century in the United States. Following this there will be an examination of the historical literature.[28]

Concepts and Definitions

This thesis focuses on the role of public employment services in the labour market, and thus requires some degree of explanation. Public employment services are specific state regulated institutions embedded within the labour market. They perform the role of labour market intermediaries: channelling information, sometimes establishing prices, and bringing buyers and sellers of labour together. Since their emergence on a wide scale in the second half of the nineteenth century, employment services/agencies have operated as either privately operated, usually fee-charging agencies (with a view to profit or not); or, as state operated, usually free, public employment services, labour bureaus or exchanges.[29]

---

[28] Evidence of this influence can be found in the policies adopted in Britain, the United State and Australia. In 1943, the Beveridge Report was published advocating the setting up of a welfare state in Great Britain. In 1944, the British government published its White Paper on employment Policy, which committed the government to organise its budget policies with an eye on Keynesian full employment objectives. In the United States, in 1946, the U.S. Congress passed the 'Employment Act' emphasising the government's responsibility to seek and maintain 'maximum' employment. In Australia, in 1944, the government presented its White Paper, reflecting its commitment to full employment see - J. M. Keynes, *The General Theory of Employment, Interest and Money*; W.H. Beveridge, *Unemployment: A Problem for Industry*; J. Nurick, *Too Few Job*; K. Windschuttle, *Unemployment: A Social and Political Analysis of the Economic Crisis in Australia*, Penguin, Ringwood, 1981; J.E. King, *Labour Economics,* Ch. 1.

[29] R. Mitchell & A. O'Donnell, 'Employment Agencies: The Regulation of Public and Private Employment Agencies in Australia: An Historical Perspective' *Comparative Labor Law and Policy Journal*, Vol. 23, 2001, pp. 7-37.

Labour markets, however, unlike competitive product markets, are typical examples of search markets and thus require some degree of explanation. Firstly, they are not in least homogenous; because jobs and skills differ greatly in terms of level and scope and there is also a wide variety of labour market segments. In addition, personnel attitudes on both sides of the market play an important role. It is this heterogeneity that causes problems when it comes to matching labour supply and demand.[30]

Employment services are seen as a means of attempting to overcome this heterogeneity in the labour market. In doing so, the role of employment services consists of job-matching activities for employers and job-seekers, plus associated activities such as preparation for employment, gathering labour market information and administration of labour market adjustment programs. In bringing together a narrow set of buyers (firms) and sellers (workers), it is argued that they reduce the uncertainty on both sides of the market. Uncertainty results from the fact that the search efforts of employers or job seekers may not led to proper matches. This accounts for one possible reason for this is the aforementioned heterogeneity of the labour market. Another possible reason is the quality of jobs and experience of workers. Thus mediation by employment services may constitute a means to correct certain market failures. Such mediation has occurred in two ways. Either by privately operated, usually fee-charging employment service agencies (with a view to profit or not), or through state operated, public employment service, which generally provides free services to job seekers.[31]

From an efficiency perspective, the rationale for the public provision of employment services generally rests on market imperfections that can be expected to lead to an under-provision of employment services. These include the presence of social externalities, imperfect capital markets, asymmetric information or the existence of the conditions for a natural monopoly. From an equity perspective, the need for a public role in the job brokerage market is clear. As private brokerage firms are paid for each successful job-match, private providers will service

[30] U. Walwei, , 'Improving Job-matching Through Placement Services' in G. Schmid, J O'Reilly and K. Schomann (eds.), *International Handbook of Labour Market Policy and Evaluation*, Edward Elgar, Cheltenham, 1996, pp. 402-430; J.E. King, *Labour Economics: An Australian Perspective'*; P. Gahan & T. Harcourt, 'Labour Markets, Firms and Institutions: Labour Economics and Industrial Relations' *Journal of Industrial Relations*, No. 40, (4), 1998, pp. 508-532.

[31] U. Walwei, 'Improving Job-matching Through Placement Services' ,pp. 402-430; J.E. King, *Labour Economics: An Australian Perspective*; P. Gahan & T. Harcourt, 'Labour Markets, Firms and Institutions', pp. 508-532; R. Mitchell & A. O'Donnell, 'Employment Agencies: The Regulation of Public and Private Employment Agencies in Australia', pp. 7-37.

those job seekers who are easiest to place, that is, the most advantaged job seekers. Disadvantaged job seekers themselves will typically have low incomes and a lower capacity to purchase employment assistance. A private employment services market will therefore led to the exclusion from assistance of the most disadvantaged job seekers. The tendency for agencies to offer services to those job seekers who already have the greatest chance of finding work is known as 'creaming'. In labour market programs, creaming contributes to greater deadweight loss (payments for outcomes that would have occurred anyway) and limits the amount of assistance directed to job seekers most in need.[32]

As an aspect of state intervention, many writers argue that employment services are pivotal to understanding the general character of the state during early twentieth century capitalism. This importance arises because the power resources of the key classes in a capitalist society depend significantly upon their strength in the labour market. Capitalism is about buying and selling labour power and those actors capable of using the state to strengthen their position in this relationship will increase their power. Labour market policy, in general, and public employment services in particular, thus constitute state intervention at the core of the capitalist process. Blankenburg makes a similar point arguing that employment agencies are peculiar among the public administration institutions in that they have to mediate more than they can govern. Since their task is to achieve a match between the supply and demand for labour, they have simultaneously two types of clients with partly opposing interests, job seekers and employers.[33]

As a form of state intervention, theorists have noted that public employment services operate within various labour market regimes. The literature implies that these labour market regimes largely dictate the role and expectations of the public employment service within each labour market. Recent studies have identified two broad types of labour market regimes. Firstly, social democratic labour market policies combine Keynesian measures with micro labour market measures to provide comprehensive placement services and training programs for job

[32] A. Dockery & T. Stromback, 'Devolving Public Employment Services: Preliminary Assessment of the Australian Experience', pp. 429-452; E. Webster, 'What Role for Labour Market Programs?', Ch. 11.
[33] D. King, 'The Conservatives and Training Policy 1979-1992: From a Tripartite to a Neo-Liberal Regime', *Political Studies,* Vol. 41, 1993, pp. 214-235 & 291-308**;** D. King & B. Rothstein, 'Government Legitimacy and the Labour Market: A Comparative Analysis of Employment Exchanges', *Public Administration*, Vol. 72, Summer 1994, pp. 291-308; E. Webster, 'What Role for Labour Market Programs?' Ch. 11; K. Marx, *Capital,* Progress Publishers, Moscow, 1954, pp. 164-172; E. Blankenburg, 'Comparing the Incomparable – A Study of Employment Agencies in Five Countries', in G.W. England (ed.), *Organizational Functioning in a Cross-cultural Perspective*, Kent State University, Kent, 1978, pp. 277.

seekers. Secondly, neo-liberal policies which prioritise business interests and link this with labour market measures to shape the workforce to meet the employers' needs. In the social democratic system, public employment services act as key coordinating institutions in the labour market administering benefits and directing workers to positions or training schemes or offering counselling. In the neo-liberal system, the principal responsibility of the public employment services is to police the labour market for benefit abuse and to compel claimants to participate in training programmes as a condition of receiving assistance. King and Rothstein assert that countries with neo-liberal policies made public employment services principally responsible for administering work tests, whereas those with social democratic policies limited the public employment services responsibilities to placement activity.[34]

Walwei provides a similar, though it is argued more sophisticated understanding of labour market regimes. Walwei identified three labour market regimes: monopoly system, coexistence system and a market system (refer to table 2.1). The purpose of strict monopolies is to ensure that the public employment service is afforded a strong position through the prohibition of private employment services of any kind and through the requirement of mandatory registration of vacancies. By contrast, in the case of the moderate monopoly system the use of the public employment system is voluntary for both employers and job seekers. In coexistence systems the public employment services and private employment service operate side by side. In regulated coexistence systems there are regulations for private employment service. In free coexistence systems there are no such requirements. In a pure market system only private employment services provide mediation services. However, he notes that such system does not necessarily imply the absence of any public intervention, for example the contracting out from public employment service to private employment service still requires some degree of regulations to be met. Recent developments in Australia provide a good example of this system[35]

Recent theorists have noted that public employment services have a choice of four different mediation procedures when filling registered vacancies (refer Table 2.1). Mediation procedures for closed systems require intensive resources, while semi-closed systems require little if any of the public employment service's resources. The type of mediation procedure

[34] D. King, 'The Conservatives and Training Policy 1979-1992' pp. 214-235**;** D. King & B. Rothstein, 'Government Legitimacy and the Labour Market' pp. 291-308; E. Webster, 'What Role for Labour Market Programs?' Ch. 11.
[35] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430.

depends on the degree of assistance required by the job-seeker. The resources available to public employment services will ultimately depend on the state's commitment to offering such services.[36]

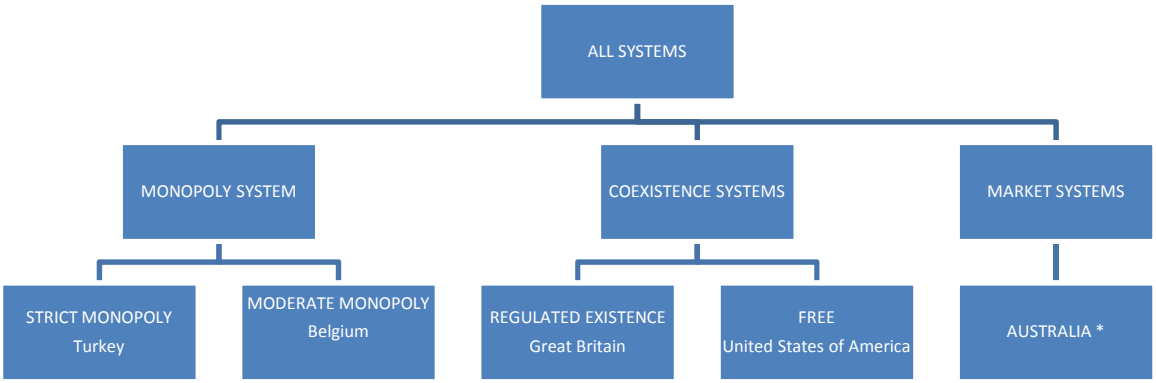

Table 2.1 Typology of Placement Systems [37]

As we will see in the following section economists have devoted considerable attention to understanding the public employment services ability to manage, and some argue alleviate unemployment. Therefore, we must define the terms commonly applied by economists to unemployment. Economists have noted that unemployment takes three distinct forms. Firstly, frictional unemployment occurs when workers move between jobs and are temporarily out of the labour market. Secondly, cyclical unemployment stems from economic slumps or patterns of slow economic growth that destroys and weakens job creation. Thirdly, structural unemployment is seen as a labour supply-side problem stemming from skill inadequacies, the debilitating effects of long-term unemployment, wage rigidities, work disincentives and various other forms of labour market impediments and mismatches.[38]

As noted in the introduction, in Australia since 1996 the state, influenced by a neoclassical agenda, has attempted to reposition its role in the labour market. Writers such as Bell and Head, amongst many others, argue that much of the current debate on economic policy consists of hard-nosed debate about sectional interests overlaid by the rhetoric of efficiency

[36] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406.
[37] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 409.
[38] S. Bell, 'The Unemployment Crisis and Economic Policy' in S. Bell (ed.), *The Unemployment Crisis In Australia: Which Way Out?* Ambridge University Press, Melbourne, 2000, pp.7.

and the national interest. The following discussion will examine the various economic perspectives on the public provision of employment services.[39]

TYPE OF SYSTEM	MEDIATION PROCEDURE
Semi-open system	Self-selection – public employment service plays passive role and concentrates on the acquisition of vacancies. Self-selection based on an open-file computer system – both clients and job-seekers have direct access to the system and have no further need to approach PES staff
Semi-open system	Conditional self-selection - public employment service plays passive role and concentrates on the acquisition of vacancies. Is the provision of basic information to job seekers and for further details they contact public employment service staff.
Closed system	Administrative matching – matching registered job seekers with register vacancies. Selective matching – most time consuming – public employment service screens candidates for vacancies.
Closed system	Selective matching – most time consuming – public employment service screens candidates for vacancies.

Table 2.2 Mediation Systems[40]

Economics Perspectives on Public Employment Services

Economic theorists have not only provided the most comprehensive contribution to the literature on public employment services, they have largely influenced the historical literature. Writers such as Webster argue that state intervention in the labour market, through labour market intermediaries, such as public employment services, are time honoured policy responses, not only to rising unemployment, but also to labour and skill shortages. From the literature it is clearly apparent that overtime the rationale for the public provision of

[39] S. Bell & B. Head, 'Australia's Political Economy: Critical Themes and Issues', in S. Bell & B. Head (ed.), *State, Economy and Public Policy in Australia,* Oxford University Press, Melbourne, 1994, pp. 1-24; F. Castles, 'Australia's Institutions and Australia's Welfare', in G. Brennan & F. Castles (ed.), *Australia Reshaped: 200 Years of Institutional Transformation*, Cambridge University Press, Port Melbourne, 2002, pp. 49.
[40] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406.

employment service has shifted with the evolution of economic theory, and has not been the exclusive preserve of one area of economic thought.[41]

The economic literature on the provision of public employment services can be traced to four schools of economic thought: neoclassical economics; Beveridge, Keynesian economics and institutional economics. While each school of thought contains varying assumptions in regards to the role of state intervention in the labour market, through public employment services, they can be divided into two distinct camps: those who advocate for state intervention in the labour market (Beveridge, Keynesian economists and institutional economists) and those who oppose state intervention in the labour market (neoclassical economics).

Against State Intervention: Neoclassical Economics

Neoclassical economic theorists' opposition to the public provision of employment services is predicated on a number of inherent assumptions. These assumptions can be traced to the 18th century classical economic writings of Adam Smith. In Smith's seminal work, he claimed that state and personal efforts to promote social good are ineffectual compared to unbridled market forces. Based on these early classical writings neoclassical economists have opposed, in principle, any extension of the economic power of the state. They have argued that the state should be seen as an external body, parasitic on a free society but a necessary evil to avoid the greater evils of coercion and insecurity. Subsequent theorists, such as Freidman amongst many others, have asserted that state's role should be ideally limited to a few core functions such as providing defence, law and order, and general rules of fair dealing.[42]

Smith's notion of unbridled market forces provides the basis of the neoclassical microeconomic analysis. Neoclassical microeconomic analysis is based on five crucial assumptions. Firstly, statements about aggregate phenomena are grounded in a rigorous theory of individual behaviour. Secondly, and related to the first assumption, individuals are rational economic maximisers who exhibit price taking behaviour. Thirdly, the absence of externalities in the market will bring about the efficient allocation of resources. Fourthly, the principle of substitution – agents choose from a wide range of commodities. Finally, there is

[41] E. Webster, 'What Role for Labour Market Programs?' Ch. 11.
[42] A. Smith, *Wealth of Nations*, London, 4th Edn, 1853; J.E. King, *Labour Economics: An Australian Perspective*, pp. 213; M. Friedman, *Monetarist Economics*.

a strong tendency for markets to clear and for economic agents to be in, or rapidly approaching, equilibrium. Critics, however, such as King claim that the neoclassical economists approach focuses on short-run concerns and an over-exaggerated value of market relationships. [43]

Based on these assumptions, the neoclassical economists' view the labour market as an idealised competitive market: workers are assumed to be driven by maximising utility (doing the best they can given the conditions they face) where they can work as many hours as they wish at the given wage rate. Unemployment in this model is voluntary: the unemployed are those people who are unwilling to work at the current market wage, but would be willing to work only if they were paid higher wages. It is assumed that everyone receives wage offers. In this model involuntary unemployment is possible, only if for some reason wages are fixed above equilibrium, either by governments imposing minimum wage wages or by non-competitive forces, like unions. Many writers reject this simplistic distinction as there is an involuntary element in all unemployment, in the sense that no one chooses bad luck over good, while also there is also a voluntary element in all unemployment in the sense that however miserable one's current work options are one can always choose to accept, or reject, them.[44]

Within the literature the neoclassical economists assume that the efficient use of labour means simply allowing the market mechanisms to operate by itself. Interferences in the market are seen as inefficient and external regulation of the market is unnecessary, because economic competition places maximal pressure on each employer/individual to make the most efficient possible use of his or her labour force (or for individuals to make their most of their opportunities). Block notes that this simplified model is most compatible with an economy in which employees' skill levels are relatively low. Otherwise, it would be difficult to assume that rapid adjustment of the labour market to various kinds of disruptions. For example, it is assumed that if a particular industry were to go in decline, for one reason or another, the displaced workers would be able to find work in another sector of the economy relatively quickly. However, the neoclassical economists fail to elaborate on the mechanisms

[43] A. Smith, *Wealth of Nations*; J.E. King, *Labour Economics: An Australian Perspective*, Ch 1; S. Bell & B. Head (ed.), *State, Economy and Public Policy in Australia*.
[44] J.E. King, *Labour Economics,* Ch 1; S. Bell & B. Head (ed.), *State, Economy and Public Policy in Australia*; P.N. Junankar, 'Are Wage Cuts the Answer? Theory and Evidence', in S. Bell & B. Head (ed.), *State, Economy and Public Policy in Australia,* Oxford University Press, Melbourne, 1994, pp. 88-91; J. Nurick, *Too Few Jobs*.

for these displaced workers to find other jobs. It is assumed that they just do, as they have perfect information, and act rationally.[45]

Many critics challenge the basic assumptions motivating the methodology of neoclassical economics. Block claims it rests on two fundamentally flawed building blocks. The first is the idea that the economy is an analytically separate realm of society and can be understood in terms of its own internal dynamics. Block argues that neoclassical economists are perfectly aware that politics and culture influence the economy, but they see these as exogenous factors, that can be safely bracketed as one develops a framework that focuses purely on economic factors. The second foundation is the assumption that individuals act rationally to maximise utilities. Here again, he argues they are acutely aware that individuals are capable of acting irrationally or in pursuit of other goals, other than maximisation of utility, but the strategy of excluding these deviations from the rationality principle is justified by the effort to identify the core dynamics of the economy. Together these assumptions provide a basis for the model of self-regulating market which purportedly harmonises transactions for products, capital and labour. However, critics such as Block, argue that these assumptions are cast in universal and a historical terms which obscure social, cultural and political determinants of economic action.[46]

Industrial relations scholars argue that the standard neoclassical models of the labour market do not provide an adequate basis for understanding the employment relationship and the institutional features of the labour market. Instead, they argue that the labour market is different from other economic exchange relationships. The non-standard nature of labour market adjustment processes distinguish it from other market transactions, and the non-market nature of industrial relations have all posed special problems for economic modelling processes. These scholars argue that neoclassical labour economists view the labour market as analogous to other markets and expect them to behave in ways consistent with standard market analysis. This approach begins from a theory of the labour market based on the assumptions of perfect competition. The model is predicated on an unrealistic notion of the employment relation as purely a market relation. Implicit in all of the above is the idea that adjustment to any exogenous 'shock' will be costless. Worker mobility will be perfect, and

[45] F. Block, *Post Industrial Possibilities: A Critique of Economic Discourse*, University of California Press, Los Angles, 1990, pp. 76-77.
[46] F. Block, *Post Industrial Possibilities,* pp. 76-77; P.N. Junankar, 'Are Wage Cuts the Answer? Theory and Evidence', pp. 88-91.

firms are capable of adjusting capital-labour ratios and other inputs into production easily. Search mobility for firms and workers are costless, hiring and firing decisions are assumed to be costless, and so on.[47]

Critics argue that the neoclassical approach fails to explain a number of fundamental economic phenomena. The most important of these are the existence and persistence of unemployment, and the failure of wages to adjust downwards in periods of unemployment. Other labour market phenomena defy the predictions of the models as well, such as discrimination, the formation of trade unions, the persistence of a union/non-union wage differential, internal labour markets and labour market segmentation. King argues that there is nothing to support the neoclassical prediction that competition alone is sufficient to eliminate discrimination.[48]

The neoclassical notion of 'perfect information' has also received considerable attention within the literature. In the early 1960s, Stigler claimed that information as a resource and subject of study 'occupies a slum dwelling in the town of economics'.[49] Writers such as Stigler, have greatly enhanced the analysis of information, particularly that of the labour market. These writers argue that it is clear that information in the labour market is imperfect, and no matter what, some degree of imperfection is going to remain. For example as Stigler notes that

> 'No worker, unless is his degree of specialisation is pathological, will ever be able to be informed on the prospective earnings which would be obtained from every potential employer, let alone keep the information up to date. He faces the problem of how to acquire information on wage rates, stability of employment, conditions of employment, and other determinants of job choice, and how to keep his information current.'[50]

---

[47] J. Buchanan & R. Callus, 'Efficiency and Equity at Work: The Need for Labour Market Regulation in Australia', *Journal of Industrial Relations*, No. 35, (4), 1993, pp. 515-537; P. Gahan & T. Harcourt, 'Labour Markets, Firms and Institutions', pp. 508-532.
[48] B Kaufman, 'Labor Markets and Employment Regulation: The View of the Old Institutionalists', in B Kaufman (ed.), *Government Regulation of the Employment Relationship*, Industrial Relations Research Association, Madison, pp.11-56; P. Gahan & T. Harcourt, 'Labour Markets, Firms and Institutions', pp. 508-532; J.E. King, *Labour Economics*.
[49] G.J. Stigler, 'The Economics of Information', *Journal of Political Economy*, 1961, pp. 213.
[50] G.J. Stigler, 'Information in the Labour Market', *Journal of Political Economy*, October 1962, pp. 94.

Based on British evidence, Sholwer argues that whilst perfect information is not going to be achieved, there is evidence that if the existing level of information and the nature of job search is poor, this is a very important deficiency in the labour market, which the public provision of employment services could substantially remove.[51]

Economic sociologists such as Block, argue that 'labour' is both the most fundamental and most inherently problematic of all neoclassical economic categories. Block argues that neoclassical economists treat the major inputs (labour, capital and raw materials) in a parallel fashion, and thereby analyse labour in isolation from the social relations of which they are embedded. It is not actual human beings who are an input in production, but one of their characteristics - their capacity to work. Block argues that this is an inherently paradoxical strategy, since the individual's capacity to work is not innate; it is socially created and sustained.[52]

The development of Human Capital Theory in the 1960s has provided the most significant contribution to the neoclassical economic literature on education and manpower policy. Inspired by Smith's original notion that investment in education and skill formation was a significant factor in economic growth, Becker and Shultz developed Human Capital Theory. From the 1960s human capital theory became the basis of neoclassical economists' analysis of labour markets, education and economic growth. In Human Capital Theory all human behaviour is based on the economic self-interest of individuals operating within freely competitive markets. Other forms of behaviour are excluded or treated as distortions. The basic idea of human capital is simple. It involves treating workers for the purposes of analysis, in much the same way as physical capital.[53]

Marxist writers, Bowles and Gintis, claim that Human Capital Theory provides fundamental insights not found in earlier neoclassical economic literature. Firstly, they argue that it treats labour as a produced means of production, whose characteristics depend on the total configuration of economic forces. Secondly, they note that it rejects the simplistic assumption of homogeneous labour and instead centres its attention on the differentiation of the labour

---

[51] G.J. Stigler, 'Information in the Labour Market', pp. 94; B. Showler, *The Public Employment Service*, Longman, London, 1976.
[52] F. Block, *Post Industrial Possibilities.*
[53] A. Smith, *Wealth of Nations*; G. Becker, *Human Capital*, 1964; T. Schultz, *Investment in Human Capital; The Role of Education and of Research*, Free Press, New York, 1970; S. Sweetland, 'Human Capital Theory: Foundations of a Field of Inquiry', *Review of Educational Research*, Vol. 66, No. 3, pp. 341-360.

force. Finally, they state that it brings basic social institutions into the realm of economic analysis.[54]

Showler argues that the relevance of the human capital concept to the provision of employment services can be appreciated if the significance of 'location' of the individual in the labour market is considered. He claims that it is the location in the broadest sense that will largely determine output and income. He argues that the functions of the employment service: information; training; advice; placement; manpower planning, can be brought in play in this process, and can be seen as one of the main methods of improving human capital stock. He argues that it has a further advantage of providing a bridge between the 'macro' and 'micro' economic aspects of employment service provision.[55]

Human Capital theory is not without its critics. As noted previously, scholars have argued that the adoption of a conceptual framework that rests on a 'competitive market' model has limited usefulness. King argues that there is a strong prima facie case for state intervention in the market for human capital. Education, training, migration and job search are all semi-public goods, with benefits to society as a whole, in addition to those that accrue privately to the individuals. Moreover, the finance for human investments is almost certainly obtained in an imperfect market, since the absence of serfdom or slavery no guilt-edged security can be offered for loans. Marxist writers, Bowles and Gintis argue that it provides little more than a good ideology for defending the status quo and completely ignores the asymmetrical power relationship at the heart of the capitalist system.[56]

Showler and Simon have argued that a focus on economic values, leads to methods of approach to policy matters that underestimate the partially non-quantifiable social and non-market benefits of labour market intervention. They assert that it is unwise to frame a discussion of the socio-economic contribution of the public employment service provision around a concept of human capital with so many disadvantageous features. In practice, it is largely through an analysis of the deficiencies of the 'market' explanation of the labour force

[54] S. Bowles and H. Gintis, 'The Problem with Human Capital Theory: A Marxian Critique', *The American Economic Review,* Vol. 65, No. 2, May 1975, pp. 74-82.
[55] B. Showler, *The Public Employment Service*.
[56] J.E. King, *Labour Economics,* pp. 57.

behaviour, that we find the case state intervention in the form of labour market intermediaries: the public employment service.[57]

Many writers have noted that over the past two decades there has been a major shift throughout the OECD towards greater involvement of private providers. Ricca claims that this shift has been most pronounced in Australia since 1996 with the election of the Howard Government and the contracting out of employment services. Dockery and Stromback claim, that this can be seen as part of a wider trend in public policy to open the public provision of services to competition through privatisation or contracting out. Neoclassical economists argue that the privatisation of employment services improves allocative efficiency, since private agencies and their employees have stronger performance incentives than employees in the public sector. It is argued that further competition results in a greater range of approaches being tested, leading to innovation, a higher rate of improvement in service quality and cost effectiveness, and greater responsiveness to client needs.[58]

However, there is only a limited amount of empirical research pertaining to the relative merits of public versus private employment agencies, or of the optimal mix between the two sectors, to support the theory. Fay claims that undoubtedly the respective roles of the public and private sectors vary with the institutional labour market framework in each country. However, there is evidence to show that public employment services generally do target assistance to disadvantaged job seekers, namely the low skilled and longer-term unemployed, while private agencies concentrate on more highly skilled and better-educated workers.[59]

The effectiveness of that assistance is another matter. A review of the performance of the public employment service in several countries, by Fay, indicates that the brokerage function of the public employment service is effective in at least assisting the most disadvantaged. An evaluation by the Department of Employment, Education, Training and Youth Affairs of

---

[57] B. Showler and H. A. Simon, 'Theories of Decision-making in Economics and Behavioural Science', *American Economic Review*, June 1959, pp. 253-283.

[58] A. Dockery & T. Stromback, 'Devolving Public Employment Services', pp. 429-452; R. Fay, 'Making the Public Employment Service More Effective Through the Introduction of Market Signals'; S. Ricca, 'The Changing Role of Public Employment Services' pp. 19-34; D. Kubler, 'Coexistence of Public and Private Job Agencies' pp. 85-107; P. Zweifel & C. Zaborowski, 'Employment Service: Public or Private?', pp. 131-162.

[59] R. Fay, 'Making the Public Employment Service More Effective Through the Introduction of Market Signals', pp. 28; J. Thomas, 'Public Employment Agencies and Unemployment Spells: Reconciling the Experimental and Non-Experimental Evidence', *Industrial and Labour Relations Review*, Vol. 50, No. 4, 1997, pp. 667-683; P. Gregg & J. Wadsworth, 'How Effective are the State Employment Agencies? Jobcentre Use and Job Matching in Britain', *Oxford Bulletin of Economics and Statistics*, Vol. 58, No. 3, 1996, pp. 443-467; W. Clark, 'Production Costs and Output Qualities in Public and Private Employment Services', *Journal of Law and Economics*, Vol. 31, No.2, 1988, pp. 379-393.

Australia's previous experience with purchasing case-management services from private and non-profit providers found that the public and contracted case-managers achieved almost identical outcomes, both in terms of the profile of clients served and placement rates. However, it took about a year for the success rate of contracted managers to match that of the public-sector managers, reflecting the conclusion that 'initiatives to increase contestability, such as contracting out, will be subject to a learning curve before operating effectively'.[60]

Gregg and Wadsworth model the impact of different job-search activities on the transition rate out of unemployment in the United Kingdom. Direct approaches to employers were found to be the most effective method. They found that Jobcentres did have a significant positive impact, though less so than private employment agencies. Moreover, Gregg and Wadsworth find that the greatest beneficial effect of the use of Jobcentres is experienced by the long-term unemployed, while private agencies produce no beneficial effect for this group. Hence they find that the public employment service is not only effective, but is most effective in serving its traditional target group.[61]

Thomas argues that the failure of previous studies to allow for the timing of assistance has biased findings against the public employment service. If job-seekers turn to public employment services only after trying other search methods, having already spent some time in unemployment, then one would expect to find an association between use of public employment services and longer duration of unemployment. He claims that job seekers using the public employment service early in their spells of unemployment experience shorter duration of unemployment than those who use alternative search methods. Those who eventually found work through the public employment service, but who did not use it early in their spell of unemployment, experienced a longer duration of unemployment than those using alternative methods did. This result points to the likelihood of bias in studies that do not take account of the timing of interventions.[62]

In terms of equity and social justice considerations, comparisons of private and public agencies demonstrate how market pressures can result in unexpected outcomes. Boreham et al's study of Australian private employment agencies focused on the relative capacities of public and private agencies to balance employer and job-seeker interests. This study found

[60] R. Fay, 'Making the Public Employment Service More Effective Through the Introduction of Market Signals', pp. 28.
[61] P. Gregg & J. Wadsworth, 'How Effective are the State Employment Agencies?', pp. 443-467.
[62] J. Thomas, 'Public Employment Agencies and Unemployment Spells', pp. 667-683

that private agencies considered their clients to be the employers, and not the job-seekers. Due to market pressures they found that these private agencies accepted and fulfilled the discriminatory criteria (most notably sex, race, ethnicity, class and disability) dictated by the client, instead of providing the most experience and suitable applicant for the position. Thus they argue, that there are few restraints on an employer's capacity to dictate the terms of an appointment there is an increased risk that discriminatory practices will be unchecked. Unlike their private counterparts, public agencies were found to be devoid of discriminatory practices. Thus, they argue that the public employment service acts as a vehicle for averting discriminatory practices. These writers believe that privatisation has the capacity to weaken an important link in the chain of policy delivery in the workplace.[63]

In terms of cost effectiveness or 'process efficiency', comparisons between public and private agencies are frustrated by the need to standardise output quality. Boreham et al, found that private agencies tend to specialise in higher yielding market sectors based on a particular set of skills, while public agencies service a greater proportion of unskilled or low-skilled clients. Clark compared the total placement costs for private and public employment agencies in the United States. Contrary to the normal approach which would predict lower costs in the private sector, he explores the hypothesis that, when the attributes of output are not easily observed, public agencies will put fewer resources into providing services since, unlike private agencies, they do not face the market rigours of customer satisfaction. Consistent with this view, public agencies were found to have lower placement costs.[64]

Kubler models the implications of the coexistence of public and private agencies, rather than attempting to establish the superiority of one over the other. The private agency is assumed to match workers of a given quality more efficiently than the public agency, but to charge a positive amount for doing so. Information on the productivity of workers is distributed asymmetrically, such that the workers know their own particular productivity while the employer knows only the productivity distribution across workers. The notable outcome is that the inefficiencies associated with assumptions of information asymmetry and the slowness of the public services are not reinforcing in the presence of private agencies. This is because of a sorting process in which "good" workers use private agencies in preference to

[63] P. Boreham, A. Roan & G. Whitehouse, 'The Regulation of Employment Services: Private Employment Agencies and Labour Market Policy', *Australian Journal of Political Science*, Vol. 29, 1994, pp. 541-555.
[64] P. Boreham, A. Roan and G. Whitehouse, 'The Regulation of Employment Services', pp. 541-555; W. Clark, 'Production Costs and Output Qualities in Public and Private Employment Services', pp. 379-393.

the public agencies, where "bad" workers receive information rent. Kubler concludes that the cost of policies to improve the efficiency of the exchange needs to be weighed against the beneficial sorting effect where a range of institutions of varying efficiency in matching exist.[65]

Overall, the recent evidence is reasonably convincing that public employment services provide direct assistance to disadvantaged clients and that this has a positive effect on the clients' labour market outcomes. It is clear that private agencies target the upper end of the market, but evidence to support the proposition that private agencies operate more efficiently, than public agencies, is weaker. Clearly such results cast considerable doubts over the neoclassical economists' claims that the privatisation of employment services will create more effective and efficient outcomes. Furthermore, without historical evidence to prove otherwise, we must question the current claims that public employment services were an ineffective and inefficient labour market program.

State Interventionists: Beveridge, Keynesian Economics and Institutional Economics

Within the literature the success and failure of state intervention in the labour market, and in particular the role of the public employment service, has generally been intertwined with the success and failure of British writers: John Maynard Keynes and W.H. Beveridge. Both Keynes and Beveridge have been influential in British policy debates over the role of public employment services and their impact on labour market outcomes. While both argue for state intervention in the labour market in the form of public employment services, they do so, as Tomlinson argues, based on very different assumptions and focus.[66]

The Keynesian economic tradition emerged from John Maynard Keynes seminal work *The General Theory of Employment, Interest and Money,* published in 1936. Keynes provided an alternative economic theory to neoclassical economics. In essence this involved a shift in focus from distribution and prices to employment and demand: instead of being limited by finite resources, economic output was now seen to be elastic, a product of effective demand. The central conclusion of Keynesian economics is that there is no strong automatic tendency for the level of output and employment in the economy. Keynes most influential contribution

[65] D. Kubler, 'Coexistence of Public and Private Job Agencies', pp. 85-107.
[66] J. Tomlinson, *Problems of British Economic Policy 1870-1945,* Methuen and Co, London, 1981, pp. 22-24; J. M. Keynes, *The General Theory of Employment, Interest and Money*, Macmillan London, 1936; W.H. Beveridge, *Unemployment: A Problem for Industry*.

was to show that high unemployment could remain a feature of the economy for indefinite periods in the absence of government action. Thus, it was argued that state intervention is essential in keeping economic activity close to the desirable level, so that there is neither substantial involuntary unemployment nor excess demand in the economy as a whole leading to accelerating inflation.[67]

Unlike Keynes, whose focus was on the 'economy as a whole': consumption, investment and government budgetary policy, Beveridge focussed on the mechanisms of the labour market. W.H. Beveridge outlined his novel cure for unemployment in *Unemployment, a Problem of Industry*, first published in 1909 and later in *Full Employment in A Free Society*, published in 1944. Beveridge relied upon improvements in the labour market and the ability of industry to absorb the unemployed. Beveridge drew his ideas from early studies of voluntary bureaux and municipal exchanges in Germany. From his early research Beveridge claimed that labour exchanges could improve the working of the labour market, and in particular, the flow of information to job seekers. Beveridge argued that unemployment at its most wasteful was seen to be the result of market inefficiency, as workers spent time tramping the streets trying to find permanent jobs or settling for casual work. Thus, he concluded that such waste could only be avoided through a national system of labour exchanges.[68]

Beveridge's analysis of the role of public employment services is predicated on three fundamental assumptions. Firstly, he states that like all areas of economic activity a definite market must exist to bring together would be purchasers and would be sellers. Therefore, he assumed that by bringing buyers and sellers into a coordinated system of employment exchanges it would produce an orderly efficient labour market to serve the industrial community. Secondly, Beveridge assumed that a public national exchange system would provide the state with the ability to alleviate and control unemployment. Thirdly, Beveridge assumed that a national public employment exchange would enable the state to embark on a

---

[67] J. M. Keynes, *The General Theory of Employment, Interest and Money*; J. Nurick, *Too Few Job*; K. Windschuttle, *Unemployment: A Social and Political Analysis of the Economic Crisis in Australia*, Penguin, Ringwood, 1981; J.E. King, *Labour Economics,* Ch. 1; J. Langmore & J. Quiggin, *Work For All: Full Employment in the Nineties*, Melbourne University Press, Melbourne, 1994, pp. 57-65.

[68] W.H. Beveridge, *Unemployment: A Problem for Industry*; W. H. Beveridge, *Full Employment In A Free Society,* Allen & Unwin, London, 1944; So widely accepted was his belief in the potential efficiency of markets that both majority and minority reports of the 1909 British Royal Commission on the Poor Laws proposed the introduction of labour exchanges see - B. Showler, *The Public Employment Service*; Beveridge notes that the labour exchanges flourished in Germany during the 1890s. Beveridge influence by the German experience can be seen in -W. H. Beveridge, 'Public Labour Exchanges in Germany', *The Economic Journal*, Vol. 18, No. 69, March 1908, pp. 1-18;W. H. Beveridge, 'Labour Exchanges and the Unemployed', *The Economic Journal*, Vol. 17, No. 65, March 1907, pp. 66-81.

policy of 'decasualisation' of the labour market, which he deemed to be the greatest evil facing workers.[69]

Beveridge's most ambitious claim was his policy of 'decasualisation'. Beveridge believed that the presence of casual labour was due to a failing in the labour market. He argued that this was due to maladjustment between supply and demand one which he argued could only be solved through policy. He believed that the State provision of temporary relief work was useless, because there is no further guarantee of good employment when the relief is over, instead focus should be on the mechanisms of the labour market. For Beveridge the problem was administrative and could only be solved through the provision of a network of public employment services.[70]

While Beveridge's analysis provides an important insight into the role of public employment services, it is argued, that it suffers from being prescriptive and deterministic. It is clearly evident from subsequent studies on the operation of British labour exchanges that they have largely failed to fulfil two of Beveridge's objectives: alleviating and controlling unemployment and the 'decasualisation' of the labour market.[71]

Why weren't the British labour exchanges successful? In later writings, Beveridge in part, places the blame on the British regulated coexistence system. Beveridge claims that their inability to achieve his objectives should not be laid at the doors of the exchanges themselves, but at the door of the employers. Despite acknowledging that the exchanges had no compulsory powers and relied only on gradual voluntary conversion of employers he dismisses arguments put forth by the Webb's that the success of such a system necessitated compulsory notification by employers.[72]

Writers such as O'Donnell and Showler have since challenged Beveridge's assumption that the British and German government established labour exchanges to alleviate unemployment. They argue that the state established labour exchanges to redistribute labour and not alleviate unemployment and this explains why they did not enforce compulsory notification. King and Rothstein, drawing from a cross national government survey of public and private

---

[69] W.H. Beveridge, *Unemployment: A Problem for Industry*, pp. 197-301.
[70] J. Tomlinson, *Problems of British Economic Policy 1870-1945,* pp. 22-24; W.H. Beveridge, *Unemployment: A Problem for Industry*, pp. 201.
[71] W.H. Beveridge, *Unemployment: A Problem for Industry.*
[72] W.H. Beveridge, *Unemployment: A Problem for Industry*; S & B Webb, *English Poor Law History*, Longmans Green, London, 1910.

employment services, found countries with regulated co-existent systems had the weakest and most ineffective public employment service.[73]

Anderson makes a very interesting and important point when she states that 'success is relative to expectations.'[74] She notes that those, and here she is clearly talking of Beveridge, who thought that through the exchanges seasonal unemployment could be reduced, casual work could be made continuous, and mobility between occupations and areas greatly facilitated, have been disappointed. She claims that the exchanges have been useful in such readjustments to varying degrees, but they have provided no cure-alls for the difficulties. For example, she notes that the exchanges have had no effect on regularising casual work. However, she argues that the exchanges have been useful in moving people from depressed areas. In support of the labour exchanges, she argues that they can only transfer workers when there are jobs available, and can only transfer workers who are able to fill the jobs. Furthermore, she states that for those who expected the exchanges to be merely clearing houses for the labour market, this she argues has been accomplished. She claims that with thirty three per cent of the labour market going through labour exchanges by the 1930s, a proportion which she argues was growing steadily, this demonstrates an impressive coordination of the labour market.[75]

Anderson provides a further contribution to the literature in regards to the British regulated coexistence system. She found that despite the British government initially forbidding local authorities to license commercial agencies, that the labour movement favoured such a law. In a similar vein to findings by the institutional economist's to be discussed next, she found that due to commercial pressure and competition from public agencies, private agencies adopted 'sharper' practices and charged higher fees to job seekers. In response labour exchange officials ignored the agencies, their attitude being that if people choose to use agencies, it is none of their affair and that agencies will disappear if the exchanges can win over the business. King and Rothstein argue that while British Laws provided some regulation of

[73] A. O'Donnell, 'The Public Employment Service in Australia: Regulating Work or Regulating Welfare', *Australian Journal of Labour Law*, No.13, 2000, pp. 143-166; D. King & B. Rothstein, 'Government Legitimacy and the Labour Market', pp. 291-308.
[74] C.M. Anderson, 'A View of the British Employment Exchanges', *Harvard Business Review*, Vol. 16, Issue 1, Autumn 1937, pp. 102.
[75] C.M. Anderson, 'A View of the British Employment Exchanges', pp. 102.

private agencies, this regulation was very weak and undermined the ability of the national labour exchange to prosper.[76]

Institutional economists, like Keynesian economists, reject the elegant theories of the neoclassical economics and advocate for the public provision of employment services. Institutional economists predicate their analysis on the notion that economics is not a body of immutable and timeless truths but is socially and historically relative. Writers from this tradition place emphasis on habit, custom and collective behaviour and its insistence that these phenomena cannot be reduced to the maximising behaviour of calculating individuals. For institutionalists the social formation of consumers and workers' preferences is the most important of all economic issues and forms the basis of analysis.[77]

Ramstad states that there are two crucial distinctions between neoclassical and the institutional analysis of the labour market. In neoclassical economics, the concrete institutional context of a market is seen as many frictions that inhibit the functioning of the core process and result in suboptimal outcomes. This interpretation carries a normative judgment: institutions that are frictions, such as collective bargaining agreements, create inefficiency and produce social outcomes in which some are at less worse off. Conversely, institutional economists reject such normative judgments. Institutional economists' rejection of the existence of the neoclassical core process is part of a broader methodological individualism in favour of one of a number of social explanations of economic behaviour. Market behaviour is understood as an expression of an underlying rule structure embedded in institutions, an analysis of labour market behaviour thus begins with uncovering the rule structure of the relevant institutions.[78]

Based on this methodological and ontological approach, institutional economists, such as Commons, have provided significant contribution to the literature on the origins of labour market institutions, their effects on labour market mobility and unemployment. Commons argued that the focus in the early part of the twentieth century had been placed on prevention

---

[76] C.M. Anderson, 'A View of the British Employment Exchanges', pp. 93-104; D. King & B. Rothstein, 'Government Legitimacy and the Labour Market', pp. 296.
[77] J.E. King, *Labour Economics*, Ch 1.
[78] Y. Ramstad, *Neoclassical Revisionism or Neoinstitutionalism: A Further Look at Labor Economics in the 1950s*, Mimeo, University of Rhode Island, 1987; Y. Ramstad, 'Institutional Economics and Dual Labour Market Theory', in M. Tool (ed.), *Institutional Economics: Theory, Method, Policy*, Kluwer Academic Publishers, Boston, 1993, pp.173-233; M. Hillard and R. McIntyre, 'Is there a New Institutional Consensus in Labor Economics', *Journal of Economic Issues*, Vol. 28, No. 2, June 1994, pp. 619-630.

(identifying and attacking the economic and political situations, practices and forces that result in unemployment i.e. curing the symptoms that lead to cyclical unemployment such as economic fluctuations) and not on accepting that unemployment is always apparent (due to technological change and business adjustment). He claimed that emphasis needs to be placed on the most efficient and equitable regulation of the labour market: employment offices to facilitate job finding during both good and bad economic times. Commons found that the provision of public employment services was both a social and economic necessity to counteract the discrimination and fraud, which was being perpetrated by private employment agencies. Commons is commonly characterised as an institutional economist and has provided the most notable contribution to the historical literature. Therefore, for the purpose of this chapter his contribution to the literature will be discussed in further detail in the following section with the other historical writers.[79]

King argues that during the heyday of human capital theory in the 1960s, neoclassical theory seemed to have overwhelmed the institutionalists. However, he notes that there was a powerful reaction against this neo-classical dominance spearheaded by Michael Piore's Dual Labour Market Theory. This theory provides an interesting perspective on the employment-unemployment-poverty relationships. The theory suggests that a dichotomisation of the labour market had occurred over time, forging two separate labour markets – a primary and a secondary market – in which workers and employers operate by fundamentally different behavioural rules.[80] The distinction of the two markets is as follows:

> 'the primary market offers high wages, good working conditions, employment stability and job security, equity and due process in the administration of work rules, and chances of advancement. The secondary market had jobs which involve low wages, poor working conditions, considerable variability in employment, harsh and often arbitrary discipline, and little opportunity to advance. The poor and vulnerable are thus confined to the secondary labour market'.[81]

From this perspective, Piore has argued that the role of the employment service can be of central concern to policy makers. If labour market duality exists, which Lansbury and

[79] J. Commons, *History of Labor in the United States,* pp. 114-136.
[80] J.E. King, *Labour Economics,* pp. 5; M.J. Piore, 'The Dual Labour Market: Theories and Implications', in D.M. Gordon (ed.), *Problems in Political Economy: An Urban Perspective*, Lexington, Lexington Books, 1971, pp. 91; D.M. Gordon, *Theories of Poverty and Underemployment*, Lexington, Lexington Books, 1972, pp. 43.
[81] M.J. Piore, 'The Dual Labour Market', pp. 91.

Gilmour state to be the case in Australia, and the chances of moving from secondary low paid, low status jobs into primary ones are restricted, this throws into even greater emphasis the need to provide appropriate training, information, placing and follow up for new entrants, and also for existing secondary market workers into the labour market. For those in secondary jobs the role of the employment service could lie in the accurate identification of the problem in individual cases, and the provision of appropriate guidance and training to lift these workers into primary jobs. If, however, certain groups experience discrimination, guidance and training may not be sufficient to break the barrier. Thus, Piore's theory emphasises the need to concentrate upon countering employment discrimination. He claims that the possibility of duality in the labour market emphasises the need for an integrated policy approach, which not only provides information, placement service and training, but also to counter discriminatory and the institutional forces that may present such services being fully successful.[82]

In conclusion, the previous discussion has demonstrated there are four economic traditions within the literature. All of which hold different assumptions and points of reference in their analysis of the public employment services. The following table 2.3 summarises the economic traditions regarding public employment services.

[82] M.J. Piore 'The Dual Labour Market', pp. 91; P. Gilmour and R. Lansbury, *Ticket to Nowhere: Training and Work in Australia*, Penguin Books, Ringwood, 1978, pp. 97-98.

Economic Tradition	Influence on Public Policy	Justification for Public Employment Service	Economic analysis
Neoclassical	Nineteenth and early twentieth century Re-emerges after the economic crisis of the 1970s until present	No role for the following reasons; - assume that the privatisation of employment services improves allocative efficiency, since private agencies and their employees have stronger performance incentives than employees in the public sector. – argue that further competition results in a greater range of approaches being tested, leading to innovation, a higher rate of improvement in service quality and cost effectiveness, and greater responsiveness to client needs	- Competitive Market - Absence of externalities will bring efficient allocation of resources i.e. no state intervention - Individual are rational maximisers - Market reaches equilibrium - Focus on individual behaviour
Beveridge	In the UK from the early twentieth century	Yes for the following reasons - to cure unemployment - to regulate the labour market - eliminate casualisation of labour	- Micro analysis of the labour market - Improvements in the flow of information will lead to improvements in the labour market and flow on to industry - Elimination of casual work replaced by full-time stable employment
Keynesian	In the UK from the early twentieth century until the economic crisis of the 1970s In Australia and the US from 1945 -1970s [83]	Yes for the following reasons - to alleviate unemployment - to regulate the labour market - to eradicate unemployment	- Macroeconomic focus on employment and demand - State intervention required to control inflation and unemployment
Institutional	In the US from 1920s until WW1.	Yes for the following reasons - to counter discrimination and fraudulent behaviour perpetrated by private employment agencies - Dual labour market theory stipulates that a public employment service will enable workers to move from the secondary to the primary labour market	- Economics is not a body of timeless truths but is socially and historically relative - Social explanations of economic behaviour - Market behaviour is understood as an expression of an underlying rule structure embedded in institutions

Table 2.3: Economic Traditions[84]

[83] J. M. Keynes, *The General Theory of Employment, Interest and Money;* J. Nurick, *Too Few Jobs*; K. Windschuttle, *Unemployment*; J.E. King, *Labour Economics*, Ch 1.

[84] J. Commons, *History of Labor in the United States,* pp. 114-136; W.H. Beveridge, *Unemployment: A Problem for Industry;* J. M. Keynes, *The General Theory of Employment, Interest and Money*.

Historical Literature on the Origins of Public Employment Services

The historical literature on public employment services has also been largely influenced by the economic traditions discussed in the previous section. American writers have overwhelmingly adopted the institutional economic approach. These writers have generally been interested in asking why public employment services have been established, what factors shaped their existence and what role have they played. The British and Australian contribution to the historical literature has overwhelmingly influenced by Beveridge and Keynesian economics. However, this literature suffers from a number of problems. Firstly, it is laden with inherent assumptions surrounding the role and operation of public employment services. Secondly, in Australian scholarship the success and failure of the public employment service has been intertwined with the success and failure of Keynesian economics and the failure of Beveridge's prophecies for the decasualisation of the labour market. The following section will begin with a discussion of the international literature before turning to the Australian literature.

International Literature

The United States scholar, John R. Commons, has provided the most significant contribution the historical literature on public employment services. Influenced by his background in institutional economics, Commons in his *History of American Labor in the United States,* first published in 1918, identified the impetus for the establishment by of a public employment service in the United States. Unlike Beveridge, who provides a prescriptive and deterministic analysis of the role of employment services, Commons draws on historical evidence of discrimination and fraudulent practices perpetrated by private agencies, which led both the Federal, and many state governments, in the United States, to regulate private agencies, and established public employment services. Inspired by Commons, many writers have focused on the regulatory frameworks and broader socio economic issues associated with public employment services.[85]

[85] National public employment service was first established in 1907 but it collapsed by 1920, and it was not until 1933 that again re-established. First regulatory act in United States was in Massachusetts in 1848 required a license fee. The second in Maine in 1883 also fixed a license fee and forbade an agency from charging applicants unless they actually furnished them with jobs. Others such as in Minnesota in 1885 required the posting of a bond in case of fraud see- J. Commons, *History of Labor in the United States*, pp.187-189; W. J. Breen, *Labor Market Politics and the Great War: The Department of Labor, The States and the First U.S. Employment Service, 1907-1933,* Kent State University Press, Kent, Ohio, 1997; D. King & B. Rothstein, 'Government Legitimacy and the Labour Market', pp. 296.

Unlike Beveridge who claimed that the public employment service could alleviate unemployment, Commons argued that public employment services could contribute to assisting with the regulation of unemployment. Commons traced constructive thinking on public employment services in the United States back to the Massachusetts reports of 1893-1895. However, he notes that despite such early considerations, the focus from 1914 to 1933 had been placed on prevention (identifying and attacking the economic and political situations, practices and forces that result in unemployment i.e. curing the symptoms that led to cyclical unemployment such as economic fluctuations) and not on accepting that unemployment is always apparent (due to technological change and business adjustment) and that emphasis needs to be placed on employment offices to facilitate job finding during both good and bad economic times.[86]

In his work, Commons charts the development of the United States Employment Service (USES), first established in 1907. He argues that during its formative years the USES was ineffective and faced considerable hurdles. The USES ineffectiveness he attributes to the lack of coordination between state and federal employment services, which created further inefficiencies in the labour market. Commons argues that it wasn't until the enactment of the Wagner-Peyser Act in 1933 that an integrated and effective national employment service was finally established in the United States. He stated that the new employment service differed in several ways. Firstly, a national advisory council was appointed to help the employment service work out its policies, maintain neutrality between employers and labour, and put efficiency before political considerations. Secondly, a federal subsidy was only given to states which entered into a formal written agreement with the USES, which bound the state to federal regulations and standards, including supervision of salaries, selection and training of personnel, standardised record keeping, clearance, premises used for offices, and the acceptance of the policy that during strikes or lockout individuals sent out on an employer's request be given notice that a strike or lockout existed.[87]

Commons' claimed that the development of a nationally integrated public service was aimed at the regulation and organisation of the labour market has been disputed by later writers. Breen claims that the USES was a political grab for jurisdictional power. Breen argues that the Federal Department of Labor seized the opportunity, provided by a chaotic labour market

[86] J. Commons, *History of Labor in the United States,* pp. 114-136.
[87] J. Commons, *History of Labor in the United States,* pp. 200-202.

during World War I, to establish control of the national labour market. He argues that a prolonged struggle occurred between the states and the 'aggressive administrative empire-builders'[88] in the Federal government. He also states that while the Federal government was initially successful in their bid for jurisdictional power, they were ultimately undermined by their inability to coordinate the individual states.[89]

Commons' most significant contribution to scholarly debates was his insight into the impetus for the public provision of employment agencies. He argued that the provision of regulatory laws on private agencies by various states was indicative of the abuses that have characterised the business. In his research, Commons found that regulations were enacted to forbid fraudulent advertising, misrepresentation and other forms of fraud. He discovered that some states forbade agencies from collecting fees from both the employer and employee, while others prohibited fee splitting between the agencies and employers. Other states endeavoured to regulate the fees charged by private agencies. In regards to industrial disputation, Commons found that a number of states required the agencies to post notices of strikes and lockouts or to stamp the information on the introduction cards given to men sent out to jobs where disputes were in progress.[90]

Later scholars influenced by Commons' approach have examined the discriminatory and fraudulent acts perpetrated by private agencies and their effects on labour market outcomes. However, some writers argue that the extent of such abuses will never be known. Becker claims 'those who commit deviant acts protect themselves from prying outsiders. Deviance within an organized conventional institution is often protected by a cover up.'[91] Martinez, argues that private agencies have typically covered up such abuses. What then have been the frauds perpetrated by these private agencies? Harrison cites a list of seven common abuses and frauds committed by private agencies, which are detailed in table 2.4.[92]

Martinez's historical overview of the changing role of employment agencies also provides some corroborating evidence of these concerns. He found that private agencies had been prepared to accept radically and sex-biased employment requirements without protest. Unlike

---

[88] W. J. Breen, *Labor Market Politics and the Great War,* pp. 4.
[89] W. J. Breen, *Labor Market Politics and the Great War*.
[90] J. Commons, *History of Labor in the United States*, pp. 187.
[91] H. Becker, *Outsiders*, The Free Press, New York, 1963, pp. 168-69
[92] T. Martinez, *The Human Marketplace: An Examination of Private Employment Agencies*, Transaction Books, New Brunswick, 1976; S. Harrison, *Public Employment Offices: Their Purpose, Structure and Method*, Russell Sage Foundation, New York, 1924, pp. 4-6.

Harrison, Martinez provides a more sophisticated analysis of the abuses perpetrated by private agencies. He has characterised them around four themes: misrepresentation, fee-splitting; proselyting; discrimination, which are detailed in table 2.5.[93]

Charging a fee and failing to make any effort to find work for the applicant
Sending an applicant where no work exists
Sending applicants to distant points where no work or where unsatisfactory work exists but whence the applicant will not return on account of the expense involved
Collusion between the agent and employer whereby the applicant is given a few days work and then discharged to make way for new workman, the agent and the employer dividing the fee
Charging exorbitant fees or giving jobs to such applicants as contribute extra fees, presents etc
Inducing workers, particularly girls, who have been placed to leave – pay another fee- and get a 'better job'
Other evils charged against employer agents are the congregating of persons for gambling or other evil practices, collusion with keepers of immoral houses, and the sending of women applicants to houses of prostitution

Table 2.4 Harrisson's Common Abuses and Frauds Committed by Private Agencies[94]

One of Commons greatest contribution to the scholarly debates surrounding employment services was his focus on the regulatory arrangements of employment services. Harrison concurs with Commons and argues that the abolition of private agencies would not necessarily reduce fraudulent practices, as he believes that they would continue to operate. Rather, he argues it is more important to tighten the regulatory arrangements and build a good

[93] T. Martinez, *The Human Marketplace,* pp. 43-57.
[94] S. Harrison, *Public Employment Offices: Their Purpose, Structure and Method*, Russell Sage Foundation, New York, 1924, pp. 4-6.

constructive, competing organisation to minimise their effects and provide protection for the consumers.[95]

So what forms of regulation have occurred? Martinez argues notes by 1914, twenty-four states in the United States had attempted direct regulation of the activities of private employment agencies and nineteen states attempted indirect regulation in the form of establishing a free public employment service designed to compete with private agencies. By 1928, all but nine states had provided in some manner of regulation of private agencies.[96]

Theme	Definition
Misrepresentation	ads, jobs, vacancies in areas – Martinez found an early reliance on misleading advertisements.
Fee-splitting	This refers to turnover being accelerated through firing with the fee being split between the recruitment agency and employer.
Proselyting	This refers to attempts by agents to influence former applicants and potential recruits to leave their present jobs in order to accept another through the agency. Also now known as headhunting. Often used when specific skills are required by an employer, Martinez argues that proselyting is becoming an increasing practice among private agencies, and their methods of contacting new recruits are often unscrupulous
Discrimination	Up until the Civil Rights Movement of the mid 1960s employment agents have accepted racially, religiously and sex-biased job orders without significant protest. In a survey of 457 private agencies it was found that 85% were willing to accept a discriminatory request. They argue such request were made by strangers to the agencies and that it is logical to assume that discriminatory job orders from regular clients would be greeted with a higher acceptance rate

Table 2.5 Martinez's Typology of Private Employment Agency Abuses.[97]

[95] J. Commons, *History of Labor in the United States,* pp. 114-136*;* S. Harrison, *Public Employment Offices*.
[96] T. Martinez, *The Human Marketplace,* pp. 58.
[97] T. Martinez, *The Human Marketplace,* pp. 43-57.

Writers such as Martinez and Sol identified that a parallel movement had occurred in other nations who had also been confronted with the problems arising from the unhampered activities of private employment agencies. In 1913 the Canadian Labor Congress called for the complete suppression of private employment agencies. The first official International Labor Conference of the League of Nations made a similar resolution a few years later. Germany had also become so concerned with unscrupulous practices of private agencies and their effect on the labour market that in 1922 the German government called for their abolition within ten years. Austria met the problems created by private agencies by refusing to issue any new licenses following World War I. By 1926 Finland, Romania and Bulgaria had legislated for the abolition of private agencies.[98]

Many scholars including Sol, Jacoby and Finkin have identified how the concern for human exploitation reached the international arena. These writers have argued that the early concerns took concrete form in International Labour Organisation Convention No. 34 (1935), which proposed the abolition of profit-making employment agencies in favour of a state monopoly. Several European nations followed suit establishing publicly operated employment exchanges with exclusive jurisdiction. In 1949, the ILO promulgated Convention No. 96, which authorised limited exceptions to the rule laid down by Convention No. 34. However, the ILO capitulated in Convention No. 181 in 1997. This convention abandoned the prohibition of profit-making agencies and proposed the adoption of a system of governmental licenses and regulation.[99]

Hall argues that the need for regulation was enhanced not only by the profound effect of these agencies upon the labour market and the economy in general, but also by the very nature of the business, which provided a very fertile ground for unscrupulous business practices. As Hall argues

> 'commercial agencies are under certain peculiar temptations. Employment agencies may be opened by an outlay of but little capital and current expenditures are very small. Relationship with the labourers is not continuous and an unscrupulous manager

[98] T. Martinez, *The Human Marketplace*, pp. 57-58; E. Sol, 'Targeting on Transitions: Employment Services in the Netherlands', *Comparative Labor Law and Policy Journal*, Vol.23, 2001, pp. 81-128.
[99] E. Sol, 'Targeting on Transitions', pp. 81-128; M.W. Finkin and S. Jacoby 'Employment Agencies: An Introduction to the Regulation of Leasing and Employment Agencies', *Comparative Labor Law and Policy Journal*, Vol. 23, (1), Fall, 2001, pp. 1-10; R. Mitchell & A. O'Donnell 'Employment Agencies', pp.7-37.

is therefore not to the same degree as in most businesses under the necessity of maintaining the good will of his constantly changing customers.'[100]

Many scholars influenced by the institutional economic tradition, including Martinez, Harrison, Finkin and Jacoby argue that the combination of a highly vulnerable clientele and the low degree of skill necessary to open and maintain a private employment agency created the image of an industry riddled with abusive and unscrupulous practices. Despite this negative image and the wealth of facts that supported it, obtaining government regulation was fraught with political and legal complications, largely because of the precedent setting nature of such regulation.[101]

While much of the British literature on public employment service has strictly followed in the Beveridge tradition there has been one British historian, Brian Sholwer, who has broadened this tradition by incorporating the socio economic concerns of the American scholarship. While Showler shares Beveridge's concerns he argues that the public employment service can also achieve important social objectives: reducing poverty and the social costs of unemployment. Influenced by Piore's Dual Labour market theory he contends that public policy should also concentrate upon countering employment discrimination.[102]

While Sholwer's findings concur with previous studies that found that the labour exchanges failed to achieve Beveridge's objectives: alleviating and controlling unemployment and curbing the 'decasualisation' of the labour market, he claims that these objectives can only be achieved by prohibiting private agencies. He contends that private employment agencies undermine the social purpose of the public employment service. Furthermore, he supports these claims by noting that greater economies of scale could be obtained from a monopolistic public service, and undesirable labour market practices could be avoided.[103]

As the previous discussion has illustrated Commons and subsequent writers have provided important insights socio economic justification for the public provision of employment services: to curtail and prevent the abuses that have characterised the industry. While the role of the public employment service has received considerable academic attention in the

---

[100] J. Hall, *Theft, Law and Society*, Bobbs-Merrill, Indianapolis, 1935, pp. 3.
[101] T. Martinez, *The Human Marketplace*; J. Commons, *History of Labor in the United States,* pp. 114-136; S. Harrison, *Public Employment Offices;* M.W. Finkin and S. Jacoby 'Employment Agencies: An Introduction to the Regulation of Leasing and Employment Agencies', pp. 1-10.
[102] B. Showler, *The Public Employment Service,* pp.10-12 & 46-51.
[103] B. Showler, *The Public Employment Service*, pp. 46-51.

international literature, Australian scholars have been slower to engage in such debates. The following discussion will examine how these traditions have influenced Australian scholarship on the origins and role of public employment services.[104]

Australian Literature

Prior to the 1980s Australian labour history had generally neglected the origin and impact of state intervention in the labour market. While early labour historians such as Coghlan and Reeves documented numerous aspects of state intervention such as the existence of Labour bureaus they provide contradictory accounts of the origins and effects of these bodies. However, since the 1980s Australian labour historians have shown a greater interest in the origins and effects of state intervention in the labour market namely through compulsory arbitration and wage boards. Attacks by deregulationists and the New Right on the system of arbitration during the 1980s provided the impetus for Australian scholars to re-assess its genesis and early impact. This preoccupation resulted in a plethora of studies on the system of arbitration by scholars such as Macintyre and Mitchell, Niland, and Plowman, amongst others.[105]

In part, the narrow and sustained interest of state intervention in the form of compulsory arbitration can also be attributed to one of the dominant theoretical influences in Australian industrial relations research: Dunlop's 'systems theory'. While Dunlop's 'systems theory' included the state as an actor in the industrial relations system, it was generally only in its capacity as conciliator and arbitrator that it was analysed. Heavily influenced by Dunlop's model Australian scholars have had a long-term preoccupation with the macro interactions of the industrial relations system. This preoccupation resulted in a plethora of studies focused on trade unions, collective bargaining and arbitration. As dedicated pluralists, these writers viewed organised labour as the great moderator of the excesses of unbridled capital, and the state as the empowered and independent adjudicator of these collective arrangements. Based on this presumption, pluralist scholars assumed that the system of compulsory arbitration

---

[104] J. Commons, *History of Labor in the United States,* pp.114-136*;* S. Harrison, *Public Employment Offices*; B. Showler, *The Public Employment Service*, pp. 46-51.

[105] G. Patmore, 'Literature Survey Australian Labour History: A Review of the Literature' *Labour and Industry*, Vol. 5, No. 1 & 2, March-June 1993, pp. 38; W.P. Reeves, *State Experiments in Australia and New Zealand,*; T.A. Coghlan, *Labour and Industry in Australia*; S. Macintyre & R. Mitchell, *Foundations of Arbitration: The Origins and Effects of State Compulsory Arbitration, 1890-1914*, Oxford University Press, Melbourne, 1989; J. Niland, *Collective Bargaining and Compulsory Arbitration in Australia*, New South Wales University Press, Sydney, 1978; D. Plowman, *The Employers And Compulsory Arbitration : The Case Of The NSW Employers' Federation, 1903-1940*, University of New South Wales, Dept. of Industrial Relations, Sydney, 1982.

would protect vulnerable workers from the power of capital. By investing the state and labour movement, with such an important function, these scholars inevitably treated other forms of state intervention in the labour market, and in particular, public employment services as socially retrograde, and thus undeserving of scrutiny.[106]

Despite this neglect there have been some Australian scholars who have contributed to the historical literature on public employment services. Economic historians Tony Endres and Malcolm Cook examined the NSW Government's response to unemployment between 1892 and 1912. Focussing on the Government Labour Bureau they argued that despite Beveridge's claims, the Government Labour Bureau facilitated the casualisation of the labour market. However, due to their preoccupation with Beveridge and the aggregate nature of their statistical analysis they failed to examine why the Government Labour Bureau was established, the non-economic factors that shaped their approach or how the labour bureaus changed and developed over time.[107]

More recently, Richard Mitchell and Anthony O'Donnell, labour law academics, have also provided a valuable contribution to the literature. Mitchell and O'Donnell examined the historical regulation of private and public employment agencies in Australia. While this research provides an interesting account of the development of regulation of private employment agencies, they failed to examine the factors that led to its introduction. O'Donnell's later research on the regulation of the CES also provided an interesting account the effects of labour laws on social policy. However, his legalistic and regulatory approach again failed to take into account other external socio-economic factors such as fraud and discrimination.[108]

Consequently, the Australian literature suffers from a number of flaws. Firstly, while the previous international literature has generally adopted an institutional economic approach, the Australian historian literature has largely followed either Beveridge or a Keynesian economic

---

[106] Pluralist view – J. Dunlop, *Industrial Relations Systems*, Holt, New York, pp. 6-18; D. Plowman, 'Industrial Relations and the Legacy of New Protection', *Journal of Industrial Relations*, Vol. 34, No. 1, 1992, pp. 59-60; B. Dabscheck, 'The Australian System of Industrial Relations: An Analytical Model', *Journal of Industrial Relations*, Vol. 22, No. 2, 1980, pp. 216-217; R. Callus and R. Lansbury, 'Workplace Industrial Relations', *Labour and Industry*, Vol.1, No. 3, 1988, pp. 364-382.

[107] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.

[108] A. O'Donnell, 'Inventing Unemployment: Labour Market Regulation and the Establishment of the Commonwealth Employment Service' *Federal Law Review*, Vol. 31, (2), 2003, pp. 343-372; R. Mitchell & A. O'Donnell, 'Employment Agencies: The Regulation of Public and Private Employment Agencies in Australia: An Historical Perspective', *Comparative Labor Law and Policy Journal*, Vol. 23, 2001, pp. 7-37.

approach. Thus the success and failure of the public employment services in Australia have been intertwined with rise and fall of Keynesian economics or judged against Beveridge's policy of decasualisation. Secondly, the socio economic concerns identified in the international literature have been overwhelmingly neglected in Australian scholarship. As the following discussion will illustrate, the state bodies have been largely neglected within the literature.[109]

In Australia, the earliest forms of state intervention in the provision of employment services were found at the state level, these were known as labour bureaus. Within the literature there is some confusion of their origins and role. John Nurick a neo-classical economist argues that the colonies had from time to time set up Labour bureaus as a temporary response to unemployment. He argues that the first of these occurred in South Australia in 1849.[110] William Reeves, former New Zealand Statesman and Fabian socialist, on the other hand, argues that NSW established the first bureau in 1892; a year after a similar exchange had been set up in New Zealand, making it one of the earliest exchanges in the world. Reeves states by 1902 Queensland, Victoria, South Australia and Western Australia had also established public labour bureaus. Endres and Cook concur with Reeves claiming that the NSW Government Labour Bureau, established in 1892, was one of the earliest labour bureaus in Australia.[111]

Coghlan provides a differing account of the origins of the Australian labour bureaus. Against a backdrop of economic uncertainty, high unemployment, industrial unrest and structural change in the labour market, Coghlan argues that the colonial government received faced pressure from the trade unions to address these concerns. Coghlan notes that a Labour Conference, of an inter-colonial character, was held in Sydney in January 1894, at which 'a resolution was passed calling on all governments to set up departments of labour, collect statistics of employment, organise surplus labour locally and place unemployed men on the land in land settlements'.[112] Coghlan claims that NSW was the first to establish a bureau in 1894; this is two years after Reeves, Endres and Cook's account. Despite establishing a

[109] W.H. Beveridge, *Unemployment: A Problem for Industry*; A. O'Donnell, 'Inventing Unemployment: Labour Market Regulation and the Establishment of the Commonwealth Employment Service' *Federal Law Review*, Vol. 31, (2), 2003, pp. 343-372.
[110] J. Nurick, *Too Few Jobs.*
[111] J. Nurick, *Too Few Jobs;* W.P. Reeves, *State Experiments in Australia and New Zealand*, pp. 219-220.
[112] T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020.

labour bureau, Coghlan argues that the NSW colonial government had no serious intention of engaging in any extensive plans for the long-term operation of the labour bureau.[113]

Other writers trace their early beginning to policy debates in Britain. O'Donnell argues that these ideas echoed a strand of opinion that had emerged in Britain in the early decades of the twentieth century when a group of social and administrative reformers, such as Sidney and Beatrice Webb and, most famously, William Beveridge, promoted the idea of the Labour Exchange in an explicit attempt to decasualise the labour market. Influenced by the approach of the motherland, Endres, Cook and O'Donnell claim that policy makers adopted this approach to cure the ills of unemployment.[114]

What role did the labour bureaux play? On this issues both Reeves and Coghlan produce similar findings. They argue that the functions of the bureaux were two-fold – to relieve the distress among the unemployed, and to act as a channel through which labour passes into government employ. The main objective of the labour bureaux was to get the workless out of the cities and larger towns and disperse them about the country. They noted that the government bureaus provided help in four main ways:

1) engage any labourers who may be required by the public departments
2) select and send out men willing to work for private employers
3) where men are willing to try their luck in country areas where there is a fair chance of employment, the bureaux will give them passes on the state railways
4) picking men for special relief projects – during times of emergency.[115]

Endres and Cook claim that the Government Labour Bureau was an ad hoc policy response, operating merely as a 'means of social control and as a charitable institution'.[116] By the mid 1890s they claim that the Government Labour Bureau changed from acting as a dispenser of charity to an allocative function: dispensing manual labour onto Government works and into

[113] W.P. Reeves, *State Experiments in Australia and New Zealand*, pp. 218-222; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.
[114] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70; A. O'Donnell, 'Inventing Unemployment', pp. 343-372; J. Nurick, *Too Few Jobs*.
[115] W.P. Reeves, *State Experiments in Australia and New Zealand*, pp. 218-222; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.
[116] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 58.

private employment. In the period from 1892 to 1912 they claim that the Government Labour Bureau only underwent cosmetic change and failed to develop innovative labour market programs.[117]

Where the labour bureaus successful? The evidence seems to suggest that labour bureaus were not successful. Endres, Cook and O'Donnell argue that despite Beveridge's prophecies, they failed to alleviate unemployment or to decasualise the labour market. Endres and Cook argue that the Government Labour Bureau assisted employers by encouraging the casualisation of the labour market. Reeves notes, during the early years the NSW bureau was accused of playing into the hands of astute employers by allowing them to make use of it to pick up labour at less than current rates. Coghlan also found that the Government Labour Bureau was criticised for its failure to insist on union rates of pay from employers and its supplying of labour to take the place of strike breakers. Coghlan and Nurick contend that they were seen as only temporary measures to organise the labour market during the 1890s, and the state's lack of commitment to their purpose undermined their overall success.[118]

What became the fate of the state labour bureaus? O'Donnell argues that persistent high unemployment during the 1920s led policy makers to consider the role of labour bureau more broadly than simply as a means to govern the unemployed. He cites evidence found in the 1927 Royal Commission into the establishment of a national insurance scheme, which recommended a national system of employment bureaus. He found similar sentiments were echoed the following year by the Development and Migration Commission's Report on Unemployment and Business Stability. This report concluded that there was a lack of co-ordination between government bureau, trade union bureau, privately controlled bureau and more informal methods of recruitment tended 'to be confusing, inefficient and wasteful…and to contribute to the creation of numbers of separate reserves of labour within the respective industrial groups' and accounted for a considerable proportion of unemployment.'[119] By contrast, it was argued, based on the Keynesian economic theory, that a national uniform

---

[117] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.

[118] T.A. Coghlan, *Labour and Industry in Australia*; J. Nurick, *Too Few Jobs;* W.P. Reeves, *State Experiments in Australia and New Zealand*; A. O'Donnell, 'Inventing Unemployment' pp. 343-372; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70; J. Nurick, *Too Few Jobs.*

[119] Commonwealth of Australia, Development and Migration Commission, *Report on Unemployment and Business Stability*, Parl Paper No. 79, (1926-1928), pp.16 cited in A. O'Donnell, 'The Public Employment Service in Australia: Regulating Work or Regulating Welfare', pp. 143-166.

labour exchange could abolish the labour reserves of individual industries, concentrating them into one, as well as providing the information that would aid labour mobility and vocational guidance and supervise and co-ordinate private agencies. [120]

O'Donnell notes that little progress on these proposals was made until World War II, with the establishment of the Commonwealth Employment Service. O'Donnell argues that this development sounded the death knell for state labour bureaus.[121]

Conclusion

This chapter outlined the conceptual context for this thesis. From the previous discussion it is evident that scholarship on public employment services has trodden a very narrow path. Overwhelmingly scholars have posited there analysis within one of the four economic traditions, however, three of these traditions suffer from being heavily laden with inherent assumptions and predetermined outcomes: Neoclassical economics, Beveridge and Keynesian economics. It is also apparent that scholars have been reluctant to examine the scholarly debates outside of their tradition. Furthermore, there has been a lack of cross fertilization of ideas, particularly between traditions, and especially between US and British writers. This thesis seeks to break with these traditions, and argues that it is essential that any analysis of the role public employment services needs to take into account all traditions in its analysis.[122]

The literature on public employment services has been overwhelmingly shaped by economic discourse. As the previous illustrated there are four economic traditions within the literature, three of which suffer from a number of flaws. Writers from the neoclassical economist tradition argue that the privatisation of employment services improves allocative efficiency, since private agencies and their employees have stronger performance incentives. However, there is little evidence to support such claims. Writers from the Keynesian economic tradition reject such assumptions, and instead advocate for state intervention to stimulate economic growth and full employment. Writers influenced by Beveridge's claims that that public

[120] A. O'Donnell, 'The Public Employment Service in Australia', pp. 143-166.
[121] A. O'Donnell, 'The Public Employment Service in Australia', pp. 143-166; A. O'Donnell, 'Inventing Unemployment', pp. 343-372.
[122] J. Commons, *History of Labor in the United States,* pp. 114-136; W.H. Beveridge, *Unemployment: A Problem for Industry;* J. M. Keynes, *The General Theory of Employment, Interest and Money*.

employment services would alleviate unemployment and decasualise the labour market, have been left disappointed.[123]

Unlike the previous economic traditions which have focused predominantly on economic aspects, writers from the institutional economic tradition have adopted a broader view highlighting the fact that labour markets have both economic and social dimensions. This tradition has been particularly significant and influential in American historical literature. From their historical analysis of the origins of public employment services these writers advocate for the public provision of employment services and labour market regulation to avoid the discriminative and fraudulent practices that have been perpetrated by private employment agencies. While this thesis adopts the assumptions and approach of the institutional economic tradition, it also seeks to evaluate the claims of the other traditions over the role and origins of the public employment services in Australia.[124]

As was previously noted there are a number of significant problems with Australian historical literature. Australian scholars have generally influenced by either the Keynesian economic tradition or Beveridge's policy of decasualisation. Consequently the success and failure of public employment services have been tied to the success and failure of Keynesian economics or Beveridge's policy of decasualisation in Australia. In recent times, the neoclassical tradition has become dominant in recent literature, particularly since the demise of the CES. The institutional economic tradition is sadly lacking from Australian discourse. However, it is argued that this tradition allows scholars to identify the socio-economic factors in asking why public employment services were established and their role in the labour market. Though it is argued that any analysis of the public employment service must take into account the arguments and debates across all traditions. This thesis aims to rectify this gap in our knowledge, by providing an integrated analysis of the public employment service in Australia.[125]

The literature examined in this chapter raises interesting questions for this thesis. Firstly, as noted earlier, the state has sort to abrogate its role, which raises questions about what role it has played, and what role should it play? Secondly, what were the origins of the NSW labour

---

[123] J. Commons, *History of Labor in the United States,* pp. 114-136; W.H. Beveridge, *Unemployment: A Problem for Industry;* J. M. Keynes, *The General Theory of Employment, Interest and Money*.
[124] J. Commons, *History of Labor in the United States,* pp. 114-136.
[125] J. Commons, *History of Labor in the United States,* pp. 114-136; W.H. Beveridge, *Unemployment: A Problem for Industry;* J. M. Keynes, *The General Theory of Employment, Interest and Money*.

bureau, and was it as ineffective and inefficient as others have assumed? Finally, was the private employment industry riddled with fraudulent behaviour, and did this provide the impetus for the development of public employment services in Australia?

In seeking to address these considerations the following chapter will examine the development of the earliest NSW labour bureau. In doing so, it will seek to determine its origin and role and the factors that shaped the development of public employment services in NSW.

Chapter 3 Casual Labour Board

Introduction

Throughout the literature little appears to be known about early Government attempts to provide public employment services in Australia. As previously noted, there is much conjecture over when and where these first occurred, also in what form they took, and who influenced their design. Reeves, Endres and Cook claimed that the first labour bureau in NSW was established in 1892, while Coghlan states it was established 1894 in response to growing pressures, predominantly from the trade union movement.[126]

While the Government Labour Bureau cited by both Reeves and Coghlan was actually established in 1892, there was an earlier labour bureau: the Casual Labour Board, established by the Parkes Colonial Government in 1887. Faced with high unemployment and industrial unrest the Colonial Premier and Colonial Secretary, Sir Henry Parkes, established the Casual Labour Board on 2 May 1887. Parkes later terminated the Casual Labour Board on 29 December 1888. While Coghlan argued the introduction of the Labour Bureau in 1894 was in response to growing pressure, predominantly from the trade unions, it appears that the introduction of the Casual Labour Board was largely due to the increasing pressure on the Colonial Government from the unemployed.[127]

Despite its short tenure of nineteen months, Parkes had originally hoped that the Casual Labour Board would have sophisticated and far reaching implications for the labour market. Parkes intended for the Casual Labour Board to be responsible for the registration of the unemployed, gathering labour market information, and selecting unemployed persons for relief works across NSW, with the aim of generally absorbing some men into private employment, thereby easing the industrial distress of the time. Despite having such sophisticated aims, the Casual Labour Board acted primarily as a labour market intermediary,

---

[126] W.P. Reeves, *State Experiments in Australia and New Zealand,* pp. 219-220; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2019-2020; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.

[127] Casual Labour Board Inquiry Commission, *Report of the Casual Labour Board Inquiry Commission*, Sydney Government Printer, 1889, pp. 25-26; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2019-2020; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918, Government Printer, Sydney,* 1919, pp. 64; *NSWPDLCLA*, Vol. 12, 1883-1884, pp. 3003; *NSWPDLCLA*, Vol. 25, 1887, pp. 374, 855 & 1160-1164.

focussing predominantly on the placement of men on Government relief works with the hope that this would support industry and led to more opportunities for private employment.[128]

Parkes believed that the provision of Government relief works would give the economy the necessary capital injection to assist private industry and thereby led to the absorption of men into private employment. However, despite these intentions it largely failed to receive the necessary long-term support due to the cyclical nature of the economy and labour market, and the unsustainable costs associated with the government relief works. Furthermore, following a Parliamentary Select Committee inquiry in 1889, it was disbanded under a cloud of allegations relating to corruption and misappropriation of funds.

This chapter will begin by examining the economic, industrial and political conditions in NSW during the period of the Casual Labour Board 1887-1888. In light of this discussion, the origins of the Casual Labour Board will be analysed. The discussion will then focus on the operations of the Casual Labour Board. Finally, the criticisms, problems and reasons for its eventual demise will be analysed.

Economic and Industrial Conditions

During the second half of nineteenth century, burgeoned by the gold rushes, Australia experienced a period of substantial population growth. In NSW the population grew rapidly from 357,978 in 1861 to 1,085,740 in 1888.[129] The substantial proportion of residents lived in cities and towns. By 1888, Sydney had a population of 360,000 inhabitants, second largest to Melbourne with 420,000.[130] The largest increase in population occurred in 1885, when due to the depression occurring in the other colonies, most notably Victoria, there was a large influx of men coming to NSW in search of work. Coghlan claims that this influx created congestion in the labour market which was felt in the following years as the unemployment situation worsened.[131]

The Australian economy expanded rapidly with the wealth generated by the gold rushes laying the foundation of a long boom of growth between 1851 and 1891. Butlin estimates that

---

[128] Letter from Sir Henry Parkes outlining intentions of the Casual Labour Board see *Report of the Casual Labour Board*, pp. 25

[129] T.A. Coghlan Statistician of New South Wales, *The Wealth and Progress of New South Wales 1887-1888,* Government Printer, Sydney 1887-1888, pp.307; *Statistical Register of New South Wales,* 1888, pp. 2; *Statistical Register of New South Wales,* 1889, pp. 165.

[130] G. Patmore, *Australian Labour History,* pp.4; S. Macintyre, *A Concise History of Australia,* Cambridge University Press, Melbourne 1999, pp. 110.

[131] T.A. Coghlan, *The Wealth and Progress of New South Wales 1887-1888,* pp. 308.

economic production increased from £53.4 million in 1861 to £211.6 million in 1891(1911 constant prices). However, economic conditions varied between colonies. NSW experienced minor recessions in 1863, 1871, 1879 and 1886. In particular, NSW experienced a period of marked unemployment in 1885-1886. In an attempt to curb the economic crisis and support capital development and growth, the NSW Government borrowed heavily. In doing so the NSW Government debt grew rapidly from £11,724,419 in 1877 to £40,993,349 in 1887.[132]

In NSW, pastoralism remained a key area of economic growth. Between 1860 and 1890 there was increasing demand for Australian wool which saw the sheep flock increase five-fold. By the mid 1870s wool had accounted for one tenth of the national product and wool prices had peaked. This patterned continued and by 1890 wool accounted for almost two-thirds of export earnings. Despite this economic growth, the industry was not without its own problems. In a bid to increase production, NSW pastoralists moved into arid areas where capital requirements such as water supply and transportation infrastructure were greater. Consequently … 'drought, falling wool prices, rabbit plagues and overstocking during the 1880s'[133] … left many pastoralists struggling to survive. As a result of these problems and despite increased wool production, the proportion of the workforce employed in the pastoral industry declined in NSW from thirty-four per cent in 1871 to twenty-one per cent in 1891.[134]

Other NSW industries also experienced considerable economic growth. Coal mining experienced a significant increase in production from 71,000 tons in 1850 to 4,038,000 tons in 1891. Much of this production was exported to Asia, the America's, New Zealand and the Pacific Islands. The building and construction industries also contributed to economic expansion. The increasing population led to a growing demand for housing, especially in the cities areas. However, businesses in the building industry remained small. For example, in 1891 Sydney builders employed on average 5.6 workers.[135]

While not as renowned for manufacturing as Victoria, NSW's manufacturing sector expanded during 1860-1891. Despite this growth, the industry continued to serve the domestic needs of a growing economy rather than export markets. The industries that dominated manufacturing

---

[132] G. Patmore, *Australian Labour History,* pp. 43-44; N.G. Butlin, *Australian Domestic Product, Investment and Foreign Borrowing 1861-1938/9,* Cambridge University Press, Cambridge, 1962, pp. 33; T.A. Coghlan, *The Wealth and Progress of New South Wales 1887-1888,* pp. 537.
[133] G. Patmore, *Australian Labour History,* pp. 44.
[134] G. Patmore, *Australian Labour History,* pp. 44; S. Macintyre, *A Concise History of Australia,* pp. 100-101; N.G. Butlin, *Australian Domestic Product, Investment and Foreign Borrowing 1861-1938/9,* pp. 196.
[135] Patmore *Australian Labour History,* pp. 44.

were metal working and engineering, clothing and footwear, production of building materials and food and tobacco processing. Factories were unsophisticated and small, yet there are some examples of large employers. Patmore cites P.N. Russell, a Sydney engineering business that employed 300 to 400 workers in the 1860's and at Mort Docks 1,000 workers were engaged in 1886.[136]

Overall, the Australian economy remained dependant on Britain. In 1861 Britain purchased 67 per cent of Australian exports and supplied 70 per cent of imports. By 1891 Britain bought 73 per cent of Australian exports and supplied 65 per cent of imports. Furthermore, between 1883 and 1887, 25 per cent of British foreign investment went to Australia. These loans financed railway construction and the further expansion of export industries.[137]

Due to the economic expansion of the period, it was assumed that Australia was a worker's paradise. This notion that Australia was a worker's paradise has been largely contested within the literature. Early economic historians such as N.G. Butlin cited aggregate statistics to support the argument that there was a seller's market for labour, thereby resulting in high wages. However, writers such as Patmore, Lee and Fahey have disputed these findings, arguing that Butlin had ignored the actual earnings and living conditions of these workers. Moreover, it is argued that he failed to take into account the irregularity of the work. For example, pastoralism and building industries relied on seasonal, casual and temporary labour.[138]

In terms of the organisation of workers, it has been found that early unionism generally remained confined to skilled tradesmen. Many trade unions imposed strict requirements for entry. For example, Amalgamated Society of Engineers and the Boilermakers placed strict controls over apprenticeships, yet as they were unable to recruit effectively they relied on collective bargaining rather than unilateral regulation. J. C. Docherty estimated that by 1890-91, only 20.9 per cent of the NSW labour force were trade union members. Despite low trade union membership, there were examples of both individual and collective action. In NSW

---

[136] G. Patmore, *Australian Labour History,* pp. 46; K.D. Buckley and T. Wheelwright, *No Paradise for Workers, Capitalism and the Common People in Australia 1788-1914,* Oxford University Press, Melbourne, 1988, pp. 169-70.

[137] N.G. Butlin, *Australian Domestic Product, Investment and Foreign Borrowing 1861-1938/9,* pp. 28; G. Patmore, *Australian Labour History*, pp. 46; K.D. Buckley and T. Wheelwright, *No Paradise for Workers,* pp. 97-102.

[138] G. Patmore, *Australian Labour History,* pp. 47-48; J. Lee & C. Fahey, 'A Boom for Whom? Some Developments in the Australian Labour Market', 1870-1891', *Labour History*, No. 50, 1986, pp. 1-27.

Patmore found that as early as 1857 porters on the NSW Railways petitioned the Chief Commissioner for Sunday pay. Temporary combinations were not trade unions, since they lacked continuity and the administrative structure of unions. Generally they were formed based upon single issues.[139]

The unemployed also formed temporary combinations. During the long period of severe pastoral, commercial and industrial depression, which fell upon NSW in 1863, 1871, 1879 and 1886, the unemployed formed temporary combinations to campaign the government to take action to relive their distress. It was reported on 25 April 1884, that the unemployed had applied to the Agent of Immigration and other Members of Parliament, seeking employment across the Colony. Less than a week later, a further deputation of the unemployed waited upon the Premier and Minister of Public Works at the Legislative Assembly in Sydney, where they presented a petition from nearly 600 men seeking relief. These unemployed temporary combinations were not solely the preserve of unskilled labour, as there were also examples of skilled labour agitating for relief. It was reported that on 10 August 1886, a deputation of unemployed carpenters waited upon the Minister of Works to request work in the Railway Department.[140]

While these deputations were generally peaceful, there were incidents where police attendance was required. On 24 March 1887, the police monitored the consideration of applications for relief work in Sydney. On 22 April 1887, police attended a riot at the Queen's statue in Sydney, which occurred during the allocation of food. The Police were often called to the Queen's Statue in Sydney, where the unemployed gathered, voicing their calls for relief: 'work or bread'.[141]

In terms of seeking private employment the unemployed were often in the hands of unscrupulous employment agencies. On 3 March 1884, the *Sydney Morning Herald* reported that some private employment agents in Sydney were professing to be able to obtain billets for government relief works. It was claimed that these agents could show letters purporting to be written by three Members of Parliament: Robert Stewart, Henry Copeland and George

---

[139] J.C. Docherty, 'The Rise of Railway Unionism, A Study of New South Wales and Victoria 1880-1895', MA thesis, Australian National University, 1973, pp.193 Cited in G. Patmore, *Australian Labour History*, pp. 56.
[140] Examples of Unemployed Deputations see -*The Maitland Mercury (*hereafter *MM)*, 1.5.1884, pp. 5, 12.8.1886, pp. 7, 9.10.1886, pp. 3, 21.4.1887, pp. 3, 11.8.1887, pp. 2; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 64; *NSWPDLCLA*, Vol. 12, 1883-4, pp. 3003.
[141] *NSWPDLCLA*, Vol. 25, 1887, pp. 374 & 979; *SMH*, 19.3.1888, pp. 4, 31.1.1888, pp. 3.

Dibbs, which guaranteed employment on government works. In response to these allegations Copeland requested a police inquiry. While the validity of these allegations are unknown, it appears that such deceitful practices were commonly being used to deceive the unemployed.[142]

Late Nineteenth Century Political Landscape

The British Parliament's enactment of the Constitution of NSW in 1855 brought responsible government to the colony. Modelled on the British system, the NSW Parliament consisted of two houses of Parliament: the Legislative Assembly, with members elected by the male residents of NSW, and a Legislative Council with members appointed for life by the governor.[143]

Under responsible government, the state played a major role in the supporting the development of the Australian economy. Borrowing large amounts of money on the London money market, the Colonial Government built the necessary infrastructure to support capital development: harbours, roads, telegraph lines, railways and water and sewerage systems. As Patmore argues this was not 'Colonial Socialism' instead it was designed to assist the development of the capitalist economy. Macintyre claims that the Colonial Government sought to develop a thinly populated land by creating the necessary infrastructure for producing primary export commodities.[144]

Beyond the provision of infrastructure, the state also supported business interests through assisted immigration. For many capitalists, immigration remained an important source of labour. Between 1861 and 1890 net migration contributed to thirty seven per cent of the overall increase in Australia's population. Immigration had two significant consequences for labour relations. Firstly, men brought with them their previous union experience to the colony and subsequently could organise and form trade unions and secondly, employers had a guaranteed labour supply, thereby enabling them to reduce labour power and decrease wages and conditions.[145]

---

[142] *NSWPDLCLA*, Vol. 11, 1887, pp. 2102.
[143] S. Macintyre, *A Concise History of Australia,* pp. 92-93.
[144] S. Macintyre, *A Concise History of Australia,* pp. 95; G. Patmore, *Australian Labour History,* pp. 51.
[145] K.D. Buckley, *The Amalgamated Engineers in Australia, 1852-1920,* Australian National University, Canberra, pp. 8; H. Hughes, 'The Eight Hour Day and the Development of the Labour Movement in Victorian in the Eighteen Fifties', *Historical Studies,* Vol. 9, No. 36, 1961, pp. 396-397; G. Patmore, *Australian Labour History,* pp. 54.

Due to the nature of the electoral system, capitalists were able to dominate colonial legislatures and further their own interests. While the 1860 NSW Colonial Government had extended the franchise, it still excluded certain groups: women and transient workers. Moreover, the system largely favoured capitalists as electoral boundaries were biased against voters in working class suburbs and plural voting allowed individuals with property in several electorates to vote in each constituency. Subsequently, by 1885 capitalists from mining, commerce and manufacturing held almost half the seats in the NSW Legislative Assembly. As Patmore, Buckley and Wheelwright argue, under this system the interests of the working class went unheard and parliamentary politics focused on temporary factions and personalities rather than disciplined parties.[146]

In an effort to represent the working class interest, trade unions engaged in a number of strategies so as to have their voice heard in parliament. One strategy involved the use of an unofficial Labour spokesmen, this person would often be a current or former trade unionist. The most notable example being William Francis Schey, secretary of the Amalgamated Railway and Tramway Service Association, who in 1887 won a seat in the NSW Legislative Assembly and later became Chief NSW Labour Commissioner in1900 and Director of the NSW Labour Bureau in 1905. He actively campaigned on labour related issues including the establishment of a public employment service. Other strategies included organised deputations, public meetings and petitioning Members of Parliament. Following the 1884 Intercolonial Trade Union Congress, Trade and Labour Councils also adopted a proposal for parliamentary committees. These committees lobbied Government over particular pieces of legislation.[147]

The state was also the major employer of the time. Following the advent of responsible government, ministers directly ran government departments and state enterprises. Subsequently, political patronage became a serious problem of the period. Patmore cites an example of a traffic manager on the NSW Government Railways who claimed that political interference made it impossible to discipline his staff. Financial constraints in the 1880s

[146] G. Patmore, *Australian Labour History,* pp. 63; K. D. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 114-115.
[147] G. Patmore, *Australian Labour History,* pp. 63-4; K. D. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 177-178, *NSWVPLA*, Vol. 6, 1901, pp. 371, Vol. 2, 1904, pp. 739; *NSWPP,* Vol. 5, 1903, pp. 1251.

forced Colonial Governments to create independent statutory authorities to curb the excess staffing and inefficiencies caused by patronage.[148]

The political period of the late nineteenth century was precarious in nature. Before the advent of strict political party lines, a range of leaders gained power often through tenuous coalitions. As Macintyre explains, the 'leaders themselves were seen as artful, theatrical and above all resilient - none more so than Sir Henry Parkes, five times Premier between 1872 and 1891who arrived as a young English radical and ended as arch-opportunist Sir Enry'.[149] However, as Loveday and Martin argue, colonial politics need to be understood in terms of factions, pragmatic politics and the competition of power. Parkes political success can certainly be seen in these terms.[150]

As a self made man, Parkes was guided by the prevailing classical economic ideology of the time. In line with this and his Protestant faith, Parkes drew his political support from the predominantly Protestant Free Trader factions in the Parliament. In terms of his political pragmatism however, as Cochrane argues, while sectarianism for Parkes was never far from the surface, he would largely subordinate his Protestant faith to the cause of parliamentary liberty. As the following discussion on the Casual Labour Board will demonstrate, Parkes's political pragmatism was indeed never far from the surface.[151]

Origins and Members of the Casual Labour Board

The 1886 minor recession led to a period of high unemployment and industrial distress in NSW. In an attempt to relieve this distress, the NSW Colonial Government undertook a series of actions designed to assist the unemployed. In 1886 the Government established a State Soup kitchen in Hyde Park Barracks, Sydney. Further action included the provision of free rations to men engaged on relief works.[152]

---

[148] G. Patmore, *Australian Labour History,* pp. 63-4; G. Patmore, 'Labour History and the Labour Process: the New South Wales Railways before 1878', *Australian Historical Studies,* Vol 23, No. 93, 1989, pp. 436.
[149] S. Macintyre, *A Concise History of Australia,* pp. 95.
[150] S. Macintyre, *A Concise History of Australia,* pp. 95; P. Loveday & A. Martin *Parliament, Factions and Politics: The First Thirty Years of Responsible Government in New South Wales, 1856-1889,* Melbourne, 1966.
[151] P. Cochrane *Colonial Ambition Foundations of Australian Democracy*, Melbourne University Press, Melbourne, 2006, pp. 26.
[152] *Report of the Casual Labour Board,* pp. 22-26.

"deputation after deputation … a dirty rabble who were first relieved by soup tickets and the establishment of kitchen at Hyde park Barracks" [153]

This statement by Cricket Walker, Principal Under Secretary of the Colonial Secretary's Department, indicates the prevailing pressure placed by the unemployed on the NSW Government. He went on to claim that "the unemployed caused a great deal of work and trouble"[154] alluding to the regular use of police involvement to quell the riots and deputations of the unemployed.[155]

Faced with such political pressure, Parkes established the Casual Labour Board on 2 May 1887, as an attempt to provide what was called 'practical political action' for the industrial distress of the time. It was claimed that 'the Government established the Casual Labour Board for the purpose of relieving unemployment by the provision of work, which was almost entirely relief work'.[156] Previously, the organisation and distribution of relief work was under the control of the Colonial Secretary's Department.[157]

The Casual Labour Board was not an outcome of an Act of Parliament. Its authority and jurisdiction was outlined in a letter by Parkes to the newly appointed members of the Casual Labour Board: John Davis, Frederick Wells, and David Houison. Both Frederick Wells, who was Assistant Engineer in the Roads and Bridges Department, and David Houison, who was District Engineer in the Harbour and Rivers Department, were employed in the Public Service. John Davies had until January 1887, held public office as a Member of the NSW Legislative Assembly.[158]

Upon receipt of the letter from Parkes, Davies, Wells and Houison held a formal meeting electing Davies as Chairman of the Casual Labour Board, thereby investing him with the executive work of the Department. Wells and Houison did not actively engage in the day to day working of the Casual Labour Board, as they held important positions in the Roads and Bridges and the Harbours and Rivers Department. It appears that they provided a more consultative role, but in most other matters, they appeared to have mainly relied on Davies.

---

[153] *Report of the Casual Labour Board,* pp. 22.
[154] *Report of the Casual Labour Board,* pp. 22.
[155] Reports of Police involvement see *NSWPDLCLA*, Vol. 25, 1887, pp. 374 & pp. 979. Examples of Unemployed Deputations see – *MM,* 1.5.1884, pp. 5, 12.8.1886, pp. 7, 9.10.1886, pp.3, 21.4.1887, pp. 3, 11.8.1887, pp.2.
[156] *NSWIG,* Vol. 8 No. 2, pp. 370.
[157] *NSWIG,* Vol. 8 No. 2, pp. 370; *Report of the Casual Labour Board*, pp. 26.
[158] *Report of the Casual Labour Board,* pp. 25; *NSWPP,* 1889 Vol. 45, Part 3, pp. 205.

However, when their concurrence or signature was necessary or desirable, it appears to have been given without much inquiry. Davies, on the other hand, assumed the active management of the Casual Labour Board.[159]

While is difficult to determine the depth of the relationship between Parkes, Wells and Houisin, it could be argued that through their respective positions in the Public Service Parkes had gained an understanding of both their characters and valued their previous departmental experiences in the provision of relief works. John Davies, on the other hand, had personally been known to Parkes for twenty years, a fact that would latter come to haunt Parkes and in part, led to the termination of the Casual Labour Board.[160]

By the late 1880s Davies had gained considerable experience in both the public and private sector. Like Parkes, Davies came from humble beginnings starting out as an ironmonger, later setting up a business in York St, Sydney in 1864. However, he soon became politically active, after renouncing his Catholicism to become a Protestant in April 1861. In 1864 he was elected president of the Protestant Friendly Society. In this position, Davies an avid and outspoken teetotaller rallied the political temperance fraternities in the 1860s and 1870s to become a significant political organizer. His influence was seen as he garnered Protestant support for the election of thee James Martin's NSW Government Ministry 1863-1865 and later for the Martin-Parkes NSW Government Ministry 1866-1868.[161]

Davies's own political career began when he was elected as a Member of the NSW Legislative Assembly 8 December 1874 – 28 January 1887. During this time he was appointed whip for the Parkes-Robertson Colonial Government 1878-1883 coalition. Later whilst employed as the Chairman of the Casual Labour Board, Parkes appointed Davies to the NSW Legislative Council in February 1888.[162]

During the later Parliamentary Select Committee Inquiry into the Casual Labour Board, many questions were raised about the nature of the relationship between Parkes and Davies. In an effort to distance himself from Davies, Parkes rebuked claims that they were close. Instead he stated that while he had known Davies for twenty years and was in frequent communication with him, he found him to be "at different times ... amongst the bitterest of my political

---

[159] *Report of the Casual Labour Board,* pp. 27; *NSWPP,* 1889 Vol. 45, Part 3, pp. 205.
[160] *NSWPP,* Vol. 42, 1889, pp. 5719.
[161] *NSWPP,* Vol. 42, 1889, pp. 5719 & 5774-5775; B. Nairn, 'Davies, John (1839-1896)' *Australian Dictionary of Biography,* Vol. 4, Melbourne University Press, 1972, pp. 28-29.
[162] B. Nairn, 'Davies, John (1839-1896)', pp. 28-29.

opponents".[163] Yet, both Parkes and Davies relied on the Protestant-Free Trade factions for their political support. It could be argued that upon losing his seat in the NSW Legislative Assembly in January 1887, Parkes patronage led him to bestow upon him the position at the Casual Labour Board, and shortly thereafter he was further rewarded with an appointment to the NSW Legislative Council in February 1888. Despite Parkes claims, it appears more likely that they were close and had at times been political allies. Furthermore, it is possible to assume that the political patronage Parkes bestowed on Davies may have been in return for previous political favours or to garner future parliamentary support.[164]

Operations of the Casual Labour Board

In outlining his vision for the Casual Labour Board Parkes stated, "The chief objective ..., is to draft the men off in parties of 400-600 to permanent work where their labour maybe of value to the country, and from which they may be gradually absorbed (or, at least a portion of them) by private employers."[165] It is clear that Parkes was seeking to use the Casual Labour Board as a labour market intermediary so as to disperse the unemployed across NSW, but also as a means of control, so as to minimise the very public and vocal demonstrations of the unemployed against the Government in Sydney.

The Casual Labour Board was located at 426 Pitt Street, Sydney, near Hyde Park Barracks, where the soup kitchen was located, and the unemployed regularly gathered, seeking relief work. In an attempt to create an integrated public employment system, Parkes wanted the office in Pitt St Sydney to be in regular communication with local authorities, notably local policeman, in the principal country districts, so as to obtain information on employment vacancies and labour market shortages. This information was to be used to assist in the transportation of men to areas of labour shortage.[166]

The Casual Labour Board was charged with creating what Parkes called a 'proper register'[167], to be placed in charge of a 'careful and trustworthy person.'[168] Parkes had concerns over the highly sensitive nature of the registry information and the possible fraudulent use of such

---

[163] *NSWPP,* Vol. 42, 1889, pp. 5719.
[164] *NSWPP,* Vol. 42, 1889, pp. 5719 & 5774-5775; B. Nairn 'Davies, John (1839-1896)', pp. 28-29; Parkes factional base see- P. Loveday & A. W. Martin, *Parliament, Factions and Parties, 1856-1889*, pp. 138-141.
[165] *Report of the Casual Labour Board,* pp. 25.
[166] *Report of the Casual Labour Board,* pp. 25; Casual Labour Board premises at No. 426, Pitt street *SMH,* 11.5.1887, pp. 7.
[167] *Report of the Casual Labour Board,* pp. 25.
[168] *Report of the Casual Labour Board,* pp. 25.

information and believed that Davis was the right man for the position. When later defending his choice of Davies he stated he "had formed the opinion ... that he was the best qualified man within my knowledge to take charge of the works carried on by these unemployed persons".[169] However, Davies's previous employment does not indicate any experience in recruitment or dealing with the unemployed.[170]

The mediation procedure of administrative matching was adopted with registered job seekers matched with registered vacancies. As Table 3.1 below indicates, the registration process required the applicant to provide both personnel and employment information. Due to the industrial distress of the time, residency and marital status were considered. Parkes decreed that preference for work was also to be given to local NSW men of good character, especially those who were married and with dependents. On 6 May 1887, in a further attempt to assist married men with dependents, Parkes announced that the men engaged in work in rural or remote locations would also be given weekly rail passes to return to their families.[171]

Name in full
Address
Trade or calling
Age
Nationality
Married or Single - If married number and ages of children
Date of arrival in the Colony
Where from
How long unemployed
Name of last employer
Substance or any certificate of character

Table 3.1 Registration Information[172]

Despite Parkes's requirements that vacancies be awarded upon the outlined criteria there appear to be evidence that this did not always occur. There appears to be evidence that in seeking to placate some of Parkes's strongest critics, preferential treatment was given to those most vocal and well known. One such example was the employment of George Marshall

[169] *NSWPP,* Vol. 42, 1889, pp. 5719.
[170] B. Nairn, 'Davies, John (1839-1896)', pp. 28-29; *Report of the Casual Labour Board,* pp. 25; *NSWPP,* Vol. 42, 1889, pp. 5719.
[171] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430; *Report of the Casual Labour Board,* pp. 25. Failure to report for relief work see *SMH*, 12.5.1887, pp. 4; Weekly railway passes for married men on relief works see -*SMH,* 6.5.1887, pp.4, 24.6.1887, pp. 6.
[172] *Report of the Casual Labour Board,* pp. 25.

Johnson, a former leader of the unemployed, who was promptly employed as a storeman for the newly established Casual Labour Board.[173]

The Casual Labour Board under Davies adopted a harsh no nonsense approach in their assistance to the unemployed. Davies was emphatic that the register was updated regularly to ensure that if any of the registered men had been allocated with work which they subsequently refused, then all future aid and relief was withdrawn. To reiterate this, when six men failed to attend the railway for relief work at Stoney Creek, near Mudgee, Davies adopted a fire and brimstone approach, publicly denouncing the men's actions in the *Sydney Morning Herald,* where he claimed that the details of those who failed to show had been recorded and subsequent applications be 'opposed absolutely'.[174]

Government Relief Work

From the outset the Casual Labour Board faced an uncertain and increasingly difficult future. Armed with the task of finding employment in a small and depressed economy with a limited industrial base, the Casual Labour Board relied heavily on the Government's ability to provide relief work. In response to the prevailing pressures, Parkes announced on 11 May 1887 the starting of a number of relief works: sewerage works in Sydney, employing 500-600 men, and the construction of water tanks in the Dubbo district, Hay District, Cobar district, Wilcannia district and Narrabri district employing 500-600 men and other smaller scale projects. Total employment for these relief works being 2,580.[175]

On the 12 May 1887 it was reported in the *Sydney Morning Herald* that the Casual Labour Board had also sent many men to works outside of Sydney. A large number of men had been sent to the National Park in Southern Sydney, where it is claimed that the men were properly housed, and the camp was visited twice a week by a Government medical officer. In anticipation of further work at the National Park, 209 men registered that day at the Casual Labour Board.[176]

By late May 1887, with over 2,700 men being sent to work in both Sydney and across NSW, registrations at the Casual Labour Board slowed down significantly. It was believed that many unemployed labourers were hoping to remain in Sydney, as they expected a further

---

[173] *Report of the Casual Labour Board,* pp. 25; *NSWPDLCLA*, Vol. 25, 1887, pp. 1426-1427.
[174] Stoney Creek relief works 14 out of 20 men turned up at the Railway Davies publicly condemns those who did not show see – *SMH,* 12.5.1887, pp. 7.
[175] *NSWPDLCLA*, Vol. 25, 1887, pp. 1426-1427.
[176] *SMH*, 12.5.1887, pp. 4 & 7.

announcement of Government contracts, which many believed would absorb the surplus labour. Despite this, the Casual Labour Board announced that the bulk of the forthcoming employment vacancies would be in rural NSW, most notably in the National Park. In an effort to encourage the remaining unemployed in Sydney to register at the Casual Labour Board, it was announced that a schedule, drawn from the register, would soon be appearing detailing the names, ages, trades and qualifications of those who could apply for the forthcoming employment.[177]

Beyond Government initiated relief works ,the Colonial Government also encouraged and sponsored local government relief projects. On the 21 April 1887, Parkes announced the intention of the Government to subsidise half of the wages the municipalities agreed to pay. In accordance with such agreements the Casual Labour Board in May 1887 sent men to the Parramatta district where extra works had been commissioned. Men were also reported to have been sent to assist in the municipality of Alexandria and a further 20 men were sent to Leichardt.[178]

By June 1887, 4,210 men had been engaged on Government relief works at the following locations - National Park, Waterfall, Rookwood, Prince Alfred Hospital, Beecroft, Carlingford, the University of Sydney, and Gordon. While this largely absorbed most of the unskilled labour, skilled tradesmen were still struggling to find employment. In response, the Government announced further relief work projects and by the end of June 5,677 men were engaged on relief works.[179]

By late July 1887, it was reported that a marked improvement had occurred in the labour market. In a report to Parkes, Davies claimed that the demand for both skilled and unskilled labour was increasing and men were leaving casual work for permanent employment. In response the Government announced in August 1887 the cessation of free rations to the unemployed. Furthermore, it was decided to scale back the relief work program and narrow down the operations of the Casual Labour Board. Subsequently, on 18 October 1887 only 1,986 men were employed on government relief works: clearing crown land, making public

[177] *SMH,* 18.5.1887, pp.11, 26.5.1887, pp. 11.
[178] *NSWPDLCLA*, Vol. 25, 1887, pp. 903; *SMH*, 12.5.1887, pp. 4 & 7, 4.6.1887, pp. 13.
[179] *MM*, 9.6.1887, pp. 5; *SMH*, 9.6.1887, pp.11, 19.3.1888, pp. 4.

roads, improving the grounds at the Coast Hospital, Garden Island, Prince Alfred Hospital, the University of Sydney and the National Park.[180]

Relief Work	Location
Northern Railway Line- road making and clearing lands	Rye Eastwood Carlingford Beecroft Hornsby Berowra
The Southern line – road making and clearing lands	Bankstown Rookwood Liverpool Eckersley
Illawarra line – road making and clearing lands	Unwins Bridge Road Peakhurst Great Illawarra Road Cook Park Kogarah Sutherland National Park Heathcote Waterfall Cawley's Creek Otford Bulgo
Pearce's Corner Line –road making and clearing lands	Gordon
Northern Beaches - Sewerage Works	Johnson's and White Creeks
Northern Beaches –Road Making and clearing Lands	Manly Beach French's Forests Narrabeen
Other Sydney Locations	Forming Leichhardt Park Clearing Little Bay Hospital Reserve Improving Sydney University and Prince Alfred Grounds

Table 3.2 Relief Works December 1888[181]

By early 1888, with the reported continued improvement in the labour market, the role of the Casual Labour Board was reduced further. In March 1888, Parkes announced his intention to bring the relief works to a close as quickly as possible over the forthcoming two months. By this time, there were 1600 men still engaged on relief works: road making, clearing and

[180] *SMH*, 21.7.1887, pp. 3, 31.12.1887, pp.7; *NSWPDLCLA*, Vol. 25, 1887, pp. 5805; *Report of the Casual Labour Board,* pp. 22.
[181] *NSWPP,* Vol. 6, 1889, pp. 1255.

preparing for the subdivision of Crown Lands as well as drainage works. The relief works were predominantly around the Sydney basin at the following locations; Narrabeen, Hornsby, Gordon, Berowra, Beecroft, Ermington, Liverpool, French's Forest, Peakhurst, Illawarra, Bulgo , Waterfall, Wentworth, Cook Park (Botany), Bankstown, National Park Heathcote and Rookwood.[182]

Despite Parkes announcement of the cessation of relief works it appears that they did continue during the tenure of the Casual Labour Board. An avid supporter of the relief works program, Davies claimed that the relief works were of "highly reproductive nature".[183] By the time the Casual Labour Board had been terminated in December 1888, 930 men were still employed on relief works at the locations outlined in Table 3.2. [184]

Private Employment

The Casual Labour Board also actively pursued private employment opportunities in an attempt to assist capital development in the colony. In doing so, the Casual Labour Board forged links with most of the large private employers across in NSW. In response to applications received from employers in various portions of the colony, Davies adopted the procedure of a closed system of administrative matching: selecting men according to the employer's requirements, while also assisting them further by supplying railway passes.[185]

While there is no surviving record detailing the private employment engagements transacted during the period, there are, however, numerous accounts of the Casual Labour Board sending men into private employment. In May 1887 the Casual Labour Board supplied a contractor from Burrawang in Southern Highlands of NSW, with 40 men, while at the same time some temporary employment had also been found for men at Muswellbrook. A further example of private employment was also reported on the 13 October 1887, when the Casual Labour Board engaged and forwarded over 200 shearers at the highest rate of pay: 20 Shillings per 100 sheep.[186]

---

[182] *SMH,* 19.3.1888, pp. 4.
[183] Letter: From John Davies, Chairman of the Casual Labour Board to the Colonial Secretary Sir Henry Parkes, Dated 31st December 1889 see *NSWPP,* Vol. 6, 1889, pp. 1255.
[184] *NSWPP,* Vol. 6, 1889, pp. 1255.
[185] *Report of the Casual Labour Board,* pp. 20-25; U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430.
[186] *SMH* 12.5.1887, pp. 4 & 7, 13.10.1887, pp. 4.

By March 1888, it was reported that the Casual Labour Board had supplied private employers with 1772 men, many of whom had been transferred from relief works. Following the reduction in Government relief works, the Casual Labour Board focussed their energies on private employment opportunities. In the period from March 1888 to the closure of the Casual Labour Board in December 1888, it is estimated that a further 628 men were placed in private employment. [187]

Davies claimed that as Chairman of the Casual Labour Board, he actively pursued private employment vacancies. In doing so, he claims he travelled on average 500 miles per week working between 12 and 14 hours per day, writing to the 'different benches in the country, to large employers, and to all centres where he thought employment could be afforded, and succeeded mainly by his own exertions, in drafting no less a number than 2,400 of these men into private employment.'[188] Furthermore, Davies stated that he assisted a large number of men who had been engaged in temporary employment by finding them subsequent employment.[189]

Registrations

Who registered at the Casual Labour Board? Despite the limited data available, it is overwhelmingly clear that the largest proportion of men registered were unskilled labourers. In March 1888, after ten months of operation, it was reported that 7,690 men had registered with the Casual Labour Board, of these, over fifty seven per cent or 4,433 men were labourers. By November, a further 226 men had registered bring the total to 7916 men, of which 4,494 were labourers, accounting for fifty-six per cent of the total.[190]

From the March 1888 data, it appears that the majority of men that registered were involved in industries that relied predominantly on seasonal and temporary labour (refer to table 3.3). Manufacturing produced the largest single industry grouping with 15.2 per cent, this included metal and non-metal manufacturing, food manufacturing, footwear and textiles manufacturing. These manufacturing sectors were highly susceptible to fluctuations in the domestic economy. As previously noted, despite the expansion of the building trades, skilled building workers often found themselves unemployed due to often intermittent and temporary

[187] *SMH*, 19.3.1888, pp. 4; *NSWPP,* Vol. 42, 1889, pp. 5719.
[188] *NSWPP,* Vol. 42, 1889, pp. 5719; *SMH*, 21.7.1887, pp. 3.
[189] *NSWPP,* Vol. 6, 1889, pp. 1255.
[190] Full registration details see Appendix 1; *SMH*, 19.3.1888, pp. 4, 14.11.1888, pp. 5.

nature of the work. As a result building workers: Carpenters, Bricklayers, Plumbers, Galvanisers and Plasters together accounted for almost eight per cent of registrations. Further notable industries included transport (sea), mining and agriculture.[191]

Industry	Percentage
Labourers	56%
Manufacturing	15.2%
Building and Construction	7.9%
Transport – Sea	5%
Mining	3.6%
Agriculture	1.4%
Professionals	2.1%
Administration	1.3%
Repairs and Maintenance	1.8%
Other	5.7

Table 3.3 Casual Labour Board Registrations by Industry[192]

Expenditure of the Casual Labour Board

As the Casual Labour Board did not produce official reports, it is difficult to accurately estimate the total cost associated with the Government's relief work program. However, numerous newspaper and parliamentary reports provide an insight into the overall income and expenditure of the Board. As the following will illustrate, these costs continued to spiral and were soon found to be unsustainable.[193]

[191] *SMH*, 19.3.1888, pp. 4, 19.3.1888, pp. 4, 14.11.1888, pp. 5.
[192] Full registration data see Appendix 1. Occupational data for the period was not collected during this period.
[193] *SMH*, 9.6.1887, pp. 11, 24.11.1887, pp. 5, 4.1.1889, pp. 6; *MM*, 10.11.1887, pp. 4; *NSWPP,* Vol. 42, 1889, pp. 5719-5720.

On 9 June 1887 at the initial height of the Government relief work program, Parkes claimed that the total costs for wages and food for the first month of the Casual Labour Board was £14,780. By November 1887, with a vast improvement in the labour market and the subsequent scaling back of relief work projects, Parkes claimed that the expenditure of the Casual Labour Board had reduced to approximately £2,180 per week. By late November 1887, it was reported that the overall costs associated with the relief works to that date was approximately £105,000 and the revenue raised from the sale of land cleared was £31,639. Therefore, for the first seven months of operation there was a net cost of £73,361.[194]

Following the termination of the Casual Labour Board, it was claimed that total expenditure on Government relief works was £235,000, this included the Municipal Relief works. In justifying this expenditure, Davies claimed that the unemployed cleared 61,689 acres of suburban land, which was later sold at a profit of over 50 per cent. Furthermore, 358 miles of road were cleared and formed; 20 bridges, 83 culverts and 18 miles of side drains were cut.[195]

Beyond the expenditure associated with relief works, the Casual Labour Board had further outgoings in relation to its own staff. While it is difficult to estimate the total staffing costs, there are some reports which provide some insight into the costs. The Casual Labour Board employed a paymaster and secretary, who were both paid £350 per annum, an assistant pay-master and registrar at £250 per annum and two clerks at 6s per day. While it is known that a storeman was also employed, there are no details of his wages though it would be fair to assume that he would have received the same pay rate as the clerks, if not less.[196]

In forming the Casual Labour Board Parkes had neglected to negotiate or agree to the payment to be given to its members: Davies, Houison and Wells. In fact it appears it had not been discussed until the Casual Labour Board's termination. The Chairman, Davies requested payment only for the period prior to his appointment by Parkes in February 1888 to the NSW Legislative Council. While he did continue on as Chairman following this appointment, he regarded this as honorary service. For the period 2 May 1887 until 29 December 1887 he requested payment, which was granted, of £873 12s for 416 attendances at the Sydney office and for 22 days visiting relief works. Both Houison and Wells requested payment of £200, which was granted for the total period of operation, however, there appears to be no specific

[194] *SMH*, 9.6.1887, pp. 11, 24.11.1887, pp. 5; *MM*, 10.11.1887, pp. 4.
[195] *SMH,* 4.1.1889, pp. 6; *NSWPP,* Vol. 42, 1889, pp. 5719-5720.
[196] *SMH* 13.10.1887, pp. 4; *Report of the Casual Labour Board,* pp. 25; *NSWPDLCLA*, *Series 1*, 1887, pp. 1426-1427.

details of their attendances. It is particularly interesting that Houison in the later Parliamentary Select Committee inquiry claimed that the board did not have regular meetings, in fact he goes further when he states the 'board is almost a fiction'[197] yet he still requested payment. Wells concurs with these sentiments by claiming that the infrequent meetings were short and no records are kept of them, yet both requested and accepted payment.[198]

Criticisms of the Casual Labour Board

Since its inception, the Casual Labour Board had been seen to be largely successful in easing the industrial distress of the time. During its existence the Casual Labour Board facilitated the absorption of a vast majority of unemployed on Government relief works (approximately 5,600 men), while also placing a significant number of men in private employment (approximately 2,400). Despite these achievements it was not without its critics.

While the newspapers of the day largely applauded the day to day work of the Casual Labour Board, there was one area that received considerable attention and criticism: wage rates. The Casual Labour Board initially fixed the rate of pay for relief work at 11s per day, and by June the rates had been reduced further to 8s.6d. per eight hour day, less rations. By late 1888, as the State's finances dwindled further the rates were again reduced further to 3s.6d per day.[199]

Regardless of these rates, the overwhelming majority of men were engaged on piece rates and received far less. In March 1888 150 men employed at Cook Park removing dry sand were paid between £6 and £7 per cubic yard, which equated to being paid between 3s and 4s per day. In June 1888 it was reported that men employed on government relief works: clearing crown land, making public roads, improving the grounds at the Coast Hospital, Garden Island, Prince Alfred Hospital, the University and the National Park were being paid piece work rates which equated to an average of 3s to 5s per day. Many viewed piece rates as inherently unfair and unjust. However, in line with the prevailing classical economic

[197] *Report of the Casual Labour Board,* pp. 22.
[198] *NSWPP,* Vol. 6, 1889, pp. 1255-1256, Vol. 42, 1889, pp. 5720; *Casual Labour Board,* pp. 22; *SMH,* 8.1.1889, pp. 4.
[199] *SMH,* 21.7.1887, pp. 3, 13.10.1887, pp. 4, 19.3.1888, pp. 4, 4.1.1889, pp. 4.

ideology, Davies defended this system by arguing that it was just and fair as it rewarded those men who worked hard, and penalised 'loafers'.[200]

For men placed in private employment often the wage situation was worse. On one occasion it was reported that men engaged on contract work were receiving less than half the fixed rate: 4s per day. When challenged in Parliament over these rates, Parkes argued that the Government's role was to act as a labour market intermediary, which did not include setting pay and conditions. He claimed, based upon his own neo-classical economic beliefs, that the market should determine the pay rates.[201]

How did employers view the Casual Labour Board? Generally employers viewed the Casual Labour Board in a positive light as it provided them with a source of labour. However, some employers argued that the Government's published relief rates had led many to leave private employment for the more lucrative relief work. In particular, some rural employers argued that the introduction of Government relief works in their local areas meant that they were often unable to obtain sufficient labour at what they considered reasonable wages.[202]

How did the unemployed view the Casual Labour Board? Generally, the unemployed viewed the operations of the Casual Labour Board favourably as it provided them with an avenue for employment. However, there were some notable exceptions. Country labourer's who had previously enjoyed a strong bargaining position in areas of labour shortage, soon protested over the increased supply of labour to their areas, which undermined their bargaining position in negotiating wages and conditions. Men also formed temporary combination protesting over wages rates, however, the Government was generally reluctant to concede to their demands. At Shea's Creek, men went on strike demanding better pay and conditions. In response, and in line with the prevailing ideology, Bruce Smith, Minister for Public Works dismissed the workers and engaged contractors to carry out the works. In Sydney there continued to be small group of dissidents who protested over the piecework rates and low wages being offered on relief works. This group of 332 men who had refused to accept the work offered, continued to agitate and formed deputations upon Parliament. In response, both Davies and

---

[200] *NSWPDLCLA,* Vol. 25, 1887, pp. 5805; *Report of the Casual Labour Board,* pp. 22 ; *SMH*, 19.3.1888, pp. 4, 4.1.1889, pp. 4.
[201] Fixed rates of pay see *SMH*, 13.10.1887, pp. 4 ; Men in private employment receiving low wages and Parkes claiming there was no rule limiting this practice see *MM,* 10.11.1887, pp. 4.
[202] *SMH,* 31.12.1887, pp. 7, 19.3.1888, pp. 4, 4.1.1889, pp. 4.

the Government publicly branded these men work-shy troublemakers and refused further assistance.[203]

Another area that received notable criticism, by both the unemployed and the Government, was the origins of the men registering for assistance, particularly in relation to relief works. It was claimed that men were coming from other colonies to take advantage of the Government relief works. It was reported that in June 1887, of the 3,751 men registered, 300 were new arrivals from England, while 840 men were from other colonies; 313 from Victoria, 224 from New Zealand, 169 from Queensland, and 82 from South Australia. By November 1888, the figures had increased with 813 coming from Victoria, 524 from Queensland and 603 from New Zealand. In reaction to this, there were many calls for the allocation of work to be based on residency. In response, Davies reiterated that residency was taken into account in the allocation of work.[204]

The conduct of those on engaged relief works was also an area of concern. During the term of the Casual Labour Board, Davies was responsible for nearly 8,000 men and while in most cases their conduct was overwhelmingly reported to have been highly satisfactory, there were instances of misconduct. It was reported that 426 men had been dismissed from relief works for drunkenness, general misconduct and disinclination to work. Another report claims that the men involved in clearing Centennial Park and Pittwater were destroying the natural flora and fauna.[205]

A further source of concern was the actual nature of the relief works themselves. While it was widely claimed that the work of men engaged on relief works was of 'solid value to the state',[206] others believed that the Government was wasting money on unnecessary projects, such as clearing the National Park, which many believed did not benefit society. It was argued that the relief works should be focussed on necessary state infrastructure such as railways, roads, water tanks for rural areas and hospitals for Sydney. In response, Parkes claimed that such projects would require considerable borrowings, which the Colony being in considerable debt was unable to obtain.[207]

---

[203] *NSWPDLCLA* , Vol. 37, 1889, pp. 705-6; *SMH,* 31.12.1887, pp.7, 19.3.1888, pp. 4, 4.1.1889, pp.4, 19.3.1888, pp. 4, 25.2.1889, pp. 9.
[204] *SMH,* 24.6.1887, pp. 6, 19.3.1888, pp. 4, 14.11.1999, pp. 5.
[205] *SMH,* 19.3.1888, pp. 4; *NSWPDLCLA,* Vol. 27, 1887, pp. 2556.
[206] *SMH,* 4.1.1889, pp. 6.
[207] *SMH,* 4.1.1889, pp. 6; *NSWPDLCLA,* Vol. 27, 1887, pp. 2556-2569.

Towards the later part of 1888, the management of the Casual Labour Board, and in particular Davies, came under considerable scrutiny and criticism. Allegations of fraud, corruption and misappropriation of funds resulted in a Parliamentary Select Committee inquiry into the operations of the Casual Labour Board. In March 1889 the Parliamentary Select Committee of Inquiry investigated the operations of the Casual Labour Board on the basis of two serious allegations: improper expenditure on the improvement of private roads at Holt-Hornsby Sutherland Estate, (now known as Sylvania, a suburb in southern Sydney) and the misappropriation of funds by Davies.[208]

It was alleged that the Casual Labour Board engaged the unemployed to construct private roads on the Holt-Hornsby Estate at the cost of £50,000 for the benefit of private citizens. John Burns who was the Colonial Treasurer, George Withers MLA, and Frank Smith MLA, both known supporters of Parkes, were the owners of these properties and beneficiaries of the newly created private roads. The allegation was that under the guise of relief works the properties owned by Burns, Withers and Smith had gained significant benefit in terms of land value and access from the '10 or 11 miles of roads that had been perfectly formed, cleared, ballasted and gravelled.'[209]

Both the members of the Casual Labour Board and the property owners vehemently opposed the allegation of corruption and collusion. In response Davies, Housin and Wells claimed, that until confronted with these allegations, they were actually unaware of the ownership of the properties. Furthermore, they state that they did not receive any instructions or undue influence from Burns, Withers or Smith. The owners of the properties concurred with these statements and claimed that they did not have any meetings to discuss the works. While the members of the Casual Labour Board stated that they assumed that owners of properties in the area would benefit from the planned road project, they argued it was necessary work so as to gain access to crown lands for later sale. In a later gesture of goodwill, or it could be argued as a means to reduce the political damage to his reputation, Burns donated the adjourning land to the newly built roads to the Colony.[210]

When questioned over who authorised this work, the members of the Casual Labour Board appear to become quite evasive, responding that as men were already working on the

[208] *Report of the Casual Labour Board,* pp. 22; *NSWPP,* Vol. 45, 1889, pp. 201-212.
[209] *NSWPDLCLA,* Vol. 42, 1887, pp. 5766.
[210] *NSWPDLCLA,* Vol. 42, 1887, pp. 5766 & 5882-5899; *Report of the Casual Labour Board,* pp. 20-25.

Hornsby estates they did not need further permission from the Colonial Secretary. It is interesting to note that despite the implicit relationship between Parkes and the owners and the considerable gains achieved by these men, the Parliamentary Select Committee Inquiry appears to accept the explanation offered by the members of the Casual Labour Board of road necessity. In fact they appear to be far more concerned with allegations of fraud against Davies.[211]

The second allegation of fraud concerned John Davies. During the Casual Labour Board's tenure, the inquiry found that Davies exercised the important duties of the Board, 'acting in many instances, and in matters involving considerable expenditure on his own sole authority.'[212] Following an audit of the Casual Labour Board' s accounts the Parliamentary Select Committee of inquiry found 'grounds for belief that at least a grave irregularity implicating Davies had been committed.'[213] An investigation of the books revealed that three cheques from the sale of firewood were paid into Davies personal account. Anomalies also arose over the names on the cheques as they were made in favour of T.S Hinchcliff (Secretary and Paymaster of the Casual Labour Board) for £52 3s 1d on 26 September 1887, E.M Burrows (Superintendent of the National Park Relief Works) on 19 July 1887 for £33 3s 2d and Burrows on 16 May 1887 for £26 17s 7d.[214]

In his defence Davies, claimed that he had cashed the cheques and was "holding the moneys in hand,"[215] as Treasury did not accept cheques from tradesmen and placed the sums equivalent in the office safe for the payment of wages.[216] A subsequent investigation into Davies personal accounts found that he had neither cashed these cheques nor withdrawn the exact sums. However, it appears that following the announcement of this inquiry, Davies repaid the amounts of two cheques: £52 3s 1d on 15 February, 1889 and £33 3s 2d on 29 March, 1889.[217] In response to the retention of £26 17s 7d Davies stated that it was not fraud, instead "it was merely a clerical error/oversight on his behalf"[218] for which when brought to his attention he subsequently repaid.[219]

---

[211] *NSWPDLCLA,* Vol. 42, 1887, pp. 5766 & 5882-5899; *Report of the Casual Labour Board,* pp. 20-25.
[212] *Report of the Casual Labour Board*, pp. 27.
[213] *NSWPP,* Vol. 45, 1889, pp. 204.
[214] *NSWPP,* Vol. 45, 1889, pp. 201-212.
[215] *NSWPP,* Vol. 45, 1889, pp. 212.
[216] *NSWPP,* Vol. 45, 1889, pp. 238.
[217] *NSWPP,* Vol. 45, 1889, pp. 204.
[218] *NSWPP,* Vol. 45, 1889, pp. 238.
[219] *NSWPP,* Vol. 45, 1889, pp. 204.

Despite finding these irregularities, and upon advice from their lawyers, the Parliamentary Select Committee inquiry did not pursue criminal charges against Davies. It was claimed that pursuing any charges would be both costly and unsuccessful. However, some Members of Parliament were particularly aggrieved by this outcome most notably George Dibbs, Leader of the Opposition, who criticised the Government and argued that the Commission had failed to 'bring Davies to justice.'[220] He believed the fault lay with the Government's appointed legal counsel, implying Parkes was in some way involved in protecting Davies. He claimed that Davies had employed the "ablest criminal lawyer in the colony"[221] while the Government engaged a "gentleman who, though an able common-law lawyer, was unheard of criminal matters. He claims that had they employed the counsel they ought to have they would have secured a conviction."[222]

During the Parliamentary Select Committee inquiry there were numerous personal attacks on Davies apparent 'notoriously shady character.'[223] In an attempt to discredit Davies, Hon John Kidd MP and William Crick MP cited numerous scandals. They claimed in his previous work in relation to the NSW Exhibition that it was found he had awarded the tender not to the highest bidder but to a gentleman who had given him a diamond ring. They also cite a further example, aptly named the Coonanbara Hats scandal, where it was alleged Davies received payment for three hats but did not supply the goods to the customer. In relation to the Coonanbara Hats scandal, no evidence was produced to substantiate this allegation.[224]

Not surprisingly, both Parkes and Davies found fault with the Parliamentary Select Committee inquiry. Davies argued that the Parliamentary Select Committee demonstrated injustice and partiality in its proceedings, as it would not allow a representative from the Board to be present when evidence was being given to the inquiry.[225] Parkes claimed that the Parliamentary Select Committee was a political witch-hunt with Davies as its target, and that 'the report is not worth the paper it is written on.'[226] Furthermore, in defending Davies he states "I do not go into the very foolish, the very irregular, and the very reprehensible acts of paying those three cheques into his accounts; but I do not believe he ever paid them into his

[220] *NSWPDLCLA,* Vol. 42, 1889, pp. 5768.
[221] *NSWPDLCLA,* Vol. 42, 1889, pp. 5768.
[222] *NSWPDLCLA,* Vol. 42, 1889, pp. 5768.
[223] *NSWPDLCLA,* Vol. 38, 1889, pp. 1370.
[224] *NSWPDLCLA,* Vol. 42, 1889, pp. 5774-5775 & 5781.
[225] *NSWPP,* Vol. 45, 1889, pp. 238.
[226] *NSWPDLCLA,* Vol. 42, 1889, pp. 5721.

private account with the intention to defraud the Government."[227] Despite such glaring evidence against Davies, it is reasonable to assume Parkes continued loyalty demonstrates the true strength of their relationship.[228]

The Termination of the Casual Labour Board

After eighteen months of operation, Parkes terminated the Casual Labour Board on 29th December 1888. It is interesting to note that the Parliamentary Select Committee Inquiry was announced one week prior to the termination of the Casual Labour Board.[229]

In an effort to distance himself from the allegations and the politically sensitive nature of the impending Parliamentary Select Committee report, Parkes was quick to terminate the Casual Labour Board. He argued that while the Casual Labour Board had done their best to direct the unemployed to the best advantage it was no longer in the public interest. He claimed that the expenditure on the relief works had gone beyond what was originally intended and had become a serious drain on public revenue. Furthermore, he stated that the relief works had brought 'a certain class of men from other colonies'[230] which had worsened the labour market situation.[231]

This was clearly a period of heightened political pressure for Parkes. In addition to the Parliamentary Select Committee Inquiry into the operations of the Casual Labour Board, Parkes also faced increasing political pressure over his recent appointment of W.M. Fehon to the NSW Board of Railway Commissioners. Fehon was also facing corruption allegations. Parkes resigned as Premier on 16 January 1889 and George Richard Dibbs formed Government. Despite Parkes earlier announcement of the Casual Labour Board's termination, Dibbs again announced its termination citing the evidence from the Parliamentary Select Committee concerning the misappropriation of funds to justify its closure. Clearly the Casual Labour Board became a political thorn in Parkes' side and despite his initial intentions for labour market reform he was ultimately guided by his political pragmatism.[232]

---

[227] *NSWPDLCLA,* Vol. 42, 1889, pp. 5721.
[228] *NSWPDLCLA,* Vol. 42, 1889, pp. 5719-5721 & 5766-5816.
[229] *Report of the Casual Labour Board,* pp. 25; *SMH,* 22.12.1888, pp. 7.
[230] *SMH,* 4.1.1889, pp. 4.
[231] *Report of the Casual Labour Board,* pp. 25; *SMH,* 4.1.1889, pp. 6.
[232] *NSWPP,* Vol. 6, 1889, pp. 1257; R. Travers, *Henry Parkes: Father of Federation,* Kangaroo Press, Sydney, 2000, pp. 203; A.W. Martin, 'Parkes, Sir Henry (1815-1896)', *Australian Dictionary of Biography,* Vol. 5, Melbourne University Press, 1974, pp. 399-406.

Conclusion

While Coghlan, Reeves and Endres and Cook have claimed that the Government Labour Bureau was the earliest public employment service in NSW, it had a predecessor: the Casual Labour Board. Established on 2 May 1887, the Casual Labour Board was the first attempt to provide a public employment service in NSW. Faced with high unemployment, unemployed deputations and industrial unrest, Premier Parkes, ever the political pragmatist, established the Casual Labour Board as an attempt to alleviate the recurring problem of unemployment.[233]

In a period of cyclical unemployment, Parkes established the Casual Labour Board as an attempt to regulate the unemployed and organise the labour market. In doing so, the NSW labour market went from being characterised as a true market system to a co-existence system with the public employment service adopting the mediation procedure of a closed system of administrative matching. In line with previous findings, the Casual Labour Board provides an interesting and compelling example of how a public employment service can contribute to the organisation of the labour market. During its eighteen months of operations, the Casual Labour Board was largely successful in placing nearly 8,000 men in employment, of which approximately thirty per cent were placed in private employment. In an economy with a limited industrial base this was quite an achievement and demonstrates a genuine need for an employment service.[234]

However, the Casual Labour Board was largely born out of political necessity and failed to receive adequate long-term support. Ultimately, it was undermined by a number of politically sensitive factors: the unsustainable costs associated with the Government relief works; political patronage; and allegations of corruption and fraud concerning the operations of the Casual Labour Board. Faced with increasing political pressure and following the announcement of the impending Parliamentary Select Committee inquiry, Parkes terminated the Casual Labour Board on 29 December 1888. Ultimately the Casual Labour Board was a short-term political solution for a long-term problem.[235]

---

[233] W.P. Reeves, *State Experiments in Australia and New Zealand,* pp. 219-220; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2019-2020; *Report of the Casual Labour Board,* pp. 25; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.
[234] S. Bell, 'The Unemployment Crisis and Economic Policy', pp. 7; U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406; J. Commons, *History of Labor in the United States*, pp. 200-202.
[235] *Report of the Casual Labour Board,* pp. 25; *NSWPP,* Vol. 42, 1889, pp. 5719; *SMH,* 19.3.1888, pp. 4.

While Beveridge and the neoclassical and Keynesian economist's analysis of public employment services have focussed on predetermined economic modelling, this example provides further support for the institutional economic approach. For example, Nurick argued that the early Labour Bureaus were set up as a temporary response to unemployment however; this fails to take into account other variables. In this case the origins, effects and the ultimate demise of the Casual Labour Board were shaped by a number of socio-economic and political concerns. The socio-economic concerns of the unemployed coupled with political pressure led to the introduction of the Casual Labour Board. In terms of its operation, the Casual Labour Board's functions were similar to those cited by Reeves and Coghlan in reference to the operations of the Government Labour Bureau. The functions being three-fold; relieve the distress of the unemployed; act as a channel through which labour passes into government employ and provide private employers with an avenue to engage labour in a bid to support capital development. Ultimately, it was the precarious financial situation of the state and political problems that ultimately led to its termination.[236]

[236] J. Commons, *History of Labor in the United States,* pp. 114-136; W.H. Beveridge, *Unemployment: A Problem for Industry;* J. M. Keynes, *The General Theory of Employment, Interest and Money*; J. Nurick, *Too Few Job;* W.P. Reeves, *State Experiments in Australia and New Zealand*, pp. 218-222; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.

Chapter 4 Government Labour Bureau

Introduction

As demonstrated in the previous chapter there has been much conjecture in the literature over the early Labour Bureaus in NSW. Reeves, Endres and Cook claimed that the first labour bureau was established in NSW in 1892, while Coghlan stated it was established 1894. However, the labour bureau that they were referring to was the Government Labour Bureau established by the Dibbs Government on 18 February 1892.[237]

In a period of cyclical unemployment and spiralling economic depression, coupled with increasing state debt, the Dibbs Government established the Government Labour Bureau in a bid to assist the unemployed and support capital development. Financially unable to provide relief works and facing an increasing hostile electorate, the Dibbs Government was compelled to act. While Coghlan has argued that the impetus for the creation of a labour bureau came mainly from the trade union movement, it is argued that it was coalitions of the unemployed and Labor MPs who drove the agenda. The Labor MPs were concerned by the growing industrial distress and the increasing prevalence of abuses perpetrated by private registry offices on the unemployed. In terms of the labour bureau structure, the advocates were largely influenced by the New Zealand Labour Bureau system.[238]

The Government Labour Bureau operated as a labour market intermediary in a free co-existence system for over eight years before it was transferred to the control of the Labour Commissioners of NSW on 13 September 1900. The Government Labour Bureau was initially designed to be a straight forward metropolitan labour bureau - registering the unemployed, gathering labour market information, and selecting persons for relief work and private employment. However, as Endres and Cook have noted, during the early years it also

[237] W.P. Reeves, *State Experiments in Australia and New Zealand,* pp. 219-220; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.
[238] W.P. Reeves, *State Experiments in Australia and New Zealand*, pp. 218-222; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.

acted as a 'charitable institution'[239] providing shelter and distributing rations to the unemployed and their families. [240]

In 1893 a Select Committee was appointed to investigate the operations of the Government Labour Bureau. Following this inquiry, the operations of the Government Labour Bureau was dramatically expanded to include forty two rural branches and agencies, as well as the responsibility and management of other labour market schemes: state farms, village settlements and gold fossicking. While Endres and Cook have been critical of the Government Labour Bureau's operations, claiming it only underwent cosmetic change and failed to develop innovative labour market programs, this chapter will demonstrate that these changes were quite progressive and innovative for that period of time.[241]

While Coghlan and Nurick had argued it was only a temporary measure to organise the labour market and lacked the state's long-term commitment, this chapter will demonstrate that the state did maintain a commitment to the problem of unemployment and in fact expanded labour market programs. However, it is important to note that the state's approach to labour market programs was largely curtailed by its own financial situation, and not its lack of commitment. The Government Labour Bureau only ceased to operate in name and not in function, as public employment services continued to operate in NSW until World War II under subsequent names. Following the Government Labour Bureau it became the NSW Labour Commission with two Labour Bureaus operating in Sydney from 1901.[242]

This chapter will begin by examining the economic, industrial and political conditions in NSW during the period of the Government Labour Bureau 1892-1901. In light of this discussion, the origins of the Government Labour Bureau will be analysed. The discussion will then focus on the operations of the Government Labour Bureau. Finally, the criticisms, problems and reasons for its eventual termination will be analysed.

---

[239] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 58.
[240] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430.
[241] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70; *NSWVPLA,* Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064, Vol. 6, 1901, pp. 371.
[242] T.A. Coghlan, *Labour and Industry in Australia,* pp. 2019-2020; J. Nurick, *Too Few Job*.

Economic and Industrial Context

The 1890s were a period of economic and industrial crisis, yet despite this uncertainty NSW continued to experience significant population growth. Between 1891 and 1901 the population of NSW increased by almost twenty per cent from 1,132,234 in 1891 to 1,354,864 in 1901. In the Sydney metropolitan area the population increased 26 per cent from 380,193 in 1891 to 481,830 in 1901. With the economic shift towards urban industries such as manufacturing and building there was continued migration to urban centres and by 1891, 66 per cent of the NSW population were residing in cities or towns. Immigration, which had previously been an important source of population growth, came to a halt from 1891 and during the following decade it attributed to a net increase of only 7,000 people.[243]

Unlike the long economic boom, which began with the gold rushes of the 1850s, the 1890s represented a period of unprecedented economic crisis. As Buckley and Wheelwright argue, the seeds of the terrible depression of the 1890s were sown in the preceding boom. During the 1880s NSW relied heavily on foreign investment, predominantly from Britain for capital development. However, by 1891 problems were emerging in the form of distortions in the structure of the domestic economy and the lack of balance was associated with the flood of capital from overseas. By 1890 the cost of servicing public debt was crippling at forty per cent of export earnings. In net figures, the cost of public debt increased considerably from £16,924,019 in 1881 to £52,950,733 in 1891 and by 1900 had reached £65,332,993.[244]

The structural problems in the economy were further compounded by the British banking crisis which resulted in major Australian banks either collapsing or suspending trade. After the London money market learned in 1890 that defaults by several South American Governments were jeopardising Barings, a leading merchant bank, and it refused new loans to Australia. By May 1893 most of the country's banks had suspended business, plunging commerce and industry into chaos. Most local banks collapsed costing many depositors their funds.[245]

---

[243]T. A. Coghlan, *Statistics of the Seven Colonies of Australasia, 1861 to 1896,* New South Wales Statistician's Office, Sydney 1897, pp. 1; *New South Wales Statistics, History, and Resources.* Compiled by the editor of the Year-Book of Australia, etc. Westminster, 1901 pp. 117; S. Macintyre, *A Concise History of Australia,* pp. 130.
[244] K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 185; T. A. Coghlan, *Statistics of the Seven Colonies of Australasia, 1861 to 1896*, pp. 19; *New South Wales Statistics, History, and Resources,* pp. 117; S. Macintyre, *A Concise History of Australia,* pp. 129.
[245] G. Patmore, *Australian Labour History,* pp. 74; E.A. Boehm, *Twentieth Century Economic Development in Australia,* 2nd edn, Longman Cheshire, Melbourne, 1979, pp. 26; K. Buckley & T. Wheelwright, *No Paradise*

NSW suffered a severe economic depression from 1891 to 1896. During this time unemployment and poverty soared, government tax revenues collapsed and public works projects were abandoned. Between 1891 and 1895 the economy shrank by thirty per cent. Macintyre claims that unemployment reached thirty per cent of skilled labour in 1893. Among the unskilled, the proportion of unemployed was higher but as the later discussion will illustrate, no statistics were kept, as there was no systematic provision for their collection. Economic recovery was hindered further by a series of droughts between 1895 and 1903. The long droughts crippled the rural industries upon which the NSW economy was precariously balanced.[246]

Pastoralism, which had been a key area of economic growth, became crisis ridden by the late 1880s. Pastoralists faced falling wool prices, increasing shearing costs, overstocking, rabbit plagues and the logistical challenges from expansion into arid areas. The depression and the lack of available credit compounded the problems and had devastating effects on landholders. After the depression came the drought. From 1895 to 1903 a run of dry years parched the most heavily populated eastern half of the continent. The land was already under the pressure from heavy grazing and repeated cropping. In terms of employment, shearers suffered significant wage reductions and the drastic reduction of flocks meant a long-term loss of employment opportunities.[247]

The mining industry in NSW underwent a number of significant changes during the late 1880s. Following the development of mining operations at Broken Hill with the establishment of the Broken Hill Propriety Company (BHP) in 1885, NSW emerged as a major producer of silver and lead. As Markey argues the establishment of BHP heralded a new era in social and industrial relations in mining. BHP's operations were unlike anything ever seen before in Australia, with a high level of capitalisation, incredible richness of mines, cutting edge technological development, astronomical profits, heavy share speculation and

---

for Workers, pp. 185-198; W.A. Sinclair, *The Process of Economic Development in Australia,* Longman Cheshire, Melbourne, 1976, pp. 147-159 & 165-172; S. Macintyre, *A Concise History of Australia*, pp. 129.

[246] G. Patmore, *Australian Labour History*, pp. 74; E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 26; K. Buckley & T. Wheelwright, *No Paradise For Workers,* pp. 185-198; W.A. Sinclair, *The Process of Economic Development in Australia,* pp. 147-159 & 165-172; S. Macintyre, *A Concise History of Australia*, pp. 129; T. A. Coghlan, *Statistics of the Seven Colonies of Australasia, 1861 to 1896*, pp. 19; *New South Wales Statistics, History, and Resources,* 1901, pp. 117.

[247] S. Macintyre, *A Concise History of Australia,* pp. 129-130; K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp.180 & 185-198; R. Markey, *The Making of the Labor Party,* New South Wales University Press, Kensington, 1988, pp. 4; G. Patmore, *Australian Labour History,* pp. 10; E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 26; W.A. Sinclair, *The Process of Economic Development in Australia,* pp. 147-159 & 165-172.

sophisticated management practices. Consequently, Broken Hill experienced significant population growth from 6,000 in 1887 to 26,700 in 1899. Broken Hill's workforce became the third largest in NSW after the railways and the coal mines, although it fluctuated considerably. At its peak in the 1890s it was about 7,000 but in 1894 fell to less than 4,000.[248]

Despite BHP's early success, they were also affected by the economic problems of the period. In 1892 world silver and lead prices fell markedly, later stabilising at a lower level in 1894. The decreased price coincided with both the financial crisis and with the increasing problems in extracting metals and ore consequently there were reduced metal mining operations between 1894 and 1898. In response BHP increased productivity and cut costs through the introduction of new technology, a reduction of labour costs and the intensification of workloads. To achieve these efficiencies in 1892 BHP reneged on a previous agreement with the Amalgamated Miners' Association, which led to one of the largest and bitterest strikes in the colony, ending in the miners defeat. Six years of high unemployment followed the strike. Markey noted that many unemployed left Broken Hill for South Australia in the 1890s, aided by rail passes supplied by the NSW Labour Bureau.[249]

Miners throughout the colony were adversely affected by the economic depression of the 1890s. Miners experienced very high levels of unemployment and significant wage reductions. In coal mining, irregularity of employment and fluctuations in wage rates were common in the 1890s. In gold-mining the proportion of the workforce fell from almost two-thirds to one-half between 1881 and 1891. While metal mining employed a large migratory workforce that fluctuated between 11,000 and 18,500 in the 1880s and between 21,000 and 31,000 in the 1890s, it was also faced high levels of unemployment and wage reductions.[250]

By 1890 excess capacity had become a feature of the building industry in the sense that the provision of dwellings had out-run capacity of people to buy or rent them. The building boom of the 1880s was initially based on a real social need. However, while the population of NSW grew by 50 per cent between 1881 and 1891, the number of dwellings grew by sixty-eight per cent. This excess capacity and financial crisis had a debilitating affect on the building industry and its workforce during the 1890s.[251]

---

[248] R. Markey, *The Making of the Labor Party,* pp. 67-68.
[249] R. Markey, *The Making of the Labor Party,* pp. 68-70.
[250] R. Markey, *The Making of the Labor Party,* pp. 4 & 67-68.
[251] K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 188.

Manufacturing continued to experience growth during this period. However, as had been the case in the previous period the manufacturing sector continued to serve domestic needs rather than export. The rate of growth of manufacturing from 1861 to 1890 (8.4 per cent per annum) was second only to railways, ahead of the construction and pastoral industries (6.7 per cent per annum each). In the 1890s manufacturing investment remained attractive, despite a reduction in colonial capital formation as a whole. From 1881 to 1901 the manufacturing workforce increased by 112 per cent. In the 1880s the manufacturing workforce grew by 48 per cent. However, the growth rate dropped to 43 per cent in the 1890s, but as Markey argues this figure is impressive given the loss of 7,000 jobs from the manufacturing workforce during the trough of the depression in 1891-1894.[252]

The manufacturing workforce underwent significant changes during the 1890s. In Sydney, the metropolitan proportion of factory employment grew from 57 to 64 per cent from 1881 to 1901. The building and building materials sector were the only industries whose workforce markedly decreased. The workforce of all other manufacturing industries significantly increased as a proportion of the total manufacturing workforce. Food and drink increased by 34 per cent or 14 per cent of the total increase in the manufacturing workforce, metals and machinery by 26 per cent or 16 per cent of the total increase, and clothing by a remarkable 87 per cent, or 37 per cent of the total manufacturing increase. The female proportion of the workforce grew from 15.7 per cent to 19 per cent between 1881 and 1891. A high proportion of female manufacturing employment was concentrated in Sydney and by 1891 females represented almost 24 per cent of the total manufacturing workforce.[253]

Economic uncertainty coupled with declining profits forced manufacturers to reduce costs through technological change and productive reorganisation. Manufacturing was characterised by low capital, labour ratios, low productivity and relatively small industrial units. The productive re-organisation and increased capital requirements restricted the opportunities of the skilled workers. The relatively prosperous position of many skilled workers was eroded from the 1880s, often by technological change and by the 1890s it had accelerated.[254]

---

[252] R. Markey, *The Making of the Labor Party,* pp. 28-29.
[253] R. Markey, *The Making of the Labor Party,* pp. 28-33.
[254] R. Markey, *The Making of the Labor Party,* pp. 4-5; G. Patmore, *Australian Labour History,* pp. 74; E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 26; K. Buckley & T. Wheelwright, *No*

The turbulent economic conditions of the 1890s led many employers, particularly in manufacturing, mining and shearing, to seek efficiencies and cost savings through the introduction of new technology, productive reorganisation and harsher industrial relations strategies thereby culminating in a period of industrial turmoil.[255] The misnamed Maritime Strike which began in late 1890 was the largest confrontation between unions and employers in nineteenth century Australia. The dispute arose from two sources: the maritime officers' refusal to disaffiliate from the Melbourne Trades Hall and the wharf labourers' secondary boycott of non-union wool. It spread to a wide variety of occupations including coal, metal miners, road transport workers, seaman and shearers. Between 40,000 and 50,000 workers, primarily in NSW, Queensland, South Australia and Victoria were involved. However, employers were well organised and due to the economic distress of the period there was sufficient surplus labour to fill the strikers place. The unprecedented extent of the strike alienated the middle class, who were concerned with maintaining law and order. The strike ended in a union defeat.[256]

As Buckley and Wheelwright argue the maritime strike was a product of two converging forces: on the one hand rapid growth of trade unionism, assertive and buoyed by a confident expectation of continued gains; and on the other hand employer bodies were dismayed at the trade union advance and were intent on stopping it. Against the trade unions policy of 'closed shop' employers posed the principle of 'freedom of contract' by employing non-union labour. The resulting outbreak of industrial conflict and strike activity cemented a pattern of state intervention in industrial relations that prevailed throughout most of the twentieth century.[257]

The strike had several effects on the labour movement. It raised class consciousness. Union affiliations to the trades and labour council in Sydney increased dramatically. It also strengthened the case for political action through a Labor party. Unionists accused the various colonial governments of assisting employers by providing police, special constables and even the military to protect strike breakers. In an attempt to redress the balance Labor

---

Paradise for Workers, pp. 185-198; W.A. Sinclair, *The Process of Economic Development in Australia,* pp. 147-159 & 165-172.

[255] G. Patmore, *Australian Labour History,* pp. 74; E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 26; K. Buckley & T. Wheelwright, *No Paradise For Workers,* pp. 185-198; W.A. Sinclair, *The Process of Economic Development in Australia,* pp. 147-159 & 165-172.

[256] G. Patmore, *Australian Labour History,* pp. 65; K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 180-184.

[257] S. Deery, D. Plowman, J. Walsh & M. Brown *Industrial Relations A Contemporary Analysis* McGraw Hill, Sydney, 2001, pp. 102; K. Buckley & T. Wheelwright, *No Paradise For Workers,* pp. 181.

representatives attempted to win seats in the NSW parliament to counter the employer's influence. In the 1891 election Labor candidates were successful in winning 35 out of 141 seats in the Legislative Assembly.[258]

The most important example of early experimentation with industrial regulation occurred in NSW with the introduction of the Trades Dispute Conciliation and Arbitration Act, which became law in April 1892. This legislation was a response to the 1890 Maritime Strike. The legislation required the agreement of both parties before a dispute proceeded to conciliation and arbitration. Employers took advantage of a declining labour market with the deepening 1890s Depression to ignore the legislation. Miners, printers, railway employees and maritime workers, unable to force their employers to conciliation and arbitration in their fight against wage cuts and deteriorating conditions, found the legislation ineffective. The legislative machinery only settled two of the 22 cases that came before it in two years. By December 1894 disillusionment led the Labor Party and a majority of the Protectionist opposition in the Legislative Assembly to end funding for this ineffective arbitration system and fuelled calls for a compulsory system.[259]

Increased female participation in the workforce was also a notable feature of this period. Prior to this period, female workers had limited opportunity for employment beyond domestic service. Industrialisation heralded a significant change with the increasing growth in the manufacturing sector. Despite poor factory working conditions, the majority of women preferred manufacturing work to the tyranny of domestic service. In NSW, the female proportion of the manufacturing workforce grew rapidly from 13 per cent in 1881 to 24 per cent of the total manufacturing workforce in 1891. In the clothing trades, the percentage of women employed in NSW increased from at least 58 per cent in 1883 to 80 per cent in 1901. Small numbers of women were also employed as shop assistants, telegraphists, telephonists, clerks, postmistresses, teachers, nurses and governesses.[260]

---

[258] G. Patmore, *Australian Labour History,* pp. 65; K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 184-185.

[259] G. Patmore, 'Industrial Conciliation and Arbitration in New South Wales before 1998', in *Laying the Foundations of Industrial Justice*, G. Patmore,(ed.) Federation Press, Sydney, 2003, pp. 7–11; G. Patmore, *Australian Labour History,* pp. 107-111.

[260] K. Alford & M. McLean, *Partners or Parastites of Men? Women's Economic Status in Australia, Britain and Canada, 1850-1900,* Australian National University, Working Papers in Economic History, No. 66, 1986, pp. 16-29; K. Buckley & T. Wheelwright, *No Paradise For Workers,* pp. 144-145; R. Markey, *The Making of the Labor Party,* pp. 33-34; G. Patmore, *Australian Labour History,* pp. 167.

Prior to 1900 trade unionism had little impact on women. Traditional views held: women workers expected to be married and to leave paid work. Marriage rather than militancy was seen as the solution to poor wages and conditions. Many male unionists supported this traditional view and felt that women should not work. Some trade unions such as the NSW Typographical Association and the NSW Confectioners' Society saw cheap female labour as a threat, and refused women entry into apprenticeships.[261]

Despite this traditional view, the harsh realities of the 1890s led some trade unions to actively recruit and organise female workers. While these trade unions were motivated by humanitarian concerns, they were also motivated by fear. Consequently, from the early 1890s the NSW Trades and Labour Council helped organise unions covering women, including the Tailoresses' Union, the Laundresses' Union and the Female Employees' Union. Women also had their own unions as the corresponding male unions refused to admit them. Some new unions formed in this period: NSW Textile Workers' Union admitted both men and women, but women were restricted to certain classifications. The General Labourers' Union (later part of the Australian Workers' Union) was one of the few established unions that explicitly welcomed women.[262]

During this period the unemployed continued to band together and form temporary combinations actively campaigning for assistance. There are numerous reports of men marching on parliament seeking numerous forms of relief: public work projects, transportation and assistance to work, a free labour bureau and rations. Bruce Smith, the NSW Minister for Public Works, stated on 12 February 1890 that he received two deputations per week from the unemployed seeking assistance. On 7 May 1891 representatives of the unemployed met with the Governor seeking assistance. In this deputation the representatives claimed that there were 10,000 unemployed persons in Sydney, many of whom were being abused and defrauded by the private registry offices and that the only solution was for the Government to establish both a labour bureau and relief works. Citing the New Zealand Labour Bureau model a success, they argued that this system should be adopted and established in NSW. On 17 February 1892, one day prior to the opening of

[261] G. Patmore, *Australian Labour History,* pp. 167; R. Markey, 'Women and Labour, 1880-1900', in E. Windschuttle, *Women, Class and History. Feminist Perspectives on Australia 1788-1978,* Fontana/Collins, Melbourne, 1980, pp. 92-94; W. Nichol, 'Women and the Trade Union Movement in New South Wales 1890-1900', *Labour History*, No. 36, 1979, pp. 18-30.

[262] G. Patmore, *Australian Labour History,* pp. 167-168; W. Nichol, 'Women and the Trade Union Movement in New South Wales 1890-1900', pp. 20-30; R. Markey, 'Women and Labour, 1880-1900', pp. 94-102.

the NSW Labour Bureau, 150 unemployed men marched on Government House citing further private registry office abuses, while advocating for further relief with the introduction of a village settlement scheme.[263]

As Coghlan had noted, the trade unions were also influential in campaigning for a public employment service. In advocating for assistance, the Trades and Labour Council claimed there were 5000 men out of work and assistance was 'absolutely necessary to prevent starvation.'[264] Interestingly, they had also called for the establishment of a labour bureau for the assistance of female workers.[265]

Political Landscape

The NSW political landscape changed significantly during the last decade of the nineteenth century. Two of these changes heralded significant electoral reform. The first reform included the introduction of payment for Parliamentarians in 1889. Prior to this, only men of independent means could afford to be members of parliament, but from 1889 men from all quarters could afford to be members of parliament. The second reform came in 1893 when plural voting was abolished. Prior to that, some voters, through property ownership or through being university graduates, who were entitled to more than one vote. This reform represented the principle of "One man, one vote". By the end of the nineteenth century almost all adult males could vote. However, there were two exceptions to full suffrage: women and aboriginals. Women could not yet vote in NSW and, although not legally denied the right to vote in NSW, Aboriginal people were effectively disqualified through a range of discriminatory regulations and practices. Despite these inequities, both of these reforms held particular significance for the emerging Labor Party.[266]

While the political landscape of the preceding period had revolved around individual political characters this period saw the emergence of political parties. The early political divisions involved the issues of protection versus free trade. By 1889 these opposing factions were forming what was, in effect, the first full-scale political party organisation in NSW. The

---

[263] *SMH,* 12.2.1890, pp. 5, 7.5.1891, pp. 7, 17.2.1892, pp. 8; *Clarence and Richmond Examiner* (hereafter *CRE*), 31.10.1893, pp. 4.
[264] *CRE,* 31.101893, pp. 4.
[265] T.A. Coghlan, *Labour and Industry in Australia* pp. 2020, 2029, 2041 & 2044*; CRE,* 31.10.1893, pp. 4.
[266] B. Nairn, 'The Role of the Trades and Labour Council in NSW, 1871-1891', *Historical Studies,* Vol. 7, No. 28, 1957, pp. 421-440; B. Nairn, *Civilising Capitalism: The Labor Movement in New South Wales 1870-1900,* Australian National University Press, Canberra, 1973, pp. 20-21; G. Patmore, *Australian Labour History,* pp. 64-65.

earliest to form government was Sir Henry Parkes' last Ministry, a Free Trade Party Government from 1889 to 1891. He was succeeded by Sir George Dibbs's Protectionist government of 1891-1894, before the return of the Free Traders in 1894 under George Reid 1894 -1899.[267]

During this time we also saw the emergence of the Labor Party. The Intercolonial Trade Union Congress at Hobart in 1889 unanimously called for the direct representation of the working classes in parliament. In January 1890 the NSW Trades and Labour Council endorsed a plan for candidates to stand at the next general election. As Patmore notes, several factors prompted the Council's actions: the introduction of payment for parliamentarians; failure of the unions to achieve major legislative goals through traditional means; the growth of the affiliation to the Labour Council; and the end of the 'classless' legislature through divisions over protection and free trade.[268]

The most dramatic development occurred in NSW when the Labor Electoral League (LEL) candidates won 35 out of 141 seats in the Legislative Assembly in the 1891 election. The party held the power between the Free-Traders and the Protectionists, but was largely ineffective. Few of the Labor members had trade union backgrounds and many carried their loyalties to the existing parties in the parliament. Before the end of the year they had split over the issue of tariff. In September 1892 some Labor parliamentarians defied party lines and helped the Dibbs Protectionist Government survive a censure motion over its treatment of strikers at Broken Hill. LEL conferences in November 1893 and March 1894 tried to tighten party discipline by devising a pledge for parliamentarians to abide by the majority decisions of caucus. However, only three members agreed to it. Subsequently, the LEL only endorsed four of the sitting members for the 1894 election, and the rest ran as independent Labor candidates. At the following election the LEL won 15 seats, yet the party was a more cohesive unit. In 1895 election they won 18 seats and in 1898 they won 19 seats. Between

[267] B. Mansfield, 'Dibbs, Sir George Richard(1834-1904)', *Australian Dictionary of Biography,* Vol. 4, Melbourne University Press, 1972, pp. 65-69; B. Nairn 'Davies, John (1839-1896)' *Australian Dictionary of Biography,* Vol. 4, Melbourne University Press, 1972, pp. 28-29; W. G. McMinn, 'Reid, Sir George Houstoun (1845 - 1918)', *Australian Dictionary of Biography*, Vol. 11, Melbourne University Press, 1988, pp. 347-354; G. Patmore, *Australian Labour History,* pp. 64.

[268] B. Nairn., 'The Role of the Trades and Labour Council in NSW, 1871-1891', pp. 421-440; B. Nairn., *Civilising Capitalism: The Labor Movement in New South Wales 1870-1900,* pp. 20-21; G. Patmore, *Australian Labour History,* pp. 64-65.

July 1895 and August 1904 it held the balance of power without relying on independent Labor members.[269]

During this period middle class reformers also began advocating for the improvement of the social and industrial position of women. Concern over the vulnerability of women factory workers spurred male bourgeois liberals to support factory legislation. Middle class women began demanding greater legal rights in marriage and the vote. Women formed suffrage societies in all colonies in the 1880s and 1890s, and first gained the vote in South Australia in 1895. The Labor Party in NSW gave priority to the abolition of plural voting but did not incorporate female suffrage into its platform until 1896.[270]

The NSW Female Suffrage Movement had its origins in the late 1880s, led initially by organisations such as the Women's Christian Temperance Union and such women as Elizabeth Ward. The newspaper, *The Dawn*, published by Louisa Lawson (the mother of writer, Henry Lawson) added to the voices for justice for women. The NSW Womanhood Suffrage League was formed in 1891. In NSW several Bills for female suffrage were proposed between 1891 and 1901, generally being passed in the Lower House but defeated in the Upper House. Despite widespread ridicule of the idea of women being involved in politics, especially by the media, the movement gathered momentum and by the dawn of the new century was less than two years away from success.[271]

A final striking feature of the late nineteenth century political landscape was the early debates over Federation. These debates can be traced to the early 1880s when the designs of the French and the Germans in the South-West Pacific alarmed the Colonies, but NSW's suspicion of Victoria's motives prevented anything more than a weak and incomplete Federal Council. In 1889 Parkes made a bid for immortality as the Father of Federation by issuing a call for closer ties. This brought representatives of the colonial parliaments to a Federal Convention in Sydney in 1891. At the Convention they drafted a constitution, however, the colonial parliaments later failed to approve it. The Federation debate was revived when the colonies authorised the direct election of delegates to a new convention and agreed in advance to submit its proposals to popular referendum. The second Federal Convention met

[269] G. Patmore, *Australian Labour History,* pp. 65 & 76.
[270] G. Patmore, *Australian Labour History,* 1991, pp. 167-168; R. Markey, 'Women and Labour, 1880-1900', pp. 94-106; D. Scott, 'Woman Suffrage: The Movement in Australia', *Journal of the Royal Australian Historical Society,* Vol. 53, part 4, 1967, pp. 299-322.
[271] G. Patmore, *Australian Labour History,* pp. 167-168; R. Markey, 'Women and Labour, 1880-1900', pp. 94-106; D. Scott, 'Woman Suffrage: The Movement in Australia', pp. 299-322.

from 1897 to 1898, but only the four south-eastern colonies proceeded to referendum, and then only three produced the necessary affirmative vote. Further concessions were required before NSW did so, then following a second referendum both Queensland and Western Australia joined. The proclamation of the Commonwealth on 1 January 1901 in Centennial Park, Sydney came more than a decade after Parkes had appealed to 'the crimson thread of kinship.'[272]

Against this backdrop of economic uncertainty and political change, the NSW Government established the NSW Labour Bureau. The following section will focus on its origins and operations.

Origins and Influences of the Government Labour Bureau

The worsening depression of the 1890s created unprecedented levels of industrial distress. This industrial unrest culminated in increasingly turbulent deputations all calling on the Government to assist the unemployed through government relief works programs. However, due to the NSW Government's precarious financial situation, such large-scale expenditure was largely impossible. In a bid to alleviate the unrest and provide political action the Dibbs Colonial Government refused further relief work programs and instead established the Government Labour Bureau on 18 February 1892.[273]

The introduction of a labour bureau had been advocated in both labour and political circles prior to its commencement. Concern over the worsening condition of the labour market and the vulnerability of the unemployed, many of whom had become victims of the unscrupulous private registry offices provided the impetus for such debates. During 1890, and in his final term as Premier, Parkes was regularly asked in Parliament if it was the intention of the Government to establish a labour bureau. In response, Parkes claimed that he had met with various unemployed deputations and conceded that the issue was under consideration. However, he stated that at 'present the Government had no intention of opening a free labour bureau.'[274] By 1891, as the depression worsened, calls for a labour bureau continued yet Parkes reiterated his previous stance that the issue was under consideration. Following the

[272] S. Macintyre, *A Concise History of Australia,* pp. 136-137, A.G.L. Shaw, *The Story of Australia,* Faber and Faber, London, 1960, pp. 182-196.
[273] *NSWVPLA,* Vol. 51, 1893, pp. 957, Vol. 52, 1904, pp. 739-765; *SMH*, 13.2.1892, pp. 8.
[274] *NSWPDLA,* Vol. 44, 1890, pp. 189.

election of Dibbs on 23 October 1891, he continued the previous government's mantra of the issue being under consideration by cabinet.[275]

Unsurprisingly, it was the Labor MPs who championed the cause of the unemployed in Parliament. Most notable was William Schey, the MP for Redfern, who was a former trade unionist, serving as secretary of the Amalgamated Railway and Tramway Service Association. He later became a NSW Labour Commissioner in 1899 and then Superintendent of the State Labour Bureau in 1905. Schey regularly raised the issues of the unemployed in Parliament during the early1890s, often orchestrating meetings between unemployed deputations and both Premier Parkes, and his successor Premier Dibbs. Schey was a keen advocate for labour issues in parliament, citing examples of industrial distress, which were often compounded by the fraudulent behaviour of private registry offices. From as early as 6 May 1890, Schey had been an ardent advocate and campaigner for the government to establish a labour bureau.[276]

There were also other labour members of parliament who advocated for the introduction of a labour bureau. George Black, Member for West Sydney, founding member of the Australian Labor Party, argued that he did not believe further relief works were the answer. As an alternative, he advocated for the introduction of a labour bureau to assist in the flow of information concerning employment vacancies, and for the government to assist men to these locations. Jacob Garrard, former unionist, and member for Balmain, concurred with these sentiments claiming he knew of employers in country districts who wished to have information on available labour. Thomas Davis, Member for West Sydney and former unionist, and Andrew Kelly, Member for West Sydney, former unionist and founding member of the Labor Party, cited the abuses of the registry offices. Kelly argued that there was 'no greater evil in the community.'[277] They both called for the abolition of private registries and for the establishment of a government operated labour bureau.[278]

---

[275] *NSWPDLA,* Vol. 44, 1890, pp. 144, 189 & 386; *NSWVPLA,* Vol. 50, 1891-2, pp. 116 & 273.
[276] *NSWVPLA,* Vol. 50, 1891, pp. 116; *NSWPDLA,* Vol. 44, 1890, pp. 144 & 189, Vol. 56, 1892, pp. 4814 & 4977-5010; *SMH*, 13.2.1892, pp. 8; M. Audley, 'Schey, William Francis (1857 - 1913)', *Australian Dictionary of Biography*, Vol. 11, Melbourne University Press, 1988, pp. 535-536.
[277] *NSWPDLA,* Vol. 56, 1892, pp. 4990.
[278] *SMH*, 13.2.1892, pp. 8; *NSWPDLA,* Vol. 44, 1890, pp. 144 & 189; *NSWPDLA,* Vol. 56, 1892, pp. 4814 & 4977-5010; *NSWVPLA,* Vol. 50, 1891, pp. 116; M. Audley, 'Schey, William Francis (1857 - 1913)', pp. 535-536; B. Nairn, 'Black, George Mure (1854 - 1936)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp. 302-304; B. Nairn, 'Davis, Thomas Martin (1856 - 1899)', *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 240-241; B. Nairn, 'Garrard, Jacob (1846 - 1931)',

Amongst the trade unions, the Amalgamated Navies and General Labourers' Union were ardent advocates for the creation of a government labour bureau. The Amalgamated Navies and General Labourers' Union (ANGLU) was initially a separate body of the Australian Shearers Union (ASU) established in 1890, they later became part of the ASU in 1894 following the maritime dispute. Following this, the union became known as the Australian Workers Union. The Secretary of ANGLU, whose membership overwhelmingly felt the effects of the industrial turmoil through 'lack of work'[279] outlined his concerns to Premier Parkes in July 1891. The ANGLU suggested that to alleviate the problem of unemployment and to curtail the fraudulent activities of private registry offices, the government should establish a labour bureau to assist the operations of the labour market. Furthermore, they argued that while the Trades and Labour Council Organising Committee had also endorsed the establishment of a union labour bureau, they believed that due to their own internal turmoil it would not eventuate. Subsequently, he called on the Government to take action. Following the announcement of the Government Labour Bureau, the Trades and Labour Council stated that while they agreed in principle with the Government Labour Bureau, they argued that men would refuse work if the rate of pay was less than the rate determined by the trade unions.[280]

Within the literature it has been claimed that the early architects of labour bureaus were influenced by the policy debates in Britain in the early twentieth century. However, the Government Labour Bureau, and its predecessor the Casual Labour Board, emerged prior to these debates. In terms of influencing the structure of the Government Labour Bureau the majority of its advocates cited the New Zealand Labour Bureau system. Opened in 1891, the New Zealand Labour Bureau was an integrated labour market system divided into eleven districts with branch offices and agencies in every important town. In country districts the police acted as agents of the labour bureau registering the unemployed and allocating placements. It was argued that this decentralised system would be greatly beneficial to both employers and labour in NSW for two reasons. Firstly, a decentralised structure would ensure that rural labour markets were serviced, thus avoiding men travelling to Sydney seeking

---

Australian Dictionary of Biography, Vol. 4, Melbourne University Press, 1972, p. 234; Andrew Kelly see Parliament of New South Wales Former Members http://www.parliament.nsw.gov.au/prod/parlment/members

[279] Letter from the Secretary of the Amalgamated Navies and General Labourers' Union to Sir Henry Parkes 3 July 1891, see H. Parkes Correspondence Vol. 10 A880, Mitchell Library, Sydney, pp. 237-244.

[280] H. Parkes Correspondence Vol. 10 A880, Mitchell Library, Sydney, pp. 237-244; W.G. Spence, *History of the Australian Workers Union,* The Worker Trustee, Sydney, 1961, pp. 19; *SMH*, 13.2.1892, pp. 8; *MM*, 4.7.1891, pp. 2.

employment. Secondly, and related to the first, this system would also facilitate the flow of employment information across the state.[281]

While parliamentary debates focussed predominantly on the New Zealand Labour Bureau model, systems in other countries were also discussed. Reference was made to the labour bureau system in the United States. Under this system labour bureaus were responsible for the registration and collection of labour market information. Parkes argued that while this system had some benefit in collecting labour market information he believed it was too simplistic and NSW needed a more proactive institution. The proposed development of labour bureaus in South Australia and Queensland was also discussed, albeit briefly.[282]

Alternative solutions to the unemployed problem were also being discussed during this time. Herbert Mills a British radical whose book *Poverty and the State and Work for the Unemployed,* was published in 1886 and was influential at this time. In his book Mills draws upon the depravity of the English Poor Laws and Workhouses. He argues that this system fails to deal with the recurring problem of unemployment. Instead he claims unemployment can be alleviated by creating villages of self-sufficiency. Both Schey and Black had expressed interest in the idea of creating 'village settlements' in NSW. Village settlements operated in Britain, Netherlands, France and Germany, where legislation had been enacted to provide the unemployed with land and support so as to become self-sufficient. Schey was greatly influenced by this work and claims to have attempted a similar scheme in the 1880s but due to NSW land laws found it impossible. Parkes was also interested in similar schemes. During the early 1890s he requested information on German Labour Colonies as a means for alleviating the recurring problem of unemployment. Following the 1893 Select Committee inquiry into the operations of the Government Labour Bureau, a village settlement scheme was proposed and later opened to assist the long-term and incapacitated unemployed.[283]

As had been the case with Casual Labour Board, the Government Labour Bureau was largely born out of political necessity. However, unlike the Casual Labour Board, which had been

---

[281] A. O'Donnell, 'Inventing Unemployment: Labour Market Regulation and the Establishment of the Commonwealth Employment Service', pp. 343-372; J. Nurick, *Too Few Jobs; SMH*, 13.2.1892, pp. 8; W.P. Reeves *State Experiments in Australia and New Zealand*, pp. 219-220; US Labour Bureaus see – *NSWVPLA,* Vol. 50, 1891, pp. 116.

[282] *NSWPDLA,* Vol. 56, 1892, pp. 4977-78; *NSWVPLA,* Vol. 50, 1891, pp. 116, Vol. 2, 1904, pp. 757; *SMH*, 13.2.1892, pp. 8; W.P. Reeves *State Experiments in Australia and New Zealand*, pp. 219-220.

[283] *NSWPDLA,*, Vol. 56 1892, pp. 4978, Vol. 68, 1893, pp. 1090-1095, Vol. 87, 1897, pp. 1055; H. Mills, *Poverty and the State and Work for the Unemployed*, Kegan Paul & Co, London, 1886, pp. 96-101; H. Parkes Correspondence Vol. 47, A917, pp. 81-84.

designed by Colonial Premier Parkes, the Government Labour Bureau was an outcome of the Dibbs Government. The Dibbs Government was elected on the platform 'to provide work for the masses'[284] and with the worsening industrial situation, the government faced increasing criticism and pressure to act. Financially unable to provide significant relief works programs, which had been undertaken in the late 1880s to relieve the distress, Dibbs announced the opening of a Government Labour Bureau in Sydney. Despite calls for an integrated labour bureau system with regional offices across NSW, as per the New Zealand model, it could be argued that the simplistic model proposed by Dibbs reflected his government's limited financial capability. In short, he offered a short-term pragmatic solution to what was becoming a highly politicised problem.[285]

In announcing their intention to open a Government Labour Bureau, and in line with the prevailing economic ideology, the Dibbs Government was emphatic that this was not an example of state socialism. Instead Dibbs argued that it was designed to assist capitalist expansion and industry and to act only as an intermediary between capital and labour. Furthermore, he argued that Government Labour Bureau would undertake no duty in relation to fixing the scale of wages or accepts any responsibility, except in obtaining and supplying accurate information.[286]

On 16 February 1892 the Dibbs Government announced the appointment of Joseph Creer as the Superintendent of the Government Labour Bureau. Creer, like his predecessor Davies, shared a similar career trajectory: beginning in private enterprise and later holding public office. Creer also came from humble beginnings initially as a carpenter and builder, later starting a broom factory in Maitland. In 1870 he moved to Newcastle and began a cabinet making business, which was ruined by fire in 1872. Following this, he opened a large auctioneering and general business in Newcastle. During this time he also became an active member in the Temperance movement, most notably founding the Daughters of the Order of Temperance in Maitland and Newcastle. On the back of this support, he became politically active, firstly in local government as an alderman in 1875 and later Mayor of Newcastle in 1881. On 16 October 1885 he was elected to the NSW Legislative Assembly as the Member for Northumberland. Creer was elected for three terms being defeated on 6 June 1891. It was claimed in the press that his defeat was due to his adherence to the principles of temperance,

[284] *NSWPDLA,* Vol. 56, 1892, pp. 4977.
[285] *NSWVPLA,* Vol. 50, 1891, pp. 116 & 499; *NSWPDLA,* Vol. 56, 1892, pp. 4977-5010 & 5265.
[286] *SMH*, 13.2.1892, pp. 8.

in relation to his opposition for extending hotel trading hours. Despite this, during his tenure in the NSW Parliament, he actively campaigned on local issues.[287]

While both Creer and Davies shared a similar career trajectory and were both members of, and influenced by, the Temperance movement, there were some significant fundamental differences in their approach to the unemployed. Davies approach to the unemployed was heavily influenced by the prevailing classical economic ideology of the time: men who worked hard would be rewarded. Men who refused work or questioned piece-work rates were commonly denounced as loafers or drunks and subsequently further assistance was refused and their names blacklisted.[288]

Creer on the other hand, adopted a more compassionate approach believing that it was the role of the state to assist those most in need. In the 1893 Select Committee inquiry into the operations of the Government Labour Bureau, Creer was asked if men who had refused work were removed from the list and relief withdrawn. He claimed that he "would not strike a family man off the relief list if he refused to go to that work."[289] Furthermore, when defending his assistance of men who gained employment through private registry offices by supplying railway passes, he argued that despite his abhorrence over the practices of these private registries, he believed that if he didn't assist these men, their families would become destitute.[290]

Initially railway passes were issued without any form of guarantee from the prospective employer or avenue for recompense for the Government. Both Creer and the Dibbs Government became concerned over their misuse. In a bid to curtail the abuses perpetrated by private registry offices who were sending men to fictitious vacancies, the Dibbs Government decided that from July 1892 that the Government Labour Bureau would only provide railway passes to men travelling to a legitimate vacancy, and that the employer or employee would sign an order for the cost to be deducted from their first months wages.[291]

Creer's compassion and belief in rehabilitation can also be seen in late 1893 when he argued for the introduction of a village settlement scheme. He claimed that many of the men referred

---

[287] *NSWVPLA,* Vol. 50, 1892, pp. 447; *SMH*, 13.2.1892, pp. 8; *MM,* 1.9.1870, pp. 4, 18.3.1891, pp. 6; *The Argus,* 18.7.1896, pp. 7.
[288] *SMH,* 12.5.1887, pp. 7; 19.3.1888, pp. 4; 4.1.1889, pp. 4.
[289] *NSWVPLA,* Vol. 50, 1892-3, pp. 976.
[290] *NSWVPLA,* Vol. 50, 1892-3, pp. 976 & 983-984, Vol. 52, 1894, pp. 1064.
[291] *NSWVPLA,* Vol. 50, 1892-3, pp. 958, Vol 52, 1894, pp. 1064.

to as 'loafers' were up until a few years ago hard working and industrious, but due to the industrial depression had fallen into bad habits and bad associations and lost their way. He believed that these men would greatly benefit from such a scheme. Creer's sympathetic stance and compassion guided him in his role as Superintendent of the Government Labour Bureau.[292]

Operations

The Government Labour Bureau began operations on the 18 February 1892. The offices were located at the Post Office Stables, Castlereagh Street, Sydney. The Government claimed that the purpose of the labour bureau was to assist the unemployed in finding work and to provide assistance to families impoverished by unemployment. The Government Labour Bureau registered the unemployed and endeavoured to find suitable positions for them. In terms of mediation procedures, the Government Labour Bureau operated a closed system of administrative matching. Creer personally selected applicants based on the requirements of the job and the applicant's skills and past work experience, including references from previous employers. He thus attempted to create a job-person match. Using means such as circulars, advertisements and press coverage, the Government Labour Bureau advised employers of its major functions in assisting them to fill vacancies. The Government Labour Bureau also met some costs involved in finding work, including supplying railway tickets and rations to those seeking work.[293]

The desperation of the times was clearly evident on the opening day of the Government Labour Bureau. With a growing crowd of over 200 men and three police constables stationed at the door to prevent crushing and to ensure good behaviour, Creer opened the Government Labour Bureau at 10am, two hours earlier than scheduled. The initial registration process involved the men completing forms with particular information relating to their skills, trades and previous experience. By the close of business that day the Government Labour Bureau had registered over 700 men. In the first week of operation Creer claimed that he had already obtained applications from city employers. It was reported that in the first fortnight of

[292] *NSWVPLA,* Vol. 50, 1892-3, pp. 976 & 983-984, Vol 52, 1894, pp. 1064.
[293] *NSWVPLA,* Vol. 50, 1892-3, pp. 957-958, Vol. 6, 1901, pp. 369; U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406.

operation, the Government Labour Bureau had registered nearly 4,000 men and employment had been secured for 500 men.[294]

As noted by Endres and Cook, during the first twelve months, the Government Labour Bureau also operated as a de-facto emergency relief department. In this role, the Government Labour Bureau distributed government rations consisting of meat, bread, tea, and sugar. Financial assistance, food and clothing parcels donated by the public augmented the rations supplied by the government and were distributed by the Government Labour Bureau. During the first twelve months of operations the Government Labour Bureau received donations that included £180 and the Government supplied 30,960 portions of rations.[295]

In a further bid to relieve the distress of the time, Creer allowed many of the destitute unemployed to take shelter at night in the premises of the Government Labour Bureau. For those seeking shelter, Creer provided strict rules and guidelines and together with the assistance of the police no serious incidences occurred. In its premises in Castlereagh Street it was reported that in March 1892 that 'by 10 o'clock, nearly 400 men had gained admittance and had made their beds wherever a vacant spot could be found. On the upper floor, a large loft, about 250 men where stretched on boards, those who could obtain them by using newspapers as blankets or mattresses, but many being without even a newspaper.'[296]

The overwhelming need for shelter and relief led the Government to provide blankets, and for the Government Labour Bureau to be moved to larger premises. On 2 April 1892 the Government Labour Bureau re-opened at the Exhibition Building, Pitt Street, Sydney, with the main hall being used as a shelter for the homeless. Every night between 500 and 700 people were accommodated. Despite the larger premises, the Government Labour Bureau struggled to accommodate the growing number of destitute unemployed and on 2 October 1892 relocated again to larger premises at the junction of George and Pitt Streets behind No.2 Police Station, Sydney. This building had a good sized yard that enabled them to erect a shelter for the unemployed. In May 1893 a night shelter was established by the Government

[294] *SMH*, 19.2.1892, pp. 4, 20.2.1892, pp. 8, 7.3.1892, pp. 5.
[295] *NSWVPLA,* Vol. 50, 1892-3, pp. 957; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70.
[296] *NSWVPLA,* Vol. 50, 1892-3, pp. 957; *NSWPDLA,* Vol. 58, 1892, pp. 7216.

Labour Bureau at Cowper's Wharf, Woolloomooloo, on average 464 men were accommodated each night.[297]

The first six months of operations of the Government Labour Bureau could be categorised as crisis management: registering men, notifying employers, job placement, distributing rations and relief, and providing shelter. However, it soon became apparent that the Government Labour Bureau suffered from both systemic and operational problems. As the Dibbs Government attempted to assess the workings of the Government Labour Bureau and identify statistical labour market information, it became increasingly clear that there were significant problems in their accounting procedures. Creer's lack of experience in managing such an operation was evident in his record keeping which only contained basic information: number of men registered and sent to work, with no means of identifying the total number of unemployed. Furthermore, the accuracy of the information collected was also undermined as it did not account for those men who had gained employment through other means, or those men who had been assisted to work more than once, which he later claimed in the 1893 Select Committee hearings was a common occurrence.[298]

In an attempt to overcome these problems and to identify the total number of unemployed, the Government decided that the process of re-registration should be undertaken. This began on the 30 August 1892 with 2,472 new registrations and 5,152 previous registrations totalling 7,625. The inaccuracy of their statistics was startling as the new figure represented just over half (56 per cent) of the previous total of men registered. Due to the inaccuracies in their accounting techniques and the seasonal and temporary nature of the work, it is largely impossible to identify the exact percentage of men who gained employment. However, Creer claimed that during the first six months, approximately one quarter of those registered were placed in employment, most often in agriculture, trades and unskilled work. Furthermore, he stated that after twelve months of operation the Government Labour Bureau has assisted 8,154 men to employment and a further 1,850 gained employment indirectly through the Bureau. In total, he claimed that the Government Labour Bureau had gained both directly and indirectly employment for 10,004 men.[299]

[297] *NSWVPLA,* Vol. 50, 1892-3, pp. 957, Vol. 58, 1892, pp. 7216, Vol. 6, 1901, pp. 369- 390.
[298] *NSWVPLA,* Vol. 50, 1892-3, pp. 957 & 978-981.
[299] *NSWVPLA,* Vol. 50, 1892-3, pp. 957-958 & 978-981.

As industrial conditions worsened during 1893 following the banking collapse, there was growing concern over the Government Labour Bureau's role and its effects on labour market outcomes. Despite receiving positive feedback from many of the employers and employees who had used the Government Labour Bureau, there were many labour supporters who expressed their misgivings. Most notably, the ASU, which argued that the Government Labour Bureau was being used by certain employers to reduce wages in rural areas. In doing so, the union argued that men were being transported to rural areas where there was already a surplus of labour thus creating further industrial distress across the state. Thomas Hicks Hall, Secretary of the ANGLU, whose union previously advocated for a Government Labour Bureau, concurred with this allegation and called for its closure.[300]

John Watson, President of the Trades and Labour Council, claimed that the Government Labour Bureau's structure was ineffective 'inasmuch as its powers are limited, usefulness curtailed by its functions being confined solely to the registration of workmen in Sydney.'[301] He argued that the men travelled to Sydney to seek employment and that the officials of the Government Labour Bureau neglected rural labour markets, often sending men from Sydney to areas with surplus labour. In regard to the fraudulent behaviour perpetrated by the private registry offices, Watson claimed that the operations of the Government Labour Bureau have failed to result in any registry office closures. However, he did concede that it has affected their trade. In response to these criticisms, the Dibbs Government announced that an inquiry would be undertaken to investigate these claims and the workings of the Government Labour Bureau.[302]

1893 Select Committee of the Legislative Assembly into the Workings of the Government Labour Bureau

On 26 April, 1893 a Select Committee of the Legislative Assembly under the Chairmanship of John D. Fitzgerald was appointed to inquire into the working of the Government Labour Bureau. Fitzgerald was an interesting choice as he was a former trade unionist and founding member of the Labor Electoral League. However, he was one of the Members of Parliament who defied LEL party lines and helped the Dibbs Protectionist Government survive a censure

[300] *NSWVPLA,* Vol. 50, 1892-3, pp. 958; & 957-958 & 1009-1014; *NSWPDLA,* Vol. 65, 1893, pp. 6429-6430.
[301] *NSWVPLA,* Vol. 50, 1892-3, pp. 967.
[302] *NSWPDLA,* Vol. 65, 1893, pp. 6429-6430; *NSWVPLA,* Vol. 50, 1892-3, pp. 1009-1014 & 1026-1027.

motion over its treatment of strikers at Broken Hill. Following a LEL Conference in November 1893 he was then expelled from the party.[303]

The Committee submitted its report on 2 June, 1893.The Committee found that the operations and effectiveness of the Government Labour Bureau was undermined by its centralised structure and limited powers. They claimed 'that the Government Labour Bureau, in its present basis, is necessarily ineffective, inasmuch as its powers are limited, and is usefulness curtailed by the fact that its functions being confined solely to the registration of workmen located in Sydney.'[304]

The Committee argued that the centralisation of the Government Labour Bureau in Sydney had a two-fold effect. Firstly, unemployed men travelled to Sydney seeking employment thereby creating a surplus of unemployed in metropolitan area, which often resulted in industrial unrest and deputations. Secondly, the lack of Government Labour Bureau offices in rural areas led to a systematic neglect of the state of rural labour markets and an inability to procure work locally for unemployed men in rural districts. Consequently, they believed that there was a danger of the Government Labour Bureau being used by unscrupulous persons to lower wages, by importing into districts already overstocked with unemployed large numbers of men from the Government Labour Bureau. However, they did find that there had been a careful and conscientious endeavour on the part of the Superintendent and Secretary to make the Government Labour Bureau a useful institution, but the limited scope of their powers and the narrow sphere of their operations greatly impeded them and rendered their efforts largely futile.[305]

In an attempt to improve the effectiveness of the Government Labour Bureau, the Select Committee recommended the following: the development of a Department of Labour responsible to a Minister of the Crown; the expansion of the Government Labour Bureau to include the creation of branches in major centres; the establishment of a statistical branch to collect data on economic variables, particularly those affecting employment; the compulsory registration and licensing of private employment agencies; extending the labour bureau services to women, by the institution of a separate section under female control; the establishment of state farms to provide employment; the fostering of village settlements to

[303] *NSWVPLA,* Vol. 50, 1892-3, pp. 1009; B. Nairn, 'Fitzgerald, John Daniel (Jack) (1862–1922)' *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 513-515.
[304] *NSWVPLA,* Vol. 50, 1892-3, pp. 967 & 965- 1036.
[305] *NSWVPLA,* Vol. 50, 1892-3, pp. 965-1036.

develop self sufficiency and employment; and the development of the principle of co-operation as applied to the execution of public works. The committee were emphatic in their conclusion, arguing that if the recommendations with regard to decentralisation and local registration were not carried out, the Government Labour Bureau should be abolished altogether. However, as the following will demonstrate, many of these fundamental structural changes did not occur until 1895.[306]

Select Committee's Recommendations

Since its inception the Government Labour Bureau had been under the control of the Colonial Premiers Department. Following the Select Committees finding into the Government Labour Bureau's operations it was recommended that a Department of Labour under ministerial control be established. However, the Government Labour Bureau remained under the Colonial Premier's control until 1895 when it was transferred to the Department of Public Instruction. In 1896 the Government Labour Bureau was transferred again to the newly established Department of Labour and Industry. This department also became responsible for a range of legislation, including the *Apprentices Act 1894*, the *Factories and Shops Act 1896* and the *Conciliation and Arbitration Act 1899*. However, this was short lived and in 1901 the Government Labour Bureau was transferred to the control of the Department of Public Works, along with the NSW Labour Commission, which had been appointed in 1900.[307]

The Select Committee found that the most significant structural problem undermining the effectiveness of the Government Labour Bureau was its centralised structure. In a bid to increase its effectiveness the Select Committee recommended a decentralised structure with numerous agencies and branches throughout the state. While this idea had resounding support in the hearings, there were others, such as Superintendent Creer, who had concerns. Creer argued that 'it is questionable whether they would realize all that is expected of them by their advocates.'[308] Creer suggested an alternative plan with a view of testing the agencies: '(say) five be opened…Newcastle, Tamworth, Bathurst or Orange, Bourke for the west and Goulburn for the south.'[309]

---

[306] *NSWPP,* Vol. 8, 1893, pp. 967-968.
[307] *NSWGG*, No. 992, 4.12.1896, pp. 8776; *NSWVPLA,* Vol. 5, 1896, pp. 729-740, Vol. 6, 1901, pp. 369- 390; *NSWIG,* Vol. 8, No. 2, pp. 370-392.
[308] *NSWVPLA,* Vol. 52, 1894, pp. 1065.
[309] *NSWVPLA,* Vol. 53, 1895, pp. 465.

Concerned by the cost of establishing these agencies, Creer suggested that the agencies be conducted under the supervision of the Sergeant or Officer-in-charge of Police in each town, whose duty it would be to register the unemployed in each district, and supply employers with the labour out of those locally unemployed, and in the event of not being able to supply labour as may be required, to communicate with the Superintendent. However, there was some further opposition to this idea. In 1894 Creer held a meeting in Bathurst with the local unemployed where he outlined this proposal. The unemployed opposed this idea as they believed the establishment of this agency would serve only to attract further unemployed to the area.[310]

Despite this opposition and Creer's reservations, the Government persisted with this reform agenda and on 1 March, 1895 35 agencies were established in major towns across NSW to assist in gathering information about, and suggesting solutions to, unemployment within their districts. The branches were conducted by Clerks of Petty sessions. As agents they were instructed not to send any men to employment that was more than 20 miles from the branch without consulting the head office. This was to avoid possible conflict between adjoining areas. The agencies were also instructed not to interfere in regard to wages rates. Under this arrangement men were given tickets upon registration which they furnished each time they applied for work. Men travelling in the course of seeking employment were to get their ticket stamped at any town they passed through which has an agency to avoid men flocking to Sydney without attempting to find work in rural areas from where they travelled. The agents were to complete a report each month outlining the state of the labour market and any problems.[311]

Creer claimed that this decentralised system enabled the Government Labour Bureau to acquire a better knowledge of rural labour markets. By March 1896 the total number of branches and agencies had risen to forty two spread across four geographic regions (refer Table 4.1).[312]

[310] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1895, pp. 455-465.
[311] *NSWVPLA*, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *SMH,* 26.2.1896, pp. 8.
[312] *NSWVPLA,* Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064, Vol. 6, 1901, pp. 371.

Regions	Agencies
Coastal	Lismore, Grafton, Bega, Nowra, Newcastle, Wollongong, Kempsey
Western	Lithgow, Dubbo, Bathurst, Coonamble, Nyngan, Broken Hill, Mudgee, Molong, Wilcannia, Cowra, Walgett, Cobar, Forbes, Bourke, Orange, Hillstone
Northern	Maitland, Glenn Innes, Moree, Armidale, Narrabri, Muswellbrook, Tamworth, Tenterfield
Southern	Goulburn, Braidwood, Junee, Cooma, Hay, Queanbeyan, Cootamundra, Wagga Wagga, Jerilderie, Albury, Young.

Table 4.1 Government Labour Bureau Regional Branch Offices[313]

Creer claimed that this decentralised system enabled the Government Labour Bureau to acquire a better knowledge of rural labour markets. By March 1896 the total number of branches and agencies had risen to forty two spread across four geographic regions (refer Table 4.1).[314]

Country agencies, whilst being found to be effective in ascertaining important labour market information, also had some shortcomings. The decentralised nature of the system and the dual roles of the Clerk of Petty Sessions also acting as a Labour Agent, proved to be problematic. Creer argued that the frequent changing of Clerks of Petty Sessions and the lack of commitment by the outgoing agent in instructing his successor, who maybe entirely new to the duties of labour agent, undermined the ability of the office to be effective in its role as a labour market intermediary. He feared as a consequence that the incoming Clerk of Petty Sessions did not take the interest in their work as a Labour Agent. Despite these concerns, Clerks of Petty Sessions remained labour agents during the period of the Government Labour Bureau as inexpensive option during a period of government financial restraint.[315]

Following the recommendation of the Select Committee to foster village settlements to develop self sufficiency and employment, the Government Labour Camp at Pitt Town, which was also known as the Pitt Town Village Settlement, was established on 21 July 1893. This

[313] *NSWVPLA,* Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064, Vol. 6, 1901, pp. 371.
[314] *NSWVPLA,* Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064, Vol. 6, 1901, pp. 371.
[315] *NSWPP,* Vol. 58, 1898, pp. 645.

village settlement was established under the Act to establish and regulate Labour Settlements on Crown Lands, 1893 (56 Victoria, Act No. 34). The Act authorised the declaration of Crown Lands not leased for other purposes to be developed into Labour Settlements. The Act appointed the Superintendent of the Government Labour Bureau to receive and register male applicants to join labour camps and to also report upon the fitness of these applicants. The constituents of the camp were drawn from the unemployed who were registered by the Government Labour Bureau. Finances came from the government who provided £25 for each married man and family, £20 for each married man without family and £15 per single man. The Government Labour Bureau was responsible for establishing and administering this 'socialist experiment' at the former Pitt Town Common, along with similar schemes at Bega, Wilberforce and Randwick.[316]

These co-operative farms were established in response to the 1890s economic depression, but tended to be short-lived. Patmore and Balnave argue that the term 'Co-operation' is a 'vague concept' and has a wide range of meanings. They found that in the 1890s it had variable meanings from firstly more harmonious relations between capital and labour through more 'amicable' industrial relations procedures and profit sharing. Secondly, they argue it also stood for the replacement of capitalism through worker-owned and managed production enterprises or the organisation of consumers in co-operative stores. They also found that the term was used during this time to cover a variety of land settlement schemes that arose in Australia during the 1890s against a background of high unemployment and 'social experimentation'. Australian labour historians have largely ignored the Rochdale consumer co-operative movement. David Walker and Ray Markey who focused on NSW in the 1890s both recognised the vagueness of the term 'co-operation' at that time. Walker is primarily concerned with the unsuccessful experiments with agricultural co-operatives, while Markey focused on trade unions and workers' production co-operatives.[317]

By August 1893, 834 people had applied for placement in labour settlements and 345 adults and children had been placed. In 1894 the Superintendent reported that the Government had contributed over £6,300 to the camp. By 1895 ninety families were resident there, however,

---

[316] *NSWGG*, No. 530, 26.7.1893, pp. 5854; *NSWVPLA*, Vol. 52, 1894, pp. 1061, Vol. 51, 1893, pp. 959, Vol. 53, 1895, pp. 456;*NSWPP,* Vol. 58, 1898, pp. 637-668, Vol. 6, 1900, 735-742; *NSWPLA*, Vol. 6, 1901, pp. 380-383;
[317] R. Markey, `New South Wales Trade Unions and the Co-Operative Principle' in the 1890s', *Labour History*, No. 49, 1985, pp. 51-60; R. B. Walker, `The Ambiguous Experiment – Agricultural Co-operatives in New South Wales', *Labour History*, No. 18, 1970, pp. 19-31; N. Balnave and G. Patmore, 'Localism and Rochdale Co-operation: The Junee District Co-operative Society', *Labour History*, No. 91, November 2006, pp. 47-68.

the Superintendent expressed doubt that half that number could be supported from the camp. On 16 May 1896 part of the land was withdrawn from the Land settlement area and on 17 June 1896 the notice which had established the Labour Settlement was revoked and the Board of Control was dissolved. Residents were permitted to remain provided that they were self-supporting. However, by the beginning of 1897, all of the settlers had left.[318]

A Select Committee to inquire into and report upon the abandonment of the Pitt Town Settlement Scheme was appointed on 6 October 1896. Evidence to the Committee testified to the poor quality of the land, the lack of irrigation, the unsuitability of some of the settlers and the lack of expertise of Board Members. The settlement was converted into a Casual Labour Farm in which temporary work and accommodation was provided for those who were unemployed and homeless.[319]

In 1896, the site of the former co-operative farm at Pitt Town was used as the Casual Labour Farm to train unemployed city workers as farm labourers. The purpose of the farm was to provide temporary accommodation and employment for men who were unemployed and homeless. Residents received meals, and were paid according to the hours of labour. Men seeking assignment to the farm were selected by the Government Labour Bureau and were required to abide by conditions and regulations. The first ten men arrived in January, 1898. By 30 June of that year the population was 26. After two year's operation the Manager reported a maximum of 30 men in residence. The men stayed for a maximum of three months and were required to be away for two months before re-entry to the farm. The weekly wage was 3/3 after deducting the value of food. 20 acres of land was cleared and the wood was sold, the farm had diversified to raising pigs. The Casual Labour Farm continued to operate under the Labour Commissioners in 1900.[320]

The Select Committee also recommended the compulsory registration and licensing of private employment agencies. During the Committee hearings there were numerous reports of abuses and misrepresentations perpetrated by private employment agencies on the unemployed. In a bid to curb such abuses and eliminate further misrepresentations, the Committee recommended for their regulation. Yet despite this recommendation and the

---

[318] *NSWGG*, No. 26.7.1893, pp. 5854, No. 385, 16.5.1896, pp. 3502, No. 463, 17.6.1896, pp. 4131; *NSWVPLA,* Vol. 52, 1894, pp. 1061, Vol. 53, 1895, pp. 456; *NSWPP,* Vol. 58, 1898, pp. 637-666.
[319] *NSWPP,* Vol. 5, 1896, 745, Vol. 58, 1898, pp. 641; *NSWGG,* No. 463, 17.6.1896, pp. 4132.
[320] *NSWPP,* Vol. 58, 1898, pp. 637-638, Vol. 6, 1900, pp. 735; *NSWPLA*, Vol. 6, 1901, pp. 380-383; *SMH,* 2.2.1900, pp. 3.

evidence of such practices occurring, the Government did not attempt to enact any legislation to regulate this industry until 1899, and even then it was only suggested that the Minister had prepared a Bill, however, there was no mention of the details of the Bill or when it would be presented to parliament.[321]

Despite the Government's lack of commitment to regulating private employment agencies, Creer remained an ardent advocate campaigning for their regulation. In all the annual reports of the Government Labour Board from 1892 until 1900, Creer continually argues for the introduction of legislation to regulate this industry. In all of his reports he stated that in 'My experience of these registry offices ...leads me to the conclusion that a great many abuses exist .... In the interest of the unemployed themselves I would strongly recommend that these offices should be licensed and placed under Government supervision.'[322] He cites cases of misrepresentation whereby the unemployed upon reaching their destination by means of railway passes obtained from the Bureau, found that they were either not wanted or no authority was given for their engagement, whilst in other cases there has been absolutely no employment vacancy. Consequently these people are left stranded in strange places having spent all or a vast proportion of their money on fees and with no avenue for recompense. In other cases of misrepresentation huge fees have been taken from several people for a situation requiring only one person.[323]

The newspapers of the period were also reporting the abuses and fraudulent acts being perpetrated by the private registries. It was reported in the *Sydney Morning Herald* that private registry offices were sending men on wild goose chases to districts in which they only swell the number of local unemployed. For employers, there were also examples of misrepresentation with men being sent to them with 'qualifications falsely described merely for the sake of agency fees.'[324]

During the select committee hearings, the Government Labour Bureau was criticised for its sole focus on male workers. It was argued that many families relied on the female 'bread winner' and these workers were left to find employment through the unscrupulous private agencies. This neglect was highlighted in an article in the *Sydney Morning Herald* on 5

[321] *NSWPP,* Vol. 8, 1892-3, pp. 967-968; T. Martinez, *The Human Marketplace*.
[322] *NSWVPLA*, Vol. 52, 1894, pp. 1064.
[323]*NSWVPLA,* Vol. 50, 1892-3, pp. 957-958, Vol. 51, 1893 pp. 957-995, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1894-5, pp. 455-465, Vol. 5, 1896, pp.729-740, Vol. 7, 1897, pp. 1037-1064, Vol. 5, 1899, pp. 859-900; *NSWPP,* Vol. 58, 1898, pp. 637-666, Vol. 6, 1900, pp. 735-767; T. Martinez, *The Human Marketplace*.
[324] *SMH*, 13.2.1892, pp. 8; T. Martinez, *The Human Marketplace*.

March 1892 whereby a private registry office located right next door to the Government Labour Bureau in Sydney was advertising for cooks, governesses and nursemaids, yet none of these were advertised at the Government Labour Bureau. In an attempt to remedy this neglect the Select Committee called for the establishment of a labour bureau for women.[325]

Which raises the question of why during a period of increased female participation in the labour market, as well as in the trade unions, were women excluded from the Government Labour Bureau? While Creer had campaigned ardently for the regulation of private registries to curb abuses and fraudulent behaviour, he did not engage in debates over the establishment of a labour bureau for women, even though he knew that female workers were vulnerable to the practices of private registries. One newspaper article contends that Creer's principles of temperance would have been compromised if, for example, he was called upon to furnish a barmaid. If this is indeed the case it does explain in some part why female workers were largely neglected, yet there is evidence that Creer did assist 'several daughters and sisters of the unemployed'[326] into positions in domestic service. However, this does appear to be more a case of personal favour than commitment to assisting all female workers. Interestingly, the placement of these women into domestic service is not recorded in the official registrations of the Government Labour Bureau. Despite this recommendation, and the genuine need for such a service, this did not occur until the later period of the NSW Labour Commissioners when the Female Registry, a labour bureau for women, was opened in Sydney on the 10 March 1902.[327]

The Select Committee also recommended the development of the principle of cooperation to be applied to the execution of public works. The principle of cooperation relied on cooperation between the state and local governments in the provision of public works programs. The Select Committee were of the opinion that the provision of public works would be instrumental in assisting the unemployed. For the unemployed public works programs were a lifeline from the destitution of the times and throughout the period they campaigned for the government to embark upon more public works programs. As the economic situation worsened the Government provided large numbers of public work contracts for which the Government Labour Bureau was responsible for organising the labour. In 1895 and 1896 large numbers of men were sent to Centennial Park, Church and

[325] *NSWPP,* Vol. 8, 1892-3, pp. 967-968, Vol. 5, 1893, pp. 1251-1275; *SMH*, 5.3.1892, pp. 5.
[326] *NSWVPLA,* Vol. 50, 1892-3, pp. 958.
[327] *NSWPP,* Vol. 8, 1892-3, pp. 967-968; *SMH*, 5.3.1892, pp. 5.

School Lands and other relief works and Government works: railway deviations; Botany Sewerage Farm; Shea's Creek, Glebe Island and the scrub clearing at West Bogan. Although the official figures in the annual reports appear to be inconsistent from year to year, it is evident that the Government Labour Bureau sent over 6,000 men relief works during the period.[328]

Gold Fossicking

In a period of economic uncertainty the Government Labour Bureau's operations involved another avenue of assistance: fossicking. In August 1893 the Under Secretary for Mines prepared a minute advocating that a number of the unemployed might make a living on the goldfields. The Minister for Mines and the Premier approved the Minute. As a result, the Government established a board consisting of Harris Woods, Under-Secretary for Mines, William Dowell, William Slee, Chief Inspector of Mines and Creer. This committee adopted the following mode – those desirous of going to the gold fields apply to the Chief Inspector of Mines. If the applicant is considered suitable, he is given recommendation to the Superintendent of the Government Labour Bureau who is empowered to grant a rail pass and a miner's right, the cost is to be refunded.[329]

Year	Number of Men Sent Fossicking
August 1893-February 1894	4,516
1884-1895	10,718
1895-1896	7,093
Intermediate Period*	1,733
1896-1897	1,647
1897-1898	937
1898-1899	360
1899-1900	318
TOTAL	27,322

Table 4.2 Number of Men Sent Fossicking by the Government Labour Bureau [330]
*Intermediate Period refers to 18 February 1896 -30 June 1896

[328] *SMH,* 12.2.1890, pp. 5, 7.5.1891, pp. 7, 17.2.1892, pp. 8; *CRE* 31.10.1893 pp. 4; *NSWIG,* Vol. 8, No. 2, pp. 370; *NSWPP,* Vol. 58, 1898, pp. 638;*NSWVPLA*, Vol. 52, 1894, pp. 1059-1071.
[329] *NSWVPLA,* Vol. 50, 1892-3, pp. 958, Vol. 52, 1894, pp. 1059-1071, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.
[330] *NSWPP,* Vol. 58, 1898, pp. 637-666.

During the first six months 4,516 men were assisted and sent to the gold fields. Between 1897 and 1900 there was a significant reduction in the number of men sent fossicking, this was largely due to the drought conditions being experienced in rural NSW. However, there were reports that some men had left the NSW goldfields for Western Australia. The Government Labour Bureau again played a major role in assisting the unemployed by sending 27,322 men fossicking from 1893 to 1900 (refer to Table 4.2).[331]

Registrations

The Government Labour Bureau operated a closed system of administrative matching. Applicants were selected on the basis of skill, experience and references. Creer administered the system and personally selected the candidates for each appointment. During the period, there was one change to the mediation procedure. Following criticism that the Government Labour Bureau's system was attracting unemployed men to NSW and in a bid to ascertain the validity of this claim, the Reid Government in 1898 requested that all men registering must produce their elector's right or some other satisfactory evidence to show that they are bona fide colonists. However, this became problematic for many as Creer found that hundreds of the men who have lived in the Colony had failed to enter their names on the electoral roll and thus never voted.[332]

The Select Committee, concerned at the poor record keeping of the Government Labour Bureau, recommended the establishment of statistical branch. However, this did not eventuate and the record keeping remained problematic and poor throughout the period. For example, Creer relied on his perception of the labour market when identifying the total number of unemployed that he recorded in the Government Labour Bureau Annual Reports. In terms of numbers registered and occupations, again this appears to be estimated and incomplete as the occupations of these men are missing in the early and later periods. In terms of assistance, there is no attempt to distinguish the number of times a person was sent to employment, which is misleading as the majority of the placements were for short periods and men were assisted numerous times throughout each year. Despite these problems, the data outlined in table 4.3 does provide us with an understanding of both the vast numbers of unemployed

[331] *NSWVPLA,* Vol. 50, 1892-3 pp. 958, Vol. 52, 1894, pp. 1059-1071, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.
[332] *NSWVPLA,* Vol. 50, 1892-3, pp.957-958, Vol. 6, 1901, pp. 369; *NSWPP,* Vol. 58, 1898, pp. 639; U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406.

seeking assistance and from 1893 onwards, the occupations and industries most affected during the period.[333]

Year	Head Office		Branches		
	Registered	Sent to Work	Registered	Sent to Work	Fossicking
1892-1893	18,600	8,154	----------	----------	----------
1893-1894	12,145	10,349	----------	----------	4,516
1894-1895	13,575	16,380	----------	----------	10,718
1895-1896	14,062	20,576	----------	----------	7,093
Intermediate Period#	3,283	5,327	1,104	143	1,733
1896-1897	6,427	13,718	1,253	534	1,647
1897-1898	4,167	7,817	715	288	937
1898- 1899	3,843	7,228	686	224	360
1899-1900	5,487	6,495	516	319	318
1900-1901	10,639	9,654	1,613	149	
TOTAL	92,228	105,698	5,887	1,657	27,322

Table 4.3 Government Labour Bureau Registrations
the intermediate period refers to was between 18th February and 30th June, 1896, this was to make the year assimilate with financial year.

Who registered at the Government Labour Bureau? During the first twelve months operations approximately 18,600 men registered with Government Labour Bureau for assistance with 8,154 sent to work. Unfortunately, there is no data of the specific occupations that were sent to work. What we do know however, is that the vast majority of men sent to work consisted of unskilled workers: station and farm hands, labourers, general usefuls etc. Skilled workmen also registered including; carpenters, blacksmiths, painters, wheelwrights, navies, bakers, bricklayers, brick makers, cooks, bridge-hands, grooms, gardeners, masons, butchers, miners, sleep-cutters, plumbers, sawyers, engineers, tailors, fencers, clearers etc. The report also notes that 'many professional gentlemen'[334] registered and were assisted to work: tutors, draughtsmen, artists, civil and mechanical engineers, solicitors, musicians etc. The Government Labour Bureau was also responsible for the placement of a large number of boys aged between 12 and16 years, with their parents' consent, to assist farmers.[335]

During the period of 1893-1894 the NSW's economy continued to unravel at a rapid pace as the depression and banking crisis paralysed industry. Employer confidence faltered and unemployment spiralled. In 1893-1894 the Government Labour Board registered 12,145 men

[333] *NSWPP,* Vol. 8, 1892-3, pp. 967-968, Vol. 58, 1898, pp. 637-666.
[334] *NSWVPLA,* Vol. 50, 1892-3, pp. 958.
[335] *NSWVPLA,* Vol. 50, 1892-3, pp. 957-958.

and assisted 10,349 to work. In the following year the economic situation worsened and registrations reached 13,575 men, an increase of 1,430 on the previous period. During this time the Government Labour Bureau assisted 16,380 men to employment, an increase of 6,031 on the previous period. The severe drought of late 1895 had devastating effects on the labour market with registrations for 1895-1896 peaking at 14,062 men. Not only did registrations reach unprecedented levels, so too did the number of men assisted to work. In 1895-1896 the Government Labour Bureau assisted 20,576 men to employment, an increase of 4,196 however, it is important to note that 7,093 men or 34 per cent of the total registrations were sent fossicking rather than into employment.[336]

The period 1896-1897 represented a turning point as signs of economic recovery emerged in the NSW economy. By June 1897, Creer claimed that the numbers of unemployed had dropped dramatically to approximately 3,000 to 4,000 men in Sydney and the suburbs. Evidence of this recovery was also seen in the registrations for the period. Registrations fell over 50 per cent in the period 1896-1897 to 6,427. During this time the Government Labour Bureau changed its reporting period from 18 February to 30 June in line with financial year. Total registrations for the period of 18th February 1896 until 30th June 1897 were 9,710 men, still illustrating considerable decrease of 4,352. Total number of men assisted to work during this extended period was 19,045. In the following year the labour market appeared to improve slightly as registrations decreased again, but only by 324 to a total 3,843. The Government Labour Bureau assisted 7,228 men, a further decrease of 589. However, by 1899-1900 labour market conditions had deteriorated slightly with registrations increasing for the first time in two years, increasing by 1,634 to 5,487. During this period 6,495 men were assisted to employment, a decrease on the previous year of 743.[337]

Labourers were the largest occupational category registering at the Government Labour Bureau. Labourers, being unskilled workers were particularly vulnerable in periods of economic depression and as the situation worsened during 1893-1894 registrations for labourers reached 3,285 (27 per cent of total). As the economic situation continued to worsen registrations for labourers continued to increase and by 1894-1895, 4,548 (34 per cent of total) registered and by 1895-1896 the figure had increased again to 6,152 (44 per cent of

[336] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.
[337] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1894-5, pp. 455-465, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.

total). The economic recovery of 1896-1897 appeared to improve the prospects for labourers as registrations fell dramatically to 2,274 men (35 per cent of total). This downward trend continued for the following two years decreasing to 1,954 (47 per cent of total) in 1897-1898 and again to 1,547 in 1898-1899. As the labour market situation again worsened in 1899-1900 registrations for labourers increased to 2,856 men, representing over 52 per cent of the total registrations.[338]

For miners, the 1890s was a period of turmoil with industrial unrest, work reorganisation at BHP, falling world market prices and drought as severe depression crippled mining towns: Newcastle, Greta, Lithgow and Wollongong. Therefore it is not surprising that miners represented the second largest occupational category of men registering at the Government Labour Bureau. Furthermore, substantial fluctuations appear from year to year. For example in 1893-1894 the Government Labour Bureau registered 1200 miners (10 per cent of total) yet this figure had almost doubled to 2,116 by the following year (16 per cent of total) however, in the following years 1895-1896 the figure has returned to the previous level of 1200 men. The economic improvements of 1896-1897 were also felt by miners as registration decreased to 670 men. However, it is entirely possible that some of these men had left the industry having gained other employment following the rationalisation of mining operations. The downward pattern continued for following two periods with registrations decreasing to 518 in 1897-1898, and again to 301 in 1898-1899. Mining appears to remain stable in the final period of 1899-1900 with a slight increase to 303 men.[339]

Manufacturing, which included metal and non-metal manufacturing, food manufacturing, footwear and textiles manufacturing produced the largest single industry grouping throughout the period. Unlike the labourers and miners, the situation for those working in the manufacturing sector remained relatively stable during the heightened economic depression of the first three years of the Government Labour Bureau's operations. In 1893-1894 there were 1278 registrations accounting for almost eleven per cent, this decreased slightly in 1894-1895 to 1,155 registrations (8.4 per cent), increasing slightly in 1895-1896 to 1,220 (9 per cent). With the economic recovery of 1896-1897 registrations decreased markedly to 729 (11 per cent). While other industries in 1897-1898 experienced further falls in registrations,

[338] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1894-5, pp. 455-465, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.
[339] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1894-5, pp. 455-465, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.

manufacturing remained stable with 732 men. Significant improvement for manufacturing workers occurred in 1898-1899 as registrations fell by over half to 312 men (8 per cent). In the final period as had been the case in other industries, manufacturing registrations increased slightly to 397 men (7 per cent).[340]

Similar patterns occurred in other industries. Pastoral workers: farm hands, orchard hands, fencers, shearers and station hands experienced high levels of unemployment during the first three years, accounting for around 10 per cent of total registrations. The drought of 1895 had disastrous effects on both pastoral workers and fossickers and became a turning point for the industry as registrations peaked. The final years of registrations showed a marked decrease, partly due to improved economic conditions but there were many reports of men leaving the industry. The building trades were also affected by the economic depression, as over speculation in the preceding boom had crippled the industry. Registrations peaked in both 1893-1894 and 1894-1895 at 886 men. From 1895-1896 onwards there were continued marked reductions in the numbers of men registering to a low of 127 men in 1897-1898. This figure increased slightly over the final two years to 152 men.[341]

Professional workers including clerks, accountants, engineers, doctors and dentists were also affected by the economic depression of the period. Following the banking crisis registrations for professional workers peaked in 1893-1894 at 422 men, representing almost four per cent of total registrations. There was only a minor decrease in the following period as registrations fell to 402 men (3 per cent). With the economic recovery spreading throughout industry professional workers were soon reabsorbed into the labour market and by 1897-1898 only 131 professional men were registered. In the final two years, registrations remained relatively stable, a slight increase in 1898-1899 to 161 but by 1899-1900 this figure had reduced to 145 men.[342]

Criticisms

Since its inception the Government Labour Bureau had been instrumental in easing the industrial distress of that time registering 81,589 men and assisted 96,044 men to work, of

[340] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1894-5, pp. 455-465, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.
[341] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1894-5, pp. 455-465, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.
[342] *NSWVPLA*, Vol. 52, 1894, pp. 1059-1071, Vol. 53, 1894-5, pp. 455-465, Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064; *NSWPP,* Vol. 58, 1898, pp. 637-666.

which 27,322 or thirty three per cent of men registered were sent fossicking for gold. In a period of severe economic distress and uncertainty due to the financial crisis, a crippling drought and a building industry plagued by debt and over speculation this was a considerable achievement. However, despite these achievements and the changes that occurred following the 1893 Select Committee's report, the Government Labour Bureau continued to receive criticism.[343]

Wage rates remained an area of contention between the unemployed, trade unions and the Government Labour Bureau. While Creer claims that during the period he received many letters from both employers and employees applauding the work of the Government Labour Bureau, there were many others who claimed that the Government Labour Bureau had failed to safeguard wage levels and contributed to wage reductions. On numerous occasions it was argued that employers used the Government Labour Bureau to reduce wage rates. In one case it was argued that rural employers sourced carpenters from the Government Labour Bureau in Sydney at rates ten per cent below the current rate, while there were unemployed carpenters available in the area. In response to these criticisms Creer stated the Government's policy: that the Government Labour Bureau only acts as a labour market intermediary 'it acts as an agent between the two parties without charge, and safeguards the interests of the men in a way that no other labour agency does.'[344]

In line with Coghlan's findings, there is evidence that employers did use the Government Labour Bureau to reduce wages. It was reported that both farmers in northern NSW and the Builders and Contractors Association met on separate occasions to set wages, usually ten per cent below the current rate. The Builders and Contractors Association were even harsher in their approach as they stated that they were not concerned by the prospect of strike action as the Government Labour Bureau had '10,000 men available'.[345]In other cases, it was claimed that the Government Labour Bureau sent men to country districts often by providing rail passes, at the request of employers despite the availability of local labour thereby flooding

[343] *NSWPP,* Vol. 58, 1898, pp. 637-666.
[344] *SMH,* 28.10.1898, pp. 3. Criticism see *CRE,* 18.12.1894, pp. 4; Support of GLB see *SMH,* 22.12.1894, pp. 4; Trade unions see *SMH,* 18.5.1892, pp. 9
[345] *SMH,* 3.6.1893, pp. 10.

the local labour market. It was claimed that these men are engaged for a week or a month at full wages and then cast adrift to join the local unemployed.[346]

In defence, Creer claimed that he tried to avoid this occurring by relying on the local labour agent to give an accurate account of the state of the local labour market before sending men to rural areas. He argued that often, local men refuse the work due to the pay rate or because they have found employment without the assistance of the Government Labour Bureau. In one case the agent from Broken Hill claimed that he could not find enough skilled men while he had 90 skilled men registered only two were actively searching for employment. To fill this shortfall he requested that Creer send men to Broken Hill as he believed he could place them immediately.[347]

The Government Labour Bureau was also criticised for its method for selecting men for employment and relief works. Under this system of administrative matching Creer personally selected men based on job requirements, the applicants skills and experience including reference from previous employers. On relief works, married men with families were give preference over single men. Many of the unemployed viewed these policies as unfair and open to favouritism. On 16 August 1895 it was reported that an unemployed deputation met with the Government, criticising Creer's method of selection claiming that he favoured some men over others. For example, it was claimed that some men with physical weaknesses were given relief work over more able-bodied men. Moreover, it was felt that men were not classified appropriately beyond the distinction of skilled and unskilled.[348]

As had been the case in the previous period, the unemployed continued to band together and form temporary combinations. However, largely due to the protracted industrial distress of the time, these temporary combinations were becoming more permanent and vocal. Creer stated that they were 'fast becoming a profession .... forming leagues, unions and &c., with constitutions and executive officers. Contributions of 1d. and 2d. per week are made for the purpose for paying these officers.'[349] These bodies devoted their time to criticising both the Government and the Government Labour Bureau's attempts to provide relief for the unemployed. Their chief objective was the employment, preferably of their members, onto

[346] Farmers see *CRE,* 1.11.1898, pp. 4; Examples of rural employer's see - *SMH*, 5.3.1892, pp. 5; Building industry see *SMH,* 3.6.1893, pp. 10; Men flooding rural areas see - *SMH,* 13.1.1897, pp. 6; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.
[347] *SMH,* 30.6.1899, pp. 5.
[348] *SMH,* 16.8.1895, pp. 6, 14.2.1896, pp. 3.
[349] *NSWPP,* Vol. 58, 1898, pp. 642.

relief work or into private employment in Sydney at wages of 7s per day, an objective that neither the government nor Government Labour Bureau could fulfil in such times.

Trade unions were very critical about the Government Labour Bureau's role in assisting employers to reduce wages and provide an alternative source of labour during industrial disputes. The Government Labour Bureau's approach to industrial disputes was similar to its stance on wages: not to intervene. The Government was specific in its instructions that applicants were to be notified that a dispute was taking place and it was up to them to decide whether to take the job. If they did not take the position, they were not to be prejudiced in any future offers of employment. When such disputes occurred, Creer did notify the Government but was continually told to follow official policy.[350]

Despite the general animosity shown by trade unions, they did provide the Government Labour Bureau with some constructive criticism. They believed that the Government Labour Bureau was an effective means of circumventing the abuses perpetrated by the private agencies. However, to be more effective they argued that the Government Labour Bureau should be in communication with private registry offices to gain information on where workers are required.[351]

The Private registry offices were on the other hand very critical of the Government Labour Bureau. In one report they argued that the Government Labour Bureau had done nothing but demoralise men by making them lazy and rely on the government for assistance. Instead, they argued that if the Government Labour Bureau were abolished, the economy would revive and the men would find employment. This viewpoint drew upon a neoclassical belief in the market.[352]

NSW Labour Commissioners

Growing concern over the unemployed situation and criticisms of the operations of the Government Labour Bureau led the Reid Government to take further action. On 8 May, 1899 the Governor of NSW appointed four Labour Commissioners of NSW. The role of the commissioners was to inquire into all matters in connection with labour not absorbed by private enterprise and to make recommendations to the Minister for Labour. The first Commissioners were William Francis Schey, Frank Brennan, Ernest Hanson and Rev.

[350] *SMH,* 18.5.1892, pp. 9, 15.12.1898, pp. 8.
[351] *SMH,* 18.5.1892, pp. 9, 15.12.1898, pp. 8.
[352] *SMH,* 18.5.1892, pp. 9, 13.4.1895, pp. 7, 15.12.1898, pp. 8.

William Isaac Carr Smith. Their early recommendations focussed on the appropriate relief work projects that could absorb the unemployed: forest thinning, bogan scrub clearing; south eastern railway work.[353]

From 13 September, 1900 the Government Labour Bureau came under the Control of the Labour Commissioners. Under the new administration, all of the operations of the Bureau were reviewed including the system of registration and recordkeeping, making offers of employment, the operation of the branches and the assistance given to the unemployed. Finally, the title 'Government Labour Bureau' was altered. The Commissioners observed

> 'Rightly or wrongly, this term has in this State acquired a very evil reputation, and has become a term of reproach, oftentimes of derision. Any such feeling or expression is, under present circumstances, entirely unjustified; and it is sincerely hoped that with the passing of the opprobrious term, the old prejudice against the institution will gradually pass away.'[354]

The office of the Government Labour Bureau was combined with that of the Government Labour Commissioners from 14 August, 1901 at the premises of the former Bureau opposite the Exhibition Building.[355]

Conclusion

In a period of cyclical unemployment the Dibbs Government established the Government Labour Bureau to regulate the unemployed and organise the labour market. In doing so the NSW labour market went from being characterised as a true market system to a co-existence system, with a public employment service adopting the mediation procedure of a closed system of administrative matching. [356] Under this system private registry offices continued to operate, but as this case demonstrates, the presence of a public employment service does curtail in part their fraudulent activities in so much as the unemployed are not bound to use them to find work. While there were numerous examples of private registry abuses throughout the period, coupled with the recommendations of the Select Committee to

[353] *NSWVPLA*, Vol. 6, 1901, pp. 369; *SMH,* 7.6.1899, pp. 4.
[354] *NSWVPLA*, Vol. 6, 1901, pp. 371.
[355] *NSWVPLA*, Vol. 6, 1901, pp. 378.
[356] S. Bell, 'The Unemployment Crisis and Economic Policy', pp.7; U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406

regulate their activities, the State still failed to legislate, despite promises by the Government to do so.[357]

In line with Commons previous findings, the Government Labour Bureau provides an interesting and compelling example of how a public employment service can contribute to the organisation of the labour market. During its eight years of operations, the Government Labour Bureau was largely successful in placing over 96,000 men in positions of employment, while also managing other labour market programs: State Farms; Village Settlements and gold fossicking. While Endres and Cook have been critical of the Government Labour Bureau's operations, claiming it only underwent cosmetic change and failed to develop innovative labour market programs, it is argued that these programs were in fact quite progressive and innovative for that period of time. In an economic cataclysm of depression, financial crisis and drought, this was quite an achievement and demonstrated both innovation and a genuine need for an employment service. [358]

Both Reeves and Coghlan argue that during the early years, the Government Labour Bureau faced considerable criticism: accused of playing into the hands of astute employers by allowing them to make use of it to pick up labour at less than current rates; and by supplying labour to take the place of striking workers. However these criticisms are unfair as they fail to take into account the limited capacity of the Government Labour Bureau to act. As Blankenburg reminds us, public employment services are peculiar in that they mediate rather than govern. Therefore these criticisms should be levelled at the Government as it was the Government's policy that dictated that they were not to intervene in wage disputes or industrial disputes and act only as a labour market intermediary.[359]

Furthermore, while it appears that employers did use the Government Labour Bureau as an alternative source of labour particularly during industrial disputes, it must be emphasised that their ability to do this was also in part facilitated by the depressed state of the labour market at the time. Creer did attempt to validate the state of rural labour markets before sending men

---

[357] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430.
[358] J. Commons, *History of Labor in the United States*, pp. 200-202; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70; *NSWVPLA,* Vol. 5, 1896, pp. 729-740, Vol. 7, 1897, pp. 1037-1064, Vol. 6, 1901, pp. 371.
[359]E. Blankenburg, 'Comparing the Incomparable', pp. 277; W.P. Reeves *State Experiments in Australia and New Zealand*; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.

to these areas and he cannot he held responsible for employers strategies to flood the local labour market and reduce wages. [360]

Coghlan and Nurick had claimed that the Government Labour Bureau was only a temporary measure to organise the labour market yet as this chapter has demonstrated, the state did maintain a firm commitment to the problem of unemployment and in fact expanded labour market programmes. Furthermore, it's important to remember that the State's approach to labour market programs was dependent on its own financial situation. The Government Labour Bureau only ceased to operate in name and not in function, as it continued on until World War II under subsequent names. Following the Government Labour Bureau, it became the NSW Labour Commission in 1900.[361]

While both the neoclassical and Keynesian economist's analysis of public employment services have focussed on predetermined economic modelling, this example provides further support for the institutional economic approach. In this case the origins and operations of the Government Labour Bureau were shaped by socio economic and political concerns. The socio economic concerns included the fraudulent behaviour by private registries upon the unemployed, who formed temporary combinations and campaigned for the introduction of the Government Labour Bureau. In terms of its operation, the Government Labour Bureau's functions were three-fold; relieve the distress of the unemployed; act as a channel through which labour passes into government employ and provide private employers with an avenue to engage labour in a bid to support capital development.[362]

[360] 'Employment At Broken Hill: More Workmen Required', *SMH,* Friday 30 June 1899, pp. 5.
[361] T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044; J. Nurick, *Too Few Jobs*.
[362] J. Nurick, *Too Few Job*.

Chapter 5 NSW Labour Commissioners

Introduction

The preceding chapter has overcome some shortcomings in the literature with regard to the origins and development of the public employment service in NSW. As previously discussed, the Government Labour Bureau was shaped by a number of socio-economic and political concerns: rising unemployment, economic uncertainty, fraudulent practices perpetrated by private registries, limited State finances and political pressure. However, it was also these issues that shaped its successor: the NSW Labour Commission.[363]

By 1899 against a backdrop of increased economic uncertainty and rising unemployment the Reid Government faced growing criticism over role and effectiveness of the Government Labour Bureau. In a bid to relieve this political pressure, the NSW Labour Commission was established on 8 May, 1899. Initially, the NSW Labour Commissioners role was to inquire into all matters in connection with labour not absorbed by private enterprise and to make recommendations to the Minister for Labour. However, this role was short-lived. Following the election of the Lyne Protectionist Government, the role of the NSW Labour Commissioners was significantly changed and their responsibilities were greatly enlarged to include control over the Government Labour Bureau, the Casual Labour Farm at Pitt Town and all of the branches of these agencies. Following the election of the See Government in March 1901, the office of the Government Labour Bureau was later combined with that of the Government Labour Commissioners from 14 August, 1901 under the control of the Department of Public Works.[364]

The NSW Labour Commissioners operated as a labour market intermediary for over five years before being disbanded by the Carruthers Government and replaced with the State Labour Bureau on 31 October 1905. While the NSW Labour Commission was initially designed to be merely an advisory body to the Government on labour not absorbed by private employers, it soon undertook a functional role, and ultimately reformed the public employment services operations in NSW. While Endres and Cook have argued that the public

[363] W.P. Reeves *State Experiments in Australia and New Zealand*, pp.219-220; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.
[364] *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; *SMH,* 7.6.1899, pp. 4; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145, No. 901, 21.9.1900, pp. 7371.

employment services failed to develop and innovative labour market programs, this chapter disputes this claim. Instead it is argued that under the NSW Labour Commissioners the public employment services in NSW underwent a period of structural reform which included a number of innovate labour market programs: the rationalisation of registry operations along the lines of gender and union association; the introduction of a sophisticated classification system which allowed a more in depth understanding of the labour market: and a female registry. For the first time the State had addressed the neglect of female labour and provided a registry office for women.[365]

While Coghlan and Nurick have argued the early labour bureaus were only a temporary measure to organise the labour market and lacked the state's long-term commitment, this chapter will continue to demonstrate, that the state did maintain its commitment to the problem of unemployment and expanded labour market programs. However, it is important to note that the state's approach to labour market programs was largely curtailed by its own political paradigm, electoral cycle and the financial situation at the time. Following the election of the Carruthers Government in 1904, an inquiry was undertaken into the operations of the NSW Labour Commissioners. This inquiry recommended a raft of changes designed to reduce costs which included the termination of the NSW Labour Commission, the closure of Trades Hall and Female Registries. However, the inquiry was adamant that a public employment service was necessary and should continue to operate in NSW. On 1st November 1905 the NSW Labour Commission was rebadged and repackaged and became known as the State Labour Bureau of NSW.[366]

This chapter will begin by examining the economic, industrial and political conditions in NSW during the period of the NSW Labour Commissioner's 1899-1905. In light of this discussion, the origins of the NSW Labour Commissioners will be analysed. The discussion will then focus on the operations of the public employment services operated by the NSW Labour Commissioners. Finally, the criticisms, problems and reasons for its eventual termination will be analysed.

[365] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 60; *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; 'Unemployed Advisory Board', *SMH,* Wednesday 7 June 1899, pp. 4; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145, No. 901, 21.9.1900, pp. 7371.
[366] T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044; J. Nurick, *Too Few Jobs*.

Economic and Industrial Context

The population of NSW population continued to grow during the early twentieth century. Between 1901 and 1905 NSW's population increased by ten per cent from 1,359,133 in 1901 to 1,496,050 by 1905. The gender distribution being relatively stable and even with 712,456 males and 646,677 females in 1901 and 794,400 males and 701,650 females in 1905. With the economic shift towards urban industries such as manufacturing and building there was continued migration to urban centres and by 1901 66 per cent of the NSW population were residing in cities or towns.[367]

Following the severe depression of the 1890s, there was a brief return to prosperity in 1900-1901. However, severe drought prolonged the stagnation of the economy until 1906. Such problems highlighted the sensitivity of the domestic economy to the fluctuations in the price of export staples such as wool. As Macintyre and Mitchell have argued, there was a 'desire to stabilise the domestic economy and protect it from sudden shocks.'[368] In 1901, primary products from the mines, stations, farms and forests made up 93.8 per cent of exports worth £49,696,000.[369]

During the drought, Australia's sheep flock fell sharply from 100 million in the beginning of 1895 to 54 million at start of 1903. This significant reduction was not only due to the drought, but in part can be attributed to a long running imbalance involving the overproduction of wool in terms of both overseas demand and carrying capacity, especially the case in the dry interior of NSW and Queensland. With the breaking of the drought in 1903 and the recovery in wool production, with improving wool prices, Australia's wool cheque doubled during the 1900s. Other export prices also rose and Australia's terms of trade improved appreciably.[370]

The majority of the NSW population continued to be employed in primary industries: pastoral, mining and dairying. By 1901, 172,854 people were employed in primary industries. By 1901 the manufacturing sector employed 66,230 people, of which 54,556 were males and

---

[367] *New South Wales Statistics, History, and Resources,* pp.117; S. Macintyre, *A Concise History of Australia,* pp. 130; *The Official Year Book of NSW 1904-1905*, 1905, pp. 623.
[368] S. Macintyre & R. Mitchell, *Foundations of Arbitration*, pp. 10.
[369] G. Patmore, *Australian Labour History,* pp. 10; E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 26; K. Buckley & T. Wheelwright, *No Paradise For Workers,* pp. 185-198; W.A. Sinclair, *The Process of Economic Development in Australia,* pp. 147-159 & 165-172; E. Shann, *An Economic History of Australia,* Cambridge University Press, Cambridge, 1948, pp. 386.
[370] E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 20.

11,674 females at 3,367 establishments. By 1904 the number of manufacturing establishments had increased slightly to 3,632 employing in total 68,036. Despite an overall increase on the 1901 figures of almost three per cent an analysis of the gender breakdown highlights a significant change in the composition of the workforce. Male participation decreased by two per cent to 53,457, while female participation increased by almost a quarter to 14,579 females. This dramatic increase in female participation can be attributed to a deliberate employer strategy to attract female labour so as to reduce costs. Buckley and Wheelwright found that manufacturing employers preferred, and relied on, female labour as their pay rates was half that of a male, however, they argued that this strategy ultimately led to the traditional trade unions recruiting females workers.[371]

Federation in 1901 assisted the expansion of the manufacturing industry with the elimination of customs barriers between the states. This was of course the major purpose of Federation which improved the allocation of economic resources between the States. An early effect of the enlarged common market in Australia was favour towards specialisation and the more rapid growth and concentration of the manufacturing industry in the two dominant States, NSW and Victoria. Each held about one-third of Australia's population providing greater relative benefits from economies of scale, thereby enabling them to compete more favourably for the market than the smaller States. Consequently, the manufacturing sector in smaller states generally grew comparatively slowly.[372]

The 1890s and the turn of the century represented one of the most significant periods of industrial reform in NSW and Australia. Following the industrial turmoil of the 1890s, the NSW Government embarked upon a range of legislative reforms in an attempt to avoid and curtail further disputes. Following the failure of the early attempt to regulate industrial relations in NSW in 1892, with the *Trades Dispute Conciliation and Arbitration Act*, the Reid Free Trade Government passed a *Conciliation Act* in 1899. This act merely authorised the Minister for Labour to inquire into the causes and circumstances of a dispute and endeavour to bring the parties to an amicable agreement. However, the Awards were not enforceable, procedures slow and there had to be a strike or lock-out before this machinery could be invoked. The Minister only invoked the Act four times between 1899 and 1900 and its failure reinforced the demands for greater compulsion. The legislation also contributed to the Labor

[371] *Official Yearbook Of NSW 1904-1905*, 1905, pp. 209 & 241;K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 208.
[372] E.A. Boehm, *Twentieth Century Economic Development in Australia*, pp. 126.

Party, which held the balance of power in the legislative assembly, transferring its support from the Free Traders to Protectionists (later the Progressives).[373]

By 1900, the newly elected Lyne Protectionist Government moved further towards compulsory arbitration. In June 1900, Bernhard Ringrose Wise, Attorney General introduced an Industrial Arbitration Bill into the NSW Legislative Assembly. He drew his inspiration from the New Zealand legislation, but amended the Bill most notably rejecting the conciliation provisions believing they were a waste of time, as disputes generally ended in arbitration. The Bill allowed registered trade unions to unilaterally bring employers on any 'industrial dispute' or 'industrial matter' before a Court of Arbitration. The legally enforceable award could prescribe a minimum rate of wages and preference to unionists. Wise also borrowed the idea of a common rule from the Sidney and Beatrice Webb, British Fabians, allowing the Court to make the award applicable to the whole industry. This was designed to avoid 'sweating' and ensure employers covered by awards were not disadvantaged. Not surprisingly, there was opposition to the Bill mainly by employers and conservative members of the Legislative Council who rejected the Bill in November 1900.[374]

The July 1901, State elections revealed strong support amongst the electorate for compulsory arbitration and the Lyne Government, the opposition and the Labor party included industrial arbitration in their electoral platform. The Government were successful at the election and again introduced the Bill and the Legislative Council, who concerned at appearing obstructive, passed the Bill, adding a sunset clause of seven years. In December 1901 the Bill became legislation. The 1901 Act faced major problems. Employers reduced the effectiveness of the Act by appealing to higher courts. Employers also frustrated the system by encouraging the registration of bogus unions, refusing to register their own association and using legal representation to slow down proceedings and increase costs. They reduced the impact of awards with strategies such as subcontracting and installing new labour saving machinery. These tactics frustrated the trade unions and labour.[375]

---

[373] G. Patmore, 'Industrial Conciliation and Arbitration in New South Wales before 1998', pp. 5–66; G. Patmore, *Australian Labour History,* pp. 107-111.

[374] G. Patmore, 'Industrial Conciliation and Arbitration in New South Wales before 1998', pp. 5–66; G. Patmore, *Australian Labour History,* pp.107-111; W.P. Reeves, 'Mr. Wise's Industrial Arbitration Act,' *The Economic Journal*, Vol. 7, No. 3, 1902, pp. 320-326.

[375] G. Patmore, 'Industrial Conciliation and Arbitration in New South Wales before 1998', pp. 5–66; G. Patmore, *Australian Labour History,* pp.107-111; W.P. Reeves, 'Mr. Wise's Industrial Arbitration Act,' pp. 320-326.

The outbreak and effects of the 1890s strikes also concerned the founding fathers of Federation. They felt that these industrial disputes, which had paralysed industry, had no place in a new country like Australia. This led to the growing support for a system of compulsory arbitration in place of the system of collective bargaining. Compulsory arbitration was seen as a way to avoid the economic disruption of industry, the losses of income, and the hardship suffered by workers and their families during strikes and lockouts. Furthermore, many concerned with industrial relations were impressed by the apparently successful system of compulsory arbitration introduced in New Zealand in 1895. Another important factor, which strengthened the grounds for the establishment of a legal system of wage determination, was the presence of 'sweated' labour industries, where union organisation was absent or weak, for example, in the clothing trades. In 1904 the Commonwealth Conciliation and Arbitration Act was passed. The court which it established began to function in the following year.[376]

Political Landscape

After many years of debate the federation of the six Australian colonies came into force in January 1901. This can be contributed to many factors: nationalist sentiment and a desire for a unified approach on defence and foreign policy (a concern highlighted by the German occupation of New Guinea in the 1880s) as well as need for national policy in such areas as banking, immigration and postal services. Bankers and merchants who did business in more than one colony favoured federation a means of facilitating trade and payments. Trade was a crucial issue and federation meant the creation of a common market free from intercolonial trade barriers. Merchants interested in overseas trade tended to oppose federation. Sugar planters in northern Queensland feared Federation because of the White Australia Policy associated with it; whereas miners in Queensland favoured it for the same reason. Miners generally supported Federation. Miners often migrated across colonial borders, their trade union was a federated body and they were little concerned with petty colonial rivalries.[377]

Federation, achieved in 1901, had a tremendous impact on the powers and role of the Parliaments of the former colonies. The Parliament of NSW ceded its control over defence, customs and excise, coinage, postage, etc, under the new Australian Constitution, and power to legislate over those areas went to the Commonwealth Parliament. The many alterations to

[376] E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 185-186.
[377] K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 209-210.

the NSW Constitution since 1855 were consolidated in a new Constitution Act in 1902 and, following a referendum, the Legislative Assembly was reduced to 90 seats to take account of the narrower responsibilities and the new level of political representation which the electors now had through their Federal Parliamentarians. The Parliament of NSW also contributed substantially to the membership of the new Federal Parliament. Of the 32 representatives elected from NSW, 27 had previously been Members of the Parliament of NSW, including two former Premiers. The group included Edmund Barton, who became the first Australian Prime Minister and four others who also later became Prime Minsters (John Watson, George Reid, Joseph Cook, and W. M. Hughes).[378]

The political party system underwent further changes in the decade after Federation. The old Free Trade and Protectionist parties had lost the issue that previously divided them with the establishment of the Federal Parliament and its protectionist programs, and gradually division emerged between Labor and non-Labor conservative parties. The last Protectionist Government was the Sir William Lyne Government 1899-1901. He was succeeded by Sir John See's Progressive Government 1901-1904. Following See's retirement, the Progressive party became divided with a reluctant Thomas Waddell becoming Premier on 15 June 1904 till the election on 29 August 1904. The Labor party at the time was still not strong in suburban areas and the Progressives were in left disarray. The Carruthers conservative Liberal Reform Party won government in August 1904 and remained in power till 1907.[379]

Carruthers who became both premier and treasurer, wanted a fusion ministry, but feared he would split his own party, and instead announced a cabinet on 29 August 1904, which was wholly Liberal. In the new parliament he required strict party discipline and kept ministers in touch with party members through regular meetings. He took advantage of better seasons to implement measures for economic recovery. He aided business by reducing public expenditure, reforming the civil service and cutting rail freights; he also stimulated regional growth with local government reform, culminating in the Local Government Act, 1906. As

[378] G. Patmore, 'Industrial Conciliation and Arbitration in New South Wales before 1998', pp. 5–66.
[379] C. Cunneen, 'Lyne, Sir William John (1844–1913)'*Australian Dictionary of Biography*, Vol. 10, Melbourne University Press, 1986, pp. 179; K. Henry, 'See, Sir John (1845–1907)', *Australian Dictionary of Biography*, Vol. 11, Melbourne University Press, 1988, pp. 560; A. R. Buck, 'Waddell, Thomas (1854–1940)', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 337; J.M. Ward, 'Carruthers, Sir Joseph Hector McNeil (1856–1932)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp. 574.

the following discussion will illustrate, all successive governments took an interest in the problem of unemployment and the operations of the public employment services in NSW.[380]

Origins of the NSW Labour Commissioners

The Reid Government established the Labour Commission of NSW on 8 May, 1899. Four Commissioners were appointed: William Francis Schey, Frank Brennan, Ernest Hanson and Rev Carr. William Francis Schey who had been an early Labor activist in Parliament was to become synonymous with the early NSW labour bureaus and particularly with the Government Agricultural Training Farm, which was later named Scheyville in 1905. Schey was a former trade unionist, previously secretary of the Amalgamated Railway and Tramway Service Association. His long-term association with the NSW railways provided him with both the platform and support to enter politics. Schey's political career began after his was elected as a free trader to the Legislative Assembly in 1887 for Redfern. However, he proved an unreliable supporter of Sir Henry Parkes and was defeated in February 1889. However, he won a by-election in June 1889 and held the seat as a Protectionist until 1891.[381]

Schey had been an ardent advocate within Parliament for railway workers. He strongly supported the *Government Railways Act of 1888*, which he believed would remove many abuses. This was also welcomed by Chief Commissioner E. M. G. Eddy. However, they clashed in 1889 over the responsibility for a fatal Bathurst railway accident. Schey opposed Eddy's proposed sickness and pension fund and bitterly attacked him in parliament. In 1894 Schey won the seat of Darlington for Labor. He then held the seat as a Protectionist in the next year, and was defeated as an Independent in 1898.[382]

It was during the 1890s that Schey also became an ardent advocate for the unemployed, campaigning for the creation of a public employment service. As a Parliamentarian he championed the cause of the unemployed, often citing abuses by private registries while also regularly meeting with unemployed deputations. In his later role as Chief Commissioner his major achievement is considered to be the administration of the Government Agricultural Training Farm, Scheyville, which provided training in farm work for the unemployed.[383] However, it was in his role as Chief Commissioner and later Director of the State Labour

[380] J.M. Ward, 'Carruthers, Sir Joseph Hector McNeil (1856–1932)', pp. 574.
[381] R. M. Audley, 'Schey, William Francis (1857 - 1913)', pp. 535-536.
[382] R. M. Audley, 'Schey, William Francis (1857 - 1913)', pp. 535-536.
[383] *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* Government Printer, Sydney, 1919, pp. 521-523.

Bureau, that he proved himself a capable administrator and was largely effective in creating a sophisticated public employment service.[384]

The other Labour Commissioners also had previous experience with the labour movement and the unemployed. Frank Brennan was prominent in the labour movement. He was one of the leaders of the eight hour day movement, and leading member of the Tinsmiths' Society. Ernest Hanson was a senior member of the Department of Charitable Institutions, which was responsible for the management of all hospitals, infirmaries, orphan schools and charitable institutions receiving grants from the State. Rev William Isaac Carr Smith was an Anglican Minister who was interested in social injustice, he regularly preached to the unemployed in the Domain and set up a mission for the city poor.[385]

Initially, the role of the Labour Commissioners was to inquire into all matters in connection with labour not absorbed by private enterprise and to make recommendations to the Minister for Labour. Following the election of the Lyne Protectionist Government, responsibility for the Labour Commission was transferred from the Department of Public Instruction to the Department of Public Works on 1 July 1900. On 13 September, 1900 the role of the Labour Commissioners was significantly enlarged when they were given control over the Government Labour Bureau, the Casual Labour Farm at Pitt Town and all of the branches of these agencies. Following the election of the See Government, the office of the Government Labour Bureau was later combined with that of the Government Labour Commissioners from 14 August 1901, at the premises of the former Bureau opposite the Exhibition Building in Sydney.[386]

The Labour Commission of NSW, like its predecessors was born out of political necessity. The unprecedented economic depression of the 1890s coupled with devastating effects of the drought had paralysed industry and while there had been signs of improvement by the mid to late 1890s, the situation had worsened by the close of the century and the Government was again compelled to act. As unemployment continued to rise, the Government faced increasing political pressure and criticism from the unemployed. Anger and desperation by the

---

[384] *NSWPDLA,* Vol. 44, 1890, pp. 144 & 189, Vol. 56, 1892, pp. 4814 & 4977-5010; *NSWVPLA,* Vol. 50, 27.8.1891, pp. 116; *SMH*, 132.1892, pp. 8; R. M. Audley, 'Schey, William Francis (1857 - 1913)', pp. 535-536.
[385] K.J. Cable, 'Smith, William Isaac Carr (1857-1930)', *Australian Dictionary of Biography',* Vol. 11, Melbourne University Press, 1988, pp. 671; *SMH,* 2.8.1921, pp. 8; *NSW Blue Book Public Service List 1901,* Government Printer, Sydney, pp. 9.
[386] *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145 , No. 901, 21.9.1900. pp. 7371; *SMH,* 7.6.1899, pp. 4.

unemployed also gave further rise to the issue and claims of political patronage. The unemployed claimed that undue political influence affected the selection of men for both employment and public works. Ministers complained of the number and regularity of deputations from members of the unemployed, who ardently begged them for assistance. The Reid Government created the NSW Labour Commission in a bid to diffuse the political tension by providing an alternative body for the unemployed to petition whilst also attempting to curtail any opportunity for political patronage.[387]

While it can be argued that the Reid Government created the NSW Labour Commissioners in an attempt to gain political credibility over an area of increasing political vulnerability, it was initially the Lyne Government and later the See and Carruthers Governments that actually reformed the public employment service system. Following the election of the Lyne Government, and after gaining responsibility for the labour bureau operations the NSW Labour Commissioners were instructed to undertake a raft of reforms which included establishing an Intelligence Branch where a register containing the particulars of those seeking employment was to be maintained.[388]

The four NSW Labour Commissioners' selected by the Reid Government continued to serve following the election of the both Lyne and See Government's: William Francis Schey, Frank Brennan, Ernest Hanson and Rev. William Isaac Carr Smith. Schey was appointed Chief Labour Commissioner from May 1900 until the Labour Commissions cessation in 1905. Following which, he was appointed Director of the State Labour Bureau and continued on in that post until 1912. Following the resignation of Ernest Hanson on the 7 December 1900 due to work pressures in his role at the NSW Treasury, the board was reduced to three members. On 13 November 1901 Rev. W.I. Carr Smith, however, also resigned. He was replaced by the Joseph Creer, former Superintendent of the Government Labour Bureau, on 15 November 1901. The See Government retired Creer from the NSW Labour Commission on 17 February 1904. Creer was 72 years of age at the time of retirement. Following Creer's retirement the NSW Labour Commission was reduced to two consisting of Chief Commissioner Schey and Commissioner Frank Brennan, both of whom were actively involved in the operations of the labour bureau.[389]

---

[387] *NSWVPLA*, Vol. 6, 1901, pp. 369- 390.
[388] *NSWVPLA*, Vol. 6, 1901, pp. 369- 370.
[389] *NSWVPLA*, Vol. 6, 1901, pp. 371, Vol. 2, 1904, pp. 739; *NSWPP,* Vol. 5, 1903, pp. 1251.

Operations

The NSW Labour Commissioner's initial operations were confined solely to the selection of men on public relief works, while the Government Labour Bureau continued to operate autonomously. Following the election of the Lyne Government, the role of the NSW Labour Commissioners was substantially enlarged in August 1900 to include responsibility for the Government Labour Bureau and the administration for the Casual Labour Farm at Pitt Town and all of the branches of these agencies. Furthermore, following the election of the See Government, the public employment services were further rationalised with new registries divided between union and non-union labour, focussing on either general employment vacancies or employment vacancies on government relief works. This was a significant period of structural change and reform in the management and operations of the NSW public employment service.[390]

Part of this structural change involved an attempt to create efficiencies and cost savings in the administration of the unemployed. Firstly, the office of the Government Labour Bureau was combined with that of the NSW Labour Commissioners from 14 August, 1901 at the premises of the former Bureau opposite the Exhibition Building in Sydney. Secondly, the office of the Superintendent of the Labour Bureau was abolished and Creer retired. Chief Commissioner Schey was now responsible for the management of the Government Labour Bureau and its branches and agencies, as well as the administration of the Casual Labour Farm. The immediate effect was a cost saving of £681 per annum in salaries and £175 in rent of office premises, the numerical strength of the staff being reduced by the elimination of the Superintendent as well as dispensing with three temporary clerks.[391]

Beyond achieving cost savings, the NSW Labour Commissioners were empowered to reform the public employment services. The reform agenda was heavily influenced by criticism of the Government Labour Bureau. The most notable proposed change was the establishment of an Intelligence Branch, which was to collect and collate data on the state of the labour market. Further proposed changes included a new classification system for the unemployed, specialised registries for women and servants, the establishment of labour depots, industrial

[390] *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; *SMH,* 7.6.1899, pp. 4; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145, No. 901, 21.9.1900, 7371.
[391] *NSWPP,* Vol. 5, 1903, pp. 1251.

farm settlements, assisted settlement blocks and the acceleration of public works to provide employment.[392]

It was argued that pivotal to the structural reform program for the public employment service was the establishment of the Intelligence Branch. This branch was to collect and collate data on the state of the NSW labour market and the analysis to be then distributed to the Clerks of Petty Sessions in a bid to assist both the unemployed in seeking employment and the Government in formulating policy. Despite the importance given to this proposal and the constant reference to its impending establishment, it failed to eventuate as a separate institution during this period. Despite this, it appears that the Dawes Point Registry, which was the head office for the NSW Labour Commissioners, in fact became the de-facto Intelligence Branch as it collated the data from the branches and the other registries. More importantly this data provided the earliest attempt at a comprehensive statistical analysis of the NSW labour market.[393]

The most significant long-term structural change that occurred under the NSW Labour Commissioners was the introduction of the new registration system. The NSW Labour Commissioners undertook a review of the operations of the system of classification of the unemployed, the method of assigning the unemployed to positions, financial assistance and rations, and the system of registered people reporting to the office. During this review the NSW Labour Commissioners identified a number of significant problems in the registration system. Firstly, the system failed to classify men by skills and experience in allocating employment. Instead all men were placed on equal footing until they had passed through the ballot for places in any work that was announced. Secondly, the method for selecting men through the ballot system was also problematic as the Superintendent had the discretionary power to reject any man found incapable of doing the work, either before, or after the ballot.[394]

The ballot system drew the most criticism, particularly from the public and the press. Under this system, large numbers of men assembled in the yard often resulting in outbreaks of violence with the weaker men being over powered by the stronger men and 'self-respecting

[392] *NSWVPLA*, Vol. 6, 1901, pp. 369- 370.
[393] *NSWVPLA*, Vol. 6, 1901, pp. 389, Vol. 2, 1904, pp. 761; *NSWPP,* Vol. 3, 1903, pp. 1304, Vol. 5, 1903, pp. 1273.
[394] *NSWVPLA*, Vol. 6, 1901, pp. 371.

and orderly working men leaving in disgust.'[395] It was also found that some men had numerous tickets all under different names. Many argued that the time spent by men at these assemblies was wasted and could have been better spent searching for employment. Furthermore, it was also feared that 'such assembling of men gave an opportunity to agitators for addressing them on political subjects.'[396]

A further problem with the old system was the overly bureaucratic and cumbersome method for registering applicants. When registering, each applicant was required to produce an elector's right, particulars of age, dependents and occupation. Details were then recorded on a sheet that the applicant signed and an abstract of these details was given to the applicant on a card. The sheets of details were bound in volumes with over one hundred of such volumes containing 1,000 registrations many of whom were found to be out of date. Despite the collection of these details, little or no attention was given to these cards when the allocation of work took place.[397]

To overcome these problems the NSW Labour Commissioners abolished the ballot system and replaced it with a rotation system, whereby each applicant would be offered work in his turn. Secondly, as the existing registers contained over 90,000 names entered over an eight year period, the NSW Labour Commissioners were unable to ascertain the employment status of these men therefore they decided to embark on a process of re-registration. Under this new system the NSW Labour Commissioners attempted to procure accurate unemployment statistics.[398]

In terms of mediation procedures the labour bureau operated as a closed system of administrative matching: matching registered applicants with registered vacancies. Schey at the Dawes Point Branch and Brennan at the Trades Hall personally selected applicants based on the requirements of the job and the applicant's skills and past work experience including references from previous employers, thus attempting to create a job-person match. Using means such as circulars, advertisements and press coverage, the branches of the Labour Bureau advised employers of its major functions in assisting them to fill vacancies.[399]

---

[395] *NSWVPLA*, Vol. 6, 1901, pp. 371.
[396] *NSWVPLA*, Vol. 6, 1901, pp. 371.
[397] *NSWVPLA*, Vol. 6, 1901, pp. 371.
[398] *NSWVPLA*, Vol. 6, 1901, pp. 371-373.
[399] *NSWVPLA*, Vol. 6, 1901, pp. 368-370; U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406.

To ensure a more fair and efficient system, the NSW Labour Commissioners developed a new classification system that would assist the closed system of administrative matching (refer Table 5.1). Under this system men were classified to one of six classes. Class A referred to trained professionals for example solicitors, doctors and other skilled white collar workers. Class B referred to skilled first class tradesmen. Class C referred to the manual labouring class. This class was further divided into three C1 being clerical, C2 being mechanics and artisans and C3 unskilled labourers. Unskilled labourers were later sub-divided into three further classes according to physical strength. Under this new system the NSW Labour Commissioners decided that men in classes A, B and C could be absorbed on public works for example harbour works, tunnels, railway works and road works. Men in Class D it was argued would be suitable for the Butty-gang System, with the gangs being as small as possible to reduce friction.[400]

Classification	Definition
A	Professional – Solicitors, Doctors and other highly skilled white collar workers.
B	Mechanical and Artisans - Mechanics, miners, and others skilled tradesmen who, owing to fluctuations in their particular trades or vocations, are sometime out of work
C	Manual Labour Class - Surplus labour classified by industry, comprising those who may have learned particular trade or occupations in a which are from time to time overmanned C1 –clerical C2 – mechanics and artisans C3 – unskilled labourers
D	Men who, though willing are physically unfit to compete with able-bodied workers. This class is added to at times by the discharge of the least efficient workers from various occupations when trade is dull.
E	The aged and infirm who are totally unfit to do a day's work
F	The "Industrial Sediment" consisting of criminals , loafers, and social wreckage, who, under present circumstances, are a burden on the community, and tend to drag down to their own level members of the genuine working class.

Table 5.1 NSW Labour Commissioners Classification System[401]

[400] *NSWVPLA*, Vol. 6, 1901, pp. 370.
[401] *NSWVPLA*, Vol. 6, 1901, pp. 370.

Those unsuitable for work were classified in Classes E and F. The NSW Labour Commissioners believed that more could, and should, be done for these men. For the men in Class E who were crowded in asylums, the Labour Commissioners proposed to divide them into single and married, and allow the married to live together in small cottages, while keeping the barrack system for the single men. Furthermore, they suggested that these men be provided with a sufficient area of land to encourage market gardening and to keep small farm animals. For men in Class F they argued more could be done with a view of reformation rather than punishment. The argued that the Acts covering vagrants should be strictly enforced and these men should be placed in Compulsory Labour Colonies, controlled by officers of the Government.[402]

The new classification system came in to force on the 1st July 1901. Under the new system, men registering were required to produce an elector's right as identification. Following an interview with a classification officer, where they were questioned regarding their skills and experience they were assigned to one of the five classes. The applicant was required to supply details: age, birthplace, dependents and previous employment. These details were recorded on a numbered card. This card also contained provisions for recording all subsequent dealings with the man including offers of work, acceptance or refusals, periods of employment, character and ability reports advances and refunds. At the end of the interview the applicant was required to sign the card to certify its correctness, subsequent information would again be signed and the signatures cross checked. A small pocket card, bearing a corresponding number, and containing name, address, age and occupation was given to the applicant. A duplicate of the small card was placed in a specially devised and divided cabinet, in order of date of registration. Cards were divided into cabinets for each class. These cards formed the basis of the rotation system for the allocation of relief work and private employment.[403]

Unlike the old system whereby men gathered in the yard of the labour bureau waiting for employment offers, men were notified of employment by either postcard or telegram. If the men failed to respond, other men in their turn were then notified, until the requested number of unemployed men was available for the work. Within the office, the cabinets were divided for men eligible and waiting work; those at work (so far as known); and those who failed to report monthly as required; the cards being reassigned as necessary. Thus the cards of the

[402] *NSWVPLA*, Vol. 6, 1901, pp. 370.
[403] *NSWVPLA*, Vol. 6, 1901, pp. 369-390.

men who are sent to work are placed alphabetically in the 'At Work' division. When the men report off work and are waiting for further employment, their card is returned again to the eligible division, but placed behind all those men awaiting work. The cards of men who refuse work when offered or fail to respond to notices sent to them are similarly treated, any legitimate excuse being accepted; in which case the cards are placed in the front of the eligible division to await the next call for work. At the end of each month, the cards of those who made no effort to report during the month were removed from the eligible section and were placed in alphabetical order in the 'non-reported' division.[404]

The NSW Labour Commissioners believed that this system ensured greater fairness and equity in the provision of employment, while avoiding large groups of men waiting in the yard which had often resulted in violent and noisy deputations. For men in rural areas, it was argued that they were no longer required to travel to Sydney as they were able to register through a local branch or agency. Preference was also given to the local unemployed in rural areas, and married men over single men in certain cases. Classifications were changed upon application, where experience and skills could be justified.[405]

A further significant structural change to occur during this period was the reorganisation and rationalisation of the registry operations. Aimed at employment services, these reforms resulted largely in the bureaucratisation and rationalisation of the public employment services. Registries were established to cater for either union or non union men who focussed on applications for employment or for relief work. Previously, all men had registered for consideration for both employment and relief work at the Labour Bureau's main office, which had been relocated to Dawes Point under the control of Chief Commissioner Schey. By December 1901, the Government had opened a second registry for trade unionists at the Trades Hall, under the charge of Commissioner Brennan. Non-unionists continued to register at the Dawes Point office. The Government believed that this rationalisation was essential due to the animosity between union and non-union labour.[406]

By the beginning of 1902 the See Government felt that NSW Labour Commissioners should focus their attention more on employment vacancies rather than just government works.

---

[404] *NSWVPLA*, Vol. 6, 1901, pp. 369-390.
[405] *NSWVPLA*, Vol. 6, 1901, pp. 369-390.
[406] *NSWPP,* Vol. 5, 1903, pp. 1252; *NSWVPLA*, Vol. 2, 1904, pp.739; *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau, with a View to its Reformation*, Government Printer, Sydney, pp. 4.

Subsequently, the State Labour Board was established in January 1902 to deal only with applications for government relief works. The State Labour Board consisted of the five heads of branches of the Public Works Department, their function being to select men for the public works programs. The President of the Board was the Commissioner and Engineer-in-Chief for Roads and Bridges. From 1 March 1902, the Government also transferred the control of the Trades Hall Registry to the State Labour Board, but Commissioner Brennan remained in charge.[407]

It can be argued that much of the reform agenda was largely experimental and in some cases short-lived. However, it is important to emphasise that the short term nature of these reforms does not equate to a lack of innovation, quite the opposite as their willingness to adopt these reforms does indicate a willingness to innovate and experiment. After two years of operation the See Government abolished the State Labour Board on the 31 January 1904. The registrations made at that office were transferred back to the Dawes Point office, and the Trades Hall Registry was again placed under the control of the Labour Commissioners. During this period, the Labour Commissioners continued to be responsible for casual labour farm; registration of female domestic servants; registration of unionists at Trades Hall for employment; and the registration of non-unionists at Dawes Point for employment and the general management of the unemployed question.[408]

The NSW Labour Commissioners also attempted to reform the operations of the labour bureau's forty two country branches and agencies. Under the existing arrangements, the day to day operations of the branches and agencies were managed by the Clerks of Petty Sessions. The NSW Labour Commissioners believed that this arrangement was 'unsatisfactory as the staff does not have the time or capabilities to deal with the unemployed.'[409] In an attempt to improve the effectiveness of the agencies and branches, Schey proposed that the Clerks of Petty Sessions should be replaced with Road Superintendents. The justification being two-fold: firstly the men apply to the Superintendent for work anyway as they select the men for the works, and secondly, with this previous experience they were more than qualified to

[407] *NSWPP,* Vol. 5, 1903, pp. 1252; *NSWVPLA*, Vol. 2, 1904, pp. 739; Report on the State Labour Bureau with a view to its reformation - Public Service Board, Government Printer, Sydney 1905, pp. 4.
[408] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 60; *NSWPP,* Vol. 5, 1903, pp. 1252; *NSWVPLA*, Vol. 2, 1904, pp. 739; Report on the State Labour Bureau with a view to its reformation - Public Service Board, Government Printer, Sydney 1905, pp. 4.
[409] *NSWVPLA*, Vol. 6, 1901, pp. 374. Same quote appears in the following annual reports see *NSWPP,* Vol. 5, 1903, pp. 1265, Vol. 3, 1903, pp. 1299.

classify the unemployed. In places where there was no Road Superintendent they proposed that the officer locally in charge of the police should be appointed Labour Agent as per the New Zealand system. Despite calls for this reform it also failed to materialise and throughout the period the branches continued to be managed under the same arrangement.[410]

The Labour Commissioners of NSW also became responsible for the Casual Labour Farm in September, 1900. The purpose of the farm was to provide temporary accommodation and employment for men who were unemployed and homeless. Residents received meals, and were paid according to the hours of labour. The Government Labour Bureau selected the men seeking assignment to the farm. However, the Labour Commissioners were soon concerned over the operations of the Casual Labour Farm. From their initial inspection they found that the Casual Labour Farm suffered from significant problems: only 160 acres of the 2140 acres had been cultivated; the 20 acre orchard was neglected; it had poor soil quality; inadequate irrigation; and unhygienic living accommodation. Schey initially recommended the sale of the farm with the proceeds to be used to purchase another site; however, no Crown Land suitable for the purpose was found within a similar distance from Sydney. Left with no alternative the Labour Commissioners set about improving the farm.[411]

In its first year under the Labour Commissioners a greater efficiency was reported with the number of men in residence doubling and the living accommodation much improved. During 1901 the Principal of the Hawkesbury Agricultural College inspected the farm with a view of providing further recommendations for improvement. He recommended that the pig-raising be further developed and there be diversification into dairying, poultry farming and that bee-keeping be attempted. In the following years, under the Labour Commissioners, productivity and efficiency increased and the numbers of men being sent to work on the farm grew from 30 in 1900 to 54 men in residence at 30 June 1906.[412]

Female Registry

A long term criticism of the early public employment services in NSW had been its neglect in assisting female workers. The See Government was concerned by both this criticism and the increasing number of reports, in both the press and Parliament, of the abuses being

[410] *NSWVPLA*, Vol. 6, 1901, pp. 374; *NSWPP,* Vol. 5, 1903, pp. 1265, Vol. 3, 1903, pp. 1299.
[411] *NSWPP,* Vol. 58, 1898, pp. 637-642, Vol. 6, 1900, pp. 735; *NSWPLA*, Vol. 6, 1901, pp. 380-383; *SMH,* 2.2.1900, pp. 3.
[412] *NSWPLA*, Vol. 6, 1901, pp. 380-383; *NSWPP,* Vol. 58, 1898, pp. 637-642, Vol. 1, 1906, pp. 1020; *SMH,* 2.2.1900, pp. 3.

perpetrated by private registry offices on female workers. These reports claimed that female workers faced 'exorbitant charges and heartless treatment'[413] and were vulnerable to a 'system of extortion.'[414] In a bid to overcome this neglect and provide some form of protection for female workers the Government Female Registry Office was opened on 10 March 1902. The registry office was located on the corner of Market and Castlereagh Streets, Sydney and opened its doors on 10 March 1902, almost ten years to the day after the Government Labour Bureau commenced operations.[415]

The Government Female Registry office was managed by a Lady Superintendent, who registered all the unemployed females, received all employers, introduced prospective employees and transacted all the usual business of a registry office. The Female Registry Office operated in much the same as its male counterpart except for two significant differences: it operated on a smaller scale with one office in Sydney and it did not advertise its services, relying instead on informal networks. Despite these limitations, as Table 5.2 highlights, it achieved considerable results: by 1904 4,255 females had been registered, 5,863 applications received by employers and 3,561 females had been placed in employment. By 1905 the Government Female Registry reported it had 4,000 females registered and were filling 111 engagements per month.[416]

Year	Number Registered	Employer applications	Number sent to work
March 1902-30 June 1902	1,113	1,092	747
1902-1903	1,685	2,315	1,357
1903-1904	1,457	2,456	1,457
Total	4,255	5,863	3,561

Table 5.2 Female Registry Operations 1902-1904

The response to the Government Female Registry was positive, from both employers and employees. The lady Superintendent claimed:

[413] *NSWPP,* Vol. 5, 1903, pp. 1260.
[414] *NSWVPLA*, Vol. 6, 1901, pp. 374.
[415] *NSWVPLA*, Vol. 6, 1901, pp. 389; *NSWPP,* Vol. 5, 1903, pp. 1252; *Barrier Miner,* 10.1.1902, pp. 2; *SMH,* 29.12.1902, pp. 5.
[416] *NSWPP,* Vol. 5, 1903, pp. 1260 & 1296; *NSWVPLA*, Vol. 2, 1904, pp. 753; *Report of the Public service Board in Connection with their Inquiry Respecting the State Labour Bureau*, pp. 21.

> 'it is pleasing to be able to report that in the majority of cases every satisfaction has been given to employers, there being few complaints; while judging by the fact that employees retain their positions, they too are satisfied with their employment and remuneration'.[417]

However, the Female Registry was not without its own problems and critics. It was argued that the Sydney location of the office attracted many unemployed females to the city, many of whom who were reluctant to accept positions in rural or remote areas. In other cases it was reported that some of the females accepted positions but failed to report for work, or in other cases only stayed for a few days and left without notice. Complaints of incompetence were also received, and where substantiated, the women concerned were removed from the register, and refused any further assistance. Despite these problems, the Female Registry Office provided an important service and filled an important void in the labour market, protecting vulnerable females from the unscrupulous practices of the private registries.[418]

In the 1904 Inquiry into the Operations of the State Labour Bureau, all witnesses agreed that the Female Registry filled a void in the labour market, safeguarding female workers from the private registries and should be continued. However, the Government was concerned with the costs of the operation. One suggestion was that employers should be charged a fee. However, the Charles Lee, MLA Secretary for Public Works, felt that employers would not be prepared to pay and that this would require the registry to bear a further cost by advertising. In support of the Female Registry, John Norton, MLA Independent Member for Surry Hills, claimed that since the establishment of the office there have been very few complaints of females having been robbed by private registry offices charging exorbitant fees. He argued that the Government office acts as a check on the private sector. Despite evidence to the contrary, Charles Lee, the Secretary for Public Works, claimed that he 'has no hesitation in saying that the expenditure in connection with the Registry Office for Females is not justified by the results, and he recommends that the institution be closed.'[419] On 31st January 1906 the Female Registry, which had been maintained for 4 years, was closed.[420]

---

[417] *SMH,* 29.12.1902, pp. 5.
[418] *SMH,* 29.12.1902, pp. 5; *NSWPP,* Vol. 5, 1903, pp. 1260 & 1296; *NSWVPLA*, Vol. 2, 1904, pp. 753; *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau*, pp. 21-23.
[419] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 23.
[420] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 21-23; *NSWPP,* Vol. 1, 1906, pp. 1004.

Private Registry Offices

The unscrupulous acts perpetrated by private employment agencies on the unemployed continued to occur during this period despite the continued operation of the public employment service. Abuses perpetrated by these agencies were regularly cited in both the press and in the NSW Labour Commissioners Annual Reports. Common abuses included:- charging exorbitant fees; promised employment not forthcoming; refunds not being given; encouraging employees to leave their jobs for non-existent or short-term positions; employees sent to jobs that they are unsuitable for; sending people to the country areas on false representations leaving them stranded and bearing the cost of returning to Sydney. The NSW Labour Commissioners argued that the 'complaints are rife.'[421] The Sydney Labour Council also ardently campaigned for the regulation of private employment registries regularly petitioning parliament citing these abuses and calling for regulation of the industry.[422]

Victims of the private registry offices, while able to commence legal proceedings rarely did, as they usually did not have the means or ability to prosecute. However, there were some who did commence proceedings. In North Sydney Police Court in April 1904 a private registry owner named G.G., (unfortunately the full name was not revealed by the newspapers) was charged with fraudulently appropriating sums of £4, £3 3 s., and £3 respectively, moneys which had been paid to him by the unemployed seeking work for securing various positions, which he failed to do. The Court fined him £6, with 29s. costs, or in default, two months imprisonment with hard labour on each account. In another example, a man alleged that he twice paid one registry office £6 for procuring positions in different parts of the country. Again this operator was fined by the Court. Unfortunately, these cases were very rare and in most cases the owners of these private registry offices continued to perpetrate these crimes.[423]

The NSW Labour Commissioners, following in the footsteps of former Superintendent Creer, continued to campaign to the NSW Government for the compulsory licensing of private employment agencies. In substantiating their campaign, the NSW Labour Commissioners cited successful examples of similar legislation operating in New Zealand and the United States, whereby agencies are licensed, often paying a bond to the Government to ensure

---

[421] *NSWVPLA*, Vol. 6, 1901, pp. 390.
[422] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 36-39.
[423] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 760; *NSWPP,* Vol. 5, 1903, pp. 1272; *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 36-39 .

proper conduct and operating with a fixed scale of fees. The NSW Labour Commissioners argued that the regulated coexistence system in both New Zealand and the United States led to the elimination of these abuses.[424]

The NSW Labour Commissioners also cited more dramatic legislative reform that occurred in France in 1904 in a bid to highlight the lengths other Governments had gone to in eliminating private registry abuses. In France, the Government revoked the previous legislation, which had required all private employment agencies to be licensed, as they felt this did not curtail the abuses. Instead they banned private registry operations leaving only the public employment services to continue. Despite presenting this extreme example to the Government, the NSW Labour Commissioners argued for a more moderate approach which included the registration of all private employment agencies, compliance with a scale of fees fixed by law and the enforcement of refunds of fees when employment is not obtained. Again as was the case in the previous period the NSW Labour Commissioners were told by successive NSW Governments that the Minister for Public Instruction and Industry had drafted a Bill for this purpose, with the intention that it will 'soon become statute'.[425] However, such Bill was never presented to Parliament during the time of the NSW Labour Commissioners.

Who Registered?

The new registration system was designed to gain a more sophisticated analysis of the labour market through the examination a number of labour market variables: skill, age, offers of work and willingness to accept different work. However the new system suffered from a number of flaws. Firstly, the aggregate nature of the categories disguised market fluctuations affecting the various industries. For example, the building industry employed first and second class tradesmen, as well as skilled and unskilled labourers, and therefore industry fluctuations are not obvious in the aggregate data. Secondly, a further limitation of the new system was that it was only used in the Dawes Point Office, which acted as Head Office. Therefore, the data only captures those persons who registered at this office, which the annual reports suggest were largely unskilled non-union labour. It was commonly claimed that the skilled

[424] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 760; *NSWPP,* Vol. 5, 1903, pp. 1272; *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 36-39; U. Walwei, 'Improving Job-matching Through Placement Services,' pp.409.
[425] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 760; *NSWPP,* Vol. 5, 1903, pp. 1272; *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 36-39 .

tradesmen registered at the Trades Hall Registry. However, as table 5.3 illustrates, over 75 per cent of total registrations occurred at the Dawes Point office.

Year	Head Office		Country Branches	
	Registered	Sent to Work	Registered	Sent to Work
1901-1902	3,634	5,151	1,252	238
1902-1903	2,854	6,498	218	65
1901-1903 Trades Hall*	2,990	*unknown	....	....
1903-1904 Dawes Point	3,995	15,731	22	11
1903-1904 Trades Hall	758	1,156	....	....
1904-1905 Dawes Point	1,883	4,317	31	46
1904-1905 Trades Hall	306	1,556	....	....
Total	16,420	34,409	1,523	360

Table 5.3 NSW Labour Commission Registry Operations 1901-1905[426]
*Total registrations at the Trades Hall Registry from its inauguration on 4 December 1901 to 30 June 1905 were 4,054. Data for the Trades Hall Registry for the years 1901-1903 numbers sent to work not published.

In mid 1903, in an attempt to assess the state of the labour market, Schey undertook an annual investigation of registrations. From this examination he found that out of the cumulative total of 15,390 men, over 75 per cent, being 11,763 men had not had any contact with the labour bureau during the previous twelve months. To update their records and to get an accurate assessment of the state of the labour market, they began the process of re-registration. This was commenced on 1 October 1903. The total number on books at 30 June 1904 was 3,995.[427]

In the first year of operation 1901-1902, 3,634 people registered at the Head Office of which new registrations accounted for 62 per cent of the total (refer to Table 5.4). Branch registrations appear high at 1,252, but this was due to the introduction of the new registration system and largely represented those persons previously registered. While the total numbers of Head Office registrations appeared to decrease in the second year of operations in 1902-1903 to 2,854, the proportion of new registrations increased, being 74 per cent of the total. The NSW Labour Commissioners argued that this year represented the lowest number of new registrations since the opening of the Government Labour Bureau in 1892 and was in part

[426] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp.1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.
[427] *NSWVPLA,* Vol. 2, 1904, pp. 753.

attributed to the inauguration of the other two other places of registration - the Trades Hall Registry and State Labour Board, which registered predominantly first class tradesmen.

In the following twelve months, 1903-1904, new registrations had decreased to 1,482, almost 38 per cent of the total 3,995. Of the remaining 2,513 men registered, 918 were transferred back from the State Labour Board upon its closure therefore not considered as new registrations. By the period 1904-1905, which marked the end of the drought, there was a dramatic improvement in the state of the labour market as total Head Office registrations decreased dramatically by 47 per cent to 1,883, the lowest level in the history of operations, despite an increase in new registrations to 55 per cent.[428]

Year	Old Registrations*	New Registrations	Total For Year
1901-1902	1391	2243	3634
1902-1903	740	2114	2854
1903-1904	2513	1482	3995
1904-1905	88	998	1883
Total	5529	6837	12366

Table 5.4 Dawes Point Registrations[429]
* Transfers largely represent the chronic unemployed except from 1904-1905 following the re-registration process from 1 October 1903 to 30 June 1904.[430]

Classification	A	B	C1	C2	C3	Total
1901-1902	83	385	942	2089	135	3634
1902-1903	36	225	741	1737	115	2854
1903-1904	41	136	930	2714	174	3995
1904-1905	23	443	561	816	40	1883
	183	1189	3174	7356	464	

Table 5.5 Dawes Point Registration by Classification[431]

The classifications of those who registered at the Dawes Point office are outlined in Table 5.5. As had been the case in the previous periods, highly skilled workers belonging to Category A represented the smallest proportion of registrations during the period. For the total period Category A represented 1.5 per cent of all registrations. Registrations in this

[428] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.
[429] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.
[430] *NSWPP,* Vol. 5, 1903, pp. 1253; *NSWVPLA,* Vol. 2, 1904, pp. 753.
[431] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.

category decreased throughout the period from a high of 83 men registered or 2.3 per cent in 1901-1902, to a low of 23 men registered, or 1.2 per cent in 1904-5.[432]

Category B represented first class tradesmen, who, for much of the period until January 1904, predominantly registered at either the Trades Hall Registry or at the State Labour Board for government works. Despite the existence of these other registries, Category B represented almost 10 per cent of total registrations for the period. However, registrations in the category fluctuated from 385 men or 11 per cent in 1901-1902, to a low of 136, or just over 3 per cent in 1903-1904, before reaching a high of 443 men, representing over 23 per cent of total registrations. While general improvements were seen in the labour market in 1904-1905, the final hike in this category was due to the closure of the State Labour Board and the transfer of responsibility for the Trades Hall Registry back to the Labour Commissioners.[433]

The overwhelming majority of men registering during the period belonged to manual labour class: Category C. Category C represented almost 90 per cent of all registrations in the period 1901-1902 and this increased slightly the following period 1902-1903 to almost 91 per cent before peaking at 95 per cent in the period 1903-1904. There was some improvement for the manual labouring class in the final period 1904-1905, as registrations for Category C had decreased markedly to 75 per cent. This decrease was largely due to the improvement in the pastoral and mining sectors following the end of the drought.[434]

Within Category C, those registered as C2 skilled labourers represented the largest proportion of registrations. Due to the aggregate nature of the classification system, occupations registering in this category varied greatly in skill and covered all industries including metal workers, mining, building, pastoral and manufacturing. For the period 1901-1902 those in Category C2 represented 59 per cent of all registrations, this increased slightly in the following year 1902-1903 to 60 per cent, with a further increase in 1903-1904 to 67 per cent, before decreasing in 1904-1905 to 43 per cent following an improvement in the labour market with the breaking of the drought. C1 clerical registrations remained a fairly stable comprising approximately one quarter of total registrations throughout the period. Unskilled

---

[432] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.
[433] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.
[434] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.

labourers registered in Category C3 represented the smallest proportion of the manual labouring class at 4.2 per cent of Category C registrations.[435]

Under the new classification and registration system highly skilled workers classified in category A and B were offered the opportunity to register their willingness to accept labouring work. In the early period of 1901-1902, of the 468 men registered in Category A and B, 335, or about three-quarters registered, were willing to accept labouring work of any kind. It was argued that this is indicative of two things: firstly, that a better and more independent class of tradesmen had registered with the other registries, and secondly, there was a real desperation amongst the unemployed to gain work. By 1902-1903 this desperation appears to have abated as only 83 out of 261 men, or one quarter of those registered in Category A and B were willing to accept labouring work of any kind. However, despite a decrease in overall numbers, by 1903-1904, out of the 177 men registered in Category A and B, 95 or 53 per cent registered were willing to accept labouring work of any kind. In the final period despite a further increase in total numbers only 86 out of 466 men registered in Category A and B were willing to accept labouring work. This was clearly indicative of the improvement in the labour market and the closure of the State Labour Board.[436]

In terms of the type of work offered through the labour bureau, it was overwhelmingly manual labour. Skilled workers in Class A and Class B received few offers of employment in their occupation. In 1901-1902 only 2 out of 83 men registered in Class A (clerical and professional) could be offered positions to which they were accustomed. In class B (first class tradesmen) of 385 men registered, only 86 were offered work in their trade, and in the majority of cases the work was only for a couple of days. The following year showed little improvement. In 1902-1903 of 36 men registered in Class A (clerical and professional) only 3 could be offered positions to which they were accustomed. In class B (first class tradesmen) of 225 men registered, only 51 were offered work in their trade. The situation continued in 1903-1904 with only 3 men out of 41 men registered in Class A (clerical and professional) being offered positions to which they were accustomed. In class B (first class tradesmen) of 136 men registered, only 37 were offered work in their trade. Throughout the period, both registrations and offers of employment for Class B were greatly affected by the Trades Hall

[435] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.
[436] *NSWPP,* Vol. 5, 1903, pp.1257, Vol. 3, 1903, pp. 1294, Vol. 2, 1905, pp. 688; *NSWVPLA,* Vol. 2, 1904, pp. 753.

Registry and State Labour Board, where all tradesmen required for public works were drawn. It may be added that in both classes A and B only about half of the men accepted manual labour.[437]

Age	1901-1902	1902-1903	1903-1904
Under 20 years	167 (4.5%)	105(4%)	73 (2%)
20-30 years	1,194(33%)	960(34%)	724(18%)
30-40 years	995(28%)	750(25%)	1093(27%)
40-50 years	746(20.5%)	617(22%)	1186(30%)
50-60 years	375(10%)	332(12%)	704(18%)
Over 60 years	157(4%)	90(3%)	215(5%)
	3634	2854	3995

Table 5.6 Age of Men Registering at the Labour Bureau (1904-1905 data was not published)[438]

In terms of the age of men registering at the labour bureau, the bulk was between 20 and 50 years (refer to Table 5.6). Throughout the period these categories experienced minor variations. In the period 1903-1904 there was a slight increase in the over forties category. This increase is likely to be in part due to the closure of the State Labour Board, which had previously registered all first class tradesmen. Following the end of the drought in the 1903-1904, a period of considerable improvement was reported in the mining and pastoral sectors, all of which relied on physically strong male workers. This improvement can in part explain the reduction in the numbers registering in the under 20 year's age group and the 20-30 years category.[439]

Overall, the Labour Commissioners were successful in registering at the Dawes Point Labour Bureau 12,366 men who had been sent on 31,697 work assignments. In a depressed economy this was quite a significant result. Furthermore, the Trades Hall Registry was also successful during the period, registering 4,054 men. Despite the missing early data on the number of men sent to work by the Trades Hall Bureau, we do know that for the later period of 1903-1904 they had registered 1,064 men and they had then sent 2,712 men on various work assignments. Clearly, the labour bureau operations were very successful in assisting a great number of the unemployed in a period of economic uncertainty.[440]

[437] *NSWPP,* Vol. 5, 1903, pp. 1258, Vol. 3, 1903, pp. 1295; *NSWVPLA,* Vol. 2, 1904, pp. 754.
[438] *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1294; *NSWVPLA,* Vol. 2, 1904, pp. 753.
[439] *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1294; *NSWVPLA,* Vol. 2, 1904, pp. 753.
[440] *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.

The rationalisation of the labour bureau registry operations was designed to provide a more sophisticated approach to assisting the unemployed. Schey argued that rationalisation by classification allowed a targeted use of resources i.e. the manual labouring class registering at Dawes Point and the skilled first class tradesmen at the Trades Hall, as well as the State Labour Board, thereby ensuring that both employers and the unemployed were aware of the distinction between the labour bureaus. Despite the time consuming nature of the closed system of administrative matching which continued during the period, it was argued that the newly rationalised system facilitated each registry's operations. However, the system was not without its critics and by 1904 questions were being raised about its operations.[441]

1904 Inquiry into the Operations of the State Labour Bureau with View of Reformation

The election of the Carruthers Liberal Reform Government on 30 August 1904 heralded a period of government reform. Of particular interest to the Government, were the NSW Labour Commissioners and the public employment services under their control. In a bid to analyse the public employment service, Premier Carruthers instructed the Public Service Board to conduct an inquiry into their operations with a view of reforming the system. The inquiry began on 2 November 1904 and continued with intervals to 9th June 1905 and was closed to the public.[442]

The inquiry was charged with investigating the 'nature and operations of different branches of the Labour Bureau to the supply of labour to Public Works and the opinion respecting the Labour Bureau and its capacity for supplying labour held by private employers and others interested in its operation.'[443] Of particular interest were notable criticisms: men sourced through the State Labour Bureau were inferior; employers and Government departments did not like, or use, the State Labour Bureau; its centralised structure attracts the unemployed to Sydney; unfairness of the rotation system; the existence of political patronage and whether there was a need for a Trades Hall Branch.[444]

---

[441] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406; *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286, Vol. 2, 1905, pp. 687.
[442] *SMH,* 4.7.1905, pp. 6, 4.7.1905, pp. 8; *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 3.
[443] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 3.
[444] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 6-20, 32-34 & 50.

The most common criticism by both private employers and the representatives of Government Departments responsible for selecting men was that the labour supplied through the State Labour Bureau was inferior, as the best tradesmen registered at either the State Labour Board or Trades Hall Registry, while many others applied directly to the contractor. W.A. Smith, Metropolitan Engineer, Public Works Department (Former Vice President of the State Labour Board) stated that contractors won't use the State Labour Bureau and instead sourced their labour from previous employees. L.A.B. Ward, Rivers Water Supply and Drainage Engineer, concurred, arguing that contractors would not apply to the State Labour Bureau 'because the best class of labour is that which does not go near the Labour Bureau, but goes on to the works and asks for employment.'[445]

W.L. Vernon, NSW Government Architect, and W. Hutchison, Railways and Tramways Inspecting Engineer, argued they required skilled artisans and tradesmen which were not available at the labour bureau. F.H. Small, Assistant Engineer, Department of Public Works, who was overseeing new central railway station, stated he only engaged men by contract and did not see purpose of the labour bureau believing employers can source their own labour.[446] Private employers claimed that they knew little of the State Labour Bureau's operation and those who did 'expressed themselves decidedly, and some very strongly, in its disfavour.'[447]

The rotation system also received considerable criticism from both private employers and Government departments. Vernon and Hutchison vehemently opposed this system arguing that rather than receiving the man most qualified for the position you received the next man in the system, who they claimed, was often incapable of undertaking the work. The NSW Labour Commissioners strongly supported the system believing that without this system you would have the same problems as before: 'nepotism, bribery, and other objectionable features.'[448] The employees themselves also agreed claiming that the rotation system avoided the pitfalls of favouritism and political patronage. While the Board was sympathetic to this view they agreed with criticism and advocated for its cessation, believing that the possible

[445] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 6.
[446] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 6-8.
[447] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 32.
[448] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 50.

problems would be overcome through responsible management and the trustworthiness of superintending officers of the Government.[449]

As had been the case previously, many believed that the centralised operations of the State Labour Bureau encouraged the unemployed to travel to Sydney in search of work. While the rural branch structure was designed to alleviate this problem, it did little to dispel this criticism. There were no dedicated labour bureau officers in rural branches, as the Clerks of Petty Sessions were charged with this responsibility however, they had multiple duties and limited resources to support them. The small number of rural registrations highlighted these problems. L.A.B. Ward, the State Engineer in charge of Rivers Water Supply and Drainage, claimed that on one occasion he had 50 first class tradesmen present themselves at Cataract Dam, but he had to tell them to go to Sydney, fifty miles away, to register at the Labour Bureau office and then comeback. Ward claimed that the centralised structure resulted in labour market shortages in rural areas.[450]

Many claimed that there was political patronage and favouritism in selection for work. Two general labourers, John Kenneally and David Arnot, appeared before the Board claiming that favouritism was rife, particularly on Government works due to the foreman's power to hire and fire. They both argued that they believed that MPs, aldermen and other such persons influenced the supervisors. Both claimed to have witnessed such practices. In response to these complaints, John Hartley, foreman at the Rocks Resumption Works and formerly at the works at Centennial Park, stated that while at Centennial Park, he had received about eight letters from MPs and other individuals and while at the Rocks he received four or five letters. He stated that 'no man had in consequence of the letters been put to work'.[451] However, he did concede that some of the men who had brought letters had been put on afterwards, but not as a result of the letters. He claimed that it was just a coincidence that a further selection of men would occur in the immediate period following the letters.[452] The NSW Labour Commissioners argued that the operations of the Government Labour Bureau had been

[449] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 8, 15-16 & 50.
[450] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 6.
[451] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 16.
[452] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 15-16.

affected by political and Departmental influence but they believed these practices were not in 'operation now, to the extent they had been.'[453]

Elected to undertake Government reform, including reducing expenditure, the Carruthers Government were concerned over the Trades Hall Registry. Questions were raised in the inquiry over its role and the costs involved in its operation. There were certainly mixed feelings about the Trades Hall Registry. Former NSW Labour Commissioner Rev. W.I. Carr Smith stated that while he was not sure that Trades Hall branch was necessary, it did a considerable amount of work. Representatives from the building industries stated that they found the Trades Hall Bureau useful, stating that before it opened as a registry, they sourced labour informally through the caretaker at the Trades Hall. Others claimed that they sourced unskilled labour through this branch and skilled labour from other sources.[454]

Those in favour of the continuation of the Trades Hall Registry included James McGowen, the Labor Leader of the Opposition, who stated that it

> 'is inexpensive and has done a good job, If it were closed it would be bad … in every way, for the men now registering there would join the ranks of the unemployed, parade the streets, assemble at the Statute, and agitate to an extent that would give rise to much trouble.'[455]

Archdeacon Langley, a prominent member of the Anglican Church who worked with the unemployed, argued that due to the ill feeling between unionists and non-unionists it was a good thing to have them separated. Those who felt that the Trades Hall Registry should be disbanded included some of members of the unemployed who argued that it forced men to join trade unions to gain better employment opportunities. A.W. Green, Boarding-out Officer, State Children's Relief Board, stated that the State Labour Bureau should be concentrated in one office assisting all members of the unemployed irrespective of whether the applicant is a

[453] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 34.
[454] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 18-20.
[455] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 18.

unionist or non-unionist. John Davies, Under Secretary for Public Works, called for its closure.[456]

In their defence, the NSW Labour Commissioners argued that since their involvement in the labour bureau operations they had been instrumental in organising the labour market. In particular they argued that they had assisted a great number of men in finding employment with private employers, many of whom they claim are in favour of its operations. They believe that they have 'markedly restrained men who were prone to engineer agitations'[457] and argued that if the labour bureau was to be closed, it would lead again to 'fiery agitations.' [458]

After seven months of questioning and deliberation, the Public Service Board inquiry issued the following recommendations. Firstly, they argued that all the evidence indicates that is necessary to maintain a public employment service of some kind to deal with the ever-recurring question of the unemployed. Secondly, that the present labour bureau, although a great improvement on the organisation previously existing, can without impairing its efficiency, be still further reduced in the direction of substituting one Commissioner, or more properly, one Director, for the two Commissioners. They did state that this was not a reflection on the Commissioner, but an effort to improve economies of scale. Thirdly, they recommended that the Trades Hall branch be disbanded, as the larger employers did not use it and further costs would be saved.[459]

The Board also recommended that legislation be passed to provide for the regulation and inspection of private registry offices. Following this being passed into legislation then the Registry Office for Females be abolished. They also called for abolition of the rotation system, except for relief work. They believed that labour bureau officers should be allowed to select from a list which men they may think suitable for the work required to be done. To

[456] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 13-14 & 18-20.
[457] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 20.
[458] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 20.
[459] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 48-53.

overcome the possible problems with the rotation system they believed that the principal officers of the Government should take a more active role in the selection of their men.[460]

Following the recommendations of the Public Service Board Inquiry, the Carruthers Government abolished The NSW Labour Commission on 31 October, 1905. The State Labour Bureau of NSW was appointed to carry on the functions of the NSW Labour Commission. On the 1st November 1905 Schey was appointed Director of Labour and Brennan, Assistant Director. In an attempt to cut costs, Broughton O'Conor, the Minister for Labour and Industry decided to close the registry which had been maintained at the Trades Hall for three and a half years, as of 31 July 1905. In a further cost cutting measure, the Female Registry, which had been maintained for 4 years, was closed on the 31 January 1906.[461]

Conclusion

In a period of cyclical unemployment, the Reid Government established the NSW Labour Commissioners, initially to advise the Government on all matters in connection with labour not absorbed by private enterprise, and to make recommendations to the Minister for Labour. Following the election of the See Government, the NSW Labour Commissioners role was enlarged significantly to include a complete reform of the public employment service operations in NSW. During its term, the NSW Labour Commissioners undertook significant structural reform of the public employment services of NSW, which included the rationalisation of registry operations along the lines of gender and union association; and the introduction of a sophisticated classification system which allowed a more in depth understanding of the labour market. For the first time, the State had addressed the neglect of female labour and provided a registry office for women.[462]

The NSW Labour Commissioners continued to operate as a co-existence system adopting the mediation procedure of a closed system of administrative matching. Under this system, private registry offices continued to operate, but as this case demonstrates, the presence of a public employment service does curtail, in part, their fraudulent activities in so much as the unemployed are not bound to use them to find work. This was demonstrated with the success

---

[460] *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 48-53.
[461] *NSWPP,* Vol. 1, 1906, pp. 1003-1006.
[462] *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; *SMH,* 7.6.1899, pp. 4; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145, No. 901, 21.9.1900, pp. 7371.

of the Female Registry, which despite its considerable achievements was later closed by the Carruthers Government, as part of an election pledge to reduce costs. While there were numerous examples of private registry abuses throughout the period, coupled with the recommendations of the Public Service Board to regulate their activities, the State again failed to legislate, despite promises by successive Governments to the contrary.[463]

In line with Commons previous findings the NSW Labour Commission provides an interesting and compelling example of how a public employment service can contribute to the organisation of the labour market. During its five years of operations, the NSW Labour Commission was largely successful in placing over 34,409 men in positions of employment, while also placing 3,561 women into employment, as well as managing other labour market programs such as the Casual Labour Farm. In a period of economic uncertainty, drought and limited State financial resources, this was quite an achievement and demonstrated a genuine need for an employment service. [464]

While Endres and Cook have argued that the public employment services failed to develop innovate labour market programs, this chapter disputes this claim. Instead, it is argued that under the NSW Labour Commissioners, the NSW public employment services underwent a period of structural reform which included a number of innovative labour market programs: the rationalisation of registry operations, along the lines of gender and union association; and the introduction of a sophisticated classification system, which allowed a more in depth understanding of the labour market: and a Female Registry. While some of these reforms were only short lived they do demonstrate a willingness to experiment and innovate.[465]

Coghlan had claimed that the early NSW labour bureaus were only a temporary measure to organise the labour market that lacked long-term commitment from the state. Yet as this chapter has continued to demonstrate, the state did maintain a firm commitment to the problem of unemployment and expanded labour market programmes. Furthermore, it's important to emphasise that the State's approach to unemployment and other labour market programs was dependent on its own financial situation and electoral cycle. The NSW Labour

[463] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430; *NSWPP,* Vol. 1, 1906, pp. 1003-1006.
[464] J. Commons, *History of Labor in the United States*, pp. 200-202; *NSWVPLA*, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp. 753; *NSWPP,* Vol. 5, 1903, pp. 1257, Vol. 3, 1903, pp. 1286; Vol. 2, 1905, pp. 687.
[465] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 60; *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; 'Unemployed Advisory Board', *SMH,* Wednesday 7 June 1899, pp. 4; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145, No. 901, 21.9.1900, pp. 7371.

Commission only ceased to operate in name and not in function, as it continued on until World War II, under subsequent names: The State Labour Bureau of NSW followed by The State Labour Branch and finally, The Labour Exchanges Branch. The following chapter will examine and analyse the successive public employment service: the State Labour Bureau of NSW.[466]

[466] T.A. Coghlan, *Labour and Industry in Australia,* 2020, 2029, 2041 & 2044.

Chapter 6 The State Labour Bureau of NSW

Introduction

The State Labour Bureau of NSW was appointed to carry on the functions of the NSW Labour Commission. On the 1st November 1905, former Chief Labour Commissioner Schey was appointed Director of Labour and former Labour Commissioner Brennan, appointed as Assistant Director. Despite the closure of both the Trades Hall and Female Registry, both Schey and Brennan continued to build on their previous labour bureau work assisting the unemployed.[467]

Coghlan and Nurick have claimed that the early labour bureaus were only temporary measures and lacked long term commitment however, as this chapter will attest the State did remain committed to assisting the unemployed. Despite claims by Endres and Cook that the early labour bureaus failed to adopt innovative labour market programs, it is argued that during this period they did continued to introduce and adopt, innovative labour market programs and practices: The Casual Labour Farm, later known as the Government Training Farm and the Training Farm for City Lads, the development of a new classification structure and the extension of the rural branch structure to include 200 police officers. Furthermore, despite the rationalisation of the registry operations both Schey and Brennan continued to actively campaign for legislative change to improve the conditions for the unemployed and for the regulation of private registry offices.[468]

As previously discussed, the Government Labour Bureau and the NSW Labour Commission were shaped by a number of socio-economic and political concerns: rising unemployment, economic changes and uncertainty, fraudulent practices of private registries, limited State finances and political pressure. It was also these concerns that shaped its successor, the State Labour Bureau. While economic prosperity allowed for a more fluid labour market it also enabled Schey to propose more ambitious plans for an extensive labour bureau branch

[467] *NSWPP*, Vol. 1. 1906, pp. 1003-1006.
[468] *NSWPP*, Vol. 1. 1906, pp. 1003-1006 & 1029; W.P. Reeves *State Experiments in Australia and New Zealand*, pp. 219-220; J. Nurick, *Too Few Jobs* ; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044; *NSWPP*, Vol. 2, 1908, pp. 824; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 60.

network across the state. However, as the following will demonstrate not all his plans came to fruition and those that did were largely curtailed again by the states' own financial position and electoral cycle.[469]

This chapter will begin by examining the economic, industrial and political conditions in NSW during the period of the State Labour Bureau 1905-1912. Attention will then turn to the operations of the State Labour Bureau. Finally, the criticisms and problems will be analysed.

Economic and Industrial Context

NSW continued to experience significant population growth during this period. Between 1906 and 1911 NSW's population increased almost ten percent from 1,526,139 in 1906 to 1,648,746 in 1911. In terms of gender there were significant differences: the male population only increased 5 per cent, from 814,139 in 1906 to 858,850 in 1911, while the female population increased 11 per cent, from 721,697 in 1906 to 789,896 in 1911.The economic shift toward urban industries, such as manufacturing, also led to a marked increase in female participation in the labour market.[470]

Unlike the previous era of prolonged economic stagnation, the period 1907-1913 represented a return to economic prosperity, with a growth rate comparable with the boom of the 1880s. This economic boom had a number of follow on effects: an improvement in Australia's credit worthiness in the London money market; which also led to a resumption of large scale export of British capital and labour to Australia, particularly, between the years 1911-1914. During this period 234,000 migrants arrived, compared with 100,000 between the years 1891-1911. However, it is important to note that this period of prosperity was punctuated in 1907-1908 and again in 1911-1912 when drought conditions returned to parts of the State.[471]

The pastoral industry remained a pivotal and growing part of the NSW economy. Despite minor periods of drought, wheat crops still managed to double between 1901 and 1914. Wool remained the largest export accounting for 42.6 per cent of all exports, worth £11,704,409 in 1911. Traditionally, the bulk of the wool export had been sent to the United Kingdom however, by this time the NSW pastoralists were now exporting to other European countries.

---

[469] W.P. Reeves *State Experiments in Australia and New Zealand*, pp. 219-220; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.
[470] Population and Vital Statistics, *Commonwealth Bureau of Census and Statistics,* Bulletin No. 2, 1906, Melbourne, pp. 17; *The Official Year Book of NSW 1912*, 1913, pp. 74.
[471] K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 224-225.

For example, in 1881 the United Kingdom purchased 98.8 per cent of the wool stock however, by 1911 this had dropped dramatically to 29 per cent, with Germany and France now purchasing 26 per cent each.[472]

The mining sector remained an important part of the NSW economy however; it suffered from a number of problems during this period. Mining production decreased slightly from a value of £10,459,296 in 1907 to £9,758,006 in 1911. Consequently the labour force decreased 15 per cent from 43,758 men in 1907 to 37,017 men in 1911. This decrease can be attributed in part, to the gold mining sector where the labour force had decreased 38 per cent from 7,468 in 1907 to 4,650 in 1911. Other factors included an explosion that occurred at the Stanford-Merthyr Colliery in the Maitland district in 1906, where lives were lost and 400 miners lost their employment. At Broken Hill, early in 1906, severe fires broke out in some of the mines which led to over a thousand miners and others being thrown out of work. The drought in 1907-1908 also affected the mines and restricted operations. In early 2008, it was reported in Broken Hill that over 2,000 men had lost their jobs. The 1909-1910 coal strike also caused significant industrial upheaval. In 1907-1908 there was also a slump in world metal prices. However, the industry also expanded with the new iron and steel works of W. Sandford Limited, at Lithgow and the establishment of the Commonwealth Oil Company, in the Capertee and Wolgan Valleys.[473]

Manufacturing remained an important and growing sector of the NSW economy. The number of factories increased dramatically during the period. In 1906 there were 3,861 factories employing 77,822 people this increased in 1911 to 5,039 factories employing 108,664 people. The value of the goods being produced also increased dramatically, from £34,796,169 in 1906 to £54,346,011 in 1911. The location of manufacturing establishments outside the Sydney metropolis easily outnumbered those located within that area. For example in 1906, 1,952 establishments were located outside of Sydney compared to 1,415 located within the metropolis. By 1911, a process of centralisation had become evident with numbers almost equal with the metropolis having 2,510 factories and the remained of the state having 2,529. As had been the case previously, factories remained relatively small with the majority in both

[472] K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 225; *The Official Year Book of NSW 1912*, 1913, pp. 7; *NSWVPLA*, Vol. 2, 1912, pp. 191.
[473] *NSWPP,* Vol. 1. 1906, pp. 1008; *The Official Year Book of NSW 1912*, pp. 271-274; *NSWPP*, Vol. 2, 1911-1912, pp. 608.

the metropolis, 29.6 per cent in 1911 and rural areas, 39.3 per cent in 1911, employing less than 10 people.[474]

Within the manufacturing sector, the clothing and textile industry employed the largest number of people being 26,504 in 1911 up from 19,650 in 1906, who were predominantly female. The increase in female participation was largely due to the fact that women's wages were half that of male wages. In the NSW boot-making industry a parallel trend was also occurring, though with less displacement of male labour. Female labour comprised 35 per cent of the workforce in 1910 compared with 19 per cent of a much smaller workforce in 1891. In the NSW boot-making industry, women accounted for 19 per cent of the workforce in 1906 and by 1910 this had increased to 35 per cent.[475]

Political Landscape

This was a period of relative political stability, the two-party political system that emerged following Federation continued, with the political distinction being between the conservative Liberal Reform Party and the Labor Party. Sir Joseph Carruthers remained Premier and Treasurer winning the September 1907 election, before resigning a month later in October 1907. During his premiership he was responsible for many of the early changes which include the closure of the Trades Hall Registry and the Female Labour Bureau and the renaming of the NSW Labour Commissioners to the State Labour Bureau.[476]

Following Carruthers resignation, Charles Ward became Premier on 2 October 1907. Wade was seen as an energetic and active legislator. Wade's political undoing came following the 1909-1910 coal strike where he appeared to favour the mine-owners and lost significant community support. In spite of his good legislative record, Wade was defeated at the general election, by the James McGowen led Labor Party on 21 October 1910.[477]

James McGowen became the first NSW Labor Premier. It is claimed that McGowen's personal characteristic of honesty and judiciousness were reassuring to the public, playing a major part in his electoral success. As well as being Premier, he was also Colonial Treasurer during most of 1911 and Colonial Secretary from December 1911. During 1913, McGowen

---

[474] *The Official Year Book of NSW 1912*, pp. 430 & 434.
[475] *The Official Year Book of NSW 1912*, pp. 436 & 438-439; K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 208 & 224.
[476] J.M. Ward, 'Carruthers, Sir Joseph Hector McNeil (1856–1932)' pp. 574.
[477] J.M. Ward, 'Wade, Sir Charles Gregory (1863–1922)', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 340.

attempted to settle a gas workers' strike by threatening to replace them with non-union labour, thereby sealing his own political fate. This action alienated his own party and Holman, his Deputy, deposed him as leader in June 1913. Holman appointed McGowen Minister for Labour and Industry which he served as until January 1914. As the following discussion will illustrate, the relative political stability of the period was in many ways mirrored in the operations of the State Labour Board. During the period Schey received support from both sides of the political divide, remaining as Director of Labour.[478]

Operations

As previously noted the Carruthers Government, following the recommendations of the 1905 Public Service Board inquiry into the Operations of the NSW Labour Commissioners, abolished the NSW Labour Commission and replaced it with the State Labour Bureau on 31 November, 1905. On the 1 November 1905 former Chief Labour Commissioner William Francis Schey was appointed Director of Labour while Frank Brennan former NSW Labour Commissioner was appointed Assistant Director. During the Public Service Board inquiry both Schey and Brennan were viewed favourably by the unemployed, members of the Public Service Board and employers all of whom argued in favour of their future involvement in the State Labour Bureau, so it was not surprising they were re-appointed. As the following will attest, the most significant change to come during this period was the rationalisation of registry operations with the closure of the Trades Hall and the Female Registry.[479]

As had been the case in the previous period, the State Labour Bureau continued to operate as a labour market intermediary, with a free registry office in Sydney, supplemented with forty-two branch offices in principal centres of the state. In terms of mediation procedures, the State Labour Bureau continued to operate as a closed system of administrative matching. Schey and Brennan personally selected applicants, based on the requirements of the job, the applicant's skills and past work experience, including references from previous employers, in an attempt to create a job-person match. Using means such as circulars, advertisements and press coverage, the State Labour Bureau advised employers of its major functions in assisting them to fill vacancies. Men seeking employment continued to register directly with the State

[478] B. Nairn 'McGowen, James Sinclair Taylor (1855–1922)', *Australian Dictionary of Biography*, Vol. 10, Melbourne University Press, 1986, pp. 373.
[479] *NSWVPLA*, Vol. 6, 1901, pp. 368-370; *NSWPP,* Vol. 1, 1906, pp. 1003-1006.

Labour Bureau, they were then assigned a classification, based on their skills and experience.[480]

The State Labour Bureau continued to operate as a defacto-welfare department, which was very much in line with both Schey and Brennen's personal ethos. They were particularly sympathetic to the concerns of the unemployed and actively tried to assist them. Schey proudly declared that "much trouble has been taken to bestow personal and sympathetic attention on every person."[481] This individualised attention was evident in the State Labour Bureau's continued management of the Casual Labour Farm and from 1905 the Training Farm for City Lads. Railway and steamer fares were also issued on credit, repayments being made after a lapse of one month or longer, according to the circumstances, and payment also accepted, where considered necessary, by instalments. Similarly, rabbit-traps, tents, blankets, and some other things were advanced on satisfactory guarantee of repayment. The State Labour Bureau also assisted men who went fossicking for gold.[482]

During this period, Schey attempted to make the reporting functions of the State Labour Bureau and its agencies, more comprehensive and sophisticated. Schey required monthly reporting by all forty-two Clerks of Petty Sessions, who were agents of the State Labour Bureau. These monthly reports included information on all local registrations and placements, the state of the local labour market, wages ruling, and any new avenues for labour. From time to time, they also had to frame special reports on any subject cognate to industrial matters in their area. Schey then compiled all of this information into his own monthly report for the Premier and Minister for Public Works. In a bid to promote the work of the State Labour Bureau these monthly reports were also distributed to the press. Schey was also very active in writing additional reports for the press and publications concerning all matters of labour concern.[483]

Despite the call for monthly reporting, not all branch and agencies were as supportive as Schey would have liked. Schey believed that the multiple duties required of the Clerks of Petty Sessions meant that the work of the State Labour Bureau was often neglected. In terms of reporting, he felt many of the Clerks of Petty Sessions often failed to attempt to write a

---

[480] U. Walwei, 'Improving Job-matching Through Placement Services', pp.406; *NSWPP,* Vol. 1, 1906, pp. 1004.
[481] *NSWPP,* Vol. 1, 1906, pp. 1023.
[482] *NSWPP,* Vol. 1, 1906, pp. 1004-1005.
[483] *NSWPP,* Vol. 1, 1906, pp. 1005; *NSWPP,* Vol. 2, 1909, pp. 649.

report and if they did, it was a brief account for that month. Schey had long argued for the New Zealand system, which saw the Police Officers in large towns responsible for the labour bureau operations. From 1908 Schey was given his wish when the Government announced 200 police officers across the State were appointed to act as Labour Agents reporting any labour vacancies. To minimise the workload Schey provided them with a standardised form, which they would complete each month and forward to the State Labour Bureau office in Sydney.[484]

The State Labour Bureau's policies regarding industrial disputations and wage rates remained consistent with the preceding period. Schey was adamant that 'no interference had at any time been made with the wage rates, the efforts of the Bureau being directed to bringing idle labour into communication with those who need work.' [485] He claimed that whenever any trouble has occurred, for example, strike, lock-out, or disturbance of any kind, the State Labour Bureau remained 'strictly aloof....preserving an entirely neutral attitude until such differences came to an end.'[486]

The State Labour Bureau continued to be responsible for the Casual Labour Farm, which had been part of the NSW public employment service since its inception in 1896. The Casual Labour Farm was located 34 miles from Sydney at Pitt Town. The State Labour Bureau sent men there who were deemed to be destitute and unable to maintain themselves. In exchange for their labour at the Casual Labour farm, they were given lodging, food and a small allowance usually not exceeding 3s. per week. A feature of management of these farms was that no officer except a manager was found to be necessary.[487]

By 1910 the Casual Labour Farm became known as the Government Training Farm, Pitt Town. The success of the operations of the Casual Labour Farm can be seen in table 6.1, which highlights the financially self sufficiency of the farm. While the early figures for the farm were not published, it appears that the produce sold from the farm, more than covered the costs.[488]

---

[484] *NSWPP,* Vol. 1. 1906, pp. 1021, Vol. 2, 1907, pp. 270, Vol. 2, 1908, pp. 822; *NSWVPLA,* Vol. 2, 1912, pp. 198.
[485] *NSWVPLA,* Vol. 2, 1912, pp. 191.
[486] *NSWVPLA,* Vol. 2, 1912, pp. 191.
[487] *NSWPP,* Vol. 58, 1898, pp. 637-638, Vol. 1, 1906, pp. 1005.
[488] *NSWPP,* Vol. 1, 1906, pp. 1005, Vol. 2, 1907, pp. 252, Vol. 2, 1908, pp. 806, Vol. 2, 1909, pp. 648, Vol. 2, 1910, pp. 4, Vol. 2, 1911-1912, pp. 606.

Year	Cash paid into Treasury to cover the maintenance of the Casual Labour Farms	Surplus Credit Balance
1905-1906	£2,800	£3,600
1906-1907	£3,254	£3,600
1907-1908	£4,187	£3,700
1908-1909	£4,419	£3,816
1909-1910	£3,254	£4,917
1910-1911	£4,714	£5,716

Table 6.1 Casual Labour Farm Payments and Credit[489]

The State Labour Bureau was also responsible for a new scheme designed to alleviate city youth unemployment. On 1st November 1905, the Training Farm for City Lads was opened, located at Randwick 5 miles from the city. Under this scheme, city boys would spend one month attending the Labour Farm at Randwick daily for initial instruction, followed by a supervised program of two months duration at the Casual Labour Farm where they gained practical experience in farming, dairying, piggery and poultry work. The young men (most were aged between 14 and 16) were accommodated in separate dormitories from the men that worked the Casual Labour Farm. Schey reported that demand for the 'graduates' was high, so popular were the graduated he claimed that demand for them had outstripped supply by 1908.[490]

In 1910, the training scheme was renamed the Government Agricultural Training Farm. In 1912 the Government Casual Labour Farm was closed and the Training Farm for City Lads occupied the whole of the property. The farm consisted of 2,150 acres with living facilities for the young men, Farm Manager's residence, a killing room, butchers shop and a Post Office and became known as Scheyville. The farm was divided into paddocks for different purposes and consisted of a dairy, piggery, sheep section, farm section, orchard, vegetable garden sawmill and a millet broom making plant. There were also blacksmiths', saddlers', wheelwrights', carpenter's and tinsmith's shops. In early October 1912, the Manager reported that 361 youths had passed through the scheme during the year, going onto placement in various places within the State. In February 1913 the name of the farm was officially named

[489] *NSWPP,* Vol. 1, 1906, pp. 1005, Vol. 2, 1907, pp. 252, Vol. 2, 1908, pp. 806, Vol. 2, 1909, pp. 648, Vol. 2, 1910, pp. 4, Vol. 2, 1911-1912, pp. 606.
[490] *NSWPP,* Vol. 1, 1906, pp. 1005, Vol. 2, 1907, pp. 252, Vol. 2, 1908, pp. 806,

as the Government Agricultural Training Farm, Scheyville. The farm was closed during World War I.[491]

In 1907 the Commonwealth Government decided to repatriate a number of distressed Australians stranded in South Africa, from the Boer War. The State Labour Bureau acting in its capacity of providing emergency relief assisted the NSW contingent. In total 622 people arrived in Sydney, of which there were 350 males, 84 women and 188 children. On arrival the majority were provided with temporary accommodation at the expense of the NSW Government. Of the 350 men, 282 registered at the State Labour Bureau, the remaining men believed they could support themselves. The remaining 173 men were given rail and steamer tickets to various parts of the State, with 88 people going to definite employment found through the Labour Bureau and 85 people to districts where they had either friends or were personally known, and considered they had good prospects of finding work. Of the others, 33 were accommodated at the Casual Labour Farms for various periods, while 76 found work through their own efforts.[492]

Proposed Government Regulation –Private Registry Offices and the Unemployed Labour Bill

In early 1906, encouraged by the Premier Carruthers and the Minister for Public Works, Charles Lee, Schey drafted two pieces of legislation aimed at assisting the unemployed. One was for the regulation of private registry offices and the other related to centralising the management of the unemployed, titled the Unemployed Labour Bill. However, as the following will illustrate, despite the encouragement from the Government and the trade unions, and Schey's own enthusiasm, neither pieces of draft legislation were enacted during this period.[493]

Throughout this period private employment registries continued to commit unscrupulous acts on the unemployed. Schey regularly reported many of these abuses to the Government. The complaints included the extortion of large fees for information, collusion between the registry operator and the employer and the complete fabrication of an advertised position. Schey cited one example, where a young man had applied for a barman's position advertised by a private employment registry, he was told he would be perfect for the role and was obliged to pay 15s.

[491] *NSWPP*, Vol. 2, 1910, pp. 4, Vol. 2, 1911-1912, pp. 606; *NSWVPLA*, Vol. 2, 1912, pp. 229 & 237.
[492] *NSWPP,* Vol. 2, 1907, pp. 253 & 264.
[493] *NSWPP,* Vol. 1, 1906, pp. 1008 & 1029.

to gain both the address and letter of introduction. The applicant thought it was expensive, but he was desperate and therefore paid the money and went to the pub and started work. On the completion of his shift, the employer gave him 7s. 6d. and told him that he was no longer required, stating he had only wanted a man for the day. On the following Monday he returned to the registry office and requested a full or partial refund due to the short-term nature of the role. However, the registry operator refused to provide a refund and the man was left out of pocket.[494]

The Sydney Labour Council also actively campaigned for the regulation of private registry offices. In 1906, they appointed a committee to investigate the matter. They found that the conduct of private registry offices was of a dubious nature stating that as little or no capital is required to enter the trade, it offers great opportunities for the unprincipled business person. As there are no safeguards for the registry office constituents, the man or women wanting work are bound to accept the agent's terms through sheer necessity. The employer accepts the applicant sent by the agent, whose sole object is to get that applicant into work for a sufficient time, to enable the agent to draw his first wages until the commission has been paid. They claimed that ultimately there two sets of human beings almost at the mercy of a third, who may or may not be fair and honest, but is too often unfair and dishonest. The Sydney Labour Council supported Schey in his quest for the regulation of private registry offices.[495]

Despite long term calls for the regulation of these private registry offices and the numerous examples of their unscrupulous practices cited in the media, the Government still failed to legislate. This lack of legislative action remained a constant source of frustration for Schey. Since being appointed as a NSW Labour Commissioner in 1900, Schey had called upon the various Governments to act. In early 1906, at the request of the Minister for Public Works, he drafted a Bill outlining the regulation of private employment agencies, which included a reasonable scale of fees. The Bill was discussed in the Parliament, with both sides of the Parliament agreeing that some form of regulation was 'urgently needed.'[496]However, despite this apparent enthusiasm and support the Government still failed to pass the legislation.[497]

---

[494] *NSWPP,* Vol. 2, 1907, pp. 273.
[495] *NSWPP,* Vol. 1. 1906, pp. 1029, Vol. 2, 1908, pp. 824.
[496] *NSWPP,* Vol. 2, 1907, pp. 273.
[497] *NSWPP,* Vol. 1. 1906, pp. 1029, Vol. 2, 1909, pp. 661, Vol. 2, 1911-1912, pp. 625; *NSWVPLA,* Vol. 2, 1912, pp. 200.

In early 1906, at the encouragement of Premier Carruthers, Schey drafted a second piece of legislation titled the Unemployed Labour Bill. This Bill was based upon the *Unemployed Workmen's Act* of Great Britain 1905. However, it is important to note that there were distinct differences between Schey's Unemployed Labour Bill and the *Unemployed Workmen's Act 1905.* The British legislation focused on improving the flow of labour market information through the formation of municipal committees, whose role was to assist the unemployed in finding employment. This Act became the precursor to the *Labour Exchanges Act* in 1909, which established a network of public labour exchanges offices across Britain. The Unemployed Labour Bill, like the British legislation, was not aimed at the abolition of the unemployed, as Schey considered that to be impractical. Instead its provisions were confined to the amelioration of distress caused by unemployment, the detection and deterrence of the loafer, and the regulation and systemisation of all efforts to deal with the unemployed generally.[498]

The Unemployed Labour Bill outlined provisions for a program of municipal public works for the unemployed. Unfortunately, information on who would be responsible for funding this program was not specified. Part 3 outlines provisions for the establishment and maintenance of labour farms, where unemployed persons whose requirements are not met by the works already provided for, may be sent, and under State control, to earn by their labour, shelter, food and clothing. Part 4 provided for the foundation of compulsory labour establishments as an alternative to gaol. The courts could commit 'loafers and vagrants' to these establishments, for periods, not exceeding twelve months. Part 5 detailed how inmates of Government Asylums, if declared fit, by the Medical Officer, may be compelled to perform labour, or be removed to a labour farm; and from there, if recalcitrant, to a compulsory labour establishment. Despite Schey's concern over assisting the long-term unemployed, the Government failed to enact this legislation.[499]

Registrations

The classification system that had begun under the NSW Labour Commissioners in 1900 continued to be applied during this period. Class A referred to trained professionals for example solicitors, doctors and other skilled white collar workers. Class B referred to skilled first class trades men. Class C referred to the manual labouring class being further divided

[498] *NSWPP,* Vol. 1, 1906, pp. 1008 & 1023-1024.
[499] *NSWPP,* Vol. 1, 1906, pp. 1008 & 1023-1024.

into three sub categories: C1 being clerical and professionals; C2 being mechanics and artisans and C3 unskilled labourers.[500] The reporting system also continued as before with men being required to report at the Labour Exchange office once a month. Despite the 1905 Public Service Board recommending the abolition of the rotation system Schey continued to use this method throughout this period.[501]

There were some minor changes that occurred during this period. Previous labour market variables including age, and the applicant's willingness to accept alternative or lesser skilled work, were no longer reported, or if so, were no longer published. The Trades Hall Branch, which predominantly registered first class tradesmen, closed during this period. This closure affected Category B, by giving it a significant increase on previous years. Another note worthy point, is that the numbers for unskilled labourers appear to be artificially low on previous data, despite Schey claiming in all the Annual Reports of the period that the 'bulk of the men registered consist of unskilled labour.'[502] This appears to be due to the nature of the classification system itself as it is most likely men cited previous industry experience as a skill and were classified in accordingly to the division. For example, builder's labourers would have been captured under C2 Manual Labouring Class Mechanical and Artisans. As before, the data remained relatively crude as the classification system did not allow for the identification of occupational or industry distinction.[503]

Year	Re-Registrations	New Registrations	Net Registrations for the Year
1905-1906	361	1,257	1,618
1906-1907	249	2,316	2,565
1907-1908	187	3,840	4,027
1908-1909	609	2,800	3,409
1909-1910	327	3,393	3,720
1910-1911	792	2,599	3,391
1911-1912	333	2,363	2,696
TOTAL	2,858	18,568	21,426

Table 6.2 Summary of Registrations – Dawes Point[504]

Dawes Point registrations are outlined in Table 6.2. In the first year of operation 1905-1906 1,618 people registered at Dawes Point, of which new registrations accounted for 78 per cent

[500] *NSWVPLA*, Vol. 6, 1901, pp. 370; *NSWPP,* Vol. 1, 1906, pp. 1007.
[501] *NSWPP,* Vol. 1, 1906, pp. 1010.
[502] *NSWPP,* Vol. 1. 1906, pp.1008, Vol. 2, 1907, pp. 253, Vol. 2, 1908, pp. 808, Vol. 2, 1910, pp.7, Vol. 2, 1911-1912, pp. 610-611; *NSWIG,* Vol. 6, No. 1, 1913, pp. 207.
[503]*NSWPP,* Vol. 1. 1906, pp. 1003-1006.
[504] *NSWVPLA,* Vol. 2, 1912, pp. 163.

of the total. In the following period 1906-1907, and despite improved economic conditions, registrations increased to 2,565 of which new registrations accounted for 90 per cent of the total. Further deterioration in the labour market was evident in 1907-1908, as registrations peaked at 4,027, with new registrations accounting for 95 per cent of the total. This in a small way can be attributed to the 600 people repatriated from South Africa, who Schey reported as being a 'poor lot ... many elderly and partially incapable men, clerks and shop assistants, waiters and barmen, and other occupations already well supplied.'[505]

Improvements in the labour market were evident in the year 1908-1909, as total registrations had decreased by 15 per cent to 3,409, with new registrations contributing to 82 per cent of the total. In the following year 1909-1910, despite a return to general prosperity, total registrations had increased to 3,720, new registrations being 91 per cent. In 1910-1911 total registrations had decreased to 3,391, new registrations being 77 per cent. In the final period 1911-1912 total registrations had decreased significantly to 2,696 however, new registrations still remained high at 88 per cent. The consistent high levels of new registrations can also be attributed to the British migrants arriving in NSW during the period.[506]

Year	Head Office		Country Branches	
	Registered	Sent to Work	Registered	Sent to Work
1905-1906 Dawes Point	1,602	3,934	37	35
1905-1906 Trades Hall*	16			
1906-1907	2,565	3,639	24	24
1907-1908	4,027	3,237	37	24
1908-1909	3,409	3,299	20	21
1909-1910	3,720	3,883	26	24
1910-1911	3,391	3,277	6	6
1911-1912	2,696	3,341	5	4
Total	21,426	24,610	155	138

Table 6.3- Labour Bureau Registry Operations 1905-1912[507]

Branch registrations outlined in Table 6.3 remained disappointing during the period. These poor results only supported Schey's criticism that the multiple duties required of the Clerks of Petty Sessions, meant that the work of the State Labour Bureau was often neglected. For the

[505] *NSWPP,* Vol. 2, 1907, pp. 255.
[506] *NSWPP,* Vol. 1. 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194.
[507] *NSWPP,* Vol. 1. 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194.

seven year period, the Branches only recorded 155 registrations and sent only 138 men to work. Moreover, from 1908 following the appointment of the 200 police, Branch registrations decreased dramatically from a peak of 37 in the years 1905-1906 to 5 registrations in 1911-1912. It appears that Schey's plan to expand rural operations backfired, as the Clerks of Petty Sessions neglected their labour bureau duties further, following the appointment of the police. Furthermore, it appears that the Police also failed to take this role seriously.[508]

The classifications of those who registered are outlined in Table 6.4. Category A, consisting of the highly skilled workers remained the smallest proportion of registrations during the total period. For the total period Category A represented 2.5 per cent of all registrations. Registrations in this category decreased throughout the period, from a high of 136 men registered or 5 per cent of the total in 1906-1907, to a low of 28 men registered or 1 per cent of the total in 1911-1912.[509]

Year	A	B	C	Total
1905-1906	79	687	836	1602*
1906-1907	136	1,337	1092	2565
1907-1908	97	1,776	2154	402
1908-1909	92	1,832	1485	3409
1909-1910	69	1,771	1880	3720
1910-1911	48	2,037	1306	3391
1911-1912	28	1,811	857	2696
TOTAL	549	11,251	9,610	21,410

Table 6.4 Dawes Point Registrations by Classification – (*This total does not include Trades Hall Registry)

Category B represented first class tradesmen. In the first month of the year 1905-1906 these men predominantly registered at the Trades Hall Registry however, this only accounted for 16 men. While Category B had represented almost 10 per cent of total registrations in the preceding period, it became the largest category during this period. However, registrations in the category fluctuated from 687 men or 44 per cent in 1905-1906, to a high of 2,037 men which represented 60 per cent in 1911-1912, before decreasing slightly in absolute numbers to 1,811 in 1911-1912, which represented 67 per cent of the total registrations. The increase

[508] *NSWPP,* Vol. 1. 1906, pp. 1008 & 1021, Vol. 2, 1907, pp. 255 & 270, Vol. 2, 1908, pp. 810 & 822, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194 & 198.
[509] *NSWPP,* Vol. 1. 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194.

in first class tradesmen may be due to the high numbers of British migrants that arrived during this period.[510]

The most significant changes that occurred during the period were in Category C, the manual labouring class. Category C, which had previously represented the majority of registrations, now represented 45 per cent of all registrations during this period. However, there were fluctuations. Category C represented 52 per cent of all registrations in the period 1905-1906 before peaking in 1907-1908 to 54 per cent representing 2154 men. This peak can be attributed to the drought that affected the pastoral and mining sectors of the State. As general economic prosperity returned at the end of the period 1910-1911, registrations decreased to 1306 or 39 per cent, before dropping further in the period 1911-1912 to 832 men or 32 per cent.[511]

Within Category C (refer to Table 6.5) the most significant change occurred in the subdivisions. Those registered as C1 clerical, represented the largest proportion of registrations. Registrations in this category peaked at 1,163 in 1909-1910 being 31 per cent of the total, before steadily decreasing to 793 in 1911-1912. C2, which had previously been the largest sub-category of the manual labouring class, also fluctuated, but decreased markedly throughout the period. C2 peaked at 1,368 in 1907-1908 period, being 34 per cent of the total, but consistently fell in the following years from 21 per cent of the total or 731 registrations in 1908-1909 to 2 per cent or 63 registrations in 1911-1912. Due to the aggregate nature of the classification system, the occupations registering in this category varied greatly in skill and covered all industries including metal workers, mining, building, pastoral and manufacturing. In the later periods from 1909 onwards, Schey had claimed that first grade labourers had been in good demand and were often scarce. In C3, unskilled labourers accounted for 0.5 per cent of the total. Schey claimed throughout the period that unskilled labourers were always plentiful and often only registered for charitable purposes, rather than to gain employment.[512]

---

[510] *NSWPP,* Vol. 1. 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194; Migration see K. Buckley & T. Wheelwright, *No Paradise for Workers,* pp. 225.

[511] *NSWPP,* Vol. 1. 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194; K. Buckley & T. Wheelwright, *No Paradise for Workers*, pp. 225.

[512] *NSWPP*, Vol. 2, 1910, pp. 6, Vol. 2, 1911-1912, pp. 608-609; *NSWVPLA,* Vol. 2, 1912, pp.191-192.

Classification	A	B	C1	C2	C3	Total
1905-1906	79	687	232	568	36	*1602
1906-1907	136	1,337	336	738	18	2,565
1907-1908+	97	1,776	759	1,368	27	4,027
1908-1909	92	1,832	748	731	6	3,409
1909-1910	69	1,771	1,163	705	12	3,720
1910-1911	48	2,037	1,108	190	8	3,391
1911-1912	28	1,811	793	63	1	2,696
TOTAL	549	11,251	5,139	4,363	108	21,410

Table 6.5 Dawes Point Registrations by Classification including sub-classification[513]
+includes Repatriated Australians

Overall the State Labour Bureau was successful in registering 21,426 men, who were sent to 24,610 places of work. Despite the disappointing rural branch results, in a period of mixed economic fortunes, this was quite a significant achievement. Clearly, the State Labour Bureau operations were very successful in organising the labour market by assisting a great number of the unemployed and employers.

State Labour Bureau – Supporters and Critics

The State Labour Bureau, despite its considerable success in classifying, registering and sending nearly 25,000 people to work over a seven-year period, was not without its critics. However, most of these criticisms were not new and had been levelled at previous labour bureau operations. A recurring criticism was that the centralised structure of the State Labour Bureau and the poor branch operations resulted in the unemployed travelling to Sydney seeking employment. Schey endeavoured to strengthen the branch operations through the use of police officers in 200 towns, but as the registrations reflect, this failed to help. Schey often cited developments in other countries in an attempt to gain dedicated labour bureau offices in regional NSW. For example, he referred to the proposed British Exchange system and the German system where dedicated labour branches operated throughout the country. Despite the poor branch results, Charles Lee, Secretary for Public Works, claimed that the existing network with the Sydney Labour Bureau, forty two agencies and 200 police officers was

[513] *NSWPP,* Vol. 1. 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194.

'capable of meeting all requirements.'[514] Despite this response, Schey continued to advocate for a decentralised network of office.[515]

The Dawes Point Registry office and its registration system, also received criticism. On 28 July 1909, it was claimed in Parliament and later published in the *Sydney Morning Herald,* that the State Labour Bureau was understaffed and overly bureaucratic in its method of registration. It was claimed that 3,000 men were waiting outside the State Labour Bureau to register but there were only 3 members of staff. Furthermore, as it took fifteen minutes to register men were waiting three to four days to register.[516]

In defence, Schey claimed that the State Labour Bureau has been largely successful in assisting the unemployed and reducing their discontent. He argued that the previously regular unemployed disputations, held at the Queens Statue opposite Parliament House, had largely ceased since 1905. Schey cited a conversation he had with a former leader of the unemployed who claimed that it was 'impossible to get them together ...they would rather go and work for their tucker at Pitt Town Farm.'[517] For Schey this was confirmation that he was assisting the unemployed and that both the State Labour Bureau and the Training Farm for City Lads were effective.[518]

Following McGowen's decision to undertake a Departmental reorganisation, the State Labour Bureau was transferred to the administrative control of the Minister for Labour and Industry on 22 March 1912. The State Labour Bureau was absorbed by the Department of Labour and Industry and became known as the State Labour Branch of that Department in 1912, although this title was not used in official publications until 1 July 1913. Schey remained Director of the State Labour Bureau until his death on 18 July 1913. The personalised attention given by Schey to the unemployed was evident in the tributes published following his death. The State Labour Bureau continued to operate as before, albeit with a new name, and without its long serving Director.[519]

---

[514] *NSWPDLCLA*, Vol. 35, 1909, pp. 2365.
[515] E. Blankenburg, 'Comparing the Incomparable – A Study of Employment Agencies in Five Countries', pp. 277.
[516] *NSWPDLCLA,* Vol. 33, 1909, pp. 805-806; *SMH,* 29.7.1909, pp. 8.
[517] *NSWPP*, Vol. 1, 1906, pp. 1006.
[518] *NSWPP*, Vol. 1, 1906, pp. 1006.
[519] *NSWPP*, Vol. 1, 1919, pp. 523; *SMH,* 10.7.1912, pp. 1; *NSWGG*, No. 36, 22.3.1911, pp. 1653, No. 165, 20.11.1912, pp. 6943; *NSWIG*, Vol. 4, No. 2, 1913, pp. 276, Vol. 6, No. 1, 1913, pp. 203- 245, Vol. 10, No. 5, 1916, pp. 950; *SMH,* 19.7.1913, pp. 17, 22.7.1913, pp. 10, 22.7.1913, pp. 8.

Conclusion

In a period of economic prosperity the Carruthers Government established the State Labour Bureau to continue with the work of the NSW Labour Commission. Under the control of the former Chief Commissioner Schey, the State Labour Bureau continued to operate in a co-existence system adopting the mediation procedure of a closed system of administrative matching. Under this system, private registry offices continued to operate, but as this case demonstrates the presence of a public employment service does curtail, in part, their fraudulent activities in so much as the unemployed have a choice whether to use them or not. While there were numerous examples of private registry abuses throughout the period, coupled with Schey's recommendations for their regulation, the Government, despite claims to the contrary, failed to legislate for their regulation during this period.[520]

In line with Commons previous findings, the NSW State Labour Bureau provides an interesting and compelling example of how a public employment service can contribute to the organisation of the labour market. During its seven years of operation, the State Labour Bureau was largely successful in registering 21,426 and placing over 24,610 men in positions of employment, as well as managing other innovative labour market programs: Casual Labour Farm later known as the Government Training Farm, and the Training Farm for City Lads. As well as campaigning for legislative change through the regulation of private registry offices and the Unemployed Labour Bill, Schey also attempted to expand the rural branch structure with the assistance of 200 police. However, this attempt to create an innovative labour market solution to rural labour markets failed as there was no improvement in branch operations, quite the opposite. While Schey wanted a more dedicated approach, with individual labour bureau offices, such plans were impossible largely due to the states own financial position and the Government's own political agenda. However, in a period of both economic boom and uncertainty the State Labour Bureau achieved considerable success and again demonstrated a genuine need for a public employment service.[521]

Nurick and Coghlan claimed that the early NSW labour bureaus were only a temporary measure to organise the labour market and lacked long-term commitment from the state, yet

---

[520] U. Walwei, 'Improving Job-matching Through Placement Services', pp.402-430; *NSWPP,* Vol. 2, 1909, pp. 661, Vol. 1, 1906, pp. 1029, Vol. 2, 1909, pp. 24, Vol. 2, 1911-1912, pp. 625; *NSWVPLA,* Vol. 2, 1912, pp. 200.
[521] J. Commons, *History of Labor in the United States*, pp. 200-202; *NSWPP,* Vol. 1, 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194.

as this chapter has continued to demonstrate, the state did maintain a firm commitment to the problem of unemployment and expanded labour market programmes. Furthermore, it is important to emphasise that the State's approach to unemployment and other labour market programs was dependent on its own financial situation and electoral cycle. The State Labour Bureau only ceased to operate in name and not in function. Following McGowen's departmental reorganisation it became known as the State Labour Branch and was transferred from the Department of Public Works to the Department of Labour and Industry. The following chapter will examine and analyse the operations of State Labour Branch, which continued to operate until 1942.[522]

[522] J. Nurick, *Too Few Jobs* ; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2019-2020.

Chapter 7 State Labour Branch

Introduction

The State Labour Branch of the Department of Labour and Industry was appointed in 1912 to carry on the duties its predecessor the State Labour Bureau of NSW. The State Labour Branch was renamed in 1917 and became known as the Labour Exchanges Branch of the Department of Labour and Industry. During an exceptional period in history with World War I and II and the Great Depression the public employment service continued to operate in NSW, registering in excess of 2 million workers. In a period of severe economic instability this was a remarkable achievement. While previous writers such as Nurick and Coghlan have claimed that early labour bureaus were only a temporary measure to relieve unemployment, this chapter will demonstrate that the public employment service continued to operate with the support of the state in NSW, for over fifty years before being transferred, as a part of war-time measures, to the Federal Department of Labour and National Service in 1942.[523]

During this exceptional thirty-year period, the NSW public employment service underwent considerable structural change and further decentralisation. This included the development of a network of dedicated labour exchanges offices, a sub-agent network in rural and remote locations, the establishment of a Women's Employment Agency, later absorbed into the Labour Exchanges and the regulation and licensing of private employment registries. This process of decentralisation was designed to ameliorate unemployment across the state, particularly, in rural and remote areas, previously neglected by the Labour Bureau's.[524]

As previously discussed, previous public employments services have been shaped by a number of socio-economic and political concerns: rising unemployment, economic changes and uncertainty, fraudulent practices of private registries, limited State finances and political pressure. It was also these concerns that shaped the Labour Exchanges Branch. In its thirty-year period of operation, the Labour Exchanges Branch operated as a labour market intermediary initially, in a free coexistence system. However, following the regulation of private employment registries in 1918, the public employment service then operated in a

[523]J. Nurick, *Too Few Jobs*; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041& 2044.
[524]W.P. Reeves *State Experiments in Australia and New Zealand*, pp. 219-220; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041& 2044.

regulated coexistence system. Mediation procedures of closed administrative matching continued to be used throughout the period.[525]

This chapter will begin by examining the economic, industrial and political conditions in NSW during the period of the 1913-1942. Attention will then turn to the operations of the State Labour Branch. Finally, the criticisms and problems will be analysed.

Economic and Industrial Context

Between 1913 and 1942, the NSW economy was affected by a number of significant factors: severe drought, World War I, Post War Recovery following World War I, the Great Depression and World War II. All of which impacted upon the state's economic fortunes. While World War II ushered in a period of economic expansion, World War I heralded a period of economic contraction, with a fall in Gross Domestic Product and later stagnation.[526]

World War I's failure to stimulate economic expansion was due in part, to Australia's isolation and remoteness from the battlegrounds of Europe. Furthermore, enlistment created labour shortages, disrupting the state's labour intensive industries. Other factors also contributed to this period of economic contraction. The severe drought of 1914-1915 led to a fall in GDP. This greatly reduced rural output, notably wheat production, and was bad for trade in general. Dry conditions also adversely affected the harvest of 1918-19 and 1919-20. Another major factor underlying the fall in output in 1914-1915 and the stagnation during the remaining years of the war, was an initial decline and then a very slow increase in the number at work.[527]

After World War I, it emerged that re-integrating thousands of returned servicemen into society was a problem of unparalleled dimensions. The returning military personnel had changed dramatically due to both the experience of war and their advancement in age. The men wanted to return to work, but many of their jobs had disappeared due to technological change or had changed significantly. Women workers who had taken male jobs were easily displaced, but this was not the case for male workers occupying the jobs previously filled by returned soldiers, which resulted in intense competition for jobs. To provide immediate post

---

[525] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430.
[526] E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 25-32; G. Patmore, *Australian Labour History,* pp. 145; C.B. Schedvin, *Australia and the Great Depression. A Study of Economic Development and Policy in the 1920s and 1930s*, Sydney University Press, Sydney, 1970, pp. 46.
[527] E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp.25; B. Kingston, *A History of New South Wales,* Cambridge University Press, Melbourne, 2006, pp. 129.

war employment the NSW government embarked on a new program of capital works. Projects included the Sydney Harbour Bridge in 1925, the building of the Sydney city circle railway line, which involved vast excavations of Hyde Park in Sydney, and the electrification of Sydney and suburban network.[528]

The Depression, set off by the October 1929 Wall Street stock market crash, hit the NSW economy with great severity. The first signs of a major depression appeared in 1927, as the supply of overseas capital began to dry up. The impact of the international collapse on Australia was immediate and savage. The coincidence of a sharp fall in export prices and the stoppage of overseas borrowing in 1929 superimposed on an economy already weakened by domestic recession, sent income and employment into an uncontrolled tail spin from which they did not begin to recover until the early months of 1932. Gross National Product in current prices fell by 9 per cent in 1929-1930, followed by a further 18 per cent in 1930-1931, and then a further 7 per cent in 1931-1932.[529]

The NSW Government, which had borrowed heavily for public works, also had the highest level of public expenditure in Australia, due to social services payments. In 1930 the budget rapidly went from a surplus to a deficit, greater than all the other Australian states put together. Accompanying this economic collapse, of course, was great social disruption and distress. Many struggled on part-time work, or depended on charity or the dole. For thousands, unemployment also meant eviction, with shanty towns of homeless people springing up in many areas. It was a crisis that governments throughout the world did not seem to know how to deal with. In April 1931 the Government Savings Bank of NSW collapsed and in December 1931 it was transferred to Commonwealth Bank.[530]

Unemployment which had averaged at 8 per cent during the 1920s rose to 10 per cent in 1929 and then climbed steeply to 18 per cent in 1930 before peaking at 28 per cent in 1932. NSW was the most severely affected of the states by the Depression, though unemployment was by no means uniform. In some areas, such as the dairying districts in the north and south coast there was chronic poverty, but unemployment was relatively low. Inland railway towns such as Goulburn, Bathurst, Albury, Dubbo and Cootamundra had a buffer against unemployment.

---

[528] B. Kingston, *A History of New South Wales,* pp. 129-132.
[529] C.B. Schedvin, *Australia and the Great Depression,* pp. 47; E.A. Boehm, *Twentieth Century Economic Development in Australia,* pp. 31-32.
[530] B. Kingston, *A History of New South Wales,* pp. 143.

The worst hit area with persistent unemployment was the troubled Hunter Valley coalfields.[531]

While the 1930s depression was more severe than the one of the 1890s, recovery was much faster, as they did not have to contend with the repeated droughts of the 1890s. However, NSW's economic prosperity remained tied to the primary sector. The effects of the economic depression were evident as value of production in rural industries decreased 47 per cent in 1928-1929 from £74,594 to £42,202 at the height of the depression in 1930-1931. The value of production increased in the following period and by 1940-1941 had almost reached pre-recession levels at £67,743. In terms of the numbers employed in rural industries, there was a contraction from 142,378 persons employed in 1911 to 123,451 in 1931-1932. In the following period the levels again increased to 130,070 persons, which was just below the 1911 level.[532]

Employment in the agricultural sector was also affected by the outbreak of war and the economic depression, as well as the introduction of new labour saving machinery, which led to a gradual reduction in the labour force. In 1912-1913 the Agriculture industry employed 59,840 people on 3,737,269 acres, with the value of machinery used being £4,633,800. By 1920-1921 there had been a reduction in the numbers employed by almost 17 per cent to 49,866 over 4,468,342 acres with the value of machinery used increased to £7,120,381. This patterned continued, and by 1927-1928, there were a further decrease of almost 18 per cent to 42,293 people employed, over 4,994,515 acres with the value of machinery increasing further to £10,849,513.[533]

The manufacturing sector, which had continued to grow throughout the period, also suffered setbacks during the economic depression. The manufacturing workforce grew by 51 per cent from 120,400 persons in 5,456 factories in 1913 to 182,660 people employed at 8,362 factories in 1928-1929. At the height of the depression the manufacturing workforce

[531] B. Kingston, *A History of New South Wales,* pp. 142-143; C.B. Schedvin, *Australia and the Great Depression*, pp. 47.
[532]C.B. Schedvin, *Australia and the Great Depression,* pp. 47; *The Official Year Book of NSW 1928-1929,* pp. 565; *The Official Year Book of NSW 1940-1941*, pp. 551 & 694.
[533] *The Official Year Book of NSW 1914*, pp. 601; *The Official Year Book of NSW 1921*, pp. 771; *The Official Year Book of NSW 1928-1929*, pp. 565.

decreased by 30 per cent to 126,355 people employed at 7,397 factories. The industry soon recovered and by 1939-1940 employment had increased to 264,751 at 9,919 factories.[534]

During this period, the mining sector faced considerable problems due to industrial disputation coupled with both falling prices and demand. Between 1912 and 1932 exports fell, coal production was reduced by almost half and its value declined at much the same rate. The decline in coal exports and in demand for heavy metal products like galvanised iron and wire led to a shut-downs lasting for months at a time. Oil and petrol burning cars were replacing coal-fired steam trains. In response mine owners tried to force wages cuts and when miners refused the mines were closed. This led to a period if industrial disputation throughout the industry in the years 1919-1920.[535]

Employment fluctuated in the coal mining industry. In 1921 there were 143 coalmines in operation employing 20,973 people, with an output valued at £9,036,474. By 1932, while there had been an increase in the number of mine operations to 169 mines, the labour force had contracted by 32 per cent to 14,126 people with the value of output decreasing by 54 per cent to £4,076,108. By 1940, the situation had improved marginally with 151 mines operating, employing 16,888 people with output valued at £6,393,541[536]

Despite these problems, the mineral mining industry fared better overall, during the period. In 1921 they employed 25,612 people at 493 mines with an output valued at £10,191,975. At the height of the depression 431 mines were in operation employing 18,370 people with an output valued at £5,706,552. By 1941 the economic fortunes for mineral mining had improved with 553 mines operating, employing 22,481 people with a value of output increasing to £13,488,023.[537]

The last years of World War I and the immediate post war years were a period of both political and industrial turmoil. A major strike occurred in 1917 centred on the railways and tramways. The strike spread quickly and before long all coal handling was considered 'black', this affected a great many industries. The strike of 1917 involved some 76,000 NSW workers and lasted 82 days. In 1919-1920, there was another unprecedented strike wave that

---

[534] *The Official Year Book of NSW 1914*, pp. 347; *The Official Year Book of NSW 1921*, pp. 347; *The Official Year Book of NSW 1928-1929*, pp. 286; *The Official Year Book of NSW 1940-1941*, pp. 606.
[535] G. Patmore, *Australian Labour History,* pp.146; B. Kingston, *A History of New South Wales,* pp. 143.
[536] *The Official Year Book of NSW 1940-1941*, pp. 551 & 656; *The Official Year Book of NSW 1914*, pp. 236; *The Official Year Book of NSW 1921*, pp. 434-435.
[537] *The Official Year Book of NSW 1940-1941*, pp. 655.

included maritime workers and Broken Hill miners. Wartime conditions strengthen the industrial unions, which preferred direct action anyway having become disappointed by the NSW Labor Government.[538]

Political Landscape

Since Federation, NSW had experienced a period of relative political stability. However the outbreak of war led to periods of political instability and heightened tensions between the Federal and State Labor Party. The First World War had mostly been a matter for the Federal Government, though in NSW it had led to some resentment over the enhanced powers of the Federal Government, who from 1915 had been collecting income taxes. A second contributing factor was the issue of conscription for military service. In NSW there was concern that conscription would exacerbate labour shortages for some industries. This was a particular concern for those in primary industry, who feared labour shortages at crucial times, such as during the wheat harvest. Conscription also raised civil liberties concerns and there was also growing discontent with the sacrifices of the War.[539]

Following McGowen's resignation William Holman became Premier of NSW on 30 June 1913. Holman's leadership of the NSW Labor Government was undermined by his support for conscription in 1916. Holman's insistence on supporting Prime Minister Hughes' call for conscription led to his expulsion from the Labor party. Holman and other Labor supporters of conscription, joined with the Liberals to form the Nationalist Party. Holman continued in office forming a Nationalist coalition with the Progressives, led by George Beeby, who was to become Minister for Labour and Industry. Holman remained in power until he was defeated in the April 1920 NSW elections, by the Labor Party led by John Storey.[540]

Storey came to power promising child endowment, the electrification of suburban railways and the completion of the city's underground railway. Storey, however, died in office on 5 October 1921 and was succeeded by James Dooley. However, Dooley's term was short lived as the Government was defeated on 13 December 1921, after the Speaker Daniel Levy stood down which led to Dooley's resignation 20 December 1921. George Fuller leader of the

---

[538] G. Patmore, *Australian Labour History,* pp. 146; B. Kingston, *A History of New South Wales,* pp. 123-124.
[539] B. Kingston, *A History of New South Wales,* pp. 122.
[540] B. Nairn 'Holman, William Arthur (1871–1934)', *Australian Dictionary of Biography*, Vol. 9, Melbourne University Press, 1983, pp. 340; B. Kingston, *A History of New South Wales,* pp. 122-123; B. Nairn, 'Beeby, Sir George Stephenson (1869–1942)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp. 34.

Nationalist Party refused to form a ministry without full support from the Progressives. The resulting Nationalist-Progressives Government formed on 20 December, 1921. However, the Fuller Government only lasted seven hours, as Fuller resigned due to hostility from some dissident members of the Progressive party. Labor returned to power with Dooley as leader before being defeated at the general election in April 1922 by a coalition of Nationalists and Progressives.[541]

Sir George Fuller returned to office on 13 April 1922. Fuller's Government provided the sound and economical administration that had been promised at the 1922 elections, which was overtly conservative. However, the public had grown tired of fiscal restraint and the Government was unable to prevent a swing to Labor at the general elections of June 1925. Labor led by the charismatic Jack Lang, campaigned on a programme of social welfare and growth and won the election by two seats.[542]

Jack Lang was to become the most controversial Premier of NSW, and the only one to be dismissed from office. Lang was twice Premier of NSW. In his first term office in June 1925 he became both Premier and Treasurer. His first term brought many significant innovations, including child endowment, widows' pensions, increased workers' compensation rates, reversion to the 44-hour week, abolition of secondary school fees, and votes for all in local government elections. In the October 1927 NSW elections, the Labor Party lost its narrow majority to a Nationalist-Country Party coalition led by Thomas Bavin.[543]

Lang's second term, which coincided with the worst years of the Great Depression, followed his victory over Bavin in the October 1930 elections. Lang's initial program was to maintain wages and to use loans to fund public works, create jobs and generate prosperity. However, his plan was frustrated by the Federal Government and the NSW Legislative Council. The Supreme and High Courts also blocked his second attempt to abolish the Legislative Council. His 1931 'Lang Plan' of inflation, which reduced interest rates and loans re-negotiation, was rejected by the Federal Scullin Labor Government. Lang then refused to pay loan interest and

---

[541] B. Nairn, 'Storey, John (1869–1921)', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 106; C. Cunneen, 'Dooley, James Thomas (1877–1950)', *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 324; J.M. Ward, 'Fuller, Sir George Warburton (1861–1940)', *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 595.
[542] J.M. Ward, 'Fuller, Sir George Warburton (1861–1940)', pp. 595.
[543] B. Nairn, 'Lang, John Thomas (Jack) (1876–1975)', *Australian Dictionary of Biography*, Vol. 9, Melbourne University Press, 1983, pp. 661; J. McCarthy, 'Bavin, Sir Thomas Rainsford (Tom) (1874–1941)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp. 214.

the Commonwealth commenced legal action. The NSW Labor party split into State Labor (supporting Lang) and Federal Labor (supporting Scullin). Reluctantly, Lang later agreed to the Premiers' Plan to cut government expenditure, but he did little to implement it. The split in Labor ranks worsened and precipitated an early Federal election in December 1931, which was won easily by the United Australia Party led by the Federal Labor Government's former Treasurer and Labor 'rat', Joseph Lyons.[544]

The issue quickly now came to a head between the State and Commonwealth Governments with the new Federal Government moving to take over NSW tax revenue. Lang still refused to conform to the Commonwealth requirements and ordered State public servants to refuse to cooperate with the Commonwealth. On 19 March 1932, Lang opened the Sydney Harbour Bridge, but this great public show of hope and achievement was to be his last. While hundreds of Bridge workers joined the ranks of the unemployed in NSW, now with the worst level of unemployment in Australia, Lang continued his unorthodox attempts to raise funds. On 13 May, Sir Philip Game, the Governor of NSW, determined that Lang was acting unconstitutionally, and dismissed his Government.[545]

The Opposition Leader, Bertram Stevens, was appointed Premier and in the ensuing June 1932 state election, Stevens won decisively. The bitterness and the split in the ranks ensured that Labor had no chance of winning the next two state elections in 1935 and 1938. The conservative United Australia Party-United Country Party coalition governments which followed Lang did little to improve economic conditions. They were fortunate, however, in that they took office in 1932, at the peak of the Depression and were in Government as the economy slowly improved.[546]

Bertram Stevens retained the Premiership for seven years, managing major reform of the Legislative Council, largely maintaining social services and increasing the budget deficit, by providing modest relief programs and promoting private enterprise-based economic recovery. By the eve of World War II, in 1939, unemployment had fallen considerably, but there were still many out of work and little enthusiasm for government policy. Only Labor disunity had kept the Government in office at the 1938 election. There was also growing dissension within Government ranks and Stevens lost the leadership in 1939 to Alexander Mair who remained

[544] B. Nairn, 'Lang, John Thomas (Jack) (1876–1975)', pp. 661-666.
[545] B. Nairn, 'Lang, John Thomas (Jack) (1876–1975)', pp. 661-666.
[546] J.M. Ward, 'Stevens, Sir Bertram Sydney Barnsdale (1889–1973)', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 74.

Premier until he was defeated by a reunited Labor party in 1941. Following the election the United Australia Party began to fragment like the Labor Party had previously.[547]

As the previous discussion has illustrated this was a period of political and economic instability and tension. Despite the numerous changes of government and the increasing levels of economic uncertainty, the public employment service in NSW continued to grow and expand labour market programs until the Depression. As the following discussion will illustrate, the Governments of the time remained committed to assisting the unemployed by establishing an extensive network of public employment service offices designed to assist the organisation of the labour market.

State Labour Branch Operations prior to the Outbreak of War 1912-1914

Following the McGowen Government's departmental reorganisation, the State Labour Bureau was transferred from the Department of Public Works to the administrative control of the Minister for Labour and Industry on 22 March, 1912. The State Labour Bureau was renamed the State Labour Branch of the Department of Labour and Industry in 1912. This reorganisation signalled one of the most significant shifts in Government policy and commitment towards the public employment service. The McGowen Government embarked upon a period of structural reform aimed at organising the labour market and ameliorating unemployment which included the decentralisation of the public employment services. This reform agenda was initially outlined in the Labour Exchanges Bill. While this Bill was never enacted, the Holman Government successfully implemented its central elements during the period of World War I.[548]

The Labour Exchanges Bill was drafted in early 1913 by Schey and Ambrose Carmichael, the Labor Minister for Labour and Industry. The Bill outlined measures, which would authorise the establishment for a network of State Labour Exchanges, an unemployment insurance scheme for workers and the regulation of private registry offices. The Government was concerned with issue of labour supply and demand. They argued that work is irregular due to the industrial effects of 'seasons, climates, new labour-saving devices, new consolidations of

[547] B. Nairn, 'Lang, John Thomas (Jack) (1876–1975)', pp. 661; J. McCarthy, 'Bavin, Sir Thomas Rainsford (Tom) (1874–1941)', pp. 214; J.M., Ward, 'Stevens, Sir Bertram Sydney Barnsdale (1889–1973)', pp. 74.
[548] *NSWPP*, Vol. 1, 1919, pp. 523-533; *NSWGG,* No. 36, 22.3.1911, pp. 1653, No. 165, 20.11.1912, pp. 6943; *NSWIG,* Vol. 4, No. 2, 1913, pp. 276, Vol. 6, No. 1, 1913, pp. 203- 245, Vol. 8 No. 2, 1915, pp. 371, Vol.10, No. 5, 1916, pp. 950; *SMH,* 10.7.1912, pp. 1, 19.7.1913, pp.17; 22.7.1913, pp. 8 & 10.

capital, financial panics, crop failures, plagues strikes and war'[549] and that employment is intermittent due to the failure of the state to organise and control its domestic labour market. The Government believed that the measures outlined in the Bill would bring a sense of order to the labour market thereby making the supply of labour more fluid and protecting and supporting those most vulnerable in the labour market, who were most likely to suffer from intermittent work.[550]

Despite McGowen's enthusiasm, the Bill was not brought into the Legislative Assembly during the 1913 session, partly due to other pressing parliamentary concerns. On the 6 August 1914, concerned with the impending industrial crisis due to the outbreak of war in Europe, The Holman Government introduced the Labour Exchanges Bill to Parliament. The Government decided to reconsider the Bill, due to its controversial character. A motion to introduce the Bill, modified in form, but not in principle, was included in the outstanding business of the House, but there is no record of it being brought to notice in the House again. Regardless of this legislative setback, the Government continued to pursue its agenda and in the following period was successful in achieving of two of its aims: a network of Labour Exchanges and the regulation of private registry offices.[551]

Schey, who had played a pivotal role in drafting the legislation, remained Director of Labour until his death on 18 July 1913. Schey was replaced by his former Assistant Director Frank Brennan. His appointment marked a further name change as he became the Superintendent of the State Labour Branch of the Department of Labour and Industry.[552] The functions of the labour bureaus continued on as before except they were now enshrined in the *Industrial Arbitration Act 1912*:

> 'To bring together intending employers and persons seeking employment; to make known the number of employed and unemployed in the State; to encourage minors and others to undertake training in skilled employment; to provide industrial and

[549] *NSWIG, Vol. 8, No. 2, 1915,* pp. 372.
[550] *NSWIG, Vol. 8, No. 2, 1915,* pp. 372.
[551] *NSWIG, Vol. 8, No. 2, 1915,* pp. 372.
[552] *NSWPP*, Vol. 1, 1919, pp. 523-533; *NSWGG,* No. 36, 22.3.1911, pp. 1653, No. 165, 20.11.1912, pp. 6943; *NSWIG,* Vol. 4, No. 2, 1913, pp. 276, Vol. 6, No. 1, 1913, 1913, pp. 203-245, Vol. 8 No. 2, 1915, pp. 371, Vol. 10, No. 5, 1916, pp. 950; *SMH,* 10.7.1912, pp. 1, 19.7.1913, pp. 17, 22.7.1913, pp. 8 & 10.

agricultural employment for vagrants and others unsuited for ordinary employment; to carry out any other duties prescribed.'[553]

Operations Outbreak of War 1914-1919 period of experiment

The outbreak of World War I caused considerable problems in the labour market and led to a raft of significant structural changes for the State Labour Branch. The existing centralised structure: Sydney head office and the quasi network of forty-two clerks of Petty Sessions and 200 police officers acting as Agents was replaced, by a decentralised structure consisting of dedicated offices, in both the metropolitan and rural areas and a network of rural sub-agents. Part of this reform agenda also included a number of experimental labour market programs, which were later re-absorbed into the centralised structure: Women's Employment Agency and a self registration system. Another defining feature of this period was the regulation of private employment agencies. As the following will demonstrate these structural changes proved effective and largely shaped the ongoing operations of the public employment service in NSW.[554]

Self-Registration System and Travel to Employment

Within a few days of the declaration of war and notwithstanding the withdrawal of the Labour Exchanges Bill, John Estell, the Minister for Labour and Industry, with a view to mitigating the effects of dislocations in industries established a self-registration system for persons unemployed in September 1914. The self-registration system was based upon the use of post-free letter-cards. The Minister was particularly concerned that the unemployed did not have an adequate and effective means of communication with the Department. He was concerned that this could lead to a waste of surplus labour at a critical time of war. The self-registration system was administered by the State Labour Branch and operated at the same time as the existing Dawes Point Labour Bureau.[555]

The self-registration system was an early example of a co-ordinated approach to unemployment between the State and Federal Governments. Arrangements were made by the Minister, through Premier Holman and the Prime Minister of the Commonwealth, that letter cards should be made available to the public in all post-offices across the State, and that such

---

[553] *Industrial Arbitration Act* 1912, *NSWIG, Vol. 8, No. 2, 1915,* pp. 370-376.
[554] *NSWIG, Vol. 8, No. 2, 1915,* pp. 373-376; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 67.
[555] *NSWIG, Vol. 8, No. 2, 1915,* pp. 373-376; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 67.

letter-cards should, when filled in and posted, be conveyed by the post-offices for delivery at the Department of Labour and Industry. The cards were to contain all the relevant information regarding the applicant including name, address, skills and experience.[556]

The NSW Department of Labour and Industry met the costs for the self-registration scheme, with the cards being personally addressed to the Minister. The purpose of this was twofold. In the first place, the Minister wished it to be understood that he himself was personally interested in procuring work for all who might need it. Secondly, it was his view that whatever decentralisation of control that might come in the future course of the public employment system, the needs of the moment were for centralisation of a very complete character. A corresponding system was also established for employers to notify the Department of any vacancies. In addition to placing boxes of cards for the use by employers at post-offices, the Department also sent boxes of cards to large employers encouraging them to report vacancies to the Department[557]

In terms of mediation procedures, the self-registration system operated also as a closed system of administrative matching. State Labour Branch staff personally selecting applicants based on the requirements of the job and the applicant's skills and past experience, including references from previous employers, in an attempt to create a job-person match. The self registration system cards were colour coded between female and male applicants and contained all relevant information relating to their employment history and skills, positions offered, and employer feedback. Employer cards contained details of the industry, contact person, address and were categorised by industry. The cards were updated daily and analysed against offers for employment. All correspondence between the employer and employee was transacted though the Department. The Department claimed that the self-registration system proved to be very successful in enabling them to determine on a monthly basis the state of the labour market, but it appears unclear how successful they were in assisting them into employment.[558]

The self registration system operated for almost three and a half years before being abolished in 1917, when the Dawes Point Branch was amalgamated with the State Labour Branch.

---

[556] *NSWIG,* Vol. 8, No. 2, 1915, pp. 375-376.
[557] *NSWIG*, Vol. 8, No. 2, 1915, pp. 373-376; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 67.
[558] *NSWIG*, Vol. 8, No. 2, 1915, pp. 373-374; U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406.

During its operation, it successfully registered 63,407 people (Refer to Table 7.1). However, due to parallel operation with the Dawes Point Labour Bureau it was believed that there was a proportion who registered with both agencies. The poor results in terms of employer applications and numbers of those sent to employment seem consistent with the Dawes Point Registry results of the time. Despite this, the self registration system provided an important avenue of communication to residents in rural and remote areas in a period of uncertainty, whilst also allowing the Government to gain an understanding of the labour market.[559]

Year	New Registrations	Employer Applications	Sent to Employment
October-December 1914	15,687		
1915	24,345	4,553	3,671
1916	9,063	7,034	5,204
1917	14,312	8,419	5,134
Total	63,407	20,006	14,009

Table 7.1 Self Registration Office Operations 1914-1917 (From January 1917 was known as Labour Exchanges)

Another area of policy that was amended during this period was related to advances given to men travelling to employment through the labour bureaus. The State Labour Branch continued to authorise advances for persons seeking employment in remote or distant locations. Advances were authorised for fares, tools of trade, and similar work related expenses and were to be deducted from the forthcoming wages. By late 1914, John Estell, the Labor Minister for Labour and Industry, expressed concern over the State Labour Branches use of advances for men travelling to known sites of industrial disputation. The policy relating to men being sent to known sites of industrial disputation had remained unchanged since the Government Labour Bureau 1892: men were notified of the existence of the strike or lock-out and were entitled to either accept, or reject, the work without any recrimination or prejudice. Men who had previously accepted the work had been given the advance however, the Minister in line with his Labor ethos, now felt that this was inappropriate and instead outlined a new policy:

> "Where persons who seek advances of fares to enable them to travel to reach work out of the district in which they ordinarily reside and where an industrial dispute is

[559] *NSWIG*, Vol. 8, No. 2, 1915, pp. 373-374; *NSWIG*, Vol. 11, No. 2, 1916, pp. 222.

occurring, the Department will decline to grant such advances to them, but will not refuse them the information available as to work offering." [560]

Women's Employment Agency

The impending outbreak of war also led to the establishment of the Women's Employment Agency, on 4 May 1914. Female workers had been neglected since the closure of the Female Registry on 31 January, 1906. Like its predecessor the Female Registry, the Women's Employment Agency was also established to provide protection from the fraudulent practices of the private registries, but it was also designed to organise the labour market for the impending war effort. Estell, the Minister for Labour and Industry, claimed that the Government had anticipated the need for a more organised and coordinated labour market during a period of war.[561] He claimed that female workers had been neglected and while he believed that the prospects for young and presentable women was, 'generally speaking, good, the labour market for middle-aged and older women was habitually depressed'.[562]

The Women's Employment Agency opened on 4 May, 1914, at 231 George St North, Sydney. The Agency advertised itself as a facility for women workers of all kind. In terms of mediation procedures, the Agency operated as a closed system of administrative matching, personally selecting applicants based on the requirements of the job, the applicant's skills and past work experience, including references from previous employers, in an attempt to create a job-person match. Using means such as circulars, advertisements and press coverage they notified employers of their services and employees of their vacancies.[563]

The Women's Employment Agency was well received by both the unemployed and employers, as seen in Table 7.2. During the first three and a half years of operation 1914 to 1917 the Women's Employment Agency were successful in registering 14,999 female workers, receiving 11,897 applications from employers and sending 9,396 women to positions of work. The discrepancy between the numbers of women registered and the offers of employment was due to the inexperience and lack of skill on the part of the applicants. It was also claimed that tural and remote locations were also difficult to fill. A further problem

[560] *NSWIG,* Vol. 8, No. 2, 1915, pp. 378; *SMH,* 18.5.1892, pp. 9, 15.12.1898, pp. 8.
[561] *NSWPP,* Vol. 1, 1906, pp. 1004; *NSWIG,* Vol. 5, No. 4, 1915, pp. 945.
[562] *NSWIG,* Vol. 8, No. 2, 1915, pp. 372.
[563] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406; *NSWIG,* Vol. 5, No. 4, 1915, pp. 945.

cited was the difficulty in placing older women, or those who have children, particularly in positions of domestic service.[564]

Year	New Registrations	Employer Applications	Sent to Employment
May-December 1914	2,067	394	652
1915	3,626	2,957	2,454
1916	3,998	4,145	3,153
1917	5,308	4,401	3,137
Total	14,999	11,897	9,396

Table 7.2 Women's Employment Agency Registrations May 1914 – December 1917[565]

Between 1914 and December 1917 the Women's Employment Agency operated as an independent agency before being incorporated into the Central administration of the Labour Exchanges, becoming known as the Women's Department of the Labour Exchanges Branch, relocating to the Labour Exchanges head office at 72-78 Elizabeth Street Sydney. All corresponding information relating the registrations and work of that office was no longer distinguished in reporting instead the registration data was included in the branch totals.[566]

Structural Change: Decentralisation and Amalgamation of the Public Employment Service

August 1914 not only heralded the outbreak of World War I, it also marked the beginning of a period of structural change that would shape the operations of State Labour Branch until it was eventually transferred during World War II. Following the establishment of the Women's Employment Agency, Estell, Minister for Labour and Industry, instigated further reforms aimed at organising the labour market by attempting to ameliorate unemployment, particularly in rural areas. The previous centralised system that had consisted of a Sydney Head office, located at Dawes Point, augmented with a network of forty two clerks of Petty Sessions acting as Agents and 200 Police Sergeants was disbanded. In August 1914 it was replaced with a decentralised structure consisting of a new Departmental Head office of the State Labour Branch at 72-78 Elizabeth Street, Sydney, a branch office at the Sydney Dawes

[564] Data was compiled from the monthly reports of the State Labour Exchanges *NSWIG*, Vol. 5, No. 4, June 1914 – Vol. 12, No. 1, December 1917; *SMH,* 15.7.1914, pp.7; *NSWIG,* Vol. 5, No. 4, pp. 1255, Vol. 7, No. 1, 1915, pp. 177.
[565] Data was compiled from the monthly reports of the State Labour Exchanges *NSWIG*, Vol. 5, No. 4, June 1914 – Vol. 12, No. 1, December 1917.
[566] *NSWIG,* Vol. 5, No. 4, 1915, pp. 945, Vol. 8, No. 2, 1915, pp. 373-375.

Point Registry and a new network of dedicated regional Labour Exchange Offices located in principal centres across NSW.[567]

The distinguishing feature of this reform agenda was the decentralisation of the public employment service operations with the establishment of dedicated regional Labour Exchanges. A long-term criticism of the labour bureaus had been their neglect of rural workers due to the centralised operations in Sydney which encouraged men to travel to Sydney in search of work. The Sydney operations were also criticised for not having an understanding of rural labour markets. Schey had long held this view. He had argued that the multiple tasks of the Clerks of Petty Sessions meant that they often neglected their labour bureau duties and failed to provide regular local labour market information. Schey, prior to his death, had long been an ardent advocate for dedicated labour bureau offices and a regional network.[568]

The program for decentralisation began in August 1914 with the opening of four dedicated labour bureau offices: Broken Hill, Orange, Woonona (Illawarra) and Newcastle. These offices co-operated with the State Labour Branch Office and were responsible for both the self –registration system and local functions: assisting and registering the local unemployed, assisting local employers and sending men to employment. The rural network continued to grow throughout the war with new offices opening in Lithgow and Lismore in February 1915, Tamworth and Wagga Wagga in February 1917, Goulburn and Wollongong in 1918.[569]

During early 1917 the office of the State Labour Branch underwent a further and final name change following its amalgamation with the Dawes Point Labour Bureau. The new office became known as the Labour Exchanges Branch of the Department of Labour and Industry, and was located at 72-78 Elizabeth St, Sydney. Under this arrangement the Labour Exchanges Branch became responsible for all the Labour Exchanges operations in NSW, including the Women's Department. The Superintendent of the State Labour Branch became known as the Director of Labour Exchanges.[570]

---

[567] *NSWIG,* Vol. 12, No. 6, 1917 pp. 776, Vol. 8, No. 2, 1915, pp. 373-4, Vol. 7, No. 1, 1915, pp. 1894.
[568] *NSWPP,* Vol. 1. 1906, pp. 1021, Vol. 2, 1907, pp. 270, Vol. 2, 1908, pp. 822; *NSWVPLA,* Vol. 2, 1912, pp. 198.
[569] *NSWIG,* Vol. 7, No. 1, 1915, pp. 1894, Vol. 8, No. 2, 1915, pp. 373-4, Vol. 10, No. 5, 1916, pp. 950, Vol. 12, No. 6, December 1917 pp.77; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 7 & 68-70.
[570] *NSWIG,* Vol. 12, No. 6, 1917 pp. 776-777, Vol. 11, No. 2, 1916, pp. 222; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 7.

Following this amalgamation, there was an expansion and rationalisation of the metropolitan Labour Exchange network. In 1918 four new offices opened, of which three became specialised vocational offices: Central Railway Station Labour Exchange specialised in assisting mechanics, artificers and their helpers and assistants; Circular Quay Labour Exchange was for labourers; Rawson Chambers Pitt Street Labour Exchange assisted the mechanic trades; and Balmain Labour Exchange was for general operations. The Department argued that the rationalisation of these registries would provide a more dedicated and effective means in assisting the unemployed.[571]

By late 1918, as the industrial distress worsened, George Beeby, the Nationalist Minister for Labour and Industry, approved a scheme to further extend and decentralise the Labour Exchange operations in rural NSW. The scheme involved the appointment of sub-agents in principal country towns. These sub-agents were generally selected from stock and station agents. The sub-agents were to act as feeders to the regional Labour Exchange offices. Sub-agents were to work closely with both employers and the unemployed and received a fee of 2s, payable upon each successful engagement. The sub-agents were not entitled to make any charge to employees or employers for services rendered in connexion with employment. In 1919, fifty sub-agents had been appointed who throughout the year were responsible for 1,577 engagements. The Department felt that these results were disappointing, but blame was portioned in part, to the drought. The Department went on to argue that it believed that closer co-operation in the future would generate a greater amount of business.[572]

To promote the new expanded and decentralised labour bureau offices the Government embarked on an extensive and targeted advertising campaign. In addition to newspaper advertisements and regular circulars, the Department instigated targeted campaigns to promote the services of the various exchanges. Following the opening of the Women's Employment Agency advertisements were placed in railway cars and in the ladies saloon of the Manly ferries. The State Labour Branch distributed regular newsletters to subscribers of the *New South Wales Industrial Gazette* and employers outlining their services and offices. The Department also sent newsletters outlining the services provided by the rural Labour Exchanges to 16,000 subscribers of the *Agricultural Gazette*. In 1917 to promote the opening

[571] *NSWIG,* Vol. 12, No. 6, December 1917 pp.776-777, Vol. 11, No. 8, 1917, pp. 1146, Vol. 14, No. 5, 1918, pp. 592; *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 71-72.
[572] *NSWPP,* Vol. 1, 1919, pp. 524.

of the Tamworth and Wagga Wagga Labour Exchanges, the Department distributed 17,000 circulars to the local areas.[573]

Returned Soldiers and Sailors Registry

By 1915, the Holman NSW Government had begun discussions with the Hughes Commonwealth Government to develop a scheme for assisting returned soldiers back into the labour market. Highlighting the national character of the issue the Holman Government proposed a coordinated scheme modelled on the NSW Labour Exchanges, with both tiers of government sharing the costs involved of the administration and advertising. The scheme included a dedicated Sydney office, who received assistance from the regional Labour Exchange network. In 1916, the Returned Soldiers' Employment Bureau opened in Young Street, Sydney. This office worked in close contact with the Central Labour Exchanges office. Discharged soldiers registered with the Sydney office and if they wished to reside in regional areas, their registration would be transferred to their local Exchange, who would then assist them.[574]

In 1919 the *Returned Soldiers and Sailors Employment Act* was enacted which stipulated preference of employment be given to returned soldiers and sailors by all employers throughout the state, including the Crown, Railway Commissioners, Sydney Harbour Trust and other Governmental and municipal authorities. The act also provided for the reinstatement of employment to returned soldiers and sailors. Returned soldiers were registered as returned men, and given preference in employment opportunities. Employers while being generally supportive were compelled to comply with these arrangements. Employers were bound by the Act to notify any vacancies to the Labour Exchange located within 20 miles of their organisation and if there was no Labour Exchange within 20 miles, they were to notify the Repatriation Committee ho would notify the Returned Soldiers' Employment Bureau.[575]

Regulation of Private Employment Registries

Despite the Holman Government's failure to gain passage for the Labour Exchanges Bill in 1914, they remained committed to reforming the labour market. After successfully establishing a network of Labour Exchanges offices they turned their attention to the

[573] *NSWIG,* Vol. 8, No. 2, 1915, pp. 376-377, Vol. 10, No. 5, 1916, pp. 952, Vol. 12, No. 6, 1917, pp. 778.
[574] *NSWIG,* Vol. 12, No. 6, 1917, pp. 779; *SMH,* 30.9.1915, pp. 10, 29.2.1916, pp. 10.
[575] NSWPP, Vol. 1, 1919, pp. 523.

regulation of private employment registries. After almost thirty years of campaigning for their regulation by past heads of the NSW public employment service and after almost twenty years of promises from various State Governments the legislation was finally enacted in 1918. In announcing the Government's intention to regulate private registries George Beeby, Minister for Labour and Industry, argued that the fraudulent practices perpetrated of the private registries upon the unemployed had distorted the labour market, regulation was necessary to assist the functioning of the labour market.[576]

Under Part X of *Industrial Arbitration Amendment Act* No. 16, 1918, gazetted on 2nd August 1918, private employment registries were to be licensed, and applications for the licenses were to be made to the Department of Labour and Industry. The license fee was £2 and it was non transferable. Under the Act, the license had to be exhibited at the place of business. The scale of fees chargeable was prescribed in the regulations, and the licensed agents were required to provide receipts. The License was valid for two years, following which they could apply to have it renewed. Every conviction against a licensee in the Court of Petty Sessions would be entered upon the license upon a third conviction within a three year period from the first conviction the license would then be cancelled.[577]

The numbers of licenses issued between 1919 and 1933 is displayed in the table 7.3 and appendix 2. It is important to note that the data regarding the number of licenses granted and the locations of these private registry offices is problematic. For example no licenses were issued during the year of 1931 however, the data resumes in 1932 but there is no explanation for what occurred during that missing period, particularly in regard to the licenses that expired or were renewed. A further problem is in the early period the data fails to identify the location of the private registry offices. Finally, without explanation, no data is published after December 1933.[578]

Regardless of these problems, the published data does provide an interesting insight into the industry. Overwhelmingly, the majority of private registries were located within the Sydney

---

[576] *SMH,* 12.2.1890, pp. 5, 7.5.1891, pp. 7, 17.2.1892, pp. 8, 13.2.1892, pp. 8, 8.6.1917, pp. 6; *CRE,* 31.10.1893, pp. 4; *NSWPDLA*, Vol. 44, 1890, pp. 144 & 189, Vol. 56, 1892, pp. 4814 & 4977-5010; *NSWVPLA,* Vol. 50, 1891, pp. 116, Vol. 6, 1901, pp. 390, Vol. 2, 1904, pp.760; M. Audley, 'Schey, William Francis (1857 - 1913)', pp. 535-536; *NSWPP,* Vol. 5, 1903, pp. 1272; *Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau,* pp. 36-39.

[577] *Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918,* pp. 4 & 7; *NSWIG* ,Vol. 14, No. 2, 1918, pp. 114.

[578] Data compiled from *NSWIG,* Vol. 14, August 1918 – Vol. 22, December 1922.

metropolitan area. In terms of the total number in operation they remain relatively stable up to the mid 1920s before peaking at 100 in August 1929, just prior to the Depression. During the Depression there appears to be a contraction in the industry as there are only 61 licenses operating in February 1931. In the following period 1923 to 1928, there is a sharp increase of 150 per cent from 1923 to 1928; these agencies are predominantly located within the Sydney metropolitan area. Agencies located in rural areas remain relatively stable for the most part but decrease from a peak of 20 in 1926 to 15 in 1928.[579]

Year	License Granted	License Expired	License Renewed
1918 (Aug-Dec)	68		
1919	39	58	3
1920	13	65	39
1921	34	67	51
1922	22	53	51

Table 7.3 Private Employments licenses Granted. Expired and Renewed 1918-1922[580]

Details the agencies that were found to have breached the Act, including nature of the breach and punishment, are outlined in Appendix 1. It is interesting that of the thirteen prosecutions only one resulted in a cancelled license. In another case an agreement was reached prior to the case being heard in court and costs being paid which gives rise to the possibility of there being more breaches of the Act being settled informally. A further interesting point is that only one agency prosecuted was located outside of Sydney, which gives rise to the notion that high levels of competition between the agencies in Sydney increased the likelihood of fraudulent behaviour occurring. It is clearly evident that the Act and the State's action in upholding it proved a deterrent for the more unscrupulous practices that had characterised the industry thereby providing the unemployed with much longed for and needed protection.[581]

Two amendments were made to the Act during this period. On the 18 May 1923 the *Industrial Arbitration Act*, Part X, Regulation No. 20 was passed. This stipulated that the licensee must issue a receipt for any monies received for every registration and engagement. The receipt was to be written in duplicate, with the original being given to the applicant and the copy to be held in the records of the agency. The Act was again amended on 9 September 1925 to include Section 96 of the *Industrial Arbitration Act*. Under this provision, private

[579] Data compiled from *NSWIG,* Vol. 14, August 1918 – Vol. 22, December 1922.
[580] Data compiled from *NSWIG,* Vol. 14, August 1918 – Vol. 22, December 1922.
[581] *NSWIG,* Vol. 15, No. 1, 1919, pp. 47, Vol. 15, No, 2, 1919, pp. 323, Vol. 15, No. 3, 1919, pp. 399, Vol. 16, No. 2, 1919, pp. 171, Vol. 22, No. 2, 1922, pp. 273, Vol. 23, No. 6, 1923, pp. 1238, Vol. 24, No. 4, 1923, pp. 605, Vol. 24, No. 5, 1923, pp. 968, Vol. 30, No. 6, 1926, pp. 1552, Vol. 31, No. 2, 1927, pp. 314.

employment agents were required to be kept updated registers and all original letters for a period of two years. The section further required that both the registers and the letters be open to examination and inspection of an officer, appointed by the Minister.[582]

Sub-agents and Specialised Labour Exchanges

Following the First World War and to counter the challenges of industrial uncertainty, the NSW Labour Exchanges underwent further structural change. Further decentralisation occurred with the expansion of the sub-agent network and the opening of further dedicated and specialised labour exchange operations.

In a bid to combat the rising industrial distress of the time the Department continued to expand the network of sub-agents who were mostly stock and station agents, across the state. The number of sub-agents increased from fifty in 1919 to 138 in 1921. In the following years it appears that only those sub-agents that transacted any business in the month were recorded and sometimes there was no reference at all the subagents in the monthly reports published in the *NSW Industrial Gazettes*. Therefore it is difficult to identify the actual number of agents that existed in anyone time period or identify the total number of transactions. For example in 1928 only 27 sub-agents were recorded, while 65 agents were recorded in July 1931 and 138 sub-agents in 1937.[583]

By 1937 the Government had again expressed concerns over the system of sub-agents and deemed the scheme ineffective. As the agents were not full-time Labour Exchange officers, the Government believed they were distracted by their own business concerns and not focussed on their labour market obligations. In November 1937, the Government transferred the system of Labour Exchange sub-agents to the responsibility of the NSW Police. It was reported that by 1939 there were over 400 country centres being administered by the Police. In practical terms this meant that the police in rural and regional towns were once again responsible for the labour exchange work, this arrangement continued until the Commonwealth Government's National Service Office absorbed the NSW Labour Exchanges in 1942.[584]

---

[582] *NSWIG,* Vol. 23, No. 5, 1923, pp. 986, Vol. 28, No. 3, 1928, pp. 286.
[583] *NSWIG,* Vol. 33, No. 1, 1928, pp. 48-49, Vol. 40, No. 1, 1931, pp. 60-61; *NSWPDLCLA,* Vol. 152, 1937, pp. 2067.
[584] *NSWPDLCLA*, Vol. 152, 1937, pp. 2067.

In a bid to meet the increasing needs of the labour market, a number of specialised dedicated Labour Exchanges were opened during the 1920s post World War I period. On 7 January 1925 the Waterside State Labour Exchange was opened to deal with waterside labour. Originally established on the dockside at 8 Hickson Road, Sydney, its operations were transferred two months later to the Circular Quay branch of the State Labour Exchange. In the coal lumping industry, at the request of the Collier Owners and Coal Stevedores' Association, the Sydney Wharf Labourers' Union, and the Port Jackson Coal Workers' Association, a State Labour Exchange for coal-lumpers was opened on 10 August 1925, at Macquarie Building, 5 Phillip Street, Sydney.[585]

By the outbreak of World War II, it was claimed that the Labour Exchange network had registration depots, as either dedicated offices or police sub-agents, in every municipality and shire throughout the State. Beyond the specialised offices and labour sub-agent networks, only one new Labour Exchange, for general registrations, was opened at Parramatta in 1928, this was to serve the growing metropolis. The outbreak of World War II led to further labour shortages, most notably for skilled workers and the Government again opened a Labour Exchange at the Trades Hall Sydney on 8 August 1941, for the registration of tradesmen and other skilled workers.[586]

The outbreak of World War II also led the Government to again reassess the network of Police acting as sub-agents. The police had initially acted in this role from 1908 until August 1914 when they were disbanded in favour of the regional network of Labour Exchange offices, before again being reinstated in November 1937. G.C. Gollan Minster for Labour and Industry and Social Services, as it had become known in 1940, felt that in a period of industrial distress and dislocation that the current arrangement for Police acting as sub-agents was an inappropriate use of resources and centralisation was again required. Between 1940 and 1942 the Minister cancelled a number licenses in areas that had transacted minimal business. Appendix 2 details towns and dates the State Labour Exchange sub-agents were cancelled.[587]

---

[585] *NSWIG,* Vol. 27, No. 2, 1925, pp. 535, Vol. 27, No. 3, 1925, pp. 730, Vol. 28, No. 3, 1925, pp. 535.
[586] Commonwealth Bureau of Census and Statistics, *Labour Report,* No. 30, 1939, Government Printer, Melbourne, pp. 126; *NSWPDLCLA*, Vol. 114, 1928, pp. 383; *NSWIG,* Vol. 62, No. 2, 1941, pp. 175.
[587] *NSWPP,* Vol. 2, 1908, pp. 822; *NSWIG,* Vol. 57, No. 6, 1940, pp. 750, Vol. 58, No. 1, 1940, pp. 24, Vol. 58, No. 2, 1940, pp. 195, Vol. 63, No. 2, 1941, pp. 255, Vol. 64, No. 1, 1942, pp. 13, Vol. 65, No. 2, 1942, pp. 317,Vol. 65, No. 3, 1942, pp. 752, Vol. 66, No. 2, 1942, pp. 238.

Registrations

So who registered with the Labour Exchanges? During its 30 years of operation, the NSW Labour Exchanges registered 2,339,928 male and female workers, received 1,178,302 applications from employers and sent 1,250,111 people to employment. Included in this total figure were the 31,371 ex-soldiers who registered during the post war period of 1920-1926, of which 18,854 people found employment through the Labour Exchanges.[588]

In analysing this data it is important to remember that the Labour Exchanges operated over 30 year period during exceptional circumstances: World War I, the 1920s, the Great Depression, the Recovery from the Depression and World War II. As table 7.8 demonstrates the numbers of registrations continued to increase during the period, before peaking in the period of the Great Depression. The period prior to the outbreak of World War 1, 1912-1913, represented the quietest period for the Labour Exchanges accounting for only 0.3 per cent of total registrations. Registrations increased during World War I to 6.5 per cent of the total, before increasing further during the 1920s period to 20 per cent of the total. Registrations peaked during Great Depression at 32.2 per cent of the total. In fact, the Labour Exchanges registered more people in that four-year period than they did in the previous seventeen years. The second largest number of registrations occurred in the period of post Depression recovery 1933- 1938. The labour market saw marked improvements in the years following with registrations steadily decreasing to the outbreak of World War II.[589]

The Labour Exchanges were successful in sending 1,250,111 people to employment (refer to table 7.4). In the pre war period 1912-1913, the Labour Exchanges appear to be particularly successful, however, the length of each employment is unfortunately not known. The discrepancy in the numbers between those sought by employers and sent by the Labour Exchanges during the war was largely due to labour shortages for skilled workers. This was also the case in the period of the 1920s. However, during the period of the Great Depression the discrepancy is due to the Labour Exchanges supplying the labour on the Government's public works programs. During the period of the post Great Depression recovery, there was an increase in numbers of employees sought by employers, which had increased by over 36

[588] Data compiled from *NSWIG,* Vol. 1, 1912 – Vol. 68, 1942.
[589] Data compiled from *NSWIG,* Vol. 1, 1912 – Vol. 68, 1942.

per cent on the previous period. Unfortunately, the numbers sought by employers was no longer published in the period of World War II.[590]

Period	Registered for Employment	Sought by Employers	Sent to Employment
Pre-War:1912-1913	6,621	N/A	7324
WW1: 1914-1919	150285	143403	91396
The 1920s: 1920-1928	456249	344759	305721
The Great Depression: 1929-1932	766301	292380	310288
Recovery from the Depression 1933-1938	726160	397760	424515
WW2: 1939-1941	234312	N/A	110867
Total	2,339,928	1,178,302	1250111

Table 7.4 Summary of Registrations by Period[591]

The classification method that had been developed by the Labour Commissioners in 1900 continued to be used throughout the period. However, following the outbreak of World War I more attention was given to the industry, than skill, in terms of reporting and analysing the labour market. Subsequently from 1915, registrations were recorded according to industry, with the exception being labourers who remained the largest category throughout the period. However, the data was only collected and published until 1932. Despite this, it provides an insight into the labour market during that time. Table 7.5 provides an explanation of the occupations assigned to each industry category.[592]

Labourers continued to be the largest category with over 70 per cent of all registrations during the period. Labourers were generally employed intermittently and in periods of economic depression and industrial dislocation, they soon found themselves unemployed. During the First World War registrations for labourers remained fairly steady fluctuating between 2,575 in 1916 and 7025 in 1919, before almost trebling a year later in 1920 to 19,852 registrations. During the 1920s registrations continued to steadily increase before

[590] Government Works Programs funded by Commonwealth Government absorbed 20,000 people see *NSWIG,* Vol. 39, No. 1, 1931, pp. 26; Data compiled from *NSWIG,* Vol. 1, 1912 – Vol. 68, 1942.
[591] Data compiled from *NSWIG,* Vol. 1, 1912 – Vol. 68, 1942.
[592] Data compiled from *NSWIG,* Vol. 1, 1912 – Vol. 68, 1942.

rising sharply in 1928 to 62,101. Registrations peaked in 1931 at 227,634 registrations. Labourers were hit hardest during the four years of the Great Depression between 1929-1932 as 675,171 labourers registered, representing almost 70 per cent of total number of labourer registrations for the total 18 year period.[593]

Those employed in the Domestic and Personal service category recorded the second largest number of registrations for the period. Between 1915 and 1932 115,490 people registered representing just over 8 per cent of total registrations. This category again remained stable between 1915 and 1917, before increasing sharply in 1918 and 1919 to 6,092 registrations. Between 1919 and 1928 registrations continued to be fairly stable before almost doubling from 6,261 in 1927 to 12,265 in 1928. For those working in this industry the Great Depression of 1929-1932 created significant industrial dislocation, with registrations for the four years 1929-1932 being 49,066 which represented 42 per cent of the total number domestic and personal registrations for the 18 year period.[594]

Registrations for rural workers represented the third largest category with 78,747 people registering, being almost 6 per cent of the total. Labour shortages during the early period explain the low numbers of registrations in 1916, where registrations only totalled 781. The return to drought conditions in 1918, led to a marked increase to 1698 registrations. This upward trend continued and by 1920 registrations had reached 4,737. During the 1920s registrations did remain stable between 4,000 and 5,000 before doubling in 1929 to 10,018. In all other industries, the four-year period of the economic depression represented a peak in registrations. However, in the case of rural workers, registrations decreased by over half to 4894 in 1930, with a further decrease in 1931 to 3,929 in 1931 before increasing sharply to 6,733 in 1932. For rural workers, unlike other industries, their economic fortunes were tied to the weather and could be completely undermined during periods of drought.[595]

The manufacturing industry represented the fourth largest industry with 69,882 registrations or 5 per cent of the total. Prior to the economic depression this category fluctuated between 1,359 in 1916 and 3,769 in 1928. However, during the Great Depression in 1930 registrations

[593] Data compiled from *NSWIG,* Vol. 8, 1915 – Vol. 42, 1932.
[594] Data compiled from *NSWIG,* Vol. 8, 1915 – Vol. 42, 1932.
[595] *The Official Year Book of NSW 1921*, pp. 771; Data compiled from *NSWIG,* Vol. 8, 1915 – Vol. 42, 1932.

peaked at 10,017. Between 1929 and 1932, 30,398 people registered in this industry, this represented over 30 per cent of the total registrations for this sector during the total period.[596]

Industry	Registrations 1915-1932	Occupations
Building Trades	49,234	Bricklayers, Builders Labourers, Carpenters, Masons, Painters, Plasterers, Plumbers, Slaters, Stonemasons, Plumbers And Gasfitters
Domestic And Personal Services	115,490	Club And Boarding House Employee, Domestic Helpers, Hairdressers, Hospital Attendants' And Nurses, Hotel Employees, Laundry Employees And Restaurant Employees
Engine Drivers Etc	5,256	Engine Drivers And Firemen
Labourers	977,943	General Labourers And Hangers
Manufacturing	69,882	Included Sub Categories Bricks, Cement And Pottery/ Clothing And Textiles/ Food And Drinks/ Furniture And Woodworking/ Iron Trades, Metals, Machines/ Leather, Hides
Mining, Mineral Treatment, Quarrying And Smelting	8,249	All Mining, Coal, Metalliferous And Quarrying Workers
Miscellaneous	35,412	Watchmen, Caretakers, Cleaners, Lift Attendants', Messengers, Others, Prison Warders, Telephonists
Professional And Shop workers	23,565	Canvassers, Clerks, Shop Assistants, Surveyors, Teachers, Commercial Travellers, Governesses, Draftsmen, Civil Engineers
Public Utility Services	1,253	Government Railways And Tramways Being Traffic Branch, Loco And Stores, Engine Driving, Engineering, Permanent Way/ Water Supply And Sewerage Employees, Gardeners, Municipal Shire Workers
Rural Workers	78,747	Farm, Dairy, Station And Orchard Workers, Shearers, Shed Hands, Harvesters, Station Cooks
Transport Land	27,959	Carters, Chauffeurs, Livery Stable Employees, Storemen And Packers
Transport Sea	2,922	Coal Lumpers, Ship Painters And Dockers, Shipping Seamen & Stewards, Wharf Labourers
Total	1,395,912	

Table 7.5 – Registrations by Industry 1915-1932 including Occupations[597]

[596] Data compiled from *NSWIG,* Vol. 8, 1915 – Vol. 42, 1932.
[597] *NSWIG,* Vol. 15, No. 2, 1919, pp. 323-325.

Industrial dislocation was also apparent in the other industries. In the building industries registrations totalled 49,234 representing 3.5 per cent of the total. For these workers the economic depression signalled a major crisis with registrations for the period totalling 23,375, this represented 47 per cent of the total registrations for the building industry over the total period 1915-1942. Those workers categorised under Miscellaneous were also severely affected during the period, with registrations totalling 35,412. Again the Great Depression had a severe impact on these workers with registrations during the four-year period totalling 19,685, which represented over 55 per cent of the industry total for the entire period.[598]

Transport workers were also affected, with registrations for land and sea transport workers totalling 30,881 for the period. In the mining industry registrations totalled 8,249 representing less than 1 per cent of the total. For professional and shop workers registrations totalled 35,412. In this category industrial dislocation occurred twice: firstly in the post war period with registrations peaking at 4,383 in 1920 and secondly, during the economic depression as registrations reached 9,485, which represented over 40 per cent of the total registrations in this sector for the total period 1915-1942. Engine drivers remained relatively stable with registrations totalling 5,256. However, registrations in this category did peak in 1929 at 627. Public Utilities remained fairly stable throughout the period, recording the lowest number of registrations.[599]

Year	New Registrations	Sent to Work
August to December 1912	1,102	1,797
1913	5,519	5,527
1914	11,363	10,654
1915	10,057	9,230
1916	7,539	8,078
January to August 1917	5,626	3,358
Total	41,206	38,644

Table 7.6 Dawes Point Registry August 1912-August 1917

The registration data of the various labour exchange registries that operated between 1912 and 1942 are outlined in Tables 7.6 and 7.7 and appendices 6, 7 and 8.While the registration data had in previous periods been published in annual reports and calculated from July to

[598] Data compiled from *NSWIG,* Vol. 8, 1915 – Vol. 42, 1932.
[599] Data compiled from *NSWIG,* Vol. 8, 1915 – Vol. 42, 1932.

June, in this period the data was published monthly and has been calculated from January to December. During the period of the First World War two registries operated alongside each other: Dawes Point Registry and the Self-registration system. Appendix 8 is a comprehensive table which includes all the operations for the registries between 1912 and 1941 including the Women's Employment Agency which operated from 1914 -1917. The breakdown of that table which identifies the registry and gender is held in the appendix. However, it is important to note that at different periods not all variables were captured: gender, employer applications or the numbers of persons sent to employment. Despite this, the data available highlights the extensive work undertaken by the registries in assisting both the unemployed and employers.

Year	New Registrations	Employer Applications	Sent to Employment
October-December 1914	15,687		
1915	24,345	4,553	3,671
1916	9,063	7,034	5,204
1917	14,312	8,419	5,134
Total	63,407	20,006	14,009

Table 7.7 Self Registration Office Operations (From December 1917 was known as Labour Exchanges)

Outbreak of War: Manpower regulations and National Service Offices

The outbreak of World War II marked the end of the NSW Government's provision of public employment services. The NSW public employment service, which had operated uninterrupted for fifty years since 1892, was absorbed under the Commonwealth Government's *National Security Act 1939-1940* Manpower Regulation in March 1942.

Following the outbreak of war, the Commonwealth Government under section 64 of the *Commonwealth of Australia Constitution Act 1900*, created the Department of Labour and National Services. This department became responsible for administering the *National Security Act 1939-1940.* This Act was amended on 31 January 1942 to incorporate Manpower Regulations for organisation of the labour market.[600]The object of the Manpower regulations was to

[600] *NSWIG,* Vol. 59, No. 2, 1940, pp. 155, Vol. 61, No. 3, 1941, pp. 472-473, Vol. 62, No. 1, 1941, pp. 8, Vol. 65, No. 1, 1942, pp. 3, Vol. 64, No. 3, 1942, pp. 583-584.

> ‘secure that the resources of man-power and woman-power in Australia shall be organized and applied in the best possible way to meet the requirements of the Defence Force and the needs of industry in the production of munitions and the maintenance of supplies and services essential to the life of the community.’[601]

In complying with the provisions of the Act, the Commonwealth established National Service offices throughout Australia. Under the Act the obligation was laid upon employers, not exempted by the Minister, to engage all workers through these offices and unemployed persons were also required to register at these offices. Any person registered as unemployed was to be sent to work, suitable to his capacity, by the Manpower authorities but it was stipulated that there must be suitable accommodation available and award wages and conditions observed. From 1 April 1942 the functions of the NSW Labour Exchanges were transferred to Federal Department of Labour and National Service which were named National Service Offices.[602]

Conclusion

Following the McGowen Government’s departmental reorganisation, the State Labour Bureau was transferred and renamed the State Labour Branch of the Department of Labour and Industry, before becoming known as the Labour Exchanges Branch of that Department. Under the control of the Department of Labour and Industry the labour bureaus continued to operate, initially in a free co-existence system, but following the regulation of private employment registries in 1918, the NSW labour market became a regulated co-existence system. Under this system private registry offices were required to be licensed, follow a schedule of fees and provide receipts. Breaches of these regulations resulted in fines, and in one case, license cancellation. The public employment service continued with the mediation procedure of a closed system of administrative matching. This chapter has demonstrated how the presence of a public employment service does curtail, in part, the fraudulent activities of the private registries, in so much, as the unemployed are not bound to use them to find work and if they do choose to use them, they have an avenue for recourse.[603]

---

[601] *NSWIG,* Vol. 64, No. 3, 1942, pp. 583.
[602] *NSWIG,* Vol. 64, No. 3, 1942, pp. 583-584, Vol. 65, No. 1, 1942, pp. 3; *SMH,* 30.3.1942, pp. 4.
[603] U. Walwei, ‘Improving Job-matching Through Placement Services’, pp. 402-430.

During this exceptional thirty year period, the NSW public employment service underwent considerable structural change and decentralisation. This included the development of a network of dedicated labour exchanges offices, a sub-agent network in rural and remote locations, the establishment of a Women's Employment Agency, later absorbed into the Labour Exchanges, and the regulation and licensing of private employment registries. This process of decentralisation was designed to ameliorate unemployment across the state, particularly, in rural and remote areas, which had been previously neglected by the labour bureau's.[604]

As had been the case with its predecessors, the NSW Labour Exchanges and its labour market programmes, were shaped by a number of socio-economic and political concerns: outbreak of war, labour shortages, economic depression, rising unemployment, economic changes and uncertainty, fraudulent practices of private registries, limited State finances and political pressure. The establishment of the Women's Employment Agency was a deliberate step to organise a labour market dislocated due to the outbreak of war. In a period of economic uncertainty and labour market shortages the Holman Government legislated for the regulation of private employment agencies. In doing so, they provided an important safety net in ailing labour market. The expansion of dedicated labour exchanges was an attempt to organise the labour market to support post-war recovery. However, the onset of the economic depression curtailed the State's finances and resulted in a halt in any further labour market programs.

As Commons had found in his analysis, the NSW Labour Exchanges Branch provides an interesting and compelling example of how a public employment service can contribute to the organisation of the labour market. During its thirty years of operations the Labour Exchanges Branch was largely successful in registering 2,339,928 men and placing over 1,250,111 men in positions of employment. Through the use of a dedicated network of Labour Exchange offices that were supplemented by a network of sub-agents, this was an incredible achievement in a period of war, depression and drought.[605]

Coghlan and Nurick claimed that the early NSW labour bureaus were only a temporary measure to organise the labour market and lacked long-term commitment from the state, yet as this chapter has demonstrated, the state did maintain a firm commitment to the problem of

[604]W.P. Reeves, *State Experiments in Australia and New Zealand*, pp. 219-220; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.
[605] J. Commons, *History of Labor in the United States,* pp.114-136.

unemployment, and in fact, expanded labour market programmes. The eventual transfer to the Federal Department of Labour and National Service was not an example of the State abrogating its role instead it was a wartime measure designed to coordinate the national labour market. The public employment service in NSW only ceased to operate in name and not in function, as it became known as National Service Offices in 1942, before being absorbed into the CES following the end of World War II in 1945.[606]

[606]J. Nurick, *Too Few Jobs;* T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.

Chapter 8 Conclusion

This thesis had two main aims. Firstly, it aims to provide an historical understanding of the development of public employment services in NSW. The public employment services have been largely ignored or misunderstood by labour historians. Secondly, drawing upon this historical analysis, this thesis aims to inform and contribute to current debates within the literature. In Australia recent debates have been dominated by the prevailing neo-classical economic orthodoxy, which asserts that public employment services are both ineffective and inefficient.

In regard to providing an historical understanding of the NSW public employment service, this thesis has broadened the existing historical literature by highlighting both the socio-economic and political factors that have both led to, and shaped, the development of public employment services in NSW. Chapter three outlines the origins and development of the first public employment service in NSW: The Casual Labour Board. The evidence challenges the existing literature and clears up the confusion over the origins of the NSW public employment service. Reeves, Endres and Cook had claimed that NSW established the first labour bureau in 1892, while Coghlan stated that it was 1894. However, as this has chapter illustrated, the labour bureau alluded to by these writers was the Government Labour Bureau established in 1892, but more importantly and missing, from the historical literature was the fact it had a predecessor: The Casual Labour Board.[607]

The Casual Labour Board was the first attempt by the State to establish a public employment service in NSW. Faced with high unemployment, unemployed deputations and industrial unrest, Colonial Premier Parkes, established the Casual Labour Board as an attempt to regulate the unemployed and organise and the labour market. In this case the origins, effects and the ultimate demise of the Casual Labour Board can be attributed to a number of socio economic and political concerns. These concerns included the agency of the unemployed which coupled with political pressure, led to the introduction of the Casual Labour Board. However, claims of corruption and misappropriation of funds led to a Parliamentary Select

[607]J. Nurick, *Too Few Jobs*; T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 56-70; W.P. Reeves *State Experiments in Australia and New Zealand*, pp. 219-220; T.A. Coghlan, *Labour and Industry in Australia* pp. 2020; 2029; 2041; 2044.

Committee inquiry into its operations. Parkes, the political pragmatist, swiftly terminated the Casual Labour Board, in a bid to limit the political damage. Ultimately, it was the state's precarious financial situation and the Government's own political problems that ultimately led to its termination.[608]

As outlined in Chapter 4, the origins and operations of the Government Labour Bureau were also shaped by a number of socio economic and political concerns. The socio economic concerns included the industrial distress of the time, the agency of the unemployed¸ and the fraudulent behaviour perpetrated by private registries, all of which resulted in heightened political pressure and ultimately led to the introduction of the Government Labour Bureau. It is important to emphasis the role of the unemployed in banding together campaigning for the labour bureau because without their efforts the labour bureau may not have been established at that time, or even at all. Influenced by the New Zealand public employment service, the Dibbs Government established the Government Labour Bureau in an attempt to organise the labour market. While both Nurick and Coghlan had argued that this early labour bureau was only a temporary measure and lacked the state's long term commitment, this thesis shows that the state did remain committed to the public employment service and in fact expanded labour market programs.[609]

Both Reeves and Coghlan have argued that during the early years the Government Labour Bureau faced considerable criticism: accused of playing into the hands of astute employers by allowing them to make use of it to pick up labour at less than current rates and by supplying labour to take the place of strike breakers. However, these criticisms are unfair as they fail to take into account the limited capacity of the Government Labour Bureau to take action. As Blankenburg reminds us, public employment services are peculiar in that they mediate rather than govern. Therefore these criticisms should be levelled at the Government, as it was the Government's policy that dictated that they were not to intervene in wage disputes or industrial disputes and to act only as a labour market intermediary.[610]

Chapter Five outlined the period of the NSW Labour Commissioners. Like its predecessors, the origins and development of the NSW Labour Commission was also shaped by socio-

---

[608] W.P. Reeves *State Experiments in Australia and New Zealand*, pp. 219-220; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2019-2020; *Report of the Casual Labour Board,* pp. 25.
[609] J. Nurick, *Too Few Job*.
[610]E. Blankenburg, 'Comparing the Incomparable – A Study of Employment Agencies in Five Countries', pp. 277; W.P. Reeves *State Experiments in Australia and New Zealand*; T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.

economic factors and political concerns. While initially established in an advisory capacity following the election of the See Government, the role of NSW Labour Commissioners was enlarged and included the reformation of the public employment service operations in NSW. This structural reform included the rationalisation of registry operations along the lines of gender and union association; and the introduction of a sophisticated classification system, which allowed a more in-depth understanding of the labour market. For the first time the State had addressed the neglect of female labour and by providing a registry office for women, aptly named the Female Registry.[611]

The State Labour Bureau examined in Chapter Six was also shaped by a number of socio-economic factors and political concerns. Unlike the early and later periods, NSW experienced relative economic growth during most of the period, before a return to drought conditions. Following the election of the Carruthers Government, the public employment service, which had been expanded in the previous period, were rationalised with the closure of the Trades Hall and Female Registry. Despite Schey's called for further expansion with dedicated labour bureau offices in regional areas, the State was unable to undertake such initiatives due to its own precarious financial situation. Despite this, the state remained committed to the public employment service and did expand labour market programs by adopting a low-cost strategy when it appointed 200 police officers from across the State to act as labour bureau agents.[612]

In Chapter Seven, electoral change again heralded a period of structural change to the NSW public employment service. As had been the case with its predecessors, the newly renamed State Labour Branch, later renamed the NSW Labour Exchanges, and its labour market programs were also shaped by a number of socio-economic and political concerns: the outbreak of war, labour shortages, economic depression, rising unemployment, economic changes and uncertainty, fraudulent practices of private registries, limited state finances and political pressure. The establishment of the Women's Employment Agency was a deliberate step to organise a labour market dislocated due to the outbreak of war. In a period of economic uncertainty and labour market shortages the Holman Government legislated for the regulation of private employment agencies. In doing so the Government provided an important safety net in an ailing labour market. The establishment of dedicated labour

[611] *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; *SMH,* 7.6.1899, pp. 4; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145, No. 901, 21.9.1900, pp. 7371.
[612] *NSWPP,* Vol. 1. 1906, pp. 1008, Vol. 2, 1907, pp. 255, Vol. 2, 1908, pp. 810, Vol. 2, 1909, pp. 651, Vol. 2, 1910, pp. 8, Vol. 2, 1911-1912, pp. 611; *NSWVPLA,* Vol. 2, 1912, pp. 194.

exchanges in rural areas was an attempt to organise the labour market in a period of post-war recovery. However, the onset of the Great Depression resulted in a halt in any further labour market programs.[613]

Nurick and Coghlan claimed that the early NSW labour bureaus were only a temporary measure to organise the labour market and that they lacked long-term commitment from the State however, as this thesis has demonstrated the State remained committed to the public employment service for over fifty years. While the public employment service underwent numerous name changes, its role as a labour market intermediary remained constant. Furthermore, the eventual transfer to the Federal Department of Labour and National Service was not an example of the State abrogating its role, as it was a wartime measure designed to coordinate the national labour market. Therefore it is argued that the public employment service in NSW only ceased to operate in name, and not in function, as it was transferred to the control of the Federal Government's National Service Offices in 1942, before later being absorbed into the Commonwealth Employment Service in 1945.[614]

Endres and Cook have argued that the public employment services failed to develop innovate labour market programs however, this thesis refutes this claim. Instead it is argued that the NSW public employment service adopted a number of innovate labour market programs including; the rationalisation of registry operations along the lines of gender and union association; and the introduction of a sophisticated classification system which allowed a more in depth understanding of the labour market: dedicated labour exchange offices, Labour sub-agents; labour farms, village settlements. While some of these reforms were only short lived, others were adapted and modified it does demonstrate the State's willingness to experiment and innovate.[615]

In terms of international developments public employment services developed in a similar pattern to those in Germany, USA, UK, France and Sweden by initially establishing a single labour bureau in the metropolitan area before developing a network of labour bureau offices across the state before establishing a national public employment service. While NSW was at the forefront in establishing the public employment service in the late nineteenth century, the

[613] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430.
[614] T.A. Coghlan, *Labour and Industry in Australia,* pp. 2020, 2029, 2041 & 2044.
[615] T. Endres & M. Cook, 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', pp. 60; *NSWVPLA*, Vol. 6, 1901, pp. 369 & 378; 'Unemployed Advisory Board', *SMH,* Wednesday 7 June 1899, pp. 4; *NSWGG,* No. 876, 14.9.1900, pp. 7144-7145, No. 901, 21.9.1900, pp. 7371.

move towards a national public employment service, with the establishment of the Commonwealth Employment Service, did not occur until 1945 subsequently, in comparative terms with the other nations it was one of the last. The reasons for this delay could be in part attributed to the Australian Constitution which limited the Federal Government's role to certain areas.[616]

It appears that the earliest labour bureau occurred in Victoria in 1874 however, little is known of its role and the reasons it was abolished. Regardless of this it is apparent that both Victoria and NSW were quite innovative for their time in establishing public employment services in the 1870s and 1880s, before the New Zealand Labour Bureau was established in 1891. It is important to note that the other Colonies were also interested and active in developing public employment services. However, like Victoria little is known of the origins and development of Queensland Labour Bureau, which was established in the same year as the New Zealand labour bureau, and the labour bureaus established in Tasmania in 1893 and Western Australia in 1898. Clearly these are further areas of research which would broaden our understanding of public employment services.[617]

With regard to theoretical frameworks, this thesis found that in NSW the public employment service operated as a labour market intermediary within a social democratic labour market regime whereby Keynesian measures were combined with micro labour market programs to produce comprehensive placement services. From its early inception as the Casual Labour Board and under its successive names, the State demonstrated a commitment to the public employment service and actively pursued labour market programs to support capital development through the organisation of the labour market. Faced with cyclical unemployment the State, where financially was able, continued to expand the operations of the public employment service throughout the period.[618]

---

[616] Date of closure of the State Labour Bureau of Victoria's closure is unknown in existing literature and conflicting dates in the press.*South Australian Register(hereafter SAR),* 18.9.1874 pp. 4, 1.2.1875, 13.6.1892, pp. 6; *SMH*, 23.8.188, pp. 7.

[617] Date of closure of the State Labour Bureau of Victoria's closure is unknown in existing literature and conflicting dates in the press. *SAR,* 18.9.1874 pp. 4, 1.2.1875, 13.6.1892, pp. 6; *Sydney Morning Herald,* (hereafter *SMH*),23.8.188, pp. 7; *The Mercury,* 13.10.1891, pp. 2, 14.1.1893, pp. 3, 8.12.1893, pp. 3, 5.1.1894, pp. 2*; SMH,* 14.3.1893, pp. 7; *The West Australian*, 18.6.1898, pp. 4 & 9, *The Launceston Examiner,* 24.5.1894, pp. 7.

[618] S. Bell, 'The Unemployment Crisis and Economic Policy', pp. 7**;** E. Blankenburg, 'Comparing the Incomparable – A Study of Employment Agencies in Five Countries', pp. 277; D. King, 'The Conservatives and Training Policy 1979-1992 From a Tripartite to a Neo-Liberal Regime', pp. 214-235**;** D. King & B. Rothstein,

Prior to the establishment of a public employment service the NSW labour market operated in a Market regime with the unemployed forced to rely on private registry operations. Following the establishment of the Casual Labour Board and its successor the Government Labour Board, the labour market was characterised by being a free co-existence labour market regime, with the public employment service operating alongside unregulated private registries. From 1918 onwards with the regulation of private registries and the continued operations of the public employment service the labour market became a regulated co-existence system.[619]

From 1887, with the establishment of the Casual Labour Board and until its eventual transfer to the Federal Department of Labour and National Service in 1942, the NSW public employment service adopted the mediation procedures of a closed system of administrative matching: matching registered job seekers with registered vacancies. However, in the earlier period of the Casual Labour Board and Government Labour Bureau this mediation procedure was applied in a fairly unsophisticated manner. Due to the high levels of industrial distress of the time and the general lack of experience as a labour market intermediary the NSW public employment service relied upon the ballot system. Under this system all the suitable men for the position were selected then placed in a ballot. However, this system was seen to be inherently unfair and was later replaced with the rotation system. Under the rotation system, men of the same classification and similar experience would be assigned work in order of rotation to ensure greater fairness. In the following periods the mediation procedures of administrative matching became more sophisticated and individualised.[620]

This thesis challenged the claims of the neo-classical economists that public employment services are both ineffective and inefficient. These writers view labour markets in the same way as competitive product markets, assuming that individuals are rational economic maximisers. Any interference in the market by the state is deemed ineffectual, compared to unbridled market forces. However as the literature has shown labour markets, are unlike competitive product markets, instead labour markets are search markets and are not in least homogenous, because jobs and skills differ greatly in terms of level and scope there is a wide

---

'Government Legitimacy and the Labour Market: A Comparative Analysis of Employment Exchanges', pp. 291-308; E. Webster, 'What Role for Labour Market Programs?', Ch. 11.

[619] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406; J. Commons, *History of Labor in the United States,* pp.114-136; S. Harrison, *Public Employment Offices*; T. Martinez, *The Human Marketplace*, pp. 43-57.

[620] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 406.

variety of labour market segments all of which experience differing economic circumstances.[621]

Through an historical analysis of the public employment services in NSW it is argued that from the perspective of efficiency, the public employment service contributed to overriding market imperfections which had led to an under-provision of employment services. Furthermore, from an equity perspective the public employment service organised the labour market playing an important role in safeguarding NSW workers. These imperfections included the presence of social externalities, imperfect capital markets, and asymmetric information. As a labour market intermediary, the NSW public employment service was successful in channelling information and bringing together the buyers and sellers of labour. In undertaking this role the NSW public employment service was both an effective and efficient means of organising the labour market, while also supporting capital long-term capital development.[622]

This thesis also found that from an equity perspective, the need for a public employment service in NSW was clear. Prior to 1918 private employment registries operated in an unregulated environment which allowed them to perpetrate fraudulent behaviour on vulnerable unemployed people, thus impeding the operation of the labour market and causing considerable social distress. Furthermore, as the contemporary literature has shown, private registries are for-profit businesses and have been found to focus on those easiest to place in the labour market, thereby neglecting the low skilled and disadvantaged. In line with previous findings of Boreham et al, Fay, Gregg and Wadsworth, this thesis found that the NSW public employment service played an important part in overcoming this neglect by assisting those most disadvantaged: the low skilled in the NSW labour market.[623]

Many writers including Commons, have been influential in identifying the abuses perpetrated by private registries on the unemployed. Martinez has provided the most sophisticated analysis identifying four themes: misrepresentation, fee-splitting; proselyting; discrimination.

---

[621] U. Walwei, 'Improving Job-matching Through Placement Services', pp. 402-430; J.E. King, *Labour Economics*; P. Gahan & T. Harcourt, 'Labour Markets, Firms and Institutions', pp. 508-532.
[622] A. Dockery & T. Stromback, 'Devolving Public Employment Services', pp. 429-452; E. Webster, 'What Role for Labour Market Programs?', Ch. 11.
[623] R. Fay, 'Making the Public Employment Service More Effective Through the Introduction of Market Signals', pp. 28; A. Dockery & T. Stromback, 'Devolving Public Employment Services', pp. 429-452; E. Webster, 'What Role for Labour Market Programs?' Ch. 11; P. Gregg & J. Wadsworth, 'How Effective are the State Employment Agencies?', pp. 443-467; P. Boreham, A. Roan and G. Whitehouse, 'The Regulation of Employment Services: Private Employment Agencies and Labor Market Policy', pp. 541-555.

In this case study the abuses of misrepresentation, fee-splitting and proselyting were also found to have been committed. Discrimination may have occurred, but as noted previously this is the hardest to prove. These abuses led in part, to the establishment of the public employment services in NSW. Following the regulation of the private registry offices in 1918, the unemployed were now offered some protection as well as an avenue for complaint. Despite this, abuses were still being committed by private employment registries, but it appears likely, as Becker argues, that they were often not reported.[624]

The findings of this thesis also support the arguments put forth by Showler and Simon. They argued that a focus on economic values leads to methods of approach to policy matters that underestimate the partially non-quantifiable social and non-market benefits which accrue. They assert that it is unwise to frame a discussion of the socio-economic contribution of the public employment service around neo-classical economic notions of human capital. As this thesis has found, it has been largely through an analysis of the deficiencies of the 'market' explanation of labour force behaviour that we find the case for state intervention in the form of public employment services: industrial dislocation, economic and industrial distress, fraudulent acts perpetrated by private registries, and asymmetrical information.[625]

While writers from the Beveridge and Keynesian tradition have focussed their analysis of public employment services on predetermined economic modelling, this thesis has adopted the institutional approach. In doing so, this thesis has been able to identify the socio-economic factors that led to the establishment of the NSW public employment service: industrial distress, the agency of the unemployed and fraudulent acts perpetrated by private registries. In line with the writings of Commons, this thesis found that the public employment service was established, in part, as a social and economic necessity to counteract the discrimination and fraud perpetrated by the private registries. Importantly this thesis demonstrates that the value of public employment services should be seen in more than purely economic terms, instead its value is in its socio-economic contribution to both the labour market and society.[626]

---

[624] T. Martinez, *The Human Marketplace*, pp. 43-57; H. Becker, *Outsiders*, pp. 168-169.
[625] Showler & H. A. Simon, 'Theories of Decision-making in Economics and Behavioural Science', pp. 253-283.
[626] J. Commons, *History of Labor in the United States,* pp. 114-136; W.H. Beveridge, *Unemployment: A Problem for Industry*.

However, this thesis identified one other factor that has not previously been fully discussed within the existing literature: the agency of the unemployed. This thesis found that the industrial distress of the late nineteenth century led the unemployed to form temporary combinations to campaign for relief and assistance. Rather than being passive actors, the unemployed combined together to form deputations advocating for parliamentary assistance. Furthermore, despite the temporary nature of these combinations they were successful in advocating for the establishment of the Casual Labour Board as well as its successor, the Government Labour Bureau. The agency of the unemployed had not been discussed in previous literature on the role of the public employment service. Clearly, this neglect should be incorporated in further research in this area particularly if they were as influential in the development of the public employment services in other states.[627]

Was the early NSW public employment service successful? O'Donnell had claimed that it was not successful as it failed to fulfil Beveridge's prophecies of alleviating unemployment or decasualising the labour market. However, as Anderson reminds us 'success is relative to expectations.'[628] Therefore it is important to remember that the NSW public employment service was a labour market intermediary, its role being to channel information and bring together those wishing to buy and sell labour. Furthermore, as Blankenburg states they are peculiar among the public administration institutions as they have to mediate more than they can govern.[629]

As a labour market intermediary, the NSW public employment service was successful in channelling information and bringing together those who wished to buy and sell labour. Furthermore, it also fulfilled a socio-economic role by providing the unemployed with an alternative avenue to find employment and thereby allowing them to avoid the often corrupt private employment registries. During the fifty years of continued operations, it registered 2,478,567 people of which 1,416,983 were sent to work (refer to Appendix 8). Clearly this was a remarkable achievement in period of time categorised by drought, industrial dislocation, economic depression and uncertainty, war and technological change. The public employment services played a pivotal role in assisting the development of fledging industrial economy.

---

[627] J. Commons, *History of Labor in the United States,* pp. 114-136; S. Harrison, *Public Employment Offices*.
[628] C.M. Anderson, 'A View of the British Employment Exchanges', pp. 102.
[629] A. O'Donnell, 'The Public Employment Service in Australia: Regulating Work or Regulating Welfare', pp. 143-166; C. M. Anderson, 'A View of the British Employment Exchanges', pp. 102; E. Blankenburg, 'Comparing the Incomparable – A Study of Employment Agencies in Five Countries', pp. 273-297.

The question now remains how can we continue to further our understanding of public employment services? The findings of this thesis highlight the important socio-economic role that they have played. Policy makers and economists, both Keynesian and Neo-classical, need to broaden their approach to include these non-market explanations when analysing the effectiveness of employment service providers and formulating labour market policy. More attention needs to be drawn to question the role of private employment agencies and their ability to deliver assistance to those most vulnerable: the long-term unemployed. This thesis concurs with the findings of Fay, Boreham et al, Wadsworth and Gregg and argues that the public employment services have traditionally assisted the low skilled vulnerable members of the labour market. Therefore, if as the contemporary literature asserts that private registries are failing to assist those most vulnerable, the low skilled long term unemployed, then Governments in Australia and elsewhere need to rethink labour market policies that are based on neo-classical economic theory and take into account non-economic factors.[630]

This thesis has expanded our knowledge on public employment services. It did this through three means. Firstly, it expanded our historical knowledge of public employment services in NSW from 1887 until 1942. In doing so it provides an historical context for contemporary debates. Secondly, this thesis has refuted claims by the neo-classical economists that public employment services are ineffective and inefficient. Instead it argues that they played an important socio-economic role in the labour market by improving the flow of information, bringing together the buyers and sellers of labour and safeguarding those most vulnerable in society. In short, this thesis is important because it has contributed to our theoretical and historical understanding of origins and development of public employment services in NSW.

[630] R. Fay, 'Making the Public Employment Service More Effective Through the Introduction of Market Signals'; P. Gregg & J. Wadsworth, 'How Effective are the State Employment Agencies? Jobcentre Use and Job Matching in Britain', pp. 443-467; P. Boreham, A. Roan and G. Whitehouse, 'The Regulation of Employment Services: Private Employment Agencies and Labor Market Policy', pp. 541-555.

Appendix

Appendix 1 Casual Labour Board Registrations including occupations. [631]

Occupations	Registered - March 1888	Registered – November 1888
Brewer	1	
Blacksmiths	133	
Boilermakers	60	
Butchers	69	
Brass finishers	10	
Bootmakers	10	
Bakers	77	
Brickmakers	90	90
Bricklayers	67	70
Bellhangcr	1	
blind maker	1	
Boatbuilder	1	4
Basketmakers	3	5
Bookbinders	2	
Carpenters	369	309
Cabinetmakers	23	39
Chemists	8	
Coachbuilders	33	37
Cooks	89	
Coopers	15	20
Clerks	100	110
Confectioners	17	
Candlemakers	4	
Coal miners	114	
Dyers	5	
Drapers	36	40
Engine-fitters	86	68
Engineers	141	141
Engravers	4	7
Farmers	42	37
Farriors	3	
Firemen	98	98
Galvanisers	16	
Gardeners	47	
Grocers	42	
Grooms	9	
Coachsmiths	2	
Grinder	1	
Glass-blowers	5	
Hatters	5	5

[631] Note significant irregularities in the November 1888 data highlights the lack of official records and poor record keeping of the Casual Labour Board. March 1888 registrations cited in *SMH,* 19.3.1888, pp. 4 and November 1888 registrations cited in *SMH,* 14.11.1888, pp. 5.

Iron Moulders	99	101
Iron-Miners	13	15
Ink-maker	1	
Jewellers	10	12
Locksmith	1	
Labourers	4433	4494
Miners	147	
Marble Polisher	1	
Machinists	11	12
Millers	6	
Painters	71	71
Printers	22	22
Photographers	4	
Plasterers	77	77
Plumbers		42
Potters	3	
Pattern-Makers	8	
Piano-Tuners	2	
Quarrymen	81	
Rope Makers	3	
Riveters	7	
Shearers	34	
Sawyers	49	60
Slaters	15	
Sugar-Boilers	3	
Shipwrights	37	
Spinners	3	
Smelter	1	
Sailors	389	
Surveyors	2	
Stone Masons	96	90
Saddlers	17	
Stationers	7	
Tobacco-Twisters	37	
Tailors	12	
Tinsmiths	27	
Tutors	5	
Tanners	5	11
Turner	1	
Waiters	7	
Wool-Sorters	4	
Wood-Turners	7	8
Wheelwrights	6	6
Undertaker		1
TOTAL	7,690	7916

Appendix 2 Summary of Private Employment Licenses in NSW 1923-1933 [632]

Year	Licenses in force beginning of month	Applications Received			Licenses				License in force at end of month
		Renewals	New License	Total	Expired	Granted			
						New	Renewals	Total	
Jan 1923	60	2	1	3	6	2	1	3	57
Feb 1923	57	0	4	4	1	0	2	2	60
March 1923	60	4	3	7	3	3	1	4	61
April 1923	61	2	3	4	3	3	3	6	64
May 1923	64	2	3	5	4	2	2	4	64
June 1923	64	3	1	4	7	2	2	4	61
July 1923	61	2	3	5	1	2	3	5	65
Aug 1923	65	14	0	14	4	2	2	4	65
Sept 1923	65	11	1	12	15	0	8	8	58
Oct 1923	58	4	0	4	12	1	18	19	65
Nov 1923	65	3	0	3	5	0	3	3	63
Dec 1923	63	0	0	0	0	0	3	3	66
Jan 1924	66	3	2	5	5	1	0	1	62
Feb 1924	62	5	1	6	2	1	2	3	63
March 1924	63	3	2	5	5	4	2	6	64
April 1924	64	3	3	6	5	2	3	5	64
May 1924	64	4	3	7	5	3	4	7	66
June 1924	66	2	1	3	5	4	3	7	68
July 1924	68	1	1	2	2	2	1	3	69
Aug 1924	69	5	10	15	6		1	1	64
Sept 1924	64	2	17	19	13	6	9	15	66

[632] Data compiled from *NSWIG,* Vol. 23, 1923 – Vol. 40, 1933.

Oct 1924	66	4	4	8	13	2	17	19	72
Nov 1924	72	3	2	5	5	1	5	6	73
Dec 1924	73	1	4	5	0	3	2	5	78
Jan 1925	78	1	2	3	3	3	0	3	78
Feb 1925	78	2	2	4	2	1	3	4	80
March 1925	80	5	1	6	7	4	2	6	79
April 1925	79	2	0	2	6	1	5	6	79
May 1925	79	2	1	3	6	1	0	1	74
June 1925	74	3	3	6	6	1	3	4	72
July 1925	72	3	2	5	2	3	4	7	77
Aug 1925	77	4	1	5	4	2	3	5	78
Sept 1925	78	17	5	22	19	1	14	15	74
Oct 1925	74	6	6	12	14	3	3	6	66
Nov 1925	66	3	4	7	6	4	8	12	72
Dec 1925	72	5	3	8	3	4	3	7	76
Jan 1926	76	0	2	2	5	5	6	11	82
Feb 1926	82	3	2	5	1	2	0	2	83
March 1926	83	7	0	7	8	2	2	4	79
April 1926	79	1	1	2	5	0	6	6	80
May 1926	80	2	0	2	4	0	3	3	79
June 1926	79	1	1	2	5	1	2	3	77
July 1926	77	3	8	11	4		1	1	74
Aug 1926	74	5	10	15	6	6	2	8	76
Sept 1926	76	12	5	17	14	10	3	13	75
Oct 1926	75	6	1	7	14	10	4	14	75

Nov 1926	75	5	2	7	11	6	3	9	73
Dec 1926	73	2	0	2	4	3	5	8	77
Jan 1927	77	3	5	7	2	0	1	1	73
Feb 1927	73	0	1	1	2	2	3	5	76
March 1927	76	7	2	9	7	3	1	4	73
April 1927	73	2	1	3	3	0	5	5	75
May 1927	75	3	3	6	2	2	0	2	75
June 1927	75	3	2	5	3	1	3	4	76
July 1927	76	1	2	3	1	2	3	5	80
Aug 1927	80	2	6	8	10	3	3	6	76
Sept 1927	76	13	3	16	15	4	2	6	67
Oct 1927	67	7	4	11	12	5	11	16	71
Nov 1927	71	8	2	10	12	1	9	10	69
Dec 1927	69	4	2	6	2	2	3	5	72
Jan 1928	72	3	3	6	3	2	10	12	81
Feb 1928	81	1	5	6	2	1	4	5	84
March 1928	84	6	2	8	10	4	0	4	78
April 1928	78	3	3	6	3	2	2	4	79
May 1928	79	4	7	11	4	3	4	7	82
June 1928	82	3	2	5	4	8	6	14	92
July 1928	92	1	1	2	3	0	3	3	92
Aug 1928	92	3	1	4	6	2	1	3	89
Sept 1928	89	10	1	11	15	2	2	4	76
Oct 1928	76	7	9	16	12	3	10	13	77
Nov 1928	77	11	7	18	9	4	8	12	80
Dec 1928	80	1	1	2	6	3	10	13	87

Jan 1929	87	6	2	8	5	1	5	6	88
Feb 1929	88	1	2	3	2	1	6	7	93
March 1929	93	5	5	10	10	1	1	2	85
April 1929	85	3	9	12	5	4	5	9	89
May 1929	89	4	7	11	6	4	3	7	90
June 1929	90	1	4	5	11	6	4	10	89
July 1929	89	3	1	4	0	6	1	7	96
Aug 1929	96	3	4	7	5	4	5	9	100
Sept 1929	100	12	1	13	10	3	1	4	94
Oct 1929	94	9	5	14	11	1	11	12	95
Nov 1929	95	5	3	8	14	4	9	13	94
Dec 1929	94	7	3	11	10	4	4	8	92
Jan 1930	92	7	3	10	9	0	7	7	90
Feb 1930	90	2	4	6	2	0	0	0	88
March 1930	88	5	3	8	4	2	5	7	91
April 1930	91	3	4	7	8	5	4	9	92
May 1930	92	2	4	6	4	4	2	6	94
June 1930	94	8	0	8	13	4	2	6	87
July 1930	87	2	1	3	5	1	6	7	89
Aug 1930	89	5	0	5	9	0	3	3	83
Sept 1930	83	8	2	10	13	0	4	4	74
Oct 1930	74	5	2	7	9	1	9	10	75
Nov 1930	75	6	2	8	11	0	4	4	68
Dec 1930	68	8	2	10	16	1	5	6	58
Jan 1931	58	3	0	3	3	1	1	2	57
Feb 1931	57	3	2	5	1	1	9	10	66

No Licenses Granted between March 1931 and Jan 1932									
Jan 1932	5	3	2	5	0	0	0	0	5
Feb 1932	5	4	0	4	2	0	19	19	22
March 1932	22	1	1	2	7	2	8	10	25
April 1932	25	0	0	0	0	0	0	0	25
May 1932	25	4	1	5	1	0	0	0	24
June 1932	24	3	0	3	5	0	0	0	19
July 1932	19	2	1	3	2	1	6	7	24
Aug 1932	24	1	1	2	2	1	1	2	24
Sept 1932	24	9	1	10	9	1	0	1	16
Oct 1932	16	3	2	5	7	1	6	7	16
Nov 1932	16	5	4	9	8	2	1	3	11
Dec 1932	11	4	1	5	5	2	4	6	12
Jan 1933	12	4	2	6	3	1	5	6	15
Feb 1933	15	3	2	5	4	0	2	2	13
March 1933	13	7	0	7	2	0	0	0	11
April 1933	11	3	3	6	3	2	1	3	11
May 1933	11	2	4	6	1	4	3	7	17
June 1933	17	3	3	6	4	0	0	0	13

July 1933	13	1	3	4	2	3	4	7	18
Aug 1933	18	2	2	4	2	4	1	5	21
Sept 1933	21	7	1	8	9	3	7	10	22
Oct 1933	22	4	7	11	4	2	4	6	24
Nov 1933	24	5	4	9	7	4	3	7	24
Dec 1933	24	6	2	8	9	2	9	11	26

Appendix 3 Distribution of licensed Private Registry Operations in NSW 1923-1928 [633]

Year and Month	Sydney	Suburbs	Total Sydney and Suburbs	Rest of State	NSW Total
Jan 1923	30	10	40	17	57
Feb 1923	31	11	42	18	60
March 1923	32	12	44	17	61
April 1923	34	13	47	17	64
May 1923	34	14	48	16	64
June 1923	34	12	46	15	61
July 1923	35	13	48	17	65
August 1923	35	13	48	17	65
Sept1923	29	11	40	18	58
Oct1923	37	11	48	17	65
Nov1923	37	10	47	16	63
Dec1923	37	11	48	18	66
Jan 1924	36	11	47	15	62
Feb 1924	36	10	46	17	63
March 1924	39	10	49	15	64
April 1924	38	9	47	17	64
May 1924	41	9	50	16	66
June 1924	41	10	51	17	68
July 1924	40	11	51	18	69
August 1924	37	11	48	16	64
Sept 1924	34	14	48	18	66
Oct 1924	40	15	55	17	72
Nov 1924	42	15	57	16	73
Dec 1924	43	16	59	19	78
Jan 1925	43	18	61	17	78
Feb 1925	43	19	62	18	80
March 1925	41	19	60	19	79
April 1925	41	20	61	18	79
May 1925	38	19	57	17	74
June 1925	40	18	58	14	72
July 1925	42	19	61	16	77
August 1925	41	20	61	17	78
Sept 1925	39	18	57	17	74
Oct 1925	37	14	51	15	66
Nov 1925	40	19	59	13	72
Dec 1925	40	21	61	15	76
Jan 1926	43	19	62	20	82
Feb 1926	44	19	63	20	83
March 1926	43	18	61	18	79
April 1926	42	18	60	20	80
May 1926	42	18	60	19	79
June 1926	42	17	59	18	77

[633] Data compiled from *NSWIG,* Vol. 23, 1923 – Vol. 34, 1928.

July 1926	41	15	56	18	74
August 1926	42	17	59	17	76
Sept 1926	40	17	57	18	75
Oct 1926	39	20	59	16	75
Nov 1926	40	19	59	14	73
Dec 1926	42	20	62	15	77
Jan 1927	39	21	60	13	73
Feb 1927	42	20	62	14	76
March 1927	42	19	61	12	73
April 1927	41	20	61	14	75
May 1927	40	21	61	14	75
June 1927	43	21	64	12	76
July 1927	46	22	68	12	80
August 1927	44	21	65	11	76
Sept 1927	36	21	57	10	67
Oct 1927	43	19	62	9	71
Nov 1927	44	16	60	9	69
Dec 1927	43	16	59	13	72
Jan 1928	45	23	68	13	81
Feb 1928	45	25	78	14	84
March 1928	44	22	66	12	78
April 1928	43	22	65	14	79
May 1928	45	23	68	14	82
June 1928	50	28	78	14	92
July 1928	49	27	76	16	92
August 1928	48	27	75	14	89
Sept 1928	39	24	63	13	76
Oct 1928	41	23	64	13	77
Nov 1928	47	21	68	12	80
Dec 1928	46	26	72	15	87

Appendix 4 Private Registry Prosecutions 1919-1928 [634]

Date	Agency	Breach	Punishment
January 1919	Norman's Employment Agency, Elizabeth Street Sydney	1.statutory fees were not being displayed 2.overcharged fees 3.engagement in wrongful capacity	Prosecuted - fine of 20s
February 1919	Miss F.E. McNamara, Sydney	failing to keep a register failing to issue a receipt	Prosecuted
February 1919	Firth's Employment Agency, Castlereagh Street, Sydney	failing to issue a receipt receiving fees above the schedule	Prosecuted
February 1919	Miss Scholefield, Elizabeth Street, Sydney	receiving fees greater than those prescribed	A summons was issued but later withdrawn upon the defendant agreeing to pay costs
February 1919	. W. H. Nunn trading as "Everett's Employment Agency, Elizabeth Street, Sydney	five breaches of the Act: two breaches of charging fees in excess of the schedule; two breaches for failing to issue a receipt; one breach for falsifying an entry of payment in the register	Prosecuted
August 1919	Mary O'Donnell, Katoomba	failing to keep prescribed register of engagements; failing to issue a receipt for fees; charging fees other than those prescribed	Prosecuted - cancellation of the license
July 1922	Miller's Agency¸ George Street, Sydney	failing to keep a register of all engagements; failing to keep originals of all letters	Prosecuted - fine of 10s on each count

[634] *NSWIG,* Vol. 15, No. 1, 1919, pp. 47, Vol. 15, No. 2, 1919, pp. 323, Vol. 15, No. 3, 1919, pp. 399, Vol. 16, No. 2, 1919, pp. 171, Vol. 22, No. 2, 1922, pp. 273, Vol. 23, No. 6, 1923, pp. 1238, Vol. 24, No. 4, 1923, pp. 605, Vol. 24, No. 5, 1923, pp. 968, Vol. 30, No. 6, 1926, pp. 1552, Vol. 31, No. 2, 1927, pp. 314.

		received	
May 1923	The N.S.W, Victuallers, Clubs, Farmers, Agricultural and General Employment Office, King Street, Sydney	failing to issue a receipt in the prescribed form	Prosecuted - fine of 5s. and costs
September, 1923	Select Registry, Castlereagh Street, Sydney	receiving fees greater than those prescribed	Prosecuted - fine of 10s with costs of 8s
October 1923	Blades Agency, Elizabeth Street, Sydney	receiving greater than those prescribed	Prosecuted - fine of £1 with costs 8s
October, 1926	N.S.W. Licensed Victuallers, Clubs, Farmers, Agricultural and General Employment Agency, King Street, Sydney	charging fees greater than those prescribed	Prosecuted - fined 20s. and 12s. Costs
November, 1926	Miss A. N. Fennell, Oxford Street, Sydney	failing to keep a register failing to keep duplicate receipts charging fees greater than those prescribed	Prosecuted - fined 40s. and 8s. costs and 45s. and 16s. Costs
January, 1927	Gregg Employment Agency, Enmore Road, Newtown	failing to issue a receipt for fees received	Prosecuted - fined £5 and 9s. 6d. Costs

Appendix 5 Cancellation of Labour Exchange Sub-Agents from 1940[635]

Labour Exchange Sub-Agent District	Date of Cancellation
Eumingerie	24 June, 1940
Louth	24 June, 1940
Nellingen	24 June, 1940
Perthville	17 July, 1940
Ford's Bridge	17 July, 1940
Yerranderie	19 August, 1940
Georges Creek	5 November, 1941
Majors Creek	13 January, 1942
Rappville	13 January, 1942
Bendick Murrell	13 January, 1942
Bargo	13 January, 1942
Central Tilba	21 January, 1942
Mulaley	27 April, 1942
Jenolan Caves	27 April, 1942
Spring Ridge	18 May, 1942
Rand	18 May, 1942
Windeyer	17 June, 1942
Tarana	17 August, 1942
Rowena	17 August, 1942

[635] *NSWIG,* Vol. 57, No. 6, 1940, pp. 750, Vol. 58, No. 1, 1940, pp. 24, Vol. 58, No. 2, 1940, pp. 195, Vol. 63, No. 2, 1941, pp. 255, Vol. 64, No. 1, 1942, pp. 13, Vol. 65, No. 2, 1942, pp. 317, Vol. 65, No. 3, 1942, pp. 752, Vol. 66, No. 2, 1942, pp. 238.

Appendix 6 Summary Labour Exchange Operations 1912-1941[636]

Year	Registered for employment	Sought By Employers	Sent to Employment
1912	1,102	n/a	1,797
1913	5,519	n/a	5,527
1914	29,117	n/a	11306
1915	30,984	32,899	15,355
1916	16,602	18,518	16,435
1917	25,246	26,163	11,619
1918	21,659	37,510	15,706
1919	27,677	28,313	20,975
1920	49,595	41,597	33,773
1921	45,702	38,176	34,656
1922	43,967	37,615	31,773
1923	35,442	32,802	27,831
1924	39,856	37,032	30,651
1925	45,284	39,350	33,631
1926	56,376	41,328	37,183
1927	56,674	38,095	35,018
1928	83,353	38,764	41,205
1929	72,630	41,041	38,910
1930	250,128	101,620	106,218
1931	269,852	71,587	87,110
1932	173,691	78,132	78,050
1933	197,068	131,037	130,717
1934	121,656	94,236	92,158
1935	126,741	61,235	58,301
1936	101,933	51,206	47,914
1937	84,671	60,046	56,536
1938	94,091	n/a	38,889
1939	95,462	n/a	39,505
1940	87,004	n/a	36,325
1941	51,846	n/a	35,037
Total	2,340,928	1,132,231	1,250,111

[636] Data compiled from *NSWIG*, Vol. 1, 1912 to Vol. 62, 1941.

Appendix 7 Break down of Labour Exchange Operations 1912-1941[637]

YEAR	PERSONS										
	REGISTERED FOR EMPLOYMENT				SOUGHT BY EMPLOYERS			SENT TO EMPLOYMENT			
	MALE		FEMALE	TOTAL	MALE	FEMALE	TOTAL	MALE		FEMALE	TOTAL
	EX-SOLDIERS	OTHERS						EX-SOLDIERS	OTHERS		
1912		1,102 (Dawes Point)		1,102					1,797		1,797
1913		5,519(Dawes Point)		5,519					5,527		5,527
1914		11,363 (Dawes Point) 15,687 (Self Reg Aug-Dec)	2,067	29,117					10,654	652	11306
1915		10,057 (Dawes Point) 17,301 (Self-Reg)	3,626	30,984	4,553	2,957	7,510		9,230 3,671	2,454	15,355
1916		7,539 (Dawes Point) 9,063 (Self-Reg)	3,998	16,602	7,034	4,145	11,179		8,078 5,204	3,153	16,435

[637] Data compiled from *NSWIG*, Vol. 1, 1912 to Vol. 62, 1941.

1917		5,626 (L/E Jan-Aug) 14,312 (Self-Reg)	5,308	25,246	8,419	4,401	12,820		3,358 5,134	3,137	
1918				21659			37510				15706
1919		22,179	4,140	27,677	18,472	7,424	28,313		15,638	4,117	20,975
1920	10,939	32,391	6,265	49,595	31,720	9,877	41,597	4,337	22,657	6,779	33,773
1921	3907	35,304	6,491	45,702	28,425	9,751	38,176	2830	24,613	7,213	34,656
1922	6,003	32,999	5,465	43,967	25,435	12,180	37,615	3,712	20,332	7,729	31,773
1923	2,905	26,551	5,986	35,442	21,860	10,942	32,802	2,614	17,915	7,302	27,831
1924	3,021	32,112	4,723	39,856	26,466	10,566	37,032	3,588	20,285	6,778	30,651
1925	2,683	38,018	4,583	45,284	30,024	9,326	39,350	2,707	24,911	6,013	33,631
1926	81	51,883	4,412	56,376	31,987	9,341	41,328	66	30,892	6,225	37,183
1927	413	51,065	5,196	56,674	28,781	9,314	38,095		28,330	6,688	35,018
1928	149	77,263	5,941	83,353	35,421	8,843	38,764		34,103	7,102	41,205
1929	1,270	65,754	5,606	72,630	32,926	8,115	41,041		32,602	6,308	38,910
1930		237,452	12,676	250,128	95,398	6,222	101,620		100,886	5,332	106,218
1931		249,311	20,541	269,852	67,167	4,420	71,587		83,312	3,798	87,110
1932		152,056	21,635	173,691	71,307	6,825	78,132		71,827	6,223	78,050
1933		160,935	36,133	197,068	104,120	26,917	131,037		105,681	25,036	130,717
1934		102,269	19,387	121,656	58,182	36,054	94,236		57,994	34,164	92,158
1935		115,189	11,552	126,741	51,797	9,438	61,235		51,104	7,197	58,301
1936		91,056	10,877	101,933	41,346	9,860	51,206		40,537	7,377	47,914
1937		75,125	9,446	84,671	49,989	10,057	60,046		48,752	7,484	56,536
1938		86,162	7,929	94,091					32,642	6,247	38,889
1939		82,874	12,588	95,462					31,446	8,059	39,505
1940		74,733	12,271	87,004					28,199	8,126	36,325
1941		37,828	14,018	51,846					24,654	10,383	35,037

Appendix 8 Registrations by Industry 1915-1932 [638]

Year	Building	Domestic & Personal Services	Engine Driving Etc	Labouring	Manufacturing	Mining & Mineral Treatment Mining	Misc	Professional & Shop Workers	Public Utilities	Rural Industries	Transport Land	Transport Sea
1915	2,305	804		6,830	1997	1038	1373		232	1674	1030	18
1916	901	782		2575	1359	867	1262		0	781	536	0
1917	1228	759		5073	2285	911	1431		0	1698	810	117
1918	2022	3703		6474	3675	633	1699		0	1909	1210	331
1919	2234	6092	300	7025	3671	570	622	1632	231	3496	1272	532
1920	2202	7784	579	19852	4775	742	1322	4383	229	4737	2588	402
1921	2050	6281	348	23560	3346	229	986	2162	15	5395	1048	282
1922	1764	5820	442	24,369	2766	218	865	1079	22	5563	903	156
1923	1283	6221	291	17491	2278	139	830	1032	91	4941	741	104
1924	1802	5518	434	20216	2774	135	1649	1034	44	5018	993	239
1925	2278	5623	307	25544	2858	159	1330	1003	69	4879	1147	87
1926	1136	5445	324	40041	1965	200	922	656	61	4249	1189	188
1927	908	5331	256	41622	1966	98	791	420	50	4090	1055	87
1928	2746	6261	392	62101	3769	438	645	679	73	4743	1425	81
1929	5466	12265	627	114751	6628	498	1581	1300	82	10018	2624	143
1930	13506	10967	453	198649	10017	559	5460	1998	6	4894	3526	93
1931	2888	13794	154	227364	6742	520	9171	2650	1	3929	2587	52
1932	2515	12040	349	134406	7011	295	3473	3537	47	6733	3275	10
Total	49,234	115490	5256	977,943	69882	8249	35412	23565	1253	78747	27959	2922

Table Registrations by Industry 1915-1932- in the period from 1915 to 1918 the categories for Engine Drivers and Professional and shop workers were not collected and those workers would have been captured under miscellaneous

[638] Data compiled from NSWIG Vol. 7, 1915 – Vol. 41, 1932. Industry information was published between 1915 and 1932 with some minor changes to categories for example In the period from 1915 to 1918 data for both 'Engine Drivers' and 'Professional and shop workers' was not collected separately instead those workers were captured under miscellaneous

Appendix 9 Summary of Total Registration 1892-1941

Period	Registrations	Sent to Work
Government Labour Bureau 1892-1901	98,115	107,355
NSW Labour Commissioners 1901-1905	17,943	34,769
State Labour Bureau 1805-1912	21,581	24,748
State Labour Branch/Labour Exchanges 1912-1941	2,340,928	1,250,111
TOTAL	2,478,567	1,416,983

This table does not include registrations for the Casual Labour Board due to problems with the accuracy of the data.

Bibliography

Primary Documents

Archives

ACTU Congress Report S784 Box 1 Noel Butlin Archives, Australian National University.

H. Parkes Correspondence Volume 10 A880 Mitchell Library Sydney.

H. Parkes Correspondence Volume 23 A893 Mitchell Library Sydney.

H. Parkes Correspondence Volume 46 A916 Mitchell Library Sydney.

H. Parkes Correspondence Volume 47 A917 Mitchell Library Sydney.

Government Publications

New South Wales Parliamentary Debates

New South Wales Parliamentary Papers

New South Wales Votes and Proceedings Legislative Assembly

New South Wales Government Gazette

New South Wales Industrial Gazette

The Labour Bulletin

NSW Blue Book Public Service List

Statistical Register of New South Wales

Official Year Book of New South Wales

Parliament of New South Wales Former Members:

http://www.parliament.nsw.gov.au/prod/parlment/members

Proceedings of the Conference of Commonwealth and State Ministers Held at Canberra 28th, 29th and 30th May 1929, AGPS 24th August 1929.

Proceedings of the Conference of Commonwealth and State Ministers Held at Melbourne 8th, 9th, 12th, 13th and 14th June 1933, AGPS 22nd November 1933.

Australian Bureau of Statistics, *Australian and New Zealand Standard Industrial Classification (ANZSIC)* www.abs.gov.au

Australian Bureau of Statistics, *Australian and New Zealand Standard Classification of Occupations, (ANZSCO)* www.abs.gov.au

Year Book Editor, *New South Wales Statistics, History, and Resources,* Government Printer, Sydney, 1901.

Commonwealth Bureau of Census and Statistics, *Labour Report,* No 30, 1939, Government Printer, Melbourne.

Population and Vital Statistics, *Commonwealth Bureau of Census and Statistics,* Bulletin No. 2, 1906, Melbourne.

Annual Reports

Casual Labour Board Inquiry Commission, *Report of the Casual Labour Board Inquiry Commission*, Sydney Government Printer, 1889.

'Working of the Government Labour Bureau Report of the Select Committee of the Legislative Assembly appointed 26 April 1893', in *NSW Parliamentary Papers*, Vol. 8, 1892-3, pp. 965-1036.

'Government Labour Bureau First Annual Report from 18 February 1892 to 18 February 1893', in *NSW Votes and Proceedings Legislative Assembly,* Vol. 50, 1892-1893, pp. 957-984.

'Government Labour Bureau Report for the Half-year Ended 18th August 1893', in *NSW Votes and Proceedings Legislative Assembly,* Vol. 51, 1893, pp. 957-995.

'Government Labour Bureau Second Annual Report Year 18th February 1893 – 17th February 1894', in *NSW Votes and Proceedings Legislative Assembly*, Vol. 52, 1894, pp. 1059-1071.

'Government Labour Bureau Third Annual Report Year 18th February 1894 – 17th February 1895', in *NSW Votes and Proceedings Legislative Assembly*, Vol. 53, 1894-5 pp. 455-465.

'Government Labour Bureau Report Year 18th February 1895 – 17th February 1896', in *NSW Votes and Proceedings Legislative Assembly*, Vol. 5, 1896, pp. 729-740.

'Government Labour Bureau Report Year Ending 30th June 1897', in *NSW Votes and Proceedings Legislative Assembly*, Vol. 7, 1897, pp. 1037-1064.

‘Government Labour Bureau Report Year Ending 30th June 1898’, in *NSW Parliamentary Papers,* Session 2, Vol. 58, 1898, pp. 637-666.

‘Government Labour Bureau Report Year Ending 30th June 1899’, in *NSW Votes and Proceedings Legislative Assembly*, Vol. 5, 1899, pp. 859-900.

‘Government Labour Bureau Report Year Ending 30th June 1900’, in NSW Parliamentary Papers, Vol. 6, 1900, pp. 735-767.

‘Labour Commissioners of NSW – First Annual Report Covering the Period Ended 31st August 1901’, in *NSW Votes and Proceedings Legislative Assembly*, Vol. 1, 1901 pp. 369-390.

‘Labour Commissioners of NSW Annual Report for the Year Ended 30th June 1902’, in *NSW Parliamentary Papers*, Vol. 5, 1903, pp. 1251-1275.

‘Labour Commissioners of NSW Annual Report for the Year Ended 30th June 1903’, in *NSW Parliamentary Papers*, Vol. 3, 1903, pp. 1285-1305.

‘Labour Commissioners of NSW Annual Report for the Year Ended 30th June 1904’, in *NSW Votes and Proceedings Legislative Assembly*, Vol. 2, 1904, pp. 739-765.

‘Labour Commissioners Report for the Year Ending 30th June 1905’, *NSW Parliamentary Papers*, Vol. 2, 1905, pp. 673-697.

Report of the Public Service Board in Connection with their Inquiry Respecting the State Labour Bureau, with a View to its Reformation, Government Printer, Sydney, 1905.

‘State Labour Bureau of New South Wales Report of the Director of Labour for the year ended 30th June 1906’, in *NSW Parliamentary Papers,* Vol. 1, 1906, pp.1003-1063.

‘State Labour Bureau of NSW Report for the Year Ended 30th June 1907’, in *NSW Parliamentary Papers*, Vol. 2, 1907, pp. 251-285.

‘State Labour Bureau of NSW Report for the Year Ended 30th June 1908’, in *NSW Parliamentary Papers,* Vol. 2, 1908, pp. 805-859.

‘State Labour Bureau of NSW Report for the Year Ended 30th June 1909’, in *NSW Parliamentary Papers,* Vol. 2, 1909, pp. 647-689.

‘State Labour Bureau of NSW Report for the Year Ended 30th June 1910’, in *NSW Parliamentary Papers,* Vol. 2, 1910, pp. 3-53.

‘State Labour Bureau of NSW Report for the Year Ended 30th June 1911’, in *NSW Parliamentary Papers,* Vol. 2, 1911-12, pp. 605- 647.

‘State Labour Bureau of NSW: Report of the Director of Labour for the Year Ended 30th June 1912’, in *NSW Votes and Proceedings Legislative Assembly,* Vol. 2, 1912, pp. 189-239.

‘State Labour Branch Report for the Year Ended 30th June 1913’, in *NSW Industrial Gazette,* Vol. 6, No.1, 1913, pp. 203- 245.

‘The Operations of the Labour Exchange System for the Financial Year 1915-1916’, in *NSW Industrial Gazette* Vol. 10, No.5, 1916, pp. 950-954.

‘The Labour Exchange System of the State of NSW (Historical Preface)’, in *NSW Industrial Gazette,* Vol. 8, No. 2, 1915, pp. 370-392.

‘The Operations of the Labour Exchange System for the Financial Year 1916-1917’, in *NSW Industrial Gazette,* Vol. 12, No. 6, 1917, pp. 776-786.

Report with a Historical Review on the Operations of the Department of Labour and Industry during the Year 1918, Government Printer, Sydney, 1919.

‘Report on the Operations of the Department of Labour and Industry 1919’, in *NSW Parliamentary Papers*, Vol. 1, 1919, pp. 523-533.

Newspapers

The Argus
Barrier Miner
Clarence and Richmond Examiner
South Australian Register
The Mercury
The Maitland Mercury
The Launceston Examiner
The Sydney Morning Herald
The West Australian

Secondary Documents

Books and Monographs

Alford K. & McLean M., *Partners or Parastites of Men? Women's Economic Status in Australia, Britain and Canada, 1850-1900,* Australian National University, Working Papers in Economic History, no. 66, 1986.

Becker G., *Human Capital*, Columbia University Press, New York, 1964.

Becker H., *Outsiders*, The Free Press, New York, 1963.

Bell S. & Head B., (ed.) *State, Economy and Public Policy in Australia*, Oxford University Press, Melbourne, 1994.

Bell S., (ed) *The Unemployment Crisis In Australia: Which Way Out?* Cambridge University Press, Melbourne, 2000.

Beveridge W.H., *Unemployment: A Problem for Industry*, Longmans Green, London, 1939.

Beveridge W. H., *Full Employment In A Free Society,* Allen & Unwin, London, 1944.

Block F., *Post Industrial Possibilities: A Critique of Economic Discourse*, University of California Press, Los Angles, 1990.

Boehm E.A., *Twentieth Century Economic Development in Australia,* Longman Cheshire, Melbourne, 1979.

Breen W. J., *Labor Market Politics and the Great War: The Department of Labor, The States and the First U.S. Employment Service, 1907-1933,* Kent State University Press, Kent, Ohio, 1997.

Broomhill R., *Unemployed Workers: A Social History of The Great Depression in Adelaide,* University of Queensland Press, St. Lucia, 1978.

Buckley K.D,. *The Amalgamated Engineers in Australia 1852-1920,* Australian National University, Canberra, 1970.

Buckley K .D. & Wheelwright T., *No Paradise for Workers, Capitalism and the Common People in Australia 1788-1914,* Oxford University Press, Melbourne, 1988.

Butlin N.G., *Australian Domestic Product, Investment and Foreign Borrowing 1861-1938/9,* Cambridge University Press, Cambridge, 1962.

Cassell C. & Symon G., (ed.) *Qualitative Methods in Organisational Research: A Practical Guide*, Sage, London, 1994.

Chapman B.J., Isaac J.E., & Niland J.R., (ed.) *Australian Labour Economics: Readings*, Macmillan, Melbourne, 1984.

Cochrane P., *Colonial Ambition Foundations of Australian Democracy*, Melbourne University Press, Melbourne, 2006.

Coghlan T.A., Statistician of New South Wales, *The Wealth and Progress of New South Wales 1887-1888,* Government Printer, Sydney, 1887-1888.

Coghlan T. A., *Statistics of the Seven Colonies of Australasia, 1861 to 1896,* New South Wales Statistician's Office, Sydney 1897.

Coghlan T.A., *Labour and Industry in Australia Volume IV*, MacMillan, Melbourne, 1969 (First Published 1918).

J. Commons, *History of Labor in the United States 1896-1932*, Volume 3, Augustus M. Kelly, New York, 1966.

Denscombe M., *The Good Research Guide,* Open University Press, Philadelphia, 2001.

Deery S., Plowman D., Walsh J.& Brown M., *Industrial Relations A Contemporary Analysis,* McGraw Hill, Sydney, 2001.

Docherty J.C., 'The Rise of Railway Unionism, A Study of New South Wales and Victoria 1880-1895', MA thesis, Australian National University, 1973.

Dunlop J., *Industrial Relations Systems*, Holt, New York, 1958.

Fay R., 'Making the Public Employment Service More Effective Through the Introduction of Market Signals', *Labour Market and Social Policy Occasional Papers*, No. 25, 1997, OECD.

Friedman M., *Monetarist Economics*, Blackwell, Oxford, 1981.

Gilmour P. & Lansbury R., *Ticket to Nowhere: Training and Work in Australia*, Penguin Books, Ringwood, 1978.

Gordon D.M., *Theories of Poverty and Underemployment*, Lexington, Lexington Books, 1972.

Hakim C., *Research Design,* Allen & Unwin, London, 1987.

Hall J., *Theft, Law and Society*, Bobbs-Merrill, Indianapolis, 1935.

Harrison S., *Public Employment Offices: Their Purpose, Structure and Method*, Russell Sage Foundation, New York, 1924.

Keynes J. M., *The General Theory of Employment, Interest and Money*, Macmillan, London, 1936.

King J.E., *Labour Economics: An Australian Perspective*, MacMillan, South Melbourne, 1990.

Kingston B., *A History of New South Wales,* Cambridge University Press, Melbourne, 2006.

Langmore J. & Quiggin J., *Work For All: Full Employment in the Nineties*, Melbourne University Press, Melbourne 1994.

Lee, W., *Private Deception And The Rise Of Public Employment Offices In The United States, 1890 – 1930*, National Bureau of Economic Research, Working Paper 13695, 2007 http://www.nber.org/papers/w13695

R. A. Leeson, *Travelling Brothers The Six Centuries' Road from Craft Fellowship to Trade Unionism,* Allen and Unwin, London, 1979.

Loveday P. & Martin A., *Parliament, Factions and Politics: The First Thirty Years of Responsible Government in New South Wales, 1856-1889,* Melbourne University Press, Melbourne, 1966.

Macintrye S., *Winners and Losers: The Pursuit of Social Justice in Australia,* Allen & Unwin, Sydney, 1985.

Macintyre S., *A Concise History of Australia,* Cambridge University Press, Melbourne 1999.

Macintyre S. & Mitchell R., *Foundations of Arbitration: The Origins and Effects of State Compulsory Arbitration, 1890-1914*, Oxford University Press, Melbourne, 1989.

Martinez T., *The Human Marketplace: An Examination of Private Employment Agencies*, Transaction Books, New Brunswick, 1976.

Markey R., *The Making of the Labor Party,* New South Wales University Press, Kensington, 1988.

Marx K., *Capital,* Progress Publishers, Moscow, 1954.

Mills H., *Poverty and the State and Work for the Unemployed*, Kegan Paul & Co, London, 1886.

Nairn B., *Civilising Capitalism: The Labor Movement in New South Wales 1870-1900,* Australian National University Press, Canberra, 1973.

Niland J., *Collective Bargaining and Compulsory Arbitration in Australia*, New South Wales University Press, Sydney, 1978.

Nurick J., *Too Few Jobs: Why Governments Can't Cure Unemployment*, Australian Institute for Public Policy, Perth, 1984.

Patmore G., *Australian Labour History,* Longman Cheshire, Melbourne, 1991.

Plowman D., *The Employers And Compulsory Arbitration : The Case Of The NSW Employers' Federation, 1903-1940*, University of New South Wales, Dept. of Industrial Relations, Sydney, 1982.

Probert B., *Working Life,* McPhee Gribble, Melbourne, 1991.

Ramstad Y., *Neoclassical Revisionism or Neoinstitutionalism: A Further Look at Labor Economics in the 1950s*, Mimeo, University of Rhode Island, 1987.

Reeves W.P., *State Experiments in Australia and New Zealand*, Volume 2, 3rd Edition, Macmillan, South Melbourne, 1968 (First Published 1902).

Schedvin C.B., *Australia and the Great Depression: A Study of Economic Development and Policy in the 1920s and 1930s*, Sydney University Press, Sydney, 1970.

Schultz T., *Investment in Human Capital: The Role of Education and of Research*, Free Press, New York, 1970.

Scott J., *A Matter of Record,* Polity Press, Cambridge, 1990.

Shann E., *An Economic History of Australia,* Cambridge University Press, Cambridge, 1948.

Showler B., *The Public Employment Service*, Longman, London, 1976.

Shaw A.G.L., *The Story of Australia,* Faber and Faber, London, 1960.

Sinclair W.A., *The Process of Economic Development in Australia,* Longman Cheshire, Melbourne, 1976.

Spence W.G., *History of the Australian Workers Union,* The Worker Trustee, Sydney, 1961.

Smith A., *Wealth of Nations*, London, 4th ed., 1853.

Tomlinson J., *Problems of British Economic Policy 1870-1945,* Methuen and Co, London, 1981.

Travers R., *Henry Parkes: Father of Federation,* Kangaroo Press, Sydney.

Webb S & B., *English Poor Law History*, Longmans Green, London, 1910.

Weishaupt J.T., *Managing Public Employment Services: Trends and Experiences with Recent Governance Reforms* (Geneva, ILO Report 164) 12 November 2010 www.pesbenchmarking.eu/inc/download.asp?file accessed 4/8/2012.

Windolf P. & Wood S., *Recruitment and Selection in the Labour Market: A Comparative Study of Britain and West Germany,* Avebury, Aldershot, Hants, 1988.

Windschuttle K., *Unemployment: A Social and Political Analysis of the Economic Crisis in Australia*, Penguin, Ringwood, 1981.

Yin R., *Case Study Research: Design and Methods,* (2nd edn), Sage, Thousand Oaks.

Chapters

Audley M., 'Schey, William Francis (1857 - 1913)', *Australian Dictionary of Biography*, Vol. 11, Melbourne University Press, 1988, pp. 535-536.

Becker H., 'The Epistemology of Qualitative Research', in Jessor R., Colby A., & Schweder R., (ed.) *Ethnography and Human Development: Context and Meaning in Social Inquiry,* University of Chicago Press, Chicago, 1996, pp. 53-71.

Bell S. & Head B., 'Australia's Political Economy: Critical Themes and Issues', in Bell S. and Head B., (ed.) *State, Economy and Public Policy in Australia,* Oxford University Press, Melbourne, 1994, pp. 1-24.

Bell S., 'The Unemployment Crisis and Economic Policy', in S. Bell (ed.), *The Unemployment Crisis In Australia: Which Way Out?* Ambridge University Press, Melbourne, 2000, pp. 1-9.

Blankenburg E., 'Comparing the Incomparable – a Study of Employment Agencies in Five Countries', in England G.W., (ed) *Organizational Functioning in a Cross-cultural Perspective*, Kent State University, Kent, 1978, pp. 273-297.

Buck A. R., 'Waddell, Thomas (1854–1940) ', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 337.

Cable K.J., 'Smith, William Isaac Carr (1857-1930)', *Australian Dictionary of Biography',* Vol. 11, Melbourne University Press, 1988, pp. 671.

Castles F., 'Australia's Institutions and Australia's Welfare', in Brennan G. & Castles F., (ed.) *Australia Reshaped: 200 Years of Institutional Transformation*, Cambridge University Press, Port Melbourne, 2002, pp. 25-52.

Cunneen C., 'Dooley, James Thomas (1877–1950)', *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 324.

Cunneen C., 'Lyne, Sir William John (1844–1913)', *Australian Dictionary of Biography*, Vol. 10, Melbourne University Press, 1986, pp. 179.

Ellem B., 'Analysing Documents', in Kelly D., (ed), *Researching Industrial Relations* (2nd ed), Federation Press, Sydney, 1999, pp. 74-78.

Godard J., ‘Beyond Empiricism: Alternative Philosophies of Science and the Study of Industrial Relations’, in Lewin D. and Sockell D., (ed.), *Advances in Industrial and Labor Relations,* Vol. 6, JAI Press, Greenwich, 1994, pp. 1-35.

Hartley J., ‘Case Studies in Organizational Research’, in Cassell C. & Symon G., (ed.), *Qualitative Methods in Organisational Research: A Practical Guide*, Sage, London, 1994, pp. 218- 227.

Henry K., 'See, Sir John (1845–1907)', *Australian Dictionary of Biography*, Volume 11, Melbourne University Press, 1988, pp. 560.

Junankar P.N., ‘Are Wage Cuts the Answer? Theory and Evidence’, in Bell S. & Head B., (ed.) *State, Economy and Public Policy in Australia* Oxford University Press, Melbourne, 1994, pp. 88-91.

Kaufman B., ‘Labor Markets and Employment Regulation: The View of the Old Institutionalists’, in Kaufman B., (ed) *Government Regulation of the Employment Relationship*, Industrial Relations Research Association, Madison, pp. 11-56.

McCarthy J., 'Bavin, Sir Thomas Rainsford (Tom) (1874–1941)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp.214.

Martin A.W., ‘Parkes, Sir Henry (1815-1896)’, *Australian Dictionary of Biography,* Vol. 5, Melbourne University Press, 1974, pp. 399-406.

Mansfield B., ‘Dibbs, Sir George Richard (1834-1904)’, *Australian Dictionary of Biography,* Vol. 4, Melbourne University Press, 1972, pp. 65-69.

Markey R., ‘Women and Labour, 1880-1900’, in Windschuttle E. (ed) *Women, Class and History. Feminist Perspectives on Australia 1788-1978,* Fontana/Collins, Melbourne, 1980, pp. 92-102.

McMinn W. G., 'Reid, Sir George Houstoun (1845 - 1918)', *Australian Dictionary of Biography*, Vol. 11, Melbourne University Press, 1988, pp. 347-354.

Nairn B., ‘Davies, John (1839-1896)’, *Australian Dictionary of Biography,* Vol. 4, Melbourne University Press, 1972, pp. 28-29.

Nairn B., 'Garrard, Jacob (1846 - 1931)', *Australian Dictionary of Biography*, Vol. 4, Melbourne University Press, 1972, pp. 234.

B. Nairn, 'Beeby, Sir George Stephenson (1869–1942)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp. 34.

Nairn B., 'Black, George Mure (1854 - 1936)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp. 302-304.

Nairn B., 'Fitzgerald, John Daniel (Jack) (1862–1922)', *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 513-515.

B. Nairn 'Holman, William Arthur (1871–1934)', *Australian Dictionary of Biography*, Vol. 9, Melbourne University Press, 1983, pp. 340.

Nairn B., 'Davis, Thomas Martin (1856 - 1899)', *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 240-241.

Nairn B., 'Lang, John Thomas (Jack) (1876–1975)', *Australian Dictionary of Biography*, Vol. 9, Melbourne University Press, 1983, pp. 661-666.

Nairn B., 'McGowen, James Sinclair Taylor (1855–1922)', *Australian Dictionary of Biography*, Vol. 10, Melbourne University Press, 1986, pp. 373.

Nairn B., 'Storey, John (1869–1921)', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 106.

Patmore G., 'Digging Up the Past: Historical Methods in Industrial Relations Research', in Whitfield K. & Strauss G., (eds.) *Researching the World of Work,* Cornell University Press, Ithaca, 1998, pp. 213-226.

Patmore G., 'Changes in the Nature of Work and Employment Relations: An Historical Perspective', in Callus R. & Lansbury R., (eds.) *Working Futures. The Changing Nature of Work and Employment Relations in Australia,* Federation Press, Sydney, 2002, pp. 27-38.

Patmore G., 'Industrial Conciliation and Arbitration in New South Wales Before 1998', in *Laying the Foundations of Industrial Justice*, Patmore G.,(ed.) Federation Press, Sydney, 2003, pp. 7–11.

Piore M.J., ‘The Dual Labour Market: Theories and Implications’, in Gordon D.M. (ed.) *Problems in Political Economy: An Urban Perspective*, Lexington, Lexington Books, 1971, pp. 90-94.

Ramstad Y., ‘Institutional Economics and Dual Labour Market Theory’ in Tool M. (ed.) *Institutional Economics: Theory, Method, Policy*, Kluwer Academic Publishers, Boston, 1993, pp. 173-233.

Ward J.M., 'Carruthers, Sir Joseph Hector McNeil (1856–1932)', *Australian Dictionary of Biography*, Vol. 7, Melbourne University Press, 1979, pp. 574.

Ward J.M., 'Fuller, Sir George Warburton (1861–1940)', *Australian Dictionary of Biography*, Vol. 8, Melbourne University Press, 1981, pp. 595.

Ward J.M., 'Stevens, Sir Bertram Sydney Barnsdale (1889–1973)', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 74.

Ward J.M., 'Wade, Sir Charles Gregory (1863–1922)', *Australian Dictionary of Biography*, Vol. 12, Melbourne University Press, 1990, pp. 340.

Walwei U., ‘Improving Job-matching through Placement Services’, in Schmid G., O’Reilly J. & Schomann K., (eds.) *International Handbook of Labour Market Policy and Evaluation*, Edward Elgar, Cheltenham, 1996, pp. 402-430.

Webster E., ‘What Role for Labour Market Programs? In S. Bell (ed.) *The Unemployment Crisis In Australia: Which Way Out?* Ambridge University Press, Melbourne, 2000, Ch. 11.

Whipp R., ‘Qualitative Methods: Technique or Size’, in Whitfield K. & Strauss G., (eds.), *Researching the World of Work,* Cornell University Press, Ithaca, 1998, pp. 51-64.

Articles

Anderson C.M., ‘A View of the British Employment Exchanges’, *Harvard Business Review*, Vol. 16, Issue 1, Autumn 1937, pp. 93-104.

Balnave N. & Patmore G., ‘Localism and Rochdale Co-operation: The Junee District Co-operative Society’, *Labour History*, No. 91, November 2006, pp. 47-68.

Beveridge W. H., ‘Labour Exchanges and the Unemployed’, *The Economic Journal*, Vol. 17, No. 65, March 1907, pp. 66-81.

Beveridge W. H., 'Public Labour Exchanges in Germany', *The Economic Journal*, Vol. 18, No. 69, March 1908, pp. 1-18.

Beveridge W. H., 'A Seventeenth Century Labour Exchange: A Correction', *The Economic Journal*, Vol. 24, No. 96, December 1914, pp. 635-363.

Boreham P., Roan A. & Whitehouse G., 'The Regulation of Employment Services: Private Employment Agencies and Labour Market Policy', *Australian Journal of Political Science*, Vol. 29, 1994, pp. 541-555.

Bowles S. & Gintis H., 'The Problem with Human Capital Theory: A Marxian Critique', *The American Economic Review,* Vol. 65, No. 2, May 1975, pp. 74-82.

Buchanan J. &. Callus R, 'Efficiency and Equity at Work: The Need for Labour Market Regulation in Australia', *Journal of Industrial Relations*, no. 35, (4), 1993, pp. 515-537.

Callus R. & Lansbury R., 'Workplace Industrial Relations', *Labour and Industry*, Vol.1, No. 3, 1988, pp. 364-382.

Clark W., 'Production Costs and Output Qualities in Public and Private Employment Services', *Journal of Law and Economics*, Vol. 31, No. 2, 1988, pp. 379-393.

Cornell D., 'How Job Centres do their Job', *New Society*, No. 47, March 1979, pp. 615-616.

Dabscheck B., 'The Australian System of Industrial Relations: An Analytical Model', *Journal of Industrial Relations*, Vol. 22, No. 2, 1980, pp. 216-217.

Dockery A. & Stromback T., 'Devolving Public Employment Services: Preliminary Assessment of the Australian Experience', *International Labour Review*, Vol. 140, No. 4, Winter, 2001, pp. 429-452.

Endres T. & Cook M., 'Administering "The Unemployed Difficulty": The NSW Government Labour Bureau 1892-1912', *Australian Economic History Review*, Vol. 26, No. 1, March 1986, pp. 56-70.

Finkin M.W. & Jacoby S., 'Employment Agencies: An Introduction to the Regulation of Leasing and Employment Agencies', *Comparative Labor Law and Policy Journal*, Vol.23, No. 1, Fall 2001, pp. 1-10.

Frankel E., 'Germany's Regulation of the Labour Market', *The Journal of Political Economy*, Vol. 32, No.2, April 1924, pp. 207-225.

Gahan P. & Harcourt T., 'Labour Markets, Firms and Institutions: Labour Economics and Industrial Relations', *Journal of Industrial Relations*, No. 40, (4), 1998, pp. 508-532.

Gregg P. & Wadsworth J., 'How Effective are the State Employment Agencies? Jobcentre Use and Job Matching in Britain', *Oxford Bulletin of Economics and Statistics*, Vol. 58, No. 3, 1996, pp. 443-467.

Hall R., 'Outsourcing and Contracting-out and Labour Hire: Implications for Human Resource Development in Australian Organisations', *Asia Pacific Journal of Human Resource Management,* Vol. 38, No. 2. pp. 23-41.

Hillard M. & McIntyre R., 'Is there a New Institutional Consensus in Labor Economics', *Journal of Economic Issues*, Vol. 28, No. 2, June 1994, pp. 619-630.

Hughes H., 'The Eight Hour Day and the Development of the Labour Movement in Victorian in the Eighteen Fifties', *Historical Studies,* Vol. 9, No. 36, 1961, pp. 396-7.

Hyman R., 'Contribution to Review Symposium', *Industrial Relations,* Vol. 21, No. 1, 1982, pp. 100-114.

King D., 'The Conservatives and Training Policy 1979-1992: From a Tripartite to a Neo-Liberal Regime', *Political Studies,* Vol.41, 1993, pp. 214-235.

King D. & Rothstein B., 'Government Legitimacy and the Labour Market: A Comparative Analysis of Employment Exchanges', *Public Administration*, Vol. 72, Summer 1994, pp.291-308.

Kubler D., 'Coexistence of Public and Private Job Agencies', *Public Choice*, Vol. 101, No. 1, 1999, pp. 85-107.

Lee J. & Fahey C., 'A Boom for Whom? Some Developments in the Australian Labour Market, 1870-1891', *Labour History*, No. 50, 1986, pp. 1-27.

Leiserson W. M., 'The Theory of Public Employment Offices and the Principles of their Practical Administration' *Political Science Quarterly*, Vol. 29, No. 1, 1914, pp. 28-46.

Mitchell R. & O'Donnell A., 'Employment Agencies: The Regulation of Public and Private Employment Agencies in Australia: An Historical Perspective' *Comparative Labor Law and Policy Journal*, Vol. 23, 2001, pp.7-37.

Markey R., 'New South Wales Trade Unions and the Co-Operative Principle in the 1890s', *Labour History*, no. 49, 1985, pp. 51-60.

Nairn B., 'The Role of the Trades and Labour Council in NSW, 1871-1891', *Historical Studies,* Vol. 7, No. 28, 1957, pp. 421-440.

Nichol W., 'Women and the Trade Union Movement in New South Wales 1890-1900', *Labour History*, No. 36, 1979, pp. 18-30.

O'Donnell A., 'The Public Employment Service in Australia: Regulating Work or Regulating Welfare', *Australian Journal of Labour Law*, No.13, 2000, pp. 143-166.

O'Donnell A., 'Inventing Unemployment: Labour Market Regulation and the Establishment of the Commonwealth Employment Service', *Federal Law Review*, Vol. 31, (2), 2003, pp. 343-372.

Patmore G., 'Labour History and the Labour Process: the New South Wales Railways before 1878', *Australian Historical Studies,* Vol. 23, No. 93, 1989, pp. 426-441.

Patmore G., 'Literature Survey Australian Labour History: A Review of the Literature', *Labour and Industry*, Vol.5, No. 1 & 2, March-June 1993, pp. 33-48.

Plowman D., 'Industrial Relations and the Legacy of New Protection', *Journal of Industrial Relations*, Vol. 34, No. 1, 1992, pp. 59-60.

Quinlan M., 'Early Trade Union Organization in Australia', *Labour and Industry,* Vol. 1, No. 1, 1987, pp. 61-95.

Reeves W.P., 'Mr. Wise's Industrial Arbitration Act', *The Economic Journal*, Vol. 7, No. 3, 1902, pp. 320-326.

Ricca S., 'The Changing Role of Public Employment Services', *International Labour Review*, Vol. 127, No. 1, pp. 19-34.

Scott D., ‘Woman Suffrage: The Movement in Australia’, *Journal of the Royal Australian Historical Society,* Vol. 53, No. 4, 1967, pp. 299-322.

Showler B. & Simon H. A., ‘Theories of Decision-making in Economics and Behavioural Science’, *American Economic Review*, June 1959, pp. 253-283.

Sol E., ‘Targeting on Transitions: Employment Services in the Netherlands’, *Comparative Labor Law and Policy Journal*, Vol.23, 2001, pp. 81-128.

Stigler G.J., ‘The Economics of Information’, *Journal of Political Economy*, 1961, pp. 213-225.

Stigler G.J., ‘Information in the Labour Market’, *Journal of Political Economy*, October 1962, pp. 94-105.

Sol E., ‘Targeting on Transitions: Employment Services in the Netherlands’, *Comparative Labor Law and Policy Journal*, Vol. 23, 2001, pp. 81-128.

Sweetland S., ‘Human Capital Theory: Foundations of a Field of Inquiry’, *Review of Educational Research*, Vol. 66, No. 3, pp. 341-360.

Thomas J., ‘Public Employment Agencies and Unemployment Spells: Reconciling the Experimental and Non-Experimental Evidence’, *Industrial and Labour Relations Review*, Vol. 50, No. 4, 1997, pp. 667-683.

Walker R. B., `The Ambiguous Experiment – Agricultural Co-operatives in New South Wales’, *Labour History*, No. 18, 1970, pp. 19-31.

Zweifel P. & Zaborowski C., ‘Employment Service: Public or Private?,’ *Public Choice*, Vol. 89, No. 1, 1996, pp. 131-162.